

110TH CONGRESS
1ST SESSION

S. 1118

To improve the energy security of the United States by raising average fuel economy standards, and for other purposes.

IN THE SENATE OF THE UNITED STATES

APRIL 16, 2007

Mr. DORGAN (for himself and Mr. CRAIG) introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

A BILL

To improve the energy security of the United States by raising average fuel economy standards, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Fuel Efficiency Energy
5 Act of 2007”.

6 **SEC. 2. DEFINITIONS.**

7 (a) AUTOMOBILE.—Section 32901(a)(3) of title 49,
8 United States Code, is amended—

9 (1) by striking “4-wheeled”; and

1 (2) by striking “, and rated at—” and all that
2 follows and inserting a period.

3 (b) MEDIUM-DUTY TRUCK.—Section 32901(a) of
4 such title is amended—

5 (1) by redesignating paragraphs (14), (15), and
6 (16) as paragraphs (15), (16), and (17), respec-
7 tively; and

8 (2) by inserting after paragraph (13) the fol-
9 lowing:

10 “(14) ‘medium-duty truck’ means a truck (as
11 defined in section 30127) with a gross vehicle weight
12 between 10,000 and 26,000 pounds.”.

13 (c) PASSENGER AUTOMOBILE.—Section
14 32901(a)(17) of such title, as redesignated by subsection
15 (b)(1), is amended by striking “decides by regulation—
16 ” and all that follows through the period and inserting
17 “determines by regulation, to have a significant feature
18 (except 4-wheel drive) designed for off-highway oper-
19 ation.”.

20 (d) FUEL ECONOMY INFORMATION.—Section
21 32908(a) of such title is amended—

22 (1) in the subsection heading, by striking
23 “DEFINITIONS” and inserting “DEFINITION”; and

24 (2) by striking “section—” and all that follows
25 through “(2)” and inserting “section, the term”.

1 **SEC. 3. ANNUAL INCREASE IN AVERAGE FUEL ECONOMY**
2 **STANDARDS.**

3 (a) FUEL EFFICIENCY STANDARDS.—

4 (1) IN GENERAL.—Section 32902 of title 49,
5 United States Code, is amended by striking sub-
6 sections (a) through (c) and inserting the following:

7 “(a) IN GENERAL.—Not later than 18 months before
8 the beginning of each model year beginning with model
9 year 2012, the Secretary of Transportation, shall pre-
10 scribe, by regulation, average fuel economy standards for
11 automobiles manufactured by a manufacturer for that
12 model year in accordance with subsection (b). The Sec-
13 retary of Transportation shall prescribe separate average
14 fuel economy standards for different classes of auto-
15 mobiles. The Secretary shall establish average fuel econ-
16 omy standards for medium-duty trucks that are consistent
17 with the projected benefits of hybridization.

18 “(b) ANNUAL INCREASES IN FUEL ECONOMY STAND-
19 ARDS.—

20 “(1) FOR MODEL YEAR 2012.—For model year
21 2012, the average fuel economy standard for each
22 class of automobiles shall be the average combined
23 highway and city miles per gallon performance of all
24 automobiles within that class of automobiles in 2011
25 (rounded to the nearest $\frac{1}{10}$ mile per gallon).

1 “(2) FOR MODEL YEARS AFTER MODEL YEAR
2 2012.—For each model year beginning with model
3 year 2013 and ending with model year 2030, the av-
4 erage fuel economy attained by the fleet of auto-
5 mobiles manufactured or sold in the United States
6 shall be at least 4 percent greater than the average
7 fuel economy standard for the fleet in the previous
8 model year (rounded to the nearest $\frac{1}{10}$ mile per gal-
9 lon).

10 “(c) AMENDING FUEL ECONOMY STANDARDS.—

11 “(1) IN GENERAL.—Notwithstanding sub-
12 sections (a) and (b), the Secretary of Transportation
13 may prescribe an average fuel economy standard for
14 a class of automobiles in a model year that is lower
15 than the standard required under subsection (b) if
16 the Secretary of Transportation, in consultation with
17 the National Academy of Sciences, determines that
18 the average fuel economy standard prescribed in ac-
19 cordance with subsections (a) and (b) for that class
20 of automobiles in that model year—

21 “(A) is not technologically achievable;

22 “(B) cannot be achieved without materially
23 reducing the overall safety of automobiles man-
24 ufactured or sold in the United States and no

1 offsetting safety improvements can be prac-
2 tically implemented for that model year; or

3 “(C) is shown not to be cost effective.

4 “(2) MAXIMUM STANDARD.—Any average fuel
5 economy standard prescribed for a class of auto-
6 mobiles in a model year under paragraph (1) shall
7 be the maximum standard that—

8 “(A) is technologically achievable;

9 “(B) can be achieved without materially
10 reducing the overall safety of automobiles man-
11 ufactured or sold in the United States; and

12 “(C) is cost effective.

13 “(3) CONSIDERATIONS IN DETERMINATION OF
14 COST EFFECTIVENESS.—In determining cost effec-
15 tiveness under paragraph (1)(C), the Secretary of
16 Transportation shall take into account the total
17 value to the United States of reduced petroleum use,
18 including the value of reducing external costs of pe-
19 troleum use, using a value for such costs equal to 50
20 percent of the value of 1 gallon of gasoline saved or
21 the amount determined in an analysis of the external
22 costs of petroleum use that considers—

23 “(A) value to consumers;

24 “(B) economic security;

25 “(C) national security;

1 “(D) foreign policy;

2 “(E) the impact of oil use—

3 “(i) on sustained cartel rents paid to
4 foreign suppliers;

5 “(ii) on long-run potential gross do-
6 mestic product due to higher normal-mar-
7 ket oil price levels, including inflationary
8 impacts;

9 “(iii) on import costs, wealth trans-
10 fers, and potential gross domestic product
11 due to increased trade imbalances;

12 “(iv) on import costs and wealth
13 transfers during oil shocks;

14 “(v) on macroeconomic dislocation
15 and adjustment costs during oil shocks;

16 “(vi) on the cost of existing energy se-
17 curity policies, including the management
18 of the Strategic Petroleum Reserve;

19 “(vii) on the timing and severity of
20 the oil peaking problem;

21 “(viii) on the risk, probability, size,
22 and duration of oil supply disruptions;

23 “(ix) on the strategic behavior of the
24 Organization of the Petroleum Exporting
25 Countries and long-run oil pricing;

1 “(x) on the short term elasticity of en-
2 ergy demand and the magnitude of price
3 increases resulting from a supply shock;

4 “(xi) on oil imports, military costs,
5 and related security costs, including intel-
6 ligence, homeland security, sea lane secu-
7 rity and infrastructure, and other military
8 activities;

9 “(xii) on oil imports, diplomatic and
10 foreign policy flexibility, and connections to
11 geopolitical strife, terrorism, and inter-
12 national development activities;

13 “(xiii) all relevant environmental haz-
14 ards under the jurisdiction of the Environ-
15 mental Protection Agency; and

16 “(xiv) on well-to-wheels urban and
17 local air emissions of pollutants and their
18 uninternalized costs;

19 “(F) the impact of the oil or energy inten-
20 sity of the United States economy on the sensi-
21 tivity of the economy to oil price changes, in-
22 cluding the magnitude of gross domestic prod-
23 uct losses in response to short term price
24 shocks or long term price increases;

1 “(G) the impact of United States pay-
2 ments for oil imports on political, economic, and
3 military developments in unstable or unfriendly
4 oil-exporting countries;

5 “(H) the uninternalized costs of pipeline
6 and storage oil seepage, and for risk of oil spills
7 from production, handling, and transport, and
8 related landscape damage; and

9 “(I) additional relevant factors, as deter-
10 mined by the Secretary.

11 “(4) MINIMUM VALUATION.—When considering
12 the value to consumers of a gallon of gasoline saved,
13 the Secretary of Transportation may not use a value
14 less than the greatest of—

15 “(A) the average national cost of a gallon
16 of gasoline sold in the United States during the
17 12-month period ending on the date on which
18 the new fuel economy standard is proposed;

19 “(B) the most recent weekly estimate by
20 the Energy Information Administration of the
21 Department of Energy of the average national
22 cost of a gallon of gasoline (all grades) sold in
23 the United States; and

24 “(C) the gasoline prices projected by the
25 Energy Information Administration for the 20-

1 year period beginning in the year following the
2 year in which the standards are established.”.

3 (2) CONFORMING AMENDMENTS.—Title 49,
4 United States Code, is amended—

5 (A) in section 32902—

6 (i) in subsection (d) by striking “sub-
7 section (b) or (c) of this section” and in-
8 serting “subsection (a), (b), or (c)”;

9 (ii) by striking subsection (f);

10 (iii) in subsection (g)—

11 (I) by striking “subsection (a) or
12 (d)” and inserting “this section”; and

13 (II) by striking “(and submit the
14 amendment to Congress when re-
15 quired under subsection (c)(2) of this
16 section)”;

17 (iv) in subsection (h) by striking
18 “subsections (c), (f), and (g) of this sec-
19 tion” and inserting “subsections (c) and
20 (g)”;

21 (B) in section 32903—

22 (i) by striking “section 32902(b)–(d)
23 of this title” each place it occurs and in-
24 serting “subsections (a) through (d) of sec-
25 tion 32902”; and

1 (ii) in subsection (e), by striking “sec-
 2 tion 32902(a) of this title” and inserting
 3 “subsections (a) through (d) of section
 4 32902”; and

5 (C) in section 32904—

6 (i) in subsection (a)—

7 (I) by striking “subject to—”
 8 and all that follows through “(B) sec-
 9 tion 32902(a)–(d) of this title” and
 10 inserting “subject to subsections (a)
 11 through (d) of section 32902”; and

12 (II) by redesignating clauses (i)
 13 and (ii) as subparagraphs (A) and
 14 (B), respectively.

15 (b) REPEAL OF CREDIT FOR DUAL FUELED AUTO-
 16 MOBILES.—

17 (1) IN GENERAL.—Section 32905 of title 49,
 18 United States Code, is amended—

19 (A) by amending subsection (b) to read as
 20 follows:

21 “(b) DUAL FUELED AUTOMOBILES.—The Adminis-
 22 trator of the Environmental Protection Agency shall meas-
 23 ure the fuel economy for any model of dual fueled auto-
 24 mobile manufactured in model year 2012 and any model
 25 year thereafter, in accordance with section 32904.”; and

1 (B) by amending subsection (d) to read as
2 follows:

3 “(d) GASEOUS FUEL DUAL FUELED AUTO-
4 MOBILES.—The Administrator of the Environmental Pro-
5 tection Agency shall measure the fuel economy for any
6 model of gaseous fuel dual fueled automobile manufac-
7 tured in model year 2012 and any model year thereafter,
8 in accordance with section 32904.”.

9 (2) CONFORMING AMENDMENTS.—Section
10 32905 of such title is further amended—

11 (A) by striking subsection (f); and

12 (B) redesignating subsections (g) and (h)
13 as subsections (f) and (g), respectively.

14 **SEC. 4. REQUIREMENT TO INCREASE PERCENTAGE OF**
15 **DUAL FUELED AUTOMOBILES.**

16 Section 32902 of title 49, United States Code, as
17 amended by section 3, is further amended by inserting
18 after subsection (e) the following:

19 “(f) REQUIREMENT FOR ANNUAL INCREASE IN DUEL
20 FUELED AUTOMOBILES.—Each manufacturer shall en-
21 sure that the percentage of automobiles manufactured by
22 such manufacturer in each of model years 2012 through
23 2022 that are dual fueled automobiles is not less than 10
24 percent greater than the percentage of automobiles manu-

1 factured by such manufacturer in the previous model year
2 that are dual fueled automobiles.”.

3 **SEC. 5. EFFECTIVE DATE.**

4 The amendments made by this Act shall—

5 (1) take effect on January 1, 2010; and

6 (2) apply to automobiles manufactured for
7 model year 2012 and for each subsequent model
8 year.

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