

111TH CONGRESS
1ST SESSION

S. 1248

To establish a program in the Department of Energy to encourage consumers to trade-in older vehicles for more fuel-efficient vehicles and motorcycles, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 11, 2009

Mr. CASEY introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To establish a program in the Department of Energy to encourage consumers to trade-in older vehicles for more fuel-efficient vehicles and motorcycles, 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 “Green Transportation
5 Efficiency Act of 2009”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act:

1 (1) AUTOMOBILE.—The term “automobile” has
2 the meaning given the term in section 32901(a) of
3 title 49, United States Code.

4 (2) CATEGORY 1 TRUCK.—

5 (A) IN GENERAL.—The term “category 1
6 truck” means a non-passenger automobile that
7 has a combined fuel economy value of at least
8 18 miles per gallon.

9 (B) EXCLUSION.—The term “category 1
10 truck” does not include a category 2 truck.

11 (3) CATEGORY 2 TRUCK.—The term “category
12 2 truck” means a non-passenger automobile that is
13 a large van or a large pickup, as categorized by the
14 Secretary using the method used by the Environ-
15 mental Protection Agency and described in the re-
16 port entitled “Light-Duty Automotive Technology
17 and Fuel Economy Trends: 1975 through 2008”.

18 (4) CATEGORY 3 TRUCK.—The term “category
19 3 truck” means a work truck.

20 (5) COMBINED FUEL ECONOMY VALUE.—The
21 term “combined fuel economy value” means—

22 (A) in the case of a qualifying vehicle, the
23 number, expressed in miles per gallon, centered
24 below the term “Combined Fuel Economy” on
25 the label required to be affixed or caused to be

1 affixed on a qualifying vehicle pursuant to part
2 600 of title 40, Code of Federal Regulations (or
3 comparable regulations);

4 (B) in the case of an eligible trade-in vehi-
5 cle, the equivalent of the number described in
6 subparagraph (A) that is posted—

7 (i) under the term “Estimated New
8 EPA MPG” and above the term “Com-
9 bined” for vehicles of model years 1984
10 through 2007; or

11 (ii) under the term “New EPA MPG”
12 and above the term “Combined” for vehi-
13 cles of model year 2008 or later on the fuel
14 economy website of the Environmental
15 Protection Agency for the make, model,
16 and year of the vehicle; or

17 (C) in the case an eligible trade-in vehicle
18 manufactured during model years 1978 through
19 1984, the equivalent of the number described in
20 subparagraph (A), as determined by the Sec-
21 retary (and posted on the website of the Na-
22 tional Highway Traffic Safety Administration)
23 using data maintained by the Environmental
24 Protection Agency for the make, model, and
25 year of the eligible trade-in vehicle.

1 (6) DEALER.—The term “dealer” means a per-
2 son licensed by a State who engages in the sale of
3 new automobiles to ultimate purchasers.

4 (7) ELIGIBLE TRADE-IN VEHICLE.—The term
5 “eligible trade-in vehicle” means an automobile,
6 work truck, or motorcycle that, at the time the auto-
7 mobile, work truck, or motorcycle is presented for
8 trade-in under this Act—

9 (A) is in drivable condition;

10 (B) has been continuously insured con-
11 sistent with the applicable State law and reg-
12 istered to the same owner for a period of not
13 less than 1 year immediately prior to the trade-
14 in;

15 (C) was manufactured less than 25 years
16 before the date of the trade-in; and

17 (D) in the case of an automobile, has a
18 combined fuel economy value of 18 miles per
19 gallon or less.

20 (8) MOTORCYCLE.—The term “motorcycle”
21 means a motor vehicle with motive power having a
22 seat or saddle for the use of the rider and designed
23 to travel on not more than 3 wheels in contact with
24 the ground.

1 (9) NEW FUEL-EFFICIENT AUTOMOBILE.—The
2 term “new fuel-efficient automobile” means a pas-
3 senger automobile, category 1 truck, category 2
4 truck, or category 3 truck—

5 (A) the equitable or legal title of which has
6 not been transferred to any person other than
7 the ultimate purchaser;

8 (B) that carries a manufacturer’s sug-
9 gested retail price of \$45,000 or less;

10 (C) that—

11 (i) in the case of a passenger auto-
12 mobile, category 1 truck, or category 2
13 truck, is certified to applicable standards
14 established under section 86.1811–04 of
15 title 40, Code of Federal Regulations (or a
16 successor regulation); or

17 (ii) in the case of a category 3 truck,
18 is certified to the applicable vehicle or en-
19 gine standards established under section
20 86.1816–08, 86.007–11, or 86.008–10 of
21 title 40, Code of Federal Regulations (or
22 successor regulations); and

23 (D) that has the combined fuel economy
24 value of—

1 (i) in the case of a passenger auto-
2 mobile, 22 miles per gallon;

3 (ii) in the case of a category 1 truck,
4 18 miles per gallon; and

5 (iii) in the case of a category 2 truck
6 or a category 3 truck, 15 miles per gallon.

7 (10) NEW FUEL-EFFICIENT MOTORCYCLE.—
8 The term “new fuel-efficient motorcycle” means a
9 motorcycle—

10 (A) the equitable or legal title of which has
11 not been transferred to any person other than
12 the ultimate purchaser;

13 (B) that carries a manufacturer’s sug-
14 gested retail price of not less than \$7,000 and
15 not more than \$20,000; and

16 (C) that has a manufacturer’s estimated
17 combined fuel economy of at least 40 miles per
18 gallon.

19 (11) NON-PASSENGER AUTOMOBILE.—The term
20 “non-passenger automobile” has the meaning given
21 the term in section 32901(a) of title 49, United
22 States Code.

23 (12) PASSENGER AUTOMOBILE.—The term
24 “passenger automobile” means a passenger auto-
25 mobile (as defined in section 32901(a) of title 49,

1 United States Code) that has a combined fuel econ-
2 omy value of at least 22 miles per gallon.

3 (13) PROGRAM.—The term “Program” means
4 the Green Transportation Efficiency Program estab-
5 lished by section 3.

6 (14) QUALIFYING LEASE.—The term “quali-
7 fying lease” means a lease of an automobile for a
8 period of not less than 5 years.

9 (15) QUALIFYING VEHICLE.—The term “quali-
10 fying vehicle” means—

11 (A) a new fuel-efficient automobile; or

12 (B) a new fuel-efficient motorcycle.

13 (16) SCRAPPAGE VALUE.—The term
14 “scrapage value” means the amount received by the
15 dealer for a vehicle on transferring title of the vehi-
16 cle to the person responsible for ensuring the dis-
17 mantling and destroying of the vehicle.

18 (17) SECRETARY.—The term “Secretary”
19 means the Secretary of Energy.

20 (18) ULTIMATE PURCHASER.—The term “ulti-
21 mate purchaser” means, in the case of any quali-
22 fying vehicle, the first person who in good faith pur-
23 chases the qualifying vehicle for purposes other than
24 resale.

1 (19) VEHICLE IDENTIFICATION NUMBER.—The
2 term “vehicle identification number” means the 17-
3 character number used by the automobile industry
4 to identify individual automobiles.

5 (20) WORK TRUCK.—The term “work truck”
6 has the meaning given the term in section 32901(a)
7 of title 49, United States Code.

8 **SEC. 3. GREEN TRANSPORTATION EFFICIENCY PROGRAM.**

9 (a) ESTABLISHMENT.—There is established in the
10 Department of Energy a voluntary program to be known
11 as the “Green Transportation Efficiency Program” under
12 which the Secretary, in accordance with this section and
13 regulations issued under subsection (h), shall—

14 (1) authorize the issuance of an electronic
15 voucher in accordance with subsection (c) to offset
16 the purchase price, or lease price for a qualifying
17 lease, of a qualifying vehicle on the surrender of an
18 eligible trade-in vehicle to a dealer participating in
19 the Program;

20 (2) certify dealers for participation in the Pro-
21 gram—

22 (A) to accept vouchers in accordance with
23 this section as partial payment or down pay-
24 ment for the purchase or qualifying lease of any

1 qualifying vehicle offered for sale or lease by
2 the dealer; and

3 (B) in accordance with subsection (c)(2),
4 to transfer each eligible trade-in vehicle surren-
5 dered to the dealer to an entity for disposal;

6 (3) in consultation with the Secretary of the
7 Treasury, make electronic payments to dealers for
8 vouchers accepted by the dealers, in accordance with
9 the regulations issued under subsection (h);

10 (4) in consultation with the Secretary of the
11 Treasury, provide for the payment of rebates to per-
12 sons who qualify for a rebate under subsection
13 (c)(3); and

14 (5) in consultation with the Secretary of the
15 Treasury and the Inspector General of the Depart-
16 ment of Energy, establish and provide for the en-
17 forcement of measures to prevent and penalize fraud
18 under the Program.

19 (b) QUALIFICATIONS FOR AND VALUE OF VOUCH-
20 ERS.—

21 (1) IN GENERAL.—A voucher issued under the
22 Program shall have a value that may be applied to
23 offset the purchase price, or lease price for a quali-
24 fying lease, of a qualifying vehicle in accordance with
25 this subsection.

1 (2) NEW FUEL-EFFICIENT AUTOMOBILES.—

2 (A) \$3,500 VALUE.—A voucher may be
3 used to offset the purchase price or lease price
4 of a new fuel-efficient automobile by \$3,500 if
5 the new fuel-efficient automobile is—

6 (i) a passenger automobile and the
7 combined fuel economy value of the pas-
8 senger automobile is at least 4 miles per
9 gallon higher than the combined fuel econ-
10 omy value of the eligible trade-in vehicle;

11 (ii) a category 1 truck and the com-
12 bined fuel economy value of the category 1
13 truck is at least 2 miles per gallon higher
14 than the combined fuel economy value of
15 the eligible trade-in vehicle;

16 (iii) a category 2 truck that has a
17 combined fuel economy value of at least 15
18 miles per gallon and—

19 (I) the eligible trade-in vehicle is
20 a category 2 truck and the combined
21 fuel economy value of the new fuel-ef-
22 ficient automobile is at least 1 mile
23 per gallon higher than the combined
24 fuel economy value of the eligible
25 trade-in vehicle; or

1 (II) the eligible trade-in vehicle is
2 a category 3 truck of model year 2001
3 or earlier; or

4 (iv) a category 3 truck and the eligible
5 trade-in vehicle is a category 3 truck of
6 model year of 2001 or earlier and is of
7 similar size or larger than the new fuel-ef-
8 ficient automobile, as determined in a
9 manner prescribed by the Secretary.

10 (B) \$4,500 VALUE.—A voucher may be
11 used to offset the purchase price or lease price
12 of the new fuel-efficient automobile by \$4,500 if
13 the new fuel-efficient automobile is—

14 (i) a passenger automobile and the
15 combined fuel economy value of the pas-
16 senger automobile is at least 10 miles per
17 gallon higher than the combined fuel econ-
18 omy value of the eligible trade-in vehicle;

19 (ii) a category 1 truck and the com-
20 bined fuel economy value of the category 1
21 truck is at least 5 miles per gallon higher
22 than the combined fuel economy value of
23 the eligible trade-in vehicle; or

24 (iii) a category 2 truck that has a
25 combined fuel economy value of at least 15

1 miles per gallon and the combined fuel
2 economy value of the category 2 truck is 2
3 miles per gallon higher than the combined
4 fuel economy value of the eligible trade-in
5 vehicle and the eligible trade-in vehicle is a
6 category 2 truck.

7 (3) NEW FUEL-EFFICIENT MOTORCYCLES.—A
8 voucher may be used to offset the purchase price of
9 the new fuel-efficient motorcycle by \$2,500 if—

10 (A) the new fuel-efficient motorcycle is
11 street-use approved; and

12 (B) the manufacturer's estimated com-
13 bined fuel economy is at least 15 miles higher
14 than the combined fuel economy value of the el-
15 igible trade-in vehicle.

16 (c) PROGRAM SPECIFICATIONS.—

17 (1) LIMITATIONS.—

18 (A) GENERAL PERIOD OF ELIGIBILITY.—A
19 voucher issued under the Program shall be used
20 only for the purchase or qualifying lease of a
21 qualifying vehicle that occurs during the pe-
22 riod—

23 (i) beginning on January 1, 2009; and

1 (ii) ending on the date that is 3 years
2 after the date on which the regulations
3 issued under subsection (h) are issued.

4 (B) NUMBER OF VOUCHERS PER PERSON
5 AND PER TRADE-IN VEHICLE.—

6 (i) SINGLE PERSON.—Not more than
7 1 voucher may be issued for a single per-
8 son.

9 (ii) JOINT REGISTERED OWNERS.—
10 Not more than 1 voucher may be issued
11 for the joint registered owners of a single
12 eligible trade-in vehicle.

13 (C) NO COMBINATION OF VOUCHERS.—
14 Only 1 voucher issued under the Program may
15 be applied toward the purchase or qualifying
16 lease of a qualifying vehicle.

17 (D) LIMITATION ON FUNDS FOR CAT-
18 EGORY 3 TRUCKS AND MOTORCYCLES.—Not
19 more than 7.5 percent and 15 percent of the
20 total funds made available for the Program
21 shall be used for vouchers for the purchase or
22 qualifying lease of category 3 trucks and motor-
23 cycles, respectively.

24 (E) COMBINATION WITH OTHER INCEN-
25 TIVES PERMITTED.—The availability or use of a

1 Federal, State, or local incentive or a State-
2 issued voucher for the purchase or lease of a
3 qualifying vehicle shall not limit the value or
4 issuance of a voucher under the Program to any
5 person otherwise eligible to receive the voucher.

6 (F) NO ADDITIONAL FEES.—A dealer par-
7 ticipating in the Program may not charge a
8 person purchasing or leasing a qualifying vehi-
9 cle any additional fees associated with the use
10 of a voucher under the Program.

11 (G) NUMBER AND AMOUNT.—The total
12 number and value of vouchers issued under the
13 Program may not exceed the amounts made
14 available for vouchers under subsection (i).

15 (2) DISPOSITION OF ELIGIBLE TRADE-IN VEHI-
16 CLES.—

17 (A) IN GENERAL.—Subject to subpara-
18 graph (B), for each eligible trade-in vehicle sur-
19 rendered to a dealer under the Program, the
20 dealer shall certify to the Secretary, in such
21 manner as the Secretary shall prescribe by reg-
22 ulation, that the dealer—

23 (i) has not and will not sell, lease, ex-
24 change, or otherwise dispose of the eligible
25 trade-in vehicle for use as an automobile in

1 the United States or in any other country;

2 and

3 (ii) will transfer the eligible trade-in
4 vehicle (including the engine and drive
5 train), in such manner as the Secretary
6 prescribes, to an entity that will ensure
7 that the eligible trade-in vehicle—

8 (I) will be crushed or shredded
9 within such period and in such man-
10 ner as the Secretary prescribes; and

11 (II) has not been, and will not
12 be, sold, leased, exchanged, or other-
13 wise disposed of for use as an auto-
14 mobile in the United States or in any
15 other country.

16 (B) SALE OF PARTS.—Nothing in subpara-
17 graph (A) prevents a person who dismantles or
18 disposes of an eligible trade-in vehicle from—

19 (i) selling any parts of the disposed el-
20 igible trade-in vehicle other than the en-
21 gine block and drive train (unless the en-
22 gine or drive train has been crushed or
23 shredded); or

24 (ii) retaining the proceeds from the
25 sale.

1 (C) COORDINATION.—

2 (i) IN GENERAL.—The Secretary shall
3 coordinate with the Attorney General and
4 the Secretary of Transportation to ensure
5 that the National Motor Vehicle Title In-
6 formation System and other publicly acces-
7 sible systems are appropriately updated on
8 a timely basis to reflect the crushing or
9 shredding of eligible trade-in vehicles
10 under this section and appropriate reclassi-
11 fication of the titles of the eligible trade-in
12 vehicles.

13 (ii) ACCESS TO VINS.—The commer-
14 cial market shall have electronic and com-
15 mercial access to the vehicle identification
16 numbers of eligible trade-in vehicles that
17 have been disposed of on a timely basis.

18 (3) ELIGIBLE PURCHASES OR LEASES PRIOR TO
19 DATE OF ENACTMENT.—A person who purchased or
20 leased a qualifying vehicle after January 1, 2009,
21 and before the date of the enactment of this Act,
22 shall be eligible for a cash rebate equivalent to the
23 amount described in subsection (b)(2)(A) if the per-
24 son proves to the satisfaction of the Secretary
25 that—

1 (A)(i) the person was the registered owner
2 of an eligible trade-in vehicle; or

3 (ii) if the person leased the qualifying vehi-
4 cle, the lease was a qualifying lease; and

5 (B) the eligible trade-in vehicle has been
6 disposed of in accordance with paragraph
7 (2)(A).

8 (d) ANTI-FRAUD PROVISIONS.—

9 (1) VIOLATION.—It shall be unlawful for any
10 person to knowingly violate this section (including a
11 regulation issued pursuant to subsection (h)).

12 (2) PENALTIES.—Any person who commits a
13 violation described in paragraph (1) shall be liable to
14 the United States Government for a civil penalty of
15 not more than \$15,000 for each violation.

16 (e) INFORMATION TO CONSUMERS AND DEALERS.—

17 (1) IN GENERAL.—Not later than 60 days after
18 the date of the enactment of this Act and promptly
19 on the updating of any applicable information, the
20 Secretary shall make available on an Internet
21 website and through other means determined by the
22 Secretary information about the Program, includ-
23 ing—

24 (A) how to determine if a vehicle is an eli-
25 gible trade-in vehicle;

1 (B) how to participate in the Program, in-
2 cluding how to determine participating dealers;
3 and

4 (C) a comprehensive list, by make and
5 model, of qualifying vehicles meeting the re-
6 quirements of the Program.

7 (2) PUBLIC AWARENESS CAMPAIGN.—Once in-
8 formation described in paragraph (1) is available,
9 the Secretary shall conduct a public awareness cam-
10 paign to inform consumers about the Program and
11 where to obtain additional information.

12 (f) RECORDKEEPING AND REPORT.—

13 (1) DATABASE.—The Secretary, in coordination
14 with the Secretary of Transportation, shall maintain
15 a database of the vehicle identification numbers of
16 all qualifying vehicles purchased or leased and all el-
17 igible trade-in vehicles disposed of under the Pro-
18 gram.

19 (2) REPORT.—Not later than 60 days after the
20 termination date described in subsection
21 (c)(1)(A)(ii), the Secretary shall submit to the Com-
22 mittee on Energy and Commerce of the House of
23 Representatives and the Committee on Commerce,
24 Science, and Transportation of the Senate a report

1 that describes the efficacy of the Program, includ-
2 ing—

3 (A) a description of Program results, in-
4 cluding—

5 (i) the total number and amount of
6 vouchers issued for purchase or lease of
7 qualifying vehicles by manufacturer (in-
8 cluding aggregate information concerning
9 the make, model, model year, and category
10 of automobile and motorcycle);

11 (ii) aggregate information regarding
12 the make, model, model year, and manu-
13 facturing location of eligible trade-in vehi-
14 cles traded in under the Program; and

15 (iii) the location of sale or lease;

16 (B) an estimate of the overall increase in
17 fuel efficiency in terms of miles per gallon, total
18 annual oil savings, and total annual greenhouse
19 gas reductions, as a result of the Program; and

20 (C) an estimate of the overall economic
21 and employment effects of the Program.

22 (g) EXCLUSION OF VOUCHERS AND REBATES FROM
23 INCOME.—

24 (1) FOR PURPOSES OF ALL FEDERAL PRO-
25 GRAMS.—A voucher issued under the Program or a

1 cash rebate issued under subsection (c)(3) shall not
2 be regarded as income and shall not be regarded as
3 a resource for the month of receipt of the voucher
4 or rebate and the following 12 months, for purposes
5 of determining the eligibility of the recipient of the
6 voucher or rebate (or the spouse or other family or
7 household member of the recipient) for benefits or
8 assistance, or the amount or extent of benefits or as-
9 sistance, under any Federal program.

10 (2) FOR PURPOSES OF TAXATION.—A voucher
11 issued under the Program or a cash rebate issued
12 under subsection (c)(3) shall not be considered as
13 gross income for purposes of the Internal Revenue
14 Code of 1986.

15 (h) REGULATIONS.—Notwithstanding section 553 of
16 title 5, United States Code, not later than 30 days after
17 the date of the enactment of this Act, the Secretary shall
18 issue final regulations to implement the Program, includ-
19 ing regulations that—

20 (1) provide for a means of certifying dealers for
21 participation in the Program;

22 (2) establish procedures for the reimbursement
23 of dealers participating in the Program to be made
24 through electronic transfer of funds for both the
25 amount of the vouchers and any reasonable adminis-

1 trative costs incurred by the dealer as soon as prac-
2 ticable but not later than 10 days after the submis-
3 sion to the Secretary of a voucher for a qualifying
4 vehicle;

5 (3) allow the dealer to use the voucher in addi-
6 tion to any other rebate or discount offered by the
7 dealer or the manufacturer for a qualifying vehicle
8 and prohibit the dealer from using the voucher to
9 offset any such other rebate or discount;

10 (4) require dealers to disclose to the person
11 trading in an eligible trade-in vehicle the best esti-
12 mate of the scrappage value of the vehicle and to
13 permit the dealer to retain \$50 of any amounts paid
14 to the dealer for scrappage of the eligible trade-in
15 vehicle as payment for any administrative costs to
16 the dealer associated with participation in the Pro-
17 gram;

18 (5) establish a process by which persons who
19 qualify for a rebate under subsection (c)(3) may
20 apply for the rebate;

21 (6) consistent with subsection (c)(2), establish
22 requirements and procedures for the disposal of eli-
23 gible trade-in vehicles and provide such information
24 as may be necessary to entities engaged in the dis-
25 posal to ensure that the eligible trade-in vehicles are

1 disposed of in accordance with the requirements and
2 procedures, including—

3 (A) requirements for the removal and ap-
4 propriate disposition of refrigerants, antifreeze,
5 lead products, mercury switches, and such other
6 toxic or hazardous vehicle components prior to
7 the crushing or shredding of an eligible trade-
8 in vehicle, in accordance with procedures estab-
9 lished by the Secretary in consultation with the
10 Administrator of the Environmental Protection
11 Agency, and in accordance with other applicable
12 Federal and State requirements;

13 (B) a mechanism for dealers to certify to
14 the Secretary that each eligible trade-in vehicle
15 will be transferred to an entity that will ensure
16 that the eligible trade-in vehicle is disposed of,
17 in accordance with the requirements and proce-
18 dures, and to submit the vehicle identification
19 numbers of the vehicles disposed of and the
20 qualifying vehicle purchased with each voucher;
21 and

22 (C) a list of entities to which dealers may
23 transfer eligible trade-in vehicles for disposal;

24 (7) consistent with subsection (c)(2), establish
25 requirements and procedures for the disposal of eli-

1 gible trade-in vehicles and provide such information
2 as may be necessary to entities engaged in the dis-
3 posal to ensure that the eligible trade-in vehicles are
4 disposed of in accordance with the requirements and
5 procedures; and

6 (8) provide for the enforcement of the penalties
7 described in subsection (d).

8 (i) FUNDING.—From the amounts made available
9 under the American Recovery and Reinvestment Act of
10 2009 (Public Law 111–5), the Director of the Office of
11 Management and Budget may allocate such sums as the
12 Director determines are necessary to carry out this Act.

○