

SA 4717. Mr. LAUTENBERG (for himself, Mr. MENENDEZ, and Mr. LIEBERMAN) submitted an amendment intended to be proposed by him to the bill S. 3711, supra; which was ordered to lie on the table.

SA 4718. Mr. LAUTENBERG (for himself and Mr. MENENDEZ) submitted an amendment intended to be proposed by him to the bill S. 3711, supra; which was ordered to lie on the table.

SA 4719. Mr. BINGAMAN submitted an amendment intended to be proposed by him to the bill S. 3711, supra; which was ordered to lie on the table.

SA 4720. Mr. MENENDEZ (for himself, Ms. CANTWELL, Mr. LIEBERMAN, and Mr. LAUTENBERG) submitted an amendment intended to be proposed by him to the bill S. 3711, supra; which was ordered to lie on the table.

SA 4721. Mr. MENENDEZ (for himself, Ms. SNOWE, Mrs. FEINSTEIN, Ms. COLLINS, Mr. LAUTENBERG, Mrs. BOXER, Mr. REED, Mr. NELSON, of Florida, Mr. LIEBERMAN, Ms. CANTWELL, Mr. KERRY, Mr. SARBANES, Mr. DODD, Mr. KENNEDY, and Mr. BIDEN) submitted an amendment intended to be proposed by him to the bill S. 3711, supra; which was ordered to lie on the table.

SA 4722. Mr. MENENDEZ (for himself, Mr. LIEBERMAN, Mr. LAUTENBERG, and Ms. CANTWELL) submitted an amendment intended to be proposed by him to the bill S. 3711, supra; which was ordered to lie on the table.

SA 4723. Mr. MENENDEZ (for himself, Mr. LIEBERMAN, Ms. CANTWELL, and Mr. LAUTENBERG) submitted an amendment intended to be proposed by him to the bill S. 3711, supra; which was ordered to lie on the table.

SA 4724. Mr. MENENDEZ (for himself, Mr. LAUTENBERG, Mr. LIEBERMAN, and Ms. CANTWELL) submitted an amendment intended to be proposed by him to the bill S. 3711, supra; which was ordered to lie on the table.

SA 4725. Mr. MENENDEZ (for himself, Mr. LAUTENBERG, Ms. CANTWELL, and Mr. LIEBERMAN) submitted an amendment intended to be proposed by him to the bill S. 3711, supra; which was ordered to lie on the table.

SA 4726. Mr. MENENDEZ (for himself, Ms. CANTWELL, Mr. LAUTENBERG, and Mr. LIEBERMAN) submitted an amendment intended to be proposed by him to the bill S. 3711, supra; which was ordered to lie on the table.

SA 4727. Mrs. BOXER submitted an amendment intended to be proposed by her to the bill S. 3711, supra; which was ordered to lie on the table.

SA 4728. Mrs. BOXER (for herself and Mrs. FEINSTEIN) submitted an amendment intended to be proposed by her to the bill S. 3711, supra; which was ordered to lie on the table.

SA 4729. Mrs. BOXER submitted an amendment intended to be proposed by her to the bill S. 3711, supra; which was ordered to lie on the table.

SA 4730. Mrs. CLINTON submitted an amendment intended to be proposed by her to the bill S. 3711, supra; which was ordered to lie on the table.

SA 4731. Mrs. CLINTON submitted an amendment intended to be proposed by her to the bill S. 3711, supra; which was ordered to lie on the table.

SA 4732. Mrs. CLINTON submitted an amendment intended to be proposed by her to the bill S. 3711, supra; which was ordered to lie on the table.

SA 4733. Mrs. CLINTON submitted an amendment intended to be proposed by her to the bill S. 3711, supra; which was ordered to lie on the table.

SA 4734. Mr. LAUTENBERG submitted an amendment intended to be proposed by him to the bill S. 3711, supra; which was ordered to lie on the table.

SA 4735. Mr. LAUTENBERG submitted an amendment intended to be proposed by him

to the bill S. 3711, supra; which was ordered to lie on the table.

SA 4736. Mr. BIDEN submitted an amendment intended to be proposed to amendment SA 4713 proposed by Mr. FRIST to the bill S. 3711, supra; which was ordered to lie on the table.

SA 4737. Mr. DAYTON submitted an amendment intended to be proposed by him to the bill S. 3711, supra; which was ordered to lie on the table.

SA 4738. Mr. KYL (for himself and Mr. DEWINE) submitted an amendment intended to be proposed by him to the bill S. 3711, supra; which was ordered to lie on the table.

TEXT OF AMENDMENTS

SA 4712. Mr. COLEMAN (for himself and Mr. TALENT) submitted an amendment intended to be proposed by him to the bill S. 3711, to enhance the energy independence and security of the United States by providing for exploration, development, and production activities for mineral resources in the Gulf of Mexico, and for other purposes; which was ordered to lie on the table; as follows:

On page 18, after line 17, add the following:
SEC. 6. ENERGY SECURITY.

(a) **SHORT TITLE.**—This section may be cited as the “Transforming Energy Now Act of 2006”.

(b) **TAX CREDITS.**—

(1) **INCREASE IN ALTERNATIVE FUEL VEHICLE REFUELING PROPERTY CREDIT.**—Section 30C(a) of the Internal Revenue Code of 1986 is amended by striking “30 percent” and inserting “50 percent”.

(2) **AMT RELIEF.**—

(A) **PERSONAL CREDIT.**—Paragraph (2) of section 30C(d) of the Internal Revenue Code of 1986 is amended by striking “the excess (if any) of” and all that follows and inserting “the excess of—

“(A) the sum of the regular tax liability (as defined under section 26(b)) plus the tax imposed by section 55, over

“(B) the sum of the credits allowable under subpart A and sections 27, 30, and 30B.”.

(B) **BUSINESS CREDIT AMOUNT.**—Subparagraph (B) of section 38(c)(4) of the Internal Revenue Code of 1986 is amended—

(i) in clause (i), by striking “and” at the end;

(ii) in clause (ii)(II), by striking the period at the end and inserting “. and”; and

(iii) by adding at the end the following:

“(iii) the portion of the credit under section 30C which is treated as a credit under this section by reason of section 30C(d)(1).”.

(3) **EFFECTIVE DATE.**—The amendments made by this subsection shall apply to property placed in service after December 31, 2005, in taxable years ending after such date.

(c) **USE OF CAFE PENALTIES TO BUILD ALTERNATIVE FUELING INFRASTRUCTURE.**—Section 32912 of title 49, United States Code, is amended by adding at the end the following:

“(e) **ALTERNATIVE FUELING INFRASTRUCTURE GRANT PROGRAM.**—

“(1) **TRUST FUND.**—

“(A) **ESTABLISHMENT.**—There is established in the Treasury of the United States a trust fund, to be known as the Alternative Fueling Infrastructure Trust Fund (referred to in this subsection as the “Trust Fund”), consisting of such amounts as are deposited into the Trust Fund under subparagraph (B) and any interest earned on investment of amounts in the Trust Fund.

“(B) **TRANSFERS OF CIVIL PENALTIES.**—The Secretary of Transportation shall remit 90 percent of the amount collected in civil penalties under this section to the Trust Fund.

“(2) **ESTABLISHMENT OF GRANT PROGRAM.**—

“(A) **IN GENERAL.**—The Secretary of Energy shall obligate such sums as are available in the Trust Fund to establish a grant program to increase the number of locations at which consumers may purchase alternative transportation fuels.

“(B) **ALLOCATION TO CORPORATE AND NON-PROFIT ENTITIES.**—The Secretary shall allocate such sums from the Trust Fund as the Secretary considers appropriate to corporations (including nonprofit corporations) with demonstrated experience in the administration of grant funding. Corporations shall use funds received under this paragraph to award grants to owners and operators of fueling stations for the purpose of developing alternative fueling infrastructure for specific types of alternative fuels that can be used in at least 50,000 vehicles produced in the United States in the prior vehicle production year.

“(C) **CONSIDERATIONS.**—In making allocations under subparagraph (A), the Secretary shall—

“(i) give priority to recognized nonprofit corporations that have proven experience and demonstrated technical expertise in the establishment of alternative fueling infrastructure;

“(ii) consider the number of vehicles produced for sale in the preceding production year capable of using each specific type of alternative fuel; and

“(iii) identify 1 primary group per alternative fuel.

“(D) **MATCHING REQUIREMENT.**—The Secretary may not allocate funds to a corporation under this paragraph unless such corporation agrees to provide \$1 of non-Federal contributions for every \$3 of Federal funding received under this paragraph.

“(E) **LIMITATION ON ADMINISTRATIVE EXPENSES.**—A corporation may not expend more than 5 percent of the total allocation provided under this paragraph on administrative expenses.

“(F) **TECHNICAL AND MARKETING ASSISTANCE.**—Corporations receiving an allocation under subparagraph (A) shall provide grant recipients under paragraph (3) with technical and marketing assistance, including—

“(i) technical advice for compliance with applicable Federal and State environmental requirements;

“(ii) assistance in identifying alternative fuel supply sources; and

“(iii) point of sale and labeling materials.

“(3) **ADMINISTRATION OF GRANTS.**—

“(A) **DIRECT GRANTS TO FUEL STATION OWNERS AND OPERATORS.**—The Secretary of Energy shall award grants directly to owners and operators of fueling stations for the purpose of installing alternative fuel infrastructure for specific types of alternative fuels that can be used in fewer than 50,000 vehicles produced in the United States in the prior vehicle production year.

“(B) **GRANT RECIPIENT.**—Corporations receiving an allocation under paragraph (2), and the Secretary of Energy under subparagraph (A), shall award grants to owners and operators of fueling stations in an amount not greater than—

“(i) \$150,000 per site; or

“(ii) \$500,000 per entity.

“(C) **SELECTION.**—Grant recipients under this paragraph shall be selected on a formal, open, and competitive basis, based on—

“(i) the public demand for each alternative fuel in a particular county based on state registration records showing the number of vehicles that can be operated with alternative fuel; and

“(ii) the opportunity to create or expand corridors of alternative fuel stations along interstate or State highways.

“(D) USE OF FUNDS.—Grant funds received under this paragraph may be used to—

“(i) construct new facilities to dispense alternative fuels;

“(ii) purchase equipment to upgrade, expand, or otherwise improve existing alternative fuel facilities; or

“(iii) purchase equipment or pay for specific turnkey fueling services by alternative fuel providers.

“(E) MATCHING REQUIREMENT.—A recipient of a grant under this paragraph shall agree to provide \$1 of non-Federal contributions for every \$1 of grant funds received under this paragraph.

“(F) LIMITATION ON ADMINISTRATIVE EXPENSES.—A grant recipient may not expend more than 3 percent of any grant provided under this paragraph on administrative expenses.

“(4) OPERATION OF ALTERNATIVE FUEL STATIONS.—Facilities constructed or upgraded with grant funds received under this subsection shall—

“(A) provide alternative fuel available to the public for a period of not less than 4 years;

“(B) establish a marketing plan to advance the sale and use of alternative fuels;

“(C) prominently display the price of alternative fuel on the marquee and in the station;

“(D) provide point of sale materials on alternative fuel;

“(E) clearly label the dispenser with consistent materials;

“(F) price the alternative fuel at the same margin that is received for unleaded gasoline; and

“(G) support and use all available tax incentives to reduce the cost of the alternative fuel to the lowest possible retail price.

“(5) NOTIFICATION REQUIREMENTS.—

“(A) OPENING.—Not later than the date on which each alternative fuel station begins to offer alternative fuel to the public, the grant recipient that used grant funds to construct such station shall notify the Secretary of Energy of such opening. The Secretary of Energy shall add each new alternative fuel station to the alternative fuel station locator on its Website when it receives notification under this subparagraph.

“(B) SEMI-ANNUAL REPORT.—Not later than 6 months after the receipt of a grant award under this subsection, and every 6 months thereafter, each grant recipient shall submit a report to the Secretary of Energy that describes—

“(i) the status of each alternative fuel station constructed with grant funds received under this subsection;

“(ii) the amount of alternative fuel dispensed at each station during the preceding 6-month period; and

“(iii) the average price per gallon of the alternative fuel sold at each station during the preceding 6-month period.

“(6) ALTERNATIVE FUEL DEFINED.—For the purposes of this subsection, the term ‘alternative fuel’ means—

“(A) any fuel of which at least 85 percent (or such percentage, but not less than 70 percent, as determined by the Secretary, by rule, to provide for requirements relating to cold start, safety, or vehicle functions) of the volume consists of ethanol, natural gas, compressed natural gas, liquefied natural gas, liquefied petroleum gas, or hydrogen; or

“(B) any mixture of biodiesel and diesel fuel determined without regard to any use of kerosene that contains at least 20 percent biodiesel.”

(d) LOW-INTEREST LOAN AND GRANT PROGRAM FOR RETAIL DELIVERY OF E-85 FUEL.—

(1) PURPOSES OF LOANS.—Section 312(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1942(a)) is amended—

(A) in paragraph (9)(B)(ii), by striking “or” at the end;

(B) in paragraph (10), by striking the period at the end and inserting “; or”; and

(C) by adding at the end the following:

“(11) building infrastructure, including pump stations, for the retail delivery to consumers of any fuel that contains not less than 85 percent ethanol, by volume.”

(2) PROGRAM.—Subtitle B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941 et seq.) is amended by adding at the end the following:

“SEC. 320. LOW-INTEREST LOAN AND GRANT PROGRAM FOR RETAIL DELIVERY OF E-85 FUEL.

“(a) IN GENERAL.—The Secretary shall establish a low-interest loan and grant program to assist farmer-owned ethanol producers (including cooperatives and limited liability corporations) to develop and build infrastructure, including pump stations, that is directly related to the retail delivery to consumers of any fuel that contains not less than 85 percent ethanol, by volume.

“(b) LOAN TERMS.—

“(1) AMORTIZATION.—The repayment of a loan received under this section shall be amortized over the expected life of the infrastructure project that is being financed with the proceeds of the loan.

“(2) INTEREST RATE.—The annual interest rate of a loan received under this section shall be fixed at not more than 5 percent.

“(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section.”

(3) REGULATIONS.—As soon as practicable after the date of the enactment of this Act, the Secretary of Agriculture shall promulgate such regulations as are necessary to carry out the amendments made by this subsection.

SA 4713. Mr. FRIST proposed an amendment to the bill S. 3711, to enhance the energy independence and security of the United States by providing for exploration, development, and production activities for mineral resources in the Gulf of Mexico, and for other purposes; as follows:

At the end insert the following:
The effective date shall be 2 days after the date of enactment.

SA 4714. Mr. FRIST proposed an amendment to amend SA 4713 proposed by Mr. FRIST to the bill S. 3711, to enhance the energy independence and security of the United States by providing for exploration, development, and production activities for mineral resources in the Gulf of Mexico, and for other purposes; as follows:

On line 1, strike “2 days” and insert “1 day”.

SA 4715. Mr. LAUTENBERG (for himself, Mr. MENENDEZ, and Mr. LIEBERMAN) submitted an amendment intended to be proposed by him to the bill S. 3711, to enhance the energy independence and security of the United States by providing for exploration, development, and production activities for mineral resources in the Gulf of Mexico, and for other purposes; which was ordered to lie on the table; as follows:

At the end, add the following:

SEC. 6. STATE APPROVAL.

Notwithstanding any other provision of this Act, the Secretary shall not approve offshore oil or natural gas preleasing, leasing, exploration, or drilling activities in waters that are located in the Mid-Atlantic planning area, North Atlantic planning area, South Atlantic planning area, Straits of Florida planning area, Washington/Oregon planning area, Northern California planning area, Central California planning area, or Southern California planning area without the written approval of the Governor of each coastal State located within 200 miles of the State that has approved, or has requested the Secretary to approve, the oil or natural gas preleasing, leasing, exploration, or drilling activities.

SA 4716. Mr. LAUTENBERG (for himself, Mr. MENENDEZ, and Mr. LIEBERMAN) submitted an amendment intended to be proposed by him to the bill S. 3711, to enhance the energy independence and security of the United States by providing for exploration, development, and production activities for mineral resources in the Gulf of Mexico, and for other purposes; which was ordered to lie on the table; as follows:

At the end, add the following:

SEC. 6. REMEDIATION OF OIL AND GAS SPILLS.

(a) IN GENERAL.—Notwithstanding any other provision of this Act, for any spill that occurs as a result of exploration or drilling in waters in, or the transport of oil or gas from, the Mid-Atlantic planning area, North Atlantic planning area, South Atlantic planning area, Straits of Florida planning area, Washington/Oregon planning area, Northern California planning area, Central California planning area, Southern California planning area, or any other area seaward of any coastal State adjacent to those planning areas—

(1) 50 percent of the economic damages and environmental restoration costs for any State affected by the spill (including injury to the environment or natural resources of the United States (including the environment or natural resources of a national marine sanctuary, national estuarine research reserve, or national wildlife refuge) or of the coastal State) and any costs of removal and remediation associated with the spill, shall be paid by the 1 or more companies responsible for the exploration, drilling, or transport; and

(2) 50 percent of the economic damages and environmental restoration costs for any State affected by the spill shall be paid by the State that approved the preleasing, leasing, exploration, or drilling activities off of the coast of the State.

(b) LIABILITY.—The 1 or more companies and any State responsible for the applicable activity or the approval of the applicable activity under paragraph (1) and (2) of subsection (a), respectively, shall be strictly liable for any injuries, damages, and removal, remediation, and restoration costs from the spill.

(c) REIMBURSEMENT OF FEDERAL EXPENSES.—The 1 or more companies and any State responsible for the applicable activity or the approval of the applicable activity under paragraph (1) and (2) of subsection (a), respectively, shall reimburse the United States for any Federal funds expended to restore or remove the oil or gas, including funds made available—

(1) from the Oil Spill Liability Trust Fund established by section 9509 of the Internal Revenue Code of 1986;

(2) from the land and water conservation fund established under section 2 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4601-5); and

(3) under the Coastal Zone Management Act of 1972 (16 U.S.C. 1451 et seq.).

SA 4717. Mr. LAUTENBERG (for himself, Mr. MENENDEZ, and Mr. LIEBERMAN) submitted an amendment intended to be proposed by him to the bill S. 3711, to enhance the energy independence and security of the United States by providing for exploration, development, and production activities for mineral resources in the Gulf of Mexico, and for other purposes; which was ordered to lie on the table; as follows:

At the end, add the following:

SEC. 6. APPROVAL OF ATLANTIC STATES MARINE FISHERIES COMMISSION AND PACIFIC FISHERY MANAGEMENT COUNCIL.

(a) ATLANTIC STATES MARINE FISHERIES COMMISSION.—Notwithstanding any other provision of this Act, the Secretary shall not approve offshore oil or natural gas preleasing, leasing, exploration, or drilling activities in waters that are located in the Mid-Atlantic planning area, North Atlantic planning area, South Atlantic planning area, Straits of Florida planning area, or any other area seaward of any coastal State adjacent to the planning areas without a unanimous vote of approval of the proposed activities by the Atlantic States Marine Fisheries Commission.

(b) PACIFIC FISHERY MANAGEMENT COUNCIL.—Notwithstanding any other provision of this Act, the Secretary shall not approve offshore oil or natural gas preleasing, leasing, exploration, or drilling activities in the Washington/Oregon planning area, Northern California planning area, Central California planning area, Southern California planning area, or any other area seaward of any coastal State adjacent to the planning areas without a unanimous vote of approval of the proposed activities by the Pacific Fishery Management Council.

SA 4718. Mr. LAUTENBERG (for himself and Mr. MENENDEZ) submitted an amendment intended to be proposed by him to the bill S. 3711, to enhance the energy independence and security of the United States by providing for exploration, development, and production activities for mineral resources in the Gulf of Mexico, and for other purposes; which was ordered to lie on the table; as follows:

At the end, add the following:

SEC. 6. APPROVAL OF MID-ATLANTIC FISHERY MANAGEMENT COUNCIL.

Notwithstanding any other provision of this Act, the Secretary shall not approve offshore oil or natural gas preleasing, leasing, exploration, or drilling activities in the Mid-Atlantic planning area, the South Atlantic planning area, or any other area seaward of any coastal State adjacent to the Mid-Atlantic or South Atlantic planning areas, without receiving a unanimous vote of approval of the proposed activities by the Mid-Atlantic Fishery Management Council.

SA 4719. Mr. BINGAMAN submitted an amendment intended to be proposed by him to the bill S. 3711, to enhance the energy independence and security of the United States by providing for

exploration, development, and production activities for mineral resources in the Gulf of Mexico, and for other purposes; which was ordered to lie on the table; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. OFFSHORE OIL AND GAS LEASING IN 181 AREA AND 181 SOUTH AREA OF GULF OF MEXICO.

(a) DEFINITIONS.—In this section:

(1) 181 AREA.—The term “181 Area” means the area identified in map 15, page 58, of the Proposed Final Outer Continental Shelf Oil and Gas Leasing Program for 1997–2002 of the Minerals Management Service.

(2) 181 SOUTH AREA.—The term “181 South Area” means any area—

(A) located—

(i) south of the 181 Area;

(ii) west of the Military Mission Line; and

(iii) in the Central Gulf of Mexico Planning Area of the Outer Continental Shelf, as designated in the document entitled “Draft Proposed Program Outer Continental Shelf Oil and Gas Leasing Program 2007–2012”, dated February 2006;

(B) excluded from the Proposed Final Outer Continental Shelf Oil and Gas Leasing Program for 1997–2002, dated August 1996, of the Minerals Management Service; and

(C) included in the areas considered for oil and gas leasing, as identified in map 8, page 37 of the document entitled “Draft Proposed Program Outer Continental Shelf Oil and Gas Leasing Program 2007–2012”, dated February 2006.

(3) MILITARY MISSION LINE.—The term “Military Mission Line” means the north-south line at 86°41' W. longitude.

(4) SECRETARY.—The term “Secretary” means the Secretary of the Interior, acting through the Minerals Management Service.

(b) 181 AREA LEASE SALE.—Except as otherwise provided in this section, the Secretary shall offer the 181 Area for oil and gas leasing pursuant to the Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.) as soon as practicable, but not later than 1 year, after the date of enactment of this Act.

(c) 181 SOUTH AREA LEASE SALE.—The Secretary shall offer the 181 South Area for oil and gas leasing pursuant to the Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.) as soon as practicable after the date of enactment of this Act.

(d) EXCLUDED AREAS.—In carrying out this section, the Secretary shall not offer for oil and gas leasing—

(1) any area east of the Military Mission Line, unless the Secretary of Defense agrees in writing before the area is offered for lease that the area can be developed in a manner that will not interfere with military activities; or

(2) any area that is within 100 miles of the coastline of the State of Florida.

(e) LEASING PROGRAM.—The 181 Area and 181 South Area shall be offered for lease under this section notwithstanding the omission of the 181 Area or the 181 South Area from any outer Continental Shelf leasing program under section 18 of the Outer Continental Shelf Lands Act (43 U.S.C. 1344).

(f) CONFORMING AMENDMENT.—Section 105 of the Department of the Interior, Environment, and Related Agencies Appropriations Act, 2006 (Public Law 109–54; 119 Stat. 522) is amended by inserting “(other than the 181 South Area (as defined in section 2 of the Gulf of Mexico Energy Security Act of 2006))” after “lands located outside Sale 181”.

SA 4720. Mr. MENENDEZ (for himself, Ms. CANTWELL, and Mr. LIEBERMAN, and Mr. LAUTENBERG) submitted

an amendment intended to be proposed by him to the bill S. 3711, to enhance the energy independence and security of the United States by providing for exploration, development, and production activities for mineral resources in the Gulf of Mexico, and for other purposes; which was ordered to lie on the table; as follows:

At the end, add the following:

SEC. 6. FEDERAL REQUIREMENT TO PURCHASE ELECTRICITY GENERATED BY RENEWABLE ENERGY.

Section 203 of the Energy Policy Act of 2005 (42 U.S.C. 15852) is amended by striking subsection (a) and inserting the following:

“(a) REQUIREMENT.—The President, acting through the Secretary, shall ensure that, of the total quantity of electric energy the Federal Government consumes during any fiscal year, the following amounts shall be renewable energy:

“(1) Not less than 5 percent in each of fiscal years 2008 and 2009.

“(2) Not less than 7.5 percent in each of fiscal years 2010 through 2012.

“(3) Not less than 10 percent in fiscal years 2013 and each fiscal year thereafter.”.

SA 4721. Mr. MENENDEZ (for himself, Ms. SNOWE, Mrs. FEINSTEIN, Ms. COLLINS, Mr. LAUTENBERG, Mrs. BOXER, Mr. REED, Mr. NELSON of Florida, Mr. LIEBERMAN, Ms. CANTWELL, Mr. KERRY, Mr. SARBANES, Mr. DODD, Mr. KENNEDY, and Mr. BIDEN) submitted an amendment intended to be proposed by him to the bill S. 3711, to enhance the energy independence and security of the United States by providing for exploration, development, and production activities for mineral resources in the Gulf of Mexico, and for other purposes; which was ordered to lie on the table; as follows:

On page 9, line 5, strike “or”.

On page 9, line 17, strike the period at the end and insert a semicolon.

On page 9, between lines 17 and 18, insert the following:

(4) any area in the Mid-Atlantic planning area;

(5) any area in the North Atlantic planning area;

(6) any area in the South Atlantic planning area;

(7) any area in the Straits of Florida planning area;

(8) any area in the Washington/Oregon planning area;

(9) any area in the Northern California planning area;

(10) any area in the Central California planning area; or

(11) any area in the Southern California planning area.

SA 4722. Mr. MENENDEZ (for himself, Mr. LIEBERMAN, Mr. LAUTENBERG, and Ms. CANTWELL) submitted an amendment intended to be proposed by him to the bill S. 3711, to enhance the energy independence and security of the United States by providing for exploration, development, and production activities for mineral resources in the Gulf of Mexico, and for other purposes; which was ordered to lie on the table; as follows:

At the end, add the following:

SEC. 6. FEDERAL FLEET CONSERVATION REQUIREMENTS.

(a) IN GENERAL.—Part J of title IV of the Energy Policy and Conservation Act (42

U.S.C. 6374 et seq.) is amended by adding at the end the following:

“SEC. 400FF. FEDERAL FLEET CONSERVATION REQUIREMENTS.

“(a) MANDATORY REDUCTION IN PETROLEUM CONSUMPTION.—

“(1) IN GENERAL.—The Secretary shall issue regulations for Federal fleets subject to section 400AA requiring that not later than October 1, 2009, each Federal agency achieve at least a 20 percent reduction in petroleum consumption, as calculated from the baseline established by the Secretary for fiscal year 1999.

“(2) PLAN.—

“(A) REQUIREMENT.—The regulations shall require each Federal agency to develop a plan to meet the required petroleum reduction level.

“(B) MEASURES.—The plan may allow an agency to meet the required petroleum reduction level through—

- “(i) the use of alternative fuels;
- “(ii) the acquisition of vehicles with higher fuel economy, including hybrid vehicles;
- “(iii) the substitution of cars for light trucks;
- “(iv) an increase in vehicle load factors;
- “(v) a decrease in vehicle miles traveled;
- “(vi) a decrease in fleet size; and
- “(vii) other measures.

“(C) REPLACEMENT TIRES.—The regulations shall include a requirement that each Federal agency purchase energy-efficient replacement tires for the respective fleet vehicles of the agency.

“(b) FEDERAL EMPLOYEE INCENTIVE PROGRAMS FOR REDUCING PETROLEUM CONSUMPTION.—

“(1) IN GENERAL.—Each Federal agency shall actively promote incentive programs that encourage Federal employees and contractors to reduce petroleum through the use of practices such as—

- “(A) telecommuting;
- “(B) public transit;
- “(C) carpooling; and
- “(D) bicycling.

“(2) MONITORING AND SUPPORT FOR INCENTIVE PROGRAMS.—The Administrator of the General Services Administration, the Director of the Office of Personnel Management, and the Secretary of the Department of Energy shall monitor and provide appropriate support to agency programs described in paragraph (1).”

(b) TABLE OF CONTENTS AMENDMENT.—The table of contents of the Energy Policy and Conservation Act (42 U.S.C. prec. 6201) is amended by adding at the end of the items relating to part J of title III the following:

“Sec. 400FF. Federal fleet conservation requirements.”

SA 4723. Mr. MENENDEZ (for himself, Mr. LIEBERMAN, Ms. CANTWELL, and Mr. LAUTENBERG) submitted an amendment intended to be proposed by him to the bill S. 3711, to enhance the energy independence and security of the United States by providing for exploration, development, and production activities for mineral resources in the Gulf of Mexico, and for other purposes; which was ordered to lie on the table; as follows:

At the end, add the following:

SEC. 6. ASSISTANCE TO STATES TO REDUCE SCHOOL BUS IDLING.

(a) STATEMENT OF POLICY.—Congress encourages each local educational agency (as defined in section 9101(26) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801(26))) that receives Federal funds under the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.) to

develop a policy to reduce the incidence of school bus idling at schools while picking up and unloading students.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary of Energy, working in coordination with the Secretary of Education, \$5,000,000 for each of fiscal years 2007 through 2012 for use in educating States and local education agencies about—

- (1) benefits of reducing school bus idling; and
- (2) ways in which school bus idling may be reduced.

SA 4724. Mr. MENENDEZ (for himself, Mr. LAUTENBERG, Mr. LIEBERMAN, and Ms. CANTWELL) submitted an amendment intended to be proposed by him to the bill S. 3711, to enhance the energy independence and security of the United States by providing for exploration, development, and production activities for mineral resources in the Gulf of Mexico, and for other purposes; which was ordered to lie on the table; as follows:

At the end, add the following:

SEC. 6. TRANSIT-ORIENTED DEVELOPMENT CORRIDORS.

(a) DEFINITIONS.—In this section:

(1) SECRETARY.—The term “Secretary” means the Secretary of Transportation.

(2) TRANSIT-ORIENTED DEVELOPMENT CORRIDOR.—The term “Transit-Oriented Development Corridor” or “TODC” means a geographic area designated by the Secretary under subsection (b).

(3) OTHER TERMS.—The terms “fixed guide way”, “local governmental authority”, “mass transportation”, “Secretary”, “State”, and “urbanized area” have the meanings given the terms in section 5302 of title 49, United States Code.

(b) TRANSIT-ORIENTED DEVELOPMENT CORRIDORS.—

(1) IN GENERAL.—The Secretary shall develop and carry out a program to designate geographic areas in urbanized areas as Transit-Oriented Development Corridors.

(2) CRITERIA.—An area designated as a TODC under paragraph (1) shall include rights-of-way for fixed guide way mass transportation facilities (including commercial development of facilities that have a physical and functional connection with each facility).

(3) NUMBER OF TODCS.—In consultation with State transportation departments and metropolitan planning organizations, the Secretary shall designate—

(A) not fewer than 10 TODCs by December 31, 2015; and

(B) not fewer than 20 TODCs by December 31, 2025.

(4) TRANSIT GRANTS.—

(A) IN GENERAL.—The Secretary make grants to eligible states and local governmental authorities to pay the Federal share of the cost of designating geographic areas in urbanized areas as TODCs.

(B) APPLICATION.—Each eligible State or local governmental authority that desires to receive a grant under this paragraph shall submit an application to the Secretary, at such time, in such manner, and accompanied by such additional information as the Secretary may reasonably require.

(C) LABOR STANDARDS.—Subchapter IV of chapter 31 of title 40, United States Code shall apply to projects that receive funding under this section.

(D) FEDERAL SHARE.—The Federal share of the cost of a project under this subsection shall be 50 percent.

(c) TODC RESEARCH AND DEVELOPMENT.—To support effective deployment of grants

and incentives under this section, the Secretary shall establish a TODC research and development program to conduct research on the best practices and performance criteria for TODCs.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$50,000,000 for each of fiscal years 2007 through 2012.

SA 4725. Mr. MENENDEZ (for himself, Mr. LAUTENBERG, Ms. CANTWELL, and Mr. LIEBERMAN) submitted an amendment intended to be proposed by him to the bill S. 3711, to enhance the energy independence and security of the United States by providing for exploration, development, and production activities for mineral resources in the Gulf of Mexico, and for other purposes; which was ordered to lie on the table; as follows:

At the end, add the following:

SEC. 6. EXPANSION OF RESOURCES TO WAVE, CURRENT, TIDAL, AND OCEAN THERMAL ENERGY.

(a) IN GENERAL.—Section 45(c)(1) of the Internal Revenue Code of 1986 (defining qualified energy resources) is amended by striking “and” at the end of subparagraph (G), by striking the period at the end of subparagraph (H) and inserting “, and”, and by adding at the end the following new subparagraph:

“(I) wave, current, tidal, and ocean thermal energy.”

(b) DEFINITION OF RESOURCES.—Section 45(c) of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

“(10) WAVE, CURRENT, TIDAL, AND OCEAN THERMAL ENERGY.—The term ‘wave, current, tidal, and ocean thermal energy’ means electricity produced from any of the following:

“(A) Free flowing ocean water derived from tidal currents, ocean currents, waves, or estuary currents.

“(B) Ocean thermal energy.

“(C) Free flowing water in rivers, lakes, man made channels, or streams.”

(c) FACILITIES.—Section 45(d) of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

“(11) WAVE, CURRENT, TIDAL, AND OCEAN THERMAL FACILITY.—In the case of a facility using resources described in subparagraph (A), (B), or (C) of subsection (c)(10) to produce electricity, the term ‘qualified facility’ means any facility owned by the taxpayer which is originally placed in service after the date of the enactment of this paragraph and before January 1, 2015, but such term shall not include a facility which includes impoundment structures or a small irrigation power facility.”

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

SA 4726. Mr. MENENDEZ (for himself, Ms. CANTWELL, Mr. LAUTENBERG, and Mr. LIEBERMAN) submitted an amendment intended to be proposed by him to the bill S. 3711, to enhance the energy independence and security of the United States by providing for exploration, development, and production activities for mineral resources in the Gulf of Mexico, and for other purposes; which was ordered to lie on the table; as follows:

At the end, add the following:

SEC. 6. DEPLOYMENT OF NEW TECHNOLOGIES TO REDUCE OIL USE IN TRANSPORTATION.

(a) **FUEL FROM CELLULOSIC BIOMASS.**—

(1) **IN GENERAL.**—The Secretary of Energy shall provide deployment incentives under this subsection to encourage a variety of projects to produce transportation fuel from cellulosic biomass, relying on different feedstocks in different regions of the United States.

(2) **PROJECT ELIGIBILITY.**—Incentives under this subsection shall be provided on a competitive basis to projects that produce fuel that—

(A) meet United States fuel and emission specifications;

(B) help diversify domestic transportation energy supplies; and

(C) improve or maintain air, water, soil, and habitat quality.

(3) **INCENTIVES.**—Incentives under this subsection may consist of—

(A) loan guarantees under section 1510 of the Energy Policy Act of 2005 (42 U.S.C. 16501), subject to section 1702 of that Act (22 U.S.C. 16512), for the construction of production facilities and supporting infrastructure; or

(B) production payments through a reverse auction in accordance with paragraph (4).

(4) **REVERSE AUCTION.**—

(A) **IN GENERAL.**—In providing incentives under this subsection, the Secretary of Energy shall—

(i) issue regulations under which producers of fuel from cellulosic biomass may bid for production payments under paragraph (3)(B); and

(ii) solicit bids from producers of different classes of transportation fuel, as the Secretary of Energy determines to be appropriate.

(B) **REQUIREMENT.**—The rules under subparagraph (A) shall require that incentives be provided to the producers that submit the lowest bid (in terms of cents per gallon) for each class of transportation fuel from which the Secretary of Energy solicits a bid.

(b) **ADVANCED TECHNOLOGY VEHICLES MANUFACTURING INCENTIVE PROGRAM.**—

(1) **DEFINITIONS.**—In this subsection:

(A) **ADJUSTED FUEL ECONOMY.**—The term “adjusted fuel economy” means the average fuel economy of a manufacturer for all light duty motor vehicles produced by the manufacturer, adjusted such that the fuel economy of each vehicle that qualifies for a credit shall be considered to be equal to the average fuel economy for the weight class of the vehicle for model year 2002.

(B) **ADVANCED LEAN BURN TECHNOLOGY MOTOR VEHICLE.**—The term “advanced lean burn technology motor vehicle” means a passenger automobile or a light truck with an internal combustion engine that—

(i) is designed to operate primarily using more air than is necessary for complete combustion of the fuel;

(ii) incorporates direct injection; and

(iii) achieves at least 125 percent of the city fuel economy of vehicles in the same size class as the vehicle for model year 2002.

(C) **ADVANCED TECHNOLOGY VEHICLE.**—The term “advanced technology vehicle” means a light duty motor vehicle that—

(i) is a hybrid motor vehicle or an advanced lean burn technology motor vehicle; and

(ii) meets—

(I) the Bin 5 Tier II emission standard established in regulations issued by the Administrator of the Environmental Protection Agency under section 202(i) of the Clean Air Act (42 U.S.C. 7521(i)), or a lower-numbered Bin emission standard;

(II) any new emission standard for fine particulate matter prescribed by the Adminis-

trator under that Act (42 U.S.C. 7401 et seq.); and

(III) at least 125 percent of the base year city fuel economy for the weight class of the vehicle.

(D) **ENGINEERING INTEGRATION COSTS.**—The term “engineering integration costs” includes the cost of engineering tasks relating to—

(i) incorporating qualifying components into the design of advanced technology vehicles; and

(ii) designing new tooling and equipment for production facilities that produce qualifying components or advanced technology vehicles.

(E) **HYBRID MOTOR VEHICLE.**—The term “hybrid motor vehicle” means a motor vehicle that draws propulsion energy from onboard sources of stored energy that are—

(i) an internal combustion or heat engine using combustible fuel; and

(ii) a rechargeable energy storage system.

(F) **QUALIFYING COMPONENTS.**—The term “qualifying components” means components that the Secretary of Energy determines to be—

(i) specially designed for advanced technology vehicles; and

(ii) installed for the purpose of meeting the performance requirements of advanced technology vehicles.

(2) **MANUFACTURER FACILITY CONVERSION AWARDS.**—The Secretary of Energy shall provide facility conversion funding awards under this subsection to automobile manufacturers and component suppliers to pay not more than 30 percent of the cost of—

(A) reequipping or expanding an existing manufacturing facility in the United States to produce—

(i) qualifying advanced technology vehicles; or

(ii) qualifying components; and

(B) engineering integration performed in the United States of qualifying vehicles and qualifying components.

(3) **PERIOD OF AVAILABILITY.**—An award under paragraph (2) shall apply to—

(A) facilities and equipment placed in service before December 30, 2017; and

(B) engineering integration costs incurred during the period beginning on the date of enactment of this Act and ending on December 30, 2017.

(4) **IMPROVEMENT.**—The Secretary of Energy shall issue regulations that require that, in order for an automobile manufacturer to be eligible for an award under this subsection during a particular year, the adjusted average fuel economy of the manufacturer for light duty vehicles produced by the manufacturer during the most recent year for which data are available shall be not less than the average fuel economy for all light duty motor vehicles of the manufacturer for model year 2002.

SA 4727. Mrs. BOXER submitted an amendment intended to be proposed by her to the bill S. 3711, to enhance the energy independence and security of the United States by providing for exploration, development, and production activities for mineral resources in the Gulf of Mexico, and for other purposes; which was ordered to lie on the table; as follows:

At the end, add the following:

SEC. 6. CELLULOSIC ETHANOL RESEARCH, DEVELOPMENT, AND DEMONSTRATION PROGRAM.

(a) **IN GENERAL.**—There is established in the Department of Energy a program under which the Secretary of Energy shall provide to eligible entities, as determined by the

Secretary, grants for the conduct of research, development, and demonstration projects on the use of cellulosic ethanol for vehicle fuel.

(b) **PRIORITY.**—In providing grants under subsection (a), the Secretary of Energy shall give priority to projects that use alternative or renewable energy sources in producing cellulosic ethanol.

(c) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to carry out this section \$500,000,000 for the period of fiscal years 2007 through 2013.

SA 4728. Mrs. BOXER (for herself and Mrs. FEINSTEIN) submitted an amendment intended to be proposed by her to the bill S. 3711, to enhance the energy independence and security of the United States by providing for exploration, development, and production activities for mineral resources in the Gulf of Mexico, and for other purposes; which was ordered to lie on the table; as follows:

At the end of the bill, add the following:

SEC. 6. PROHIBITION OF OIL AND GAS LEASING IN CERTAIN AREAS OF THE OUTER CONTINENTAL SHELF.

Section 8 of the Outer Continental Shelf Lands Act (43 U.S.C. 1337) is amended by adding at the end the following:

“(q) **PROHIBITION OF OIL AND GAS LEASING IN CERTAIN AREAS OF THE OUTER CONTINENTAL SHELF.**—

“(1) **IN GENERAL.**—Notwithstanding any other provision of this Act or any other law and except as provided in paragraph (2), beginning on the date of enactment of this subsection, the conduct of oil and gas preleasing, leasing, and related activities is prohibited in areas of the outer Continental Shelf located off the coast of the State of California.

“(2) **EFFECT.**—Nothing in this subsection affects any rights under leases issued under this Act before the date of enactment of this subsection.”.

SEC. 7. COMPREHENSIVE INVENTORY OF OUTER CONTINENTAL SHELF OIL AND NATURAL GAS RESOURCES.

Section 357(a) of the Energy Policy Act of 2005 (42 U.S.C. 15912(a)) is amended by inserting after “Continental Shelf” the following: “(other than the areas of the outer Continental Shelf off the coast of the State of California)”.

SA 4729. Mrs. BOXER submitted an amendment intended to be proposed by her to the bill S. 3711, to enhance the energy independence and security of the United States by providing for exploration, development, and production activities for mineral resources in the Gulf of Mexico, and for other purposes; which was ordered to lie on the table; as follows:

At the end, add the following:

SEC. 6. FEDERAL FLEET FUEL ECONOMY.

Section 32917 of title 49, United States Code, is amended by adding at the end the following:

“(a) **NEW VEHICLES.**—

“(1) **IN GENERAL.**—Except as provided in paragraph (2), each passenger vehicle purchased, or leased for at least 60 consecutive days, by an executive agency after the date of the enactment of the Gulf of Mexico Energy Security Act of 2006 shall be as fuel efficient as possible.

“(2) **WAIVER.**—An executive agency may submit a written request to Congress for a waiver of the requirement under paragraph (1) in an emergency situation.”.

SA 4730. Mrs. CLINTON submitted an amendment intended to be proposed by her to the bill S. 3711, to enhance the energy independence and security of the United States by providing for exploration, development, and production activities for mineral resources in the Gulf of Mexico, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. . . ASSISTANT SECRETARY FOR ADVANCED ENERGY RESEARCH, TECHNOLOGY DEVELOPMENT, AND DEPLOYMENT.

(a) **ESTABLISHMENT.**—

(1) **IN GENERAL.**—The Secretary of Energy shall establish in the Department of Energy the position of Assistant Secretary for Advanced Energy Research, Technology Development, and Deployment (referred to in this section as the “Assistant Secretary”), to be headed by, and to report to, the Secretary.

(2) **QUALIFICATIONS.**—The Assistant Secretary shall be an individual with—

(A) an advanced education degree in energy technology; and

(B) substantial commercial research and technology development and deployment experience.

(b) **MISSION.**—The mission of the Assistant Secretary is—

(1) to implement an innovative energy research, technology development, and deployment program to—

(A) increase national security by significantly reducing petroleum and imported fuels consumption;

(B) significantly improve the efficiency of electricity use and the reliability of the electricity system; and

(C) significantly reduce greenhouse gas emissions; and

(2) to sponsor a diverse portfolio of cutting-edge, high-payoff research, development, and deployment projects to carry out the program.

(c) **EXPERIMENTAL PERSONNEL AUTHORITY.**—The Assistant Secretary may staff the office of the Assistant Secretary primarily using a program of experimental use of special personnel management authority in order to facilitate recruitment of eminent experts in science or engineering for management of research and development projects and programs administered by the Assistant Secretary under similar terms and conditions as the authority is exercised under section 1101 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105-261; 5 U.S.C. 3104 note), as determined by the Assistant Secretary.

(d) **TRANSACTIONS OTHER THAN CONTRACTS AND GRANTS.**—To carry out projects under this section, the Assistant Secretary may enter into transactions to carry out advanced research projects under this subsection under similar terms and conditions as the authority is exercised under section 646(g) of the Department of Energy Organization Act (42 U.S.C. 7256(g)).

(e) **PRIZES FOR ADVANCED TECHNOLOGY ACHIEVEMENTS.**—

(1) **IN GENERAL.**—Subject to paragraphs (2) through (4), the Assistant Secretary may carry out a program to award cash prizes in recognition of outstanding achievements in basic, advanced, and applied research, technology development, and prototype development that have the potential to advance the mission described in subsection (b) under similar terms and conditions as the authority is exercised under section 1008 of the Energy Policy Act of 2005 (42 U.S.C. 16396).

(2) **COMPETITION REQUIREMENTS.**—In carrying out this subsection, the Assistant Secretary shall—

(A) use a competitive process for the selection of recipients of cash prizes; and

(B) conduct widely-advertised solicitation of submissions of research results, technology developments, and prototypes.

(3) **MAXIMUM AMOUNT FOR ALL CASH PRIZES.**—The total amount of all cash prizes awarded for a fiscal year under this subsection may not exceed \$50,000,000.

(4) **MAXIMUM AMOUNT OF INDIVIDUAL CASH PRIZES.**—The amount of an individual cash prize awarded under this subsection may not exceed \$10,000,000 unless the amount of the award is approved by the Secretary of Energy.

(f) **ANNUAL REPORTS.**—As soon as practicable after the end of each fiscal year for which the Assistant Secretary receives funds under subsection (h), the Assistant Secretary shall submit to the Committee on Energy and Natural Resources of the Senate and the Committee on Energy and Commerce, and the Committee on Science, of the House of Representatives a report on the progress, challenges, future milestones, and strategic plan of the Assistant Secretary, including—

(1) a description of, and rationale for, any changes in the strategic plan;

(2) the adequacy of human and financial resources necessary to achieve the mission described in subsection (b); and

(3) in the case of cash prizes awarded under subsection (e), a description of—

(A) the applications of the research, technology, or prototypes for which prizes were awarded;

(B) the total amount of the prizes that were awarded;

(C) the methods used for solicitation and evaluation of submissions and an assessment of the effectiveness of those methods; and

(D) recommendations to improve the prize program.

(g) **RELATIONSHIP TO OTHER AUTHORITY.**—The program under this section may be carried out in conjunction with, or in addition to, the exercise of any other authority of the Assistant Secretary to acquire, support, or stimulate basic, advanced, and applied research, technology development, or prototype projects.

(h) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to carry out this section—

(1) \$1,000,000,000 for fiscal year 2007; and

(2) \$2,000,000,000 for each of fiscal years 2008 through 2011.

SA 4731. Mrs. CLINTON submitted an amendment intended to be proposed by her to the bill S. 3711, to enhance the energy independence and security of the United States by providing for exploration, development, and production activities for mineral resources in the Gulf of Mexico, and for other purposes; which was ordered to lie on the table; as follows:

At the end, add the following:

SEC. 6. ENERGY SAVINGS PERFORMANCE CONTRACTS.

(a) **RETENTION OF SAVINGS.**—Section 546(c) of the National Energy Conservation Policy Act (42 U.S.C. 8256(c)) is amended by striking paragraph (5).

(b) **FINANCING FLEXIBILITY.**—Section 801(a)(2) of the National Energy Conservation Policy Act (42 U.S.C. 8287(a)(2)) is amended by adding at the end the following:

“(E) **SEPARATE CONTRACTS.**—In carrying out a contract under this title, a Federal agency may—

“(i) enter into a separate contract for energy services and conservation measures under the contract; and

“(ii) provide all or part of the financing necessary to carry out the contract.”.

(c) **DEFINITION OF ENERGY SAVINGS.**—Section 804(2) of the National Energy Conservation Policy Act (42 U.S.C. 8287c(2)) is amended—

(1) by redesignating subparagraphs (A), (B), and (C) as clauses (i), (ii), and (iii), respectively, and indenting appropriately;

(2) by striking “means a reduction” and inserting “means—

“(A) a reduction”;

(3) by striking the period at the end and inserting a semicolon; and

(4) by adding at the end the following:

“(B) the increased efficient use of an existing energy source by cogeneration or heat recovery, and installation of renewable energy systems;

“(C) the sale or transfer of electrical or thermal energy generated on-site, but in excess of Federal needs, to utilities or non-Federal energy users; and

“(D) the increased efficient use of existing water sources in interior or exterior applications.”.

(d) **ENERGY AND COST SAVINGS IN NON-BUILDING APPLICATIONS.**—

(1) **DEFINITIONS.**—In this subsection:

(A) **NONBUILDING APPLICATION.**—The term “nonbuilding application” means—

(i) any class of vehicles, devices, or equipment that is transportable under the power of the applicable vehicle, device, or equipment by land, sea, or air and that consumes energy from any fuel source for the purpose of—

(I) that transportation; or

(II) maintaining a controlled environment within the vehicle, device, or equipment; and

(ii) any federally-owned equipment used to generate electricity or transport water.

(B) **SECONDARY SAVINGS.**—

(i) **IN GENERAL.**—The term “secondary savings” means additional energy or cost savings that are a direct consequence of the energy savings that result from the energy efficiency improvements that were financed and implemented pursuant to an energy savings performance contract.

(ii) **INCLUSIONS.**—The term “secondary savings” includes—

(I) energy and cost savings that result from a reduction in the need for fuel delivery and logistical support;

(II) personnel cost savings and environmental benefits; and

(III) in the case of electric generation equipment, the benefits of increased efficiency in the production of electricity, including revenues received by the Federal Government from the sale of electricity so produced.

(2) **STUDY.**—

(A) **IN GENERAL.**—As soon as practicable after the date of enactment of this Act, the Secretary of Energy and the Secretary of Defense shall jointly conduct, and submit to Congress and the President a report of, a study of the potential for the use of energy savings performance contracts to reduce energy consumption and provide energy and cost savings in nonbuilding applications.

(B) **REQUIREMENTS.**—The study under this subsection shall include—

(i) an estimate of the potential energy and cost savings to the Federal Government, including secondary savings and benefits, from increased efficiency in nonbuilding applications;

(ii) an assessment of the feasibility of extending the use of energy savings performance contracts to nonbuilding applications, including an identification of any regulatory or statutory barriers to such use; and

(iii) such recommendations as the Secretary of Energy and Secretary of Defense determine to be appropriate.

SA 4732. Mrs. CLINTON submitted an amendment intended to be proposed by her to the bill S. 3711, to enhance the energy independence and security of the United States by providing for exploration, development, and production activities for mineral resources in the Gulf of Mexico, and for other purposes; which was ordered to lie on the table; as follows:

At the end, add the following:

TITLE II—ELIMINATING UNNECESSARY OIL TAX BREAKS

SEC. 201. ELIMINATION OF DEDUCTION FOR INTANGIBLE DRILLING AND DEVELOPMENT COSTS FOR MAJOR OIL COMPANIES.

(a) IN GENERAL.—Section 263(c) of the Internal Revenue Code of 1986 is amended by adding at the end the following new sentences: “This subsection shall not apply during any taxable year with respect to a major integrated oil company (as defined in section 43(f)(2)) if during the preceding taxable year for the production of oil, the average price of crude oil in the United States is greater than \$34.71 per barrel, and for the production of natural gas, the average wellhead price of natural gas in the United States is greater than \$4.34 per 1,000 cubic feet. For purposes of the preceding sentence, the Secretary shall determine average prices, taking into consideration the most recent data reported by the Energy Information Administration. For taxable years beginning after December 31, 2007, each dollar amount specified in this subsection shall be adjusted to reflect changes for the 12-month period ending the preceding September 30 in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor.”

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 202. ELIMINATION OF ENHANCED OIL RECOVERY CREDIT FOR MAJOR OIL COMPANIES.

(a) IN GENERAL.—Section 43 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

“(f) NONAPPLICATION OF SECTION.—

“(1) IN GENERAL.—This section shall not apply during any taxable year with respect to a major integrated oil company if during the preceding taxable year for the production of oil, the average price of crude oil in the United States is greater than \$34.71 per barrel. For purposes of the preceding sentence, the Secretary shall determine average prices, taking into consideration the most recent data reported by the Energy Information Administration. For taxable years beginning after December 31, 2007, the dollar amount specified in this paragraph shall be adjusted to reflect changes for the 12-month period ending the preceding September 30 in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor.

“(2) MAJOR INTEGRATED OIL COMPANY.—For purposes of this subsection, the term ‘major integrated oil company’ means, with respect to any taxable year, a producer of crude oil—

“(A) which has an average daily worldwide production of crude oil of at least 500,000 barrels for the taxable year,

“(B) which had gross receipts in excess of \$1,000,000,000 for its last taxable year ending during calendar year 2005, and

“(C) to whom subsection (c) of section 613A does not apply by reason of paragraph (4) of section 613A(d), determined—

“(i) by substituting ‘15 percent’ for ‘5 percent’ each place it occurs in paragraph (3) of section 613A(d), and

“(ii) without regard to whether subsection (c) of section 613A does not apply by reason of paragraph (2) of section 613A(d).

For purposes of subparagraphs (A) and (B), all persons treated as a single employer under subsections (a) and (b) of section 52 shall be treated as 1 person and, in case of a short taxable year, the rule under section 448(c)(3)(B) shall apply.”

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 203. OIL AND GAS ROYALTY-RELATED AMENDMENTS.

(a) REPEAL.—Sections 344 through 346 of the Energy Policy Act of 2005 (42 U.S.C. 15902 et seq.) are repealed.

(b) TERMINATION OF ALASKA OFFSHORE ROYALTY SUSPENSION.—Section 8(a)(3)(B) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(a)(3)(B)) is amended by striking “and in the Planning Areas offshore Alaska”.

SEC. 204. EXTENSION OF ELECTION TO EXPENSE CERTAIN REFINERIES.

(a) EXTENSION.—

(1) IN GENERAL.—Section 179C(c)(1) of the Internal Revenue Code of 1986 (defining qualified refinery property) is amended—

(A) by striking “and before January 1, 2012” in subparagraph (B) and inserting “and, in the case of any qualified refinery described in subsection (d)(1), before January 1, 2012”, and

(B) by inserting “if described in subsection (d)(1)” after “of which” in subparagraph (F)(i).

(2) CONFORMING AMENDMENT.—Subsection (d) of section 179C of the Internal Revenue Code of 1986 is amended to read as follows:

“(d) QUALIFIED REFINERY.—For purposes of this section, the term ‘qualified refinery’ means any refinery located in the United States which is designed to serve the primary purpose of processing liquid fuel from—

“(1) crude oil, or

“(2) qualified fuels (as defined in section 45K(c)).”

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect as if included in the amendment made by section 1323(a) of the Energy Policy Act of 2005.

(b) NONAPPLICATION FOR MAJOR OIL COMPANIES.—

(1) IN GENERAL.—Section 179C of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

“(i) NONAPPLICATION OF SECTION.—

“(1) IN GENERAL.—This section shall not apply during any taxable year with respect to a major integrated oil company if during the preceding taxable year for the production of oil, the average price of crude oil in the United States is greater than \$34.71 per barrel. For purposes of the preceding sentence, the Secretary shall determine average prices, taking into consideration the most recent data reported by the Energy Information Administration. For taxable years beginning after December 31, 2007, the dollar amount specified in this paragraph shall be adjusted to reflect changes for the 12-month period ending the preceding September 30 in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor.

“(2) MAJOR INTEGRATED OIL COMPANY.—For purposes of this subsection, the term ‘major integrated oil company’ means, with respect to any taxable year, a producer of crude oil—

“(A) which has an average daily worldwide production of crude oil of at least 500,000 barrels for the taxable year,

“(B) which had gross receipts in excess of \$1,000,000,000 for its last taxable year ending during calendar year 2005, and

“(C) to whom subsection (c) of section 613A does not apply by reason of paragraph (4) of section 613A(d), determined—

“(i) by substituting ‘15 percent’ for ‘5 percent’ each place it occurs in paragraph (3) of section 613A(d), and

“(ii) without regard to whether subsection (c) of section 613A does not apply by reason of paragraph (2) of section 613A(d).

For purposes of subparagraphs (A) and (B), all persons treated as a single employer under subsections (a) and (b) of section 52 shall be treated as 1 person and, in case of a short taxable year, the rule under section 448(c)(3)(B) shall apply.”

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 205. ELIMINATION OF AMORTIZATION OF GEOLOGICAL AND GEOPHYSICAL EXPENDITURES FOR MAJOR OIL COMPANIES.

(a) IN GENERAL.—Section 167(h) of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

“(5) NONAPPLICATION OF SECTION.—

“(A) IN GENERAL.—This subsection shall not apply during any taxable year with respect to a major integrated oil company if during the preceding taxable year for the production of oil, the average price of crude oil in the United States is greater than \$34.71 per barrel, and for the production of natural gas, the average wellhead price of natural gas in the United States is greater than \$4.34 per 1,000 cubic feet. For purposes of the preceding sentence, the Secretary shall determine average prices, taking into consideration the most recent data reported by the Energy Information Administration. For taxable years beginning after December 31, 2007, each dollar amount specified in this subparagraph shall be adjusted to reflect changes for the 12-month period ending the preceding September 30 in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor.

“(B) MAJOR INTEGRATED OIL COMPANY.—For purposes of this paragraph, the term ‘major integrated oil company’ means, with respect to any taxable year, a producer of crude oil—

“(i) which has an average daily worldwide production of crude oil of at least 500,000 barrels for the taxable year,

“(ii) which had gross receipts in excess of \$1,000,000,000 for its last taxable year ending during calendar year 2005, and

“(iii) to whom subsection (c) of section 613A does not apply by reason of paragraph (4) of section 613A(d), determined—

“(I) by substituting ‘15 percent’ for ‘5 percent’ each place it occurs in paragraph (3) of section 613A(d), and

“(II) without regard to whether subsection (c) of section 613A does not apply by reason of paragraph (2) of section 613A(d).

For purposes of subparagraphs (A) and (B), all persons treated as a single employer under subsections (a) and (b) of section 52 shall be treated as 1 person and, in case of a short taxable year, the rule under section 448(c)(3)(B) shall apply.”

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on and after the date of the enactment of this Act.

SEC. 206. REVALUATION OF LIFO INVENTORIES OF MAJOR INTEGRATED OIL COMPANIES.

(a) GENERAL RULE.—Notwithstanding any other provision of law, if a taxpayer is a major integrated oil company for its last taxable year ending in calendar year 2005, the taxpayer shall—

(1) increase, effective as of the close of such taxable year, the value of each historic LIFO layer of inventories of crude oil, natural gas, or any other petroleum product (within the meaning of section 4611) by the layer adjustment amount, and

(2) decrease its cost of goods sold for such taxable year by the aggregate amount of the increases under paragraph (1). If the aggregate amount of the increases under paragraph (1) exceed the taxpayer's cost of goods sold for such taxable year, the taxpayer's gross income for such taxable year shall be increased by the amount of such excess.

(b) LAYER ADJUSTMENT AMOUNT.—For purposes of this section—

(1) IN GENERAL.—The term “layer adjustment amount” means, with respect to any historic LIFO layer, the product of—

(A) \$18.75, and

(B) the number of barrels of crude oil (or in the case of natural gas or other petroleum products, the number of barrel-of-oil equivalents) represented by the layer.

(2) BARREL-OF-OIL EQUIVALENT.—The term “barrel-of-oil equivalent” has the meaning given such term by section 29(d)(5) (as in effect before its redesignation by the Energy Tax Incentives Act of 2005).

(c) APPLICATION OF REQUIREMENT.—

(1) NO CHANGE IN METHOD OF ACCOUNTING.—Any adjustment required by this section shall not be treated as a change in method of accounting.

(2) UNDERPAYMENTS OF ESTIMATED TAX.—No addition to the tax shall be made under section 6655 of the Internal Revenue Code of 1986 (relating to failure by corporation to pay estimated tax) with respect to any underpayment of an installment required to be paid with respect to the taxable year described in subsection (a) to the extent such underpayment was created or increased by this section.

(d) MAJOR INTEGRATED OIL COMPANY.—For purposes of this section, the term “major integrated oil company” has the meaning given such term by section 43(f)(2) of the Internal Revenue Code of 1986.

SEC. 207. MODIFICATIONS OF FOREIGN TAX CREDIT RULES APPLICABLE TO MAJOR INTEGRATED OIL COMPANIES WHICH ARE DUAL CAPACITY TAXPAYERS.

(a) IN GENERAL.—Section 901 of the Internal Revenue Code of 1986 (relating to credit for taxes of foreign countries and of possessions of the United States) is amended by redesignating subsection (m) as (n) and by inserting after subsection (l) the following new subsection:

“(m) SPECIAL RULES RELATING TO MAJOR INTEGRATED OIL COMPANIES WHICH ARE DUAL CAPACITY TAXPAYERS.—

“(1) GENERAL RULE.—Notwithstanding any other provision of this chapter, any amount paid or accrued by a dual capacity taxpayer which is a major integrated oil company to a foreign country or possession of the United States for any period shall not be considered a tax—

“(A) if, for such period, the foreign country or possession does not impose a generally applicable income tax, or

“(B) to the extent such amount exceeds the amount (determined in accordance with regulations) which—

“(i) is paid by such dual capacity taxpayer pursuant to the generally applicable income tax imposed by the country or possession, or

“(ii) would be paid if the generally applicable income tax imposed by the country or possession were applicable to such dual capacity taxpayer.

Nothing in this paragraph shall be construed to imply the proper treatment of any such amount not in excess of the amount determined under subparagraph (B).

“(2) DUAL CAPACITY TAXPAYER.—For purposes of this subsection, the term ‘dual capacity taxpayer’ means, with respect to any foreign country or possession of the United States, a person who—

“(A) is subject to a levy of such country or possession, and

“(B) receives (or will receive) directly or indirectly a specific economic benefit (as determined in accordance with regulations) from such country or possession.

“(3) GENERALLY APPLICABLE INCOME TAX.—For purposes of this subsection—

“(A) IN GENERAL.—The term ‘generally applicable income tax’ means an income tax (or a series of income taxes) which is generally imposed under the laws of a foreign country or possession on income derived from the conduct of a trade or business within such country or possession.

“(B) EXCEPTIONS.—Such term shall not include a tax unless it has substantial application, by its terms and in practice, to—

“(i) persons who are not dual capacity taxpayers, and

“(ii) persons who are citizens or residents of the foreign country or possession.

“(4) MAJOR INTEGRATED OIL COMPANY.—For purposes of this subsection, the term ‘major integrated oil company’ has the meaning given such term by section 43(f)(2).”

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxes paid or accrued in taxable years beginning after the date of the enactment of this Act.

(2) CONTRARY TREATY OBLIGATIONS UPHOLD.—The amendments made by this section shall not apply to the extent contrary to any treaty obligation of the United States.

SEC. 208. DENIAL OF DEDUCTION FOR INCOME ATTRIBUTABLE TO DOMESTIC PRODUCTION OF OIL, NATURAL GAS, OR PRIMARY PRODUCTS THEREOF.

(a) IN GENERAL.—Subparagraph (B) of section 199(c)(4) of the Internal Revenue Code of 1986 (relating to exceptions) is amended by striking “or” at the end of clause (ii), by striking the period at the end of clause (iii) and inserting “, or”, and by inserting after clause (iii) the following new clause:

“(iv) in the case of any major integrated oil company (as defined in section 43(f)(2)), the production, refining, processing, transportation, or distribution of oil, natural gas, or any primary product thereof during any taxable year described in section 167(h)(5)(A).”

(b) CONFORMING AMENDMENTS.—Section 199(c)(4) of the Internal Revenue Code of 1986 is amended—

(1) in subparagraph (A)(i)(III) by striking “electricity, natural gas,” and inserting “electricity”, and

(2) in subparagraph (B)(ii) by striking “electricity, natural gas,” and inserting “electricity”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2005.

SEC. 209. RULES RELATING TO FOREIGN OIL AND GAS INCOME.

(a) SEPARATE BASKET FOR FOREIGN TAX CREDIT.—

(1) YEARS BEFORE 2007.—Paragraph (1) of section 904(d) of the Internal Revenue Code of 1986 (relating to separate application of section with respect to certain categories of income), as in effect for years beginning before 2007, is amended by striking “and” at the end of subparagraph (H), by redesignating subparagraph (I) as subparagraph (J), and by inserting after subparagraph (H) the following new subparagraph:

“(I) foreign oil and gas income, and”.

(2) 2007 AND AFTER.—Paragraph (1) of section 904(d) of such Code, as in effect for years beginning after 2006, is amended by striking “and” at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting “, and”, and by adding at the end the following:

“(C) foreign oil and gas income.”.

(b) DEFINITION.—

(1) YEARS BEFORE 2007.—Paragraph (2) of section 904(d) of the Internal Revenue Code of 1986, as in effect for years beginning before 2007, is amended by redesignating subparagraphs (H) and (I) as subparagraphs (I) and (J), respectively, and by inserting after subparagraph (G) the following new subparagraph:

“(H) FOREIGN OIL AND GAS INCOME.—The term ‘foreign oil and gas income’ has the meaning given such term by section 954(g).”.

(2) 2007 AND AFTER.—Section 904(d)(2) of such Code, as in effect for years after 2006, is amended by redesignating subparagraphs (J) and (K) as subparagraphs (K) and (L) and by inserting after subparagraph (I) the following:

“(J) FOREIGN OIL AND GAS INCOME.—For purposes of this section—

“(i) IN GENERAL.—The term ‘foreign oil and gas income’ has the meaning given such term by section 954(g).

“(ii) COORDINATION.—Passive category income and general category income shall not include foreign oil and gas income (as so defined).”.

(c) CONFORMING AMENDMENTS.—

(1) Section 904(d)(3)(F)(i) of the Internal Revenue Code of 1986 is amended by striking “or (E)” and inserting “(E), or (I)”.

(2) Section 907(a) of such Code is hereby repealed.

(3) Section 907(c)(4) of such Code is hereby repealed.

(4) Section 907(f) of such Code is hereby repealed.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

(2) YEARS AFTER 2006.—The amendments made by paragraphs (1)(B) and (2)(B) shall apply to taxable years beginning after December 31, 2006.

(3) TRANSITIONAL RULES.—

(A) SEPARATE BASKET TREATMENT.—Any taxes paid or accrued in a taxable year beginning on or before the date of the enactment of this Act, with respect to income which was described in subparagraph (I) of section 904(d)(1) of such Code (as in effect on the day before the date of the enactment of this Act), shall be treated as taxes paid or accrued with respect to foreign oil and gas income to the extent the taxpayer establishes to the satisfaction of the Secretary of the Treasury that such taxes were paid or accrued with respect to foreign oil and gas income.

(B) CARRYOVERS.—Any unused oil and gas extraction taxes which under section 907(f) of such Code (as so in effect) would have been allowable as a carryover to the taxpayer's first taxable year beginning after the date of the enactment of this Act (without regard to the limitation of paragraph (2) of such section 907(f) for first taxable year) shall be allowed as carryovers under section 904(c) of such Code in the same manner as if such taxes were unused taxes under such section 904(c) with respect to foreign oil and gas extraction income.

(C) LOSSES.—The amendment made by subsection (c)(3) shall not apply to foreign oil and gas extraction losses arising in taxable years beginning on or before the date of the enactment of this Act.

SEC. 210. ELIMINATION OF DEFERRAL FOR FOREIGN OIL AND GAS EXTRACTION INCOME.

(a) GENERAL RULE.—Paragraph (1) of section 954(g) of the Internal Revenue Code of 1986 (defining foreign base company oil related income) is amended to read as follows:

“(1) IN GENERAL.—Except as otherwise provided in this subsection, the term ‘foreign oil and gas income’ means, in the case of any major integrated oil company (as defined in section 43(f)(2)) during any taxable year described in section 167(h)(5)(A), any income of a kind which would be taken into account in determining the amount of—

“(A) foreign oil and gas extraction income (as defined in section 907(c)), or

“(B) foreign oil related income (as defined in section 907(c)).”

(b) CONFORMING AMENDMENTS.—

(1) Subsections (a)(5), (b)(5), and (b)(6) of section 954, and section 952(c)(1)(B)(ii)(I) of the Internal Revenue Code of 1986, are each amended by striking “base company oil related income” each place it appears (including in the heading of subsection (b)(8)) and inserting “oil and gas income”.

(2) Subsection (b)(4) of section 954 of such Code is amended by striking “base company oil-related income” and inserting “oil and gas income”.

(3) The subsection heading for subsection (g) of section 954 of such Code is amended by striking “FOREIGN BASE COMPANY OIL RELATED INCOME” and inserting “FOREIGN OIL AND GAS INCOME”.

(4) Subparagraph (A) of section 954(g)(2) of such Code is amended by striking “foreign base company oil related income” and inserting “foreign oil and gas income”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years of foreign corporations beginning after the date of the enactment of this Act, and to taxable years of United States shareholders ending with or within such taxable years of foreign corporations.

TITLE III—EXPANDING ENERGY EFFICIENCY

SEC. 301. EXTENSION OF ENERGY EFFICIENT COMMERCIAL BUILDINGS DEDUCTION.

Section 179D(h) of the Internal Revenue Code of 1986 (relating to termination) is amended by striking “2007” and inserting “2014”.

SEC. 302. EXTENSION AND EXPANSION OF NEW ENERGY EFFICIENT HOME CREDIT.

(a) EXTENSION.—Section 45L(g) of the Internal Revenue Code of 1986 (relating to termination) is amended by striking “2007” and inserting “2014”.

(b) INCLUSION OF 30 PERCENT HOMES.—

(1) IN GENERAL.—Section 45L(c) of the Internal Revenue Code of 1986 (relating to energy saving requirements) is amended—

(A) by striking “or” at the end of paragraph (2);

(B) by redesignating paragraph (3) as paragraph (4); and

(C) by inserting after paragraph (2) the following new paragraph:

“(3) certified—

“(A) to have a level of annual heating and cooling energy consumption which is at least 30 percent below the annual level described in paragraph (1), and

“(B) to have building envelope component improvements account for at least 1/3 of such 30 percent, or.”

(2) APPLICABLE AMOUNT OF CREDIT.—Section 45L(a)(2) is amended by striking “paragraph (3)” and inserting “paragraph (3) or (4)”.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to qualified new energy efficient homes acquired after the date of the enactment of this Act.

SEC. 303. EXTENSION OF NONBUSINESS ENERGY PROPERTY CREDIT.

Section 25C(g) of the Internal Revenue Code of 1986 (relating to termination) is amended by striking “2007” and inserting “2014”.

SEC. 304. EXTENSION AND MODIFICATION OF RESIDENTIAL ENERGY EFFICIENT PROPERTY CREDIT.

(a) EXTENSION.—Section 25D(g) of the Internal Revenue Code of 1986 (relating to termination) is amended by striking “2007” and inserting “2014”.

(b) MODIFICATION OF MAXIMUM CREDIT.—Paragraph (1) of section 25D(b) of the Internal Revenue Code of 1986 (relating to limitations) is amended to read as follows:

“(1) MAXIMUM CREDIT.—The credit allowed under subsection (a) for any taxable year shall not exceed—

“(A) \$1,000 with respect to each half kilowatt of capacity of qualified photovoltaic property for which qualified photovoltaic property expenditures are made,

“(B) \$2,000 with respect to any qualified solar water heating property expenditures, and

“(C) \$500 with respect to each half kilowatt of capacity of qualified fuel cell property (as defined in section 48(c)(1)) for which qualified fuel cell property expenditures are made.”

(c) CREDIT ALLOWED AGAINST ALTERNATIVE MINIMUM TAX.—

(1) IN GENERAL.—Section 25D(b) of the Internal Revenue Code of 1986 (as amended by subsection (b)) is amended by adding at the end the following new paragraph:

“(3) CREDIT ALLOWED AGAINST ALTERNATIVE MINIMUM TAX.—The credit allowed under subsection (a) for the taxable year shall not exceed the excess of—

“(A) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

“(B) the sum of the credits allowable under subpart A of part IV of subchapter A and section 27 for the taxable year.”

(2) CONFORMING AMENDMENT.—Subsection (c) of section 25D of such Code is amended to read as follows:

“(c) CARRYFORWARD OF UNUSED CREDIT.—If the credit allowable under subsection (a) for any taxable year exceeds the limitation imposed by subsection (b)(3) for such taxable year, such excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a) for such succeeding taxable year.”

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2005.

SEC. 305. ENERGY CREDIT FOR COMBINED HEAT AND POWER SYSTEM PROPERTY.

(a) In general.—Section 48(a)(3)(A) of the Internal Revenue Code of 1986 (defining energy property) is by striking “or” at the end of clause (ii), by inserting “or” at the end of clause (iv), and by adding at the end the following new clause:

“(v) combined heat and power system property.”

(b) COMBINED HEAT AND POWER SYSTEM PROPERTY.—Section 48 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

“(d) COMBINED HEAT AND POWER SYSTEM PROPERTY.—For purposes of subsection (a)(3)(A)(v)—

“(1) COMBINED HEAT AND POWER SYSTEM PROPERTY.—The term ‘combined heat and power system property’ means property comprising a system—

“(A) which uses the same energy source for the simultaneous or sequential generation of electrical power, mechanical shaft power, or both, in combination with the generation of steam or other forms of useful thermal energy (including heating and cooling applications),

“(B) which has an electrical capacity of not more than 15 megawatts or a mechanical energy capacity of not more than 2,000 horsepower or an equivalent combination of electrical and mechanical energy capacities,

“(C) which produces—

“(i) at least 20 percent of its total useful energy in the form of thermal energy which is not used to produce electrical or mechanical power (or combination thereof), and

“(ii) at least 20 percent of its total useful energy in the form of electrical or mechanical power (or combination thereof),

“(D) the energy efficiency percentage of which exceeds 60 percent, and

“(E) which is placed in service before January 1, 2015.

“(2) SPECIAL RULES.—

“(A) ENERGY EFFICIENCY PERCENTAGE.—For purposes of this subsection, the energy efficiency percentage of a system is the fraction—

“(i) the numerator of which is the total useful electrical, thermal, and mechanical power produced by the system at normal operating rates, and expected to be consumed in its normal application, and

“(ii) the denominator of which is the higher heating value of the primary fuel sources for the system.

“(B) DETERMINATIONS MADE ON BTU BASIS.—The energy efficiency percentage and the percentages under paragraph (1)(C) shall be determined on a Btu basis.

“(C) INPUT AND OUTPUT PROPERTY NOT INCLUDED.—The term ‘combined heat and power system property’ does not include property used to transport the energy source to the facility or to distribute energy produced by the facility.

“(D) CERTAIN EXCEPTION NOT TO APPLY.—The first sentence of the matter in subsection (a)(3) which follows subparagraph (D) thereof shall not apply to combined heat and power system property.

“(3) SYSTEMS USING BAGASSE.—If a system is designed to use bagasse for at least 90 percent of the energy source—

“(A) paragraph (1)(D) shall not apply, but

“(B) the amount of credit determined under subsection (a) with respect to such system shall not exceed the amount which bears the same ratio to such amount of credit (determined without regard to this paragraph) as the energy efficiency percentage of such system bears to 60 percent.

“(4) NONAPPLICATION OF CERTAIN RULES.—For purposes of determining if the term ‘combined heat and power system property’ includes technologies which generate electricity or mechanical power using back-pressure steam turbines in place of existing pressure-reducing valves or which make use of waste heat from industrial processes such as by using organic rankin, stirling, or kalina heat engine systems, paragraph (1) shall be applied without regard to subparagraphs (C) and (D) thereof.”

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to periods after December 31, 2005, in taxable years ending after such date, under rules similar to the rules of section 48(m) of the Internal Revenue Code of 1986 (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990).

SEC. 306. THREE-YEAR APPLICABLE RECOVERY PERIOD FOR DEPRECIATION OF QUALIFIED ENERGY MANAGEMENT.

(a) IN GENERAL.—Section 168(e)(3)(A) of the Internal Revenue Code of 1986 (defining 3-year property) is amended by striking “and” at the end of clause (ii), by striking the period at the end of clause (iii) and inserting “, and,” and by adding at the end the following new clause:

“(iv) any qualified energy management device.”

(b) DEFINITION OF QUALIFIED ENERGY MANAGEMENT DEVICE.—Section 168(i) of the Internal Revenue Code of 1986 (relating to definitions and special rules) is amended by inserting at the end the following new paragraph:

“(18) QUALIFIED ENERGY MANAGEMENT DEVICE.—

“(A) IN GENERAL.—The term ‘qualified energy management device’ means any energy management device which is placed in service before January 1, 2015, by a taxpayer who is a supplier of electric energy or a provider of electric energy services.

“(B) ENERGY MANAGEMENT DEVICE.—For purposes of subparagraph (A), the term ‘energy management device’ means any meter or metering device which is used by the taxpayer—

“(i) to measure and record electricity usage data on a time-differentiated basis in at least 4 separate time segments per day, and

“(ii) to provide such data on at least a monthly basis to both consumers and the taxpayer.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act, in taxable years ending after such date.

SEC. 307. THREE-YEAR APPLICABLE RECOVERY PERIOD FOR DEPRECIATION OF QUALIFIED WATER SUBMETERING DEVICES.

(a) IN GENERAL.—Section 168(e)(3)(A) of the Internal Revenue Code of 1986 (defining 3-year property), as amended by section 306, is amended by striking “and” at the end of clause (iii), by striking the period at the end of clause (iv) and inserting “, and,” and by adding at the end the following new clause: “(v) any qualified water submetering device.”.

(b) DEFINITION OF QUALIFIED WATER SUBMETERING DEVICE.—Section 168(i) of the Internal Revenue Code of 1986 (relating to definitions and special rules), as amended by section 306, is amended by inserting at the end the following new paragraph:

“(19) QUALIFIED WATER SUBMETERING DEVICE.—

“(A) IN GENERAL.—The term ‘qualified water submetering device’ means any water submetering device which is placed in service before January 1, 2015, by a taxpayer who is an eligible resupplier with respect to the unit for which the device is placed in service.

“(B) WATER SUBMETERING DEVICE.—For purposes of this paragraph, the term ‘water submetering device’ means any submetering device which is used by the taxpayer—

“(i) to measure and record water usage data, and

“(ii) to provide such data on at least a monthly basis to both consumers and the taxpayer.

“(C) ELIGIBLE RESUPPLIER.—For purposes of subparagraph (A), the term ‘eligible resupplier’ means any taxpayer who purchases and installs qualified water submetering devices in every unit in any multi-unit property.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act, in taxable years ending after such date.

SA 4733. Mrs. CLINTON submitted an amendment intended to be proposed by her to the bill S. 3711, to enhance the energy independence and security of the United States by providing for exploration, development, and production activities for mineral resources in the Gulf of Mexico, and for other purposes; which was ordered to lie on the table; as follows:

At the end, add the following:

SEC. 6. DEPLOYMENT OF NEW TECHNOLOGIES TO REDUCE OIL USE IN TRANSPORTATION.

(a) FUEL FROM CELLULOSIC BIOMASS.—

(1) IN GENERAL.—The Secretary of Energy shall provide deployment incentives under this subsection to encourage a variety of projects to produce transportation fuel from cellulosic biomass, relying on different feedstocks in different regions of the United States.

(2) PROJECT ELIGIBILITY.—Incentives under this subsection shall be provided on a competitive basis to projects that produce fuel that—

(A) meet United States fuel and emission specifications;

(B) help diversify domestic transportation energy supplies; and

(C) improve or maintain air, water, soil, and habitat quality.

(3) INCENTIVES.—Incentives under this subsection may consist of—

(A) loan guarantees under section 1510 of the Energy Policy Act of 2005 (42 U.S.C. 16501), subject to section 1702 of that Act (22 U.S.C. 16512), for the construction of production facilities and supporting infrastructure; or

(B) production payments through a reverse auction in accordance with paragraph (4).

(4) REVERSE AUCTION.—

(A) IN GENERAL.—In providing incentives under this subsection, the Secretary of Energy shall—

(i) issue regulations under which producers of fuel from cellulosic biomass may bid for production payments under paragraph (3)(B); and

(ii) solicit bids from producers of different classes of transportation fuel, as the Secretary of Energy determines to be appropriate.

(B) REQUIREMENT.—The rules under subparagraph (A) shall require that incentives be provided to the producers that submit the lowest bid (in terms of cents per gallon) for each class of transportation fuel from which the Secretary of Energy solicits a bid.

(b) ADVANCED TECHNOLOGY VEHICLES MANUFACTURING INCENTIVE PROGRAM.—

(1) DEFINITIONS.—In this subsection:

(A) ADJUSTED FUEL ECONOMY.—The term “adjusted fuel economy” means the average fuel economy of a manufacturer for all light duty motor vehicles produced by the manufacturer, adjusted such that the fuel economy of each vehicle that qualifies for a credit shall be considered to be equal to the average fuel economy for the weight class of the vehicle for model year 2002.

(B) ADVANCED LEAN BURN TECHNOLOGY MOTOR VEHICLE.—The term “advanced lean burn technology motor vehicle” means a passenger automobile or a light truck with an internal combustion engine that—

(i) is designed to operate primarily using more air than is necessary for complete combustion of the fuel;

(ii) incorporates direct injection; and

(iii) achieves at least 125 percent of the city fuel economy of vehicles in the same size class as the vehicle for model year 2002.

(C) ADVANCED TECHNOLOGY VEHICLE.—The term “advanced technology vehicle” means a light duty motor vehicle that—

(i) is a hybrid motor vehicle or an advanced lean burn technology motor vehicle; and

(ii) meets—

(I) the Bin 5 Tier II emission standard established in regulations issued by the Administrator of the Environmental Protection Agency under section 202(i) of the Clean Air Act (42 U.S.C. 7521(i)), or a lower-numbered Bin emission standard;

(II) any new emission standard for fine particulate matter prescribed by the Administrator under that Act (42 U.S.C. 7401 et seq.); and

(III) at least 125 percent of the base year city fuel economy for the weight class of the vehicle.

(D) ENGINEERING INTEGRATION COSTS.—The term “engineering integration costs” includes the cost of engineering tasks relating to—

(i) incorporating qualifying components into the design of advanced technology vehicles; and

(ii) designing new tooling and equipment for production facilities that produce qualifying components or advanced technology vehicles.

(E) HYBRID MOTOR VEHICLE.—The term ‘hybrid motor vehicle’ means a motor vehicle that draws propulsion energy from onboard sources of stored energy that are—

(i) an internal combustion or heat engine using combustible fuel; and

(ii) a rechargeable energy storage system.

(F) QUALIFYING COMPONENTS.—The term “qualifying components” means components that the Secretary of Energy determines to be—

(i) specially designed for advanced technology vehicles; and

(ii) installed for the purpose of meeting the performance requirements of advanced technology vehicles.

(2) MANUFACTURER FACILITY CONVERSION AWARDS.—The Secretary of Energy shall provide facility conversion funding awards under this subsection to automobile manufacturers and component suppliers to pay not more than 30 percent of the cost of—

(A) reequipping or expanding an existing manufacturing facility in the United States to produce—

(i) qualifying advanced technology vehicles; or

(ii) qualifying components; and

(B) engineering integration performed in the United States of qualifying vehicles and qualifying components.

(3) PERIOD OF AVAILABILITY.—An award under paragraph (2) shall apply to—

(A) facilities and equipment placed in service before December 30, 2017; and

(B) engineering integration costs incurred during the period beginning on the date of enactment of this Act and ending on December 30, 2017.

(4) IMPROVEMENT.—The Secretary of Energy shall issue regulations that require that, in order for an automobile manufacturer to be eligible for an award under this subsection during a particular year, the adjusted average fuel economy of the manufacturer for light duty vehicles produced by the manufacturer during the most recent year for which data are available shall be not less than the average fuel economy for all light duty motor vehicles of the manufacturer for model year 2002.

SA 4734. Mr. LAUTENBERG submitted an amendment intended to be proposed by him to the bill S. 3711, to enhance the energy independence and security of the United States by providing for exploration, development, and production activities for mineral resources in the Gulf of Mexico, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

Finding—

(1) While Americans are forced to pay over \$3.00 per gallon of gasoline, and the minimum wage has been stuck at \$5.15 an hour for the last nine years, former Exxon Mobil CEO Lee R. Raymond was provided with a golden parachute from his former company totaling \$398 million.

SA 4734. Mr. LAUTENBERG submitted an amendment intended to be proposed by him to the bill S. 3711, to enhance the energy independence and security of the United States by providing for exploration, development, and production activities for mineral resources in the Gulf of Mexico, and for other purposes; which was ordered to lie on the table; as follows:

Amend the title so as to read: "Lee R. Raymond Oil Profitability Act."

SA 4736. Mr. BIDEN submitted an amendment intended to be proposed to amendment SA 4713 proposed by Mr. FRIST to the bill S. 3711, to enhance the energy independence and security of the United States by providing for exploration, development, and production activities for mineral resources in the Gulf of Mexico, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ____ . REPEAL OF 2005 ENERGY ACT FOSSIL FUEL ENERGY TAX INCENTIVES.

(a) REPEAL.—The provisions of, and the amendments made by, subtitle B of title XIII of the Energy Policy Act of 2005 are repealed and the Internal Revenue Code of 1986 shall be applied and administered as if such provisions and amendments had never been enacted.

(b) EFFECTIVE DATE.—This section shall take effect as if the provisions described in subsection (a) had never been included in the Energy Policy Act of 2005.

SA 4737. Mr. DAYTON submitted an amendment intended to be proposed by him to the bill S. 3711, to enhance the energy independence and security of the United States by providing for exploration, development, and production activities for mineral resources in the Gulf of Mexico, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ____ . RENEWABLE FUELS PROMOTION.

(a) PROHIBITION ON RESTRICTION OF INSTALLATION OF RENEWABLE FUEL PUMPS.—

(1) IN GENERAL.—Title I of the Petroleum Marketing Practices Act (15 U.S.C. 2801 et seq.) is amended by adding at the end the following:

"SEC. 107. PROHIBITION ON RESTRICTION OF INSTALLATION OF RENEWABLE FUEL PUMPS.

"(a) DEFINITION OF FRANCHISE-RELATED DOCUMENT.—In this section, the term 'franchise-related document' means—

"(1) a franchise under this Act; and
 "(2) any other contract or directive of a franchisor relating to terms or conditions of the sale of fuel by a franchisee.

"(b) PROHIBITIONS.—
 "(1) IN GENERAL.—Notwithstanding any provision of a franchise-related document in effect on the date of enactment of this section, no franchisee or affiliate of a franchisee shall be restricted from—

"(A) installing on the marketing premises of the franchisee a renewable fuel pump;

"(B) converting an existing tank and pump on the marketing premises of the franchisee for renewable fuel use;

"(C) advertising (including through the use of signage or logos) the sale of any renewable fuel; or

"(D) selling renewable fuel in any specified area on the marketing premises of the franchisee (including any area in which a name or logo of a franchisor or any other entity appears).

"(2) ENFORCEMENT.—Any restriction described in paragraph (1) that is contained in a franchise-related document and in effect on the date of enactment of this section—

"(A) shall be considered to be null and void as of that date; and

"(B) shall not be enforced under section 105.

"(c) EXCEPTION TO 3-GRADE REQUIREMENT.—No franchise-related document that requires that 3 grades of gasoline be sold by the applicable franchisee shall prevent the franchisee from selling a renewable fuel in lieu of 1 grade of gasoline."

(2) CONFORMING AMENDMENTS.—

(A) IN GENERAL.—Section 101(13) of the Petroleum Marketing Practices Act (15 U.S.C. 2801(13)) is amended by adjusting the indentation of subparagraph (C) appropriately.

(B) TABLE OF CONTENTS.—The table of contents of the Petroleum Marketing Practices Act (15 U.S.C. 2801 note) is amended—

(i) by inserting after the item relating to section 106 the following:

"Sec. 107. Prohibition on restriction of installation of renewable fuel pumps.";

and

(ii) by striking the item relating to section 202 and inserting the following:

"Sec. 202. Automotive fuel rating testing and disclosure requirements."

(b) REFUELING.—The Energy Policy Act of 1992 is amended by inserting after section 304 (42 U.S.C. 13213) the following:

"SEC. 304A. FEDERAL FLEET FUELING CENTERS.

"(a) IN GENERAL.—Not later than January 1, 2008, the appropriate Federal agency shall install not less than 1 renewable fuel pump at every Federal fleet fueling center in the United States.

"(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section."

(c) REPORT.—Not later than October 31 of each year beginning after the date of enactment of this Act, the President shall submit to Congress a report that describes the progress of the agencies of the Federal government (including the Executive Office of the President) in complying with—

(1) the Energy Policy Act of 1992 (42 U.S.C. 13201 et seq.);

(2) Executive Order 13149 (65 Fed. Reg. 24595); relating to greening the government through Federal fleet and transportation efficiency); and

(3) the Federal fleet fueling center requirement under section 304A of the Energy Policy Act of 1992 (as added by subsection (b)).

SA 4738. Mr. KYL (for himself and Mr. DEWINE) submitted an amendment intended to be proposed by him to the bill S. 3711, to enhance the energy independence and security of the United States by providing for exploration, development, and production activities for mineral resources in the Gulf of Mexico, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ____ . ROYALTY RELIEF FOR PRODUCTION OF OIL AND GAS.

(a) PRICE THRESHOLDS.—Notwithstanding any other provision of law, the Secretary shall place limitations based on market

price on the royalty relief granted under any lease for the production of oil or natural gas on Federal land (including submerged land) entered into by the Secretary on or after the date of enactment of this Act.

(b) CLARIFICATION OF AUTHORITY TO IMPOSE PRICE THRESHOLDS FOR CERTAIN LEASE SALES.—Congress reaffirms the authority of the Secretary under section 8(a)(1)(H) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(a)(1)(H)) to vary, based on the price of production from a lease, the suspension of royalties under any lease subject to section 304 of the Outer Continental Shelf Deep Water Royalty Relief Act (Public Law 104-58; 43 U.S.C. 1337 note).

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. DeMINT. Mr. President, I ask unanimous consent that the Subcommittee on Forestry, Conservation, and Rural Revitalization of the Committee on Agriculture, Nutrition and Forestry be authorized to conduct a hearing during the session of the Senate on July 27, 2006, at 10 a.m. in SR-328A, Russell Senate Office Building. The purpose of this subcommittee hearing will be to conduct an oversight hearing on the U.S. Department of Agriculture use of technical service providers.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ARMED SERVICES

Mr. DeMINT. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on July 27, 2006, at 10 a.m., in open session to consider the following nomination: Lieutenant General James T. Conway, USMC, for appointment to the grade of General and to be Commandant of the Marine Corps.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. DeMINT. Mr. President, I ask unanimous consent that the Senate Committee on Commerce, Science, and Transportation meet to consider the following nominations on Thursday, July 27, 2006, at 11 a.m.:

Charles Nottingham to be a Member of the Surface Transportation Board; Robert Sumwalt to be a Member of the National Transportation Safety Board; Nathaniel Wienecke to be Assistant Secretary for Legislative and Intergovernmental Affairs, Department of Commerce; Jay Cohen to be Under Secretary for Science and Technology, Department of Homeland Security; and Sean Connaughton to be Administrator of the Maritime Administration, Department of Transportation.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. DeMINT. Mr. President, I ask unanimous consent that on Thursday, July 27th, 2006, at 9:30 a.m. the Committee on Environment and Public