Eagle Day”, and celebrating the recovery and restoration of the American bald eagle, the national symbol of the United States.

**STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS**

By Mr. HATCH (for himself and Mr. BENNETT):

S. 1110. A bill to amend the Reclamation Projects Authorization and Adjustment Act of 1992 to provide for the conjunctive use of surface and ground water in Juab County, Utah; to the Committee on Energy and Natural Resources.

Mr. HATCH. Mr. President, I rise today to reinforce the importance of water resource development projects in Juab County, UT, by introducing the Juab County Surface and Ground Water Study and Development Act of 2007. S. 1110. This legislation would amend the Reclamation Projects Authorization and Adjustment Act of 2005 to include Juab County.

Juab County’s inclusion in that Act would allow the County to use Central Utah Project funds to complete water resource development projects, thus enabling the County to better utilize their existing water resources. I hope that by passing this legislation, we will ensure that farmers, ranchers, and other citizens of Juab County will have a reliable water supply and a buffer in times of drought.

Under the original plan for the Bonneville Unit of the Central Unit Project, several counties in central Utah, including Juab, were to receive supplemental water through an irrigation and drainage delivery system. Over the years, however, many central Utah Counties have elected not to participate in the plan and no longer pay the requisite taxes to the Central Utah Water Conservancy District, the political division of the State of Utah established to manage Central Utah Project activities in Utah.

Juab County, on the other hand, remained active in the Central Utah Water Conservancy District’s efforts and has paid millions in property taxes to the District in hopes of benefitting from its membership. Currently, most of the water allocated to the Bonneville Unit of the Central Utah Project is planned for use in Wasatch, Salt Lake, and Utah Counties. This legislation would ensure that the citizens of Juab County can benefit from the system that they have financially supported for so many years.

I urge my colleagues to support this bill.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 1110

**Be it enacted by the Senate and House of Representaties of the United States of America in Congress assembled,**

**SECTION 1. SHORT TITLE.**

This Act may be cited as the “Juab County Surface and Ground Water Study and Development Act of 2007”.

**SEC. 2. CONJUNCTIVE USE OF SURFACE AND GROUND WATER, CENTRAL UTAH PROJECT.**

Section 202(a) of the Reclamation Projects Authorization and Adjustment Act of 1992 (Public Law 102-575; 106 Stat. 4609) is amended by inserting “Juab,” after “Davis,”.

By Mr. WYDEN:

S. 1111. A bill to amend the Internal Revenue Code to make the Federal income tax system simpler, fairer, and more fiscally responsible, and for other purposes; to the Committee on Finance.

Mr. WYDEN. Mr. President, I have come to the floor to talk a bit about taxes. Millions of Americans are scrambling today to file their taxes, trying to pull together their 1040 forms and “schedule this” and “form that” and are plowing through shoe boxes and filing cabinets trying to find the receipts they accumulated all through this year.

Hundreds of our citizens have to calculate their taxes twice to find out the hard way that they have been ensnared in the alternative minimum tax and that they have to pay a much larger burden than they had expected. I believe there is a better way for our country to handle taxes, one where most Americans do not have to fear tax day, do not have to shell out billions of dollars of their ideas, do not have to worry about getting crushed by the alternative minimum tax that years ago, when it was created, was not supposed to clobber middle-class folks in the Pacific Northwest and across the country.

Today I am introducing the Fair Flat Tax Act, along with my colleague in the other body, Congressman RAHM EMANUEL, and I would change all income is not treated fairly. My colleagues and I would change the fortunate few.

The tax reform proposal we have developed is simpler because it is easier to understand and use. Our legislation will include a simplified 1040 form, one page, 30 lines for every individual taxpayer.

The Fair Flat Tax Act, along with my colleague in the other body, Congressman RAHM EMANUEL of Illinois, what we are doing in our flat tax legislation is offering the country that offers the administrative simplicity of a flat tax with the sense of fairness and progressivity that our country has always wanted in our tax system.

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income in State and local taxes, while the wealthier pay only about 5 percent. Because many low- and middle-income taxpayers do not itemize, they get no credit on their Federal form for paying State and local taxes. In fact, two-fifths of the Federal tax deduction for State and local taxes goes to those with incomes above $100,000 a year. Under the Fair Flat Tax Act, for the first time, the Federal Code would look at the entire picture of one’s taxes, at an individual’s combined Federal, State, and local tax burden, and give a credit to low- and middle-income individuals to correct for regressive State and local taxes.

Repealing some individual tax credits, deductions, and exclusions from income—along with eliminating some of those special interest favors in the corporate Tax Code—enables larger standard deductions and broader middle-class tax relief.

What this means is that, according to the Congressional Research Service, under our legislation, the vast majority of taxpayers would see their taxes go down. The Congressional Research Service has advised us that on average, middle-class families and individuals with an average income of about $150,000 would see tax relief. Let me repeat that. We are talking about about average, tax relief for middle-class families and individuals with wage and salary incomes up to approximately $150,000. Middle-class folks in our country would get a tax break.

The legislation also makes concrete progress toward deficit reduction. Certainly, there is a long way to go to stop the hemorrhaging in the Federal budget, but this legislation makes a decent start by allowing us to start lowering the Federal deficit in 2011. It is essentially a revenue-neutral kind of system. But certainly, as we look to the future, this is going to allow us to start lowering the Federal deficit.

I also point out, by simplifying the Code, there are going to be other benefits. For example, we have heard a great deal about the tax gap in the Finance and Budget Committees. It is one of the most serious problems our country faces as it relates to finance in America. Upwards of $300 billion of money that is owed to our government is not collected. Given the fact we have a system today where people are able to flout the rules, change the system, why not go to a simpler system that makes it harder for individuals to cheat and easier for the IRS to catch those who do?

If you look at what I have proposed, the Fair Flat Tax Act—a 1040 form that is only three lines long—it is going to be a lot harder to cheat the system under a proposal such as this, and it is going to be a lot easier for the IRS to catch those who try to take advantage of something such as this.

I believe the Fair Flat Tax Act can make a significant contribution in helping this country collect those taxes that are owed and raise a significant amount of revenue from a source that does not increase taxes. What we are proposing with our flat tax legislation is a win for everybody except those who would try to rip off the system.

I am introducing the Fair Flat Tax Act of 2007 today to provide Americans a plan based on common sense principles that can make the Tax Code work better. We are going to have a system that is simpler and we are going to have a system that is fairer because it gets rid of the special interest loopholes. It gets rid of the despised alternative minimum tax, and it gives everybody a chance to get ahead in America.

It is not about class warfare. It is not about pitting one group against another. It is about giving everybody the opportunity to be a winner and to get ahead to provide for their family and ensure that when they are successful, their success can allow them to do well financially.

I do think it is important to make sure those who work for a wage get fair treatment. That has not been the case today. I want investors to do well. We all look to the stock market as a major source of our prosperity in our country. But let’s make sure everybody has an opportunity to get ahead.

I hope we can go forward in a bipartisan way on the issue of tax reform. I am extremely disappointed the Bush administration has not chosen to follow up on tax reform. I think it is especially unfortunate, given the fact the President had a commission that had a number of good ideas as it relates to tax reform. I certainly did not agree with all of them, but let me talk about one example of how the Congress could work with the Bush administration in a bipartisan way.

I have shown this fair flat tax form I am proposing for a reason; and that is, because I think it is an ideal way for the administration and Democrats and Republicans to work together. My form is 30 lines long—30 lines long—and you can fill it out in under an hour. The President’s commission had a form that is maybe six, seven lines longer—just a handful of additional lines. For Republican-Congressional work, there is virtually no difference between the simplified form I am proposing and what the President’s commission has called for. We could get Democrats and Republicans together to work on tax reform and come up with a simplified form in a matter of days.

There is very little difference between what I am proposing and what came out of the President’s commission.

But what is going to be important is that the President reach out to Democrats and Republicans in the Congress and say: Look, I want to work with you on simplifying the Tax Code. I want to work with you to hold down rates for everybody by closing out some of those special interest breaks. I want to see everybody have an opportunity to get ahead.

What I certainly is what President Reagan did in 1986, when he worked with another tall fellow who served on the Senate Finance Committee, our former colleague Senator Bill Bradley. I went to school on a basketball scholarship. My jump shot is not quite as accurate as Bill Bradley’s, but I sure know the value of bipartisan teamwork.

So today, the day before taxes are owed, I want to renew my offer to the Bush administration to work with them on the issue of tax reform. It is a natural for bipartisan leadership. We have a model; and that is, the reform of 1986, where, again, they simplified the system. They cleaned out the clutter. They got rid of some of those special interest loopholes. They held down rates for everybody. It was good for our country. We can do that again.

The fair flat tax legislation I am introducing today provides an opportunity for Democrats and Republicans to come together to fix the Tax Code in 2007. As with the, Democrats and Republicans did back in 1986, when the late President Reagan and Bill Bradley came together and led a bipartisan effort.

I think it is time to do that again. Most people clean out their attic every 20 years or so. We need the Tax Code every 20 years as well. I think we know how to proceed. The question is whether there is political will. I urge the Bush administration to work with Democrats and Republicans in the Congress because the current tax system, which has subjected our citizens to so much hassle and bureaucracy over the last few months, does not have to be that way. There is an alternative. I have presented one. The President’s commission has presented one. Democrats and Republicans working together can do better.

I urge the President to look to the Congress, leaders of both political parties, to move forward on tax reform in the days ahead.

Mr. President, I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the text of the bill was ordered to be printed in the Record, as follows:

SEC. 1. SHORT TITLE; AMENDMENT OF 1986 CODE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the “Fair Flat Tax Act of 2007”.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE; TABLE OF CONTENTS.
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April 16, 2007

(c) TABLE OF CONTENTS.—The table of contents for this Act is as follows:
Sec. 1. Short title; amendment of 1986 Code; table of contents.
Sec. 2. Purpose.

TITILE I—INDIVIDUAL INCOME TAX REFORMS
Sec. 101. 3 progressive individual income tax rates for all forms of income.
Sec. 102. Health care—standard deduction.
Sec. 103. Increase in basic standard deduction.
Sec. 104. Refundable credit for State and local income, sales, and real and personal property taxes.
Sec. 105. Earned income credit and earned income credit for child taxpayers.
Sec. 106. Repeal of individual alternative minimum tax.
Sec. 107. Termination of various exclusions, exemptions, deductions, and credits.

TITILE II—CORPORATE AND BUSINESS INCOME TAX REFORMS
Sec. 201. Corporate flat tax.
Sec. 203. Termination of various preferential tax treatment.
Sec. 204. Elimination of tax expenditures that subsidize inefficiencies in the health care system.
Sec. 205. Pass-through business entity transparency.
Sec. 207. Revaluation of LIFO inventories of large integrated oil companies.
Sec. 208. Modifications of foreign tax credit rules applicable to large integrated oil companies which are dual capacity taxpayers.
Sec. 209. Repeal of lower of cost or market value of inventory rule.
Sec. 210. Reinstitution of per country foreign tax credit.
Sec. 211. Application of rules treating inverted corporations as domestic corporations to certain transactions occurring after March 20, 2003.

TITILE III—OTHER PROVISIONS
Subtitle A—Improvements in Tax Compliance
Sec. 301. Information reporting on payments to corporations.
Sec. 302. Treatment of travel on corporate aircraft.
Sec. 303. Additional reporting requirements by regulation.
Sec. 304. Increase in information return penalties.
Sec. 305. E-filing requirement for certain returns.
Sec. 306. Implementation of standards clarifying when employee leasing companies can be held liable for their clients’ Federal employment taxes.
Sec. 307. Modification of collection due process procedures for employment tax liabilities.
Sec. 308. Expansion of IRS access to information in National Directory of New Hires for tax administration purposes.
Sec. 309. Disclosure of prisoner return information to Federal Bureau of Prisons.
Sec. 310. Modification of criminal penalties for willful failures involving tax payments and filing returns.
Sec. 311. Understatement of taxpayer liability by return preparers.
Sec. 312. Penalties for failure to file certain returns electronically.
Sec. 313. Penalty for filing erroneous refund claims.
Subtitle B—Requiring Economic Substance
Sec. 321. Clarification of economic substance doctrine.
Sec. 322. Penalty for understatement attributable to transactions lacking economic substance.
Sec. 323. Denial of deduction for interest on underpayments attributable to noneconomic substance transactions.
Subtitle C—Miscellaneous
Sec. 331. Denial of deduction for punitive damages.

TITILE IV—TECHNICAL AND CONFORMING AMENDMENTS; SUNSET
Sec. 401. Technical and conforming amendments.
Sec. 402. Sunset.

SEC. 2. PURPOSE.
The purpose of this Act is to amend the Internal Revenue Code of 1986—
(1) to make the Federal individual income tax system simpler, fairer, and more transparent by—
(A) recognizing the overall Federal, State, and local tax burden on individual Americans, especially the regressive nature of State and local taxes (including a Federal income tax credit for State and local income, sales, and property taxes),
(B) providing for an earned income tax credit for childless taxpayers and a new earned income child credit,
(C) repealing the individual alternative minimum tax,
(D) streamlining the basic standard deduction and maintaining itemized deductions for principal residence mortgage interest and charitable contributions,
(E) reducing the number of exclusions, exemptions, deductions, and credits, and
(F) treating all income equally,
(2) to make the Federal corporate income tax rate a flat 35 percent and eliminate special tax preferences that favor particular types of businesses or activities, and
(3) to partially offset the Federal budget deficit through the increased fiscal responsibility resulting from these reforms.

TITILE I—INDIVIDUAL INCOME TAX REFORMS
Sec. 101. 3 PROGRESSIVE INDIVIDUAL INCOME TAX RATES FOR ALL FORMS OF INCOME.
(a) MARRIED INDIVIDUALS FILING JOINT RETURNS AND SURVIVING SPOUSES.—The table contained in section 1(a) is amended to read as follows:

<table>
<thead>
<tr>
<th>If taxable income is:</th>
<th>The tax is:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over $30,000 ..........</td>
<td>15% of taxable income.</td>
</tr>
<tr>
<td>Over $30,000 but not over $60,000 ..........</td>
<td>$4,500, plus 25% of the excess over $30,000.</td>
</tr>
<tr>
<td>Over $60,000 ..........</td>
<td>$13,500, plus 35% of the excess over $60,000.</td>
</tr>
</tbody>
</table>

(b) HEADS OF HOUSEHOLDS.—The table contained in section 1(b) is amended to read as follows:

<table>
<thead>
<tr>
<th>If taxable income is:</th>
<th>The tax is:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over $105,000 ..........</td>
<td>15% of taxable income.</td>
</tr>
<tr>
<td>Over $105,000 but not over $160,000 ..........</td>
<td>$16,000, plus 25% of the excess over $105,000.</td>
</tr>
<tr>
<td>Over $160,000 ..........</td>
<td>$24,650, plus 35% of the excess over $160,000.</td>
</tr>
</tbody>
</table>

(c) UNMARRIED INDIVIDUALS (OTHER THAN SURVIVING SPOUSES AND HEADS OF HOUSEHOLDS).—The table contained in section 1(c) is amended to read as follows:

<table>
<thead>
<tr>
<th>If taxable income is:</th>
<th>The tax is:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over $105,000 ..........</td>
<td>15% of taxable income.</td>
</tr>
<tr>
<td>Over $105,000 but not over $160,000 ..........</td>
<td>$16,000, plus 25% of the excess over $105,000.</td>
</tr>
<tr>
<td>Over $160,000 ..........</td>
<td>$24,650, plus 35% of the excess over $160,000.</td>
</tr>
</tbody>
</table>

(d) MARRIED INDIVIDUALS FILING SEPARATE RETURNS.—The table contained in section 1(d) is amended to read as follows:

<table>
<thead>
<tr>
<th>If taxable income is:</th>
<th>The tax is:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over $15,000 ..........</td>
<td>15% of taxable income.</td>
</tr>
<tr>
<td>Over $15,000 but not over $25,000 ..........</td>
<td>$2,250, plus 25% of the excess over $15,000.</td>
</tr>
<tr>
<td>Over $25,000 ..........</td>
<td>$13,500, plus 35% of the excess over $25,000.</td>
</tr>
</tbody>
</table>

(e) CONFORMING AMENDMENTS TO INFLATION ADJUSTMENT.—Section 302 of the Jobs and Growth Tax Relief Reconciliation Act of 2003 is amended by striking “December 3, 2008” and inserting “December 31, 2007”.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2007.
(adjusted for the size of the family involved) minus such poverty line for the calendar year in which such taxable year begins, and
(ii) the denominator of which is 400 percent of the dollar amount determined under subparagraph (A) for the family size involved minus such poverty line.

"(C) PHASEOUT OF DEDUCTION AMOUNT.—

"(1) IN GENERAL.—The amount otherwise determined under subparagraph (A) for any taxable year shall be reduced by the amount determined under clause (ii).

"(2) TECHNICAL AMENDMENT.—The amount determined under this clause shall be the amount which bears the same ratio to the amount determined under subparagraph (A) as—

"(I) the excess of the taxpayer's modified adjusted gross income for such taxable year, over $2,500 ($12,500 in the case of a joint return), bears to

"(II) $62,500 ($125,000 in the case of a joint return).

Any amount determined under this clause which is not a multiple of $1,000 shall be rounded to the next lowest $1,000.

"(D) INFLATION ADJUSTMENT.—In the case of any taxable year beginning in a calendar year after 1991, such dollar amount contained in subparagraph (A) and subparagraph (C)(ii)(I) shall be increased by an amount equal to such dollar amount, multiplied by the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by the year as does not exceed the phaseout amount.''.

"(E) DETERMINATION OF MODIFIED ADJUSTED GROSS INCOME.—

"(1) IN GENERAL.—For purposes of this paragraph, the term 'modified adjusted gross income' means adjusted gross income—

"(ii) determined without regard to section 7701(b) or by the District of Columbia.

"(2) IN GENERAL.—For purposes of this section, the term 'personal property tax' means a tax imposed at one rate with respect to the sale at retail of a broad range of classes of items.

"(3) PERSONAL PROPERTY TAXES.—The term 'personal property tax' means an ad valorem tax which is imposed on a annual basis in respect of personal property.

"(4) APPLICATION OF RULES.—Rules similar to the rules under subparagraphs (C), (D), (E), (F), (G), and (H) of section 164(b)(5) shall apply.

"(F) EARNED INCOME CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this title for the taxable year an amount equal to 10 percent of the qualified State and local taxes paid by the taxpayer for such year.

"(G) LIMITATION.—(1) In general.—The amount of the credit allowed under subparagraph (F) shall not exceed the excess (if any) of—

"(I) 15 percent of so much of the taxpayer's modified adjusted gross income for the taxable year as does not exceed the phaseout amount,''.

"(H) REPORT REGARDING USE OF CREDIT BY MARRIED RENTERS.—Not later than 180 days after the date of enactment of this Act, the Secretary of the Treasury shall report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives recommendations regarding the treatment of a portion of rental payments made in a manner similar to real property taxes under section 36 of the Internal Revenue Code of 1986 (as added by this section).

"(I) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2007.

"Sec. 102. INCREASED DEDUCTION FOR STATE AND LOCAL PERSONAL PROPERTY TAXES.

"(a) IN GENERAL.—Subsection (a) of section 63(c) (relating to standard deduction) is amended by striking ‘‘(3) the amount determined under subparagraph (C)(ii) of section 164(b) (as determined by this section).’’. (b) CONFORMING AMENDMENT.—Section 212(d)(1)(D) is amended by inserting ‘‘amounts paid under section 3421 and after ‘income tax’.’’ (c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2007.

"Sec. 103. EARNED INCOME CHILD CREDIT AND EARNED INCOME CREDIT FOR CHILDLSS TAXPAYERS.

"(a) IN GENERAL.—Subsection (a) of section 32 (relating to earned income) is amended to read as follows:

"(a) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this title for the taxable year an amount equal to 40 percent of the qualified State and local income taxes paid by the taxpayer for such year.

"(b) LIMITATION.—(1) In general.—The amount of the credit allowed under subparagraph (A) shall not exceed the excess (if any) of—

"(I) the taxpayer's earned income for the taxable year—

"(II) $62,500 ($125,000 in the case of a joint return), bears to

"(III) $15,000 in any other case, reduced by any deduction allowed under section 62(a)(22) for such taxable year, or

"(IV) the credit allowable under this section may not be taken into account in determining any credit or deduction under any other provision of this title.''.

"(b) TECHNICAL AMENDMENTS.—

"(1) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting ‘‘or from section 36 of such Code’’ before the period at the end.

"(2) The table of sections for subpart C of part IV of subchapter A of chapter 24 of title 26, is amended by striking the item relating to section 36 and inserting the following:

"(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2007.

"Sec. 105. EARNED INCOME CREDIT AND EARNED INCOME CREDIT FOR CHILDLSS TAXPAYERS.

"(a) IN GENERAL.—Subsection (a) of section 32 (relating to earned income) is amended to read as follows:

"(a) ALLOWANCE OF EARNED INCOME CHILD CREDIT AND EARNED INCOME CREDIT.—

"(1) IN GENERAL.—There shall be allowed as a credit against the tax imposed by this title for the taxable year an amount equal to 40 percent of the qualified State and local income child credit amount, and

"(2) in the case of any eligible individual with no qualifying children, an amount equal to the earned income child credit amount.

"(2) EARNED INCOME CREDIT AMOUNT.—For purposes of this section, the earned income credit child credit amount is equal to the sum of—

"(A) the credit percentage of so much of the taxpayer's earned income for the taxable year as does not exceed the earned income limit amount, plus

"(B) the supplemental child credit amount determined under subsection (n) for such taxable year.

"(3) EARNED INCOME CREDIT AMOUNT.—For purposes of this section, the earned income credit amount is equal to the credit percentage of so much of the taxpayer's earned income for the taxable year as does not exceed the earned income limit amount.

"(4) LIMITATION.—The amount of the credit allowable to a taxpayer under paragraph (2)(A) or (3) for any taxable year shall not exceed the excess (if any) of—

"(A) the credit percentage of the earned income amount, over

"(B) the phaseout percentage of so much of the taxpayer's modified adjusted gross income as exceeds the phaseout amount.''.

"(b) SUPPLEMENTAL CHILD CREDIT AMOUNT.—Section 32 is amended by adding at the end the following new subsection:

"(ii) SUPPLEMENTAL CHILD CREDIT AMOUNT.—

"(1) IN GENERAL.—For purposes of subsection (a)(2)(B), the supplemental child credit amount for any taxable year is equal to the lesser of—

"(A) the credit which would be allowed under section 32 for such taxable year with-
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“(I) the taxpayer’s social security taxes for the taxable year, over
“(II) the credit allowed under this section for the taxable year.

The amount of the credit allowed under this subsection shall not be treated as a credit allowed under subpart A and shall reduce the amount of credit otherwise allowable under section 24(a) without regard to section 24(b)(5).”

“(2) SOCIAL SECURITY TAXES.—For purposes of paragraph (1)—
“(A) IN GENERAL.—The term ‘social security taxes’ means, with respect to any taxpayer for any taxable year—
“(i) the amount of the taxes imposed by section 3101 and 3201(a) on amounts received by the taxpayer during the calendar year in which the taxable year begins,
“(ii) 50 percent of the taxes imposed by section 1401 on the self-employment income of the taxpayer for the taxable year, and
“(iii) 50 percent of the taxes imposed by section 3211(a)(1) on amounts received by the taxpayer during the calendar year in which the taxable year begins.

“(B) COORDINATION WITH SPECIAL REFUND OF SOCIAL SECURITY TAXES.—The term ‘social security taxes’ shall not include any taxes to the extent the taxpayer is entitled to a special refund of such taxes under section 6413(c).”

“(3) SPECIAL RULE.—Any amounts paid pursuant to an agreement under section 3211(i) (relating to agreements entered into by American employers with respect to foreign affiliates) which are equivalent to the foreign affiliates which are equivalent to the taxes referred to in subparagraph (A) shall be treated as taxes referred to in such paragraph.

“(4) INFLATION ADJUSTMENT.—In the case of any taxable year beginning in a calendar year after 2007, the $10,000 amount contained in paragraph (1)(B) shall be increased by an amount determined by adding to the amount determined by multiplying the base amount determined by paragraphs (2), (3), and (4) as paragraphs (1), (2), and (3), respectively, to the amounts specified in section 3211(a)(1) on amounts received by the taxpayer during the calendar year in which the taxable year begins.

“(A) such dollar amount, multiplied by
“(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting ‘calendar year 2000’ for ‘calendar year 1992’ in subparagraph (B) thereof.

“Any increase determined under the preceding sentence shall be rounded to the nearest multiple of $50.”

“(c) CONFORMING AMENDMENT.—Section 24(d) is amended by striking paragraph (4) that follows the amendment made by section 2(e) and inserting ‘the amount of tax imposed by section 11(b)’.

“(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2007.”

SEC. 107. TERMINATION OF VARIOUS EXCLUSIONS, EXEMPTIONS, DEDUCTIONS, AND CREDITS.

“(a) IN GENERAL.—Subchapter C of chapter 41 (relating to earned income of citizens or residents of a country which is a part of the United States, foreign tax credits for paid or included income, income of U.S. Possessions, and Subpart F income) is amended by striking the last 2 paragraphs in section 165.

“(b) AMOUNT OF TAX.—The amount of tax described in clause (i) for any taxable year shall not exceed the amount described in clause (ii) for any taxable year.

“(i) the amount of the taxes imposed by subsection (a) on the taxpayer for any taxable year other than a corporation for any taxable year shall not exceed the amount described in clause (iii) for any taxable year.

“(ii) the amount of the tax liability of the taxpayer for such taxable year reduced by the amount of credits allowable under subparts A, B, D, E, and F of this part.

“(iii) 50 percent of the taxes imposed by subsection (a) on the taxpayer for any taxable year.

“(c) CONFORMING AMENDMENTS.—

“(1) Section 1561(a) is amended—

“(A) by striking paragraph (2) and redesignating paragraphs (3), (4), and (5) as paragraphs (2), (3), and (4), respectively,

“(B) by striking ‘The amounts specified in paragraph (1)’ and inserting ‘The amounts specified in paragraphs (1) and (2)’, and

“(C) by striking ‘paragraph (2)’ and inserting ‘paragraph (3)’.

“(2) By striking ‘paragraph (3)’ both places it appears and inserting ‘paragraph (4)’.

“(3) By striking ‘paragraph (4)’ and inserting ‘paragraph (5)’.

“(4) By striking the fourth sentence.

“(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2007.”

SEC. 202. TREATMENT OF TRAVEL ON CORPORATE AIRCRAFT.

“(a) IN GENERAL.—Section 165(h) of the Internal Revenue Code of 1986 (relating to travel on corporate aircraft) is amended by adding at the end the following new item:

“(vi) a taxpayer may elect to treat amounts paid or included in income for travel on an aircraft owned by the taxpayer for personal use as being an item of gross income and as an item of income for purposes of the preceding sentence.

“(b) AMOUNT OF TAX.—The amount of tax described in clause (i) for any taxable year shall not exceed the amount described in clause (ii) for any taxable year.

“(i) the amount of the taxes imposed by subsection (a) on the taxpayer for any taxable year other than a corporation for any taxable year shall not exceed the amount described in clause (iii) for any taxable year.

“(ii) the amount of the tax liability of the taxpayer for such taxable year reduced by the amount of credits allowable under subparts A, B, D, E, and F of this part.

“(iii) 50 percent of the taxes imposed by subsection (a) on the taxpayer for any taxable year.

“(c) LIMITATION.—

“(1) IN GENERAL.—Except as provided in paragraph (2), the credit allowed under subsection (a) for any taxable year shall not exceed the amount described in clause (ii) for any taxable year.

“(2) THE TENTATIVE MINIMUM TAX FOR THE TAXABLE YEAR.

“(a) IN GENERAL.—The term ‘social security taxes’ means, with respect to any taxpayer for any taxable year—

“(i) the amount of the taxes imposed by section 3101 and 3201(a) on amounts received by the taxpayer during the calendar year in which the taxable year begins,

“(ii) 50 percent of the taxes imposed by section 1401 on the self-employment income of the taxpayer for the taxable year, and

“(iii) 50 percent of the taxes imposed by section 3211(a)(1) on amounts received by the taxpayer during the calendar year in which the taxable year begins.

“(B) COORDINATION WITH SPECIAL REFUND OF SOCIAL SECURITY TAXES.—The term ‘social security taxes’ shall not include any taxes to the extent the taxpayer is entitled to a special refund of such taxes under section 6413(c).”

“(3) SPECIAL RULE.—Any amounts paid pursuant to an agreement under section 3211(i) (relating to agreements entered into by American employers with respect to foreign affiliates) which are equivalent to the taxes referred to in subparagraph (A) shall be treated as taxes referred to in such paragraph.

“(4) INFLATION ADJUSTMENT.—In the case of any taxable year beginning in a calendar year after 2007, the $10,000 amount contained in paragraph (1)(B) shall be increased by an amount determined by multiplying the base amount determined by paragraphs (2), (3), and (4) as paragraphs (1), (2), and (3), respectively, by the amounts specified in section 3211(a)(1) on amounts received by the taxpayer during the calendar year in which the taxable year begins.

“(A) such dollar amount, multiplied by
“(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting ‘calendar year 2000’ for ‘calendar year 1992’ in subparagraph (B) thereof.

“Any increase determined under the preceding sentence shall be rounded to the nearest multiple of $50.”

“(c) CONFORMING AMENDMENT.—Section 24(d) is amended by striking paragraph (4) that follows the amendment made by section 2(e) and inserting ‘the amount of tax imposed by section 11(b)’.

“(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2007.”

SEC. 203. TERMINATION OF VARIOUS PREPAYABLE TAXES.

“(a) IN GENERAL.—Section 7875, as added by section 107, is amended—

“(1) by inserting ‘(or transactions in the case of sections referred to in paragraphs (21), (22), (23), (24), and (27))’ after ‘taxable years beginning’ and

“(2) by adding at the end the following new paragraph:

“(14) Paragraph (3) of section 43 (relating to enhanced oil recovery credit).

“(15) Section 36(d) (relating to intangible drilling and development credits in the case of oil and gas wells and geothermal wells).

“(16) Section 382(b)(5) (relating to exception from net operating loss limitations for corporations in bankruptcy).

“(17) Section 45(d) (relating to special rules for sales or dispositions to implement
Federal Energy Regulatory Commission or State electric restructuring policy).

‘‘(b) Section 453A (relating to special rules for nondealers), but only with respect to the dollar amount of each special rule subsection (c) thereof and subsection (d) thereof (relating to exception for personal use and farm property).

‘‘(2) Section 460(e)(1) (relating to special rules for long-term home construction contracts) or other short-term construction contracts).

‘‘(3) Section 461A (relating to percentage depletion in case of oil and gas wells).

‘‘(21) Section 616 (relating to development costs).

‘‘(22) Sections 861(a)(6), 862(a)(6), 863(b)(2), 863(b)(3), and 865(b)(2) (relating to inventory property sales rule exception).’’.

(b) FULL TAX RATE ON NUCLEAR DECOMMISI-

NATION RESERVE FUND.—Subparagraph (B) of section 468a(e)(2) is amended to read as follows:

‘‘(B) RATE OF TAX.—For purposes of subparagraph (A), the rate set forth in this subparagraph is 35 percent.

(c) DEFERRAL OF ACTIVE INCOME OF CON-

TROLLED FOREIGN CORPORATIONS.—Section 952 (relating to subpart F income defined) is amended by adding at the end the following new subparagraph:

‘‘(e) FINAL APPLICATION OF SUBPART.—

‘‘(1) IN GENERAL.—For taxable years beginning after December 31, 2007, notwithstanding any other provision of this part, the term ‘subpart F income’ means, in the case of any controlled foreign corporation, the income of such corporation derived from any foreign country.

‘‘(2) APPLICABLE RULES.—Rules similar to the rules under the last sentence of subsection (a) and subsection (d) shall apply to this subsection.”.

(d) DEPRECIATION ON EQUIPMENT IN EXCESS

OF LIFO LAYER.—Section 168(g)(1) (relating to alternative depreciation system) is amended by striking “and at the end of subparagraph (D), by adding after subparagraph (B) and by inserting after subparagraph (E) the following new subparagraph:

‘‘(F) notwithstanding subsection (a), any tangible property placed in service after December 31, 2007.

(e) EFFECTIVE DATE.—The amendments made by subsections (b), (c), and (d) shall apply to taxable years beginning after December 31, 2007.

SEC. 204. ELIMINATION OF TAX EXPENDITURES THAT SUBSIDIZE INEFFICIENCIES IN THE HEALTH CARE SYSTEM.

Not later than 180 days after the date of the enactment of this Act, the Secretary of the Treasury, in consultation with the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representa-

tives, shall report to the Committee on Finance on the extent to which tax expenditures which subsidize inefficiencies in the health care system and if eliminated would result in Federal budget savings of not less than $100,000,000,000 annually.

SEC. 205. PASS-THROUGH BUSINESS ENTITY TRANSPARENCY.

Not later than 90 days after the date of the enactment of this Act, the Secretary of the Treasury shall report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representa-

tives, recommended changes to the tax laws, in consultation with the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representa-

tives, that would require the Secretary of the Treasury to report to the Committee on Finance on the extent to which tax expenditures which subsidize inefficiencies in the health care system and if eliminated would result in Federal budget savings of not less than $100,000,000,000 annually.


(a) LEASES TO FOREIGN ENTITIES.—Section 489(b) of the American Jobs Creation Act of 2004 is amended by adding at the end the following new paragraph:

‘‘(g) LEASES TO FOREIGN ENTITIES.—In the case of tax-exempt property leased to a foreign entity, the rate set forth in this subsection shall be the rate set forth in section 489(b)(3) for the taxable year beginning after December 31, 2006, with respect to leases entered into on or before March 12, 2006.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in the enactment of the American Jobs Creation Act of 2004.

SEC. 207. REVALUATION OF LIFO INVENTORIES OF LARGE INTEGRATED OIL COMPANIES.

(a) GENERAL RULE.—Notwithstanding any other provision of this chapter, the term ‘large integrated oil company’ means, with respect to any year, an integrated oil company to which section (a) and subsection (d) shall apply to taxable years beginning after December 31, 2006.

(b) REVALUATION OF LIFO INVENTORIES.—Except as provided in subsection (a), the term ‘large integrated oil company’ means, with respect to any year, an integrated oil company which is a large integrated oil company to a foreign country or possession of the United States for any period shall not be considered a tax.

(c) EXCEPTIONS.—Such term shall not in-

clude a tax unless it has substantial appli-

cation purposes of this subsection, any amount

imposed under the laws of a foreign country or possession of the United States is imposed.

(d) APPLICABLE INCOME TAX.—For purposes of this subsection, the term ‘ap-

plicable income tax’ means, with respect to any foreign country or possession.

(e) EXCEPTIONS.—Such term shall not in-

clude a tax unless it has substantial appli-

cation purposes of this subsection, any amount

imposed under the laws of a foreign country or possession of the United States.

(f) EFFECTIVE DATE.—Section 6655 of the Internal Revenue Code of 1986, relating to failure by corporation to pay estimated tax with respect to any underpayment of 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.

(g) APPLICABLE INTEGRATED OIL COMPANY.—For purposes of this section, the term ‘applicable integrated oil company’ means, with respect to any year, an integrated oil company (as defined in section 291(b)(4)) which

(a) had gross receipts in excess of $1,000,000,000 for such taxable year, and

(b) has an average annual worldwide production of crude oil of at least 500,000 barrels.
section shall not apply to the extent contrary to any treaty obligation of the United States.

SEC. 209. REPEAL OF LOWER OF COST OR MARKET VALUE OF INVENTORY RULE.

(a) In General.—Subsection (a) of section 471 (relating to rules for inventories) is amended to read as follows:

"(a) GENERAL RULE.—Whenever in the opinion of the Secretary the use of inventories is necessary in order clearly to determine the income of the taxpayer, inventories shall be valued at cost.''.

(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. 210. REESTABLISHMENT OF PER COUNTRY FOREIGN TAX CREDIT.

(a) In General.—Subsection (a) of section 904 (relating to limitation on credit) is amended by inserting "'(including any corporation other than a corporation exempt from taxation)'' after "‘another person’.''.

(b) Effective Date.—The amendment made by this section shall apply to taxable years beginning after December 31, 2007.

SEC. 211. APPLICATION OF RULES TREATING INVERTED CORPORATIONS AS DOMESTIC CORPORATIONS TO CERTAIN TRANSACTIONS OCCURRING AFTER MARCH 20, 2002.

(a) In General.—Section 7874(b) (relating to inverted corporations treated as domestic corporations) is amended by inserting "'(relating to basis of property—cost)'' after "‘(relating to basis of property—familiarity)’'.

(b) Inverted Corporations Treated as Domestic Corporations.—

(1) In General.—Notwithstanding section 7701(a), a foreign corporation shall be treated for purposes of this title as a domestic corporation if such corporation would be treated for purposes of this title as a domestic corporation in the absence of section 7874 unless the Secretary determines that the same proportion of the tax against which such credit is taken which the taxpayer’s taxable income from sources within such country or possession (but not in cases in which the taxpayer’s foreign taxable income) bears to such taxpayer’s entire taxable income for the same taxable year.

(2) Effective Date.—The amendment made by this section shall apply to taxable years beginning after December 31, 2007.

SEC. 212. BROKER REPORTING OF CUSTOMER’S BASIS IN SECURITIES TRANSACIONS.

(a) In General.—Section 6041(a) (relating to returns of information) is amended by adding, at the end the following new subsection:

"(g) ADDITIONAL INFORMATION REQUIRED IN THE CASE OF SECURITIES TRANSACTIONS.—

(1) In general.—If a broker is otherwise required to make a return under subsection (a) (with respect to any applicable security, the broker shall include in such return the information described in paragraph (2).

(2) ADDITIONAL INFORMATION REQUIRED.—

(A) In general.—The information required under paragraph (1) shall be shown on a return with respect to an applicable security of a customer shall include for each reported applicable security the customer’s adjusted basis in such security.

(B) EXEMPTION FROM REQUIREMENT.—The Secretary shall issue such regulations or prescribe, and

(i) require such other information related to such adjusted basis as the Secretary may prescribe, and

(ii) exempt classes of cases in which the broker does not have sufficient information to meet either requirement under subparagraph (A) or the requirement under clause (i).

(3) INFORMATION TRANSFERS.—To the extent provided in regulations, there shall be such other information included by brokers as such regulations may require for purposes of enabling such brokers to meet the requirements of this subsection.

(4) DETERMINATION OF BASIS OF CERTAIN INCOME—

(A) in subparagraph (A) —

(ii) existing under subparagraph (A) or subparagraph (C) of section 6111(a) (relating to basis of property—cost) is amended by striking "$175,000'', and inserting "$3,000,000'', and

(ii) by striking "$250,000'', and inserting "$1,500,000'', and inserting "$3,000,000'', and

(B) any Federal, State, or local government is required to report to the Secretary any non-wage payment to procure property and services, other than payments of interest, penalties, or other payments to pay- exempt entities or foreign governments, intergovernmental payments, and payments made pursuant to a classified or confidential contract.

SEC. 303. ADDITIONAL REPORTING REQUIREMENTS BY REGULATION.

The Secretary of the Treasury is authorized to issue regulations under which with respect to payments made after December 31, 2007—

(1) any merchant acquiring bank is required to annually report to the Secretary that, in reimbursement payment made to merchants in a calendar year, unless the benefit of such reporting does not justify the cost of compliance, as determined by the Secretary,

(2) any contractor receiving payments of $500 or more in a calendar year from a particular business is required to furnish such business the contractor’s certified taxpayer identification number or be subject to withholding on such payments at a flat rate percentage selected by the contractor, and

(3) any Federal, State, or local government is required to report to the Secretary any non-wage payment to procure property and services, other than payments of interest, penalties, or other payments to pay-exempt entities or foreign governments, intergovernmental payments, and payments made pursuant to a classified or confidential contract.

SEC. 304. INCREASE IN INFORMATION RETURN PENALTIES.

(a) Failure to File Correct Information Returns.—

(1) In General.—Section 6721(a)(1) is amended—

(A) by striking "$500'' and inserting "$2500'', and

(B) by striking "$250,000'' and inserting "$3,000,000''.

(2) Reduction where Correction in Specified Period.—

(A) Correction within 30 Days.—Section 6721(b)(1) is amended—

(i) by striking "$15'' and inserting "$500'', and

(ii) by striking "$5,000'' and inserting "$2500'', and

(iii) by striking "$75,000'' and inserting "$3,000,000''.

(B) Failure to Correct Corrected on or Before August 1.—Section 6721(b)(2) is amended—

(i) by striking "$30'' and inserting "$100'', and

(ii) by striking "$50'' and inserting "$250'', and

(iii) by striking "$150,000'' and inserting "$1,500,000''.

(3) Lower Limitation for Persons with Gross Receipts of Not More Than $5,000,000.—Section 6721(d)(1) is amended—

(A) in subparagraph (A)—

(i) by striking "$100,000'', and

(ii) by striking "$250,000'' and inserting "$3,000,000'', and

(B) in subparagraph (B)—

(i) by striking "$25,000'' and inserting "$175,000'', and

(ii) by striking "$75,000'' and inserting "$3,000,000'', and

(C) in subparagraph (C)—

(i) by striking "$50,000'', and

(ii) by striking "$150,000'' and inserting "$1,500,000''.

(4) Penalty in case of Intentional Disregard.—Section 6721(e) is amended—

(A) by striking "$100'' in paragraph (2) and inserting "$5,000'', and

(B) by striking "$250,000'' in paragraph (3) and inserting "$3,000,000''.

SEC. 305. INCREASE IN PENALTIES FOR CERTAIN MISCELLANEOUS RETURNS AND REPORTS.

The Secretary of the Treasury is authorized to issue regulations under which with respect to payments made after December 31, 2007—

(1) any merchant acquiring bank is required to annually report to the Secretary that, in reimbursement payment made to merchants in a calendar year, unless the benefit of such reporting does not justify the cost of compliance, as determined by the Secretary,

(2) any contractor receiving payments of $500 or more in a calendar year from a particular business is required to furnish such business the contractor’s certified taxpayer identification number or be subject to withholding on such payments at a flat rate percentage selected by the contractor, and

(3) any Federal, State, or local government is required to report to the Secretary any non-wage payment to procure property and services, other than payments of interest, penalties, or other payments to pay-exempt entities or foreign governments, intergovernmental payments, and payments made pursuant to a classified or confidential contract.

SEC. 306. ADDITIONAL REPORTING REQUIREMENTS BY REGULATION.

The Secretary of the Treasury is authorized to issue regulations under which with respect to payments made after December 31, 2007—

(1) any merchant acquiring bank is required to annually report to the Secretary that, in reimbursement payment made to merchants in a calendar year, unless the benefit of such reporting does not justify the cost of compliance, as determined by the Secretary,

(2) any contractor receiving payments of $500 or more in a calendar year from a particular business is required to furnish such business the contractor’s certified taxpayer identification number or be subject to withholding on such payments at a flat rate percentage selected by the contractor, and

(3) any Federal, State, or local government is required to report to the Secretary any non-wage payment to procure property and services, other than payments of interest, penalties, or other payments to pay-exempt entities or foreign governments, intergovernmental payments, and payments made pursuant to a classified or confidential contract.

SEC. 307. INCREASE IN PENALTIES FOR CERTAIN MISCELLANEOUS RETURNS AND REPORTS.

The Secretary of the Treasury is authorized to issue regulations under which with respect to payments made after December 31, 2007—

(1) any merchant acquiring bank is required to annually report to the Secretary that, in reimbursement payment made to merchants in a calendar year, unless the benefit of such reporting does not justify the cost of compliance, as determined by the Secretary,
(b) Failure to Furnish Correct Payee Statements.—

(1) In general.—Section 6722(a) is amended—

(A) by striking "$50" and inserting "$250", and

(B) by striking "$1,000,000" and inserting "$3,000,000".

(2) PERIOD IN CASE OF INTENTIONAL DISREGARD.—Section 6722(c) is amended—

(A) by striking "$100" in paragraph (1) and inserting "$500", and

(B) by striking "$100,000" in paragraph (2)(A) and inserting "$1,000,000".

(c) Failure to Comply With Other Information Reporting Requirements.—Section 6724 is amended—

(1) by striking "$50" and inserting "$250", and

(2) by striking "$100,000" and inserting "$1,000,000".

(d) Effective Date.—The amendments made by this section shall apply to information returns required to be filed on or after January 1, 2008.

SEC. 305. E-FILING REQUIREMENT FOR CERTAIN LARGE ORGANIZATIONS.

(a) In General.—The first sentence of section 6011(e)(2) is amended to read as follows: "In prescribing regulations under paragraph (1), the Secretary shall take into account (among other relevant factors) the ability of the taxpayer to comply at reasonable cost with the requirements of such regulations."

(b) Conforming Amendment.—Section 6724 is amended by striking subsection (c).

(c) Effective Date.—The amendments made by this section shall apply to taxable years ending on or after December 31, 2008.

SEC. 306. IMPLEMENTATION OF STANDARDS CLARIFYING WHEN EMPLOYER LEASING COMPANIES CAN BE HELD LIABLE FOR THEIR CLIENTS’ FEDERAL EMPLOYMENT TAXES.

With respect to payments of employment tax returns required to be filed with respect to wages paid on or after January 1, 2008, the Secretary of the Treasury shall issue regulations establishing—

(1) standards for holding employee leasing companies jointly and severally liable with their clients for Federal employment taxes under chapters 21, 22, and 24 of the Internal Revenue Code of 1986, and

(2) standards for holding such companies solely liable for such taxes.

SEC. 307. MODIFICATION OF COLLECTION DUE PROCESS PROCEDURES FOR EMPLOYMENT TAX LIABILITIES.

(a) In General.—Section 6330(c) (relating to jeopardy and State refund collection) is amended—

(1) by striking "or" at the end of paragraph (1) and inserting a comma,

(2) by adding "or" at the end of paragraph (2), and

(3) by inserting after paragraph (2) the following new paragraph: "(3) the Secretary has served a disqualified employment tax levy.",

(b) DISQUALIFIED EMPLOYMENT TAX LEVY.—Section 6330(c) (relating to notice and opportunity for hearing before levy) is amended by adding at the end the following new subsection:

"(4) DISQUALIFIED EMPLOYMENT TAX LEVY.—For purposes of subsection (f), a disqualified employment tax levy is any levy in connection with collection of employment taxes for any taxable period if the person subject to the levy (or any predecessor thereof) requested a hearing under this section within 5 years of the period to unpaid employment taxes arising in the most recent 2-year period before the beginning of the taxable period with respect to which the levy is served.

For purposes of section 6330(c), the term ‘employment taxes’ means any taxes under chapter 22, 23, or 24."
(d) INCREASE IN MONETARY LIMITATION FOR UNDERPAYMENT OR OVERPAYMENT OF TAX DUE TO FRAUD.—Section 7206 (relating to fraud and false statements), as amended by subsection (b), is amended by—

(1) by striking “Any person who—” and inserting “(a) IN GENERAL.—Any person who—”;

and

(2) by adding at the end the following new subsection:

“(b) INCREASE IN MONETARY LIMITATION FOR UNDERPAYMENT OR OVERPAYMENT OF TAX DUE TO FRAUD.—If any portion of any underpayment (as defined in section 6664(a)) or overpayment (as defined in section 6664(a)) of tax required to be shown on a return is attributable to fraudulent action described in subsection (a) and is non-waivable under subchapter A (other than electronic form), and

(V) the amount determined under section 6652(c)(1) or (2) (which is recoverable by the Secretary) is attributable to fraudulent action described in paragraph (2) shall be paid in full to the United States by the tax return preparer or to the person who prepared any return or claim for refund with respect to which any part of an understatement of liability is due to a position described in paragraph (2) (which is recoverable by the Secretary) is attributable to fraudulent action described in paragraph (2) and is recoverable by the Secretary.

(V) the amount determined under section 6652(c)(1) or (2) (which is recoverable by the Secretary) is attributable to fraudulent action described in paragraph (2) shall be paid in full to the United States by the tax return preparer or to the person who prepared any return or claim for refund with respect to which any part of an understatement of liability is due to a position described in paragraph (2) (which is recoverable by the Secretary) is attributable to fraudulent action described in paragraph (2) and is recoverable by the Secretary.

(V) the amount determined under section 6652(c)(1) or (2) (which is recoverable by the Secretary) is attributable to fraudulent action described in paragraph (2) shall be paid in full to the United States by the tax return preparer or to the person who prepared any return or claim for refund with respect to which any part of an understatement of liability is due to a position described in paragraph (2) (which is recoverable by the Secretary) is attributable to fraudulent action described in paragraph (2) and is recoverable by the Secretary.

(V) the amount determined under section 6652(c)(1) or (2) (which is recoverable by the Secretary) is attributable to fraudulent action described in paragraph (2) shall be paid in full to the United States by the tax return preparer or to the person who prepared any return or claim for refund with respect to which any part of an understatement of liability is due to a position described in paragraph (2) (which is recoverable by the Secretary) is attributable to fraudulent action described in paragraph (2) and is recoverable by the Secretary.

(V) the amount determined under section 6652(c)(1) or (2) (which is recoverable by the Secretary) is attributable to fraudulent action described in paragraph (2) shall be paid in full to the United States by the tax return preparer or to the person who prepared any return or claim for refund with respect to which any part of an understatement of liability is due to a position described in paragraph (2) (which is recoverable by the Secretary) is attributable to fraudulent action described in paragraph (2) and is recoverable by the Secretary.

(V) the amount determined under section 6652(c)(1) or (2) (which is recoverable by the Secretary) is attributable to fraudulent action described in paragraph (2) shall be paid in full to the United States by the tax return preparer or to the person who prepared any return or claim for refund with respect to which any part of an understatement of liability is due to a position described in paragraph (2) (which is recoverable by the Secretary) is attributable to fraudulent action described in paragraph (2) and is recoverable by the Secretary.

(V) the amount determined under section 6652(c)(1) or (2) (which is recoverable by the Secretary) is attributable to fraudulent action described in paragraph (2) shall be paid in full to the United States by the tax return preparer or to the person who prepared any return or claim for refund with respect to which any part of an understatement of liability is due to a position described in paragraph (2) (which is recoverable by the Secretary) is attributable to fraudulent action described in paragraph (2) and is recoverable by the Secretary.

(V) the amount determined under section 6652(c)(1) or (2) (which is recoverable by the Secretary) is attributable to fraudulent action described in paragraph (2) shall be paid in full to the United States by the tax return preparer or to the person who prepared any return or claim for refund with respect to which any part of an understatement of liability is due to a position described in paragraph (2) (which is recoverable by the Secretary) is attributable to fraudulent action described in paragraph (2) and is recoverable by the Secretary.

(V) the amount determined under section 6652(c)(1) or (2) (which is recoverable by the Secretary) is attributable to fraudulent action described in paragraph (2) shall be paid in full to the United States by the tax return preparer or to the person who prepared any return or claim for refund with respect to which any part of an understatement of liability is due to a position described in paragraph (2) (which is recoverable by the Secretary) is attributable to fraudulent action described in paragraph (2) and is recoverable by the Secretary.

(V) the amount determined under section 6652(c)(1) or (2) (which is recoverable by the Secretary) is attributable to fraudulent action described in paragraph (2) shall be paid in full to the United States by the tax return preparer or to the person who prepared any return or claim for refund with respect to which any part of an understatement of liability is due to a position described in paragraph (2) (which is recoverable by the Secretary) is attributable to fraudulent action described in paragraph (2) and is recoverable by the Secretary.

(V) the amount determined under section 6652(c)(1) or (2) (which is recoverable by the Secretary) is attributable to fraudulent action described in paragraph (2) shall be paid in full to the United States by the tax return preparer or to the person who prepared any return or claim for refund with respect to which any part of an understatement of liability is due to a position described in paragraph (2) (which is recoverable by the Secretary) is attributable to fraudulent action described in paragraph (2) and is recoverable by the Secretary.

(V) the amount determined under section 6652(c)(1) or (2) (which is recoverable by the Secretary) is attributable to fraudulent action described in paragraph (2) shall be paid in full to the United States by the tax return preparer or to the person who prepared any return or claim for refund with respect to which any part of an understatement of liability is due to a position described in paragraph (2) (which is recoverable by the Secretary) is attributable to fraudulent action described in paragraph (2) and is recoverable by the Secretary.

(V) the amount determined under section 6652(c)(1) or (2) (which is recoverable by the Secretary) is attributable to fraudulent action described in paragraph (2) shall be paid in full to the United States by the tax return preparer or to the person who prepared any return or claim for refund with respect to which any part of an understatement of liability is due to a position described in paragraph (2) (which is recoverable by the Secretary) is attributable to fraudulent action described in paragraph (2) and is recoverable by the Secretary.

(V) the amount determined under section 6652(c)(1) or (2) (which is recoverable by the Secretary) is attributable to fraudulent action described in paragraph (2) shall be paid in full to the United States by the tax return preparer or to the person who prepared any return or claim for refund with respect to which any part of an understatement of liability is due to a position described in paragraph (2) (which is recoverable by the Secretary) is attributable to fraudulent action described in paragraph (2) and is recoverable by the Secretary.

(V) the amount determined under section 6652(c)(1) or (2) (which is recoverable by the Secretary) is attributable to fraudulent action described in paragraph (2) shall be paid in full to the United States by the tax return preparer or to the person who prepared any return or claim for refund with respect to which any part of an understatement of liability is due to a position described in paragraph (2) (which is recoverable by the Secretary) is attributable to fraudulent action described in paragraph (2) and is recoverable by the Secretary.

(V) the amount determined under section 6652(c)(1) or (2) (which is recoverable by the Secretary) is attributable to fraudulent action described in paragraph (2) shall be paid in full to the United States by the tax return preparer or to the person who prepared any return or claim for refund with respect to which any part of an understatement of liability is due to a position described in paragraph (2) (which is recoverable by the Secretary) is attributable to fraudulent action described in paragraph (2) and is recoverable by the Secretary.
“(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), the penalty determined under this subsection is equal to $10 for each day during which a failure described under subsection (a) continues. The maximum penalty under this paragraph on failures with respect to any 1 return shall not exceed the lesser of $20,000 or 10 percent of the gross receipts of the taxpayer for the year.

“(2) INCREASED PENALTIES FOR TAXPAYERS WITH GROSS RECEIPTS BETWEEN $1,000,000 AND $25,000,000.—(A) TAXPAYERS WITH GROSS RECEIPTS BETWEEN $1,000,000 AND $25,000,000.—In the case of a taxpayer having gross receipts exceeding $1,000,000 but not exceeding $25,000,000 for any year—

“(i) the first sentence of paragraph (1) shall be applied by substituting ‘$200’ for ‘$10’, and

“(ii) in lieu of applying the second sentence of paragraph (1), the maximum penalty under paragraph (1) shall not exceed $100,000.

“(B) TAXPAYERS WITH GROSS RECEIPTS OVER $25,000,000.—Except as provided in paragraph (3), in the case of a taxpayer having gross receipts exceeding $25,000,000 for any year—

“(i) the first sentence of paragraph (1) shall be applied by substituting ‘$500’ for ‘$10’, and

“(ii) in lieu of applying the second sentence of paragraph (1), the maximum penalty under paragraph (1) shall not exceed $250,000.

“(3) PENALTIES FOR CERTAIN TAXPAYERS WITH GROSS RECEIPTS EXCEEDING $100,000,000.—In the case of a return described in section 6651—

“(A) TAXPAYERS WITH GROSS RECEIPTS BETWEEN $100,000,000 AND $250,000,000.—In the case of a taxpayer having gross receipts exceeding $100,000,000 but not exceeding $250,000,000 for any year—

“(i) the amount of the penalty determined under this subsection shall equal the sum of—

“(1) $50,000, plus

“(2) $1,000 for each day during which such failure continues (twice such amount for each day such failure continues after the first such 60 days), and

“(ii) the maximum amount under clause (1) for failures with respect to any 1 return shall not exceed $250,000.

“(B) TAXPAYERS WITH GROSS RECEIPTS OVER $250,000,000.—In the case of a taxpayer having gross receipts exceeding $250,000,000 for any year—

“(i) the amount of the penalty determined under this subsection shall equal the sum of—

“(1) $250,000, plus

“(2) $2,500 for each day during which such failure continues (twice such amount for each day such failure continues after the first such 60 days), and

“(ii) the maximum amount under clause (1) for failures with respect to any 1 return shall not exceed $2,500,000.

“(4) IN GENERAL.—Part I of chapter 6 of subtitle A is amended by inserting after the item relating to section 6661 the following new item: ‘Sec. 6675A. Failure to file certain returns voluntarily.’

“(5) EFFECTIVE DATE.—The amendments made by this section shall apply to returns required to be filed on or after January 1, 2008.

SEC. 313. PENALTY FOR FILING ERRONEOUS REFUND CLAIMS.

(a) IN GENERAL.—Part I of chapter 6 of subtitle A (relating to penalties on taxable transactions) is amended by inserting after section 6675 the following new section:

“SEC. 6676. ERRONEOUS CLAIM FOR REFUND OR CREDIT.

“(a) CIVIL PENALTY.—If a claim for refund or credit with respect to income tax (other than a claim for a refund or credit relating to the earned income credit under section 32) is made for an excessive amount, unless it is shown that the claim for such excessive amount was made in good faith and the person making such claim shall be liable for a penalty in an amount equal to 20 percent of the excessive amount.

“(b) EXCESSIVE AMOUNT.—For purposes of this section, the term ‘excessive amount’ means the amount of any person the amount by which the amount of the claim for refund or credit exceeds the maximum amount of such claim allowable under this title for such taxable year.

“(c) COORDINATION WITH OTHER PENALTIES.—This section shall not apply to any portion of the excessive amount of a claim for refund or credit on which a penalty is imposed under part II of subchapter A of chapter 48.

“(d) CONFORMING AMENDMENT.—The table of sections for part I of subchapter B of chapter 48 is amended by inserting after the item relating to section 6675 the following new item: ‘Sec. 6676. Erroneous claim for refund or credit.’

“(e) EFFECTIVE DATE.—The amendments made by this section shall apply to any claim—

“(1) filed or submitted after the date of the enactment of this Act, or

“(2) filed or submitted prior to such date but not withdrawn before which is 30 days after such date of enactment.

Subtitle B—Requiring Economic Substance

SEC. 321. CLARIFICATION OF ECONOMIC SUBSTANCE DOCTRINE.

(a) IN GENERAL.—Section 7801 is amended by redesignating subsection (p) as subsection (q) and by inserting after subsection (q) the following new subsection:

“(q) CLARIFICATION OF ECONOMIC SUBSTANCE DOCTRINE; ETC.—

“(1) GENERAL RULES.—

“(A) IN GENERAL.—In any case in which a transaction is treated as being in addition to any such other transaction, the provisions of this subsection shall be disregarded in determining whether a transaction has a reasonable basis.

“(B) TREATMENT OF TRANSFERS.—With respect to the transfer of property from a taxpayer to another taxpayer, such transfer shall not be treated as a distribution of property or the equivalent of such a distribution.

“(2) RULES APPLICABLE TO INCOME SHIFTS.—

“(A) IN GENERAL.—In any case in which a transaction is treated as being in addition to any such other transaction, the provisions of this subsection shall be disregarded in determining whether the transfer of property from a taxpayer to another taxpayer is a distribution of property or the equivalent of such a distribution.

“(B) TREATMENT OF LESSORS.—In applying paragraph (1)(B)(ii) to the lessor of tangible property subject to a lease—

“(i) the expected net tax benefits with respect to the leased property shall not include the benefits of—

“(1) depreciation,

“(2) any tax credit, or

“(3) any other deduction as provided in guidance by the Secretary, and

“(ii) such benefits shall be treated as expenses in determining pre-tax profit and shall be disregarded in determining whether a transaction does not have economic substance or lacks a business purpose.

“(3) APPLICATION TO OPTIONS.—In applying paragraph (1)(B)(ii), the provisions of this subsection shall not apply to any transactions entered into in connection with a trade or business or an activity engaged in for the production of income.

“(4) IN GENERAL.—(A) IN GENERAL.—In any case in which a transaction is treated as being in addition to any such other transaction, the provisions of this subsection shall not be disregarded in determining whether a transaction has a reasonable basis.

“(B) TREATMENT OF TRANSFERS.—With respect to the transfer of property from a taxpayer to another taxpayer, such transfer shall not be treated as a distribution of property or the equivalent of such a distribution.

“(C) RULES APPLICABLE TO INCOME SHIFTS.—In applying the provisions of this subsection—

“(1) depreciation,

“(2) any tax credit, or

“(3) any other deduction as provided in guidance by the Secretary, and

“(4) such benefits shall be treated as expenses in determining pre-tax profit and shall be disregarded in determining whether a transaction does not have economic substance or lacks a business purpose.
(b) Effective Date.—The amendments made by this section shall apply to transactions entered into after the date of the enactment of this Act.

SEC. 322. PENALTY FOR UNDERSTATEMENTS ATTRIBUTABLE TO TRANSACTIONS LACKING ECONOMIC SUBSTANCE, ETC.

(a) In General.—Subchapter A of chapter 68 is amended by inserting after section 6662A the following new section:

"SEC. 6662B. PENALTY FOR UNDERSTATEMENTS ATTRIBUTABLE TO TRANSACTIONS LACKING ECONOMIC SUBSTANCE, ETC.

"(a) Imposition of Penalty.—If a taxpayer has a noneconomic substance transaction understatement for any taxable year, there shall be imposed on the taxpayer a penalty in an amount equal to 40 percent of the amount of such understatement.

(b) Reduction of Penalty for Disclosed Transactions.—Subsection (a) shall be applied by substituting ‘20 percent’ for ‘40 percent’ with respect to the portion of any noneconomic substance transaction understatement with respect to which the relevant facts affecting the tax treatment of the items are adequately disclosed in the return or a statement attached to the return.

"(c) Non-Economic Substance Transaction Understatement.—For purposes of this section—

""(1) IN GENERAL.—The term ‘noneconomic substance transaction understatement’ means any amount which would be an understatement under section 6662A(b)(1) if section 6662A were applied by taking into account items attributable to noneconomic substance transactions rather than to items to which section 6662A would apply without regard to this paragraph.

""(2) Non-Economic Substance Transaction.—The term ‘noneconomic substance transaction’ means any transaction if—

""(A) there is a lack of economic substance (within the meaning of section 7701(p)(1)) for the transaction giving rise to the claimed benefit or the transaction was not respected under section 7701(p)(2), or

""(B) the transaction fails to meet the requirements of any similar rule of law.

"(d) Rules applicable to compromise of penalty.—

"“(1) IN GENERAL.—If the first letter of proposed deficiency which allows the taxpayer an opportunity for administrative review in the Internal Revenue Service Office of Appeals has been sent with respect to a penalty to which this section applies, only the Commissioner of Internal Revenue may compromise the determination of such penalty.

"“(2) Applicable Rules.—The rules of paragraphs (2) and (3) of section 6707A(d) shall apply for purposes of paragraph (1).

"(e) Coordination With Other Penalties.—Except as otherwise provided in this part, the penalty imposed by this section shall be in addition to any other penalty imposed by this title.

"(f) Cross Reference.—

"“(1) For coordination of penalty with understatements under section 6662 and other special rules, see section 6662A(e).

"“(2) For reporting of penalty imposed under this section to the Securities and Exchange Commission, see section 6707A(e)."

(b) Coordination With Other Understatements and Penalties.—

The second sentence of section 6662(d)(2)(A) is amended by inserting “and without regard to items with respect to which a penalty is imposed by section 6662(h) before the date of the enactment of this Act”.

Subsection (e) of section 6662A is amended—

(A) in paragraph (1), by inserting “and noneconomic substance transaction understatement” after “reportable transaction understatement” both places it appears,

(B) in paragraph (2)(A), by inserting “and a noneconomic substance transaction understatement” after “reportable transaction understatement”,

(C) in paragraph (2)(B), by inserting “6662B or before ‘6663’ ”,

(D) in paragraph (2)(C)(1), by inserting “or section 6662B” before the period at the end, and

(E) in paragraph (3), by inserting “and section 6662B” after “This section”,

(F) in paragraph (4), by inserting “or noneconomic substance transaction understatement” after “reportable transaction understatement”, and

(G) by adding at the end the following new paragraph:

"“(4) Noneconomic Substance Transaction Understatement.—For purposes of this subsection, the term ‘noneconomic substance transaction understatement’ has the meaning given such term by section 6662B(c).”.

(3) Subsection (e) of section 7670A is amended—

(A) by striking ‘or’ at the end of subparagraph (B), and

(B) by striking subparagraph (C) and inserting the following new subparagraphs:

""(C) if required to pay a penalty under section 6662B with respect to any noneconomic substance transaction, or

""(D) is required to pay a penalty under section 6662B with respect to any transaction and would (but for section 6662A(e)(2)(C)) have been subject to penalty under section 6662A at a rate prescribed under section 6662A(b) or under section 6662A(c) or under section 6662A(f).

(c) Clerical Amendment.—The table of sections for part II of subchapter A of chapter 1 is amended by adding at the end the following new item:

"“Sec. 6662B. Penalty for understatements attributable to transactions lacking economic substance, etc.”.

(d) Effective Date.—The amendments made by this section shall apply to transactions entered into after the date of the enactment of this Act.

SEC. 323. DENIAL OF DEDUCTION FOR INTEREST ON UNDERPAYMENT ATTRIBUTABLE TO NONECONOMIC SUBSTANCE TRANSACTIONS.

(a) In General.—Subsection (a) (relating to interest on unpaid taxes attributable to undisclosed reportable transactions) is amended—

(1) by striking “attributable” and all that follows and inserting the following: “attributable to—

""(1) the portion of any reportable transaction understatement (as defined in section 6662A(b)) with respect to which the requirement of section 6664(d)(2)(A) is not met, or

""(2) any noneconomic substance transaction understatement (as defined in section 6662B(c))”, and

(2) by inserting “and noneconomic substance transactions” after “transactions”. 

(b) Effective Date.—The amendments made by this section shall apply to transactions after the date of the enactment of this Act in taxable years ending after such date.

Subtitle C—Miscellaneous

SEC. 331. DENIAL OF DEDUCTION FOR PUNITIVE DAMAGES.

(a) Disallowance of Deduction.—

(1) In General.—Section 162(g) (relating to treble damage payments under the antitrust laws) is amended—

(A) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively,

(B) by striking “II” and inserting:

"“(1) Treble Damages.—II”, and

(C) by adding at the end the following new paragraph:

"“(2) Punitive Damages.—No deduction shall be allowed under this chapter for any amount paid or incurred for punitive damages in connection with any judgment, in settlement of, or by reason of, any action if such paragraph shall not apply to punitive damages described in section 109(c).”.

(b) Conforming Amendment.—The heading for section 162(g)(2) is amended by inserting “or Punitive Damages” after “Laws”. 

(c) Inclusion in Income of Punitive Damages Paid by Insurer or Otherwise.—

(1) In General.—Paragraph (b) of chapter 1 (relating to items specifically included in gross income) is amended by adding at the end the following new section:

"“SEC. 91. PUNITIVE DAMAGES COMPENSATED BY INSURANCE OR OTHERWISE.

“Gross income shall include any amount paid to or on behalf of a taxpayer as insurance or otherwise by reason of the taxpayer’s liability (or agreement) to pay punitive damages.”

(2) Reporting Requirements.—Section 6041 (relating to information at source) is amended by adding at the end the following new subsection:

"“(b) Section To Apply to Punitive Damages Compensation.—This section shall apply to payments by a person to or on behalf of another person as insurance or otherwise by reason of the other person’s liability (or agreement) to pay punitive damages.”

(3) Conforming Amendment.—The table of sections for part II of subchapter B of chapter 1 is amended by adding at the end the following new item:

“Sec. 91. Punitive damages compensated by insurance or otherwise.”

(d) Effective Date.—The amendments made by this section shall apply to damages paid or incurred on or after the date of the enactment of this Act.

TITLE IV—TECHNICAL AND CONFORMING AMENDMENTS; SUNSET

SEC. 401. TECHNICAL AND CONFORMING AMENDMENTS.

The Secretary of the Treasury and the Secretary of State shall not later than 180 days after the date of the enactment of this Act, in consultation with the Committee on Appropriations and the Committee on Finance of the Senate and the Appropriations Committee and the Committee on Finance of the House of Representatives, give to the Committees of the House of Representatives and the Senate of the United States that which are necessary to reflect throughout such Code the purposes of the provisions of, and amendments made by, this Act.

SEC. 402. SUNSET.

(a) In General.—All provisions of, and amendments made by, this Act shall not apply to taxable years beginning after December 31, 2012.

(b) Application of Code.—The Internal Revenue Code of 1986 shall be applied and administered to taxable years described in subsection (a) as if the provisions of, and amendments made by, this Act had never been enacted.

By Mrs. FEINSTEIN (for herself and Mrs. BOXER): S. 1112. A bill to allow for the renegotiation of the payment schedule of contracts between the Secretary of the Interior and the Redwood Valley County Water District, and for other purposes; to the Committee on Energy and Natural Resources.

Mrs. FEINSTEIN. Mr. President, I rise today to introduce the Redwood
loans once the District's new loans United States the currently suspended kW solar panel project. This project elements of its existing plant. As an encouraging. However, before the District rely on private financing, a strategy these projects. The District intends to government funds will be sought for could prove a reliable water source. No its current financial dilemma. concluded that the District needs a re-

As a result, in 1988 Congress passed Section 15 of Public Law 100–516 which indefinitely suspended the District's obligations to repay these Bureau loans and ordered the Secretary of Interior to renegotiate the loans. This loan renegotiation has yet to take place and now the District finds that its water supply is highly uncertain.

In 2000 in a report on Redwood Val-

The District recently identified two 

The District has satisfied its additional fi-

The proposed water projects will en-

As a result, in 1988 Congress passed 

Unfortunately, the District was un-

The only difference between this bill and S. 3189, which I introduced last year, is to clarify that no renegoti-

By Mrs. FEINSTEIN (for herself and Mr. SPECTER): S. 1114. A bill to reiterate the exclu-

We also agree, though, that these in-

Nowhere is this more at issue than in 
electronic surveillance, where govern-

It is worth reminding ourselves of 

By Mrs. FEINSTEIN (for herself 

By striking subsection (c).

S. 1112

Be it enacted by the Senate and House of Rep-

I urge my colleagues to support this 

There being no objection, the text of 

The proposed water projects will en-

I urge my colleagues to support this 

I urge my colleagues to support this 

Senator Specter, the Ranking Member of the Senate Judiciary Committee, has co-sponsored this legislation. We all agree, whether or not the FISA Court had authorized the Terrorist Surveillance Program. Since January, the program has proceeded
under Court supervision, as is required by FISA.

I was pleased that the Administration submitted the TSP to the FISA Court, and that the Court had found a way to issue an order approving this surveillance. I was pleased, but not surprised.

I had maintained throughout the legislative debate last year that it would not take many changes for the TSP to fit under the confines of FISA. All it took was an awareness of the Administration to follow legal process.

Members may ask, given the recent developments, why legislation is now necessary. There are two reasons.

The first is that the Senate should enact this bill is because this Administration has never conceded the point that it cannot conduct electronic surveillance outside of the law. It has put the TSP under FISA Court review, but it asserts that it has the right not to do so. Future Administrations, if not enjoined, may take the same view.

I disagree with this legal analysis.

Secondly, the Director of the National Security Agency, the Director of the FBI, and the Attorney General have said on many occasions that FISA is outdated and in need of modernization. The current FISA process is too bureaucratic, too slow to initiate electronic surveillance from the time a suspected terrorist’s phone or email account is identified.

This bill addresses those concerns by providing new flexibility and additional resources to speed the FISA process and allow for the more timely collection of valuable intelligence.

Allow me to summarize the legislation. The bill: re-iterates that FISA is the exclusive means for conducting electronic surveillance for intelligence purposes.

Specifies that FISA’s requirements cannot be written off through court interpretations of other statutes. The Administration’s tortured argument with respect to the Authorization for the 2001 Use of Military Force (AUMF) notwithstanding, this legislation would specify that FISA’s language can only be undone by a specific and direct Act of Congress.

Requires that Congress, through the Intelligence Committees, be fully briefed on the Terrorist Surveillance Program and any related surveillance programs.

Requires the Supreme Court to review, on an expedited basis, the constitutionality of the Terrorist Surveillance Program.

Streamlines the current “emergency procedures” in FISA. Currently, the Attorney General can authorize surveillance prior to a Court order for 72 hours in an emergency. This legislation would extend the time to one week, which should remove any doubt as to whether Court approval can be sought and obtained in time. The bill also allows the Attorney General to delegate his authority to initiate electronic surveillance in an emergency to specific supervisory officials at the NSA and FBI.

Authorizes additional personnel to expedite the writing, submission, and review of FISA applications. Specifically, additional FISA Court judges and staff are authorized, as are additional positions at the Department of Justice, FBI, and NSA.

Extends the existing FISA authority—for 15 days of warrantless surveillance following a declaration of war to any 30-day period following an authorization for the use of military force or a national emergency following a terrorist attack.

Allows the National Security Agency to take full advantage of its capabilities to collect intelligence on foreign communications.

While foreign-to-foreign communications are not covered now by FISA’s requirements, the NSA can only conduct surveillance on those calls if it can be sure, in advance, that a telephone call of email won’t transit the United States or unexpectedly end here. In the age of a global telecommunications system, this a priori certification is very difficult to make. This legislation therefore specifies that in such inadvertent collection cases, the NSA must minimize the data, but that it has not violated the law.

Finally, the legislation clarifies that FISA court orders for electronic surveillance must be individualized to a particular target that the government has probable cause to believe is a foreign power or an agent of a foreign power.

From the briefings I have received as a member of the Intelligence Committee and the hearings held in Judiciary, I am convinced that the Terrorist Surveillance Program is an important anti-terrorism tool that should be continued.

It is also clear from the January FISA Court ruling that the Terrorist Surveillance Program can be conducted within the confines of FISA. It is appropriate now for Congress to reiterate that this is the appropriate arrangement.

This is by no means an issue that has been overtaken by events. The Administration continues to support a view of plenary authority in which it can conduct electronic surveillance in violation of FISA. The NSA and the FBI continue to labor under a process that was formed 29 years ago, prior to fundamental changes in the telecommunications system.

I urge the Senate to act to ensure that the law is followed and privacy rights upheld, and to provide the Intelligence Community the tools it needs to continue to make us safe.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

 Sec. 301. Acquisition of foreign-foreign communications.

 Sec. 302. Individualized FISA orders.

 TITLE IV—OTHER MATTERS

 Sec. 401. Authorization of appropriations.

 Sec. 402. Effective date.

 SEC. 2. DEFINITIONS.

In this Act:

(1) CONGRESSIONAL INTELLIGENCE COMMITTEES.—The term ‘congressional intelligence committees’ means—

(A) the Select Committee on Intelligence of the Senate; and

(B) the Permanent Select Committee on Intelligence of the House of Representatives.

(2) FOREIGN INTELLIGENCE SURVEILLANCE COURT.—The term ‘Foreign Intelligence Surveillance Court’ means the court established by section 105(a) of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1805(a)).

(3) UNITED STATES PERSON.—The term ‘United States person’ has the meaning given such term in section 101(i) of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801(i)).
TITLE I—CONSTRUCTION OF FOREIGN INTELLIGENCE SURVEILLANCE AUTHORITY

SEC. 101. RESTATEMENT OF CHAPTERS 119, 121, AND TITLE 18, UNITED STATES CODE, AND FOREIGN INTELLIGENCE SURVEILLANCE ACT OF 1978.

As soon as practicable after the date of the enactment of this Act, but not later than seven days after such date, the President shall, and upon the request of any member of the congressional intelligence committees of both houses of Congress, shall brief and inform each member of the congressional intelligence committees of the following:

(1) The Terrorist Surveillance Program of the National Security Agency.

(2) Any program which involves, whether in part or in whole, the electronic surveillance of United States persons in the United States for foreign intelligence purposes, and which is conducted by any department, agency, or other element of the United States Government, or by any entity at the direction of a department, agency, or other element of the United States Government, without fully complying with the procedures set forth in the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801 et seq.), or chapter 119, 121, or 206 of title 18, United States Code.

SEC. 104. SUPREME COURT REVIEW OF THE TERRORIST SURVEILLANCE PROGRAM.

(a) IN GENERAL.—Upon petition by the United States or any party to the underlying proceedings, the Supreme Court of the United States shall review a final order on December 17, 2005, to intercept international communications into and out of the United States. The review shall be conducted under the following procedures:

(1) by redesigning subsection (g), (h), (i), and (j) as subsections (b), (i), (j), and (k), respectively; and

(2) by inserting after subsection (f) the following new section:

"(g)(1) No provision of law shall be construed to implicitly repeal or modify this title or any provision thereof, or shall any provision of law be deemed to repeal or modify this title, or any matter or provision thereof, which was enacted before the date of the enactment of this title for the issuance of a judicial order authorizing electronic surveillance.

"(2) Any program identified by the President on December 17, 2005, to intercept international communications into and out of the United States of persons linked to al Qaeda or related terrorist organizations shall be governed by this title for the issuance of a judicial order authorizing electronic surveillance.

"(3) A supervisor or executive responsible for the emergency employment of electronic surveillance under this subsection shall be notified of such employment before an order authorizing such surveillance to obtain foreign intelligence information, unless an application under section 105(f) of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1805(f)) is made.

"(4) If the official concerned determines that the surveillance meets the requirements of subsection (f), the surveillance may commence immediately and may not be commenced by any supervisory or executive appointed under paragraph (1), or any agent or employee acting under paragraph (A) for an order approving electronic surveillance commenced under paragraph (1), the surveillance shall terminate immediately and may not be commenced by any supervisory or executive appointed under paragraph (1), or any agent or employee acting under paragraph (A) for an order approving electronic surveillance commenced under paragraph (1).

"(5)(A) An application in accordance with paragraphs (1), (2), or (4) of this section shall be pending. In which case the surveillance may continue for up to an additional 24 hours while the judge has the application under advisement.

"(B) In the absence of a judicial order approving electronic surveillance commenced under paragraph (1), the surveillance shall terminate at the earliest practicable time.

"(C) If the official concerned determines that the surveillance meets the requirements of subsection (f), the surveillance may commence immediately and may not be commenced by any supervisory or executive appointed under paragraph (1), or any agent or employee acting under paragraph (A) for an order approving electronic surveillance commenced under paragraph (1).

"(D) A single judicial order for the emergency employment of electronic surveillance shall remain in effect until the earliest of the following:

(i) when the information sought is obtained;

(ii) when the application under subparagraph (A) is pending. In which case the surveillance may continue for up to an additional 24 hours while the judge has the application under advisement.

(iii) when the application under paragraph (A) for an order approving the surveillance is denied; or

(iv) 216 hours after the commencement of the surveillance, unless an application under paragraph (A) is pending. In which case the surveillance may continue for up to an additional 24 hours while the judge has the application under advisement.

(v) if the judge decides to terminate the surveillance, the surveillance shall terminate at the earliest practicable time.

"(E) Any person who engages in the emergency employment of electronic surveillance under paragraph (1) shall be subject to the criminal penalties provided in section 703 of the Electronic Communications Privacy Act of 1986.
that paragraph, the Attorney General, in consultation with the Director of National Intelligence, shall submit to the court established by section 103(a), the Select Committee of the Senate, and the Permanent Select Committee on Intelligence of the House of Representatives, and bring up to date as required, a report that—

(A) a number of supervisors and executives who have been so appointed and the positions held by such supervisors and executives; and

(B) Best practices or other directives that describe the responsibilities of such supervisors and executives under this subsection.

SEC. 203. FOREIGN INTELLIGENCE SURVEILLANCE COURT MATTERS.

(a) AUTHORITY FOR ADDITIONAL JUDGES.—Section 103(a) of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1803a(a)) is amended—

(1) by inserting "(1)" after "(a)"; and

(2) in paragraph (1), as so designated, by inserting "at least" before "seven of the United States judicial circuits";

(3) by designating the second sentence as paragraph (4) and indenting such paragraph, as so designated, two ems from the left margin; and

(4) by inserting after paragraph (1), as so designated, a new paragraph as follows:

"(2) In addition to the judges designated under paragraph (1), the Chief Justice of the United States may designate as judges of the Foreign Intelligence Surveillance Court such additional judges as may be necessary to carry out the prompt and timely preparation and review of applications under section 104 of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1804) for orders under section 105 of that Act (50 U.S.C. 1805) approving electronic surveillance for foreign intelligence purposes.

(2) ASSIGNMENT.—The Attorney General shall assign personnel authorized by paragraph (1) to and among appropriate offices of the National Security Agency in order that such personnel may directly assist personnel of the Agency in preparing applications described in that paragraph.

(b) FEDERAL BUREAU OF INVESTIGATION.

(1) ADDITIONAL LEGAL AND OTHER PERSONNEL.—The Director of the Federal Bureau of Investigation is hereby authorized such additional legal and other personnel as may be necessary to carry out the prompt and timely preparation of applications under section 104 of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1804) for orders under section 105 of that Act (50 U.S.C. 1805) approving electronic surveillance for foreign intelligence purposes.

(2) ASSIGNMENT.—The Director of the Federal Bureau of Investigation shall assign personnel authorized by paragraph (1) to and among the field offices of the Federal Bureau of Investigation in order that such personnel may directly assist personnel of the Bureau in such field offices in preparing applications described in that paragraph.

(c) ADDITIONAL LEGAL AND OTHER PERSONNEL FOR NATIONAL SECURITY AGENCY.—The National Security Agency is hereby authorized such additional legal and other personnel as may be necessary to carry out the prompt and timely preparation of applications under section 104 of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1804) for orders under section 105 of that Act (50 U.S.C. 1805) approving electronic surveillance for foreign intelligence purposes.

(d) ADDITIONAL LEGAL AND OTHER PERSONNEL FOR FOREIGN INTELLIGENCE SURVEILLANCE COURT.—There is hereby authorized for the Foreign Intelligence Surveillance Court such additional staff personnel as may be necessary to facilitate the prompt and timely consideration by that Court of applications under section 104 of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1804) for orders under section 105 of that Act (50 U.S.C. 1805) approving electronic surveillance for foreign intelligence purposes.

(e) SUPPLEMENT NOT SUPPLANT.—The person authorized by this section are in addition to any other personnel authorized by law.

SEC. 204. DOCUMENT MANAGEMENT SYSTEM FOR APPLICATIONS FOR ORDERS APPROVING ELECTRONIC SURVEILLANCE.

(a) SYSTEM REQUIRED.—The Attorney General shall, in consultation with the Director of the Federal Bureau of Investigation, the Director of the National Security Agency, and the Foreign Intelligence Surveillance Court, develop and implement a secure, classified document management system that permits the prompt preparation, modification, and review by appropriate personnel of the Department of Justice, the Federal Bureau of Investigation, the National Security Agency, and other applicable elements of the United States Government of applications under the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1804) before their submittal to the Foreign Intelligence Surveillance Court.

(b) USE OF SVM.—The document management system required by subsection (a) shall—

(1) permit and facilitate the prompt submittal of applications to the Foreign Intelligence Surveillance Court under section 104 or 105(c)(5) of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1804 and 1805(c)(5)); and

(2) permit and facilitate the prompt transmission of rulings of the Foreign Intelligence Surveillance Court to personnel submitting applications described in paragraph (1).

SEC. 205. ADDITIONAL PERSONNEL FOR PREPARATION AND CONSIDERATION OF APPLICATIONS FOR ORDERS APPROVING ELECTRONIC SURVEILLANCE.

(a) OFFICE OF INTELLIGENCE POLICY AND REVIEW.—

(1) ADDITIONAL PERSONNEL.—The Office of Intelligence Policy and Review of the Department of Justice is hereby authorized such additional personnel as may be necessary to carry out the prompt and timely preparation and review of applications under section 104 of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1804) for orders under section 105 of that Act (50 U.S.C. 1805) approving electronic surveillance for foreign intelligence purposes.

(2) ASSIGNMENT.—The Attorney General shall assign personnel authorized by paragraph (1) to and among appropriate offices of the National Security Agency in order that such personnel may directly assist personnel of the Agency in preparing applications described in that paragraph.

(b) FEDERAL BUREAU OF INVESTIGATION.

(1) ADDITIONAL LEGAL AND OTHER PERSONNEL.—The Director of the Federal Bureau of Investigation is hereby authorized such additional legal and other personnel as may be necessary to carry out the prompt and timely preparation of applications under section 104 of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1804) for orders under section 105 of that Act (50 U.S.C. 1805) approving electronic surveillance for foreign intelligence purposes.

(2) ASSIGNMENT.—The Director of the Federal Bureau of Investigation shall assign personnel authorized by paragraph (1) to and among the field offices of the Federal Bureau of Investigation in order that such personnel may directly assist personnel of the Bureau in such field offices in preparing applications described in that paragraph.

(c) ADDITIONAL LEGAL AND OTHER PERSONNEL FOR NATIONAL SECURITY AGENCY.—The National Security Agency is hereby authorized such additional legal and other personnel as may be necessary to carry out the prompt and timely preparation of applications under section 104 of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1804) for orders under section 105 of that Act (50 U.S.C. 1805) approving electronic surveillance for foreign intelligence purposes.

(d) ADDITIONAL LEGAL AND OTHER PERSONNEL FOR FOREIGN INTELLIGENCE SURVEILLANCE COURT.—There is hereby authorized for the Foreign Intelligence Surveillance Court such additional staff personnel as may be necessary to facilitate the prompt and timely consideration by that Court of applications under section 104 of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1804) for orders under section 105 of that Act (50 U.S.C. 1805) approving electronic surveillance for foreign intelligence purposes.

(e) SUPPLEMENT NOT SUPPLANT.—The person authorized by this section are in addition to any other personnel authorized by law.

SEC. 206. TRAINING OF FEDERAL BUREAU OF INVESTIGATION AND NATIONAL SECURITY AGENCY PERSONNEL IN FOREIGN INTELLIGENCE SURVEILLANCE MATTERS.

The Director of the Federal Bureau of Investigation and the National Security Agency shall, in consultation with the Attorney General—

(1) develop regulations to establish procedures for conducting and seeking approval of electronic surveillance on an emergency basis, and for preparing and properly submitting applications under sections 104 and 105 of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1804 and 1805); and

(2) provide related training for the personnel of the applicable agency.

SEC. 207. ENHANCEMENT OF ELECTRONIC SURVEILLANCE AUTHORITY IN WAR-TIME.

Section 111 of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1811) is amended by striking the deadline following a declaration of war by the Congress, and inserting "30 calendar days following any of the following:

(1) A declaration of war by the Congress.

(2) An authorization for the use of military force within the meaning of section 2(c)(2) of the War Powers Resolution (50 U.S.C. 1541(c)(2))."

TITLE III—CLARIFICATIONS TO THE FOREIGN INTELLIGENCE SURVEILLANCE ACT OF 1978.

SEC. 301. ACQUISITION OF FOREIGN-FOREIGN COMMUNICATIONS.

(a) IN GENERAL.—Notwithstanding any other provision of this Act or the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801 et seq.), no court order shall be required for the acquisition through electronic surveillance of the contents of any communications between one person who is not located within the United States and another person who is not located within the United States for the purpose of collecting foreign intelligence information. Such communication passes through, or the surveillance device is located within, the United States.

(b) TREATMENT OF INTERCEPTED COMMUNICATIONS INVOLVING DOMESTIC PARTY.—If surveillance conducted as described in subsection (a) inadvertently collects a communication in which at least one party is within the United States, the contents of such communications shall be handled in accordance with the minimization procedures set forth in section 1010(b)(4) of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801(h)(4)).

(c) DEFINITIONS.—In this section, the terms "contents", "electronic surveillance", and "foreign intelligence information" have the meaning given such terms in section 101 of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801).

SEC. 302. INDIVIDUALIZED FISA ORDERS.

Any order issued pursuant to section 105 of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1805) approving electronic surveillance shall be supported by an individualized or particularized finding of probable cause to believe the target of the electronic surveillance is a foreign power or an agent of a foreign power.

TITLE IV—OTHER MATTERS.

SEC. 401. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated such sums as may be necessary to carry out this Act and the amendments made by this Act.

SEC. 402. EFFECTIVE DATE.

Except as provided in section 103, this Act, and the amendments made by this Act, shall take effect on the date that is 30 days after the date of the enactment of this Act.

By Mr. BINGAMAN (for himself, Mr. DOMENICI, Mr. DORGAN, Mr.
Mr. BINGAMAN. Mr. President, I rise to introduce a comprehensive Energy Efficiency bill. I am pleased to have the Ranking Member of the Energy Committee, the senior Senator from New Mexico, as my co-sponsor, along with Senator DORGAN, Senator AKAKA, Senator MURKOWSKI and Senator CRAIG.

Energy efficiency can be viewed as the Nation's largest energy resource. Due to actions taken to increase efficiency since the 1973 oil crisis, we now save more energy each year than we get from any single energy supply sources.

When the Energy Policy Act of 2005 was signed into law in August of 2005, it included a strong package of energy efficiency initiatives. However, just a month later, when hurricanes devastated the Nation's primary oil and gas supply region and many of us recognized that we needed to enact additional and more aggressive efficiency measures.

During the last 2 years, gasoline, natural gas, and electricity prices have reached all-time high levels. These price increases cost American families and businesses over $300 billion dollars each year. In the 2006 elections, voters sent us a clear message that they wanted Congress to address high energy prices and also to provide solutions to climate change. Energy efficiency policies can alleviate both of these problems.

Our bill includes provisions that will improve efficiency in vehicles, buildings, appliances and industrial equipment. The legislation is also intended to motivate States and utilities to recognize energy efficiency as a resource and to remove current disincentives to programs that will benefit utility customers while reducing demand for electricity and natural gas.

Improving our energy productivity through efficiency has multiple benefits—it lowers the costs of consumers' energy bills; decreases the vulnerability of the economy to energy price shocks from natural disasters or problems with foreign sources of supply; provides environmental benefits such as lower air pollution and reduced greenhouse gas emissions. Moreover, energy efficiency investments help build local jobs and improve state economies.

The bill we are introducing today includes initiatives in six key areas: Promoting the development and use of advanced lighting technologies; Exempting new efficiency standards for appliances and industrial equipment; Promoting high efficiency vehicles, advanced batteries and energy storage; Setting aggressive goals for reducing gasoline consumption and improving overall energy productivity in the U.S.; Promoting Federal leadership in energy efficiency and renewable energy; and Assisting States, local governments and utilities in energy efficiency efforts.

In addition to the Energy Efficiency Promotion Act, I want to emphasize that other Senate committees are working on complementary efficiency initiatives, including the energy efficiency tax provisions we are developing in the Finance Committee and CAFE standards legislation in the Commerce Committee.

Finally, for the information on my colleagues, this bill is the 4th in a quartet of Energy bills that will be taken up by the Energy and Natural Resources Committee in the next few weeks. These bills are: S. 987, the Biofuels for Energy Security and Independence Act; S. 731, the National Carbon Dioxide Storage Capacity Assessment Act; and S. 962 the Department of Energy Carbon Capture and Storage R&D Act. We are working diligently to meet the Majority Leader's timetable for floor action on Energy legislation. I encourage Senators with questions or concerns about any of these bills to let me know so that we can try to address issues in a timely manner.

I have added at the end of my statement a preliminary estimate of the energy savings that would result from the implementation of the programs in this bill. I request that this estimate be printed in the RECORD.

There being no objection the material was ordered to be printed as follows:

ENERGY SAVING ESTIMATE FOR THE ENERGY EFFICIENCY PROMOTION ACT

Potential savings from the appliance efficiency standards included in Titles I and II: Electricity savings 50 billion kilowatt hours per year, or enough to power roughly 4.8 million typical U.S. households; Natural gas—170 million therms per year or enough to heat about a quarter million typical U.S. homes; Water—At least 968 million gallons per day, or about 1.3 percent of total daily potable water usage; and Dollars—More than $12 billion in net present benefits for consumers.

POTENTIAL SAVINGS FROM FEDERAL GOVERNMENT LEADERSHIP IN EFFICIENCY—TITLE V

The Federal Government consumed 1.1 quadrillion Btu's or "quads" of energy during Fiscal Year 2005. The Federal energy bill for Fiscal Year 2005 increased by 24 percent compared to Fiscal Year 2004. About 30 percent of the Federal energy use is in standard buildings and about 60 percent is energy used by vehicles and equipment. Although savings can not be estimated at this time—the legislation requires the Federal Government to achieve a 30 percent reduction in energy usage per square foot by 2015 and to reduce its use of gasoline in fleet vehicles by 30 percent in Fiscal Year 2016.

POTENTIAL SAVINGS FROM ELECTRIC AND GAS UTILITY EFFICIENCY PROGRAMS—TITLE VI

Assuming all State utility regulatory commissions and nonregulated utilities adopt the energy efficiency policies and cost-effective energy efficiency programs recommended in this bill, the estimate cumulative potential energy savings by 2020 would be 7.8 quads and the energy cost savings would be $12 billion.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 1115

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the “Energy Efficiency Promotion Act of 2007".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Definition of Secretary.

TITLE I—PROMOTING ADVANCED LIGHTING TECHNOLOGIES

Sec. 101. Accelerated procurement of energy efficient lighting.
Sec. 102. Incandescent reflector lamp efficiency standards.
Sec. 103. Bright Tomorrow Lighting Prizes.
Sec. 104. Sense of Senate concerning efficient lighting standards.

TITLE II—EXPEDITING NEW ENERGY EFFICIENCY STANDARDS

Sec. 201. Definition of energy conservation standard.
Sec. 203. Furnace fan rulemakings.
Sec. 204. Expedited rulemakings.
Sec. 205. Preemption limitation.
Sec. 206. Energy efficiency labeling for consumer products.
Sec. 207. Residential boiler efficiency standards.
Sec. 208. Technical corrections.
Sec. 209. Electric motor efficiency standards.
Sec. 211. Improved energy efficiency for appliances and buildings in cold climates.
Sec. 212. Deployment of new technologies for high-efficiency consumer products.

TITLE III—PROMOTING HIGH EFFICIENCY VEHICLES, ADVANCED BATTERIES, AND ENERGY STORAGE

Sec. 301. Lightweight materials research and development.
Sec. 302. Loan guarantees for fuel-efficient automobile parts manufacturers.
Sec. 303. Advanced technology vehicles manufacturing incentive program.
Sec. 304. Energy storage technology commercialization.

TITLE IV—SETTING ENERGY EFFICIENCY GOALS

Sec. 401. National goals for energy savings in transportation.
Sec. 402. National energy efficiency improvement goals.
Sec. 403. Nationwide media campaign to increase energy efficiency.

TITLE V—PROMOTING FEDERAL LEADERSHIP IN ENERGY EFFICIENCY AND RENEWABLE ENERGY

Sec. 501. Federal fleet conservation requirements.
Sec. 502. Federal requirement to purchase electricity generated by renewable energy.
Sec. 503. Energy savings performance contracts.

Sec. 504. Energy management requirements for Federal buildings.

Sec. 505. Combined heat and power and district energy installations at Federal sites.

Sec. 506. Federal building energy efficiency performance standards.

Sec. 507. Application of International Energy Conservation Code to public and assisted housing.

TITILE VI—ASSISTING STATE AND LOCAL GOVERNMENTS IN ENERGY EFFICIENCY

Sec. 601. Weatherization assistance for low-income persons.

Sec. 602. State energy conservation plans.

Sec. 603. Utility energy efficiency programs.

Sec. 604. Energy efficiency and demand response program assistance.

Sec. 605. Energy and environmental block grant.

Sec. 606. Energy sustainability and efficiency grants for institutions of higher education.

Sec. 607. Workforce training.

Sec. 608. Assistance to States to reduce school bus idling.

SEC. 2. DEFINITION OF SECRETARY.

In this Act, the term "Secretary" means the Secretary of Energy.

TITILE I—PROMOTING ADVANCED LIGHTING TECHNOLOGIES

SEC. 101. ACCELERATED PROCUREMENT OF ENERGY EFFICIENT LIGHTING.

Section 553 of the National Energy Conservation Act (42 U.S.C. 6259b) is amended by adding the following:

"(1) ACCELERATED PROCUREMENT OF ENERGY EFFICIENT LIGHTING.—

"(1) IN GENERAL.—Not later than October 1, 2010, in accordance with guidelines issued by the Secretary, all general purpose lighting in Federal buildings shall be Energy Star products or products designated under the Federal Energy Management Program.

"(2) GUIDELINES.—Not later than 180 days after the date of enactment of this subsection, the Secretary shall issue guidelines to carry out this subsection."

SEC. 102. INCANDESCENT REFLECTOR LAMP EFFICIENCY STANDARDS.

(a) DEFINITIONS.—Section 321 of the Energy Policy and Conservation Act (42 U.S.C. 6281) is amended—

(1) in paragraph (30)(C)(i)—

(A) in the matter preceding subclause (I) by striking "or similar bulb shapes (excluding BR or BR)" and inserting "BR, BR, BP, BR, BP, or similar bulb shapes"; and

(B) by striking "2.75" and inserting "2.25"; and

(2) by adding at the end the following:

"(2) BPAR INCandescent reflector lamp.—The term 'BPAR incandescent reflector lamp' means a reflector lamp as shown in figure C78.21–278 on page 32 of ANSI C78.21–2003.

"(3) BR INCandescent reflector lamp.—The term 'BR incandescent reflector lamp' means a reflector lamp that has—

"'i' a bulged section below the major diameter of the bulb and above the approximate base of the bulb, as shown in figure 1 (RB) on page 7 of ANSI C79.1–1994, incorporated by reference in section 430.22 of title 10, Code of Federal Regulations, as in effect on the date of enactment of this paragraph; and

"(ii) a finished size and shape shown in ANSI C78.21–1989, including the referenced reflective characteristics in part 7 of ANSI C78.21–1989, incorporated by reference in section 430.22 of title 10, Code of Federal Regulations (as in effect on the date of enactment of this paragraph);

"(B) BR40.—The term 'BR40' means a BR incandescent reflector lamp with a diameter of 30/8ths of an inch.

"(C) ER.—The term 'ER' means an ER incandescent reflector lamp with a diameter of 40/8ths of an inch.

"(D) R25.—The term 'R25' means an R incandescent reflector lamp with a diameter of 32/8ths of an inch.

"(E) R30.—The term 'R30' means an R incandescent reflector lamp with a diameter of 35/8ths of an inch.

"(ii) LAMPS BETWEEN 2.25–2.75 INCHES IN DIAMETER.—The standards specified in subparagraph (A) apply with respect to each type of lamp specified in a table contained in subparagraph (B), the last day of the period of months corresponding to the date (as specified in the table) that follows October 24, 1992.

"(B) MINIMUM STANDARDS.—Each of the following general service fluorescent lamps and incandescent reflector lamps manufactured after the effective date specified in the tables contained in this paragraph shall meet or exceed the following lamp efficacy and CRI standards:

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**FLUORESCENT LAMPS**

<table>
<thead>
<tr>
<th>Lamp Type</th>
<th>Nominal Lamp Wattage</th>
<th>Minimum CRI</th>
<th>Minimum Average Lamp Efficiency (LPW)</th>
<th>Effective Date (Period of Months)</th>
</tr>
</thead>
<tbody>
<tr>
<td>4-foot medium bi-pin</td>
<td>&gt;35 W</td>
<td>69</td>
<td>75.0</td>
<td>36</td>
</tr>
<tr>
<td>2-foot U-shaped</td>
<td>≤35 W</td>
<td>45</td>
<td>75.0</td>
<td>36</td>
</tr>
<tr>
<td>8-foot slimline</td>
<td>≤35 W</td>
<td>69</td>
<td>68.0</td>
<td>36</td>
</tr>
<tr>
<td>8-foot high output</td>
<td>≤65 W</td>
<td>45</td>
<td>64.0</td>
<td>36</td>
</tr>
<tr>
<td></td>
<td>&gt;100 W</td>
<td>69</td>
<td>80.0</td>
<td>18</td>
</tr>
<tr>
<td></td>
<td>≤100 W</td>
<td>45</td>
<td>80.0</td>
<td>18</td>
</tr>
</tbody>
</table>

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**INCANDESCENT REFLECTOR LAMPS**

<table>
<thead>
<tr>
<th>Nominal Lamp Wattage</th>
<th>Minimum Average Lamp Efficiency (LPW)</th>
<th>Effective Date (Period of Months)</th>
</tr>
</thead>
<tbody>
<tr>
<td>40-50</td>
<td>10.5</td>
<td>36</td>
</tr>
<tr>
<td>51-66</td>
<td>11.0</td>
<td>36</td>
</tr>
<tr>
<td>67-85</td>
<td>12.5</td>
<td>36</td>
</tr>
<tr>
<td>86-115</td>
<td>14.0</td>
<td>36</td>
</tr>
<tr>
<td>116-155</td>
<td>14.5</td>
<td>36</td>
</tr>
<tr>
<td>156-205</td>
<td>15.0</td>
<td>36</td>
</tr>
</tbody>
</table>

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"(C) EXEMPTIONS.—The standards specified in subparagraph (B) shall not apply to the following types of incandescent reflector lamps:

"(i) Lamps rated at 50 watts or less that are ER, BR, BR, BR, or ER40 lamps.

"(ii) Lamps rated at 65 watts that are BR, BR, BR, or ER40 lamps.

"(iii) ER20 incandescent reflector lamps rated 45 watts or less.

"(D) EFFECTIVE DATES.—

"(i) ER, BR, and BPAR LAMPS.—The standards specified in subparagraph (B) shall apply with respect to ER, BR, BR, incandescent reflector lamps, BPAR incandescent reflector lamps, and similar bulb shapes on and after January 1, 2008.

"(ii) LAMPS BETWEEN 2.25–2.75 INCHES IN DIAMETER.—The standards specified in subparagraph (B) shall apply with respect to incandescent reflector lamps with a diameter of more than 2.25 inches, but not more than 2.75 inches, on and after January 1, 2008.

SEC. 103. BRIGHT TOMORROW LIGHTING PRIZES.

(a) ESTABLISHMENT.—Not later than 1 year after the date of enactment of this Act, as part of the program carried out under section 1008 of the Energy Policy Act of 2005 (42 U.S.C. 16396), the Secretary shall establish and award Bright Tomorrow Lighting Prizes for solid state lighting in accordance with this section.

(b) PRIZE SPECIFICATIONS.—

"(1) 60-WATT INCANDESCENT REPLACEMENT LAMP PRIZE.—The Secretary shall award a 60-Watt Incandescent Replacement Lamp Prize to an entrant that produces a solid-state lamp package simultaneously capable of—

(A) producing a luminous flux greater than 90 lumens;
(B) consuming less than or equal to 10 watts;
(C) having an efficiency greater than 90 lumens per watt;
(D) having a color rendering index greater than 90;
(E) having a correlated color temperature of not less than 2,750, and not more than 3,000, kelvin;
(F) having a lifetime exceeding 25,000 hours under typical conditions expected in residential use;
(G) having a light distribution pattern similar to a soft 60-watt incandescent A19 bulb;
(H) having a size and shape similar to a 60-watt incandescent A19 bulb in accordance with American National Standards Institute standard C78.20-2003, figure C78.20-211;
(I) using an incandescent bulb power receptacle;
(J) mass production for a competitive sales commercial market satisfied by the submission of 10,000 such units equal to or exceeding the criteria described in subparagraphs (A) through (I).

(2) PAR TYPE 38 HALOGEN REPLACEMENT LAMP PRIZE.—The Secretary shall award a Parabolic Aluminized Reflector Type 38 Halogen Replacement Lamp Prize (referred to in this section as the “PAR Type 38 Halogen Replacement Lamp Prize”) to an entrant that produces a solid-state-light package simultaneously capable of—

(A) producing a luminous flux greater than or equal to 1,500 lumens;
(B) consuming less than or equal to 10 watts;
(C) having an efficiency greater than 90 lumens per watt;
(D) having a color rendering index greater than or equal to 90;
(E) having a correlated color coordinate temperature of not less than 2,750, and not more than 5,000, degrees Kelvin;
(F) having a lifetime exceeding 25,000 hours under typical conditions expected in residential use;
(G) having a light distribution pattern similar to a PAR 38 halogen lamp;
(H) having a size and shape that fits within the maximum dimensions of a PAR 38 halogen lamp in accordance with American National Standards Institute standard C78-21-2003, figure C78.21-238;
(I) using a PAR 38 halogen lamp power receptacle; and
(J) mass production for a competitive sales commercial market satisfied by the submission of 10,000 such units equal to or exceeding the criteria described in subparagraphs (A) through (I).

(3) TWENTY-FIRST CENTURY LAMP PRIZE.—The Secretary shall award a Twenty-First Century Lamp Prize to an entrant that produces a solid-state-light-light capable of—

(A) producing a luminous flux greater than or equal to 1,200 lumens;
(B) having an efficiency greater than 150 lumens per watt;
(C) having a color rendering index greater than or equal to 90;
(D) having a color coordinate temperature between 2,800 and 3,000 degrees Kelvin; and
(E) having a lifetime exceeding 25,000 hours for the less efficient products in widespread use.

(c) PRIVATE FUNDS.—The Secretary may accept and use funding from private sources as part of the prizes awarded under this section.

d) TECHNICAL REVIEW.—The Secretary shall establish a technical review committee composed of Federal officers to review entrant data submitted under this section to determine whether the data meets the prize specifications set forth in subsection (b).

e) THIRD PARTY ADMINISTRATION.—The Secretary may competitively select a third party to administer awards under this section.

(f) AWARD AMOUNTS.—Subject to the availability of funds to carry out this section, the amount of—

(1) the 60-Watt Incandescent Replacement Lamp Prize described in subsection (b)(1) shall be $10,000,000;
(2) the PAR Type 38 Halogen Replacement Lamp Prize described in subsection (b)(2) shall be $5,000,000; and
(3) the Twenty-First Century Lamp Prize described in subsection (b)(3) shall be $5,000,000.

(g) FEDERAL PROCUREMENT OF SOLID-STATE-LIGHTPRIZE.—

(1) 60-WATT INCANDESCENT REPLACEMENT.—Subject to paragraph (3), as soon as practicable after the successful award of the 60-Watt Incandescent Replacement Lamp Prize under subsection (b)(1), the Secretary (in consultation with the Administrator of General Services) shall develop governmentwide Federal purchase guidelines with a goal of replacing the use of 60-watt incandescent lamps in Federal Government buildings with a solid-state-light-package described in subsection (b)(1) by not later than the date that is 5 years after the date the award is made.

(2) PAR 38 HALOGEN REPLACEMENT LAMP REPLACEMENT.—Subject to paragraph (3), as soon as practicable after the successful award of the PAR Type 38 Halogen Replacement Lamp Prize under subsection (b)(2), the Secretary (in consultation with the Administrator of General Services) shall develop governmentwide Federal purchase guidelines with the goal of replacing the use of PAR 38 halogen lamps in Federal Government buildings with a solid-state-light-package described in subsection (b)(2) by not later than the date that is 5 years after the date the award is made.

(3) Waivers. —

(A) IN GENERAL.—The Secretary or the Administrator of General Services may waive the application of paragraph (1) or (2) if the Secretary or Administrator determines that the return on investment from the purchase of a solid-state-light-package described in paragraph (1) or (2) of subsection (b), respectively, is cost prohibitive.

(B) REPORT OF WAIVER.—If the Secretary or Administrator waives the application of paragraph (1) or (2) if the Secretary or Administrator, respectively, shall submit to Congress an annual report that describes the waiver and provides a detailed justification for the waiver.

(h) BRIGHT LIGHT TOMORROW AWARDS.

(1) ESTABLISHMENT.—There is established in the United States Treasury a Bright Light Tomorrow permanent fund without fiscal year limitation to award prizes under paragraphs (1), (2), and (3) of subsection (b).

(2) SOURCES OF FUNDING.—The fund established under paragraph (1) shall accept—

(A) fiscal year appropriations; and
(B) private contributions authorized under subsection (c).

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

SEC. 104. SENSE OF SENATE CONCERNING EFFICIENT LIGHTING STANDARDS.

(a) FINDINGS.—

(1) there are approximately 4,000,000,000 screw-based sockets in the United States that contain traditional, energy-inefficient, incandescent light bulbs;
(2) incandescent light bulbs are based on technology that is more than 125 years old;
(3) there are radically more efficient lighting technologies currently available, such as light emitting diodes (LED), organic light emitting diodes (OLED), and solid-state-light (SST) lighting; (4) national policy can support a rapid substitution of new, energy-efficient light bulbs for the less efficient products in widespread use; and,
(5) transforming the United States market to use of more efficient lighting technologies can—

(A) reduce electric costs in the United States by more than $20 billion annually;
(B) save the equivalent electricity that is produced by 80 base load coal-fired power plants; and
(C) reduce fossil fuel related emissions by approximately 158,000,000 tons each year.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the Secretary shall pass a set of mandatory, technology-neutral standards to establish firm energy efficiency performance targets for lighting products; (2) ensure that the standards become effective within the next 10 years; and (3) in developing the standards—

(A) establish the efficiency requirements to ensure that replacement lamps will provide consumers with the same quantity of light while using significantly less energy;
(B) ensure that consumers will continue to have multiple product choices, including energy-saving halogen, incandescent, compact fluorescent, and LED light bulbs; and
(C) work with industry and key stakeholders on measures that will assist consumers and businesses in making the important transition to more efficient lighting.

Title II—Expediting New Energy Efficiency Standards

SEC. 201. DEFINITION OF ENERGY CONSERVATION STANDARDS.

Section 321 of the Energy Policy and Conservation Act (42 U.S.C. 6210) is amended by striking paragraph (6) and inserting the following:

(6) ENERGY CONSERVATION STANDARD.—

(A) IN GENERAL.—The term ‘energy conservation standard’ means—

(1) 1 or more performance standards that prescribe a minimum level of energy efficiency or a maximum quantity of energy use, and, in the case of a showerhead, faucet, water closet, urinal, clothes washer, and dishwasher, water use, for a covered product, determined in accordance with procedures prescribed under section 323; and
(2) 1 or more design requirements;

(B) INCLUSIONS.—The term ‘energy conservation standard’ includes any other requirements that the Secretary may prescribe under subsections (o) and (r) of section 325.

SEC. 202. REGIONAL STANDARDS FOR HEATING AND COOLING PRODUCTS.

Section 325(o) of the Energy Policy and Conservation Act (42 U.S.C. 6265(o)) is amended by adding at the end the following:

(6) REGIONAL STANDARDS FOR HEATING AND COOLING PRODUCTS.—

(A) IN GENERAL.—Notwithstanding any other provision of this section, the Secretary shall establish regional standards, including energy conservation standards, to establish regional standards for heating and air conditioning products.

(B) MAXIMUM NUMBER OF REGIONS.—For each space heating and air conditioning product, the Secretary shall establish not more than 3 regions with differing standards.

(C) BOUNDARIES OF REGIONS.—

(i) IN GENERAL.—The Secretary shall establish the regions so as to ensure that the regions conform to State borders and are technologically feasible and economically justifiable.

(1) STATE BOUNDARIES.—Boundaries for a region shall conform to State borders.

(2) REGIONAL STANDARDS FOR HEATING AND COOLING PRODUCTS.—

(A) IN GENERAL.—The Secretary shall establish the regions so as to ensure that the regions conform to State borders and are technologically feasible and economically justifiable.

(1) STATE BOUNDARIES.—Boundaries for a region shall conform to State borders and only include contiguous States (other than Alaska and Hawaii, which shall be non-contiguous).

(2) FACTORS FOR ESTABLISHMENT.—In deciding whether to establish 1 or more regional standards for space heating and air

Title III—Energy Efficiency Standards for Electric Utility Power Generators
SEC. 203. FURNACE FAN RULEMAKING.
Section 325 of the Energy Policy and Conservation Act (42 U.S.C. 6295(f)(3)) is amended by adding at the end the following:

"(E) Final rule.—The Secretary shall publish a final rule to carry out this subsection not later than December 31, 2012.

(ii) Criteria.—The standards shall meet the criteria established under subsection (o)."

SEC. 204. EXPEDITED RULEMAKINGS.
Section 325 of the Energy Policy and Conservation Act (42 U.S.C. 6295) is amended by adding after the period at the end the following:

"(hh) EXPEDITED RULEMAKING FOR CONSENSUS STANDARDS.—

(1) In general.—The Secretary shall conduct an expedited rulemaking based on an energy conservation standard or test procedure recommended by interested persons, if—

(A) the interested persons (demonstrating significant and broad support from manufacturers of a covered product, States, and environmental, energy efficiency, and consumer advocates) submit a joint comment recommending a consensus energy conservation standard or test procedure; and

(B) the Secretary determines that the joint comment includes evidence that (assuming no other evidence were considered) provides an adequate basis for determining that the proposed consensus energy conservation standard or test procedure proposed in the joint comment complies with the provisions and criteria of this Act (including subsection (a)) that apply to the type or class of covered products covered by the joint comment.

(2) Procedure.—

(A) In general.—Notwithstanding subsection (a), if the Secretary receives a joint comment that meets the criteria described in paragraph (1), the Secretary shall conduct an expedited rulemaking with respect to the standard or test procedure proposed in the joint comment in accordance with this paragraph.

(B) Advanced Notice of Proposed Rulemaking.—If no advanced notice of proposed rulemaking has been issued under subsection (p)(1) with respect to the rulemaking covered by the joint comment, the requirements of subsection (a)(2) shall not apply.

(C) Publication of Determination.—Not later than 60 days after receipt of a joint comment described in paragraph (1)(A), the Secretary shall publish a description of a determination as to whether the proposed standard or test procedure covered by the joint comment meets the criteria described in paragraph (1).

(D) Proposed Rule.—

(i) In general.—If the Secretary determines that the proposed consensus standard or test procedure covered by the joint comment meets the criteria described in paragraph (1), the Secretary shall publish a proposed rule proposing the consensus standard or test procedure covered by the joint comment.

(ii) Public Comment Period.—Notwithstanding paragraphs (2) and (3) of subsection (p), the public comment period for the proposed rule has not been extended beyond 30 days after the date of publication of the proposed rule in the Federal Register.

(iii) Public Hearing.—Notwithstanding section (a)(3)(A), the Secretary may waive the holding of a public hearing with respect to the proposed rule.

"(EE) Final rule.—Notwithstanding subsection (p)(4), the Secretary—

(i) may publish a final rule at any time after the 60-day period beginning on the date of publication of the proposed rule in the Federal Register; and

(ii) shall publish a final rule not later than 120 days after the date of publication of the proposed rule in the Federal Register.

SEC. 205. PREEMPTION LIMITATION.
Section 327 of the Energy Policy and Conservation Act (42 U.S.C. 6297) is amended—

(1) in subsection (b), by striking "or"; and

(2) in subsection (c), by striking "or" at the end and inserting "or"; and

"(B) Proposed rule.—The Secretary shall publish a proposed rule in accordance with this subsection not later than 120 days after the date of publication of the proposed rule in the Federal Register; and

"(C) Final rule.—Subparagraphs (b) and (c) of section 327(f) of the Energy Policy and Conservation Act (42 U.S.C. 6297) shall not apply with respect to a final rule published under subparagraph (a) of section 327(f) of the Energy Policy and Conservation Act.

"(D) Final rule.—Notwithstanding subsection (p)(4), the Secretary—

(i) may publish a final rule at any time after the 60-day period beginning on the date of publication of the proposed rule in the Federal Register; and

(ii) shall publish a final rule not later than 120 days after the date of publication of the proposed rule in the Federal Register.

SEC. 206. ENERGY EFFICIENCY LABELING FOR CONSUMER PRODUCTS.
(a) in general.—Not later than 18 months after the date of enactment of this Act, the Federal Trade Commission, in consultation with the Secretary of Energy and the Administrator of the Environmental Protection Agency, shall promulgate regulations to require the labeling of consumer electronics products categories described in subsection (b) to the Energy Guide labeling program of the Commission.

(b) consumer electronics product categories.—The consumer electronics product categories referred to in subsection (a) are

(1) televisions;

(2) personal computers;

(3) cable or satellite set-top boxes;

(4) stand-alone digital video recorder boxes (including TIVO and similar branded products);

(5) computer monitors;

(c) label placement.—The regulations shall include specific requirements for each product on the placement of Energy Guide labels.

(d) deadline for labeling.—Not later than 2 years after the date of promulgation of regulations under subsection (a), the Commission shall require labeling electronic products described in subsection (b) in accordance with this section (including the regulations).

(e) authority to include additional product categories.—The Commission may add additional product categories to the Energy Guide labeling program if the product categories include products, as determined by the Commission—

(1) that have an annual energy use in excess of 100 kilowatt hours per year; and

(2) for which there is a significant difference in energy use between the most and least efficient products.

SEC. 207. RESIDENTIAL BOILER EFFICIENCY STANDARDS.
Section 325(f) of the Energy Policy and Conservation Act (42 U.S.C. 6297(f)) is amended—

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

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

"(b) boilers.—

(A) in general.—Subject to subparagraphs (B) and (C), boilers manufactured on or after September 1, 2012, shall meet the following requirements:

Bolier Type

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<th>Design Requirements</th>
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<td>Gas Hot Water</td>
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<td>Steam</td>
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<td>Oil Hot Water</td>
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<td>Electric Hot Water</td>
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"(B) Pilot.—The manufacturer shall not equip gas hot water or steam boilers with constant-burning pilot lights.

"(C) Automatic Means for Adjusting Water Temperature.—

(i) In general.—The manufacturer shall equip each gas, oil, and electric hot water boiler (other than a boiler equipped with tankless domestic water heating coils) with an automatic means for adjusting the temperature of the water supplied by the boiler to ensure that an incremental change in inferred heat load produces a corresponding incremental change in the temperature of water supplied.

(ii) Certain Boilers.—For a boiler that fires at 1 input rate the requirements of this subparagraph may be satisfied by providing an automatic means that allows the burner or heating element to fire only when the heat load exceeds 80% of the heat load the burner or heating element would produce at 120 degrees Fahrenheit.

(iv) Operation.—A boiler described in clause (i) or (ii) shall be operable only when the automatic means described in clauses (i), (ii), and (iii) is installed.

SEC. 208. TECHNICAL CORRECTIONS.

SEC. 209. ELECTRIC MOTOR EFFICIENCY STANDARDS.
(a) Definitions.—Section 340(13) of the Energy Policy and Conservation Act (42 U.S.C. 6311(13)) is amended by striking subparagraph (A) and inserting the following:

"(A) The term "electric motor standards"—

(i) a general purpose electric motor—

(1) by redesigning paragraph (3) as paragraph (4); and

(2) by inserting after paragraph (2) the following:
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“(I) a general purpose electric motor - subtype II.

“(II) The term ‘general purpose electric motor - subtype I’ means any motor that is consistent with the design elements for a general purpose motor under section 431.12 of title 10, Code of Federal Regulations (or successor regulations).

“(III) The term ‘general purpose electric motor - subtype III’ means a motor that, in addition to the design elements for a general purpose motor - subtype I, incorporates the design elements (as established in NEMA MG-1 (2006)) (or successor design elements) for any of the following:

“(I) A U-Frame Motor.

“(II) A Design C Motor.

“(III) A close-coupled pump motor.

“(IV) A footless motor.

“(V) A vertical solid shaft normal thrust (tested in a horizontal configuration).

“(VI) An 8-pole motor.

“(VII) A poly-phase motor with voltage of not more than 600 volts (other than 230 or 460 volts)

“(b) STANDARDS.—Section 342(b) of the Energy Policy and Conservation Act (42 U.S.C. 6313(13)) is amended by striking paragraph (1) and inserting the following:

“(1) General purpose electric motors - subtype I.

“(a) In general.—Except as otherwise provided in this subparagraph, a general purpose electric motor - subtype I with a power rating of not less than 1, and not more than 200, horsepower manufactured (alone or as a component of another piece of equipment) after the 3-year period beginning on the date of enactment of this Act shall be in the form of a lump sum payment in an amount equal to the product obtained by multiplying:

(1) the amount of the bid by the manufacturers of the high-efficiency consumer products, based on the bid of each manufacturer in terms of dollars per megawatt-hour or million British thermal units saved.

(2) ACCEPTANCE OF BIDS.—In making awards under this section, the Secretary shall—

(A) solicit bids for reverse auction from appropriate manufacturers, as determined by the Secretary; and

(B) award financial incentives to the manufacturers that submit the lowest bids that meet the requirements established by the Secretary.

(c) FORMS OF AWARDS.—An award for a high-efficiency consumer product under this section shall be in the form of a lump sum payment in an amount equal to the product obtained by multiplying—

(1) the amount of the bid by the manufacturers of the high-efficiency consumer product; and

(2) the energy savings during the projected useful life of the high-efficiency consumer product, not to exceed 10 years, as determined under regulations issued by the Secretary.

 TITLE III—PROMOTING HIGH EFFICIENCY VEHICLES, ADVANCED BATTERIES, AND ENERGY STORAGE

SEC. 201. ENERGY STANDARDS FOR HOME APPLIANCES.

(a) DEFINITION OF ENERGY CONSERVATION STANDARD.—Section 321(a)(6)(A) of the Energy Policy and Conservation Act (42 U.S.C. 6291(a)(6)(A)) is amended by striking ‘‘or, in the case of’’ and inserting ‘‘and, in the case of’’.

(b) REFRIGERATORS, REFRIGERATOR-FREEZERS, AND FREEZERS.—Section 325(b) of the Energy Policy and Conservation Act (42 U.S.C. 6295(b)) is amended by adding at the end the following:

“(d) REFRIGERATORS, REFRIGERATOR-FREEZERS, AND FREEZERS MANUFACTURED ON OR AFTER JANUARY 1, 2011.—Not later than December 31, 2010, the Secretary shall publish a final rule determining whether to amend the standards for refrigerators, refrigerators with ice makers, freezers manufactured on or after January 1, 2014, and including any amended standards.

“(e) ENERGY STAR PROGRAM.—Section 324A(d)(4)(B) of the Energy Policy and Conservation Act (42 U.S.C. 629A(d)(4)) is amended by striking ‘‘or product’’ with improved energy efficiency in cold climates, after “residential Energy Star products” and

(2) in subsection (e), by inserting ‘‘or product with improved energy efficiency in a cold climate’’ after “residential Energy Star product” each place it appears.

SEC. 202. DEPLOYMENT OF NEW TECHNOLOGIES FOR HIGH-EFFICIENCY CONSUMER PRODUCTS.

(a) DEFINITIONS.—In this section:

(1) ENERGY SAVINGS.—The term ‘‘energy savings’’ means megawatt-hours of electricity or million British thermal units of natural gas saved by a product, in comparison to projected energy consumption under the energy standard applicable to the product.

(2) HIGH-EFFICIENCY CONSUMER PRODUCT.—The term ‘‘high-efficiency consumer product’’ means a product that exceeds the energy efficiency of comparable products available in the market by at least 25 percent.

(b) FINANCIAL INCENTIVES PROGRAM.—Effective beginning October 1, 2007, the Secretary shall competitively award financial incentives under this section for the manufacture of high-efficiency consumer products.

(c) REQUIREMENTS.—

(1) IN GENERAL.—The Secretary shall make awards under this section to manufacturers of high-efficiency consumer products, based on the bid of each manufacturer in terms of dollars per megawatt-hour or million British thermal units saved.

(2) ACCEPTANCE OF BIDS.—In making awards under this section, the Secretary shall—

(A) solicit bids for reverse auction from appropriate manufacturers, as determined by the Secretary; and

(B) award financial incentives to the manufacturers that submit the lowest bids that meet the requirements established by the Secretary.

(d) FORMS OF AWARDS.—An award for a high-efficiency consumer product under this section shall be in the form of a lump sum payment in an amount equal to the product obtained by multiplying—

(1) the amount of the bid by the manufacturers of the high-efficiency consumer product; and

(2) the energy savings during the projected useful life of the high-efficiency consumer product, not to exceed 10 years, as determined under regulations issued by the Secretary.
SEC. 302. LOAN GUARANTEES FOR FUEL-EFFICIENT AUTOMOBILE PARTS MANUFACTURERS.

(a) In General.—Section 712(a) of the Energy Policy Act of 2005 (42 U.S.C. 16062(a)) is amended in the second sentence by striking "grants to automobile manufacturers" and inserting "grants and loan guarantees under subsection (b) of this section to automobile manufacturers and suppliers".

(b) Conforming Amendment.—Section 1703(b) of the Energy Policy Act of 2005 (42 U.S.C. 16513(b)) is amended by striking "(8) Production facilities for the manufacture of fuel efficient vehicles or parts of those vehicles, including electric drive transportation technology and advanced diesel vehicles.''.

SEC. 303. ADVANCED TECHNOLOGY VEHICLES MANUFACTURING INCENTIVE PROGRAM.

(a) Definitions.—In this section:

(1) ADJUSTED AVERAGE FUEL ECONOMY.—The term "adjusted average fuel economy" means the average fuel economy of a manufacturer for all light duty vehicles produced by the manufacturer, adjusted such that the fuel economy of each vehicle that qualifies for an award shall be considered to be equal to the average fuel economy for vehicles of an identical footprint for model year 2002.

(2) TECHNOLOGY VEHICLE.—The term "technology vehicle" means a light duty vehicle that meets—

(A) the Bin 5 Tier II emission standard established under section 203 (42 U.S.C. 7522 (i), or a lower-numbered Bin emission standard;

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

and

(C) at least 125 percent of the average base year combined fuel economy for vehicles of a substantially similar footprint.

(3) COMBINED FUEL ECONOMY.—The term "combined fuel economy" means—

(A) the combined city/highway miles per gallon values, as reported in accordance with section 22906 of title 49, United States Code; and

(B) in the case of an electric drive vehicle with the alternative energy source provided by an onboard source, the reported mileage, as determined in a manner consistent with the Society of Automotive Engineers Recommended Practice J1131 or a similar practice recommended by the Secretary.

(4) ENGINEERING INTEGRATION COSTS.—The term "engineering integration costs" includes the cost of engineering tasks relating to—

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

and

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

(5) QUALIFYING COMPONENTS.—The term "qualifying components" means components that the Secretary determines to be—

(A) specially designed for advanced technology vehicles;

and

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

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

(1) reconverting an expanding an existing manufacturing facility in the United States to produce—

(A) qualifying advanced technology vehicles;

or

(B) qualifying components; and

(2) engineering integration performed in the United States for qualifying vehicles and qualifying components.

(c) PERIOD OF AVAILABILITY.—An award under subsection (b) shall apply to—

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

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

(d) IMPROVEMENT.—The Secretary shall issue regulations that require that in order for an automobile manufacturer to be eligible for an award under this section 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 vehicles of the manufacturer for model year 2002.

SEC. 304. ENERGY STORAGE COMPETITIVENESS.

(a) SHORT TITLE.—This section may be cited as the "United States Energy Storage Competitiveness Act of 2007".

(b) ENERGY STORAGE SYSTEMS FOR MOTOR TRANSPORTATION—

(A) DEFINITIONS.—In this subsection:

(1) PROGRAM.—The term "program" means the Energy Storage Advisory Council established under paragraph (3).

(B) PROGRAM.—The term "Energy Storage Advisory Council" means the Energy Storage Advisory Council established under paragraph (3).

(C) COMPRESSOR.—The term "compressor" means a device used to store rotational kinetic energy.

(D) ULTRACAPACITOR.—Where the term "ultracapacitor" means an energy storage device that has a power density comparable to conventional capacitors but capable of exceeding the energy density of conventional capacitors by several orders of magnitude.

(2) PROGRAM.—The Secretary shall carry out a research, development, and demonstration program to support the ability of the United States to maintain a globally competitive position in energy storage systems to support motor transportation and electricity transmission and distribution technologies, including—

(A) ultracapacitors;

(B) flywheels;

(C) compressed air energy systems;

(D) power conditioning electronics; and

(E) manufacturing technologies for energy storage systems.

(3) ENERGY STORAGE ADVISORY COUNCIL.—

(A) ESTABLISHMENT.—Not more than 90 days after the date of enactment of this Act, the Secretary shall establish an Energy Storage Advisory Council.

(B) Compositions.—

(1) IN GENERAL.—Subject to clause (i), the Council shall consist of not less than 15 individuals appointed by the Secretary, based on recommendations of the National Academy of Sciences.

(2) PROGRAM.—The Secretary shall—

(A) establish the Energy Storage Advisory Council;

(B) conduct a basic research program on energy storage technologies to support motor transportation and electricity transmission and distribution, including—

(i) materials design;

(ii) materials synthesis and characterization;

(iii) electrolytes, including bioelectrolytes;

(iv) surface and interface dynamics; and

(v) modeling and simulation.

(B) NANOSCIENCE CENTERS.—The Secretary shall ensure that the nanoscience centers of the Department shall conduct research in the areas described in subparagraph (A), as part of the mission of the centers; and

(C) maintain the activities of the centers with activities of the Council.

(5) APPLIED RESEARCH PROGRAM.—The Secretary shall conduct an applied research program on energy storage systems to support motor transportation and electricity transmission and distribution technologies, including—

(A) ultracapacitors;

(B) flywheels;

(C) compressed air energy systems;

(D) power conditioning electronics; and

(E) manufacturing technologies for energy storage systems.

(6) ENERGY STORAGE RESEARCH CENTERS.—

(A) IN GENERAL.—The Secretary shall establish, through competitive bids, 4 energy storage research centers to translate basic research into applied technologies to advance the capability of the United States to maintain a globally competitive position in energy storage systems for motor transportation and electricity transmission and distribution.

(B) PROGRAM MANAGEMENT.—The centers shall be jointly managed by the Under Secretary for Science and the Under Secretary of Energy of the Department.

(PARTICIPATION AGREEMENTS.—As a condition of participating in a center, a participant shall enter into a participation agreement with the center that requires that activities conducted by the participant for the center promote the goal of enabling the United States to compete successfully in global energy storage markets.

(PARTICIPATION AGREEMENTS.—As a condition of participating in a center, a participant shall enter into a participation agreement with the center that requires that activities conducted by the participant for the center promote the goal of enabling the United States to compete successfully in global energy storage markets.

(E) INTELLECTUAL PROPERTY.—In carrying out this paragraph, the Secretary shall require cost sharing in accordance with section 988 of the Energy Policy Act of 2005 (42 U.S.C. 1632).

(F) INTELLECTUAL PROPERTY.—In carrying out this paragraph, the Secretary shall require cost sharing in accordance with section 988 of the Energy Policy Act of 2005 (42 U.S.C. 1632).

(G) INTELLECTUAL PROPERTY.—In carrying out this paragraph, the Secretary shall require cost sharing in accordance with section 988 of the Energy Policy Act of 2005 (42 U.S.C. 1632).
have a royalty-free, exclusive nontransferable license to intellectual property that the center invents from funding received under this subsection.

(7) RECOGNITION.—The NATIONAL ACADEMY OF SCIENCES.—Not later than 5 years after the date of enactment of this Act, the Secretary shall offer to enter into an arrangement with the National Academy of Sciences to assess the performance of the Department in making the United States globally competitive in energy storage systems for motor transportation and electricity transmission and distribution.

(8) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out—

(A) the basic research program under paragraph (4) $50,000,000 for each of fiscal years 2008 through 2010; and

(B) the applied research program under paragraph (5) $80,000,000 for each of fiscal years 2008 through 2017; and

(C) the energy storage research center program under paragraph (6) $100,000,000 for each of fiscal years 2008 through 2017.

SEC. 401. NATIONAL GOALS FOR ENERGY SAVINGS IN TRANSPORTATION.

(a) GOALS.—The goals of the United States are to reduce gasoline usage in the United States from the levels projected under subsection (b) by—

(1) 2 percent by calendar year 2017; (2) 5 percent by calendar year 2025; and

(3) 45 percent by calendar year 2030.

(b) MEASUREMENT.—For purposes of subsection (a), reductions in gasoline usage shall be measured from the estimates for each year in subsection (a) contained in the report of the Energy Information Administration entitled "Annual Energy Outlook 2007".

(c) STRATEGIC PLAN.—(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Secretary, in cooperation with the Administrator of the Environmental Protection Agency and the heads of other appropriate Federal agencies, shall develop a strategic plan to achieve the national goals for reduction in gasoline usage established under subsection (a).

(2) PUBLIC INPUT AND COMMENT.—The Secretary shall develop the plan in a manner that provides appropriate opportunities for public comment.

(d) PLAN CONTENTS.—The strategic plan shall—

(1) establish future regulatory, funding, and policy priorities to ensure compliance with the national goals;

(2) include energy savings estimates for each sector and energy productivity of the United States over the next decade.

(3) include data collection methodologies and compilations used to establish baseline energy savings data.

(e) PLAN UPDATES.—In general.—The Secretary shall—

(A) update the strategic plan biennially; and

(B) include the updated strategic plan in the national energy policy plan required by section 801 of the Department of Energy Organization Act (42 U.S.C. 7221).

SEC. 402. NATIONAL ENERGY EFFICIENCY IMPROVEMENT GOALS

(a) GOALS.—The goals of the United States are—

(1) to achieve an improvement in the overall energy productivity of the United States (measured in gross domestic product per unit of energy input) of at least 2.5 percent per year from the year 2012; and

(2) to maintain that annual rate of improvement each year through 2030.

(b) STRATEGIC PLAN.—(1) IN GENERAL.—The Secretary shall develop the plan in a manner that provides appropriate opportunities for public input and comment.

(2) CONTENTS.—In updating the plan, the Secretary shall—

(A) report on progress made toward implementing energy policies to achieve the national goals established under subsection (a); and

(B) to the maximum extent practicable, verify energy savings resulting from the policies.

(c) PLAN UPDATES.—In general.—The Secretary shall submit to Congress, and make available to the public, the initial plan to achieve the national goals for improvement each year through 2012.

(d) PLAN UPDATES.—In general.—The Secretary shall—

(A) update the strategic plan biennially; and

(B) include the updated strategic plan in the national energy policy plan required by section 801 of the Department of Energy Organization Act (42 U.S.C. 7221).

SEC. 403. NATIVE AMERICAN MEDIA CAMPAIGN TO INCREASE ENERGY EFFICIENCY.

(a) IN GENERAL.—The Secretary, acting through the Assistant Secretary for Energy Efficiency and Renewable Energy (referred to in this section as the "Secretary"), shall develop and conduct a national media campaign for the purpose of increasing energy efficiency throughout the economy of the United States over the next decade.

(b) USE OF FUNDS.—(1) IN GENERAL.—Amounts made available to carry out this section shall be used for the following:

(C) the energy storage research center program authorized in this section.

(1) PROJECT enthatic outreach, media projects and activities, public information, news media outreach, and corporate sponsorship and participation.

(B) PROGRAM.—The Secretary shall conduct a program of research, development, demonstration, and commercial application for electric drive transportation technology, including—

(A) batteries; (B) on-board and off-board charging components;

(C) drivetrain systems; (D) vehicles systems integration; and

(E) control systems, including systems that optimize for—

(i) prolonging battery life; (ii) reduction of petroleum consumption; and

(iii) reduction of fossil fuel emissions.

(c) USE OF FUNDS.—There is authorized to be appropriated to carry out such subsection $200,000,000 for each of fiscal years 2007 through 2012.

(d) PLAN UPDATES.—(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Secretary, in cooperation with the Administrator of the Environmental Protection Agency and the heads of other appropriate Federal agencies, shall develop a strategic plan to achieve the national goals for improvement in energy productivity established under subsection (a).

(2) PUBLIC INPUT AND COMMENT.—The Secretary shall develop the plan in a manner that provides appropriate opportunities for public input and comment.

(e) PLAN CONTENTS.—The strategic plan shall—

(1) establish future regulatory, funding, and policy priorities to ensure compliance with the national goals;

(2) include energy savings estimates for each sector; and

(3) include data collection methodologies and compilations used to establish baseline energy savings data.

(f) PLAN UPDATES.—(1) IN GENERAL.—The Secretary shall—

(A) update the strategic plan biennially; and

(B) include the updated strategic plan in the national energy policy plan required by section 801 of the Department of Energy Organization Act (42 U.S.C. 7221).

(2) CONTENTS.—In updating the plan, the Secretary shall—

(A) report on progress made toward implementing energy policies to achieve the national goals established under subsection (a); and

(B) verify, to the maximum extent practicable, energy savings resulting from the policies.

(g) REPORT TO CONGRESS AND PUBLIC.—The Secretary shall annually submit to Congress a report that describes—

(1) the strategy of the national media campaign and whether specific objectives of the campaign were accomplished, including—

(A) determinations concerning the rate of change of energy consumption, in both absolute and per capita terms; and

(B) an evaluation that enables consideration whether the media campaign contributed to reduction of energy consumption;

(2) steps taken to ensure that the national media campaign operates in an effective and efficient manner consistent with the overall strategy and focus of the campaign;

(3) plans to purchase advertising time and space; and

(4) policies and practices implemented to ensure that Federal funds are used responsibly to purchase advertising time and space and eliminate the potential for waste, fraud, and abuse; and

(5) all contracts or cooperative agreements entered into with a corporation, partnership,
or individual working on behalf of the national media campaign.

(e) Authorization of Appropriations.—There is authorized to be appropriated to carry out this Act a maximum of $5,000,000 for each of fiscal years 2008 through 2012.

TITLE V—PROMOTING FEDERAL LEADERSHIP IN ENERGY EFFICIENCY AND RENEWABLE ENERGY

SEC. 501. FEDERAL FLEET CONSERVATION REQUIREMENTS.

(a) Federal Fleet Conservation Requirements.—

(1) IN GENERAL.—Part J of title III 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, 2015, each Federal agency achieve at least a 20 percent reduction in petroleum consumption, and that each Federal agency increase alternative fuel consumption by 10 percent annually, as calculated from the baseline established by the Secretary for fiscal year 2005.

(2) Plan.—

(A) Requirements.—The regulations shall require each Federal agency to develop a plan to meet the required petroleum reduction levels and the alternative fuel consumption increment levels.

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

(i) the acquisition of alternative fuels;

(ii) the acquisition of vehicles with higher fuel economy, including hybrid vehicles and plug-in hybrid vehicles if the vehicles are commercially available;

(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.

(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 General Services, the Director of the Office of Personnel Management, and the Secretary of Energy shall monitor and provide appropriate support to agency programs described in paragraph (1).

(3) Recognition.—The Secretary may establish a program under which the Secretary recognizes innovative sector practices and State and local governments for outstanding programs to reduce petroleum usage through practices described in paragraph (1).

(4) Exceptions.—This section does not apply to—

(A) law enforcement motor vehicles;

(B) emergency motor vehicles; or

(C) motor vehicles acquired and used for military purposes that the Secretary of Defense has certified to the Secretary must be exempt from fuel economy reasons.

(5) Annual Reports on Compliance.—The Secretary shall submit to Congress an annual report that summarizes actions taken by Federal agencies to comply with this section.

(b) Table of Contents Amendment.—The table of contents of the Energy Policy and Conservation Act (42 U.S.C. 6201 et seq.) 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.

(c) Authorization of Appropriations.—There is authorized to be appropriated to carry out the amendment made by this section $10,000,000 for the period of fiscal years 2008 through 2013.

SEC. 502. 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) Requirements.—

(1) In general.—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 percentages shall be renewable energy from facilities placed in service after January 1, 1999:

(A) Not less than 10 percent in fiscal year 2010.

(B) Not less than 15 percent in fiscal year 2015.

(2) Capitol Complex.—The Architect of the Capitol, in consultation with the Secretary, shall ensure that, of the total quantity of electric energy the Capitol complex consumes during any fiscal year, the percentages prescribed in paragraph (1) shall be renewable energy.

(3) Waiver Authority.—The President may reduce or waive the requirement under paragraph (1) on an annual basis, if the President determines that the aggregate governmentwide cost per kilowatt hour of complying with this section will be more than 50 percent higher than the average governmentwide cost per kilowatt-hour for electric energy in the preceding year.

SEC. 503. ENERGY SAVINGS PERFORMANCE CONTRACTS.

(a) Retention of Savings.—Section 546(c) of the National Energy Conservation Policy Act (42 U.S.C. 8266(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. 8267(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) Sunset and Reporting Requirements.—Section 801 of the National Energy Conservation Policy Act (42 U.S.C. 8267) is amended by striking subsection (c).

(d) Definition of Energy Savings.—Section 804(2) of the National Energy Conservation Policy Act (42 U.S.C. 8267c(2)) is amended—

(1) by redesignating subparagraphs (A), (B), and (C) as clauses (i), (ii), and (iii), respectively, and inserting appropriate headings; and

(2) by striking "a means a reduction and inserting "means—"

"(a) a reduction;"

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

"(c) by adding at the end the following:

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

(e) Energy and Cost Savings in Nonbuilding 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.—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 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 realize energy conservation 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 and Secretary of Defense determine to be appropriate.

SEC. 504. ENERGY MANAGEMENT REQUIREMENTS FOR FEDERAL BUILDINGS.

Section 545(a)(1) of the National Energy Conservation Policy Act (42 U.S.C. 8253(a)(1)) is amended by striking the table and inserting the following:

"Fiscal Year Percentage reduction 2006.................. 4

2007.................. 4

2008.................. 9"
(1) If water is used to achieve energy efficiency, water conservation technologies shall be applied to the extent that the technologies are life-cycle cost-effective.

SEC. 507. APPLICABILITY OF INTERNATIONAL ENERGY CONSERVATION CODE TO PUBLIC AND ASSISTED HOUSING.

Section 109 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12709) is amended—

(1) by striking “(A)” and inserting “(a)(i)”;

(2) in subsection (a), by striking “(C)” and inserting “(c)”;

(3) by striking “(I)” and inserting “(a)”;

(4) by striking “(II)” and inserting “(b)”; and

(5) by striking “(III)” and inserting “(c)”.

SEC. 508. FEDERAL BUILDING ENERGY EFFICIENCY PERFORMANCE STANDARDS.


(1) by striking “2003” and inserting “the 2006 International Energy Conservation Code”.

SEC. 509. FEDERAL LEADER CONSTRUCTION STANDARDS.


SEC. 510. WEATHERIZATION ASSISTANCE FOR LOW-INCOME PERSONS.

Section 422 of the Energy Conservation and Production Act (42 U.S.C. 6272) is amended—

(1) by striking “2003” and inserting “the 2006 International Energy Conservation Code”.

(2) by striking “2003” and inserting “the 2006 International Energy Conservation Code”.

SEC. 511. ENERGY AND ENVIRONMENTAL BLOCK GRANT.

(1) DEFINITIONS.—In this section—

(a) the term “eligible entity” means—

(A) a State; (B) an eligible unit of local government within a State; and (C) the District of Columbia.

(b) the term “eligible unit of local government” means—

(A) a city with a population of at least 35,000; and (B) a county with a population of at least 200,000.

(c) the term “State” means—

(A) each of the several States of the United States; (B) the Commonwealth of Puerto Rico; (C) Guam; (D) American Samoa; and (E) the United States Virgin Islands.

SEC. 512. TECHNICAL ASSISTANCE AND INTEGRATED RESOURCES PLANNING.

SEC. 513. COOPERATIVE AGREEMENTS.

SEC. 514. ENVIRONMENTAL STRATEGIES.

SEC. 515. ENERGY CONSERVATION AND PRODUCTION ACT AMENDMENTS.

SEC. 516. ENVIRONMENTAL PROGRAMS.

SEC. 517. RELATION TO OTHER PROGRAMS.


SEC. 519. ADMINISTRATIVE PROVISIONS.

SEC. 520._report on the energy conservation and production act.
(2) to reduce the total energy use of the States and units of local government; and

(3) to improve energy efficiency in the transportation sector, building sector, and any other appropriate sector.

(c) PROGRAM.—

(1) IN GENERAL.—The Secretary shall provide to each eligible entity that carries out eligible activities (as specified under paragraph (2)) relating to the implementation of environmentally beneficial energy strategies.

(2) ELIGIBLE ACTIVITIES.—The Secretary, in consultation with the Administrator of the Environmental Protection Agency, the Secretary of Housing and Urban Development, and the Secretary of Housing and Urban Development, shall establish a list of activities that are eligible for assistance under the grant program.

(3) GRANTS TO STATES AND ELIGIBLE UNITS OF LOCAL GOVERNMENT.—

(A) IN GENERAL.—Of the amounts made available to provide grants under this subsection, the Secretary shall allocate—

(i) 70 percent to eligible units of local government; and

(ii) 30 percent to States.

(B) DISTRIBUTION TO ELIGIBLE UNITS OF LOCAL GOVERNMENT.—

(i) IN GENERAL.—The Secretary shall establish the distribution of amounts under subparagraph (A)(i) to eligible units of local government, taking into account any factors that the Secretary determines to be appropriate, including the residential and daytime population of the eligible units of local government.

(ii) CRITERIA.—Amounts shall be distributed to eligible units of local government under clause (i) only if the eligible units of local government meet the criteria for distribution established by the Secretary for units of local government.

(C) DISTRIBUTION TO STATES.—

(i) IN GENERAL.—Of the amounts provided to States under subparagraph (A)(ii), the Secretary shall distribute—

(I) at least 1.25 percent to each State; and

(ii) the remainder among the States, based on a formula, to be determined by the Secretary, that takes into account the population of the States and any other criteria that the Secretary determines to be appropriate.

(ii) CRITERIA.—Amounts shall be distributed to States under clause (i) only if the States meet the criteria for distribution established by the Secretary for States.

(iii) USE OF STATE FUNDS.—At least 40 percent of the amounts distributed to States under this subparagraph shall be used by the States for the conduct of eligible activities in nonentitlement areas in the States, in accordance with any criteria established by the Secretary.

(4) REPORT.—Not later than 2 years after the date on which any eligible entity first receives a grant under this section, and every 2 years thereafter, the eligible entity shall submit to the Secretary a report that describes the activities carried out using assistance provided under this subsection.

(5) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 2008 through 2012.

SEC. 606. ENERGY SUSTAINABILITY AND EFFICIENCY GRANTS FOR INSTITUTIONS OF HIGHER EDUCATION.

(a) DEFINITIONS.—In this section:

(1) ENERGY SUSTAINABILITY.—The term ‘‘energy sustainability’’ includes using a renewable energy resource and a highly efficient technology for electricity generation, transportation, heating, cooling, or modeling new technologies or processes.

(2) INSTITUTION OF HIGHER EDUCATION.—The term ‘‘institution of higher education’’ has the meaning given the term in section 1101 of the Energy Policy Act of 2005 (42 U.S.C. 15801).

(b) GRANTS FOR ENERGY EFFICIENCY IMPROVEMENT.—

(1) IN GENERAL.—The Secretary shall award not more than $100,000 to institutions of higher education to carry out projects to improve energy efficiency on the grounds and facilities of the institution of higher education, including not less than $10,000 to an institution of higher education in each State.

(2) CONDITION.—As a condition of receiving a grant under this subsection, an institution of higher education shall agree to—

(A) implement a public awareness campaign that includes actively publicizing the institution of higher education is located to promote the project; and

(B) submit to the Secretary, and make available to the public, reports that describe the results of the projects carried out under paragraph (1).

(3) GRANTS FOR INNOVATION IN ENERGY SUSTAINABILITY.—

(1) IN GENERAL.—The Secretary shall award not more than $250 grants to institutions of higher education to engage in innovative energy sustainability projects, including not less than 2 grants to institutions of higher education in each State.

(2) INNOVATION PROJECTS.—An innovation project carried out with a grant under this subsection shall—

(A) involve an innovative technology that is not yet commercially available.

(B) have the greatest potential for testing or modeling new technologies or processes; and

(C) ensure active student participation in the planning, implementation, evaluation, and other phases of the project.

(3) CONDITION.—As a condition of receiving a grant under this subsection, an institution of higher education shall agree to submit to the Secretary and make available to the public, reports that describe the results of the projects carried out under paragraph (1).

(d) AWARDING OF GRANTS.—

(1) APPLICATION.—An institution of higher education that seeks to receive a grant under this section may submit to the Secretary an application for the grant at any time, in such form, and containing such information as the Secretary may prescribe.

(2) SELECTION.—The Secretary shall establish a committee to assist in the selection of grant recipients under this section.

(e) ALLOCATION OF HIGHER EDUCATION WITH SMALL ENDOWMENTS.—Of the amount of grants provided for a fiscal year under this section, the Secretary shall provide not less than 50 percent of the amount to institutions of higher education that have an endowment of not more than $100,000,000, with 50 percent of the allocation set aside for institutions of higher education that have an endowment of not more than $50,000,000.

(f) GRANT AMOUNTS.—The maximum amount of grants for a project under this section shall not exceed—

(1) in the case of grants for energy efficiency improvement under subsection (b), $1,000,000; or

(2) in the case of grants for innovation in energy sustainability under subsection (c), $500,000.

(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 2008 through 2012.

SEC. 607. WORKFORCE TRAINING.

Section 1101 of the Energy Policy Act of 2005 (42 U.S.C. 16411) is amended—

(1) by redesigning subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following:

‘‘(d) WORKFORCE TRAINING.—

‘‘(1) IN GENERAL.—The Secretary, in cooperation with the Secretary of Labor, shall promulgate regulations to implement a program to provide workforce training to meet the high demand for workers skilled in the energy efficiency and renewable energy industries.

‘‘(2) CONSULTATION.—In carrying out this subsection, the Secretary shall consult with
reduced. Each of fiscal years 2007 through 2012 for use the Secretary of Education, $5,000,000 for the Secretary, working in coordination with there are authorized to be appropriated to the Energy Efficiency Promotion Act of 2007 with which we use energy. That is why I am can be done to improve the ways in dishwashers, dehumidifiers, and electric motors. Such efficiency standards, sets forth a number 15 new efficiency standards. Because of these new standards alone, we will save 50,000 megawatts of off-peak electricity use by 2020—which is an energy savings equal to more than eighty 600-megawatt power plants.

EPAct also encourages consumers to make their homes more energy efficient by providing personal tax credit for energy efficient improvements. Additionally, homebuilders get a business tax credit for the construction of new homes that meet a 30-percent energy reduction standard. The law aids businesses in saving energy by providing a deduction for energy-efficient commercial buildings meeting a 50-percent energy reduction standard. Manufacturers are also assisted in building more energy-efficient vehicles via a manufacturer’s tax credit for energy-efficient dishwashers, clothes washers, and refrigerators.

Still, there is no doubt that much can be done to improve the ways in which we use energy. That is why I am pleased today to introduce the Energy Efficiency Promotion Act of 2007 with Senator BINGAMAN. The bill we are introducing is a good starting point—but it is still a work in progress. I expect this bill to evolve over the course of the next several weeks with input from those who will be tasked with implementing this policy and those who will be impacted by it. In particular, I am very interested in the Energy Department’s views on this bill, and the committee will conduct a hearing next week at which the Department will testify.

The Energy Efficiency Promotion Act of 2007 reports a potential $12 billion in net present benefits for consumers. Potential electricity savings of 50 billion kilowatt hours per year equal enough energy savings to power almost 5 million households. Potential natural gas savings of 170 million therms per year equal enough savings to heat 250,000 households. And water savings from the legislation amount to about 560 million gallons per day.

This bill presses for better energy efficiency in the Federal Government—the appropriate place to start. Title I focuses on the promotion of energy-efficient lighting technologies within Federal Government and requires all general purpose lighting in Federal buildings to be Energy Star rated or comparable by 2012. The President is also directed to create an Energy Management Program. Title I also contains a sense of the Senate that Federal policies be adopted on efficient lightbulb standards.

Title II, which deals with energy efficiency standards, has a number of consensus standards on such products as residential boilers, clothes washers, dishwashers, dehumidifiers, and electric motors. Such efficiency standards have the potential to save significant amounts of energy. This title also provides DOE with the authority to expedite rulemakings for energy-efficient consensus standards.

Title III promotes high efficiency vehicles, advanced batteries, and energy storage. It provides for lightweight materials research and development and loan guarantee the manufacture of fuel-efficient vehicle parts, including hybrid and advanced diesel vehicles.

Title IV sets forth national energy savings goals for the areas of transportation and the Nation’s energy productivity. This title extends the President’s goal for gasoline savings and further seeks to improve the Nation’s overall energy productivity.

Title V calls for increased federal leadership in energy efficiency and renewable energy. It directs DOE to reduce petroleum consumption and increases the Federal requirement to purchase electricity generated by renewable energy. This title also permanently authorizes the Energy Savings Performance Contracts Program.

Title VI seeks to assist State and local governments with their ongoing efforts to improve their energy efficiency. It extends the authorization for both the Weatherization Assistance Program and the State Energy Conservation Program. This title also establishes energy efficiency grant programs for local governments and institutions of higher learning.

Against the background of the Energy Efficiency Promotion Act of 2007 we are introducing today is a good starting point for our continued work in the energy efficiency area. I look forward to working with Senator BINGAMAN, the administration, and all affected stakeholders as we move forward on this bill.

By Mr. BOND (for himself and Mr. DODD): S. 1117. A bill to establish a grant program to provide vision care to children, and for other purposes; to the Committee on Health, Education, Labor, and Pensions. Mr. BOND. Mr. President, children endure a lot. They cannot always tell us what’s wrong. Often they do not know themselves. So it takes a special person to work with young people and help identify their problems. Every child deserves the opportunity to reach their full potential, but it takes more than a book bag full of pencils, paper, and the tools necessary to succeed in school.

The most important tool kids will take to school is their eyes. Good vision is critical to learning. 80 percent of what kids learn in their early school years is visual. Unfortunately, we often overlook this fact sometimes. According to the CDC only one in three children receive any form of preventive vision care before entering school. That means many kids are in school with an undetected vision problem. One in four children has a vision problem that can interfere with learning. Some children are even labeled “disruptive” or thought to have a learning disability when the real reason for their difficulty is an undetected vision problem.

Without any vision care, some of our children will continue to fall through the cracks. I sympathize with these kids because I suffer from permanent vision loss in one eye as a result of undiagnosed Amblyopia in childhood. Amblyopia is the number one cause of vision loss in young Americans. If discovered and treated early, vision loss from Amblyopia can be largely prevented. Had I been identified and treated before I entered school, I could have avoided a lifetime of vision loss. Parents are not always aware of the vital vision care that they need to succeed, today Senator DODD and I are introducing the Vision Care for Kids Act which will establish a grant program to compliment and encourage existing State efforts to improve children’s vision care. More specifically, grant funds will be used to: (1) provide comprehensive eye exams to children that have been previously identified as needing such services; (2) provide treatment for services necessary to correct vision problems identified in the eye exam; and (3) develop and disseminate educational materials to recognize the signs of visual impairment in children.
for parents, teachers, and health care practitioners.

We need to do this. We must improve vision care for children to better equips them to succeed in school and in life.

The Vision Care for Kids Act, endorsed by the American Academy of Ophthalmologists, American Optometric Association, and Vision Council of America, will make a difference in the lives of children across the country.

I ask unanimous consent that the text of the bill be ordered to be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

SEC. 1. SHORT TITLE.

This Act may be cited as the ‘‘Vision Care for Kids Act of 2007’’.

SEC. 2. FINDINGS.

Congress finds the following findings:

(1) Millions of children in the United States suffer from vision problems, many of which go undetected. Because children with vision problems struggle developmentally, resulting in physical, emotional, and social consequences, good vision is essential for proper physical development and educational progress.

(2) Vision problems in children range from common conditions such as refractive errors, amblyopia, strabismus, ocular trauma, and infections, to rare but potentially life- or sight-threatening problems such as retinoblastoma, infantile cataracts, congenital glaucoma, and genetic or metabolic diseases of the eye.

(3) Since many serious ocular conditions are treatable if identified in the preschool and early school-aged years, early detection provides the best opportunity for effective treatment and can have far-reaching implications for vision.

(4) Various identification methods, including vision screening and comprehensive eye examinations required by State laws, can be helpful in identifying children needing services. A child identified as needing services through screening should undergo a comprehensive eye examination followed by subsequent treatment as needed. Any child identified as needing services should have access to prompt treatment as needed.

(5) There is a need to increase public awareness about the prevalence and devastating consequences of vision disorders in children and to educate the public and health care providers about the warning signs and symptoms of ocular and vision disorders and the benefits of early detection, evaluation, and treatment.

SEC. 3. GRANTS REGARDING VISION CARE FOR CHILDREN.

(a) IN GENERAL.—The Secretary of Health and Human Services (referred to in this section as the ‘‘Secretary’’), acting through the Director of the Centers for Disease Control and Prevention, may award grants to States on the basis of an established review process for the purpose of complementing existing State efforts for—

(1) providing comprehensive eye examinations and vision screening, and as appropriate vision therapy, to children as needed such services, with priority given to children who are under the age of 9 years;

(2) providing treatment or services, subsequent to the examinations described in paragraph (1), necessary to correct vision problems; and

(3) developing and disseminating, to parents, teachers, and health care practitioners, educational materials on recognizing signs of visual impairment in children.

(b) CONDITIONS OF GRANT.—

(1) CRITERIA.—The Secretary, in consultation with appropriate professional and consumer organizations including individuals with knowledge of appropriate vision services, shall develop criteria—

(A) governing the operation of the grant program under subsection (a); and

(B) for the cooperation related to vision assessment and the utilization of follow up services.

(2) COORDINATION.—The Secretary shall, as appropriate, coordinate the program under subsection (a) with the program under section 330 of the Public Health Service Act (relating to health centers) (42 U.S.C. 254b), the program under title XIX of the Social Security Act (relating to the Medicaid program) (42 U.S.C. 1396 et seq.), the program under title XXI of such Act (relating to the State children’s health program) (42 U.S.C. 1397a et seq.), and with other Federal or State programs that provide services to children.

(c) APPLICATION.—To be eligible to receive a grant under subsection (a), a State shall submit to the Secretary an application in such form, manner, and content containing such information as the Secretary may require, including—

(1) information on existing Federal, Federal-State, or State-funded children’s vision programs;

(2) a plan for the use of grant funds, including how funds will be used to complement existing State efforts (including possible partnerships with non-profit entities);

(3) a plan to determine if a grant eligible child has been identified as provided for in subsection (a); and

(4) a description of how funds will be used to provide items or services, only as a secondary payor.

(d) EVALUATION.—To be eligible to receive a grant under subsection (a), a State shall agree that, not later than 1 year after the date on which amounts under the grant are first received by the State, and annually thereafter while receiving amounts under the grant, the State will submit to the Secretary an evaluation of the operations and activities carried out under the grant, including—

(1) an assessment of the utilization of vision services and the status of children receiving these services as a result of the activities carried out under the grant;

(2) the collection and reporting of children’s vision data according to guidelines prescribed by the Secretary; and

(3) such other information as the Secretary may require.

(e) LIMITATIONS IN EXPENDITURE OF GRANT.—A grant may be made under subsection (a) only if the State involved agrees that the State will not expend more than 20 percent of the amount received under the grant to carry out the purpose described in paragraph (a).

(f) DEFINITION.—For purposes of this section, the term ‘‘comprehensive eye examination’’ includes an assessment of a patient’s history, general medical observation, external and ophthalmoscopic examination, visual acuity, ocular alignment and motility, refraction, and as appropriate, binocular vision or gross visual fields, performed by an optometrist or an ophthalmologist.

(g) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of making grants under this section, there are authorized to be appropriated such sums as may be necessary for each of fiscal years 2008 through 2012.

Mr. DODD. Mr. President, today, Senator BOND and I are introducing the Vision Care for Kids Act of 2007. This legislation will provide follow-up vision care services for those children who have visual problems and are not covered under an insurance policy or under any Federal, or State health benefits program.

Why is this legislation needed? Let’s look at the facts. According to the 2004 Vision Problems Action Plan, published by Prevent Blindness America, vision problems affect one in four preschoolers and 40 percent of children under age six are not screened for vision problems before entering public school.

Perhaps even more startling than the statistic I have just provided is that 20 States do not require children to receive any vision care prior to entry or during their early school years. Thus, millions of children are at risk of having possible vision problems later in life.

I am pleased that my home State of Connecticut provides annual screenings to children in kindergarten through grade six. In addition, during the ninth grade, each student also receives a vision screening. Following the eye tests that are administered in Connecticut’s schools, the local superintendent sends a note to the parent or guardian of each student who is found to have a problem.

Although Connecticut provides screenings in the early years, it is important to note that out of the 467,488 children in Connecticut, there are almost 70,000 who have untreated vision disorders, according to the most recent Census data. Nationwide, almost 6 million out of close to 40 million children have untreated vision disorders. The Centers for Disease Control and Prevention said that ‘‘impaired vision can affect a child’s cognitive, emotional, neurological, and physical development’’.

With the introduction of the Vision Care for Kids Act, Senator BOND and I are seeking to improve the data I have outlined. When this legislation is enacted, the States will have the resources to pay for follow-up vision treatment for children who need it. They do not have the financial means to undergo this much needed care.

Our initiative will enable Federal funding to complement existing State efforts in regard to: providing comprehensive eye examinations for children under age nine; furnishing the necessary treatment or services needed if an eye exam determines additional
I am also a member of the Senate Commerce, Science and Transportation Committee which has jurisdiction over the fuel economy standards of our Nation's vehicle fleet. I look forward to working with Chairman Inouye, Ranking Member Stevens, and other members of this committee interested in enacting strong, fair, and forward-looking fuel economy standards.

It should be noted that this is the first time that both Senator Craig and I have had the support for increased fuel economy standards beyond the incremental steps that the current administration has made to date. Our Nation's fuel economy standards have not significantly changed since the mid-1980s. We now have lower passenger vehicle fuel efficiency standards than Japan, the European Union, Australia, Canada, and yes, even China.

The bill we have introduced today reform and strengthens fuel efficiency standards by establishing an annual 4% percent increase in the fuel economy of the entire new vehicle fleet, including automobiles, medium trucks, and heavy trucks from 2012-2030. The National Highway Traffic Safety Administration will have discretion to invoke “off-ramps” if it is determined that the increase is not technologically achievable, creates material safety concerns, or is not cost effective.

Senator Craig and I came together to develop a new pathway forward because the base line security measures must be taken now to address our long-term security, economic growth and environmental protection. There is no silver bullet to solving our energy dependence. Digging and drilling is a strategy I call yesterday forever. Conservation alone is not the answer. Renewable fuels hold promise, but we need to do much more here. We believe the combination of steps sets the right pathway to U.S. energy security, and look forward to moving increased fuel efficiency standards through the Senate Commerce Committee.

Mr. DORGAN (for himself and Mr. CRAIG):

Today we import over 60 percent of our United States remains dangerously dependent on foreign sources of oil. Today we lose 90 percent of our oil from Iraq, Kuwait, Saudi Arabia, Nigeria, Venezuela, and other unstable nations of the world. This is very troubling to me.

Our larger proposal is grounded in four cornerstone principles. The first principle is achievable, stepped increases in fuel efficiency of the transportation fleet. The second principle promotes increased availability of alternative fuel sources and infrastructure. The third principle calls for expanded production and enhanced exploration of domestic and other secure oil and natural gas resources. Finally, the fourth principle improves the management of alliances to better secure global energy supplies.

In the United States, we use about 67 percent of our oil to power our vehicles. This is the area where we are least secure and increasingly dependent. For three reasons and more, we introduce S. 875 a bipartisan approach to securing our future energy through reducing our dependence on foreign oil.

Table:

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<thead>
<tr>
<th>AMENDMENTS SUBMITTED AND PROPOSED</th>
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<tr>
<td>SA 843. Mr. ROCKEFELLER (for himself and Mr. BOND) proposed an amendment to the bill S. 372, to authorize appropriations for fiscal year 2007 for the intelligence and intelligence-related activities of the United States Government, the Intelligence Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes.</td>
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<tr>
<td>SA 844. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill S. 372, supra; which was ordered to lie on the table.</td>
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<tr>
<td>SA 845. Mr. BAYH submitted an amendment intended to be proposed by him to the bill S. 372, supra; which was ordered to lie on the table.</td>
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<tr>
<td>SA 846. Mr. BINGAMAN submitted an amendment intended to be proposed by him to the bill S. 372, supra; which was ordered to lie on the table.</td>
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<td>SA 847. Ms. COLLINS (for herself, Mr. BINGAMAN, Mr. CARPER, Mr. COLEMAN, and Mr. AKAKA) submitted an amendment intended to be proposed by amendment SA 845 proposed by Mr. ROCKEFELLER (for himself and Mr. BOND) to the bill S. 372, supra.</td>
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<td>SA 848. Mr. CORNYN submitted an amendment intended to be proposed by him to the bill S. 372, supra; which was ordered to lie on the table.</td>
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<tr>
<td>SA 849. Mr. CORNYN submitted an amendment intended to be proposed by him to the bill S. 372, supra; which was ordered to lie on the table.</td>
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| SA 850. Mr. CORNYN submitted an amendment intended to be proposed by him to the