Vehicle and Fuel Choices for American Security Act of 2005

TITLE I – OIL SAVINGS PLAN AND REQUIREMENTS

Sec. 101-- Oil Savings Target and Action Plan: The bill directs OMB to publish an action plan to save different levels of oil per day starting with to 2.5 million barrels per day in 2016 and at least 7 million barrels per day in 2026 and 10 million barrels per day in 2031. The savings would be from projected levels in those years. OMB is directed to work with the Secretaries of Agriculture, Defense, Energy, Transportation and the Administrator of EPA to publish an action plan for reaching the targets using a combination of existing programs and the newly authorized programs in the bill.

Sec. 102 --Standards and Requirements: The bill directs the Secretaries and the Administration to propose regulations under OMB's action plan and directs an agency analysis of the amount of oil savings planned from the regulations.

Sec. 103 – Initial Evaluation: Within 2 years of enactment the Director of OMB shall publish a government wide analysis of oil savings achieved. If they are less than defined targets, the Director will publish a revised action plan and the Secretaries and the Administration shall propose and promulgate the new plan.

Sec. 104 – Review and Update of Action Plan: Starting in 2011 and every year 3 years thereafter a report to Congress and the public will be published that evaluates the progress in achieving oil savings, analyses expected oil savings and the potential to achieve additional savings from the targets. It also grants the President the authority to establish a higher savings target for calendar year 2017 and beyond.

Sec. 105 – Baseline and Analysis Requirements: Requires the oil savings determination be made from the baseline detailed in the EIA Annual Energy Outlook for 2005. Requires the OMB, the Secretaries and the Administrator to determine the oil savings projections required on an annual basis for 2009-2026 and account for any overlap among the standards and programs between agencies to make sure the total oil savings is as accurate as possible.

TITLE II – FUEL EFFICIENT VEHICLES FOR THE 21st CENTURY

Sec. 201 --Tire Efficiency Program: Requires the Secretary to carry out a national tire fuel efficiency program for tires designed for the use on passenger cars and light trucks.

Sec. 202 -- Reduction of School Bus Idling: Encourages local educational agencies to develop a policy to reduce the incidence of school bus idling. Provides funding for EPA to work with Dept. of Ed to education school districts.

Sec. 203 -- Heavy Duty Vehicle Fuel Economy Standards: The provision requires EPA to develop a testing and assessment program to determine fuel efficiency and assess what is technologically feasible to improve the efficiency. Once the testing program is complete, the Secretary of Transportation is required to develop fuel economy standards for heavy duty vehicles.

Sec. 204 -- Near-Term Vehicle Technology Program: The provision creates a research, development and deployment program for electric drive components, systems and vehicles including battery research, electric drive train research and plug-in hybrid vehicles.

Sec. 205 -- Light Weight Materials Research: Creates a research and development program to research the use of light-weight materials like advanced carbon composites and light-weight steel alloys in the construction of vehicles.

Sec. 206 - Hybrids and Advanced Diesels: Amends sections 711 & 712 of EPAct 2005, the only section of the act to deal with hybrids, to include loan guarantees and grants, also adds suppliers to section 712.

Sec. 207 -- Advanced Technology Motor Vehicles Manufacturing: Tax credit for manufacturers and suppliers for 35% of qualified investment for incremental costs incurred to reequip, expand or establish a manufacturing facility to produce advanced technology vehicles (advanced diesels and hybrids) or eligible components or any associated engineering costs. The credit for each year shall not exceed $75,000,000. The credit applies to regular tax, AMT and AMT credits.

Sec. 208 - Consumer Tax Credits for Advanced Vehicles: Removes the per manufacturer cap on the amount of tax credits for consumers to purchase hybrids and advanced diesels.

Sec. 209 -- Federal Fleet Requirements: Requires the Secretary of Energy to issue regulations for federal and state fleets covered by the Energy Policy Act of 1992 to reduce petroleum consumption by 30% from a 1999 baseline by FY2016. Allows for electric drive technology to qualify under EPAct fleet requirements. Requires 30% of federal fleet requirement (22.5% of the total fleet requirement) to be met by advanced diesels, hybrids or plug-in hybrids in 2016. Allows electric drive technology vehicles (hybrids) to qualify under the Federal Fleet requirements of EPAct.

Sec. 210 -- Private Fleet Tax Credits: Tax credit for companies that have fleets of 100 or more vehicles to purchase more fuel-efficient vehicles for their fleet. We propose that companies that purchase 10 or more vehicles at a time with an efficiency 125% greater than the CAFE standard for that vehicle class receive a 15% tax credit to cover the additional costs of the more efficient vehicles.

Sec. 211 -- Closing the SUV Tax Loophole: Under current tax policy, the U.S government grants a $25,000 tax deduction for the business purchase of sports utility vehicles over 6,000 pounds. This creates a strong incentive for purchasing the larger vehicle. This section reduces the tax advantage of buying these vehicles. It exempts farm vehicles from this section.

Sec. 212 -- Increasing Efficiency of Motor Vehicles: The bill sets targets for manufacturers to produce flexible fuel vehicles (FFV), alternative fueled vehicles, hybrids, plug-in hybrids, fuel cell vehicles or other qualified vehicles– starting at 10% in 2012 and rising to 50% in 2016. After 2017 10% of the 50% requirement must be met with by hybrids, advanced diesels, plug-in hybrids and other non-FFV vehicles.

TITLE III – FUEL CHOICES FOR THE 21st CENTURY

Sec. 301 -- Infrastructure Tax Credit: Increases the ethanol infrastructure tax credit in EPAct to 50%.

Sec. 302 -- CAFE Penalties to Fund Renewable Fuels Infrastructure: Uses CAFE penalties to fund an alternative fueling infrastructure grant program at the Department of Energy.

Sec. 303 – Cellulosic Biomass Fuel: Sets benchmark of producing 75 million gallons of cellulosic biomass fuel by 2010. Adds escalation clause for cellulosic biomass fuel similar to the escalation clause already in EPAct 2005 for ethanol.

Sec. 304 – Minimum Quantity of RFS Derived from Sugar: Starting in 2013 adds an additional 100 million gallons of ethanol derived from sugarcane, sugar beets or sugar components on top of the existing requirements of the renewable fuels standard in the Energy Policy Act of 2005.

Sec. 305 – BioEnergy Research: Doubles the research and development authorization level in the energy bill for non-biorefinery research.

Sec. 306 – Production Incentives for Cellulosic Biomass Fuel: Increases the authorization for production incentives for cellulosic biomass fuel in EPAct 2005 to $200 million for five years.

Sec. 307 - Loan Guarantees and Grants for E85: Authorizes loan guarantees for through the Department of Agriculture to assist farmer-owned ethanol producers to develop and build infrastructure for E85, including pump stations.

Sec. 308 – Transit-Oriented Development Corridors: Creates a grant program to encourage new mass transit facilities and to build commercial developments around them.

TITLE IV – NATIONWIDE ENERGY SECURITY MEDIA CAMPAIGN

Sec. 401 -- National Media Campaign to Reduce Oil Consumption. Authorizes $5 million for 4 years to conduct a media campaign to educate consumers about how they can save oil.