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(Original Signature of Member)

109TH CONGRESS
1ST SESSION

H. R. _____

To authorize programs and activities to improve energy use related to transportation and infrastructure facilities.

IN THE HOUSE OF REPRESENTATIVES

Mr. OBERSTAR introduced the following bill; which was referred to the Committee on _____

A BILL

To authorize programs and activities to improve energy use related to transportation and infrastructure facilities.

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

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Securing Transportation Energy Efficiency for Tomor-
6 row Act of 2005”.

7 (b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.

Sec. 2. Findings.



TITLE I—PUBLIC BUILDINGS AND ECONOMIC DEVELOPMENT

- Sec. 101. Use of photovoltaic energy in public buildings.
Sec. 102. Capitol Complex.

TITLE II—SURFACE TRANSPORTATION

- Sec. 201. Highway fuel conservation program.
Sec. 202. Fuel cell bus technology development and demonstration projects.
Sec. 203. Conserve By Bicycling program.
Sec. 204. Energy impacts of Federal-aid highway and transit projects.
Sec. 205. Railroad efficiency.

TITLE III—AVIATION

- Sec. 301. Clean airport bus pilot program.
Sec. 302. Clean aircraft engines.

TITLE IV—WATER RESOURCES

- Sec. 401. Marine efficiency.
Sec. 402. Improving hydropower capabilities.
Sec. 403. Encouragement of State prohibitions on off-shore drilling in the Great Lakes.

TITLE V—TAX PROVISIONS

- Sec. 501. Extension of transportation fringe benefit to commuters who bicycle, carpool, or use car-sharing.

1 SEC. 2. FINDINGS.

2 Congress finds the following:

3 (1) As the Nation's largest energy consumer,
4 the Federal Government is in a unique position to
5 promote energy conservation and efficiency, particu-
6 larly in the transportation sector and in the oper-
7 ation of Federal buildings.

8 (2) Each year for the past decade, energy use
9 in the transportation sector has increased by a rate
10 of 1.6 percent.

11 (3) In 2002, the transportation sector con-
12 sumed a greater share of the Nation's petroleum (67
13 percent) than it did in 1973 (50 percent).



1 (4) The transportation sector is responsible for
2 27 percent of all greenhouse gases emitted in the
3 United States, with transportation-related emissions
4 of carbon dioxide increasing by 21 percent between
5 1992 and 2002.

6 (5) Transportation remains a primary source of
7 emissions for 3 of the 6 air pollutants regulated
8 under the Clean Air Act: carbon monoxide, nitrogen
9 oxides, and volatile organic compounds.

10 (6) As the Federal Government's largest land-
11 lord, the General Services Administration should
12 lead in the promotion and utilization of alternative
13 and efficient energy sources.

14 **TITLE I—PUBLIC BUILDINGS**
15 **AND ECONOMIC DEVELOPMENT**

16 **SEC. 101. USE OF PHOTOVOLTAIC ENERGY IN PUBLIC**
17 **BUILDINGS.**

18 (a) IN GENERAL.—Subchapter VI of chapter 31 of
19 title 40, United States Code, is amended by adding at the
20 end the following:

21 **“§ 3177. Use of photovoltaic energy in public build-**
22 **ings**

23 **“(a) PHOTOVOLTAIC ENERGY COMMERCIALIZATION**
24 **PROGRAM.—**



1 “(1) IN GENERAL.—The Administrator of Gen-
2 eral Services may establish a photovoltaic energy
3 commercialization program for the procurement and
4 installation of photovoltaic solar electric systems for
5 electric production in new and existing public build-
6 ings.

7 “(2) PURPOSES.—The purposes of the program
8 shall be to accomplish the following:

9 “(A) To accelerate the growth of a com-
10 mercially viable photovoltaic industry to make
11 this energy system available to the general pub-
12 lic as an option which can reduce the national
13 consumption of fossil fuel.

14 “(B) To reduce the fossil fuel consumption
15 and costs of the Federal Government.

16 “(C) To attain the goal of installing solar
17 energy systems in 20,000 Federal buildings by
18 2010, as contained in the Federal Government’s
19 Million Solar Roof Initiative of 1997.

20 “(D) To stimulate the general use within
21 the Federal Government of life-cycle costing
22 and innovative procurement methods.

23 “(E) To develop program performance
24 data to support policy decisions on future incen-
25 tive programs with respect to energy.



1 “(3) ACQUISITION OF PHOTOVOLTAIC SOLAR
2 ELECTRIC SYSTEMS.—

3 “(A) IN GENERAL.—The program shall
4 provide for the acquisition of photovoltaic solar
5 electric systems and associated storage capa-
6 bility for use in public buildings.

7 “(B) ACQUISITION LEVELS.—The acquisi-
8 tion of photovoltaic electric systems shall be at
9 a level substantial enough to allow use of low-
10 cost production techniques with at least 150
11 megawatts (peak) cumulative acquired during
12 the 5 years of the program.

13 “(4) ADMINISTRATION.—The Administrator
14 shall administer the program and shall—

15 “(A) prescribe such rules and regulations
16 as may be appropriate to monitor and assess
17 the performance and operation of photovoltaic
18 solar electric systems installed pursuant to this
19 subsection;

20 “(B) develop innovative procurement strat-
21 egies for the acquisition of such systems; and

22 “(C) transmit to the Committee on Trans-
23 portation and Infrastructure of the House of
24 Representatives and to the Committee on Envi-



1 ronment and Public Works of the Senate an an-
2 nual report on the results of the program.

3 “(b) PHOTOVOLTAIC SYSTEMS EVALUATION PRO-
4 GRAM.—

5 “(1) IN GENERAL.—Not later than 60 days
6 after the date of enactment of this section, the Ad-
7 ministrator, in consultation with the Secretary of
8 Energy, shall establish a photovoltaic solar energy
9 systems evaluation program to evaluate such photo-
10 voltaic solar energy systems as are required in public
11 buildings.

12 “(2) PROGRAM REQUIREMENT.—In evaluating
13 photovoltaic solar energy systems under the pro-
14 gram, the Administrator shall ensure that such sys-
15 tems reflect the most advanced technology.

16 “(c) AUTHORIZATION OF APPROPRIATIONS.—

17 “(1) PHOTOVOLTAIC ENERGY COMMERCIALIZA-
18 TION PROGRAM.—There is authorized to be appro-
19 priated to carry out subsection (a) \$50,000,000 for
20 each of fiscal years 2006 through 2010. Such sums
21 shall remain available until expended.

22 “(2) PHOTOVOLTAIC SYSTEMS EVALUATION
23 PROGRAM.—There is authorized to be appropriated
24 to carry out subsection (b) \$10,000,000 for each of



1 fiscal years 2006 through 2010. Such sums shall re-
2 main available until expended.

3 “(3) INSTALLATION OF PHOTOVOLTAIC SYS-
4 TEM.—There is authorized to be appropriated to the
5 General Services Administration to install a photo-
6 voltaic system, as set forth in the Sun Wall Design
7 Project, for the headquarters building of the Depart-
8 ment of Energy located at 1000 Independence Ave-
9 nue, Southwest, Washington, D.C., commonly known
10 as the Forrestal Building, \$14,000,000 for fiscal
11 year 2006. Such sums shall remain available until
12 expended. ”.

13 (b) CONFORMING AMENDMENT.—The analysis for
14 such chapter is amended by inserting after the item relat-
15 ing to section 3176 the following:

“3177. Use of photovoltaic energy in public buildings.”.

16 **SEC. 102. CAPITOL COMPLEX.**

17 (a) STUDY ON ENERGY INFRASTRUCTURE.—The Ar-
18 chitect of the Capitol, building on the Master Plan Study
19 completed in July 2000, shall conduct a study to evaluate
20 the energy infrastructure of the Capitol Complex to deter-
21 mine how the energy infrastructure could be augmented
22 to become more energy efficient, using photovoltaic solar
23 energy systems, district-heating, and other unconventional
24 and renewable energy resources, in a way that would en-



1 able the Complex to have reliable utility service in the
2 event of power fluctuations, shortages, or outages.

3 (b) REPORT.—Not later than 1 year after the date
4 of enactment of this Act, the Architect of the Capitol shall
5 transmit to Congress a report containing the results of
6 the study conducted under subsection (a).

7 (c) AUTHORIZATION.—There are authorized to be ap-
8 propriated to the Architect of the Capitol such sums as
9 may be necessary to carry out this section. Such sums
10 shall remain available until expended.

11 **TITLE II—SURFACE**
12 **TRANSPORTATION**

13 **SEC. 201. HIGHWAY FUEL CONSERVATION PROGRAM.**

14 (a) IN GENERAL.—Subchapter I of chapter 1 of title
15 23, United States Code, is amended by adding at the end
16 the following:

17 **“§ 165. Energy conservation program**

18 “(a) ESTABLISHMENT OF PROGRAM.—The Secretary
19 shall establish and carry out a program to provide grants
20 to States and local governments for fuel conservation
21 projects.

22 “(b) ELIGIBLE PROJECTS.—Projects carried out
23 under the program shall be designed to make operational
24 improvements to reduce fuel consumption on Federal-aid
25 highways and other roads. Such projects may include—



1 “(1) data collection and analysis for improving
2 traffic signal timing;

3 “(2) implementation of improved and coordi-
4 nated traffic signal timing (including capital costs of
5 new systems, or system upgrades);

6 “(3) planning and implementation of freeway
7 management systems; and

8 “(4) operational improvements with high reduc-
9 tions in energy consumption.

10 “(c) APPLICATIONS.—To be eligible to receive a grant
11 under this section, a State or local government shall sub-
12 mit to the Secretary an application at such time, in such
13 form, and in accordance with such requirements as the
14 Secretary shall establish by regulation.

15 “(d) FEDERAL SHARE.—The Federal share of the
16 cost of a project carried out using amounts from a grant
17 under this section shall be 50 percent.

18 “(e) AUTHORIZATION OF APPROPRIATIONS.—There
19 is authorized to be appropriated to carry out this section
20 such sums as may be necessary for fiscal years 2006
21 through 2010. Such sums shall remain available until ex-
22 pended.”.

23 (b) CONFORMING AMENDMENT.—The analysis for
24 such chapter is amended by inserting after the item relat-
25 ing to section 164 the following:

“165. Energy conservation program.”.



1 **SEC. 202. FUEL CELL BUS TECHNOLOGY DEVELOPMENT**
2 **AND DEMONSTRATION PROJECTS.**

3 Section 5308 of title 49, United States Code, is
4 amended by adding at the end the following:

5 “(g) **FUEL CELL BUS TECHNOLOGY DEVELOPMENT**
6 **AND DEMONSTRATION PROJECTS.—**

7 “(1) **AUTHORITY TO MAKE GRANTS.—**The Sec-
8 retary may make grants under this subsection to not
9 more than 10 designated recipients for projects for
10 the research, development, and demonstration of fuel
11 cell bus technology.

12 “(2) **APPLICATIONS.—**Not later than January 1
13 of each year, any designated recipient seeking to
14 apply for a grant under this subsection shall submit
15 an application to the Secretary, in such form and in
16 accordance with such requirements as the Secretary
17 shall establish by regulation.

18 “(3) **PREFERENCE.—**In selecting grant recipi-
19 ents under this subsection, the Secretary shall give
20 preference to those applicants who have an existing
21 investment in fuel cell buses and hydrogen fuel cell
22 infrastructure.

23 “(4) **NONAPPLICABILITY OF REQUIREMENTS.—**
24 Except as specifically provided in this subsection,
25 the requirements for grants made under this section



1 shall not apply to grants made under this sub-
2 section.

3 “(5) FEDERAL SHARE.—The amount of a grant
4 made to a designated recipient under this subsection
5 for a project shall not exceed 80 percent of the total
6 cost of the project.

7 “(6) AVAILABILITY OF FUNDS.—Any amount
8 made available under this subsection—

9 “(A) shall remain available to a project for
10 1 year after the fiscal year for which the
11 amount is made available; and

12 “(B) that remains unobligated at the end
13 of the period described in subparagraph (A),
14 shall be added to the amount made available
15 under this subsection in the following fiscal
16 year.

17 “(7) DESIGNATED RECIPIENT DEFINED.—The
18 term ‘designated recipient’ has the same meaning as
19 in subsection (a).

20 “(8) FUNDING.—

21 “(A) FROM THE TRUST FUND.—There
22 shall be available from the Mass Transit Ac-
23 count of the Highway Trust Fund to carry out
24 this subsection—

25 “(i) \$20,000,000 for fiscal year 2006;



1 “(ii) \$30,000,000 for fiscal year 2007;

2 “(iii) \$40,000,000 for fiscal year

3 2008;

4 “(iv) \$50,000,000 for fiscal year

5 2009; and

6 “(v) \$60,000,000 for fiscal year 2010.

7 “(B) FROM THE GENERAL FUND.—In ad-

8 dition to amounts made available under sub-

9 paragraph (A), there is authorized to be appro-

10 priated to carry out this subsection—

11 “(i) \$10,000,000 for fiscal year 2006;

12 “(ii) \$15,000,000 for fiscal year 2007;

13 “(iii) \$20,000,000 for fiscal year

14 2008;

15 “(iv) \$25,000,000 for fiscal year

16 2009; and

17 “(v) \$30,000,000 for fiscal year 2010.

18 “(C) CONTRACT AUTHORITY.—

19 “(i) GRANTS FINANCED FROM THE

20 HIGHWAY TRUST FUND.—A grant ap-

21 proved by the Secretary that is financed

22 with amounts made available under sub-

23 paragraph (A) is a contractual obligation

24 of the United States Government to pay



1 the Government's share of the cost of the
2 project.

3 “(ii) GRANTS FINANCED FROM GEN-
4 ERAL FUNDS.—A grant approved by the
5 Secretary that is financed with amounts
6 made available under subparagraph (B) is
7 a contractual obligation of the Government
8 to pay the Government's share of the cost
9 of the project only to the extent that
10 amounts are provided in advance in an ap-
11 propriations Act.”.

12 **SEC. 203. CONSERVE BY BICYCLING PROGRAM.**

13 (a) ESTABLISHMENT.—The Secretary of Transpor-
14 tation shall establish a Conserve By Bicycling pilot pro-
15 gram that shall provide for up to 10 geographically dis-
16 persed projects to encourage the use of bicycles in place
17 of motor vehicles.

18 (b) PROJECTS.—Projects carried out under this sec-
19 tion shall—

20 (1) use education and marketing to convert
21 motor vehicle trips to bike trips;

22 (2) establish infrastructure facilities necessary
23 to support the conversion to bike trips;

24 (3) document project results and energy sav-
25 ings; and



1 shall be determined for each alternative considered in the
2 environmental impact statement.”.

3 **SEC. 205. RAILROAD EFFICIENCY.**

4 (a) **ESTABLISHMENT.**—The Secretary of Transpor-
5 tation, in conjunction with the Administrator of the Envi-
6 ronmental Protection Agency, shall establish a public-pri-
7 vate research partnership involving the Federal Govern-
8 ment, railroad carriers, locomotive manufacturers and
9 equipment suppliers, and the research and test center
10 dedicated to the advancement of railroad technology, effi-
11 ciency, and safety that is owned by the Federal Railroad
12 Administration and operated in the private sector. The
13 goal of the initiative shall include developing and dem-
14 onstrating locomotive technologies that increase fuel econ-
15 omy, reduce emissions, and lower costs.

16 (b) **AUTHORIZATION OF APPROPRIATIONS.**—There is
17 authorized to be appropriated to carry out this section
18 \$35,000,000 for each of fiscal years 2006 through 2008.
19 Such sums shall remain available until expended.

20 **TITLE III—AVIATION**

21 **SEC. 301. CLEAN AIRPORT BUS PILOT PROGRAM.**

22 (a) **IN GENERAL.**—Subchapter I of chapter 471 of
23 title 49, United States Code, is amended by adding at the
24 end the following:



1 **“§ 47138. Clean airport bus pilot program**

2 “(a) ESTABLISHMENT.—The Secretary of Transpor-
3 tation shall establish a pilot program for awarding grants
4 on a competitive basis to eligible entities for facilitating
5 the use of alternative fuel and ultra-low sulfur diesel buses
6 at public airports through airport bus replacement and
7 fleet expansion programs under this section.

8 “(b) REQUIREMENTS.—Not later than 6 months
9 after the date of enactment of this Act, the Secretary shall
10 establish and publish in the Federal Register requirements
11 for implementation of the program under this section, in-
12 cluding eligibility for assistance, management, transfer,
13 and ultimate disposition of buses, and certification re-
14 quirements to ensure compliance with this section.

15 “(c) SOLICITATION.—Not later than 9 months after
16 the date of enactment of this Act, the Secretary shall so-
17 licit proposals for grants under this section.

18 “(d) ELIGIBLE RECIPIENTS.—A grant shall be
19 awarded under this section only to a public agency respon-
20 sible for bus service at a public airport.

21 “(e) TYPES OF GRANTS.—

22 “(1) IN GENERAL.—Grants under this section
23 may be for the purposes described in paragraph (2),
24 paragraph (3), or both.



1 “(2) REPLACEMENT BUS GRANTS.—A grant
2 under this section may be used for the acquisition of
3 replacement buses.

4 “(3) FLEET EXPANSION BUS GRANTS.—A grant
5 under this section may be used for the acquisition of
6 not more than 10 buses to expand a fleet of airport
7 buses at any single airport.

8 “(f) PRIORITY OF GRANT APPLICATIONS.—In award-
9 ing bus replacement grants described in subsection (e)(2),
10 the Secretary shall give priority to awarding grants to ap-
11 plicants emphasizing the replacement of buses to be used
12 at a public airport located in a nonattainment area, as
13 defined in section 171 of the Clean Air Act (42 U.S.C.
14 7501).

15 “(g) CONDITIONS OF GRANT.—A grant provided
16 under this section shall include the following conditions:

17 “(1) All buses acquired with funds provided
18 under the grant shall be operated as part of the air-
19 port bus fleet for which the grant was made for a
20 minimum of 5 years.

21 “(2) Funds provided under the grant may only
22 be used—

23 “(A) to acquire new or replacement alter-
24 native fuel and ultra-low sulfur diesel fuel



1 buses, including State taxes and contract fees;
2 and

3 “(B) to construct infrastructure facilities
4 to enable the delivery of fuel and services nec-
5 essary for alternative fuel and ultra-low sulfur
6 diesel fuel buses.

7 “(h) FEDERAL SHARE.—The Federal share of the
8 cost of a bus acquired or other project or activity funded
9 using amounts made available to carry out this section
10 shall be 80 percent.

11 “(i) DEPLOYMENT AND DISTRIBUTION.—The Sec-
12 retary shall seek to the maximum extent practicable to en-
13 sure a broad geographic distribution of grant awards, with
14 a goal of no State receiving more than 10 percent of the
15 grant funding made available under this section for a fis-
16 cal year.

17 “(j) DEFINITIONS.—In this section, the following
18 definitions apply:

19 “(1) AIRPORT BUS.—The term ‘airport bus’
20 means a bus operated by a public agency to provide
21 transportation between the facilities of a public air-
22 port.

23 “(2) ALTERNATIVE FUEL BUS.—The term ‘al-
24 ternative fuel bus’ means a bus powered substan-
25 tially by electricity (including electricity supplied by



1 a fuel cell), or by liquefied natural gas, compressed
2 natural gas, liquefied petroleum gas, hydrogen, pro-
3 pane, or methanol or ethanol at no less than 85 per-
4 cent by volume.

5 “(3) PUBLIC AIRPORT.—The term ‘public air-
6 port’ has the meaning such term has under section
7 47102 of title 49, United States Code.

8 “(4) ULTRA-LOW SULFUR DIESEL BUS.—The
9 term ‘ultra-low sulfur diesel bus’ means a bus pow-
10 ered by diesel fuel which contains sulfur at not more
11 than 15 parts per million.

12 “(k) AUTHORIZATION OF APPROPRIATIONS.—There
13 is authorized to be appropriated to the Secretary of Trans-
14 portation for carrying out this section—

15 “(1) \$20,000,000 for fiscal year 2006;

16 “(2) \$30,000,000 for fiscal year 2007;

17 “(3) \$40,000,000 for fiscal year 2008;

18 “(4) \$50,000,000 for fiscal year 2009; and

19 “(5) \$60,000,000 for fiscal year 2010.

20 Such sums shall remain available until expended.”.

21 (b) CONFORMING AMENDMENT.—The analysis for
22 chapter 471 of title 49, United States Code, is amended
23 by inserting after the item relating to section 47137 the
24 following:

“47138. Clean airport bus pilot program.”.



1 **SEC. 302. CLEAN AIRCRAFT ENGINES.**

2 (a) **PUBLIC-PRIVATE RESEARCH PARTNERSHIP.**—

3 The Administrator of the Federal Aviation Administration
4 shall establish a public-private research partnership in-
5 volving the Federal Aviation Administration, the National
6 Aeronautics and Space Administration, research univer-
7 sities, and representatives of the aero-propulsion industry.

8 (b) **DUTIES.**—The partnership shall—

9 (1) develop a clean ground demonstrator engine
10 utilizing technologies developed by the Ultra Effi-
11 cient Engine Technology (UEET) and Quiet Air-
12 craft Technology (QAT) programs of the National
13 Aeronautics and Space Administration; and

14 (2) focus on the development and certification
15 of environmentally friendly manufacturing tech-
16 nologies, materials, and overhaul and repair.

17 (c) **AUTHORIZATION OF APPROPRIATIONS.**—There
18 are authorized to be appropriated to carry out this section
19 such sums as may be necessary for fiscal years 2006
20 through 2010. Such sums shall remain available until ex-
21 pended.

22 **TITLE IV—WATER RESOURCES**

23 **SEC. 401. MARINE EFFICIENCY.**

24 (a) **ESTABLISHMENT.**—The Secretary of Transpor-
25 tation shall establish a public-private research partnership
26 involving the Federal Government, vessel operators, ports,

1 terminal operators, shipyards, and equipment suppliers to
2 develop and demonstrate technologies that—

3 (1) increase fuel economy, reduce emissions,
4 and lower costs of marine transportation; and

5 (2) increase the efficiency of intermodal trans-
6 fers.

7 (b) AUTHORIZATION OF APPROPRIATIONS.—There
8 are authorized to be appropriated to carry out this section
9 such sums as may be necessary for fiscal years 2006
10 through 2010. Such sums shall remain available until ex-
11 pended.

12 **SEC. 402. IMPROVING HYDROPOWER CAPABILITIES.**

13 (a) STUDY.—The Secretary of the Army shall con-
14 duct a study on the potential for reduced fossil fuel con-
15 sumption through an increase in United States hydro-
16 power capabilities.

17 (b) CONTENTS.—The study shall include an examina-
18 tion of the potential for improving hydropower capabilities
19 at dams owned or operated by the Corps of Engineers.

20 (c) REPORT.—Not later than 1 year after the date
21 of enactment of this Act, the Secretary shall transmit to
22 Congress a report containing the results of the study con-
23 ducted under this section.



1 **SEC. 403. ENCOURAGEMENT OF STATE PROHIBITIONS ON**
2 **OFF-SHORE DRILLING IN THE GREAT LAKES.**

3 (a) FINDINGS.—Congress finds the following:

4 (1) The water resources of the Great Lakes
5 Basin are precious natural resources of the States of
6 Illinois, Indiana, Michigan, Minnesota, New York,
7 Ohio, Pennsylvania, and Wisconsin.

8 (2) The environmental dangers associated with
9 off-shore drilling in the Great Lakes for oil and gas
10 outweigh the potential benefits of such drilling.

11 (3) In accordance with the Submerged Lands
12 Act (43 U.S.C. 1301 et seq.), each State that bor-
13 ders any of the Great Lakes has authority over the
14 area between that State's coastline and the bound-
15 ary of Canada or another State.

16 (4) The States of Illinois, Michigan, New York,
17 Pennsylvania, and Wisconsin each have a statutory
18 prohibition of off-shore drilling in the Great Lakes
19 for oil and gas.

20 (5) The States of Indiana, Minnesota, and Ohio
21 do not have such a prohibition.

22 (b) ENCOURAGEMENT OF STATE PROHIBITIONS.—
23 Congress encourages—

24 (1) the States of Illinois, Michigan, New York,
25 Pennsylvania, and Wisconsin to continue to prohibit



1 off-shore drilling in the Great Lakes for oil and gas;
2 and

3 (2) the States of Indiana, Minnesota, and Ohio
4 to enact a prohibition of such drilling.

5 **TITLE V—TAX PROVISIONS**

6 **SEC. 501. EXTENSION OF TRANSPORTATION FRINGE BEN-** 7 **EFIT TO COMMUTERS WHO BICYCLE, CAR-** 8 **POOL, OR USE CAR-SHARING.**

9 (a) IN GENERAL.—Paragraph (1) of section 132(f)
10 of the Internal Revenue Code of 1986 (relating to general
11 rule for qualified transportation fringe) is amended by
12 adding at the end the following:

13 “(D) Other commuting allowances.”.

14 (b) OTHER COMMUTING ALLOWANCES DEFINED.—
15 Paragraph (5) of section 132(f) of such Code (relating to
16 definitions) is amended by adding at the end the following:

17 “(F) OTHER COMMUTING ALLOWANCES.—

18 “(i) IN GENERAL.—The term ‘other
19 commuting allowances’ means an amount
20 provided to an employee for transportation
21 by bicycling, carpooling, or car-sharing if
22 such transportation is in connection with
23 travel between the employee’s residence
24 and place of employment.



1 “(ii) BICYCLING.—For purposes of
2 clause (i), bicycling includes regular bicycle
3 maintenance, and expenses for accessing
4 space, locker, and shower facilities, secured
5 bike storage, and other services directly as-
6 sociated with bicycling.

7 “(iii) CARPOOLING.—For purposes of
8 clause (i), the term ‘carpooling’ means the
9 carrying of more than 1, but not more
10 than 6, passengers by highway vehicle on
11 any public road or highway, either regu-
12 larly or occasionally, with or without com-
13 pensation, but not for profit.

14 “(iv) CAR-SHARING.—For purposes of
15 clause (i), the term ‘car sharing’ means
16 shared-use vehicle services under which
17 members are provided with access to a
18 fleet of highway vehicles for use on an as-
19 needed basis.”.

20 (c) DOLLAR LIMITATION ON EXCLUSION.—Para-
21 graph (2) of section 132(f) of such Code is amended by
22 striking “and” at the end of subparagraph (A), by striking
23 the period at the end of subparagraph (B) and inserting
24 “, and”, and by inserting after subparagraph (B) the fol-
25 lowing new subparagraph:



1 “(C) \$75 per month in the case of the ben-
2 efits described in subparagraph (D) of para-
3 graph (1).”.

4 (d) ADJUSTMENT FOR INFLATION.—Subparagraph
5 (A) of section 132(f)(6) is amended—

6 (1) by striking “subparagraphs (A) and (B)”
7 and inserting “subparagraphs (A), (B), and (C)”,
8 and

9 (2) by adding at the end the following: “In the
10 case of any taxable year beginning in a calendar
11 year after 2005, clause (ii) shall be applied by sub-
12 stituting ‘calendar year 2004’ for ‘calendar year
13 1998’ for purposes of adjusting the dollar amount
14 contained in paragraph (2)(C).”

15 (e) EFFECTIVE DATE.—The amendments made by
16 this section shall apply to taxable years beginning after
17 December 31, 2004.

