

110TH CONGRESS
2D SESSION

H. R. 6559

To require automobile manufacturers to ensure that not less than 80 percent of the automobiles manufactured or sold in the United States by each such manufacturer to operate on fuel mixtures containing 85 percent ethanol, 85 percent methanol, or biodiesel.

IN THE HOUSE OF REPRESENTATIVES

JULY 22, 2008

Mr. ENGEL (for himself, Mr. KINGSTON, Mr. ISRAEL, and Mr. INGLIS of South Carolina) introduced the following bill; which was referred to the Committee on Energy and Commerce

A BILL

To require automobile manufacturers to ensure that not less than 80 percent of the automobiles manufactured or sold in the United States by each such manufacturer to operate on fuel mixtures containing 85 percent ethanol, 85 percent methanol, or biodiesel.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Open Fuel Standard
5 Act of 2008” or the “OFS Act”.

1 **SEC. 2. FINDINGS AND PURPOSES.**

2 (a) FINDINGS.—Congress makes the following find-
3 ings:

4 (1) The status of oil as a strategic commodity,
5 which derives from its domination of the transpor-
6 tation sector, presents a clear and present danger to
7 the United States;

8 (2) in a prior era, when salt was a strategic
9 commodity, salt mines conferred national power and
10 wars were fought over the control of such mines;

11 (3) technology, in the form of electricity and re-
12 frigeration, decisively ended salt's monopoly of meat
13 preservation and greatly reduced its strategic impor-
14 tance;

15 (4) fuel competition and consumer choice would
16 similarly serve to end oil's monopoly in the transpor-
17 tation sector and strip oil of its strategic status;

18 (5) the current closed fuel market has allowed
19 a cartel of petroleum exporting countries to inflate
20 fuel prices, effectively imposing a harmful tax on the
21 economy of the United States of nearly
22 \$500,000,000,000 per year;

23 (6) much of the inflated petroleum revenues the
24 oil cartel earns at the expense of the people of the
25 United States are used for purposes antithetical to
26 the interests of the United States and its allies;

1 (7) alcohol fuels, including ethanol and meth-
2 anol, could potentially provide significant supplies of
3 additional fuels that could be produced in the United
4 States and in many other countries in the Western
5 Hemisphere that are friendly to the United States;

6 (8) alcohol fuels can only play a major role in
7 securing the energy independence of the United
8 States if a substantial portion of vehicles in the
9 United States are capable of operating on such fuels;

10 (9) it is not in the best interest of United
11 States consumers or the United States Government
12 to be constrained to depend solely upon petroleum
13 resources for vehicle fuels if alcohol fuels are poten-
14 tially available;

15 (10) existing technology, in the form of flexible
16 fuel vehicles, allows internal combustion engine cars
17 and trucks to be produced at little or no additional
18 cost, which are capable of operating on conventional
19 gasoline, alcohol fuels, or any combination of such
20 fuels, as availability or cost advantage dictates, pro-
21 viding a platform on which fuels can compete;

22 (11) the necessary distribution system for such
23 alcohol fuels will not be developed in the United
24 States until a substantial fraction of the vehicles in

1 the United States are capable of operating on such
2 fuels;

3 (12) the establishment of such a vehicle fleet
4 and distribution system would provide a large mar-
5 ket that would mobilize private resources to substan-
6 tially advance the technology and expand the pro-
7 duction of alcohol fuels in the United States and
8 abroad;

9 (13) the United States has an urgent national
10 security interest to develop alcohol fuels technology,
11 production, and distribution systems as rapidly as
12 possible;

13 (14) new cars sold in the United States that
14 are equipped with an internal combustion engine
15 should allow for fuel competition by being flexible
16 fuel vehicles, and new diesel cars should be capable
17 of operating on biodiesel; and

18 (15) such an open fuel standard would help to
19 protect the United States economy from high and
20 volatile oil prices and from the threats caused by
21 global instability, terrorism, and natural disaster.

22 **SEC. 3. OPEN FUEL STANDARD FOR TRANSPORTATION.**

23 Chapter 329 of title 49, United States Code, is
24 amended by adding at the end the following:

1 **“SEC. 32920. OPEN FUEL STANDARD FOR TRANSPOR-**
2 **TATION.**

3 “(a) DEFINITIONS.—In this section:

4 “(1) E85.—The term ‘E85’ means a fuel mix-
5 ture containing 85 percent ethanol and 15 percent
6 gasoline by volume.

7 “(2) FLEXIBLE FUEL AUTOMOBILE.—The term
8 ‘flexible fuel automobile’ means an automobile that
9 has been warranted by its manufacturer to operate
10 on gasoline, E85, and M85.

11 “(3) FUEL CHOICE-ENABLING AUTOMOBILE.—
12 The term ‘fuel choice-enabling automobile’ means—

13 “(A) a flexible fuel automobile; or

14 “(B) an automobile that has been war-
15 ranted by its manufacturer to operate on bio-
16 diesel.

17 “(4) LIGHT-DUTY AUTOMOBILE.—The term
18 ‘light-duty automobile’ means—

19 “(A) a passenger automobile; or

20 “(B) a non-passenger automobile.

21 “(5) LIGHT-DUTY AUTOMOBILE MANUFAC-
22 Turer’s ANNUAL INVENTORY.—The term ‘light-duty
23 automobile manufacturer’s annual inventory’ means
24 the number of light-duty automobiles that a manu-
25 facturer, during a given calendar year, manufactures

1 in the United States or imports from outside of the
2 United States for sale in the United States.

3 “(6) M85.—The term ‘M85’ means a fuel mix-
4 ture containing 85 percent methanol and 15 percent
5 gasoline by volume.

6 “(b) OPEN FUEL STANDARD FOR TRANSPOR-
7 TATION.—

8 “(1) IN GENERAL.—Except as provided in para-
9 graph (2), each light-duty automobile manufactur-
10 er’s annual inventory shall be comprised of—

11 “(A) not less than 50 percent fuel choice-
12 enabling automobiles in 2012, 2013, and 2014;
13 and

14 “(B) not less than 80 percent fuel choice-
15 enabling automobiles in 2015, and in each sub-
16 sequent year.

17 “(2) TEMPORARY EXEMPTION FROM REQUIRE-
18 MENTS.—

19 “(A) APPLICATION.—A manufacturer may
20 request an exemption from the requirement de-
21 scribed in paragraph (1) by submitting an ap-
22 plication to the Secretary, at such time, in such
23 manner, and containing such information as the
24 Secretary may require by regulation. Each such

1 application shall specify the models, lines, and
2 types of automobiles affected.

3 “(B) EVALUATION.—After evaluating an
4 application received from a manufacturer, the
5 Secretary may at any time, under such terms
6 and conditions, and to such extent as the Sec-
7 retary considers appropriate, temporarily ex-
8 empt, or renew the exemption of, a light-duty
9 automobile from the requirement described in
10 paragraph (1) if the Secretary determines that
11 unavoidable events not under the control of the
12 manufacturer prevent the manufacturer of such
13 automobile from meeting its required produc-
14 tion volume of fuel choice-enabling automobiles
15 due to a disruption in—

16 “(i) the supply of any component re-
17 quired for compliance with the regulations;
18 or

19 “(ii) the use and installation by the
20 manufacturer of such component.

21 “(C) CONSOLIDATION.—The Secretary
22 may consolidate applications received from mul-
23 tiple manufactures under subparagraph (A) if
24 they are of a similar nature.

1 “(D) CONDITIONS.—Any exemption grant-
2 ed under subparagraph (B) shall be conditioned
3 upon the manufacturer’s commitment to recall
4 the exempted automobiles for installation of the
5 omitted components within a reasonable time
6 proposed by the manufacturer and approved by
7 the Secretary after such components become
8 available in sufficient quantities to satisfy both
9 anticipated production and recall volume re-
10 quirements.

11 “(E) NOTICE.—The Secretary shall pub-
12 lish in the Federal Register—

13 “(i) notice of each application received
14 from a manufacturer;

15 “(ii) notice of each decision to grant
16 or deny a temporary exemption; and

17 “(iii) the reasons for granting or de-
18 nying such exemptions.

19 “(F) LABELING.—Each manufacturer that
20 receives an exemption under this paragraph
21 shall place a label on each exempted auto-
22 mobile. Such label—

23 “(i) shall comply with the regulations
24 prescribed by the Secretary under para-
25 graph (3); and

1 “(ii) may only be removed after recall
2 and installation of the required compo-
3 nents.

4 “(G) NOTICE OF EXEMPTION.—Each light-
5 duty automobile delivered to dealers and first
6 purchasers that is not a fuel choice-enabling
7 automobile and for which the manufacturer re-
8 ceived an exemption under this paragraph, shall
9 be accompanied with a written notification of
10 such exemption, which complies with the regula-
11 tions prescribed by the Secretary under para-
12 graph (3).

13 “(3) RULEMAKING.—Not later than 1 year
14 after the date of enactment of this Act, the Sec-
15 retary of Transportation shall promulgate regula-
16 tions to carry out this section.”.

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