

109<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 4640

To reduce the Nation's oil dependence and enhance the Nation's ability  
to produce alternative fuels.

---

## IN THE HOUSE OF REPRESENTATIVES

DECEMBER 18, 2005

Mr. GERLACH introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committees on Ways and Means and Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

---

## A BILL

To reduce the Nation's oil dependence and enhance the  
Nation's ability to produce alternative fuels.

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 "Future Fuels Act".

1 **TITLE I—ADVANCED TECH-**  
2 **NOLOGY MOTOR VEHICLE IN-**  
3 **VESTMENT CREDIT**

4 **SEC. 101. ADVANCED TECHNOLOGY MOTOR VEHICLE IN-**  
5 **VESTMENT CREDIT.**

6 (a) IN GENERAL.—Subpart D of part IV of sub-  
7 chapter A of chapter 1 of the Internal Revenue Code of  
8 1986 (relating to business related credits) is amended by  
9 adding at the end the following new section:

10 **“SEC. 45N. ADVANCED TECHNOLOGY MOTOR VEHICLE IN-**  
11 **VESTMENT CREDIT.**

12 “(a) IN GENERAL.—For purposes of section 38, in  
13 the case of an eligible manufacturer, the advanced tech-  
14 nology motor vehicle investment credit determined under  
15 this section for any taxable year is an amount equal to  
16 33 percent of the qualified investment of the taxpayer for  
17 such taxable year.

18 “(b) LIMITATION.—The amount of the credit deter-  
19 mined under this section for any taxable year shall not  
20 exceed \$200,000,000.

21 “(c) ELIGIBLE MANUFACTURER.—For purposes of  
22 this section—

23 “(1) IN GENERAL.—The term ‘eligible manufac-  
24 turer’ means any taxpayer if more than 25 percent  
25 of the taxpayer’s gross receipts for the taxable year

1 are derived from the manufacture of motor vehicles  
2 and component parts of such vehicles.

3 “(2) REQUIREMENT OF IMPROVEMENT IN AV-  
4 ERAGE FUEL ECONOMY.—Such term shall not in-  
5 clude any manufacturer of motor vehicles for any  
6 taxable year unless the average fuel economy of the  
7 manufacturer for light duty vehicles (other than ve-  
8 hicles produced with property described in sub-  
9 section (d) which was taken into account for pur-  
10 poses of determining a credit under this section) for  
11 the most recent model year for which data is avail-  
12 able (determined as of the first day of such taxable  
13 year) is not less than such average fuel economy for  
14 model year 2002. Terms used in this paragraph  
15 which are also used in section 30B shall have the  
16 same meaning as when used in such section.

17 “(d) QUALIFIED INVESTMENT.—For purposes of this  
18 section—

19 “(1) IN GENERAL.—The term ‘qualified invest-  
20 ment’ means amounts paid or incurred by the tax-  
21 payer during the taxable year—

22 “(A) to re-equip or expand an existing  
23 manufacturing facility of the eligible manufac-  
24 turer to produce advanced technology motor ve-  
25 hicles or to produce eligible components, and

1 “(B) for qualified engineering integration.

2 “(2) CONTRIBUTION RULE.—In the event a facil-  
3 ity of the taxpayer produces both advanced tech-  
4 nology motor vehicles and other property, or eligible  
5 components and other property, only the qualified  
6 investment attributable to production of advanced  
7 technology motor vehicles and eligible components  
8 shall be taken into account for purposes of this sec-  
9 tion.

10 “(3) PROPERTY USED OUTSIDE UNITED  
11 STATES, ETC., NOT QUALIFIED.—An amount shall  
12 not be treated as a qualified investment if such  
13 amount is paid or incurred for property referred to  
14 in section 50(b) or to the extent such amount is  
15 taken into account under section 179.

16 “(4) ELECTION.—An amount shall not be treat-  
17 ed as a qualified investment if the taxpayer elects  
18 that such amount not be so treated.

19 “(e) ADVANCED TECHNOLOGY MOTOR VEHICLES.—  
20 For purposes of this section—

21 “(1) IN GENERAL.—The term ‘advanced tech-  
22 nology motor vehicle’ means—

23 “(A) any new advanced lean burn tech-  
24 nology motor vehicle (as defined in section  
25 30B(c)(3), determined without regard to sub-

1 paragraph (A)(iv)(II) thereof and without re-  
2 gard to the weight limitation under subpara-  
3 graph (A)(iv)(I) thereof), and

4 “(B) any new qualified hybrid motor vehi-  
5 cle (as defined in section section 30B(d)(3)(A),  
6 determined without regard to clause (ii)(II)  
7 thereof and without regard to the weight limita-  
8 tion under subparagraph (ii)(I) thereof) that  
9 achieves at least 140 percent of the 2002 model  
10 year city fuel economy (as defined in section  
11 30B(b)(2)(B)).

12 “(2) EPA EMISSION STANDARD REQUIRE-  
13 MENTS.—The term ‘advanced technology motor vehi-  
14 cle’ shall not include any vehicle unless such vehicle  
15 is in compliance with any Environmental Protection  
16 Agency emission standard for fine particulate matter  
17 for the applicable make and model year of the vehi-  
18 cle.

19 “(f) ELIGIBLE COMPONENTS.—For purposes of this  
20 section, the term ‘eligible component’ means any compo-  
21 nent specially designed for an advanced technology motor  
22 vehicle and installed for the purpose of meeting the per-  
23 formance requirements for such vehicle, including—

24 “(1) with respect to any gasoline-electric new  
25 qualified hybrid motor vehicle (as so defined), an

1 electric motor or generator, power split device, power  
2 control unit, power controls, integrated starter gen-  
3 erator, or battery,

4 “(2) with respect to any advanced lean burn  
5 technology motor vehicle (as so defined), a diesel en-  
6 gine, turbocharger, fuel injection system, or after-  
7 treatment system such as a particle filter or NO<sub>x</sub>  
8 absorber, and

9 “(3) any other component identified by the Sec-  
10 retary as an eligible component.

11 “(g) QUALIFIED ENGINEERING INTEGRATION.—For  
12 purposes of this section, the term ‘qualified engineering  
13 integration’ engineering tasks performed prior to the mar-  
14 ket introduction of an advanced technology vehicle which  
15 are related to—

16 “(1) incorporating eligible components into the  
17 design of such vehicle, or

18 “(2) designing new tooling and equipment for  
19 facilities to manufacture such vehicle or eligible com-  
20 ponents for such vehicle.

21 “(h) DENIAL OF DOUBLE BENEFIT.—In the case of  
22 the amount of the credit determined under this section—

23 “(1) no deduction or credit shall be allowed for  
24 such amount under any other provision of this chap-  
25 ter, and

1           “(2) no increase in the adjusted basis of any  
2           property shall result from such amount.

3           “(i) AGGREGATION AND ALLOCATION RULES.—For  
4           purposes of this section, rules similar to the rules of para-  
5           graphs (1) and (2) of section 41(f) shall apply.

6           “(j) RECAPTURE.—The Secretary shall, by regula-  
7           tions, provide for recapturing any credit allowed under  
8           this section with respect to any qualified investment which  
9           ceases to be a qualified investment.

10          “(k) TERMINATION.—No credit shall be allowed  
11          under this section with respect to any amount paid or in-  
12          curred after December 31, 2015.”.

13          (b) CREDIT ALLOWED AS PART OF GENERAL BUSI-  
14          NESS CREDIT.—Section 38(b) of such Code is amended  
15          by striking “plus” at the end of paragraph (25), by strik-  
16          ing the period at the end of paragraph (26) and inserting  
17          “, plus”, and by adding at the end the following new para-  
18          graph:

19                 “(27) in the case of an eligible manufacturer  
20                 (as defined in section 45N(c)), the advanced tech-  
21                 nology motor vehicle investment credit determined  
22                 under section 45N(a).”.

23          (c) CREDIT ALLOWED AGAINST NET INCOME TAX.—  
24          Section 38(c) of such Code is amended by redesignating  
25          paragraphs (2) through (5) as paragraph (3) through (6),

1 respectively, and by inserting after paragraph (1) the fol-  
2 lowing new paragraph:

3           “(2) SPECIAL RULES FOR ADVANCED TECH-  
4           NOLOGY MOTOR VEHICLE INVESTMENT CREDIT.—In  
5           the case of the advanced technology motor vehicle  
6           investment credit determined under section  
7           45N(a)—

8                   “(A) this section and section 39 shall be  
9                   applied separately with respect to such credit,  
10                  and

11                  “(B) in applying paragraph (1) to such  
12                  credit—

13                           “(i) the amounts described in sub-  
14                           paragraphs (A) and (B) of such paragraph  
15                           shall be treated as being zero, and

16                           “(ii) the limitation under paragraph  
17                           (1) (as modified by clause (i)) shall be re-  
18                           duced by the credit allowed under sub-  
19                           section (a) for the taxable year (other than  
20                           the advanced technology motor vehicle in-  
21                           vestment credit determined under section  
22                           45N(a), the empowerment zone employ-  
23                           ment employment credit, the New York  
24                           Liberty Zone business employee credit, or  
25                           the specified credits).”.

1 (d) CLERICAL AMENDMENTS.—

2 (1) Section 1016(a) of such Code is amended  
3 by striking “and” at the end of paragraph (36), by  
4 striking the period and the end of paragraph (37)  
5 and inserting “, and”, and by adding at the end the  
6 following new paragraph:

7 “(38) to the extent provided in section  
8 45N(h)(2).”.

9 (2) Section 6501(m) of such Code is amended  
10 by inserting “45N(d)(4),” after “45C(d)(4),”.

11 (3) The table of sections for subpart D of part  
12 IV of subchapter A of chapter 1 of such Code is  
13 amended by adding at the end the following new  
14 item:

“Sec. 45N. Advanced technology motor vehicle investment credit.”.

15 (e) EFFECTIVE DATE.—The amendments made by  
16 this section shall apply to amounts paid or incurred after  
17 December 31, 2004.

## 18 **TITLE II—FUEL CHOICE**

19 **SEC. 201. FUEL ECONOMY CREDITS PROPORTIONAL TO AL-**  
20 **TERNATIVE FUEL USED IN DUAL FUEL VEHI-**  
21 **CLES.**

22 (a) FUEL ECONOMY CALCULATIONS FOR ALTER-  
23 NATIVE FUEL VEHICLES.—Section 32905 of title 49,  
24 United States Code, is amended—

25 (1) in subsections (b) and (d)—

1 (A) by amending paragraph (1) of each  
2 such subsection to read as follows:

3 “(1) the number determined by—

4 “(A) subtracting from 1.0 the alternative  
5 fuel use factor; and

6 “(B) dividing the number calculated under  
7 subparagraph (A) by the fuel economy meas-  
8 ured under section 32904(c) when operating the  
9 model on gasoline or diesel fuel; and”;

10 (B) by amending paragraph (2) of each  
11 such subsection to read as follows:

12 “(2) the number determined by dividing the al-  
13 ternative fuel use factor by the fuel economy meas-  
14 ured under subsection (a) when operating the model  
15 on alternative fuel.”.

16 (2) by adding at the end the following:

17 “(h) DETERMINATION OF ALTERNATIVE FUEL USE  
18 FACTOR.—

19 “(1) DEFINITION.—For purposes of subsections  
20 (b) and (d), the term ‘alternative fuel use factor’  
21 means the factor determined by the Administrator  
22 under paragraph (3).

23 “(2) AGGREGATE AMOUNT OF FUEL.—At the  
24 beginning of each calendar year, the Secretary of  
25 Transportation shall estimate the aggregate amount

1 of fuel and the aggregate amount of alternative fuel  
2 used to operate all dual fuel automobiles during the  
3 most recent 12-month period.

4 “(3) DETERMINATION OF ALTERNATIVE FUEL  
5 USE FACTOR.—The Administrator shall determine,  
6 by regulation, the alternative fuel use factor for dual  
7 fueled automobiles, on an energy equivalent basis, by  
8 calculating the ratio that the amount of alternative  
9 fuel used by each model bears to the total amount  
10 of fuel used by such model.”.

11 (b) APPLICABILITY OF EXISTING STANDARD.—The  
12 amendments made by this section shall not affect the ap-  
13 plication of section 32901 of title 49, United States Code,  
14 to automobiles manufactured before model year 2007.

15 (c) EFFECTIVE DATE.—The amendments made by  
16 this section shall take effect on January 1, 2007.

17 **SEC. 202. FLEXIBLE FUEL VEHICLE STANDARDS.**

18 (a) DEFINITIONS.—In this section:

19 (1) ALTERNATIVE FUEL; ALTERNATIVE FUELED  
20 AUTOMOBILE; AUTOMOBILE.—The terms “alter-  
21 native fuel”, “alternative fueled automobile”, and  
22 “automobile” have the meanings given such terms in  
23 section 32901 of title 49, United States Code.

24 (2) FLEXIBLE FUEL VEHICLES.—The term  
25 “flexible fuel vehicle” means a light duty motor vehi-

1       cle warranted by the manufacturer to operate using  
2       gasoline and 1 or more alternative fuels, including  
3       ethanol and methanol in blends up to 85 percent al-  
4       ternative fuel by volume.

5       (b) INCREASING PERCENTAGE OF ALTERNATIVE  
6 FUELED AUTOMOBILES OR FLEXIBLE FUEL VEHI-  
7 CLES.—

8           (1) IN GENERAL.—Of the new automobiles sold  
9       by a manufacturer in the United States—

10           (A) not less than 10 percent manufactured  
11       by that manufacturer for model year 2009 shall  
12       be alternative fueled automobiles or flexible fuel  
13       vehicles;

14           (B) not less than 20 percent manufactured  
15       by that manufacturer for model year 2010 shall  
16       be alternative fueled automobiles or flexible fuel  
17       vehicles;

18           (C) not less than 35 percent manufactured  
19       by that manufacturer for model year 2011 shall  
20       be alternative fueled automobiles or flexible fuel  
21       vehicles; and

22           (D) not less than 50 percent manufactured  
23       by that manufacturer for model year 2012, and  
24       each year thereafter, shall be alternative fueled  
25       automobiles or flexible fuel vehicles.

1           (2) RULEMAKING.—Not later than 1 year after  
2 the date of enactment of this Act, the Secretary of  
3 Transportation shall issue regulations to carry out  
4 this subsection.

5           (c) ALTERNATIVE FUEL RETAIL OUTLETS.—

6           (1) REQUIREMENT.—Beginning in the first  
7 year in which 10 percent or more of the registered  
8 vehicles in a county are capable of using an alter-  
9 native fuel, each retail motor fuel outlet in that  
10 county with 10 or more vehicle fuel pumps shall  
11 offer such alternative fuel at not less than 10 per-  
12 cent of such pumps.

13           (2) CREDITS.—A retail motor fuel outlet shall  
14 be in compliance with the requirement under para-  
15 graph (1) if a sufficient number of credits have been  
16 purchased for it from another retail motor fuel out-  
17 let that operates more than the minimum required  
18 number of alternative fuel pumps, and is within 20  
19 miles of the purchasing retail motor fuel outlet.

20           (3) PROJECTIONS.—Not later than July 1st of  
21 each year, the Secretary of Energy shall—

22           (A) identify the counties in which at least  
23 10 percent of the registered vehicles are ex-  
24 pected to be capable of using a designated alter-

1 native fuel within the following 18-month pe-  
2 riod;

3 (B) notify owners and operators of retail  
4 motor fuel outlets in the counties identified  
5 under subparagraph (A) of the alternative fuel  
6 pump requirement under this subsection; and

7 (C) grant counties an exemption to the re-  
8 quirement in paragraph (1) if they demonstrate  
9 to the Secretary that there is not an adequate  
10 alternative fuel supply to meet the requirement.

11 (4) RULEMAKING.—The Secretary of Energy  
12 shall issue regulations to carry out this subsection.

### 13 **TITLE III—FUEL EFFICIENCY**

#### 14 **SEC. 301. OIL SAVINGS STUDIES.**

15 (a) IN GENERAL.—The Secretary of Transportation  
16 shall develop and implement pilot projects the purpose of  
17 which is to reduce vehicle miles traveled.

18 (b) HIGHWAY CONGESTION TOLLING EVALUATION  
19 STUDY.—The Secretary shall carry out evaluation projects  
20 in no less than 6 metropolitan areas selected by the Sec-  
21 retary to determine how technology can best be applied  
22 to assess mileage-based road user charges on major high-  
23 ways at peak-commuting times for the purposes of—

24 (1) reducing oil usage;

25 (2) lessening highway congestion; and

1 (3) expanding travel alternatives.

2 (c) PARKING CASH-OUT EVALUATION PROJECT.—

3 (1) IN GENERAL.—The Secretary shall carry  
4 out a national evaluation pilot project to assess how  
5 offering commuters the option to receive the cash  
6 value of their workplace parking place, if any, in-  
7 stead of free parking can—

8 (A) reduce oil usage;

9 (B) lessen highway congestion; and

10 (C) expand travel alternatives

11 (2) EMPLOYER REQUIREMENT.—Under the  
12 evaluation pilot project, any employer that is partici-  
13 pating in the pilot project and offers free-of-charge  
14 commuter parking to the employees of the employer  
15 must also offer a cashout alternative to employees.

16 (d) REPORT.—The Secretary shall submit to Con-  
17 gress every 2 years after the date of the enactment of this  
18 Act, a report on the progress and results of pilot projects  
19 under this section. The report shall provide an analysis  
20 and summary of project implementation, changes in oil  
21 usage and travel demand, and other matters as deemed  
22 appropriate by the Secretary.

23 (e) AUTHORIZATION OF APPROPRIATIONS.—There  
24 are authorized to be appropriated to carry out subsection

1 (b) \$4,000,000, and to carry out subsection (c)  
2 \$4,000,000, for each of fiscal years 2007 through 2016.

3 **SEC. 302. INSURANCE SAVINGS INCENTIVE PROGRAM.**

4 (a) PER-MILE INSURANCE.—The Secretary of Trans-  
5 portation shall establish a program to provide incentives  
6 to insurance providers to sell automobile insurance policies  
7 on a per-mile basis.

8 (b) INCENTIVES.—

9 (1) START-UP COSTS.—Under the program, the  
10 Secretary of Transportation shall assist automobile  
11 insurance providers with the development and start-  
12 up costs necessary to offer customers of such pro-  
13 viders the option of purchasing automobile insurance  
14 at a per-mile-driven rate.

15 (2) PER-MILE COMPENSATION.—Under the pro-  
16 gram, the Secretary of Transportation shall com-  
17 pensate an insurance provider at the rate of one cent  
18 per mile driven by each passenger vehicle for which  
19 the insurance premiums are determined by the in-  
20 surance provider to be the multiplicative product of  
21 a per-mile-driven rate and a variable number of  
22 miles driven. Such per-mile-driven rate may reflect  
23 both traditional underwriting factors and the cov-  
24 erages selected. An insurance provider may only re-  
25 ceive incentive payments for an insurance policy

1 under this section if the per-mile-driven premium  
2 charges on such policy apply to all vehicles of a  
3 household insured by such provider and account for  
4 at least 70 percent of the total premium charge for  
5 liability and collision coverages of each vehicle in-  
6 sured by such provider.

7 (c) AUTHORIZATION OF APPROPRIATIONS.—

8 (1) ADMINISTRATIVE COSTS.—There is author-  
9 ized to be appropriated for the administrative costs  
10 of the program established under subsection (a)  
11 \$10,000,000.

12 (2) START-UP COSTS.—There is authorized to  
13 be appropriated to fund start-up costs under sub-  
14 section (b)(1) \$20,000,000.

15 (3) PER-MILE COMPENSATION.—There is au-  
16 thORIZED to be appropriated to fund incentives under  
17 subsection (b)(2) \$220,000,000.

18 (4) AVAILABILITY.—Funds appropriated under  
19 this subsection shall remain available until expended.

20 **SEC. 303. TRANSIT-ORIENTED DEVELOPMENT CORRIDORS.**

21 (a) DEFINITIONS.—In this section the following defi-  
22 nitions apply:

23 (1) DEFINITIONS FROM TITLE 49, UNITED  
24 STATES CODE.—The terms “capital project”, “local  
25 governmental authority”, “mass transportation”,

1 and “urbanized area” have the meanings such terms  
2 have under section 5302 of title 49, United States  
3 Code.

4 (2) STATE.—The term “State” means a State  
5 of the United States, the District of Columbia, Puer-  
6 to Rico, the Northern Mariana Islands, Guam,  
7 American Samoa, and the United States Virgin Is-  
8 lands.

9 (3) TRANSIT-ORIENTED DEVELOPMENT COR-  
10 RIDOR.—The term “transit-oriented development  
11 corridor” means rights-of-way for fixed-guideway  
12 mass transportation facilities, including commercial  
13 development that is connected with any such facility  
14 physically and functionally.

15 (b) IN GENERAL.—In consultation with State trans-  
16 portation departments and metropolitan planning organi-  
17 zations, the Secretary shall designate, in urbanized areas,  
18 at least 20 transit-oriented development corridors by 2015  
19 and 50 transit-oriented development corridors by 2025.

20 (c) TRANSIT GRANTS.—The Secretary shall award  
21 grants to a State or local governmental authority to con-  
22 struct or improve transit facilities, bicycle transportation  
23 facilities, and pedestrian walkways in transit-oriented de-  
24 velopment corridors, including capital projects.

1           (d) RESEARCH AND DEVELOPMENT.—In order to  
2 support effective deployment of grants and incentives  
3 under this section, the Secretary shall establish a transit-  
4 oriented development corridors research and development  
5 program for the conduct of research on best practices and  
6 performance criteria for transit-oriented development cor-  
7 ridors.

8           (e) AUTHORIZATION OF APPROPRIATIONS.—There  
9 are authorized to be appropriated to carry out this section  
10 \$500,000,000 for each of fiscal years 2007 through 2016,  
11 of which \$2,000,000 per fiscal year is authorized for the  
12 research and development program under subsection (d).

13           (f) LABOR STANDARDS.—The Secretary shall not  
14 provide a grant under this section for a transit project  
15 unless the Secretary receives reasonable assurances from  
16 a State that laborers and mechanics employed by contrac-  
17 tors or subcontractors in the performance of construction  
18 or modernization on the transit project will be paid wages  
19 not less than those prevailing on similar construction or  
20 modernization in the locality as determined by the Sec-  
21 retary of Labor under the Act of March 3, 1931 (known  
22 as the Davis-Bacon Act) (40 U.S.C. 276a et seq.).

1 **SEC. 304. MOTOR VEHICLE TIRES SUPPORTING MAXIMUM**  
2 **FUEL EFFICIENCY.**

3 (a) STANDARDS FOR TIRES MANUFACTURED FOR  
4 INTERSTATE COMMERCE.—Section 30123 of title 49,  
5 United States Code, is amended—

6 (1) in subsection (b), by inserting after the first  
7 sentence the following: “The grading system shall  
8 include standards for rating the fuel efficiency of  
9 tires designed for use on passenger cars and light  
10 trucks.”; and

11 (2) by adding at the end the following:

12 “(d) NATIONAL TIRE FUEL EFFICIENCY PRO-  
13 GRAM.—(1) The Secretary shall develop and carry out a  
14 national tire fuel efficiency program for tires designed for  
15 use on passenger cars and light trucks.

16 “(2) The program shall include the following:

17 “(A) Policies and procedures for testing and la-  
18 beling tires for fuel economy to enable tire buyers to  
19 make informed purchasing decisions about the fuel  
20 economy of tires.

21 “(B) Policies and procedures to promote the  
22 purchase of energy-efficient replacement tires, in-  
23 cluding purchase incentives, website listings on the  
24 Internet, printed fuel economy guide booklets, and  
25 mandatory requirements for tire retailers to provide  
26 tire buyers with fuel-efficiency information on tires.

1           “(C) Minimum fuel economy standards for  
2           tires, promulgated by the Secretary.

3           “(3) The minimum fuel economy standards for tires  
4 shall—

5           “(A) ensure, in conjunction with the require-  
6           ments under paragraph (2)(B), that the average fuel  
7           economy of replacement tires is equal to or better  
8           than the average fuel economy of tires sold as origi-  
9           nal equipment;

10           “(B) secure the maximum technically feasible  
11           and cost-effective fuel savings;

12           “(C) not adversely affect tire safety;

13           “(D) not adversely affect the average tire life of  
14           replacement tires;

15           “(E) incorporate the results from—

16           “(i) laboratory testing; and

17           “(ii) to the extent appropriate and avail-  
18           able, on-road fleet testing programs conducted  
19           by the manufacturers; and

20           “(F) not adversely affect efforts to manage  
21           scrap tires.

22           “(4) The policies, procedures, and standards devel-  
23           oped under paragraph (2) shall apply to all types and  
24           models of tires that are covered by the uniform tire quality

1 grading standards under section 575.104 of title 49, Code  
2 of Federal Regulations (or any successor regulation).

3 “(5) Not less often than every three years, the Sec-  
4 retary shall review the minimum fuel economy standards  
5 in effect for tires under this subsection and revise the  
6 standards as necessary to ensure compliance with require-  
7 ments under paragraph (3). The Secretary may not, how-  
8 ever, reduce the average fuel economy standards applica-  
9 ble to replacement tires.

10 “(6) Nothing in this chapter shall be construed to  
11 preempt any provision of State law relating to higher fuel  
12 economy standards applicable to replacement tires de-  
13 signed for use on passenger cars and light trucks.

14 “(7) Nothing in this chapter shall apply to—

15 “(A) a tire or group of tires with the same  
16 SKU, plant, and year, for which the volume of tires  
17 produced or imported is less than 15,000 annually;

18 “(B) a deep tread, winter-type snow tire, space-  
19 saver tire, or temporary use spare tire;

20 “(C) a tire with a normal rim diameter of 12  
21 inches or less;

22 “(D) a motorcycle tire; or

23 “(E) a tire manufactured specifically for use in  
24 an off-road motorized recreational vehicle.

1       “(8) In this subsection, the term ‘fuel economy’, with  
2 respect to tires, means the extent to which the tires con-  
3 tribute to the fuel economy of the motor vehicles on which  
4 the tires are mounted.”.

5       (b) CONFORMING AMENDMENT.—Section 30103(b)  
6 of title 49, United States Code, is amended in paragraph  
7 (1) by striking “When” and inserting “Except as provided  
8 in section 30123(d) of this title, when”.

9       (c) TIME FOR IMPLEMENTATION.—The Secretary of  
10 Transportation shall ensure that the national tire fuel effi-  
11 ciency program required under subsection (d) of section  
12 30123 of title 49, United States Code (as added by sub-  
13 section (a)(2)), is administered so as to apply the policies,  
14 procedures, and standards developed under paragraph (2)  
15 of such subsection (d) beginning not later than March 31,  
16 2008.

○