revise and extend their remarks on H.R. 4248, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

ENERGY CONSERVATION REAUTHORIZATION ACT OF 1998

Mr. DAN SCHAEFER of Colorado. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4017) to extend certain programs under the Energy Policy and Conservation Act and the Energy Conservation and Production Act, and for other purposes, as amended.

The Clerk read as follows:

H.R. 4017

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Energy Conservation Reauthorization Act of 1998''.

SEC. 2. ENERGY POLICY AND CONSERVATION ACT AMENDMENTS.

(a) STATE ENERGY CONSERVATION PROGRAM.—Section 365(f) of the Energy Policy and Conservation Act (42 U.S.C. 6325(f)) is amended to read as follows:

''(f) For the purpose of carrying out this part, there are authorized to be appropriated for fiscal years 1999 through 2003 such sums as may be necessary.''.

(b) SCHOOLS AND HOSPITALS.—Section 397 the Energy Policy and Conservation Act (42 U.S.C. 6371f) is amended to read as follows:

''AUTHORIZATION OF APPROPRIATIONS

''SEC. 397. For the purpose of carrying out this part, there are authorized to be appropriated for fiscal years 1999 through 2003 such sums as may be necessary.''.

SEC. 3. ENERGY CONSERVATION AND PRODUCTION ACT AMENDMENT.

Section 422 of the Energy Conservation and Production Act (42 U.S.C. 6872) is amended to read as follows:

''AUTHORIZATION OF APPROPRIATIONS

''SEC. 422. For the purpose of carrying out the weatherization program under this part, there are authorized to be appropriated for fiscal years 1999 through 2003 such sums as may be necessary.''.

SEC. 4. ENERGY SAVINGS PERFORMANCE CONTRACTS.

(a) SUNSET.—Section 801(c) of the National Energy Conservation Policy Act (42 U.S.C. 8287(c)) is amended by striking ''five years after'' and all that follows through ''subsection (b)'' and inserting ''on October 1, 2003''.

(b) DEFINITION.—Section 804(1) of the National Energy Conservation Policy Act (42 U.S.C. 8287c(1)) is amended to read as follows:

''(1) The term 'Federal agency' means each authority of the Government of the United States, whether or not it is within or subject to review by another agency.''.

SEC. 5. TECHNICAL AMENDMENTS.

(a) ENERGY POLICY AND CONSERVATION ACT.—The Energy Policy and Conservation Act is amended—

(1) in the table of contents—

(A) by striking ''Sec. 301.'' and all that follows through ''Reports to Congress.'.'';

(B) by striking ''efficiency'' and inserting ''conservation'' in the item relating to section 325;

(C) by striking ''and private labelers'' in the item relating to section 326;

(D) by striking the items relating to part E of title III;

(E) by inserting after the items relating to part I of title III the following:

''PART J—ENCOURAGING THE USE OF ALTERNATIVE FUELS

''Sec. 400AA. Alternative fuel use by light duty Federal vehicles.
''Sec. 400BB. Alternative fuels truck commercial application program.
''Sec. 400CC. Alternative fuels bus program.
''Sec. 400DD. Interagency Commission on Alternative Motor Fuels.
''Sec. 400EE. Studies and reports.'';

(F) by inserting ''Environmental'' after ''Energy Supply and'' in the item relating to section 505; and

(G) by striking the item relating to section 527;

(2) in section 321(1) (42 U.S.C. 6291(1))—

(A) by striking ''section 501(1) of the Motor Vehicle Information and Cost Savings Act'' and inserting ''section 32901(a)(3) of title 49, United States Code''; and

(B) by striking the second period at the end thereof;

(3) in section 322(b)(2)(A) (42 U.S.C. 6292(b)(2)(A)) by inserting close quotation marks after ''type of product'';

(4) in section 324(a)(2)(C)(ii) (42 U.S.C. 6294(a)(2)(C)(ii)) by striking ''section 325(j)'' and inserting ''section 325(i)'';

(5) in section 325 (42 U.S.C. 6295)—

(A) by striking ''paragraphs'' in subsection (e)(4)(A) and inserting ''paragraph''; and

(B) by striking ''BALLASTS;'' in the heading of subsection (g) and inserting ''BALLASTS'';

(6) in section 336(c)(2) (42 U.S.C. 6306(c)(2)) by striking ''section 325(k)'' and inserting ''section 325(n)'';

(7) in section 345(c) (42 U.S.C. 6316(c)) by inserting ''standard'' after ''meets the applicable'';

(8) in section 362 (42 U.S.C. 6322)—

(A) by inserting ''of'' after ''of the implementation'' in subsection (a)(1); and

(B) by striking ''subsection (g)'' and inserting ''subsection (f)(2)'' in subsection (d)(12);

(9) in section 391(2)(B) (42 U.S.C. 6371(2)(B)) by striking the period at the end and inserting a semicolon;

(10) in section 394(a) (42 U.S.C. 6371c(a))—

(A) by striking the commas at the end of paragraphs (1), (3), and (5) and inserting semicolons;

(B) by striking the period at the end of paragraph (2) and inserting a semicolon; and

(C) by striking the colon at the end of paragraph (6) and inserting a semicolon;

(11) in section 400 (42 U.S.C. 6371i) by striking ''(a)'';

(12) in section 400D(a) (42 U.S.C. 6372c(a)) by striking the commas at the end of paragraphs (1), (2), and (3) and inserting semicolons;

(13) in section 400I(b) (42 U.S.C. 6372h(b)) by striking ''Secretary shall,'' and inserting ''Secretary shall'';

(14) in section 400AA (42 U.S.C. 6374) by redesignating subsection (i) as subsection (h);

(15) in section 503 (42 U.S.C. 6383)—

(A) by striking ''with repect to'' and inserting ''with respect to'' in subsection (b); and

(B) by striking ''controlling'' and inserting '', controlling,'' in subsection (c)(1); and

(16) in section 552(d)(5)(A) (42 U.S.C. 6422(d)(5)(A)) by striking ''notion'' and inserting ''motion''.

(b) ENERGY CONSERVATION AND PRODUCTION ACT.—The Energy Conservation and Production Act is amended—

(1) in the table of contents—

(A) by striking ''rules and regulations'' and inserting ''regulations and rulings'' in the item relating to section 106; and

(B) by striking the item relating to section 207 and inserting the following:

''Sec. 207. State utility regulatory assistance.
''Sec. 208. Authorization of appropriations.''; and

(2) in section 202 (42 U.S.C. 6802) by striking ''(b) DEFINITIONS.—''.

(c) NATIONAL ENERGY CONSERVATION POLICY ACT.—The National Energy Conservation Policy Act is amended—

(1) in the table of contents—

(A) by striking '', installation, and financing'' and inserting ''and installation'' in the item relating to section 216;

(B) by striking ''Ratings'' and inserting ''Rating Guidelines'' in the item relating to part 6 of title II;

(C) by striking the item relating to section 304; and

(D) by striking ''goals'' and inserting ''requirements'' in the item relating to section 543;

(2) in section 216(d)(1)(C) (42 U.S.C. 8217(d)(1)(C)) by striking ''explictly'' and inserting ''explicitly'';

(3) in section 251(b)(1) (42 U.S.C. 8231(b)(1))—

(A) by striking ''National Housing Act to projects'' and inserting ''National Housing Act) to projects''; and

(B) by striking ''accure'' and inserting ''accrue'';

(4) in section 266 (42 U.S.C. 8235e) by striking ''(17 U.S.C.'' and inserting ''(15 U.S.C.''; and

(5) in section 551(8) (42 U.S.C. 8259(8)) by striking ''goethermal'' and inserting ''geothermal''.

SEC. 6. MATERIALS ALLOCATION AUTHORITY EXTENSION.

Section 104(b) of the Energy Policy and Conservation Act is amended by striking ''(1) The authority'' and all that follows through ''(2)''.

SEC. 7. BIODIESEL FUEL USE CREDITS.

(a) AMENDMENT.—Title III of the Energy Policy Act of 1992 (42 U.S.C. 13211–13219) is amended by adding at the end the following new section:

''SEC. 312. BIODIESEL FUEL USE CREDITS.

''(a) ALLOCATION OF CREDITS.—

''(1) IN GENERAL.—The Secretary shall allocate one credit under this section to a fleet or covered person for each qualifying volume of the biodiesel component of fuel containing at least 20 percent biodiesel by volume purchased after the date of the enactment of this section for use by the fleet or covered person in vehicles owned or operated by the fleet or covered person that weigh more than 8,500 pounds gross vehicle weight rating.

''(2) EXCEPTIONS.—No credits shall be allocated under paragraph (1) for a purchase of biodiesel—

''(A) for use in alternative fueled vehicles; or

''(B) that is required by Federal or State law.

''(3) AUTHORITY TO MODIFY PERCENTAGE.—The Secretary may, by rule, lower the 20 percent biodiesel volume requirement in paragraph (1) for reasons related to cold start, safety, or vehicle function considerations.

''(4) DOCUMENTATION.—A fleet or covered person seeking a credit under this section shall provide written documentation to the Secretary supporting the allocation of a credit to such fleet or covered person under paragraph (1).

''(b) USE OF CREDITS.—

''(1) IN GENERAL.—At the request of a fleet or covered person allocated a credit under subsection (a), the Secretary shall, for the year in which the purchase of a qualifying volume is made, treat that purchase as the acquisition of one alternative fueled vehicle the fleet or covered person is required to acquire under this title, title IV, or title V.

''(2) LIMITATION.—Credits allocated under subsection (a) may not be used to satisfy

more than 50 percent of the alternative fueled vehicle requirements of a fleet or covered person under this title, title IV, and title V. This paragraph shall not apply to a fleet or covered person that is a biodiesel alternative fuel provider described in section 501(a)(2)(A).

''(c) CREDIT NOT A SECTION 508 CREDIT.—A credit under this section shall not be considered a credit under section 508.

''(d) ISSUANCE OF RULE.—The Secretary shall, before January 1, 1999, issue a rule establishing procedures for the implementation of this section.

''(e) COLLECTION OF DATA.—The Secretary shall collect such data as are required to make a determination described in subsection (f)(2)(B).

''(f) DEFINITIONS.—For purposes of this section—

''(1) the term 'biodiesel' means a diesel fuel substitute produced from nonpetroleum renewable resources that meets the registration requirements for fuels and fuel additives established by the Environmental Protection Agency under section 211 of the Clean Air Act; and

''(2) the term 'qualifying volume' means—

''(A) 450 gallons; or

''(B) if the Secretary determines by rule that the average annual alternative fuel use in light duty vehicles by fleets and covered persons exceeds 450 gallons or gallon equivalents, the amount of such average annual alternative fuel use.''.

(b) TABLE OF CONTENTS AMENDMENT.—The table of contents of the Energy Policy Act of 1992 is amended by adding at the end of the items relating to title III the following new item:

''Sec. 312. Biodiesel fuel use credits.''.

SEC. 8. REPORT CONCERNING COMPLIANCE WITH ALTERNATIVE FUEL VEHICLE PURCHASING REQUIREMENTS.

(a) IN GENERAL.—Section 310 of the Energy Policy Act of 1992 (42 U.S.C. 13218) is amended—

(1) by striking the heading and inserting the following:

''SEC. 310. REPORTS.'';

(2) by inserting ''(a) GENERAL SERVICE ADMINISTRATION PROGRAM REPORT.—'' before ''Not later than''; and

(3) by adding at the end the following:

''(b) COMPLIANCE REPORT.—

''(1) IN GENERAL.—Not later than 1 year after the date of enactment of this subsection, and annually thereafter for the next 14 years, the head of each Federal agency which is subject to this Act and Executive Order No. 13031 shall prepare, and submit to Congress, a report that—

''(A) summarizes the compliance by such Federal agency with the alternative fuel purchasing requirements for Federal fleets under this Act and Executive Order No. 13031; and

''(B) includes a plan of compliance that contains specific dates for achieving compliance using reasonable means.

''(2) CONTENTS.—

''(A) IN GENERAL.—Each report submitted under paragraph (1) shall include—

''(i) any information on any failure to meet statutory requirements or requirements under Executive Order No. 13031;

''(ii)(I) any plan of compliance that the agency head is required to submit under Executive Order No. 13031; or

''(II) if a plan of compliance referred to in subclause (I) does not contain specific dates by which the Federal agency is to achieve compliance, a revised plan of compliance that contains specific dates for achieving compliance; and

''(iii) any related information the agency head is required to submit to the Director of the Office of Management and Budget under Executive Order 13031.

''(B) PENULTIMATE REPORT.—The penultimate report submitted under paragraph (1) shall include an announcement that the report for the next year shall be the final report submitted under paragraph (1).

''(3) PUBLIC DISSEMINATION OF REPORT.—Each report submitted under paragraph (1) shall be made public, including—

''(A) placing such report on a publicly available website on the Internet; and

''(B) publishing the availability of the report, including such website address, in the Federal Register.''.

(b) CLERICAL AMENDMENT.—The table of contents for the Energy Policy Act of 1992 contained in section 1(b) of that Act (106 Stat. 2776 et. seq.) is amended by striking the item relating to section 310 and inserting the following:

''Sec. 310. Reports.''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Colorado (Mr. DAN SCHAEFER) and the gentlewoman from Missouri (Ms. MCCARTHY) each will control 20 minutes.

The Chair recognizes the gentleman from Colorado (Mr. DAN SCHAEFER).

GENERAL LEAVE

Mr. DAN SCHAEFER of Colorado. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and insert extraneous material on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. DAN SCHAEFER of Colorado. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today the House considers H.R. 4017, the Energy Conservation Reauthorization Act of 1998. The bill reauthorizes various conservation programs authorized by the Energy Policy and Conservation Act of 1975 and the Energy Conservation Production Act of 1976. It reduces the energy bills paid by low income consumers, cuts the energy bills paid by the taxpayers by improving the energy efficiency of Federal legislative and judicial facilities, and promotes energy security by encouraging the use of biodiesel fuel to reduce dependence on petroleum motor fuels.

H.R. 4017 has three main parts. First, the bill reauthorizes three conservation programs through the fiscal year of 2003. The bill reauthorizes two Energy Policy and Conservation Act conservation programs, the State Energy Conservation Program and Institutional Conservation Program, and an Energy Conservation and Production Act conservation program, the weatherization assistance program.

These are real vital programs. The weatherization assistance program reduces the burden of energy costs to low income families, particularly the elderly, persons with disabilities and families with children. Weatherization grant awards are provided to all States, the District of Columbia and, under certain circumstances, the Indian tribal organizations.

Between 60,000 and 70,000 households are served every year. There are about 750 local community action agencies participating in this weatherization program. Based on priorities established through energy audits, the program provides for installation of cost-effective weatherization measures such as caulking and weather-stripping, wall and attic insulation and heating system improvements.

The Subcommittee on Energy and Power of the Committee on Commerce held a hearing on reauthorization of these programs on September 16, 1997. That hearing demonstrated broad public support for reauthorization of these programs. The weatherization program is particularly important to low income consumers in the Northeast and the Midwest. There is a need for the House to act, since authorization for all these programs has long since expired, in some cases as long ago as fiscal year 1993.

Second, H.R. 4017 permits greater use of energy savings performance contracts under the National Energy Conservation Policy Act. NECPA, which we call it, authorizes Federal agencies to enter into energy savings performance contracts with energy service companies to improve the energy efficiency of Federal facilities.

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These contracts allow contractors to pay for the cost of acquiring and installing energy efficient equipment at Federal facilities, services which are being paid for through shared energy savings. However, authority to enter into these contracts is limited to Federal executive branch agencies. The bill amends the definition of Federal agency. In this particular legislation, it includes the legislative and the judicial branches. That change could result in significant energy savings at legislative and judicial agency facilities and further cut the Federal energy bills paid by our American taxpayers.

Third, the bill promotes energy security by encouraging the use of biodiesel fuel to displace reliance on petroleum motor fuel. The DOE alternative fuels program was established by the Energy Policy Act of 1992 in order to displace petroleum motor fuels and reduce U.S. dependence on motor oil. Under the act, the Federal Government, State governments, and alternative fuel providers were required to purchase alternative fueled vehicles. That was the hope, that these alternative fueled vehicles would use alternative fuels and displace petroleum fuels.

The act directed DOE to develop a program to replace 10 percent of our petroleum motor fuels by the year 2000, and 30 percent by the year 2010. However, alternative fuels currently account for only .2 percent of motor fuel usage. DOE is nowhere near achieving the goals established by the Energy Policy Act for the alternative fuels program.

One reason alternative fuels represent such a small share of motor fuel

use is that many alternative fueled vehicles do not run on alternative fuels. Two-thirds of alternative fuels can use either petroleum motor fuels or alternative fuels, and it is apparent that many of these vehicles run largely on petroleum fuels. This bill is an important step in the right direction. It introduces incentives for replacement fuel use by providing credits for use of biodiesel.

I want to take a moment to commend the authors of the biodiesel provisions, the gentleman from Illinois (Mr. SHIMKUS) and the gentlewoman from Missouri (Ms. MCCARTHY), for their leadership and determination on this issue. They have pushed hard for action to help the biodiesel industry and soybean farmers. The gentleman from Illinois (Mr. SHIMKUS) and the gentlewoman from Missouri (Ms. MCCARTHY) have also heard the concerns of their colleagues who had problems with an earlier version of this legislation and have developed an approach that represents a consensus opinion. They deserve very much credit for going the extra mile to build a broad support.

H.R. 4017 was introduced jointly by myself and the ranking member of the Subcommittee on Energy and Power the gentleman from Texas (Mr. HALL). The bill was drafted jointly by majority and minority committee staff. This legislation is also supported by the Department of Energy, energy efficiency and consumer organizations, and the biodiesel and natural gas vehicle industry. The bill includes an amendment that reflects an understanding with the Committee on Science.

The bill reported by the committee would have reauthorized two export promotion programs. The Committee on Renewable Energy Commerce and Trade, and the Committee on Energy Efficiency Commerce and Trade.

CORECT is an interagency working group chaired by DOE, composed of representatives of 14 agencies, whose mission is to promote the export of U.S. renewable energy technology. CORECT is also an interagency working group whose mission is to promote the export of energy efficiency.

I will enter into the RECORD the exchange of letters between the Committee on Commerce and the Committee on Science on this particular issue.

H.R. 4017 is not controversial and was proved by the Committee on Commerce by a voice vote. I urge my colleagues to support this very important legislation.

COMMITTEE ON COMMERCE
Washington, DC, September 28, 1998.

Hon. F. JAMES SENSENBRENNER,
Chairman, Committee on Science,
Washington, DC.

DEAR JIM: Thank you for your September 17, 1998 letter concerning H.R. 4017, the Energy Conservation Reauthorization Act of 1998.

As your letter indicates, in response to some concerns of you and your Members, we have agreed to delete certain provisions of the bill relating to export promotion programs.

Again, thank you for your interest in H.R. 4017. As requested, I will ensure that a copy of this exchange of letters is inserted into the Record during the consideration of the legislation.

Sincerely,

TOM BLILEY,
Chairman.

COMMITTEE ON SCIENCE,
Washington, DC, September 17, 1998.

Hon. THOMAS BLILEY,
Chairman, Committee on Commerce,
House of Representatives, Washington, DC.

DEAR CHAIRMAN BLILEY: After our phone conversation staff was able to work out an agreement on H.R. 4017, the Energy Conservation Reauthorization Act of 1998.

The Committee on Science will not seek a referral on the bill. By doing so we are not waiving any of our jurisdictional claims and reserve the right to seek conferees on this legislation for provisions which may fall within the jurisdiction of the Science Committee should the House passage of H.R. 4017 result in a House-Senate Conference.

I would ask that this letter be placed in the Record at the appropriate place during the consideration of H.R. 4017.

I look forward to working with you on this and other legislation.

Sincerely,

F. JAMES SENSENBRENNER, Jr.,
Chairman.

Mr. Speaker, I reserve the balance of my time.

(Ms. MCCARTHY of Missouri asked and was given permission to revise and extend her remarks.)

Ms. MCCARTHY of Missouri. Mr. Speaker, I yield myself such time as I may consume.

I rise today to join in support of H.R. 4017, the Energy Conservation and Reauthorization Act. The act contains an amendment which I have sponsored along with the gentleman from Illinois (Mr. SHIMKUS).

I want to thank the chairman of the subcommittee, the gentleman from Colorado (Mr. DAN SCHAEFER) who is retiring after long and distinguished service to this body and to this Nation and who will be sorely missed by those on the subcommittee, and the ranking member of the subcommittee, the gentleman from Texas (Mr. HALL) for all of their assistance in perfecting this legislation.

H.R. 4017, as amended, would change the Energy Policy Act of 1992, by allowing covered fleets to meet a portion of their annual vehicle acquisition requirements under the act through the purchase and use of a 20/80 blend of biodiesel fuel, usually called B–20, that is produced from domestic renewable resources such as soybean oil, rapeseed, cottonseed, sunflower oil, beef tallow, pork lard, yellow grease and corn oil.

The amendment incorporated into the bill establishes this as a pilot program that can be used to evaluate new means to meet those standards in the EPACT program that our Nation seeks in order to reduce our dependence on imported petroleum and improve our air quality.

This amendment provides more choice and greater flexibility to fleet operators throughout this Nation, and I wanted to talk a little about my community of Kansas City because we are now in our own pilot program to try to see how biodiesel will work and whether indeed it will help us reduce our air emissions so that we meet those quality standards we seek.

This year in Kansas City we have had 5 instances of air quality rising above Federal pollution limits of 125 parts per billion. Any more occurrences and stricter air pollution limits for Kansas City businesses will trigger sanctions, and this is certainly something that no one in our community seeks.

We know that biodiesel is an alternative, along with the others in the national act, that can help us meet those goals. An ozone red alert is issued when ozone levels are expected to rise above 110 parts per billion. Those are the alerts that we seek to avoid in Kansas City.

Mr. Robert Sellers, who maintains our Kansas City Area Transportation Authority fleet, testified before the Subcommittee on Energy and Power meetings and told us that in our efforts in Kansas City to meet these environmental goals, we have put four buses in use in a 10-month test using B–20 biodiesel. They have traveled over 90,000 miles and consumed over 28,000 gallons of B–20. And we made a comparison with those using regular diesel fuel, and the results were outstanding.

One important point to note for other communities as they seek this alternative is that no modifications are necessary to tanks or pumps or other fueling infrastructure in order to use B–20 fuel. No changes needed to be made to the engines of the buses or their refueling systems. No additional maintenance or service requirements are necessary for B–20 buses. The fuel economy we found in our pilot program in Kansas City of the B–20 buses was similar to the pure diesel buses.

Further, I observed this myself firsthand, black exhaust smoke was visibly reduced. I did not see any in the buses that I traveled on, and exhaust odor was noticeably improved in the B–20 buses. Most importantly, I think, Mr. Speaker, the project generated a really positive response from the citizens in the area and the local media.

Therefore, I really do appreciate the good work of all individuals in reaching a compromise so that B–20 fuel can be used throughout this Nation in a pilot program to help all of us meet the broader goals that H.R. 4017 seeks; again, cleaning up our environment, getting creative solutions to that difficult problem, and also making sure that we are reducing our import of foreign oil.

The market that will be created, by the way, in Missouri alone, when we move to B–20 throughout our urban areas, is a very positive one, and I know others will speak to that today. Our top cash crop is soybean, and that is a major use for B–20 fuels in the State and throughout the Midwest. The market that will be created for all agricultural waste produced on soybean

farms and all of our farms can be put to good use, B–20 fuel, and will really create jobs and a stronger economy for our agriculture communities throughout the Midwest and the Nation.

I urge everyone to support 4017, show their commitment to clean air and a strong economy.

As amended, HR 4017 provides more choice and greater flexibility for fleet operators who want to comply with the requirements of EPACT but may find this compliance difficult. HR 4017 is a ''win-win'' solution to the problem of compliance for communities like my own all over America.

B20 biodiesel fuel substantially reduces air emissions from motor vehicles. Testing results reported in March 1998, but the United States Environmental Protection Agency show that the use of biodiesel fuel reduces particulate matter emissions by 30%, hydrocarbon emissions by 95%, and carbon monoxide emissions by 50%, when compared to normal diesel fuel.

According to this study, the overall ozone-, or smog-forming potential of exhaust emissions from biodiesel is one-half that of conventional diesel fuel. The air quality of benefits of biodiesel are especially relevant for my hometown, Kansas City, Missouri. This year alone, Kansas City has had five instances of air quality rising above federal pollution limits of 125 part-per-billion. Any more occurrences and stricter air pollution limits on Kansas City businesses will be triggered. For example, public utilities in the area may have to increase rates on customers to clean up their generation process.

Biodiesel is going to improve air quality in our city. An ozone ''Red Alert'' is issued when ozone levels are expected to rise above 100 parts-per-billion in a one-hour time period. Red Alerts are a cautionary measure, intended to warn people with lung conditions to avoid heavy outdoor activities. In Kansas City, ozone levels have topped 110 parts-per-billion on nine days this summer. Using biodiesel fuel can greatly reduce ozone levels and thus improve our air quality.

Biodiesel fuel is biodegradable and nontoxic, and it is a renewable fuel, which makes it an option for long-term use. The blending of diesel and biodiesel fuel does not affect the performance or emissions of the fuel, and economic research conducted both by Booz-Allen and Hamilton and the University of Georgia indicates that when all capital, operating, and maintenance costs are considered, a 20% blend of biodiesel—B20—has the lowest annualized cost on a ''per gallon consumed'' basis versus other alternative fuels.

The Clean Air Act sets standards to move toward a healthier and more aesthetically pleasing environment. However, as our nation moves toward these admirable goals, we must recognize that some areas of the country—because of population density, geographic characteristics, and industrial concentrations—will find it more difficult to meet the new standards. We must look for creative solutions to the difficult problem of cleaning up our environment. HR 4017 provides such a solution.

Because Missouri's top cash crop is soybeans, the use of B20 fuel in this state would not only help to meet the Clean Air Act standards, but it would also positively impact the state's economy, by creating a market for the agricultural waste. This market would create opportunities for agriculture, industry, and government to work together toward a sustainable future.

I urge my colleagues to join me in voting for HR 4017, and to show their commitment to clean air and a strong economy. Thank you. I yield back the balance of my time.

Mr. Speaker, I reserve the balance of my time.

Mr. DAN SCHAEFER of Colorado. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois (Mr. SHIMKUS), key sponsor of the bill, who has worked so hard on this, along with the gentlewoman from Missouri (Ms. MCCARTHY).

Mr. SHIMKUS. Mr. Speaker, I rise today in support of H.R. 4017, because there is a very important policy change that will benefit the soybean farmers in my district and across the Nation.

This legislation allows biodiesel to participate in the energy markets of this oil addicted Nation. To begin, biodiesel is a renewable alternative fuel, primarily derived from agricultural feedstock such as soybeans, conola, rapeseed, and can even be made out of used deep fryer fat from fast food restaurants. In fact, already Columbus Foods in Chicago, a fuel supplier of biodiesel, processes used restaurant grease to make this fuel.

This is grease that would otherwise be sent to the local land fill. The Shimkus-McCarthy biodiesel provision of H.R. 4017 would amend the Energy Policy Act of 1992 and would allow fleet managers to purchase and use biodiesel in vehicles that are owned and operated by their fleets.

This legislation is significant, because EPACT is a failure and for the first time we are providing a strong incentive for fleet managers to actually use alternative fuel rather than simply acquire additional alternative fueled vehicles which may never run on the alternative fuel they were designed for.

This legislation provides fleet managers the flexibility to operate their heavy-duty diesel vehicles on blends of biodiesel, where the biodiesel component of the blend is at least 20 percent of the volume of the fuel. Fleets may count the biodiesel portion of that blend toward a portion of their annual vehicle purchase requirement.

A minimum of 450 gallons of biodiesel must be purchased and consumed by a covered fleet to qualify the use of fuel as a substitute for one vehicle acquisition. No credit is given for the nonbiodiesel portion of the fuel blend. No credit is given for the vehicles operating on the biodiesel blended full. Only the purchase and consumption of biodiesel is rewarded.

This bill contains several safeguards to protect the integrity of the existing EPACT alternative fuel vehicle program and to assure full compliance with the fuel purchase provisions of the amendment. Fleets seeking to substitute their biodiesel fuel use for vehicle purchases must provide written documentation to the secretary establishing the total volume of biodiesel blended fuel consumed in fleet vehicles.

No credits will be given for biodiesel used in vehicles that have already been counted by a fleet toward its alternative fuel vehicle acquisition requirements in that or any previous year. In addition, no credits will be given for use of biodiesel in any vehicles where the use of that fuel is otherwise required by any other State or Federal laws. Finally to maintain a diversified market for alternative fuel vehicles, fleets may only substitute their accumulated annual biodiesel fuel consumption for up to one half of their total annual alternative fueled vehicle fuel purchases requirements.

It is intention of this legislation to establish this program as a pilot that can be used to evaluate new means to utilize the EPACT program to meet its goals of helping our Nation reduce its dependence on imported petroleum.

This bill does not create any new mandates or impose any new requirements on covered fleets. Instead it provides more choice and greater flexibility for fleet operators who already are burdened with the responsibility of complying with the requirements of EPACT. It simply rearranges the existing EPACT purchase requirement program to directly reward the use of alternative fuels.

With that, Mr. Speaker, I will conclude by thanking the coach, the gentleman from Colorado (Mr. DAN SCHAEFER) and the gentleman from Virginia (Mr. BLILEY) for their support and encouragement, and my colleagues, the gentleman from Texas (Mr. BARTON) and the gentlewoman from Missouri (Ms. MCCARTHY), for helping me craft this bipartisan common sense legislation, and to my staff, Dan Blankenburst and Matt Johnson.

As a former high school teacher, I have found that teaching how a bill becomes law is a little more tricky than I could have ever guessed. They helped steer me through the political and governmental mind fields. They deserve enormous credit and thanks.

I ask all my colleagues to vote yes.

Ms. MCCARTHY of Missouri. Mr. Speaker, I yield 2 minutes to the gentlewoman from Missouri (Ms. DANNER).

Ms. DANNER. Mr. Speaker, I rise today to speak in favor of the Energy Conservation Reauthorization Act. I am particularly pleased that this bill contains the biodiesel provision sponsored by the gentleman from Illinois (Mr. SHIMKUS) and the gentlewoman from Missouri (Ms. MCCARTHY).

Under the 1992 Energy Policy Act, Federal, State and local government automobile fleets are required to purchase alternatively fueled vehicles in order to reduce both American dependence on foreign oil and reduce harmful automobile emissions. The Shimkus-McCarthy provision will accomplish these goals while also providing America's soybean farmers with a new market.

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This will be accomplished without any new Federal mandates and at no

expense to the Federal Treasury. In fact, the Congressional Budget Office estimates that it will save $40 million over the next 5 years. These savings result from the fact that bio-diesel can be used in vehicles designed to run on standard diesel fuel produced solely from petroleum, while most other alternative fuels require fleets to purchase new vehicles specifically designed to burn an alternative fuel.

As previous speakers have indicated, the Shimkus-McCarthy language will amend the Energy Policy Act to include bio-diesel as an approved alternative fuel. Because bio-diesel burns more cleanly than traditional diesel fuel, its use will reduce emissions of particulate matter, carbon monoxide, hydrocarbons, and sulfur oxides. At the same time, because the fuel is derived in part from soybeans, it creates a new market for farmers who are suffering through a period of extremely low prices.

In short, Mr. Speaker, this provision advances the national security and environmental goals of the Energy Policy Act, helps our farmers, and saves the government millions of dollars. Clearly, this is a change much to be desired.

In closing, I wish to commend my friends and colleagues who introduced and promoted this legislation and I look forward to having it become law.

Mr. DAN SCHAEFER of Colorado. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. WELLER).

Mr. WELLER. Mr. Speaker, I thank the chairman for yielding me this time, and I want to wish him well in his plans after he leaves this House. It has been a real pleasure to serve with him.

And I also want to salute my colleagues, one of our new members of the Illinois delegation, the gentleman from Illinois (Mr. JOHN SHIMKUS), and his partner in this process, the gentlewoman from Missouri (Ms. KAREN MCCARTHY), for their leadership on an important issue.

It is not often that we have an initiative that is before the House that is a two-fer and even a three-fer, and today we have an issue before the House that is good for the environment and good for Illinois farmers. That is why I think this legislation is so very, very important, because we have an opportunity to help Illinois agriculture, we have an opportunity to help air in Illinois, and to help our environment, whether we live in the city, the suburbs, or the country, and I represent all three.

Today we have an opportunity to promote something called bio-diesel. And the definition of bio-diesel is that it is a renewable alternative fuel, primarily derived from agricultural feedstock, such as soybeans, canola, rapeseed and even deep fryer fat. Well, the big winners, clearly, in this legislation are Illinois farmers who grow soybeans.

As we look back over the last year, I remember almost a year ago that we had $6 soybeans at the local grain elevator in Illinois. Today the cash price for soybeans is $4.78. Farm prices have plummeted, as we have lost the Asian market, and we need markets back.

It is initiatives like this, thanks to the initiative of the gentleman from Illinois (Mr. JOHN SHIMKUS) and the gentlewoman from Missouri (Ms. MCCARTHY) that we will help Illinois farmers. It is estimated this legislation will help raise the price of Illinois soybeans from 7 to 14 cents because of the market this legislation will create for Illinois soybeans. Greater demand raises prices. This will not only be good for those on the farm, but those in town, where farmers spend their money.

I also want to point out the other benefit of this legislation. This legislation will help clear the air. All of us have followed a city bus and smelled the air. And this, of course, will help clear the air. It is good for the environment, it is good for Illinois farmers, and I ask for an ''aye'' vote.

Ms. MCCARTHY of Missouri. Mr. Speaker, I yield 1 minute to the gentleman from North Dakota (Mr. POMEROY).

Mr. POMEROY. Mr. Speaker, I thank the gentlewoman for yielding me this time, and I also join the preceding speakers in strongly supporting this legislation.

Those of us representing farm country know we are in the middle of a deep crisis, because commodity prices have collapsed. We need to pass disaster relief responding to the production and price collapse that we see throughout farm country. In addition, though, we need to work on structural issues that build markets for the long haul, and certainly increasing our effort at renewable fuels, such as bio-diesel, is a step in that right direction.

By allowing vehicle fleet managers that use diesel the ability to use bio-diesel in their fleets and earn the required credits under EPACT, we clean the air and we bolster prices. It is a very good move, and my congratulations to the sponsors of this legislation. Please vote for it.

Mr. DAN SCHAEFER of Colorado. Mr. Speaker, I yield such time as he may consume to the gentleman from Nebraska (Mr. BEREUTER).

(Mr. BEREUTER asked and was given permission to revise and extend his remarks.)

Mr. BEREUTER. Mr. Speaker, I stand in strong support as cosponsor of this legislation.

Ms. MCCARTHY of Missouri. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri (Mr. SKELTON).

Mr. SKELTON. Mr. Speaker, I thank my colleague from Missouri for yielding me this time and I wish to compliment the gentleman from Illinois on the bio-diesel provision to H.R. 4017.

Let us do something that really makes sense, and this bill, this effort does just that. Among other things, it helps increase the market for farmers for soybeans. We need to do this as part of the Freedom to Farm Act, which phases out, as my colleagues know, the Federal payment to farmers. It helps expand and develop our rural economies.

I ask my colleagues to please come with me in their mind's eye to the 4th Congressional District of Missouri and look at the acres and acres and fields and fields of soybeans. It adds as much as 7 cents to the value of a bushel of soybeans. But more than that, as the gentlewoman from Kansas City, Missouri, pointed out, the fact that there have been some environmental problems in the city that she represents, it helps clean the environment. Using bio-diesel can cut emissions of particulate matter and hydrocarbons in half.

It provides fleet managers, as has already been mentioned by the gentleman from Illinois, with the flexibility to comply with Federal mandates and reduces their natural reliance on foreign oil. That is most important. Our addiction to foreign oil must be reduced.

According to a 1996 Department of Agriculture study, a modest national market for bio-diesel of 50 to 100 million gallons a year could increase soybean producers' incomes in the State that I represent, the State of Missouri, by over $15 million annually.

Since 1992, soybean producers have spent over $20 million in research and education to develop a bio-diesel industry. It is here, it makes sense, it makes absolute sense to adopt this, and I urge that this be a union unanimous vote in favor of this provision.

Ms. MCCARTHY of Missouri. Mr. Speaker, I yield myself the balance of my time to close.

I rise once again, Mr. Speaker, to urge my colleagues to vote for H.R. 4017, because it represents a bipartisan agreement that helps our environment, is good for our economy, aids our farmers and our metropolitan areas in their quest to meet Federal air quality standards, improve the quality of life for their residents and keep our agriculture strong in this country.

H.R. 4017 reauthorizes several small but important energy conservation and export promotion programs for 5 years. I worked on these programs, Mr. Speaker, before coming to this august body as a member of the State Legislature in Missouri, so I know of their worth and their value to communities and States throughout the Nation.

The State Energy Conservation Program and Institutional Conservation Program is one such component. The programs to enhance renewable energy, commerce and trade, as well as programs on energy efficiency, and weatherization conservation reauthorized in this Energy Conservation and Production Act are all valuable components to meeting those goals set forth in the national policy that we are reauthorizing today.

Mr. Speaker, it also makes congressional and judicial branch agencies eligible to enter into energy saving performance contracts. That is good for

our national budget. That is good for America. Mr. Speaker, bio-diesel presents a chance for us to make a choice that is good for our country and good for our environment. I urge all my colleagues to vote for H.R. 4017.

Biodiesel makes sense. Allowing biodiesel to be used to meet up to 50 percent of the alternative fueled vehicle requirements under EPAct will help metropolitan areas to meet the goals outlined in EPAct. According to the Department of Energy's own analysis from July 1997, our Nation will not reach the petroleum displacement goals as outlined in EPAct—10 percent by 2000 and 30 percent by 2010. The Department's latest numbers indicate that since 1992 only about 3.1 percent displacement has occurred. Most of this, 2.9 percent was due to oxygenates which were required by the Clean Air Act. Only about 0.2 percent was due to alternative fuel use by Alternatively Fueled Vehicles. Further, the Natural Gas Vehicle Coalition supports this legislation.

Biodiesel is good for the environment. Biodiesel has been tested by the Department of Energy, the United States Department of Agriculture, and the Environmental Protection Agency, and they have all found that biodiesel provides substantial energy benefits. If I may quote from the lifecycle analysis conducted by the EPA:

> Biodiesel can play a role in reducing emissions of many air pollutants, especially those targeted by the EPA in urban areas. These include particulate matter, carbon monoxide, hydrocarbons, sulfur oxides . . . and air toxics.

Biodiesel is economically feasible. Not only will using biodiesel reduce our dependence on foreign petroleum supplies, it will also create new domestic markets for agricultural waste products.

This Act is significant for our country. Improving on the Energy Policy Act is critical for energy efficiency, clean air and trade through promoting agribusiness. Throughout my career in public service I have championed initiatives which strike a balance between industry and the environment.

Mr. Speaker, I yield back the balance of my time.

Mr. DAN SCHAEFER of Colorado. May I ask the Speaker how much time I have remaining?

The SPEAKER pro tempore (Mr. SUNUNU). The gentleman from Colorado has 6½ minutes remaining.

Mr. DAN SCHAEFER of Colorado. Mr. Speaker, I yield the balance of my time to the gentleman from Missouri (Mr. HULSHOF).

Mr. HULSHOF. Mr. Speaker, I rise today in strong support of H.R. 4017, the Energy Conservation Reauthorization Act, and I especially want to commend the distinguished chairman, the gentleman from Colorado (Mr. DAN SCHAEFER), and the ranking member, the gentleman from Texas (Mr. HALL), for their bipartisan cooperation in bringing this bill to the floor.

We have heard this bill reauthorizes a number of important programs, two I want to focus on just briefly. One of those important programs is the weatherization assistance. This program really helps families with lower incomes, particularly the elderly.

Don Patrick, the director of the Northeast Community Action Center in Missouri, in the 9th congressional district, allowed me to tag along to see firsthand some of the weatherization projects that they were actually doing for some of the elderly citizens in the 9th Congressional District. This clearly is a program that needs to be continued, and I give it my full support.

But, secondly, this bill, and a lot of the discussion, has focused on the alternative fuel of bio-diesel. And as the Speaker knows, I have tried to be a champion on alternative fuels in this body, and so I am proud to lend my support to bio-diesel. It is environmentally friendly and something that not only, as has been talked about, helps clear the air but helps promote our agriculture products.

The thing that is especially good about this bill, Mr. Speaker, if we look back in 1992, the Energy Policy Act actually imposed requirements on the managers of motor vehicle fleets that before they could make new vehicle acquisitions, that they would have to go through certain requirements each year. And what this bill does is strongly encourage those fleet managers to include the purchase or use of bio-diesel in those cars and trucks.

One reason that I think this is so good is we are using the carrot rather than the stick approach. We are rewarding the use of alternative fuels to achieve the goals of EPACT to displace imported petroleum rather than the stick approach. This is not a Federal mandate. We are not creating or complicating the Tax Code with new tax breaks, nor are we increasing Federal spending.

As has been touched on before, by increasing markets, in fact, the gentleman from North Dakota who was here to speak talked about in this difficult time for America's farmers and ranchers that if we can not only strengthen our export markets, but if we can look within our own borders and try to strengthen domestic markets, and this bill does that, by increasing markets for soybeans, we are directly helping each and every soybean producer across the country.

Now, in the State of Missouri, we have over 32,000 soybean producers that plant 4.9 million acres of soybeans in fields all across the State. And by inclusion of bio-diesel, we could see as much as 7 cents a bushel added to the value of soybeans that they are selling at the grain elevator.

I had occasion just this morning to speak with a soybean producer on the phone from Missouri, my father, who was extremely excited that we are looking for ways to expand markets, because clearly farmers and ranchers across the country are having a difficult time.

Mr. Speaker, in conclusion, at a time when American agriculture, where our critically important foreign markets are sagging, there can be no clearer reason for moving forward in the expansion of markets. We should do that in any way we can. And I think due credit should go not only to my freshman colleague, the gentleman from Illinois (Mr. SHIMKUS), but also the gentlewoman from Missouri (Ms. MCCARTHY), a neighbor; and I wish to thank them for their work in bringing this bill together.

Let us pass this bill, because it is right for the environment and it is right for our farmers. I urge every Member of this body to vote ''aye'' on H.R. 4017.

Mr. MARKEY. Mr. Speaker, I rise in opposition to H.R. 4017.

While all of us would support a clean reauthorization of the Energy Policy and Conservation Act, I must reluctantly oppose this bill because of the serious concerns I have regarding the Shimkus amendment that was adopted during the Commerce Committee's markup of this legislation. In its present form, this provision would have a negative impact on efforts to promote development of cleaner alternative fueled vehicles and reduce our nation's dependence on imported oil. For this reason, I, along with the gentleman from California (Mr. WAXMAN), the gentleman from New Jersey (Mr. PALLONE), the gentlelady from Oregon (Ms. FURSE) and the gentlelady from Colorado (Ms. DEGETTE) all were opposed to the Shimkus amendment when it was considered in the Committee.

One of the primary goals of the Energy Policy Act of 1992 (or ''EPAct'') was to enact a comprehensive national energy policy that strengthens U.S. energy security by reducing dependence on imported oil. Currently, the United States consumes seven million barrels of oil more per day than it produces. EPAct establishes goals of a 10 percent displacement in U.S. motor fuel consumption by the year 2000 and a 30 percent displacement in U.S. motor fuel consumption by the year 2010 through the production and increased use of replacement fuels. The Act also allows the Secretary to revise these goals downward. According to the latest projections by the Energy Information Administration, the transportation sector will consume 15.8 million barrels per day of petroleum in 2010. Of this total, about 9.2 million barrels per day of petroleum are projected to be used by light duty vehicles. The Energy Information Administration also estimates that 60 percent of our total petroleum demand will be imported in 2010.

Significant gains in displacing petroleum motor fuel consumption by the year 2010 are expected to occur by replacing gasoline with alternative fuels such as electricity, ethanol, hydrogen, methanol, natural gas and propane, in a portion of the U.S. car and truck population, which is projected to be in excess of 200 million vehicles in the year 2010. Currently, alternative fueled vehicles comprise a small fraction of the total U.S. vehicle stock. To enable the Act's displacement goals to be met, alternative fuels must be readily accessible and motor vehicles that operate on these alternative fuels must be available for purchase. Thus, two important elements of reducing petroleum motor fuel consumption are: a nationwide alternative fuels infrastructure and the availability of alternative fueled vehicles for purchase at a reasonable cost by the general public in a wide variety of vehicle types and fueling options. Under EPAct, a motor fuel

must meet three requirements to be considered to be an alternative fuel. First, it must foster substantial environmental benefits. Second, it must be substantially non-petroleum. Third, it must promote energy security goals of the Act.

While I share the stated concern of some supporters of the Shimkus amendment that many alternative fueled vehicles acquired in response to EPAct do not actually operate on alternative fuels, the Shimkus amendment doesn't even adopt this shortcoming in current law. The amendment would allow the Secretary of Energy to allocate credits for each qualifying volume of the biodiesel fuel purchased for heavy vehicles to satisfy EPAct requirements imposed on certain covered persons and fleets. The sponsors of the Shimkus amendment agreed to make certain modifications in this amendment prior to the Committee markup, such as striking the transferability of these credits, making certain modifications in the definition of biodiesel that clarifies that it covers only fuel substitutes produced from non-petroleum renewable resources, and making certain clarifications in the DOE authority to lower the percentage of qualifying biodiesel volume for reasons relating to cold start, safety and vehicle function considerations. While these changes have helped to improve the amendment, and I commend the gentleman from Illinois (Mr. SHIMKUS) and the gentlelady from Missouri (Ms. MCCARTHY) for agreeing to make them I still have significant concerns about the language adopted by the Committee.

First, I question whether it makes sense to allow biodiesel fuel to be used to meet up to 50 percent of the alternative fueled vehicle requirements under EPAct. The purpose of the alternative fuels program was to create incentives for private sector investments in new and more environmentally benign technologies which could meet our nation's long term energy and transportation needs without reliance on imported oil—much of which comes from the Middle East. The Shimkus amendment could undermine this important energy security goal by reducing by up to half the number of alternative fueled vehicles acquired in this country each year. Congress decided in 1992 to encourage the shift from petroleum by first getting alternative fueled vehicles on the road so that the infrastructure for alternative fuels could be supported. Allowing use of a fuel which is 80% petroleum to displace the acquisition of vehicles which don't rely on petroleum-based fuels will do little to help the U.S. achieve energy independence from oil imports. In fact, according to DOE staff, switching every single diesel vehicle in the United States to B–20 would only displace 4.2% of petroleum usage.

Second, alternative fuels under EPAct are required to foster substantial environmental benefits. It is my understanding that NO_x emissions, a leading source of health-threatening smog, are not reduced in biodiesel blends with less than 35 percent bio-mass derived fuel. Moreover, I note that diesel-fueled vehicles are the source of more than 40 percent of the pollutants from motor vehicles and are also the primary transportation source of fine particulate matter (PM), which has been determined to be a major public health problem. Additionally, in August 1998 the California Air Resources Board designated diesel particulates as carcinogenic toxic air contaminants. The decision means that California state regulators must examine strategies to limit human exposure to the chemicals and illustrates the growing consensus on the need to further reduce dangerous diesel emissions.

Allowing a fuel which is largely petroleum-based to receive credits to meet up to 50 percent of the alternative fuels requirements of EPAct will complicate efforts to achieve the fundamental purposes of the alternative fuels program. Therefore, if this legislation moves forward, I and others on this side of the aisle would be far more comfortable if biodiesel credits were limited to a much lower level of between 20 to 30 percent.

Third, I have concerns about the definition of ''qualifying volume'' of biodiesel fuel. Under the amendment, a minimum of 450 gallons of biodiesel fuel qualifies for one credit. I think this quantity is far too low. Under current law, the purchase of an alternative fueled vehicle—which may serve in a fleet for an average of 5 or 6 years—is worth one credit. Under the Shimkus amendment, a vehicle which burns 450 gallons of biodiesel per year would receive one credit for every year it is in service, or 5–6 credits.

Mr. ABERCROMBIE. I would like to express my strong support for the Shimkus-McCarthy Biodiesel Provision in H.R. 4017.

Biodiesel fuel is a renewable alternative fuel primarily derived from agricultural feedstock such as soybeans, canola, rapeseed, and even deep fryer fat. Biodiesel has many advantages as a renewable fuel resource. It reduces tailpipe emissions, visible smoke, and noxious odors and can be operated in conventional diesel engines with no engine modifications. Biodiesel can be blended with conventional diesel fuel and still achieve substantial emission reductions. Another advantage is that the primary by product of biodiesel is glycerine, which has numerous commercial applications from toothpaste to cough syrup.

One example of the utility of biodiesel can be seen on the island of Maui, Hawaii. Maui was faced with used cooking oil disposal problems because of the shortage of landfill space. Pacific Biodiesel, a fuel manufacturing company on Maui, worked with island officials to identify ways to meet this challenge.

Pacific Biodiesel processes recycled cooking oil into cleaner, safer diesel fuel. The Pacific Biodiesel plant has a production capability of 200,000 gallons of premium biodiesel fuel per year. All the fuel they process is derived from recycled vegetable oil and is biodegradable. On Maui, this fuel is used for transportation, heating, and air-conditioning. Boats and tourist hotel buses on the island use biodiesel as their fuel.

The success of Pacific Biodiesel has potential as a model for other islands. It also shows that, by using biodiesel, we can reduce the environmental impact of diesel-powered vehicles, provide new outlets for agriculture, and create new jobs. Produced and used throughout Europe and in parts of Japan, this renewable energy source offers a host of environmental advantages that are gaining worldwide attention.

I urge the House to pass H.R. 4017 and recommend it for quick consideration in the Senate.

Mr. GUTKNECHT. Mr. Speaker, I strongly support H.R. 4017 because it is a win win-win proposition. Americans win with cleaner air. We win with greater energy independence. And, we win with higher farm income and a stronger rural economy.

As one who fought for the 5.4 cent ethanol blenders' tax credit and as one who originally cosponsored H.R. 4017, I want to commend my colleagues in the 105th Congress for their outstanding record of achievement in the advancement of renewable fuels. It was the 105th Congress that extended the critical ethanol blenders' tax credit to the year 2007, and it is this Congress which now proposes to formally recognize biodiesel as an alternative fuel.

Biodiesel is proven to reduce harmful air pollutants—and does it without imposing costly and burdensome regulations. Biodiesel will build on ethanol's success by further reducing our dependence on foreign energy making America's future more secure. And, biodiesel promises to add between seven and ten cents per bushel to the price of soybeans. That's good news if you come from Mankato, Minnesota where we crush more beans each day than anywhere else on Earth.

Mr. Speaker, this is an especially good day for Minnesota farmers and I want to compliment my good friend and colleague, Congressman JOHN SHIMKUS, for his leadership throughout the 105th Congress in making it possible. I am proud to be an original sponsor of this legislation and I urge its adoption.

Mr. DREIER. Mr. Speaker, it's no secret that air quality has long been a major problem in Los Angeles. We've attempted to fight the problem in a variety of ways, including construction of a metrorail system, improvements in bus transportation through the region, reduction in pollutants emitted by cars and business, and other methods. While we have made progress, there is no question that it remains a challenge in need of innovative, market-based solutions.

One such approach is to encourage the increased use of cleaner-burning fuels like biodiesel, as Congress sought to do when it passed the Energy Policy Act of 1992 (EPACT). As compared to conventional fuels, biodiesel can cut emissions of particulate matter and hydrocarbons in half. But while the Act prompted fleet managers to purchase alternative-fuel vehicles, it did not provide meaningful incentives to actually use cleaner fuels, such as biodiesel. As a result, fleet managers currently must purchase vehicles that are designed to run on alternative fuels, but have no reason to actually use alternative fuels in them.

H.R. 4017, the Energy Conservation Reauthorization Act, addresses that problem, providing that the purchase and consumption of biodiesel fuel counts toward fulfilling EPACT requirements. By making it sensible to actually use clean-burning fuels, this legislation will make it possible to realize the most important goal of EPACT—cleaner air.

Besides its value as a relatively clean-burning fuel, an important advantage of biodiesel fuel is that it is renewable. It can be made from agricultural feedstock, such as soybean and canola, and even from used deep-fryer fat from fast-food restaurants. As a substitute for gasoline or petroleum-based diesel fuel, the increased use of this type of renewable fuel not only contributes to cleaner air, it also reduces U.S. dependence on imported oil.

As an early cosponsor of Mr. SHIMKUS' legislation to amend the Energy Policy Act, I want to commend both him and Ms. MCCARTHY, the

original authors of the legislation, as well as Mr. SCHAEFER, the Chairman of the Energy and Power Subcommittee, for bringing this commonsense bipartisan legislation to the House floor. I encourage all Members to support its adoption.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Colorado (Mr. DAN SCHAEFER) that the House suspend the rules and pass the bill, H.R. 4017, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

Mr. DAN SCHAEFER of Colorado. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 417) to extend energy conservation programs under the Energy Policy and Conservation Act through September 30, 2002, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 417

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

SECTION 1. ENERGY POLICY AND CONSERVATION ACT AMENDMENTS.

The Energy Policy and Conservation Act is amended—

(1) at the end of section 154 by adding the following new subsection:

''(f) No later than October 1, 1997, the Secretary shall prepare a statement of policy on Strategic Petroleum Reserve development, maintenance and drawdown. The statement of policy shall evaluate the effect of sales of petroleum from the Strategic Petroleum Reserve under authorities other than those provided by this Act on the ability of the United States to fulfill its obligations under the international energy program. The statement of policy shall evaluate the effectiveness of the Strategic petroleum Reserve at reducing the impact of severe energy supply interruptions, in light of existing quantities of petroleum in the Strategic Petroleum Reserve, and the likelihood of purchases of additional petroleum for storage. The statement of policy shall set forth alternative strategies for drawdown and the criteria to be employed at the time of drawdown to select among such strategies. The statement of policy shall be published in the Federal Register and be subject to public comment, and may be prepared without regard to the requirements of section 553 of title 5, United States Code, section 501 of the Department of Energy Organization Act (42 U.S.C. 7191), and section 523 of this Act.'';

(2) by amending section 166 (42 U.S.C. 6246) to read as follows:

''AUTHORIZATION OF APPROPRIATIONS

''SEC. 166. There are authorized to be appropriated for each of fiscal years 1998 through 2000 such sums as may be necessary to implement this part.'';

(3) at the end of part B of title I by adding the following new section:

''USE OF UNDERUTILIZED FACILITIES

''SEC. 168. (a) Notwithstanding section 649(b) of the Department of Energy Organization Act (42 U.S.C. 7259(b)), the Secretary is authorized to store in underutilized Strategic Petroleum Reserve facilities, by lease or otherwise, petroleum product owned by a foreign government or its representatives. Petroleum product stored under this section is not part of the Strategic Petroleum Reserve, is not subject to part C of this title, and notwithstanding any provision of this Act, may be exported from the United States.

''(b) Beginning on October 1, 2002, funds resulting from the leasing or other use of a Reserve facility under subsection (a) shall be available to the Secretary, without further appropriation, for the purchase of petroleum products for the Reserve.'';

(4) in section 181 (42 U.S.C. 6251) by striking ''1997'' other places it appears and inserting in lieu thereof ''2000'';

(5) by striking ''section 252(l)(1)'' in section 251(e)(1) (42 U.S.C. 6271(e)(1)) and inserting ''section 252(k)(1)'';

(6) in section 252 (42 U.S.C. 6272)—

(A) in subsections (a)(1) and (b), by striking ''allocation and information provisions of the international energy program'' and inserting ''international emergency response provisions'';

(B) in subsection (d)(3), by striking ''known'' and inserting after ''circumstances'' ''known at the time of approval'';

(C) in subsection (e)(2) by striking ''shall'' and inserting ''may'';

(D) in subsection (f)(2) by inserting ''voluntary agreement or'' after ''approved'';

(E) by amending subsection (h) to read as follows:

''(h) Section 708 of the Defense Production Act of 1950 shall not apply to any agreement or action undertaken for the purpose of developing or carrying out—

''(1) the international energy program, or

''(2) any allocation, price control, or similar program with respect to petroleum products under this Act.'';

(F) in subsection (k) by amending paragraph (2) to read as follows:

''(2) The term 'international emergency response provisions' means—

''(A) the provisions of the international energy program which relate to international allocation of petroleum products and to the information system provided in the program, and

''(B) the emergency response measures adopted by the Governing Board of the International Energy Agency (including the July 11, 1984, decision by the Governing Board on 'Stocks and Supply Disruptions') for—

''(i) the coordinated drawdown of stocks of petroleum products held or controlled by governments; and

''(ii) complementary actions taken by governments during an existing or impending international oil supply disruption''; and

(G) by amending subsection (l) to read as follows:

''(l) The antitrust defense under subsection (f) shall not extend to the international allocation of petroleum products unless allocation is required by chapters III and IV of the international energy program during an international energy supply emergency.'';

(7) by amending the last sentence of section 256(h) (42 U.S.C. 6276(h)) to read as follows: ''There are authorized to be appropriated for each of fiscal years 1998 through 2002 such sums as may be necessary to carry out this part.'';

(8) in section 281 (42 U.S.C. 6285) by striking ''1997'' both places it appears and inserting in lieu thereof ''2002''.;

(9) in section 365(f)(1) (42 U.S.C. 6325(f)(1)) by striking ''not to exceed'' and all that follows through ''fiscal year 1993'' and inserting in lieu thereof ''for each of fiscal years 1998 through 2002 such sums as may be necessary'';

(10) by amending section 397 (42 U.S.C. 6371f) to read as follows:

''AUTHORIZATION OF APPROPRIATIONS

''SEC. 397. For the purpose of carrying out this part, there are authorized to be appropriated for each of fiscal years 1998 through 2002 such sums as may be necessary.''; and

(11) in section 400BB(b) (42 U.S.C. 6374a(b)) by amending paragraph (1) to read as follows:

''(1) There are authorized to be appropriated to the Secretary for carrying out this section such sums as may be necessary for each of fiscal years 1998 through 2002, to remain available until expended.''.

SEC. 2. PURCHASES FROM STRATEGIC PETROLEUM RESERVE BY ENTITIES IN INSULAR AREAS OF UNITED STATES AND FREELY ASSOCIATED STATES.

(a) Section 161 of the Energy Policy and Conservation Act (42 U.S.C. 6241) is amended by adding at the end the following:

''(j) PURCHASES FROM STRATEGIC PETROLEUM RESERVE BY ENTITIES IN INSULAR AREAS OF UNITED STATES AND FREELY ASSOCIATED STATES.—

''(1) DEFINITIONS.—In this subsection:

''(A) BINDING OFFER.—The term 'binding offer' means a bid submitted by the State of Hawaii for an assured award of a specific quantity of petroleum product, with a price to be calculated pursuant to paragraph (2) of this subsection, that obligates the offeror to take title to the petroleum product without further negotiation or recourse to withdraw the offer.

''(B) CATEGORY OF PETROLEUM PRODUCT.—The term 'category of petroleum product' means a master line item within a notice of sale.

''(C) ELIGIBLE ENTITY.—The term 'eligible entity' means an entity that owns or controls a refinery that is located within the State of Hawaii.

''(D) FULL TANKER LOAD.—The term 'full tanker load' means a tanker of approximately 700,000 barrels of capacity, or such lesser tanker capacity as may be designated by the State of Hawaii.

''(E) INSULAR AREA.—The term 'insular area' means the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the United States Virgin Islands, Guam, American Samoa, and the Freely Associated States of the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

''(F) OFFERING.—The term 'offering' means a solicitation for bids for a quantity or quantities of petroleum product from the Strategic Petroleum Reserve as specified in the notice of sale.

''(G) NOTICE OF SALE.—The term 'notice of sale' means the document that announces—

''(i) the sale of Strategic Petroleum Reserve products;

''(ii) the quantity, characteristics, and location of the petroleum product being sold;

''(iii) the delivery period for the sale; and

''(iv) the procedures for submitting offers.

''(2) IN GENERAL.—In the case of an offering of a quantity of petroleum product during a drawdown of the Strategic Petroleum Reserve—

''(A) the State of Hawaii, in addition to having the opportunity to submit a competitive bid, may—

''(i) submit a binding offer, and shall on submission of the offer, be entitled to purchase a category of a petroleum product specified in a notice of sale at a price equal to the volumetrically weighted average of the successful bids made for the remaining quantity of the petroleum product within the category that is the subject of the offering; and

''(ii) submit 1 or more alternative offers, for other categories of the petroleum product, that will be binding if no price competitive contract is awarded for the category of petroleum product on which a binding offer is submitted under clause (i); and

''(B) at the request of the Governor of the State of Hawaii, a petroleum product purchased by the State of Hawaii at a competitive sale or through a binding offer shall have first preference in scheduling for lifting.

''(3) LIMITATION ON QUANTITY.—

''(A) IN GENERAL.—In administering this subsection, in the case of each offering, the Secretary may impose the limitation described in subparagraph (B) or (C) that result in the purchase of the lesser quantity of petroleum product.

''(B) PORTION OF QUANTITY OF PREVIOUS IMPORTS.—The Secretary may limit the quantity of a petroleum product that the State of Hawaii may purchase through a binding offer at any offering to 1/12 of the total quantity of imports of the petroleum product brought into the State during the previous year (or other period determined by the Secretary to be representative).

''(C) PERCENTAGE OF OFFERING.—The Secretary may limit the quantity that may be purchased through binding offers at any offering to 3 percent of the offering.

''(4) ADJUSTMENTS.—

''(A) IN GENERAL.—Notwithstanding any limitation imposed under paragraph (3), in administering this subsection, in the case of each offering, the Secretary shall, at the request of the Governor of the State of Hawaii, or an eligible entity certified under paragraph (7), adjust the quantity to be sold to the State of Hawaii in accordance with this paragraph.

''(B) UPWARD ADJUSTMENT.—The Secretary shall adjust upward to the next whole number increment of a full tanker load if the quantity to be sold is—

''(i) less than 1 full tanker load; or

''(ii) greater than or equal to 50 percent of a full tanker load more than a whole number increment of a full tanker load.

''(C) DOWNWARD ADJUSTMENT.—The Secretary shall adjust downward to the next whole number increment of a full tanker load if the quantity to be sold is less than 50 percent of a full tanker load more than a whole number increment of a full tanker load.

''(5) DELIVERY TO OTHER LOCATIONS.—The State of Hawaii may enter into an exchange or a processing agreement that requires delivery to other locations, if a petroleum product of similar value or quantity is delivered to the State of Hawaii.

''(6) STANDARD SALES PROVISIONS.—Except as otherwise provided in this Act, the Secretary may require the State of Hawaii to comply with the standard sales provisions applicable to purchasers of petroleum product at competitive sales.

''(7) ELIGIBLE ENTITIES.—

''(A) IN GENERAL.—Subject to subparagraphs (B) and (C) and notwithstanding any other provision of this paragraph, if the Governor of the State of Hawaii certifies to the Secretary that the State has entered into an agreement with an eligible entity to carry out this Act, the eligible entity may act on behalf of the State of Hawaii to carry out this subsection.

''(B) LIMITATION.—The Governor of the State of Hawaii shall not certify more than 1 eligible entity under this paragraph for each notice of sale.

''(C) BARRED COMPANY.—If the Secretary has notified the Governor of the State of Hawaii that a company has been barred from bidding (either prior to, or at the time that a notice of sale is issued), the Governor shall not certify the company under this paragraph.

''(8) SUPPLIES OF PETROLEUM PRODUCTS.—At the request of the governor of an insular area, or President of a Freely Associated State, the Secretary shall, for a period not to exceed 180 days following a drawdown of the Strategic Petroleum Reserve, assist the insular area in its efforts to maintain adequate supplies of petroleum products from traditional and non-traditional suppliers.''.

(b) REGULATIONS.—

''(1) IN GENERAL.—The Secretary of Energy shall issue such regulations as are necessary to carry out the amendment made by subsection (a).

''(2) ADMINISTRATIVE PROCEDURE.—Regulations issued to carry out the amendment made by subsection (a) shall not be subject to—

(A) section 523 of the Energy Policy and Conservation Act (42 U.S.C. 6393); or

(B) section 501 of the Department of Energy Organization Act (42 U.S.C. 7191).

(c) EFFECTIVE DATE.—The amendment made by subsection (a) takes effect on the earlier of—

(1) the date that is 180 days after the date of enactment of this Act; or

(2) the date that final regulations are issued under subsection (b).

SEC. 3. ENERGY POLICY ACT OF 1992 AMENDMENT.

Section 2603 of the Energy Policy Act of 1992 (25 U.S.C. 3503) is amended in subsection (c) by striking ''and 1997'' each place it appears and inserting ''1997, 1998, 1999, and 2000'' in lieu thereof.

SEC. 4. ENERGY CONSERVATION AND PRODUCTION ACT AMENDMENT.

Section 422 of the Energy Conservation and Production Act (42 U.S.C. 6872) is amended to read as follows:

''AUTHORIZATION OF APPROPRIATIONS

''SEC. 422. For the purpose of carrying out the weatherization program under this part, there are authorized to be appointed for each of fiscal years 1998 through 2002 such sums as may be necessary.

□ 1315

MOTION OFFERED BY MR. DAN SCHAEFER OF COLORADO

Mr. DAN SCHAEFER of Colorado. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore (Mr. SUNUNU). The Clerk will report the motion.

The Clerk read as follows:

Mr. DAN SCHAEFER, of Colorado moves to strike out all after the enacting clause of S. 417, and insert in lieu thereof the provisions of H.R. 4017 as passed by the House.

The motion was agreed to.

The Senate bill was ordered to be read a third time, and was read the third time.

The title of the Senate bill was amended so as to read: ''A bill to extend certain programs under the Energy Policy and Conservation Act and the Energy Conservation and Production Act, and for other purposes.''

The motion to reconsider was laid on the table.

A similar House bill (H.R. 4017) was laid on the table.

GENERAL LEAVE

Mr. DAN SCHAEFER of Colorado. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on S. 417.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

EXTENDING DEADLINE UNDER FEDERAL POWER ACT APPLICABLE TO CONSTRUCTION OF HYDROELECTRIC PROJECT IN STATE OF ARKANSAS

Mr. DAN SCHAEFER of Colorado. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4081) to extend the deadline under the Federal Power Act applicable to the construction of a hydroelectric project in the State of Arkansas.

The Clerk read as follows:

H.R. 4081

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

SECTION 1. EXTENSION OF DEADLINES.

Notwithstanding the time limitations of section 13 of the Federal Power Act (16 U.S.C. 806), the Federal Energy Regulatory Commission, upon the request of the licensee for FERC Project No. 10455 (and after reasonable notice), is authorized, in accordance with the good faith, due diligence and public interest requirements of section 13 and the Commission's procedures under such section, to extend the time required for commencement of construction of the project for up to a maximum of 3 consecutive 2-year periods. This section shall take effect for the project upon the expiration of the extension (issued by the Commission under section 13) of the period required for commencement of such project.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Colorado (Mr. DAN SCHAEFER) and the gentlewoman from Missouri (Ms. MCCARTHY) each will control 20 minutes.

The Chair recognizes the gentleman from Colorado (Mr. DAN SCHAEFER).

Mr. DAN SCHAEFER of Colorado. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 4081 extends the construction period for a hydroelectric project in the State of Arkansas.

Under section 13 of the Federal Power Act, project construction must begin within 4 years of issuance of the license. If construction has not begun by that time, FERC cannot extend the deadline and must terminate the license. H.R. 4081 provides up to 6 additional years to commence construction if the sponsor pursues the commencement of construction in good faith and with due diligence.

These types of bills have not been controversial in the past. The bill does not change the license requirements in any way and does not change environmental standards, but merely extends the construction deadline.

There is a need to act on this, since the construction deadline for the River Mountain Pumped Storage Project expires next month. If Congress does not act, FERC will terminate the license, the project sponsor will lose $8 million