

1           **Subtitle C—Transportation**  
2                           **Efficiency**

3   **SEC. 221. EMISSIONS STANDARDS.**

4           (a) MOTOR VEHICLE STANDARDS.—The President  
5 shall use statutory authorities in effect on the day before  
6 the enactment of this section to set motor vehicle stand-  
7 ards that—

8                   (1) are achievable by the automobile manufac-  
9 turing companies;

10                   (2) to the extent practicable, harmonize stand-  
11 ards that may be set by the National Highway Traf-  
12 fic Safety Administration pursuant to the authority  
13 in chapter 329 of title 49, United States Code,  
14 standards that may be set by the Administrator of  
15 the Environmental Protection Agency pursuant to  
16 the authority in the Clean Air Act, and standards  
17 that have or may be set by the State of California;

18                   (3) achieve at least as much emissions reduc-  
19 tions as would be achieved by implementation of the  
20 California law AB 1493 if enforced in the State of  
21 California and the other States that have adopted  
22 the standard; and

23                   (4) do not preempt California’s legal authority  
24 to adopt and enforce its own mobile source emissions  
25 standards.

1 (b) GREENHOUSE GAS EMISSION STANDARDS FOR  
2 MOBILE SOURCES.—Title VIII of the Clean Air Act, as  
3 added by section 331 of this Act, is amended by inserting  
4 after part A the following new part:

5 **“PART B—MOBILE SOURCES**  
6 **“SEC. 821. GREENHOUSE GAS EMISSION STANDARDS FOR**  
7 **MOBILE SOURCES.**

8 “(a) MOTOR VEHICLES AND ENGINES.—

9 “(1) Pursuant to section 202(a)(1), by Decem-  
10 ber 31, 2010, the Administrator shall promulgate  
11 standards applicable to emissions of greenhouse  
12 gases from new heavy-duty vehicles and engines, ex-  
13 cluding such vehicles covered by the Tier II stand-  
14 ards (as established by the Administrator as of the  
15 date of the enactment of this section). The Adminis-  
16 trator may revise these standards from time to time.

17 “(2) Regulations issued under section 202(a)(1)  
18 applicable to emissions of greenhouse gases from  
19 new heavy-duty vehicles and engines, excluding such  
20 vehicles covered by the Tier II standards (as estab-  
21 lished by the Administrator as of the date of the en-  
22 actment of this section), shall contain standards that  
23 achieve the greatest degree of emissions reduction  
24 achievable based on the application of technology  
25 which the Administrator determines will be available

1 at the time such standards take effect, taking into  
2 consideration cost, energy, and safety factors associ-  
3 ated with the application of such technology. Any  
4 such regulations shall take effect after such period  
5 as the Administrator finds necessary to permit the  
6 development and application of the requisite tech-  
7 nology.

8 “(b) NONROAD VEHICLES AND ENGINES.—

9 “(1) Pursuant to section 213(a)(4), the Admin-  
10 istrator shall promulgate standards applicable to  
11 emissions of greenhouse gases from new marine ves-  
12 sels and locomotives, and from new engines used in  
13 marine vessels and locomotives, by December 31,  
14 2012. The Administrator shall also promulgate  
15 standards applicable to emissions of greenhouse  
16 gases for such other classes and categories of  
17 nonroad vehicles and engines as the Administrator  
18 determines appropriate and in the timeframe the  
19 Administrator determines appropriate. The Adminis-  
20 trator shall base such determination, among other  
21 factors, on the relative contribution of greenhouse  
22 gas emissions, and the costs for achieving reduc-  
23 tions, from such classes or categories of new  
24 nonroad engines and vehicles. The Administrator  
25 may revise these standards from time to time.

1           “(2) Standards under section 213(a)(4) applica-  
2           ble to emissions of greenhouse gases from new ma-  
3           rine vessels and locomotives, and from new engines  
4           used in marine vessels and locomotives, shall achieve  
5           the greatest degree of emissions reduction achievable  
6           based on the application of technology which the Ad-  
7           ministrators determines will be available at the time  
8           such standards take effect, taking into consideration  
9           cost, energy, and safety factors associated with the  
10          application of such technology. Any such regulations  
11          shall take effect after such period as the Adminis-  
12          trator finds necessary to permit the development and  
13          application of the requisite technology.

14          “(3) For purposes of this section and standards  
15          under section 213(a)(4) applicable to emissions of  
16          greenhouse gases, the term ‘nonroad engines and ve-  
17          hicles’ shall include non-internal combustion engines  
18          and the vehicles these engines power (such as elec-  
19          tric engines and electric vehicles), for those non-in-  
20          ternal combustion engines and vehicles which would  
21          be in the same category and have the same uses as  
22          nonroad engines and vehicles that are powered by in-  
23          ternal combustion engines.

24          “(c) AIRCRAFT AND AIRCRAFT ENGINES.—

1           “(1) Pursuant to section 231(a), the Adminis-  
2           trator shall promulgate standards applicable to emis-  
3           sions of greenhouse gases from new aircraft and new  
4           engines used in aircraft by December 31, 2012. Not-  
5           withstanding any requirement in section 231(a), the  
6           Administrator shall also promulgate standards appli-  
7           cable to emissions of greenhouse gases from other  
8           classes and categories of aircraft and aircraft en-  
9           gines for such classes and categories as the Adminis-  
10          trator determines appropriate and in the timeframe  
11          the Administrator determines appropriate. The Ad-  
12          ministrator may revise these standards from time to  
13          time.

14          “(2) Standards under section 231(a) applicable  
15          to emissions of greenhouse gases from new aircraft  
16          and new engines used in aircraft, and any later revi-  
17          sions or additional standards, shall achieve the  
18          greatest degree of emissions reduction achievable  
19          based on the application of technology which the Ad-  
20          ministrator determines will be available at the time  
21          such standards take effect, taking into consideration  
22          cost, energy, and safety factors associated with the  
23          application of such technology. Any such standards  
24          shall take effect after such period as the Adminis-

1           trator finds necessary to permit the development and  
2           application of the requisite technology.

3           “(d) AVERAGING, BANKING, AND TRADING OF EMIS-  
4           SIONS CREDITS.—In establishing standards applicable to  
5           emissions of greenhouse gases pursuant to this section and  
6           sections 202(a), 213(a)(4), and 231(a), the Administrator  
7           may establish provisions for averaging, banking, and trad-  
8           ing of greenhouse gas emissions credits within or across  
9           classes or categories of motor vehicles and motor vehicle  
10          engines, nonroad vehicles and engines (including marine  
11          vessels), and aircraft and aircraft engines, to the extent  
12          the Administrator determines appropriate and considering  
13          the factors appropriate in setting standards under those  
14          sections. Such provisions may include reasonable and ap-  
15          propriate provisions concerning generation, banking, trad-  
16          ing, duration, and use of credits.

17          “(e) REPORTS.—The Administrator shall, from time  
18          to time, submit a report to Congress that projects the  
19          amount of greenhouse gas emissions from the transpor-  
20          tation sector, including transportation fuels, for the years  
21          2030 and 2050, based on the standards adopted under  
22          this section.”.

1 **SEC. 222. GREENHOUSE GAS EMISSIONS REDUCTIONS**  
2 **THROUGH TRANSPORTATION EFFICIENCY.**

3 Title VIII of the Clean Air Act, as added by section  
4 331 of this Act, is further amended by inserting after part  
5 C the following new part:

6 **“PART D—PLANNING REQUIREMENTS**

7 **“SEC. 841. GREENHOUSE GAS EMISSIONS REDUCTIONS**  
8 **THROUGH TRANSPORTATION EFFICIENCY.**

9 “(a) IN GENERAL.—Each State shall—

10 “(1) not later than 3 years after the date of the  
11 enactment of this section, submit to the Adminis-  
12 trator goals for transportation-related greenhouse  
13 gas emissions reductions; and

14 “(2) as part of each transportation plan or  
15 transportation improvement plan developed under  
16 title 23 or title 49, United States Code, ensure that  
17 a plan to achieve such goals, or an updated version  
18 of such a plan, is submitted to the Administrator  
19 and to the Secretary of Transportation (in this sec-  
20 tion referred to as the ‘Secretary’) by each metro-  
21 politan planning organization in the State for an  
22 area with a population exceeding 200,000.

23 “(b) MODELS AND METHODOLOGIES.—

24 “(1) IN GENERAL.—The Administrator shall  
25 promulgate regulations to establish standardized  
26 models and methodologies for use in developing

1 goals, plans, and strategies under this section. Such  
2 regulations may approve or improve existing models  
3 and methodologies.

4 “(2) TIMING.—The Administrator shall—

5 “(A) publish proposed regulations under  
6 paragraph (1) not later than 1 year after the  
7 date of the enactment of this section; and

8 “(B) promulgate final regulations under  
9 paragraph (1) not later than 2 years after such  
10 date of enactment.

11 “(c) GREENHOUSE GAS REDUCTION GOALS.—

12 “(1) CONSULTATION.—Each State shall develop  
13 the goals referred to in subsection (a)(1)—

14 “(A) in concurrence with State agencies re-  
15 sponsible for air quality and transportation;

16 “(B) in consultation with each metropoli-  
17 tan planning organization for an area in the  
18 State with a population exceeding 200,000 and  
19 applicable local air quality and transportation  
20 agencies; and

21 “(C) with public involvement, including  
22 public comment periods and meetings.

23 “(2) PERIOD.—The goals referred to in sub-  
24 section (a)(1) shall be for 10- and 20-year periods.

1           “(3) TARGETS; DESIGNATED YEAR.—The goals  
2 referred to in subsection (a)(1) shall establish tar-  
3 gets to reduce mobile source greenhouse gas emis-  
4 sions in the covered area from levels projected under  
5 a business-as-usual scenario. The targets shall be de-  
6 signed to ensure that the levels of such emissions  
7 stabilize and decrease after a designated year. The  
8 State shall consider designating 2010 as such des-  
9 ignated year.

10           “(4) COVERED AREA.—The goals referred to in  
11 subsection (a)(1) shall be established—

12                   “(A) on a statewide basis; and

13                   “(B) for each metropolitan planning orga-  
14 nization in the State for an area with a popu-  
15 lation exceeding 200,000.

16           “(5) REVISED GOALS.—Every 4 years, each  
17 State shall update and revise, as appropriate, the  
18 goals referred to in subsection (a)(1).

19           “(d) PLANNING.—A plan referred to in subsection  
20 (a)(2) shall—

21                   “(1) be based upon the models and methodolo-  
22 gies established by the Administrator under sub-  
23 section (b);

24                   “(2) address mobile sources, economic develop-  
25 ment, and scenario analysis; and

1 “(3) be developed—

2 “(A) with public involvement, including  
3 public comment periods and meetings;

4 “(B) with regional coordination, including  
5 with respect to—

6 “(i) metropolitan planning organiza-  
7 tions;

8 “(ii) the localities comprising the met-  
9 ropolitan planning organization;

10 “(iii) the State in which the metro-  
11 politan planning organization is located;  
12 and

13 “(iv) air quality and transportation  
14 agencies for the State and region involved;  
15 and

16 “(C) in consultation with the State and  
17 local housing, public health, economic develop-  
18 ment, land use, environment, and public trans-  
19 portation agencies.

20 “(e) STRATEGIES.—In developing goals under sub-  
21 section (a)(1) and a plan under subsection (a)(2), the  
22 State or metropolitan planning organization, as applicable,  
23 shall consider transportation and land use planning strate-  
24 gies to reduce greenhouse gas emissions, including the fol-  
25 lowing:

1           “(1) Efforts to increase public transportation,  
2 including commuter rail service and ridership, by  
3 adding at a minimum—

4           “(A) new public transportation systems,  
5 including new commuter rail systems;

6           “(B) employer-based subsidies; and

7           “(C) cleaner locomotive technologies.

8           “(2) Updates to zoning and other land use reg-  
9 ulations and plans to support development that—

10           “(A) coordinates transportation and land  
11 use planning;

12           “(B) focuses future growth close to exist-  
13 ing and planned job centers and public facili-  
14 ties;

15           “(C) uses existing infrastructure;

16           “(D) promotes walking, bicycling, and pub-  
17 lic transportation use; and

18           “(E) mixes land uses such as housing, re-  
19 tail, and schools.

20           “(3) Implementation of a policy (referred to as  
21 a ‘complete streets policy’) that—

22           “(A) ensures adequate accommodation of  
23 all users of transportation systems, including  
24 pedestrians, bicyclists, public transportation

1 users, motorists, children, the elderly, and indi-  
2 viduals with disabilities; and

3 “(B) adequately addresses the safety and  
4 convenience of all users of the transportation  
5 system.

6 “(4) Construction of bicycle and pedestrian in-  
7 frastructure facilities.

8 “(5) Projects to promote telecommuting, flexi-  
9 ble work schedules, or satellite work centers.

10 “(6) Pricing measures such as congestion pric-  
11 ing.

12 “(7) Intermodal freight system strategies, in-  
13 cluding enhanced rail services, short sea shipping,  
14 and other strategies.

15 “(8) Parking policies.

16 “(9) Travel demand management projects.

17 “(10) Restriction of the use of certain roads, or  
18 lanes, by vehicles other than passenger buses and  
19 high-occupancy vehicles.

20 “(11) Reduction of vehicle idling, including  
21 idling associated with freight management, construc-  
22 tion, transportation, and commuter operations.

23 “(12) Policies to encourage the use of retrofit  
24 technologies and early replacement of vehicles, en-

1 engines and equipment to reduce greenhouse gas emis-  
2 sions from existing mobile sources.

3 “(13) Other projects that the Administrator  
4 finds reduce greenhouse gas emissions from mobile  
5 sources.

6 “(f) PUBLIC AVAILABILITY.—The Administrator  
7 shall publish, including by posting on the Environmental  
8 Protection Agency’s website—

9 “(1) the goals and plans submitted under sub-  
10 section (a); and

11 “(2) for each plan submitted under subsection  
12 (a)(2), an analysis of the anticipated effects of the  
13 plan on greenhouse gas emissions and oil consump-  
14 tion.

15 “(g) ENFORCEMENT.—If the Administrator finds  
16 that a State has failed to submit goals under subsection  
17 (a)(1), or to ensure the submission of a plan under sub-  
18 section (a)(2), for any area in the State (irrespective of  
19 whether the area is a nonattainment area), the Adminis-  
20 trator may impose a prohibition in accordance with section  
21 179(b)(1) applicable to the area. The Administrator may  
22 not impose a prohibition under the preceding sentence,  
23 and no action may be brought by the Administrator or  
24 any other entity alleging a violation of this section, based

1 on the content or adequacy of a goal or plan submitted  
2 under subsection (a)(1) or (a)(2).

3 “(h) COMPETITIVE GRANTS.—

4 “(1) GRANTS.—The Administrator, in consulta-  
5 tion with the Secretary of Transportation, may  
6 award grants on a competitive basis to metropolitan  
7 planning organizations to develop or implement  
8 plans submitted under subsection (a)(2) or elements  
9 thereof.

10 “(2) PRIORITY.—In making grants under para-  
11 graph (1), the Administrator shall give priority to  
12 applicants based upon—

13 “(A) the amount of greenhouse gas emis-  
14 sions to be reduced on a total or per capita  
15 basis, as determined by the Administrator in  
16 consultation with the Secretary of Transpor-  
17 tation; and

18 “(B) such other factors as the Adminis-  
19 trator determines appropriate.

20 “(3) AUTHORIZATION OF APPROPRIATIONS.—

21 To carry out this subsection, there are authorized to  
22 be appropriated such sums as may be necessary.

23 “(i) DEFINITIONS.—In this section:

24 “(1) The term ‘metropolitan planning organiza-  
25 tion’ means a metropolitan planning organization, as

1 such term is used in section 176 of the Clean Air  
2 Act.

3 “(2) The term ‘scenario analysis’ means an  
4 analysis that is conducted by identifying different  
5 trends and making projections based on those trends  
6 to develop a range of scenarios and estimates of how  
7 each scenario could improve access to goods and  
8 services, including access to employment, education,  
9 and health care (especially for elderly and economi-  
10 cally disadvantaged communities), and could affect  
11 rates of—

12 “(A) vehicle miles traveled;

13 “(B) use of mobile source fuel by type, in-  
14 cluding electricity; and

15 “(C) greenhouse gas emissions from the  
16 mobile source sector.

17 “(j) LAND USE AUTHORITY.—Nothing in this section  
18 may be construed to—

19 “(1) infringe upon the existing authority of  
20 State or local governments to plan or control land  
21 use, or

22 “(2) provide or transfer authority over land use  
23 to any other entity.”.

1 **SEC. 223. SMARTWAY TRANSPORTATION EFFICIENCY PRO-**  
2 **GRAM.**

3 Part B of title VIII of the Clean Air Act, as added  
4 by section 221 of this Act (and amended by section 121  
5 of this Act), is further amended by adding after section  
6 822 the following section:

7 **“SEC. 823. SMARTWAY TRANSPORTATION EFFICIENCY PRO-**  
8 **GRAM.**

9 “(a) IN GENERAL.—There is established within the  
10 Environmental Protection Agency a SmartWay Transport  
11 Program to quantify, demonstrate and promote the bene-  
12 fits of technologies, products, fuels and operational strate-  
13 gies that reduce petroleum consumption, air pollution and  
14 greenhouse gas emissions from the mobile source sector.

15 “(b) GENERAL DUTIES.—Under the program estab-  
16 lished under this section, the Administrator shall carry out  
17 each of the following:

18 “(1) Development of measurement protocols to  
19 evaluate the energy consumption and greenhouse gas  
20 impacts from technologies and strategies in the mo-  
21 bile source sector, including those for passenger  
22 transport and goods movement.

23 “(2) Development of qualifying thresholds for  
24 certifying, verifying or designating energy-efficient,  
25 low-greenhouse gas SmartWay technologies and

1 strategies for each mode of passenger transportation  
2 and goods movement.

3 “(3) Development of partnership and recogni-  
4 tion programs to promote best practices and drive  
5 demand for energy-efficient, low-greenhouse gas  
6 transportation performance.

7 “(4) Promotion of the availability of and en-  
8 courage the adoption of SmartWay certified or  
9 verified technologies and strategies and publication  
10 of the availability of financial incentives such as as-  
11 sistance from loan programs and other Federal and  
12 State incentives.

13 “(c) SMARTWAY TRANSPORT FREIGHT PARTNER-  
14 SHIP.—The Administrator shall establish a SmartWay  
15 Transport Partnership program with shippers and carriers  
16 of goods to promote energy-efficient, low-greenhouse gas  
17 transportation. In carrying out such partnership, the Ad-  
18 ministrator shall undertake each of the following:

19 “(1) Certification of the energy and greenhouse  
20 gas performance of participating freight carriers, in-  
21 cluding those operating rail, trucking, marine, and  
22 other goods movement operations.

23 “(2) Publication of a comprehensive energy and  
24 greenhouse gas performance index of freight modes  
25 (including rail, trucking, marine and other modes of

1 transporting goods) and individual freight companies  
2 so that shippers can choose to deliver their goods  
3 more efficiently.

4 “(3) Development of tools for—

5 “(A) carriers to calculate their energy and  
6 greenhouse gas performance, and

7 “(B) shippers to calculate the energy and  
8 greenhouse gas impacts of moving their prod-  
9 ucts and to evaluate the relative impacts from  
10 transporting their goods by different modes and  
11 corporate carriers.

12 “(4) Provision of recognition opportunities for  
13 participating shipper and carrier companies dem-  
14 onstrating advanced practices and achieving superior  
15 levels of greenhouse gas performance.

16 “(d) IMPROVING FREIGHT GHG PERFORMANCE  
17 DATABASES.—The Secretary of the Treasury shall, in  
18 consultation with the Administrator, define and collect  
19 data on the physical and operational characteristics of the  
20 Nation’s truck population, with special emphasis on data  
21 related to energy efficiency and greenhouse gas perform-  
22 ance to inform the performance index in subsection (c)(2)  
23 of this section, and other means of goods transport as nec-  
24 essary, at least every 5 years as part of the economic cen-  
25 sus required under title 13 of the United States Code.

1 “(e) ESTABLISHMENT OF FINANCING PROGRAM.—

2 The Administrator shall establish a SmartWay Financing  
3 Program to competitively award funding to eligible entities  
4 identified by the Administrator in accordance with the  
5 program requirements in subsection (g).

6 “(f) PURPOSE.—Under the SmartWay Financing  
7 Program, eligible entities shall—

8 “(1) use funds awarded by the Administrator to  
9 provide flexible loan and lease terms that increase  
10 approval rates and/or lower the costs of loans and  
11 leases in accordance with guidance developed by the  
12 Administrator, and

13 “(2) make these loans and leases available to  
14 public and private entities for the purpose of adopt-  
15 ing low-greenhouse gas technologies or strategies for  
16 the mobile source sector that are designated by the  
17 Administrator.

18 “(g) PROGRAM REQUIREMENTS.—The Administrator  
19 shall determine program design elements and require-  
20 ments, including—

21 “(1) the type of financial mechanism with  
22 which to award funding, in the form of grants or  
23 contracts;

24 “(2) the designation of eligible entities to re-  
25 ceive funding, including State, tribal, and local gov-

1 ernments, regional organizations comprised of gov-  
2 ernmental units, nonprofit organizations, or for-prof-  
3 it companies;

4 “(3) criteria for evaluating applications from el-  
5 igible entities, including anticipated—

6 “(A) cost-effectiveness of loan and/or lease  
7 program on a metric-ton-of-greenhouse gas-  
8 saved-per-dollar basis,

9 “(B) ability to promote the loan and/or  
10 lease program and associated technologies and  
11 strategies to target audience; and

12 “(4) reporting requirements for entities that re-  
13 ceive awards, including—

14 “(A) actual cost-effectiveness and green-  
15 house gas savings from loan and/or lease pro-  
16 gram based on a methodology designated by the  
17 Administrator;

18 “(B) total number of applications and  
19 number of approved applications, and

20 “(C) terms granted to loan and lease re-  
21 cipients compared to prevailing market prac-  
22 tices.

23 “(h) AUTHORIZATION OF APPROPRIATIONS.—Such  
24 sums as necessary are authorized to be appropriated to  
25 the Administrator to carry out this section.”.

1 **SEC. 224. STATE VEHICLE FLEETS.**

2 Section 507(o) of the Energy Policy Act of 1992 (42  
3 U.S.C. 13257) is amended by adding the following new  
4 paragraph at the end thereof:

5 “(3) The Secretary shall revise the rules under  
6 this subsection with respect to the types of alter-  
7 native fueled vehicles required for compliance with  
8 this subsection to ensure those rules are consistent  
9 with any guidance issued pursuant to section 303 of  
10 this Act.”.

11 **Subtitle D—Utilities Energy**  
12 **Efficiency**

13 **SEC. 231. ENERGY EFFICIENCY RESOURCE STANDARD FOR**  
14 **RETAIL ELECTRICITY AND NATURAL GAS DIS-**  
15 **TRIBUTORS.**

16 (a) IN GENERAL.—Title VI of the Public Utility Reg-  
17 ulatory Policies Act of 1978 (16 U.S.C. 2601 and fol-  
18 lowing) is amended by adding after section 610 (as added  
19 by section 101 of this Act) the following:

20 **“SEC. 611. FEDERAL ENERGY EFFICIENCY RESOURCE**  
21 **STANDARD FOR RETAIL ELECTRICITY AND**  
22 **NATURAL GAS DISTRIBUTORS.**

23 “(a) STATEMENT OF FEDERAL POLICY.—The Fed-  
24 eral energy efficiency resource standard established by this  
25 section sets nationwide minimum levels of electricity and  
26 natural gas savings to be achieved through utility effi-