

Landmark Vehicle and Fuel Choices Legislation: Setting America Free

The bipartisan Senate bill titled the Vehicle & Fuel Choices for American Security Act (S. 2025) sponsored by Senators Bayh (D-IN), Brownback (R-KS), Coleman (R-MN), Graham (R-SC), Lieberman (D-CT), Lugar (R-IN), Obama (D-IL) and Salazar (D-CO) and twenty other Senators and the companion bipartisan House bill (H.R. 4409) sponsored by Vice Chair of the Republican Conference Rep. Kingston (R-GA), Rep. Saxton (R-NJ), and Rep. Engel (D-NY) and 81 other cosponsors aim to put the nation on the path to independence from foreign oil. The bills blaze this trail by requiring a real plan to boost efficient use of oil in our transportation sector, offer consumers non-petroleum fuel choices, and encourage the use of fuels produced from domestic resources. The bills are based on the Set America Free Coalition's Blueprint for Energy security. Both bills include four components:

1) <u>An Oil Savings Plan</u>: The centerpiece of the bill is a real plan which commits the nation to specific targets for reduced U.S. oil dependence, starting with oil savings of 2.5 million barrels of oil per day within ten years and increasing significantly by 2025 (ramping up from a 10% to more than 20% reduction from projected oil demand). Elements of the plan are spelled out:

- Office of Management and Budget (OMB) designs a plan for federal agencies to use existing and new authorities to achieve the specific oil savings;
- Federal agencies must then promulgate requirements necessary to achieve plan goals; and
- Reviews and updates performed regularly as the plan is implemented.

2) <u>Focus on 21st Century Vehicles – Renew Detroit</u>: The legislation creates some new authorities and research programs to help achieve the oil savings, including:

- Financial assistance for auto manufacturers and suppliers who decide to retool factories to build more efficient vehicles;
- Program to move fuel-efficient tires into the marketplace;
- Authority to set efficiency standards for new heavy-trucks;
- Funding for policy of school bus idling reduction; and
- Incentives to speed commercialization of advanced vehicles technologies, such as plug-in hybrids and light-weight materials.

3) <u>Increase Fuel Choice</u>: The bill also provides a suite of policies which ramp up commercialization of alternative fuels and provide infrastructure for delivering such alternatives to gasoline to consumers, including:

- Production incentives for cellulosic biofuels beyond those provided by the energy bill;
- An alternative fueling infrastructure fund for installation of alternative fuel pumps;
- Ramp up to standardizing flexible fuel vehicles;
- Consumer incentives for purchasing of efficient vehicles, beyond those provided by the energy bill;
- Private fleet owner incentives to purchase more fuel efficient vehicles; and
- Transit-oriented development incentives to reduce vehicles miles traveled

4) <u>A Nationwide Energy Security Media Campaign</u>: Finally, the bill provides for a nationwide oil security public education campaign to be administered by the Secretary of Energy.

Set America Free Coalition

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