

112TH CONGRESS  
1ST SESSION

# S. 1603

To enable transportation fuel competition, consumer choice, and greater use of domestic energy sources in order to reduce our Nation's dependence on foreign oil.

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## IN THE SENATE OF THE UNITED STATES

SEPTEMBER 22, 2011

Ms. CANTWELL (for herself and Mr. LUGAR) introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

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## A BILL

To enable transportation fuel competition, consumer choice, and greater use of domestic energy sources in order to reduce our Nation's dependence on foreign oil.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Open Fuels Standard  
5 Act of 2011”.

6 **SEC. 2. OPEN FUELS STANDARD.**

7 (a) IN GENERAL.—Chapter 329 of title 49, United  
8 States Code, is amended by adding at the end the fol-  
9 lowing:

1 **“§ 32920. Open fuels standard**

2 “(a) DEFINITIONS.—In this section:

3 “(1) ADVANCED ALTERNATIVE FUEL BLEND.—

4 The term ‘advanced alternative fuel blend’ means—

5 “(A) a mixture containing—

6 “(i) at least 85 percent denatured eth-  
7 anol, by volume, or a lower percentage pre-  
8 scribed by the Secretary pursuant to sec-  
9 tion 32901(b); and

10 “(ii) gasoline or drop-in fuel;

11 “(B) a mixture containing—

12 “(i) at least 70 percent methanol, by  
13 volume; and

14 “(ii) gasoline or drop-in fuel; and

15 “(C) any other mixture of alcohols or liq-  
16 uid fuels certified by the Secretary pursuant to  
17 subsection (b)(2).

18 “(2) ANNUAL COVERED INVENTORY.—The term  
19 ‘annual covered inventory’ means the number of  
20 automobiles (as defined in section 32901(a)(3)) that  
21 a manufacturer, during a given calendar year, man-  
22 ufactures in the United States or imports from out-  
23 side of the United States, for sale in the United  
24 States.

1           “(3) FUEL CHOICE-ENABLING VEHICLE.—The  
2 term ‘fuel choice-enabling vehicle’ means a auto-  
3 mobile warranted by its manufacturer—

4           “(A)(i) absent certification authorizing the  
5 use of an advanced alternative fuel blend under  
6 subsection (b)(2), to operate on a mixture con-  
7 taining—

8                   “(I) at least 85 percent dena-  
9 tured ethanol, by volume, or a lower  
10 percentage prescribed by the Sec-  
11 retary pursuant to section 32901(b);  
12 and

13                   “(II) gasoline or drop-in fuel;  
14 and

15           “(ii) after certification under sub-  
16 section (b)(2), to operate on an advanced  
17 alternative fuel blend; or

18           “(B) to operate on—

19                   “(i) natural gas;

20                   “(ii) hydrogen;

21                   “(iii) electricity;

22                   “(iv) a hybrid electric engine;

23                   “(v) a mixture of biodiesel and diesel  
24 fuel meeting the standard established by  
25 the American Society for Testing and Ma-

1           terials or under section 211(u) of the  
 2           Clean Air Act (42 U.S.C. 7545(u)) for fuel  
 3           containing 5 percent biodiesel; or

4           “vi) any other fuel or means of  
 5           powering covered automobiles prescribed  
 6           by the Secretary, by regulation, that con-  
 7           tains not more than 10 percent petroleum,  
 8           by volume.

9           “(b) OPEN FUELS STANDARD.—

10           “(1) IN GENERAL.—Each automobile manufac-  
 11           turer’s annual covered inventory shall be comprised  
 12           of—

13           “(A) not less than 50 percent fuel choice-  
 14           enabling vehicles in model years 2015, 2016,  
 15           and 2017; and

16           “(B) not less than 80 percent fuel choice-  
 17           enabling vehicles in model year 2018 and each  
 18           subsequent model year.

19           “(2) CERTIFICATIONS.—Not later than 2 years  
 20           after the date of the enactment of the Open Fuels  
 21           Standard Act of 2011, the Secretary of Transpor-  
 22           tation, in consultation with the Administrator of the  
 23           Environmental Protection Agency, shall certify—

24           “(A) the use of advanced alternative fuel  
 25           blends in fuel choice-enabling vehicles unless

1 the Secretary determines that such certifi-  
2 cation—

3 “(i) is not technologically feasible;

4 “(ii) would result in burdensome con-  
5 sumer costs;

6 “(iii) negatively impacts automobile  
7 safety;

8 “(iv) negatively impacts air quality;

9 “(v) would not increase the use of do-  
10 mestic feedstock sources; or

11 “(vi) is unlikely to enable reductions  
12 in foreign oil imports;

13 “(B) the type and blend of advanced alter-  
14 native fuel blend that can be utilized by specific  
15 automobiles in use on such date of enactment;  
16 and

17 “(C) the type and blend of advanced alter-  
18 native fuel blend that can be utilized by new  
19 and existing components of the Nation’s trans-  
20 portation fueling infrastructure for fuel choice-  
21 enabled vehicles.

22 “(3) SMALL MANUFACTURER EXEMPTION.—At  
23 the request of a manufacturer, the Secretary of  
24 Transportation shall exempt the manufacturer from  
25 the requirement described in paragraph (1) if the

1 manufacturer's annual covered inventory is fewer  
2 than 10,000.

3 “(4) CREDIT TRADING AMONG MANUFACTUR-  
4 ERS.—

5 “(A) IN GENERAL.—The Secretary may es-  
6 tablish, by regulation, an open fuels standard  
7 credit trading program to allow manufacturers  
8 whose annual covered inventory exceeds the re-  
9 quirement described in paragraph (1) to earn  
10 credits, which may be sold to manufacturers  
11 that are unable to achieve such requirement.

12 “(B) DUAL FUEL CREDIT.—Beginning in  
13 model year 2018, any automobile used to qual-  
14 ify for the open fuels standard under this sub-  
15 section cannot be used to receive the dual fuel  
16 credit under section 32903.

17 “(c) FUEL CHOICE COMPARISON TOOL.—The Sec-  
18 retary of Transportation, in consultation with the Sec-  
19 retary of Energy, the Secretary of Agriculture, the Admin-  
20 istrator of the Environmental Protection Agency, and the  
21 Federal Trade Commission, shall—

22 “(1) develop a model label for pumps in the  
23 United States dispensing advanced alternative fuels  
24 to consumers that—

1           “(A) identifies a single, readily comprehen-  
2           sible metric that allows consumers to evaluate  
3           the relative value, energy density, and expected  
4           automobile performance of any particular ad-  
5           vanced alternative fuel blend; and

6           “(B) includes appropriate warnings against  
7           the use of such fuels in unwarranted engines,  
8           including nonautomobile engines; and

9           “(2) make the label described in paragraph (1)  
10          available for voluntary reproduction and adoption.

11          “(d) STUDY OF FUEL DISPENSING INFRASTRUCTURE  
12          FOR ADVANCED ALTERNATIVE FUEL BLENDS.—Not later  
13          than 2 years after the date of the enactment of the Open  
14          Fuels Standard Act of 2011, the Secretary of Transpor-  
15          tation shall submit a report to the Committee on Com-  
16          merce, Science, and Transportation of the Senate and the  
17          Committee on Energy and Commerce of the House of  
18          Representatives that evaluates the need for standardized  
19          fueling equipment that facilitates the dispensing of ad-  
20          vanced alternative fuel blends to fuel choice-enabling vehi-  
21          cles and prevents such fuel blends from being dispensed  
22          to incompatible automobiles.”.

23          (b) CLERICAL AMENDMENT.—The table of section  
24          for chapter 329 of title 49, United States Code, is amend-  
25          ed by adding at the end the following:

“32920. Open fuels standard.”.

1       (c) RULEMAKING.—Not later than 1 year after the  
2 date of the enactment of this Act, the Secretary shall pro-  
3 mulgate regulations to carry out the amendment made by  
4 subsection (a).

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