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110TH CONGRESS
1ST SESSION

# S. 426

To provide that all funds collected from the tariff on imports of ethanol be invested in the research, development, and deployment of biofuels, especially cellulosic ethanol produced from biomass feedstocks.

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IN THE SENATE OF THE UNITED STATES

JANUARY 29, 2007

Mr. NELSON of Nebraska introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

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# A BILL

To provide that all funds collected from the tariff on imports of ethanol be invested in the research, development, and deployment of biofuels, especially cellulosic ethanol produced from biomass feedstocks.

*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 ''Biofuels Investment Trust Fund Act''.

**SEC. 2. BIOFUELS INVESTMENT TRUST FUND.**

(a) ESTABLISHMENT.—

(1) IN GENERAL.—There is established in the Treasury of the United States a trust fund, to be known as the ''Biofuels Investment Trust Fund'' (referred to in this Act as the ''Trust Fund''), consisting of such amounts as may be transferred to the Trust Fund under paragraph (2).

(2) TRANSFER.—As soon as practicable after the date of enactment of this Act, the Secretary of the Treasury shall transfer to the Trust Fund, from amounts in the general fund of the Treasury, such amounts as the Secretary of the Treasury determines to be equivalent to the amounts received in the general fund as of January 1, 2007, that are attributable to duties received on articles entered under heading 9901.00.50 of the Harmonized Tariff Schedule of the United States.

(b) EXPENDITURES FROM TRUST FUND.—

(1) IN GENERAL.—The Secretary of Energy, in consultation with the Secretary of Agriculture and the Secretary of the Treasury, shall use amounts in the Trust Fund to provide financial assistance for research, development, and deployment programs for biofuels to increase the amount and diversity of biofuels produced in the United States and made

available to consumers, especially for cellulosic ethanol production from biomass feedstocks.

(2) REQUIREMENTS.—The Secretary of Energy shall ensure that amounts made available under paragraph (1) shall be used only—

(A) to provide financial assistance to farmers, producers, biorefiners, researchers, universities, and other persons or entities involved in the research, development, deployment, or production of biofuels, especially the production of biomass feedstock for cellulosic ethanol production; or

(B) as otherwise directed by Congress to advance research, development, and deployment of biofuels, especially cellulosic ethanol produced from biomass feedstocks.

(c) INVESTMENT OF AMOUNTS.—

(1) IN GENERAL.—The Secretary of the Treasury shall invest such portion of the Trust Fund as is not, in the judgment of the Secretary of the Treasury, required to meet current withdrawals.

(2) INTEREST-BEARING OBLIGATIONS.—Investments may be made only in interest-bearing obligations of the United States.

(3) ACQUISITION OF OBLIGATIONS.—For the purpose of investments under paragraph (1), obligations may be acquired—

(A) on original issue at the issue price; or

(B) by purchase of outstanding obligations at the market price.

(4) SALE OF OBLIGATIONS.—Any obligation acquired by the Trust Fund may be sold by the Secretary of the Treasury at the market price.

(5) CREDITS TO TRUST FUND.—The interest on, and the proceeds from the sale or redemption of, any obligations held in the Trust Fund shall be credited to and form a part of the Trust Fund.

(d) TRANSFERS OF AMOUNTS.—

(1) IN GENERAL.—The amounts required to be transferred to the Trust Fund under subsection (a)(1) shall be transferred at least quarterly from the general fund of the Treasury to the Trust Fund on the basis of estimates made by the Secretary of the Treasury.

(2) ADJUSTMENTS.—Proper adjustment shall be made in amounts subsequently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.

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