



The Solutions Network

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Rochester, New York

# **Alternative Fuel Vehicles and Hybrids: Policies, Obstacles, and Solutions**

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# Federal Fleets

FY2003 Federal Fleet Report



- **Total Inventory 599,851**
  - Increased 3.51% Since FY 2002
- **Miles Traveled 4.84 Billion**
- **Operating Costs \$2.61 Billion**
- **22 Large Fleets (>2,000)**
- **Fleet Composition Vehicle Type**
  - Trucks 79.8%
  - Sedans 18.8%
  - Buses/ambulances 1.5%
- **Fleet Composition Agencies**
  - USPS 36%
  - Civilian 35%
  - Military 29%
- **Fleet Composition Sources**
  - Agency-owned 69%
  - GSA Fleet 29%
  - Commercial Lease 2%

# E.O. 13149/EPA Act Requirements

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- Reduce petroleum consumption by 20%
  - Use alternative fuel in AFVs 51% of the time
  - Increase fuel economy of non-AF LDV acquisitions
- Reinforces compliance with EPA Act
  - 75% of covered LDV acquisitions must be AFVs

# Basis For Federal Fleet Energy Programs

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- Title III of The Energy Policy Act (EPAAct)
  - Procure From 5000 Vehicles in 1993 to 75% From 1999 and Forward
  - Directed to Refuel With Alternative Fuels to Maximum Practicable
  - Directed to Consider Partnerships to Establish New Alternative Refueling Stations

# Basis For Federal Fleet Energy Programs (Cont.)



- Executive Order 13149: Governing Direction for Compliance with EPA Act
  - Goals:
    - To Exercise Federal Leadership in Reducing Petroleum Consumption Through Improvements in Fuel Efficiency and Use of Alternative Fuel Vehicles and Fuels
    - To Promote Markets for Alternative Fuels and Fuel-efficient Vehicles, Encourage New Technologies, Enhance Energy Self-sufficiency and Security, and Promote a Cleaner Environment

# GSA's Role



- EPAAct
  - Perform a Study on Disposal of AFVs,
  - Permitted to Allocate Incremental Cost of AFVs Across All New Procurements
  - Ensure AFVs Are Not Converted to Gasoline When Sold
  - Cooperate With Energy to Promote Educational Programs
  - Directed to Institute an Annual Awards Program
  - Measure the Actual Use of Alternative Fuels in AFVs
  - Report to Congress on It's AFV Program
- Executive Order 13149
  - Assisting Agencies in Meeting Acquisition Goals
  - Provide Assistance With Funding

# GSA's Role (Cont.)



- GSA's Office of Governmentwide Policy
  - No Formal Role
  - Involvement Through the Federal Fleet Policy Council (Fedfleet)
    - Information Broker
    - Coordinated Response to the Lawsuit Filed in January 2002
    - Six Cities AFV Program
    - Participation in the Interfuels Program
    - Worked With Service Station Industry Group to Improve Reporting of Fuel Purchases
    - Cosponsor With Energy for the Federal Automotive Statistical Tool (FAST)
      - » Federal Fleet Report
      - » Compliance With EPA Act and Executive Order
      - » OMB A-11, Exhibit 33

# Federal Fleet Performance



- 20 % Petroleum Fuel Reduction
  - 0.3% Decrease In Covered Fuel Use In Spite Of A Significant Diesel Fuel Use Reduction.
    - 6% Gasoline (Increase)
    - 10.7% Diesel (Decrease)
- 75% AFV Acquisitions From 1999 Forwards
  - 86 % Overall in 2003
    - Some Agencies well over 100%
    - Some Agencies Barely Achieving Double Digits

# Leadership In The Federal Government



- The Purpose of the Mandates is to Create a Market
  - The Feds Purchase Less Than  $\frac{1}{2}$  of 1% of Manufactured Vehicles
  - The Feds Buy Less Than  $\frac{2}{10}$  of 1% of Fuel Consumed in the U.S.
  - 14% Of The Federal Fleet Are Afvs
  - 2.1% Of The Fuel Used Is Alternative Fuel

# Basis For Federal Fleet Energy Programs (Cont.)

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- Executive Order 13149
  - Fleet Requirements:
    - 20 % Reduction in Petroleum Consumption by 2005 Compared to 1999
    - Improve EPA Fuel Economy Rating of New Acquisitions Compared to 1999
      - 1 Mile Per Gallon by End of 2002
      - 3 Miles Per Gallon by End of 2005

# What Has Gone Wrong?



- Incremental Costs
- Unavailability of Suitable Vehicles
- Compliance is Costly
- Higher Cost Vehicles
- Mismatch Vehicle Types
- Conflict Between EPA Act & Executive Order
- AFVs contribute little toward Petroleum Displacement
- Fuel Reporting Requirements Difficult
- Fuel Codes
- Trained Technicians
- CNG Tank Inspections
- Potential Legal Liabilities
- Upper-Level Management
- Demand for AFVs Small
- Low Disposal Proceeds
- Limited Refueling Infrastructure
- Bi-fuel
- Loss of Operating Performance
- Cargo capacity
- Fleet Established Stations Costly
- Public Access
- Operationally Problematic
- Substantial additional Refueling Travel Time
- Federal Fleets Can not Sustain Refueling Sites
- Drivers not Eager
- Fuel Costs More
- Drivers fear for Safety

# How Do We Become Successful?

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- All Agencies Must Work As a Team to Make Our Programs Successful
- Agencies Upper Management Must Support the Programs
- Energy Managers Within Each Agency Must Work Together Toward Common Goals
- Agencies Must Become More Effective at Managing Their Fleets

# Fleet Review Recommendations



- Appoint a Strong Agency Fleet Manager
- Issue an Agency Wide Internal Fleet Handbook
- Implement a Periodic Internal Fleet Review Process
- Expand FAST to Include Future Vehicle Acquisition Plans for the A-11 Data Call.(Completed)
- Develop a Structured Allocation Method for Determining the Type of Vehicles and Quantity Needed
- Develop a GSA Fleet Schedule of Services
- Develop an AFV Program That Meets All Mandated Goals and Provides Drivers' Training
- Develop an Agency Wide Fleet Safety Program
- **Allocate Funding for and Acquire an Agency Wide Fleet Management Information System**

# Fleet MIS

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- Mandated by the End of FY 2006
- More Effective Fleet Management With Accurate Data on Fleet Costs
- Foundation of an Effective AFV Program
  - Informed Decisions on AFV Vehicle Acquisitions and Where They Are Most Effective
  - Facilitate Agencies in Meeting Fuel Use Mandates
  - Accurate Reports for Agency Officials, Energy, GSA, OMB, and Congress
  - Facilitate New Effective Mandates

# Future Plans

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- Updated 41 CFR 102-34 Motor Vehicle Management
- Advisory Bulletins
- National Agency Meetings
- AFV Strategy for All Federal Agencies by FY 2007

# For More information

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- [www.gsa.gov/vehiclepolicy](http://www.gsa.gov/vehiclepolicy)
- National and Local FEDFLEET Meetings
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