

FOIA MARKER

This is not a textual record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

Collection/Record Group: Clinton Presidential Records
Subgroup/Office of Origin: Office of Environmental Initiatives
Series/Staff Member: Roger Ballentine
Subseries:

OA/ID Number: 19511
FolderID:

Folder Title:
Climate Change Other Federal Use/Transportation: Federal Transportation Executive Order [1]

Stack:	Row:	Section:	Shelf:	Position:
S	62	1	1	2

Impact of Transportation Executive Order

Introduction

The draft transportation executive order is written specifically to give agencies clear goals for reducing the energy and environmental impact of Federal motor vehicle operations while also providing agencies with significant flexibility in meeting the goals. This attachment to the draft order provides insights into the impacts of the order on the Federal fleet, and several different approaches that could be used by each agency to meet the goals of the order within the constraints of the agency's unique fleet requirements. This analysis is intended to provide a menu of approaches—some may not be appropriate for every agency—and some cost factors that agencies can use to calculate the fiscal impacts of various combinations of approaches. This analysis is not intended to set in concrete elements of the draft order that will be finalized only after interagency concurrence.

Summary

Meeting the goal in Section 201, reducing petroleum fuel used by 20 percent by 2005 in the Federal Fleet, will have the following benefits:

- * Petroleum fuel savings by the Federal Fleet of 45 million gallons per year (969,000 bbl/year; 2,655 bbl/day);
- * Greenhouse gas emission savings of 207,000 to 590,000 tons/year (CO₂-equivalent);
- * Average Federal gasoline vehicle fuel economy increased by 3 mpg; and
- * 32 million gallons gasoline equivalent of alternative fuels used per year (assuming Scenario 1 in Table 1 and Figure 1).

A typical agency fleet could meet these requirements for less than \$54,000 annual incremental cost for every thousand vehicles in its fleet, or about \$54 per vehicle on average. The estimated cost for the Federal government fleets is less than \$23 million annually, or less than 1.2% of the \$2 billion annual spent on Federal vehicles and fuel.

Implementation Approaches

Agencies have numerous options for developing a strategy to meet the petroleum reduction goal in Section 201. Measures include the use of alternative fuels in light, medium, and heavy-duty vehicles, the acquisition of vehicles with higher fuel economy, the substitution of cars for light trucks, an increase in vehicle load factors, a decrease in vehicle miles traveled, and a decrease in fleet size. Each agency will need a strategy that includes most, if not all, of these measures, but can develop a strategy that fits its unique fleet configuration and mission requirements. The strategy should attempt to minimize costs and criteria pollutant emissions from vehicles. Most agencies will rely on three approaches for the bulk of petroleum reductions, supplemented by other approaches. These three are: (1) using alternative fuel in EFACT vehicles; (2) acquiring more fuel-efficient gasoline vehicles; or (3) using B20 in existing diesel vehicles and/or using CNG in heavy-duty vehicles. Table 1 provides estimates of how these approaches could be combined in various scenarios to achieve the 20% petroleum reduction goal. Figure 1 shows those same scenarios in graphical format.

Fiscal Impacts of Various Choices

The fiscal impact agencies will experience to achieve a 20 percent reduction in petroleum fuel use will depend on how they choose to achieve compliance. Table 2 presents the fuel savings and costs for actions involving vehicles, on an annual per-vehicle basis. Table 3 presents the petroleum fuel savings and costs per year for a hypothetical agency fleet of 1,000 vehicles. (Note: both Tables 2 and 3 assume average fuel use per vehicle across the Federal Fleet - some agency fleets may differ significantly from the average.) To calculate the fiscal

impact for an individual agency:

- 1) identify the size of the agencies fleet and the amount of petroleum consumed;
- 2) select the elements that will comprise the agencies strategy to meet the 20% reduction goal;
- 3) apply the cost factor for each element of the strategy for the number of vehicles affected; and
- 4) sum the costs to calculate a total cost.

subtract fuel savings?

As shown in Table 3, an agency that adopts the approaches identified in Scenario 1 could meet the goals at a net annual cost of about \$54,000 per 1000 vehicles in its fleet, or \$54 per vehicle on average.

*one shot?
per year?*

Table 4 shows the sample agency Fleet composition that was used in this analysis.

Several assumptions used in this analysis may not apply to every agency. Each agency should carefully review the analysis presented here and prepare an individual fiscal impact statement that reflects specific agency fleet operations.

Table 1. Potential Scenarios for 20% Petroleum Fuel Reduction in the Federal Fleet

Scenario	Percent Petroleum Fuel Savings			
	Use of AFs in EPACT AFVs	Acquisition of Higher FE Gasoline Vehs	Use of AFs in HD Vehicles	Other Measures
1. 50% AF use in AFVs; 3 mpg improvement in gasoline vehicle FE; use of B20 in 50% HDVs; use of CNG in 5% HDVs	11.7	5.6	2.7	0.0
2. 85% AF use in EPACT AFVs	20.0	0.0	0.0	0.0
3. 50% AF use in AFVs; use of B20 in 50% HDVs; other measures	11.7	0.0	1.7	6.6
4. 35% AF use in AFVs; 3 mpg improvement in gasoline vehicle FE; use of B20 in 50% HDVs; other measures	8.2	5.6	1.7	4.5
5. 40% AF use in AFVs; 2 mpg improvement in gasoline vehicle FE; use of B20 in 50% HDVs; other measures	9.4	3.8	1.7	5.1
6. 50% AF use in AFVs; 3 mpg improvement in gasoline vehicle FE; use of B20 in 20% HDVs; other measures	11.7	5.6	0.7	2.0

EE-34. 3/6/00, O:\OTU\FLEET\Executive Order\EO Impact Supplement Mar 00.wpd

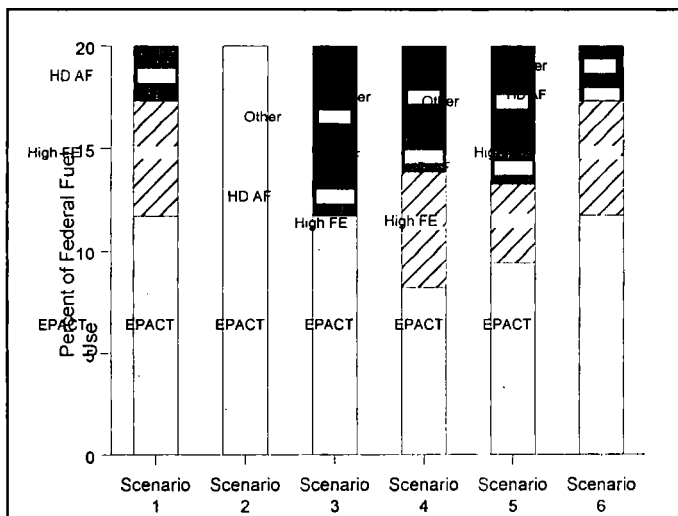


Table 2. Example Annual Per-Vehicle Savings and Costs

Activity	Annual Fuel Savings per Vehicle, percent	Annual Fuel Savings per Vehicle, gal/yr	Annual Cost Impact per Vehicle, percent ¹	Annual Cost Impact per Gallon Displaced, \$	Annual Cost Impact per Vehicle, \$/yr ⁴
Reducing Vehicle Size					
Use compact car instead of midsize car	2%	7	(28.3%)	(162)	(1,200)
Use subcompact car instead of compact car	13%	60	(10.2%)	(4.78)	(310)
Use compact pickup instead of standard pickup	15%	100	(4.6%)	(1.67)	(160)
Increasing EPACT Alternative Fuel Use in Light-Duty Vehicles					
Use E85 50% of the time in Flexible-Fuel Taurus ²	50%	210	1.4%	0.28	60
Use E85 100% of the time in Flexible-Fuel Taurus ²	100%	510	3.4%	0.28	140
Use E85 50% of the time in E85 compact pickup	50%	220	1.8%	0.28	60
Use CNG 50% of the time in bifuel CNG standard pickup ³	50%	320	1.5%	0.16	50
Acquiring Higher Fuel Economy Vehicles⁵					
Acquire Compact Car with 2 mpg higher fuel economy	8%	40	2.0%	1.61	60
Acquire Compact Car with 3 mpg higher fuel economy	11%	50	1.4%	0.80	40
Acquire full-size pickup with 2 mpg higher fuel economy	11%	70	2.8%	1.41	100
Acquire full-size pickup with 3 mpg higher fuel economy	15%	100	1.9%	0.68	70
Using Non-Petroleum Fuels in Heavy-Duty Vehicles					
Use CNG 100% of the time in HD vehicle	100%	600	(7.5%)	(0.60)	(370)
Use B20 in existing HD vehicle instead of regular diesel (50% B20)	10%	60	2.1%	1.64	100
Use B20 in existing HD vehicle instead of regular diesel (100% B20)	20%	120	4.1%	1.64	200

¹ Based on annual lease and total per-mile charges on an annual basis. Note: cost reductions from fuel savings will accrue to the General Services Administration (because agencies are charged by mile rather than by gallon) and could be used to reduce agency lease costs. Numbers in parentheses denote savings.

² The increase in annual vehicle cost is due to the incremental cost of E85. Although E85 contains 15% gasoline or other denaturant, all of the E85 fuel is counted as non-petroleum because it is designated as an alternative fuel by the Energy Policy Act.

³ Incremental vehicle cost attributed to EPACT mandate

⁴ Changes in fuel cost are assumed to be passed on to agencies by GSA

⁵ This analysis assumes that GSA is charged a price premium of \$300 for a car or \$500 for a truck that is 2 mpg or 3 mpg higher than the agencies' current fleet. This premium is highly uncertain and will depend on vehicle availability and competition.

Table 3. A Hypothetical 1,000-Vehicle Agency Fleet Achieves Compliance Following Scenario 1

4March 16, 2000

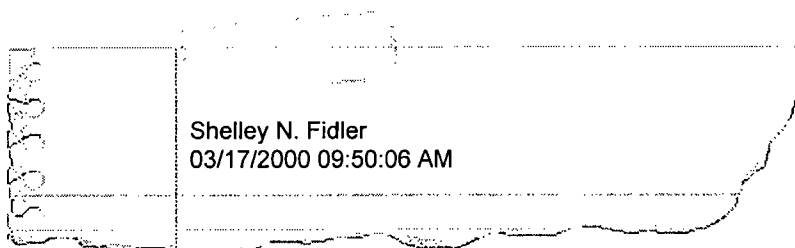
Activity	Number of Vehicles	Annual Fuel Savings per Vehicle, gal/yr	Annual Fuel Savings, gal	Percent Fleet Fuel Savings	Estimated Costs/Savings
Reducing Vehicle Size					
Use compact car instead of midsize car	n/a	7			0
Use subcompact car instead of compact car	n/a	60			0
Use compact pickup instead of standard pickup	n/a	100			0
Increasing EPACT Alternative Fuel Use in Light-Duty Vehicles					
Use E85 50% of the time in Flexible-Fuel Taurus ²	150	210	31,500	5.8%	\$9,000
Use E85 100% of the time in Flexible-Fuel Taurus ²	n/a	510			0
Use E85 50% of the time in E85 compact pickup	150	220	33,000	6.0%	\$9,000
Use CNG 50% of the time in bifuel CNG standard pickup ³	n/a	320			0
Acquiring Higher Fuel Economy Vehicles					
Acquire Compact Car with 3 mpg higher fuel economy	250	50	12,500	2.3%	\$10,000
Acquire full-size pickup with 3 mpg higher fuel economy	250	100	25,000	4.6%	\$17,500
Using Non-Petroleum Fuels in Heavy-Duty Vehicles					
Use CNG 100% of the time in HD vehicle	5	600	3,000	0.5%	(\$1,850)
Use B20 in existing HD vehicle instead of regular diesel (50% B20)	n/a	60			0
Use B20 in existing HD vehicle instead of regular diesel (100% B20)	50	120	6,000	1.1%	\$10,000
Total	855		111,000	20.3%	\$53,650

5 March 16, 2000

Table 4. Hypothetical 1,000-Vehicle Agency Fleet

Vehicle Type	Average Miles per Year	Number of Vehicles	Total Annual Fuel Use
Taurus (Midsize Car)	10,500	200	101,000
Compact Car	10,500	250	119,000
Compact Pickup	10,300	200	107,000
Full-Size Pickup	10,300	250	158,000
Heavy-Duty Truck ¹	6,000	100	61,000
Total		1,000	547,000

¹ Consumption of fuel in Federal heavy trucks is estimated to be lower than non-Federal trucks. This assumption is based on average annual fuel consumed by Federal heavy trucks as reported by the agencies.



Record Type: Record

To: See the distribution list at the bottom of this message

cc:

Subject: Latest version

Attached please find the Transport EO with most comments from OMB, OLC, GSA and assorted other intervenors. This is the document we will be reviewing at 11 am. We will be able to point out for you where changes were made. In addition, there are three policy issues for decision -- first, a proposal by DOD to extend the deadline for the 20% petroleum reduction for seven years vs five; second the innovative financing of AFVs and; three the Federal Environmental Executive request for a deadline for use of re-refined oil. Most other issues should be even more minor.

The second document is a revised analysis of costs and benefits of complying with this order .

The third document is a listing of issues which have been identified through the clearance process as guidance agencies will need. The proposed plan would be that the matters on this list would be handled as directed in the EO, through existing Federal Fleet Task Forces or through staffing by DOE with guidance sent out, as appropriate by OMB, DOE or GSA.

We hope to dispose of any remaining issues or questions VERY quickly today. Thanks for your participation.

----- Forwarded by Shelley N. Fidler/WHCCTF/EOP on 03/17/2000 09:35 AM -----



Lee.Slezak@ee.doe.gov
03/17/2000 09:34:49 AM

Record Type: Record

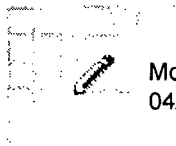
To: Shelley N. Fidler/WHCCTF/EOP

cc: David.Rodgers@ee.doe.gov, Shabnam.Fardanesh@ee.doe.gov

Subject: Latest version

Shelley,

Here are the latest versions of the draft order, the guidance items list, and



Morley A. Winograd@OVP
04/04/2000 05:38:47 PM

Record Type: Record

To: Roger S. Ballentine/WHO/EOP@EOP
cc: Jennifer R. Muller/OVP@OVP, Joshua Gotbaum/OMB/EOP@EOP
Subject: FEderal Fleet EO

Roger:

I've read the agency comments. Neither Jen nor I can be at your final meeting tomorrow with separate, unbreakable conflicts. My concerns based on agency comments are:

1. Are we really sure of the doability of the 50% alternative fuel usage by 2005? it got added as a good thing to ask for but I haven't seen any data to contradict agency claims that is undoable. When GSA questions it, I get really concerned.
2. Several comments were on reporting requirements. My memory was we were very flexible on how to do this, leaving it up to the coordinating group set up by the EO to figure out the best way to collect the data and report it. If that's still true, I'm fine. If its not true I have a big problem.
3. I agree with the one comment that suggested setting a minimum fleet size before EO applies. Two may be too small but some number is right.
4. Are we really sure of our answers to questions like: "medium trucks" have no definition or data, if mission expands how does the goal change, etc. I thought we did at one point but now my memory fails me.
5. I am of course opposed to further expansion of the EO's scope to include emissions. One thing at a time.

Morley

Comparison of Displacement from Fuel Economy Increase vs. Alternative Fuel Use

Petroleum Displacement from Fuel Economy Increase	Petroleum Displacement from 50% Alternative Fuel Use
FY99 AFV Sedan economy: 26 miles/gallon	
Miles/year: 10,000	
Fuel consumption: 385 gallons/year	
Target: 29 miles/gallon	Target: 50% alternative fuel use
Target Petroleum Consumption: 345 gallons/year	Target Petroleum Consumption: 192.5 gallons/year
Petroleum Displacement: 40 gallons/year	Petroleum Displacement: 192.5 gallons/year
FY99 AFV Full-size Pickup economy: 20 miles/gallon	
Miles/year: 10,000	
Fuel consumption: 500 gallons/year	
Target: 23 miles/gallon	Target: 50% alternative fuel use
Target Petroleum Consumption: 435 gallons/year	Target Petroleum Consumption: 250 gallons/year
Petroleum Displacement: 65 gallons/year	Petroleum Displacement: 250 gallons/year

Impact of requiring 3 mpg fuel economy improvement in AFVs

The Federal fleet currently purchases approximately 17,000 AFVs annually despite an EPACT requirement to purchase only 12,000 AFVs. If AFVs are included in the fuel economy improvement requirement, the easiest way for Federal agencies to meet the requirement would be to acquire only the minimum number of AFVs and purchase more gasoline vehicles with higher fuel economy.

1) Assuming all AFVs are sedans that travel 10,000 miles/year and achieved 26 mpg in FY 1999.

12,000 AFVs acquired annually for EPACT displacing 40 gallons/year/vehicle generate a total displacement of 480,000 gallons/year.

5,000 AFVs not acquired (to ease compliance with fuel economy increase requirement) would have displaced 192.5 gallons/year generating a total displacement of 962,500 gallons.

The lost displacement in this case is 482,500 gallons/year.

2) Assuming all AFVs are full-size pickups that travel 10,000 miles/year and achieved 20 mpg in FY 1999.

12,000 AFVs acquired annually for EPACT displacing 65 gallons/year/vehicle generate a total displacement of 780,000 gallons/year.

5,000 AFVs not acquired (to ease compliance with fuel economy increase requirement) would have displaced 250 gallons/year generating a total displacement of 1,250,000 gallons.

The lost displacement in this case is 470,000 gallons/year.

Bush? 10% (90-95) got close

President Clinton & Vice President Gore:
Making the Federal Transportation Fleet More Fuel Efficient
April 22, 2000

President Clinton today issued an Executive Order to significantly improve the fuel efficiency of the Federal vehicle fleet, setting an example for how America can reduce its reliance on oil and help meet environmental challenges, such as global warming. The Order instructs Federal agencies to reduce the amount of petroleum used by their vehicle fleets by 20 percent below 1999 levels by 2005. This will reduce the amount of fuel used by Federal vehicles by 45 million gallons each year while also reducing greenhouse gas emissions that are causing global warming by as much as 160,000 tons per year. The President also announced the upcoming opening of the first multiple alternative fuel refueling station in the Metropolitan D.C. area and recent moves by the U.S. Postal Service to purchase alternative fueled vehicles.

Aggressive Goals – Flexible, Cutting-Edge Strategies. Today's Order requires Federal agencies to meet an aggressive target – 20 percent lower oil use by 2005 – but gives agencies the flexibility to craft a strategy that will fit their particular needs while minimizing costs. Strategies and tools available to agencies include:

- Using alternative fuels in light, medium, and heavy-duty vehicles;
- Acquiring more fuel-efficient gasoline vehicles – anything from smaller cars to advanced hybrid vehicles;
- Decreasing vehicle miles traveled or fleet size.

A typical agency will be able to meet the Order's requirements for less than \$100 per vehicle. Overall cost to the Federal government will be less than 1.2 percent of the annual Federal expenditures on vehicles and fuel.

Multiple Benefits for U.S. Energy Security and the Environment. Reducing Federal petroleum use and displacing petroleum with alternative fuels supports the Administration agenda to:

- Reduce price pressures for petroleum products;
- Promote markets for alternative fuels and fuel efficient vehicles;
- Encourage new energy efficient and cleaner fuel technologies;
- Enhance U.S. energy self-sufficiency and security; and,
- Reduce emissions of greenhouse gases most scientists believe are causing global warming as well as emissions of other air pollutants.

A Legacy of Leading By Example. Today's Order builds on the President's significant legacy of making the Federal Government lead by example in meeting environmental challenges. Previous efforts include improving Federal recycling efforts (Executive Order 13101); making Federal buildings 35 percent more energy efficient (Executive Order No. 13123); coordinating efforts to triple U.S. use of bioenergy and bioproducts (Executive Order No. 13134); and the Greening of White House initiative.

Accountability. Under today's Order, the Office of Management and Budget will, among other measures, issue budget guidance requiring each agency to submit a strategy for meeting the Order's requirements and review agency progress. The Department of Energy will help agencies develop strategies while establishing needed data and reporting systems. The General Services Administration will develop and implement innovative financing options to encourage agencies to buy alternative fuel vehicles and use alternative fuels.

Alternative Fueling Station To Open Soon. In conjunction with today's Order, the President announced the opening next month (May 1st) of the first multiple alternative fuel refueling station in the Metropolitan D.C. area. The station, to be located at the Navy Annex Citgo, south of the Pentagon, will supply ethanol and compressed natural gas to Federal fleet vehicles, as well as State and local government fleets. Six other alternative fueling stations will open in the D.C. area later this year.

Postal Service Now Acquiring Electric Vehicles. Earlier this year, the U.S. Postal Service awarded a contract to Ford Motor Company and Baker Electromotive, Inc. for the production of 500 electric vehicles for daily mail delivery. This contract, announced January 6, 2000, marks the largest acquisition of zero emissions vehicles in U.S. history and includes an option to acquire an additional 5,500 electric vehicles.

WH Fleet?

-all (50) WH alternative/flexible fuel vehicles will run on alt fuels. Pentagon station opens May, 3 more soon

Alt Fuel: 5 million gallons

Breakdown of annual Federal Alternative Fuel consumption (gallons are gasoline equivalent):

CNG – 4 million gallons (expected to increase moderately)
E85 – 345K gallons (rising quickly, should exceed 1 million gallons in 2001)
Electric – 287K gallons (not expected to increase dramatically)
Biodiesel – 185K gallons (rising rapidly, should exceed 1 million gallons in 2001)
LPG – 67K gallons (should increase slightly)
M85 – 16K gallons (expected to disappear)

Number of Alternative Fuel refueling sites:

CNG – 1,200
E-85 – 75
LPG – 4,157
M85 – 51
Electric - 489
LNG - 46

Ethanol stations are predominantly located in the Mid-west and Northern Plains States
CNG and LNG stations are predominantly located in the following regions:

Southwest: AZ, CA, CO, NM, OK, & TX
Mid-Atlantic: DE, DC, MD, NJ, NY, PA, VA, & WV
Southeast :FL, & GA
Midwest: IL, IN, MI, OH, & WI

Executive Order reduction in annual Federal petroleum consumption: 45 million gallons
Anticipated increase in alternative fuel use by Federal fleets annually: 34 million gallons

Federal Fleet Cost Statistics

Annual cost of operations of Federal vehicles: \$2.3 billion
Estimated annual compliance cost: \$23 million (less than \$50/Federal fleet vehicle)

This estimate assumes that Federal fleets are operated extremely efficiently and would encounter a cost to reduce the amount of petroleum consumed through increased time to refuel alternative fuel vehicles, higher cost of fuel efficient vehicles, and decreased load factors of smaller vehicles. Assuming the Federal fleet is not the most efficiently run fleet eliminates most of these additional costs and results in almost no financial impact on Federal fleets.

Federal Fleet Vehicle Statistics

Total Federal fleet size (including light, medium, and heavy vehicles): 578,000
(Note: The fleet size decreased from 585,000 vehicles in 1993, a 1.5% decrease.)

Total vehicles in the largest Federal fleets:

- USPS – 205K
- DOD – 165 K
- Justice – 41K
- Agriculture – 40K
- Interior – 30K
- Energy – 17K
- Treasury – 17K
- Transportation – 10K

Number of vehicles leased to Federal agencies by GSA Fleet: 153,000

Number of Federal vehicles by vehicle class:

- Sedans and station wagons– 118K
- 4x2 light-duty trucks – 332K
- 4x4 light-duty trucks – 64K
- Medium and Heavy Trucks – 54K
- Buses – 7K
- Ambulances 3K

Number of Alternative Fuel Vehicles Acquired by Federal fleets: 58K

Number of Federal AFVs currently in operation: 42K

Total annual Federal fleet vehicle acquisitions: 55K (all vehicle classes)

Total annual EPACT covered acquisitions: 20K (light-duty in MSAs only)

Total annual Federal AFV acquisitions: 15K

Number of vehicles subject to the mandates of this Order: 514K

Number that will be exempt for national security reasons: 50K (estimate)

Number that will be exempt for law enforcement reasons: 55K (estimate)

Total number of vehicles that will be covered by the Order: 409K (estimate)

Federal Fleet Fuel Consumption Statistics

Total annual fleet fuel consumption: 350 million gallons

- Gasoline: 280 million gallons

- Diesel: 65 million gallons

**Executive Order
Greening the Government Through Federal
Fleet and Transportation Efficiency**

**Questions and Answers
4/19/2000**

- 1) How much petroleum will be saved by the Federal fleets as a result of this order?

This order will reduce the amount of oil used by Federal vehicles by 45 million gallons each year while also reducing greenhouse gas emissions by as much as 160,000 tons per year.

- 2) What is the projected cost to Federal fleets?

Typical Federal agencies will be able to meet the requirements of this Order for less than \$100 per vehicle. This represents a total cost to the Federal government of less than 1.2 percent of the annual Federal expenditure on vehicles and fuel.

- 3) How many alternative fuel vehicles (AFVs) are in Federal fleets today?

The Federal government has acquired more than 57,000 AFVs to comply with the Energy Policy Act of 1992 and approximately 42,000 of these AFVs are still in use by Federal fleets.

- 4) Why aren't Federal fleets using alternative fuel in their AFVs?

We recognize that the limited availability of alternative fuel infrastructure and the lack of a requirement to use these fuels have resulted in a low usage rate of alternative fuel in Federal AFVs. This Order will address this issue by requiring Federal fleets to use alternative fuel in their AFVs the majority of the time.

- 5) How will agencies use alternative fuel in AFVs if it isn't widely available?

The Department of Energy will assist agencies in coordinating with other local fleets operating AFVs to create demand, then work with alternative fuel providers to install infrastructure to meet this demand.

Questions and Answers on the USPS EV Procurement

- 1) How many electric mail delivery vehicles are being purchased by the USPS and where will they be used?

The first year's procurement will be for 500 EVs with 480 placed in California and 20 placed in the DC area. This represents the largest EV acquisition ever in the United States. Purchase options for subsequent years total an additional 5,500 EVs.

- 2) At this time of USPS funding shortfall and proposed workforce reductions, where is the funding for these EVs coming from?

As a result of funding provided by the Department of Energy and several state and regional agencies in Maryland, New York, and California, the USPS will pay no more for these EVs than they would for gasoline mail delivery vehicles?

- 3) Why are groups in New York providing funding?

These vehicles will be assembled at a facility in Rome, NY at what was the Griffiss Air Force Base.

DC Alternative Fuel Station Questions and Answers

- 1) How many Federal alternative fuel vehicles (AFVs) will use this alternative fuel station?

There are more than 300 Federal AFVs located in fleets near this fueling site that will use this station.

- 2) How much alternative fuel is expected to be sold at this station?

It is estimated that ethanol and natural gas sold at this station will displace approximately 200,000 gallons of gasoline each year.

- 3) This will be the only E-85 station in the mid-Atlantic Region, how can it support all the Federal flexible-fuel E-85 vehicles in the region?

With grant funding from the Department of Energy and matching funds provided by various state and national agricultural groups, three additional E-85 stations will be built in the Mid-Atlantic Region. These will be located at public-access stations in Annapolis, Gaithersburg, and Ft. Meade, MD and will annually sell approximately 400,000 gallons of E-85 to more than 700 Federal and state E-85 flexible-fuel vehicles.



Roger S. Ballentine
04/19/2000 01:07:11 PM

Record Type: Record

To: Mary Morrison/WHO/EOP@EOP
cc: Kim B. Widdess/WHO/EOP@EOP, Nathan E. Hurst/CEQ/EOP@EOP
Subject: list

This is a compilation of the CEQ, Earth Day and my list. We do not expect all to come. As I said, it's around 60

Environmental Leaders

David Nemtzw, Alliance to Save Energy #202-887-0666
Howard Geller, American Council for an Energy Efficient Economy #202-429-8873
Carol Werner, Energy and Environmental Study Institute #202-628-1400
Rodger Schlickeisen, President, Defenders of Wildlife #202-682-9400 x279
Fred Krupp, Executive Director, Environmental Defense #212-505-2122
Paul Hansen, Executive Director, Izaak Walton League #301-548-0150
Deb Callahan, Presiden, League of Conservation Voters #202-785-8683
John Flicker, President, National Audubon Society #212-979-3088
Tom Kiernan, National Parks Conservation Association #202-223-6722
John Adams, President, Natural Resources Defense Council #212-727-2700
Carl Pope, Executive Director, Sierra Club #415-977-5500
Howard Ris, Executive Director, Union of Concerned Scientists #617-547-5552
William Meadows, President, The Wilderness Society #202-833-2300
Jonathan Lash, President, World Resources Institute #202-729-7675
Kathryn Fuller, President, World Wildlife Fund #202-778-9663
Peter Fox Penner, Bridal Group #202-955-5050

Participants from Earth Day Rally

(Names already submitted to Social Office by Roger Ballentine)

David Crosby
Keb Mo
Third Eye Blind (4 members)
Carole King
Melanie Griffith (maybe with Antonio Banderes)
Tom Arnold
Donna Mills
Ed Begley, Jr.
Chevy Chase
Jayni Chase
Dennis and Gerry Weaver
Ted Danson
Mary Steenburgen
Leonardo DiCaprio (? still - if he comes, likely will bring guests 3-4)
Denis Hayes

Gaylord Nelson
Rob Glaser
Oronto Douglas
Bill Nye
Lisa Hayes

Worked on EO

TJ Glauthier - Deputy secretary of Energy - 586-5500
David Rodgers Department of Energy - 586-8038
Lee Slezak Department of Energy - 586-2335
Joan Glickman Department of Energy - 586-5607
Elizabeth Shearer - Department of Energy 586-1613
Tatiana Stranic Muessel - Department of Energy - 586-9230
Kyle Simpson - 661-6180 (firm that arranged purchase of Ford and Baker cars by Postal Service)
Henry Kelly - OSTP - 456-6033
Shelley Fidler - White House Climate Change Task Force 395-2310
Randy Steer - OMB -395-3164
Josh Gotbaum OMB –
Bob Perciasepe - Assistant Administrator - EPA - 564-7400
Ron Minsk - NEC
Morley Winograd - OVP
Jennifer Muller - OVP
Angie Mizeur - 456-1782
Sylvie Volel - OMB 395-3658
John W. (Jack) Kelly - OMB 395-6106
David Gardiner - 395-2343
Jackie Krieger 395-2317
John Gibson (wrote the press paper on this) -395-2321
Paul Bledsoe - 395-2345
Janet Anderson (helped with the analysis on the Trasnport EO and filled in for me when I was absent)
395-2334
Debra Reed 395-2332
Jeff Seabright - 395-2329 (did you know he's leaving?)

[my mother, my wife (different people)]

Final 04/21/00 2:45pm
Heather Hurlburt

**PRESIDENT WILLIAM J. CLINTON
EARTH DAY RADIO ADDRESS
THE WHITE HOUSE
WASHINGTON, DC
April 21, 2000**

Good morning, and happy Earth Day. I have always thought it appropriate that Earth Day falls in this season of renewal and hope, as millions of Americans celebrate Easter and Passover. As we celebrate the first Earth Day of the 21st century, I want to challenge all of us to renew our commitment to protect and preserve God's precious gift to us – our earthly home.

Last weekend, in California, I stood beneath a magnificent sequoia tree that was more than 1000 years old as I announced permanent protection for more than 30 giant sequoia groves. And I was grateful for every opportunity the Vice President and I have had to act as stewards of our environment over the last seven years.

All Americans should be proud of the tremendous progress we've made since the first Earth Day, 30 years ago. Our air, water and land are cleaner. And we have protected millions of acres of America's green places.

But, today I want to focus on the most critical environmental challenge we face in this new century -- global warming.

The 1990s were the hottest decade on record – and the first three months of 2000 were the hottest here in 100 years. Scientists say that the temperature rise is at least partly due to human activity, and that if left unchecked, climate change will result in more violent storms, more economic disruptions and more permanent flooding of coastal areas.

If we value our coastlines, our farmlands, and our vital biodiversity, we must build a national consensus to reduce our emissions of greenhouse gases and to help others around the world do the same. Our government must lead by example. Today I am announcing two federal initiatives that point the way to a cleaner environment and a stronger economy.

First, I am issuing an Executive Order requiring that federal agencies reduce the amount of petroleum their vehicle fleets use by 20 percent in five years. We can do this with technology that we already have. For example, the Postal Service has purchased 500 electric trucks -- and may purchase more than 5,000. Here in Washington DC, 2,600 federal and local government vehicles are running on clean natural gas or ethanol. Next month, we will open the first of seven gas stations offering those fuels here – and I will order every White House vehicle than can use these fuels to make the switch.

This Executive Order will cut oil consumption by 45 million gallons a year, help stop global warming, and ease pressure on gas prices.

Second, I am also announcing new incentives to cut pollution and greenhouse gases while we help federal workers across the country reduce the growing hassle of commuting. All federal workers will now be able to set aside up to \$65 tax-free every month to pay for public transportation. And in the Washington area, every federal agency will actually fund some or all of its employees' public transportation costs.

It is clear: citizens and businesses across America are building support for a strong response to global warming. But one voice is missing – the United States Congress. While the science on climate change has grown stronger, and the need for American leadership has grown greater, some in Congress have buried their heads deeper in the sand. I urge them to recognize that reversing global warming will strengthen our economy while safeguarding our future. In the next 20 years, the international energy market will reach 5 trillion dollars – and consumers everywhere will increasingly demand clean energy. We are the world leader in those technologies – and we should promote them.

Instead, for the past seven years, Congress has blocked our initiatives to fight climate change and cut America's fuel bills. And I am very disappointed that the Republican budget resolution just adopted fails again to support America's environmental priorities. I call on Congress to reverse its opposition and work with us – to pass my \$4 billion package of tax credits for energy efficient homes, cars, and appliances; to invest in clean energy research; and to help us promote clean technology in developing countries. I also ask Congress to support efforts to improve the fuel economy of all of our cars and trucks, and give Americans the vehicles they want with the efficiency they deserve.

help us

More than 100 years ago, the great American poet Henry Wadsworth Longfellow reminded us that "Nature is a revelation of God." This Earth Day, let us remember that we are only stewards, in our time, of the earth God gave us for all time. And let us strengthen our resolve to preserve the beauty and the natural bounty that sustains us and the generations yet to come.

Happy holidays, and thanks for listening.

To: Roger Balentine 202-456-1736
Jeff Seabright 202-395-2311
From Lee Slezak PH 202-586-2335

Attached are some statistics for the
briefing this afternoon @ the WH. Let
me know if you need more.

Lee S.

Federal Fleet Vehicle Statistics

Total Federal fleet size (including light, medium, and heavy vehicles): 578,000
(Note: The fleet size decreased from 585,000 vehicles in 1993, a 1.5% decrease.)

Total vehicles in the largest Federal fleets:

- USPS – 205K
- DOD – 165 K
- Justice – 41K
- Agriculture – 40K
- Interior – 30K
- Energy – 17K
- Treasury – 17K
- Transportation – 10K

Number of vehicles leased to Federal agencies by GSA Fleet: 153,000

Number of Federal vehicles by vehicle class:

- Sedans and station wagons– 118K
- 4x2 light-duty trucks – 332K
- 4x4 light-duty trucks – 64K
- Medium and Heavy Trucks – 54K
- Buses – 7K
- Ambulances 3K

Number of Alternative Fuel Vehicles Acquired by Federal fleets: 58K

Number of Federal AFVs currently in operation: 42K

Total annual Federal fleet vehicle acquisitions: 55K (all vehicle classes)

Total annual EPACT covered acquisitions: 20K (light-duty in MSAs only)

Total annual Federal AFV acquisitions: 15K

Number of vehicles subject to the mandates of this Order: 514K

Number that will be exempt for national security reasons: 50K (estimate)

Number that will be exempt for law enforcement reasons: 55K (estimate)

Total number of vehicles that will be covered by the Order: 409K (estimate)

Federal Fleet Fuel Consumption Statistics

Total annual fleet fuel consumption: 350 million gallons

- Gasoline: 280 million gallons
- Diesel: 65 million gallons
- Alt Fuel: 5 million gallons

Breakdown of annual Federal Alternative Fuel consumption (gallons are gasoline equivalent):

CNG – 4 million gallons (expected to increase moderately)
E85 – 345K gallons (rising quickly, should exceed 1 million gallons in 2001)
Electric – 287K gallons (not expected to increase dramatically)
Biodiesel – 185K gallons (rising rapidly, should exceed 1 million gallons in 2001)
LPG – 67K gallons (should increase slightly)
M85 – 16K gallons (expected to disappear)

Number of Alternative Fuel refueling sites:

CNG – 1,200
E-85 – 75
LPG – 4,157
M85 – 51
Electric - 489
LNG - 46

Ethanol stations are predominantly located in the Mid-west and Northern Plains States
CNG and LNG stations are predominantly located in the following regions:

Southwest: AZ, CA, CO, NM, OK, & TX
Mid-Atlantic: DE, DC, MD, NJ, NY, PA, VA, & WV
Southeast : FL, & GA
Midwest: IL, IN, MI, OH, & WI

Executive Order reduction in annual Federal petroleum consumption: 45 million gallons
Anticipated increase in alternative fuel use by Federal fleets annually: 34 million gallons

Federal Fleet Cost Statistics

Annual cost of operations of Federal vehicles: \$2.3 billion
Estimated annual compliance cost: \$23 million (less than \$50/Federal fleet vehicle)

This estimate assumes that Federal fleets are operated extremely efficiently and would encounter a cost to reduce the amount of petroleum consumed through increased time to refuel alternative fuel vehicles, higher cost of fuel efficient vehicles, and decreased load factors of smaller vehicles. Assuming the Federal fleet is not the most efficiently run fleet eliminates most of these additional costs and results in almost no financial impact on Federal fleets.

Executive Order Emission Benefits

Greenhouse gas emissions savings in CO2 equivalent: ~~207K to 500K~~ tons/year
The exact figure depends greatly on how Federal agencies choose to comply with the Order.

150,000

**Executive Order
Greening the Government Through Federal
Fleet and Transportation Efficiency**

Questions and Answers

4/19/2000

- 1) How much petroleum will be saved by the Federal fleets as a result of this order?

This order will reduce the amount of oil used by Federal vehicles by 45 million gallons each year while also reducing greenhouse gas emissions by as much as 160,000 tons per year.

- 2) What is the projected cost to Federal fleets?

Typical Federal agencies will be able to meet the requirements of this Order for less than \$100 per vehicle. This represents a total cost to the Federal government of less than 1.2 percent of the annual Federal expenditure on vehicles and fuel.

- 3) How many alternative fuel vehicles (AFVs) are in Federal fleets today?

The Federal government has acquired more than 57,000 AFVs to comply with the Energy Policy Act of 1992 and approximately 42,000 of these AFVs are still in use by Federal fleets.

- 4) Why aren't Federal fleets using alternative fuel in their AFVs?

We recognize that the limited availability of alternative fuel infrastructure and the lack of a requirement to use these fuels have resulted in a low usage rate of alternative fuel in Federal AFVs. This Order will address this issue by requiring Federal fleets to use alternative fuel in their AFVs the majority of the time.

- 5) How will agencies use alternative fuel in AFVs if it isn't widely available?

The Department of Energy will assist agencies in coordinating with other local fleets operating AFVs to create demand, then work with alternative fuel providers to install infrastructure to meet this demand.

Questions and Answers on the USPS EV Procurement

- 1) How many electric mail delivery vehicles are being purchased by the USPS and where will they be used?

The first year's procurement will be for 500 EVs with 480 placed in California and 20 placed in the DC area. This represents the largest EV acquisition ever in the United States. Purchase options for subsequent years total an additional 5,500 EVs.

- 2) At this time of USPS funding shortfall and proposed workforce reductions, where is the funding for these EVs coming from?

As a result of funding provided by the Department of Energy and several state and regional agencies in Maryland, New York, and California, the USPS will pay no more for these EVs than they would for gasoline mail delivery vehicles?

- 3) Why are groups in New York providing funding?

These vehicles will be assembled at a facility in Rome, NY at what was the Griffiss Air Force Base.

DC Alternative Fuel Station Questions and Answers

- 1) How many Federal alternative fuel vehicles (AFVs) will use this alternative fuel station?

There are more than 300 Federal AFVs located in fleets near this fueling site that will use this station.

- 2) How much alternative fuel is expected to be sold at this station?

It is estimated that ethanol and natural gas sold at this station will displace approximately 200,000 gallons of gasoline each year.

- 3) This will be the only E-85 station in the mid-Atlantic Region, how can it support all the Federal flexible-fuel E-85 vehicles in the region?

With grant funding from the Department of Energy and matching funds provided by various state and national agricultural groups, three additional E-85 stations will be built in the Mid-Atlantic Region. These will be located at public-access stations in Annapolis, Gaithersburg, and Ft. Meade, MD and will annually sell approximately 400,000 gallons of E-85 to more than 700 Federal and state E-85 flexible-fuel vehicles.

Greening the Government Through Federal
Fleet and Transportation Efficiency

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the Energy Policy and Conservation Act, as amended (42 U.S.C. 6201 et seq.), the Energy Policy Act of 1992 (Pub. L. 102-486), section 301 of title 3, United States Code, and the Energy Conservation Reauthorization Act of 1998 (Pub. L. 105-388) (ECRA), it is hereby ordered as follows:

PART 1 PREAMBLE

Section 101. Federal Leadership. The purpose of this order is to ensure that the Federal Government exercises leadership in the reduction of petroleum consumption through improvements in fleet fuel efficiency and the use of alternative fuel vehicles (AFVs) and alternative fuels. Reduced petroleum use and the displacement of petroleum by alternative fuels will help promote markets for more alternative fuel and fuel efficient vehicles, encourage new technologies, enhance the United States' energy self-sufficiency and security, and ensure a healthier environment through the reduction of greenhouse gases and other pollutants in the atmosphere.

PART 2 GOALS

Sec. 201. Reduced Petroleum Fuel Consumption. Each agency operating 20 or more motor vehicles within the United States shall reduce its entire vehicle fleet's annual petroleum consumption by at least 20% by the end of FY 2005 in comparison with FY 1999.

Sec. 202. Performance Strategies. Agencies have numerous options for developing a strategy to meet the petroleum reduction goal in section 201 of this order. Measures include: the use of alternative fuels in light, medium, and heavy-duty vehicles; the acquisition of vehicles with higher fuel economy, including hybrid vehicles; the substitution of cars for light trucks; an increase in vehicle load factors; a decrease in vehicle miles traveled; and a decrease in fleet size. Each agency will need a strategy that includes most, if not all, of these measures, but can develop a strategy that fits its unique fleet configuration and mission requirements. As part of the strategy, each agency should attempt to accelerate the introduction of vehicles meeting Tier 2 standards. Where feasible, agencies should also consider procurement of innovative vehicles,

such as hybrid electric vehicles, capable of large improvements in fuel economy. The strategy should also attempt to minimize costs in achieving the objectives of this order. In developing its strategy, each agency shall include the following:

(a) **AFV Acquisition and Use of Alternative Fuels.** Each agency shall fulfill the acquisition requirements for AFVs established by section 303 of the Energy Policy Act of 1992. Agencies shall use alternative fuels to meet a majority of the fuel requirements of those motor vehicles by the end of FY 2005. Section 402 of this order addresses related issues of alternative fuel infrastructure availability and the ability to track alternative fuel usage data; and

(b) **Acquisition of Higher Fuel Economy Vehicles.** Agencies shall increase the average EPA fuel economy rating of passenger cars and light trucks acquired by at least 1 mile per gallon (mpg) by the end of FY 2002 and at least 3 mpg by the end of FY 2005 compared to FY 1999 acquisitions.

PART 3 ORGANIZATION AND ACCOUNTABILITY

Sec. 301. Leadership Responsibilities. The Office of Management and Budget (OMB), the Department of Energy (DOE), the Environmental Protection Agency (EPA), and the General Services Administration (GSA) shall be responsible for providing leadership to the other Federal agencies in implementing programs to meet the goals of this order. Therefore, they shall perform the following activities:

(a) OMB shall:

- (1) Designate a senior official to assume the responsibility for coordinating the collection of agency submissions pursuant to this order;
- (2) Amend and issue budget guidance to the agencies that requires each agency to identify in their annual budget submission the funding necessary to meet the requirements of this order;
- (3) Review annual agency budget submissions to determine adequacy in meeting the goal of this order and to balance requests for increased funding to support achievement of the goals against other mission priorities; and
- (4) Review agency submissions for the annual report to Congress, after budget decisions are made.

(b) DOE shall:

- (1) Issue guidance to agencies, within 90 days of the issuance of this order, on preparation and submission of agency strategies for complying with this order and the collection and annual reporting of data to demonstrate compliance with this order;
- (2) Review and evaluate agency strategies prior to their submission to OMB;
- (3) Provide OMB with copies of the agency strategy evaluations;
- (4) Provide whatever other support OMB requires to facilitate performance of OMB's role;
- (5) Establish the data collection and reporting system outlined in the DOE guidance for collecting annual agency performance data on meeting the goals of this order and other applicable statutes and policies;
- (6) Educate personnel from other agencies on the requirements of this order, the data collection and reporting system, best practices for improving fleet fuel efficiency, and methods for successfully acquiring and using AFVs;
- (7) Review agencies' annual data submissions for accuracy and produce a scorecard of agency and overall Federal compliance with this order and other applicable statutes and policies; and
- (8) Report to the President annually on compliance with the order, including the scorecard and level of performance in meeting the goals of the agencies' strategies.

(c) EPA shall support DOE and GSA in their efforts to assist the agencies in the accelerated purchase of Tier 2 vehicles.

(d) GSA shall develop and implement strategies that will ease agencies' financial and administrative burdens associated with the acquisition of AFVs, including:

- (1) Agencies shall be allowed to replace their conventionally-fueled vehicles with AFVs by making an initial lump-sum payment for the additional acquisition cost of the AFV and shall be allowed to contribute to the higher replacement costs of the AFV incrementally over the term of the lease, and have the option of averaging AFV

incremental costs across the agency fleet as provided by the Energy Policy Act of 1992.

(2) Within 120 days of this order, the Administrator of GSA, in consultation with other agencies, shall:

(A) provide a summary of agency AFV acquisition plans to potential AFV manufacturers to assist in their production planning. At least four months in advance of agency vehicle ordering cycles, GSA must provide to agencies the best available information on the production plans of AFV manufacturers;

(B) develop, in coordination with DOE and EPA, methods that will help Federal fleet managers to select vehicles to improve fleet fuel efficiency and to meet Tier 2 vehicle standards; and

(C) collaborate with its customer agencies and their procurement staff and officials to discuss and plan efforts to ensure that the GSA-leased fleet is making progress toward the goals of this order.

Sec. 302. Designation of Senior Agency Official. Within 90 days of the date of this order, the head of each agency shall designate a senior official to assume responsibility for the agency's AFV and fleet fuel efficiency programs, and for meeting the requirements of this order. Each senior agency official designated by an agency shall be responsible for:

(a) Preparing an agency strategy for meeting the goals of this order, in accordance with guidance issued by DOE;

(b) Submitting the agency strategy to DOE within 180 days of the issuance of this order for evaluation and submission to OMB;

(c) Implementing the data collection and reporting system outlined in the DOE guidance for collecting annual agency performance data on meeting the goals of this order and reporting the data to DOE;

(d) Ensuring the agency's strategy for meeting the goals of this order is incorporated in the annual budget submission to OMB; and

(e) Assembling the appropriate team and resources in the agency necessary to attain the goals of this order.

Sec. 303. Management and Government Performance. Agencies may use the following management strategies to assist them in meeting the goals of this order:

(a) Awards. Agencies may use employee incentive programs to reward exceptional performance in implementing this order.

(b) Performance Evaluations. Agencies shall, where appropriate, include successful implementation of the provisions of this order in the position descriptions and performance evaluations of agency heads, the senior official, fleet managers, their superiors, and other relevant employees.

Sec. 304. Applicability. This order applies to each agency operating 20 or more motor vehicles within the United States. Agency means an executive agency as defined in 5 U.S.C. 105. For the purpose of this order, military departments, as defined in 5 U.S.C. 102, are covered under the auspices of the Department of Defense.

PART 4 IMPLEMENTATION

Sec. 401. Vehicle Reporting Credits. When preparing the annual report to DOE and OMB, each agency acquisition of an alternative fuel light-duty vehicle, regardless of geographic placement, shall count as one credit towards fulfilling the AFV acquisition requirements of the Energy Policy Act of 1992. Agencies shall receive one additional credit for each light-duty AFV that exclusively uses an alternative fuel and for each Zero Emission Vehicle of any size. Agencies shall receive three credits for dedicated medium-duty AFVs and four credits for dedicated heavy-duty AFVs. Agencies can also receive one credit for every 450 gallons of pure bio-diesel used in diesel vehicles.

Sec. 402. Infrastructure. To support the use of alternative fuel in AFVs, agencies should arrange for fueling at commercial facilities that offer alternative fuels for sale to the public.

(a) Agencies should team with state, local, and private entities to support the expansion and use of public access alternative fuel refueling stations;

(b) Agencies should use the authority granted to them in section 304 of the Energy Policy Act of 1992 to establish non-public access alternative fuel infrastructure for fueling Federal AFVs where public fueling is unavailable.

(c) Agencies are encouraged to work with DOE and GSA to resolve alternative fuel usage tracking issues with alternative and petroleum fuel providers.

Sec. 403. Procurement of Environmentally Preferable Motor Vehicle Products.

(a) Consistent with Executive Order 13101 and section 6002 of the Resource Conservation and Recovery Act (RCRA), 42 U.S.C. 6962, effective six months after the date of this order, no Federal agency shall purchase, sell, or arrange for the purchase of virgin petroleum motor vehicle lubricating oils when re-refined motor vehicle lubricating oils are reasonably available and meet the vehicle manufacturer's recommended performance standards.

(b) Consistent with Executive Order 13101 and RCRA section 6962, in acquiring and maintaining motor vehicles, agencies shall acquire and use United States EPA-designated Comprehensive Procurement Guideline items, including but not limited to retread tires, when such products are reasonably available and meet applicable performance standards. In addition, Federal agencies should consider acquiring other recycled content products, such as tires containing a minimum of 5-10 percent post-consumer recovered rubber.

(c) Consistent with Executive Order 13101, Federal agencies are encouraged to use biobased motor vehicle products when such products are reasonably available and meet applicable performance standards.

PART 5 GENERAL PROVISIONS

Sec. 501. Revocation. Executive Order 13031 of December 13, 1996 is revoked.

Sec. 502. Statutory Authority. Agencies must carry out the provisions of this order to the extent consistent with their statutory authority.

Sec. 503. Limitations. This order is intended only to improve the internal management of the executive branch and is not intended to create any right, benefit, or trust responsibility, substantive or procedural, enforceable at law by a party against the United States, its agencies, its officers, or any other person.

Sec. 504. Independent Agencies. Independent agencies and agencies excepted from coverage by section 304 are encouraged to comply with the provisions of this order.

Sec. 505. Government-Owned Contractor-Operated Vehicles. Agencies must ensure that all Government-owned contractor-operated vehicles comply with all applicable goals and other

requirements of this order and that these goals and requirements are incorporated into each contractor's management contract.

Sec. 506. Exemptions for Military Tactical, Law Enforcement, and Emergency Vehicles.

Department of Defense military tactical vehicles are exempt from this order. Law enforcement, emergency, and any other vehicle class or type determined by OMB, in consultation with DOE, are exempted from this order's requirements for federal fleet fuel efficiency and alternative fuel vehicle acquisition. Agencies claiming vehicle exemptions must provide information on the number of each class or type of vehicle claimed as exempt as well as an estimate of total fuel consumption of exempt vehicles on an annual basis. Agencies should examine options for increasing fuel efficiency in these exempt vehicles and should report actions taken to increase fuel efficiency in these vehicles or fleets. All information required by this section must be submitted annually under Part 3 of this order.

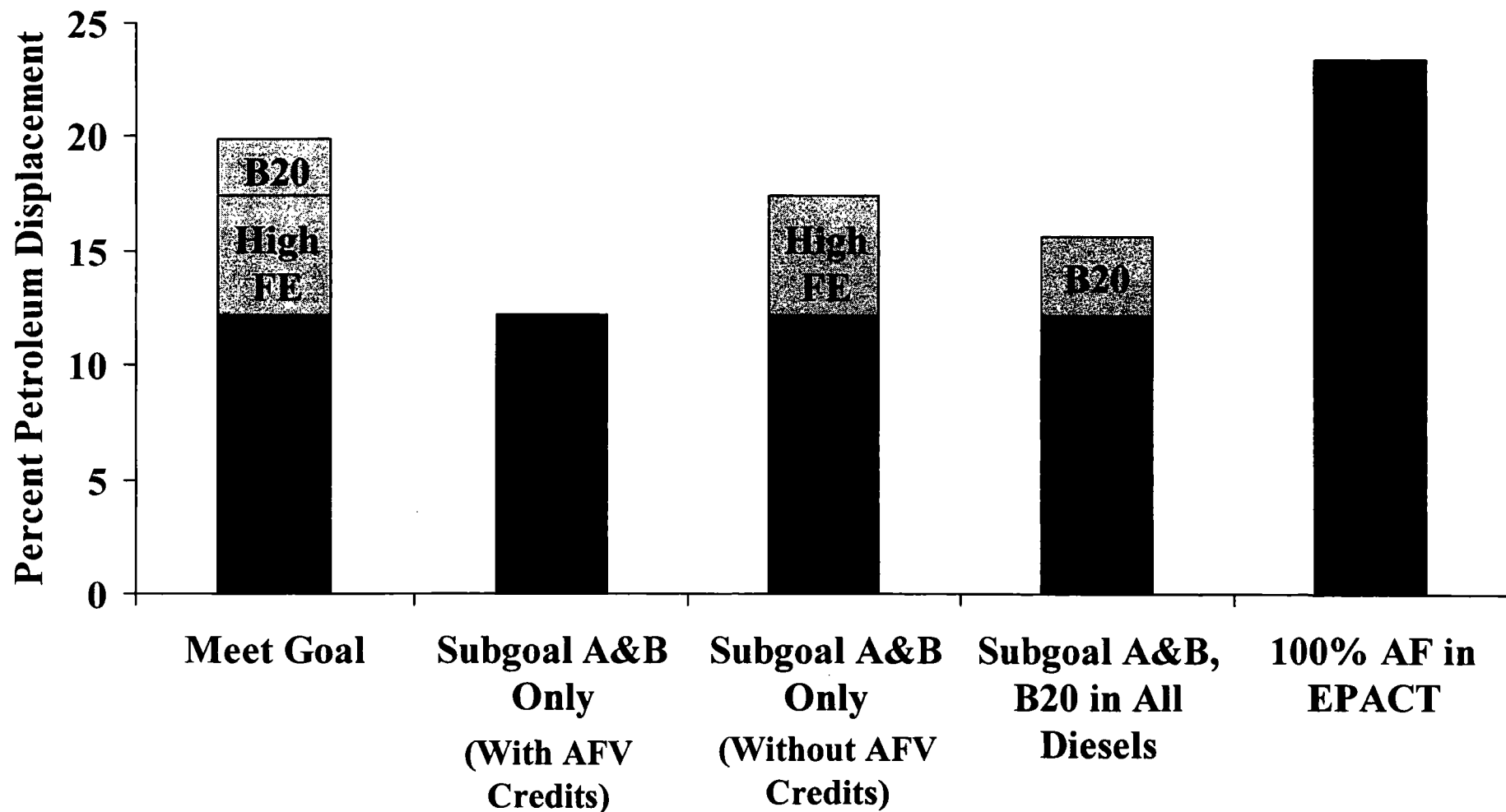
Sec. 507. Compliance. (a) If an agency fails to meet requirements of the Energy Policy Act of 1992 or this order, its report to the DOE and OMB under section 302(c) must include an explanation for such failure and an updated strategy for achieving compliance using the agency's current and requested budgets.

(b) OMB, in consultation with DOE, may modify the compliance requirements for an agency under Part 2 of this order, if the agency is unable to comply with the requirements of that part. An agency requesting modification must show that it has made substantial good faith efforts to comply with that part. The availability and costs of alternative fuels and AFVs can be a factor in OMB's decision to modify the agency's compliance with Part 2 of this order.

Sec. 508. Definitions. Terms used in this order shall have the same definitions as those in the Energy Policy Act of 1992 and Executive Order 13101, unless specifically changed in guidance to be issued by DOE under section 301(b) of this order.

THE WHITE HOUSE,

Options for Compliance



Fuel Economy Baseline Scenarios and Calculations for Meeting MPG Goals for Executive Order

The exact distribution of natural gas AFVs in the current Federal fleet is not known, therefore two case are used that bound the potential baseline. Case 1: All 12,000 CNG vehicles (current estimate from EIA) are bi-fuel Contours.; Case 2: Half of CNG vehicles are dedicated CNG pickup trucks.

Table 1: Fuel Economy Estimates for Selected AFVs

Vehicle	"Window Sticker" Combined MPG	Gasoline Equivalent CAFE (Unadjusted) Combined MPG	CAFE with AFV Credit (Unadjusted) Combined MPG
Chrysler Minivans FFV	21	25.2	43.9
Ford Contour Bifuel CNG	27	32.4	56.4
Ford Crown Victoria CNG	18	21.6	144.2
Ford Ranger FFV	19	22.8	39.7
Ford Taurus FFV	22	26.4	46.0
Ford F-Series CNG Pickup	16	19.2	128.2

Table 2: Options for 1999 Baseline

	Number of Federal Vehicles	In-use MPG	Baseline Estimate w/o AFV Credits (Unadjusted) Combined MPG	Case 1 CAFE Estimate	Case 2 CAFE Estimate
Cars	105,104	21.5	28.0	30.5	29.6
Light Trucks	135,373	16.8	21.6	21.6	22.5

Table 3: Fuel Savings Estimate With and Without Credits

	Without Credits			With Credits		
	1999 Baseline CAFE Without Credits	2005 MPG Goal Without Credits	Fuel Savings Without Credits (percent of 1999 Fed Fleet Fuel Use)	1999 Baseline CAFE With Credits	2005 CAFE Goal With Credits	Fuel Savings With Credits (percent of 1999 Fed Fleet Fuel Use)
Case 1						
Cars	28.0	30.0	1.2%	30.5	32.5	0.0%
Light Trucks	21.6	24.6	3.5%	21.6	24.6	0.4%
Total			4.7%			0.4%
Case 2						
Cars	28.0	30.0	1.2%	29.6	31.6	0.0%
Light Trucks	21.6	24.6	3.5%	22.5	25.5	0.7%
Total			4.7%			0.7%

* Fuel Savings are the fuel economy savings only - any additional alternative fuel use is not shown in this table

Options to Preserve True Fuel Economy Gains

Recommended

- 1) Set the EO MPG goal for gasoline/diesel vehicles only

Workable but not recommended

- 2) Cap the maximum AFV credit agencies could count towards the MPG goal (similar to manufacturers cap)
- 3) Clarify that the EO MPG goal applies to unadjusted MPG with no AFV credits (equivalent to a zero cap)
- 4) Require agencies that use AFV credits to obtain OMB approval (as in Section 301)
- 5) Increase the EO MPG goals to make up for any CAFE AFV credits (e.g., 4 mpg for cars, 6 mpg for trucks)

20% Federal Fleet Petroleum Fuel Reduction

A. Assumptions

The Federal Fleet can achieve 20% petroleum fuel reduction through numerous means. The following represents a combination of these options believed to be representative of the ones that might actually be used to meet both the Primary and Secondary Goals of the Executive Order.

- EPACT AFVs in the Federal Fleet use alternative fuel for 50% of their fuel use (satisfies the Section 202 Secondary Goal).
- Agencies acquire passenger cars that have fuel economy that is on average 2 miles per gallon (mpg) higher than their FY1999 passenger car fuel economy average; and acquire light trucks that have fuel economy that is on average 3 miles per gallon (mpg) higher than their FY1999 light truck fuel economy average. This satisfies the Section 203 Secondary Goal.
- Forty percent of medium and heavy duty trucks use B20 for fuel, and 5% use natural gas. (Option to satisfy the remainder of the Primary Goal.)

B. Results

The following table summarizes the petroleum fuel displacement and costs for the assumptions of Section A in FY2005.

Summary of Results in FY2005

	Fuel Displacement (million gallons)	Cost Difference			Cost per Gallon Saved (\$ / gal)
		Vehicles (\$ million)	Fuel (\$ million)	Net Total (\$ million)	
AF Use in EPACT AFVs	26.1	\$0.0 ¹	\$9.6	\$9.6	\$0.37
Acquisition of Higher Fuel Economy Cars & Light Trucks	11.2	\$30.2 ²	(\$7.6)	\$22.6	\$2.02
AF Use in Medium and Heavy Duty Vehicles	5.0	\$4.9	\$6.3	\$11.2	\$2.26 ³
Total Net Cost (\$ million)				\$43.4	-
Total Net Cost per Gallon Saved (\$/gallon)				-	\$1.03
Percent of Total Federal Fleet Cost				2.0%	-

¹ The cost for EPACT vehicles is not included because they are already mandated.

² Assumed \$1,000 average incremental cost for higher fuel economy cars and trucks.

³ This is the cost in 2005 only - unlike the other two categories, the cost per gallon saved declines over time so that over the life of the medium and heavy duty AFVs, the cost per gallon saved will decrease to \$1.67/gallon.

C. Summary

The above represents what is believed to be typical costs for the Federal Fleet on average overall to achieve the Primary Goal of the Executive Order. Individual agencies will experience costs higher or lower than these costs depending on the options they choose to achieve compliance.

4

OPTIONS TO ACHIEVE 20% PETROLEUM FUEL REDUCTION BY THE FEDERAL FLEET

October 7, 1999

Cars & Light Trucks Use Only 43% of Total Federal Fleet Fuel

Federal Fleet Vehicles Covered by the Draft Executive Order

Vehicle Type	Number ¹	In-Use Fuel Economy ²	Million Gallons per Year	Percent
Cars	105,000	21.5	51.1	16%
Light Trucks	138,000	16.8	84.3	27%
Total Federal Fleet Fuel Consumption			316.2	100%
Percent Fuel Use Reduction of Cars & Light Trucks to Meet a 20% Goal			47%	

¹ Cars exclude law enforcement and limousines; light trucks under 8,500 GVW only; excludes Postal Service mail delivery vehicles

² Based on total miles traveled and total gallons used for all cars and light trucks

Average Fuel Economy of New Vehicle Acquisitions Equals or Exceeds CAFE - Small Possible Gains by Choosing Best Fuel Economy Vehicles Within Categories

Vehicle Type	Adjusted CAFE ¹	Best Fuel Economy of Vehicles Available to Federal Fleet ²	Average Fuel Economy of Vehicles Available to Federal Fleet ²	Worst Fuel Economy of Vehicles Available to Federal Fleet ²
Cars	22.9	24.9	23.9	22.4
Light Trucks	17.2	19.4	17.3	14.8

¹ Adjusted to reflect the fuel economy values reported by EPA on vehicle "window stickers". The unadjusted values of CAFE are 27.5 for cars and 20.7 for trucks.

² Weighted according to the current allocation among car and light truck vehicle categories.

PASSENGER CARS IN THE FEDERAL FLEET

Category	Typical Models	Total in Federal Fleet ¹	Percent of Fleet	Estimated Percent Fuel Use ²
Subcompact	Dodge Neon Ford Escort	2,697	2.6%	2.3%
Compact	Dodge Stratus Ford Contour	73,620	70.0%	69.2%
Midsize	Chevrolet Lumina Ford Taurus	27,328	26.0%	27.1%
Large	Ford Crown Victoria	1,459	1.4%	1.5%
Total		105,104	100%	100%

¹ Excludes law enforcement vehicles and limousines; estimated from '97, '98, and '99 acquisitions and '97 total fleet count

² Estimated based on relative average fuel economy by category and average miles traveled by cars.

LIGHT TRUCKS IN THE FEDERAL FLEET

Category	Typical Models	Total in Federal Fleet ¹	Percent of Fleet	Estimated Percent Fuel Use ²
Small Pickups	Chevy S10, Ford Ranger	17,503	12.9%	12.1%
Large Pickups	Chevy Silverado, Ford F150	34,098	25.2%	26.7%
Minivans	Dodge Caravan, Ford Windstar	39,435	29.1%	25.2%
Full Size Vans	Dodge Ram Van, Ford Econoline	11,514	8.5%	9.5%
Small SUVs	Chevy Blazer, Ford Explorer	16,223	12.0%	12.2%
Full Size SUVs	Chevy Suburban, Ford Expedition	16,599	12.3%	14.2%
Total		135,373	100%	100%

¹ Excludes law enforcement vehicles and limousines; estimated from '97, '98, and '99 acquisitions and '97 total fleet count

² Estimated based on relative average fuel economy by category and average miles traveled by cars.

4x2 SUVs ACQUIRED FOR THE FEDERAL FLEET

4x2 SUVs	Typical Models	1997	1998	1999
Compact	Chevrolet Blazer Jeep Cherokee Ford Explorer	200	302	284
Full Size	Chevrolet Suburban C1500 Ford Expedition	111	129	171
Over 8,500 GVW	Chevrolet Suburban C2500	70	91	47
Total		381	522	502
% of Total Light Truck Acquisitions (<8500 GVW)		2%	2%	3%

4x4 SUVs ACQUIRED FOR THE FEDERAL FLEET

4x4 SUVs	Typical Models	1997	1998	1999
Compact	Chevrolet Blazer Jeep Cherokee Ford Explorer	3,512	3,208	2,657
Full Size	Chevrolet Suburban K1500 Ford Expedition	3,302	4,076	2,919
Over 8,500 GVW	Chevrolet Suburban K2500	317	472	825
Total		7,131	7,756	6,401
% of Total Light Truck Acquisitions (<8500 GVW)		32%	36%	33%

OPTIONS TO MEET A 20% GOAL

- **Acquire “Best in Class”**
- **Use Alternative Fuels**
- **Acquire High Fuel Economy Compact Vehicles**
- **“Best in Class” Trucks Plus High Fuel Economy Compacts**
- **“1-2-4”**

ACQUIRE "BEST IN CLASS" FOR CARS & LIGHT TRUCKS

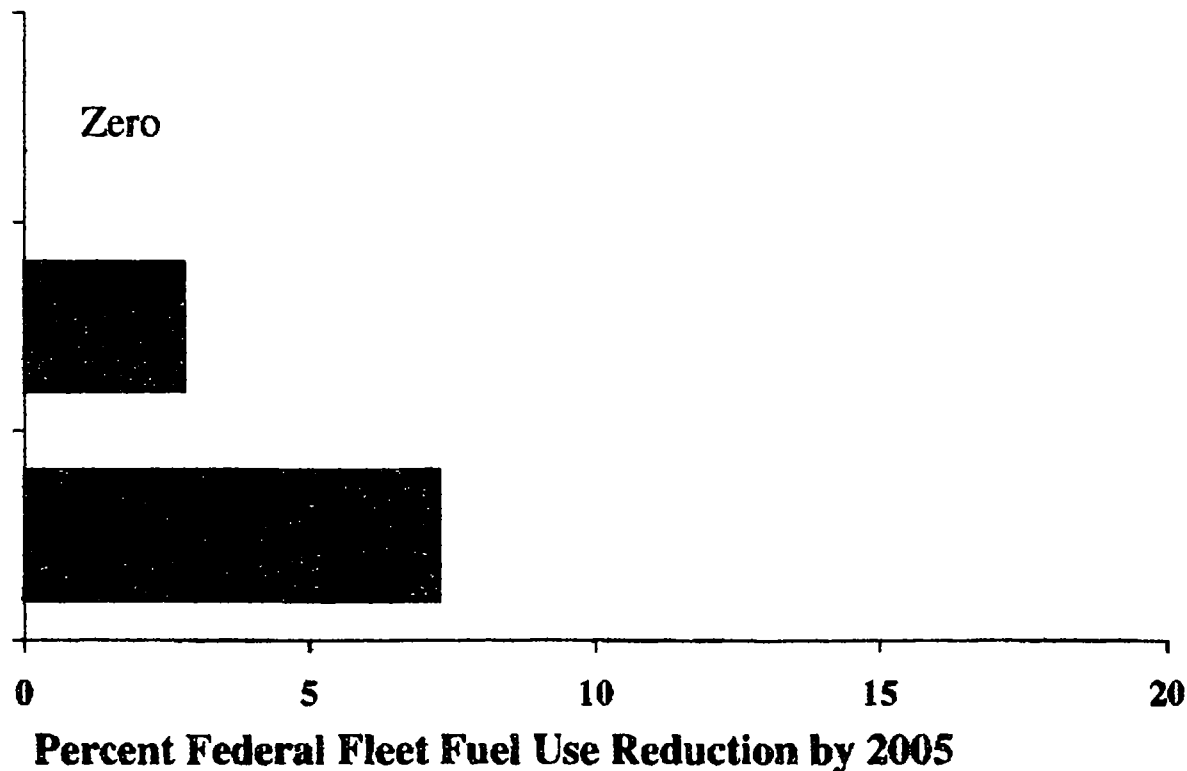
Existing Vehicle Fuel Economy

Assuming Vehicles
Acquired Have Maximum
Fuel Economy

Zero

Assuming Vehicles Acquired
Have Average Fuel
Economy

Assuming Vehicles
Acquired Have Minimum
Fuel Economy



ALTERNATIVE FUELS

■ Cars and Light Trucks

- 18% displacement by 2005 if all EPACT vehicles used alternative fuel for 100% of fuel use

■ Medium and Heavy Trucks

- 2% displacement by 2005 if all used B20
- 12% displacement if all used alternative fuel for 100% of fuel use

ACQUIRE HIGH FUEL ECONOMY COMPACT VEHICLES

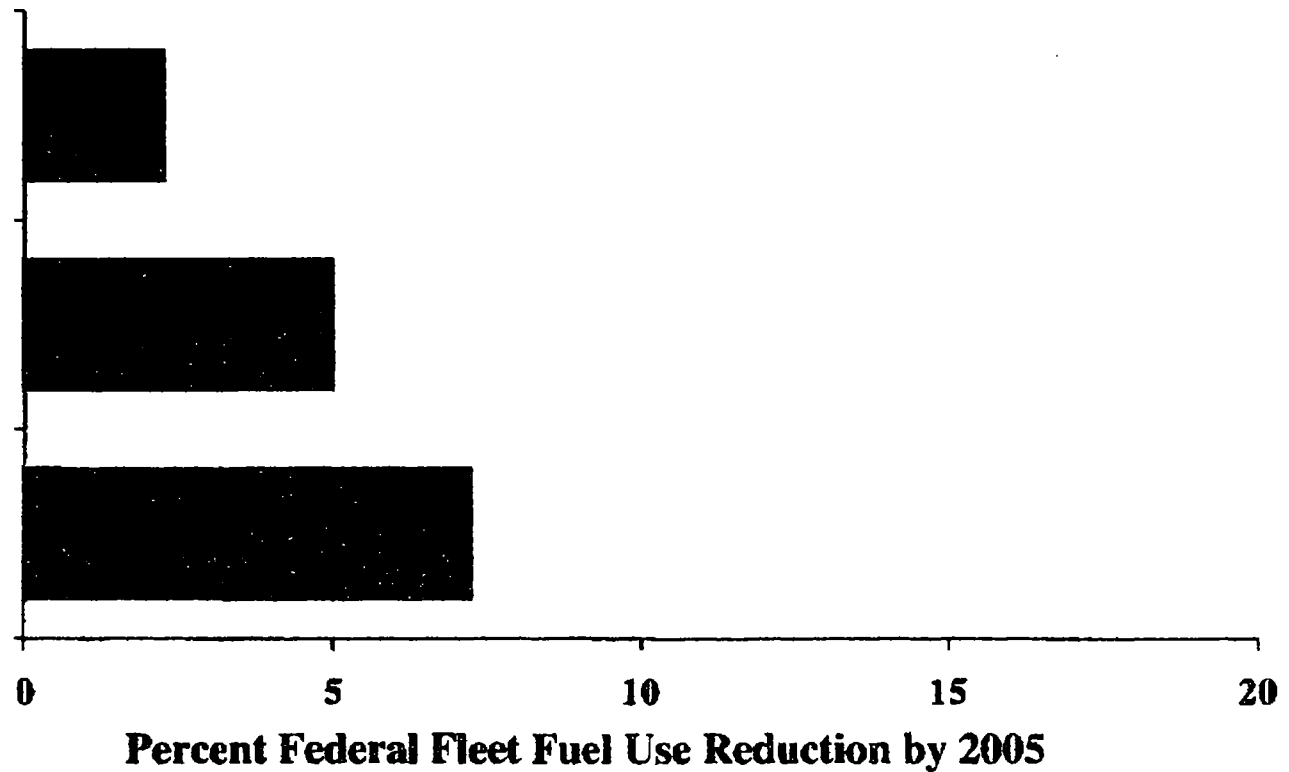
- **Assumption: 50 MPG Compact Cars will be available for acquisition into the Federal Fleet by 2001**
- **10,000 High Fuel Economy Vehicles per Year (starting in 2001) Would Result in 5% Fuel Savings in 2005**
- **If All Compacts were High Fuel Economy Vehicles by 2005 ($\approx 18,000/\text{Year}$) the Fuel Savings would be 9%**

“BEST IN CLASS” TRUCKS PLUS HIGH FUEL ECONOMY COMPACTS

**Best In Class
Trucks**

**High Fuel Economy
Compacts
(10,000/Year)**

Combined



“1-2-4” ANALYSIS

- **Increase Average New Acquisition Car and Light Truck Fuel Economy**
 - 1 MPG by 2003
 - 2 MPG by 2005
 - 4 MPG by 2010

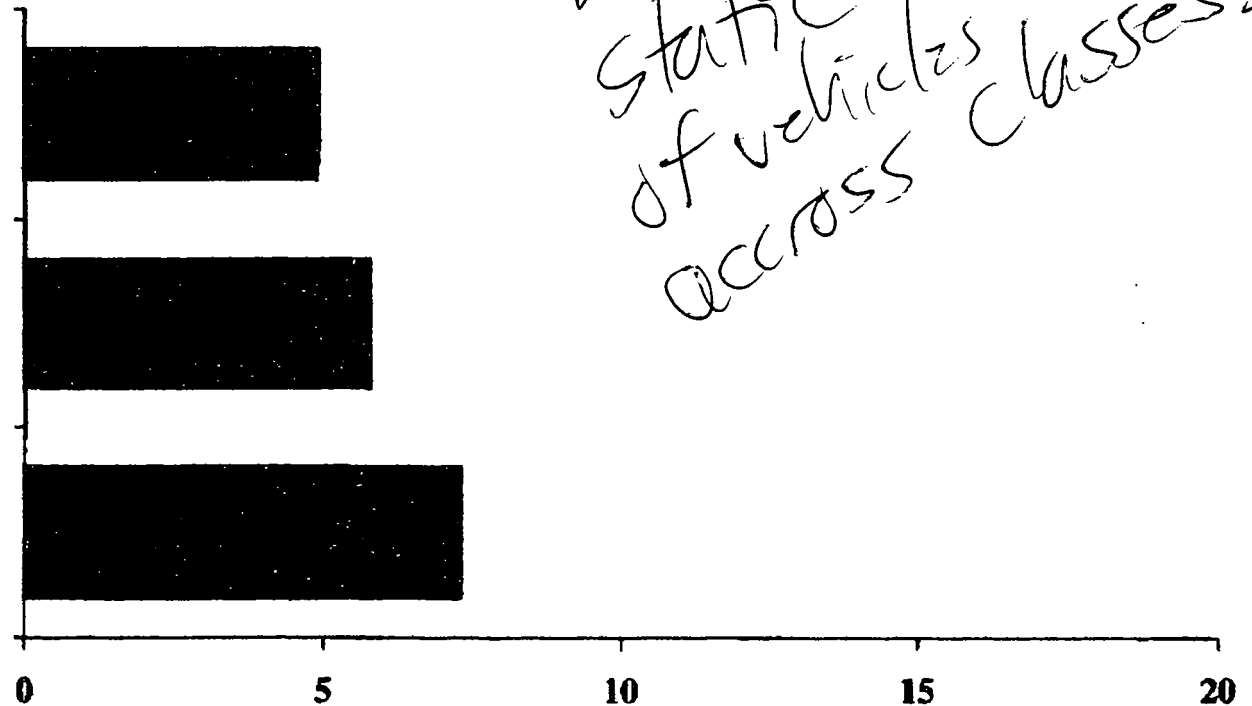
"1-2-4" ANALYSIS

Existing Vehicle Fuel Economy

Assuming Vehicles
Acquired Have Maximum
Fuel Economy

Assuming Vehicles
Acquired Have Average
Fuel Economy

Assuming Vehicles
Acquired Have Minimum
Fuel Economy



Percent Federal Fleet Fuel Use Reduction by 2010

*Does this assume
static distribution
of vehicles
across classes?*

GREENHOUSE GAS REDUCTIONS

Alternative Fuels in
Light Duty Vehicles

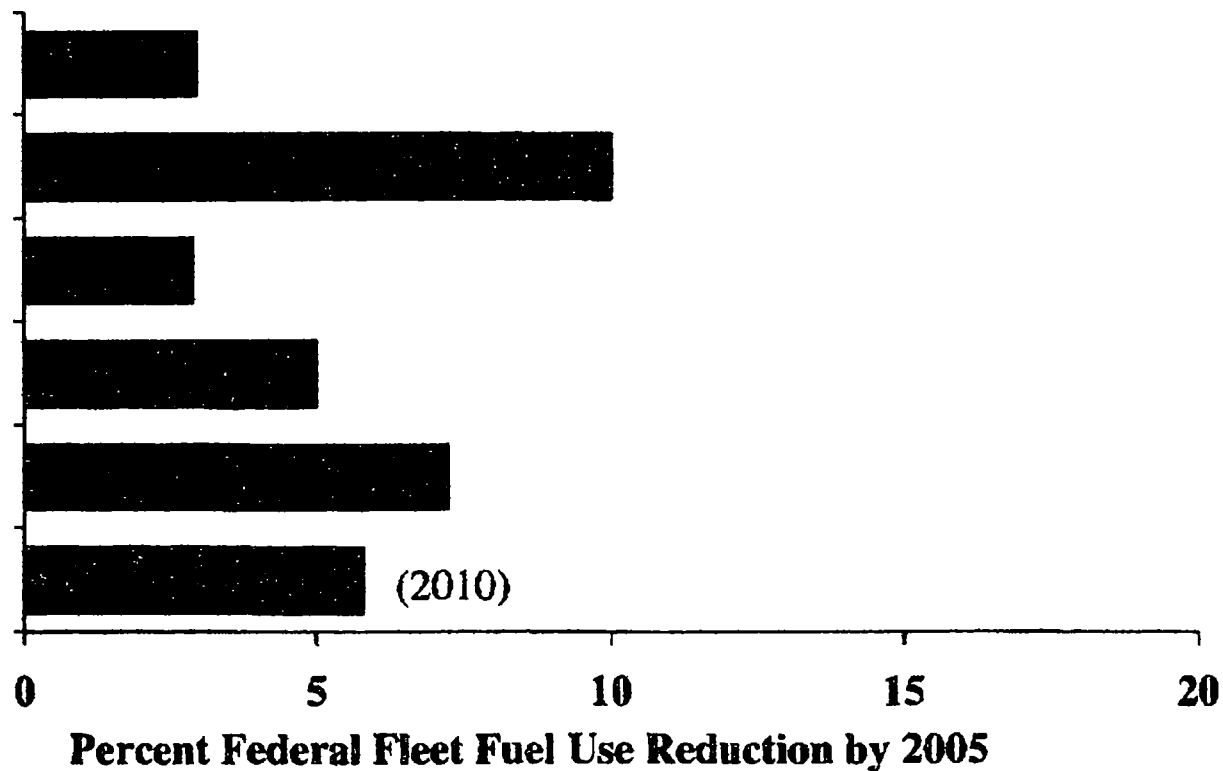
Alternative Fuels in
Heavy Vehicles

"Best in Class"

"High Fuel Economy
Vehicles" (10,000/yr)

"Best in Class" Truck
plus High FE Compacts

"1-2-4"



SUMMARY

- Meeting a 20% Fuel Reduction Goal through Acquisition of Higher Fuel Economy Vehicles Does Not Appear Possible
- Fuel Use of Cars & Light Trucks Would Have to be Decreased by 47% to Meet a 20% Reduction Goal
- If all EPACT Vehicles used Alternative Fuels and all Diesel Vehicles Used B20, a 20% Goal Could Be Reached
- It Appears that a Combination of Alternative Fuel Use and High Fuel Economy Vehicles is Needed to Achieve the 20% Goal

SUMMARY (cont.)

- **Any Requirement for More Fuel Efficient Vehicles will Most Likely Require that Fleets Acquire Smaller Vehicles**
- **This Analysis Does Not Include VMT Reduction, Which is Another Option to Reduce Petroleum Use**

ISSUES

- **Allowing Alternative Fuel Vehicle Bonus CAFE Credits Could Meet “1-2-4” With No Decrease in Petroleum Use**
- **Some Light Truck Models Have been Shifted Above 8,500 GVW by the Manufacturers-Most Federal Agency Fleet Managers unaware**
- **A CAFE Value for Federal Light Truck Acquisitions Lapsed in 1998 and DOT has not Established One to Replace It**
- **Limited Alternative Fuel Refueling Infrastructure Currently Limits Alternative Fuel Use**

ISSUES (cont.)

- **There is No Reason to Believe that Higher Fuel Economy Vehicles will be Available to Make “1-2-4” Possible**
- **The Only High Fuel Economy Vehicle Compact Car Announced to be Available in 2001 is Non-U.S. Made**

Additional Q's and A's

Question: What can the Federal government do about private fleets?

Answer: The Department of Energy can extend AFV purchase requirements to private and local government fleets. We published an advanced notice of proposed rulemaking (ANOPR) last year and are in the final stages of preparing a notice of proposed rulemaking (NOPR). This would cover fleets of 20 or more in 120 metropolitan areas. The affected number of vehicles is large - up to 2 million covered vehicles, about 100-200,000 annual AFV purchases. This regulation is complemented by the proposed Rockefeller legislation which would help defray the cost of AFVs and fuels.

Question: Why isn't the Federal government buying more natural gas buses? What about state and local governments?

Answer: The Federal government does not buy very many buses. State and local governments are increasing the use of natural gas school buses. The biggest and most critical area is natural gas transit buses. Currently, the FTA provides 83 percent of the cost of a natural gas bus, compared to 80% of a regular bus. Under TEA-21, Congress established a special fund for clean fuel buses, but the appropriators did not fund it and instead provided the money for regular buses. In a recent OMB statement of position, OMB didn't even object to this "hijacking" of funds meant for clean fuel buses. DOT/FTA is finishing up a rule, but if the President is really interested, we can do quite a bit right now to increase Federal use of natural gas buses. For example, change the statement of position; raise the flag; get high level official to the DOE sponsored July 27th DOE Clean Cities workshop in Anaheim, CA (both Slater and Richardson declined).

Question: What are the benefits of supporting AFVs along with more efficient vehicles?

Answer: Different types of vehicles offer a range of benefits: reductions in air pollutants; reductions in greenhouse gas emissions; and, reduced dependence on foreign oil.

AFVs clearly reduce dependence on oil, but also offer environmental benefits:

Reductions in Greenhouse Gases: (ROUGH ESTIMATES)

Electric – 30 percent

Propane – 30 percent

Ethanol – 25 percent

Natural gas – 15 percent

Ethanol from biomass (when available) – 90 percent

Significant reductions in Criteria Pollutants: (electric, natural gas, propane)

Fuel Efficient vehicles (PNGV, hybrids, fuel cell vehicles) offer greenhouse gas emission reductions as well as reduced dependence on foreign oil. Depending upon the type of vehicle, they can also reduce criteria pollutants. Fuel cell vehicles offer significant air benefits.

Question: What types of AFVs are currently in the Federal fleet?

Answer: By end of FY99, the Federal fleet will include 21,000 natural gas vehicles, 23,500 ethanol vehicles, 200 methanol vehicles, 500 electric vehicles, and 350 propane vehicles.

June 25, 1999

EXECUTIVE ORDER

DRAFT

**Federal Energy Environmental Leadership
Through Fleet and Transportation Efficiency**

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the Energy Policy and Conservation Act, as amended (42 U.S.C. 6201 et seq.), the Energy Policy Act of 1992 (Public Law 102-486), section 301 of title 3, United States Code, the Energy Conservation Reauthorization Act of 1998 (ECRA), and section 2010 of title 15, USC? it is hereby ordered as follows:

PART 1 – PREAMBLE

Section 101. Federal Leadership. The purpose of this order is to ensure that the Federal Government exercises leadership in the displacement of petroleum consumption and the reduction of greenhouse gases through improvements in fleet fuel efficiency and the use of alternative fuel vehicles (AFV) and alternative fuels. Reduced petroleum use and the displacement of petroleum by alternative fuels will foster markets for more fuel efficient products, encourage new technologies, enhance energy self-sufficiency and security, and ensure a healthier environment through the reduction of greenhouse gases and other pollutants in the atmosphere.

PART 2 - GOALS

Section 201. Increased Fleet Efficiency. Each agency operating motor vehicles within the United States shall reduce its entire fleet's average annual petroleum consumption per vehicle by at least 20 percent by FY 2005 in comparison with FY 1999.

Section 202. Acquisition of Alternative Fuel Vehicles. Each agency shall fulfill the acquisition requirements for alternative fuel vehicles established by the Energy Policy Act of 1992 while increasing its use of alternative fuels.

Section 203. Ensure Use of Alternative Fuel. Each agency shall substantially increase use of alternative fuels in its vehicle fleets and restrict the use of petroleum in bi-fuel and flexible-fuel vehicles.

PART 3 - ORGANIZATION AND ACCOUNTABILITY

Section 301. Annual Budget Submission. Each agency's budget submission shall include a line item that specifically requests funding necessary to achieve the goals of this order.

Section 302. Government Performance and Results Act. Each agency shall develop an implementation plan for fulfilling the requirements of this order. Each agency shall include goals and objectives from its plan in its Strategic and Annual Performance Plans required by the Government Performance and Results Act.

Section 303. Annual Reports. Each agency shall measure and report its progress in meeting the goals of this order on an annual basis. Agencies shall follow reporting guidelines as developed under Section 503(b) of this order. Agency reports should be consistent with the reports submitted to DOE and Congress. Agency reports are due to the President on January 1 of each year beginning in the year 2000. For agencies reporting a failure to meet the goals of this Order, their annual reports shall detail how the agency is using each of the strategies described in Part 4 to help meet the goals of this Order and explain why certain strategies if any, have not been used.

Section 304. Designation of Senior Agency Official. Within 30 days of the date of this Order, each agency shall designate a senior official, at the Assistant Secretary level or above, to assume responsibility for the agency's alternative fuel vehicle and fleet fuel efficiency programs, and for meeting the requirements of this Order, including the Annual Report to the President.

Section 305. Interagency Coordination.

(a) Interagency Federal Energy Coordination. The Office of Management and Budget's Deputy Director of Management shall be responsible for working with the agencies to meet the goals of this order and report their progress. The Deputy Director of Management shall be responsible for encouraging inclusion of appropriate agency requests for funding Federal fleet fuel efficiency and alternative fuel programs in the President's Annual Budget Request to Congress. In addition, the Deputy Director shall be responsible for evaluating each agency's progress in meeting the requirements of this Order and submitting agency scorecards to the President to report progress.

The Deputy Director of Management shall assist agencies in developing budget submissions that include funding requests for carrying out the requirements of this order. The Deputy Director of Management will also work with DOE and other agencies to create:

- (1) guidelines for agencies' preparation of annual funding requests to meet the goals and requirements of this order;
- (2) an agency energy scorecard including criteria to evaluate each agency's

progress in meeting the goals of this order.

(b) President's Management Council. The President's Management Council, chaired by the Deputy Director of Management at OMB and consisting of the Deputy Secretaries of all Federal agencies, will assess agencies' progress in improving Federal transportation management at least once per quarter. The President's Management Council will provide a forum to identify the financial barriers to the acquisition and use of Federal AFVs and alternative fuels, develop innovative methods for agencies to overcome these barriers, and make this information readily available to all agencies.

Section 306. Applicability. This Order applies to each agency operating motor vehicles within the United States. Agencies will not be exempt from the requirements of this Order due to limited appropriations.

PART 4 – FEDERAL LEADERSHIP IN TRANSPORTATION

Section 401. Transportation Management Strategies. Agencies shall use the following transportation management strategies to meet the goals of this order.

(a) Federal Fleet Fuel Efficiency. Agencies may use any combination of the following approaches to meet the fuel efficiency goal of this order: use more fuel efficient and advanced technology vehicles such as hybrids; reduce vehicle miles traveled; increase use of alternative fuels, renewable fuels, and replacement fuels; place limitations on vehicle type and engine size; and, implement fleet and/or vehicle downsizing among other strategies to improve fuel efficiency and reduce carbon emissions wherever practicable. Agencies shall encourage employees to use alternate modes of transportation (e.g., public transit) rather than an agency fleet vehicle or taxi for local business travel and commuting. Agencies should review their existing fleet including class and weight information; assess their fleet needs in terms of size and vehicle type; replace retiring vehicles with more fuel-efficient vehicles; and purchase the most fuel-efficient vehicles to fulfill new fleet demands.

Over the next decade, the introduction of mass produced hybrid electric vehicles and fuel cell vehicles will revolutionize the automobile. These vehicles, developed through a cooperative government/industry program, will offer a 100 to 200 percent increase in fuel efficiency while maintaining the performance of today's gasoline vehicles. Federal fleets shall acquire and use these advanced technology vehicles to the greatest extent practicable in order to meet the fuel efficiency goals of this order.

(b) Innovative Financing of AFV Purchases. GSA shall implement innovative financing options to encourage the acquisition of AFVs and use of alternative fuels by agencies.

(1) Agencies shall be allowed to incorporate the incremental cost of a future

replacement AFV into the lease rate of the current leased vehicle and will have the option of averaging AFV incremental costs across the agency fleet as provided by the Energy Policy Act of 1992.

- (2) Agencies must pay a surcharge to GSA if alternative fuel infrastructure is available and a Federal fleet does not use alternative fuel in its AFVs at least 75% of the time. The funds paid to GSA will be used to offset the incremental cost of future AFV and advanced technology vehicle acquisitions for the agency paying the surcharge.

(c) Vehicle Reporting Credits. In fulfilling the AFV acquisition requirements of the Energy Policy Act of 1992, each agency acquisition of an alternative fuel light-duty vehicle, regardless of geographic placement, shall count as one credit towards those requirements. Agencies shall receive multiple credits for: vehicles that exclusively use an alternative fuel; zero emission vehicles; and dedicated alternative fuel medium and heavy-duty vehicles. Agencies may carry-over credits in excess of their annual requirements. In addition, agencies can also receive credits for significant documented alternative fuel use. The Department of Energy shall determine the number of credits and eligibility after consultation with other agencies.

(d) Infrastructure. To support the use of alternative fuel in AFVs, agencies shall arrange for fueling at commercial facilities that offer alternative fuels for sale to the public.

- (1) Agencies should establish partnerships with state, local, and private entities to increase the availability of and support commercial fueling available to the Federal government and the public.
- (2) Agencies should use the authority granted to them in section 304 of the Energy Policy Act of 1992 to enter into commercial arrangements for the purpose of fueling Federal AFVs where public fueling is unavailable.

(e) Alternative Fuel Week. One week each year shall be observed as National Alternative Fuel Week to recognize the importance of alternative fuels to the United States and to educate the public, including our children, on the many benefits of alternative fuels.

(f) Public Awareness. To increase the public awareness of Federal acquisition and use of AFVs, all Federal AFVs must prominently display the AFV Logo chosen in the General Services Administration/Washington Council of Governments national logo design competition

Section 402. Management/Government Performance. Agencies shall use the following

management strategies to assist them in meeting the goals of this order.

(a) **Awards.** Agencies shall use employee incentive programs to reward exceptional performance in implementing this order.

(b) **Performance Evaluations.** Agencies shall include successful implementation of the provisions of this order in the position descriptions and performance evaluations of agency heads, members of the agency energy team, fleet managers, their superiors, and other relevant employees.

(c) **Retention of Savings/Rebates.** Agencies granted statutory authority to retain a portion of savings generated from efficient energy management are encouraged to permit the retention of the savings at the facility or site where the savings occur to provide greater incentive for that facility and its site managers to undertake more energy management initiatives, including the purchase of energy efficient and alternative fuel vehicles and the use of alternative fuels.

(d) **Training and Education.** Agencies shall ensure that all appropriate personnel receive training for implementing this order. The head of each Agency shall issue guidance to their site and fleet managers to educate them on the requirements of the Energy Policy Act, the importance of compliance to the administration and the agency, and the procedures that must be followed to properly budget for and order AFVs.

PART 5 – TECHNICAL ASSISTANCE

Section 501. Within 120 days of this order, the Administrator of the General Services Administration, in consultation with other agency heads, shall:

- (a) provide a summary of agency AFV acquisition plans to potential AFV manufacturers to assist in their production planning. At least four months in advance of agency vehicle ordering cycles, GSA must provide to agencies the best available information on the production plans of AFV manufacturers.
- (b) develop, in coordination with DOE and EPA, and implement a vehicle rating system to clearly identify the light, medium, and heavy vehicles in the top five percent for fuel efficiency of their respective classes. This rating system shall be used in the Federal Motor Vehicle Standards to assist Federal fleet managers in selecting vehicles that will help them improve their fleet fuel efficiency.

Section 502. Within 160 days of this order, the Director of the Office of Management and Budget, in consultation with the Secretary of the Treasury, the Director of the Office of Personnel Management, the Administrator of the Environmental Protection Agency, and the

Secretary of Energy, shall:

- (a) recommend legislation to the President for parking cash out by amending Federal employee compensation law (5 USC 7905 (b) (2)) to equalize tax treatment for Federal employees.
- (b) recommend legislation to the President to establish requirements and credits for alternative fuel use, incorporation of advanced high efficiency vehicles, and other appropriate approaches that will address barriers to petroleum consumption reduction.

Section 503. Within 180 days of this order, the Secretary of Energy, in collaboration with other agency heads, shall:

- (a) issue guidance describing how agencies may obtain alternative fuel vehicle acquisition credits.
- (b) develop and issue guidelines to assist agencies in developing their Annual Reports to the President.
- (c) develop and issue guidance for entering into commercial arrangements, including the use of Energy Savings Performance Contracts (ESPC), to obtain refueling for Federal AFVs. This guidance must also contain information to assist agencies in determining the locations of existing public access alternative fuel infrastructure.
- (d) continue to provide technical assistance to other agencies that acquire AFVs and alternative fuels and must facilitate the coordination of the Federal Government's AFV program and continue the program begun in FY 1997 to provide partial funding assistance for agency acquisitions of dedicated electric vehicles.

Section 504. Within 180 days of this order, the Administrator of the Environmental Protection Agency, in collaboration with the Secretary of Energy and other agency heads, shall:

- (a) develop guidelines for agencies to calculate their 1999 baseline fleet fuel usage.

Section 505. Within 120 days of this order, the Secretary of Commerce, in consultation with the Secretary of Energy, the Administrator of the General Services Administration, and the Partnership for a New Generation of Vehicles (PNGV), shall:

- (a) identify Federal sites that would be the best candidates for testing and evaluation of the early prototypes of PNGV 2X and 3X vehicles.

Section 506. Within 2 year of this order, the Secretary of Transportation shall:

(a) direct all agencies with 500 or more employees in the Washington, D.C. metropolitan area to submit to DOT transportation management plans (TMPs) aimed at reducing single occupant vehicle trips to work sites. This effort is intended to assist agencies in meeting the requirements of Part 4 of the Order. These plans should address a range of measures including expanded transit and vanpool benefits, parking cash-out to the extent allowed by law, and employee awareness programs. Plans should also address measures to increase use of ride sharing, bicycling and walking, staggered work hours, and telecommuting.

(1) Copies of the plans must be submitted to the National Capital Planning Commission.

(2) Plans must be implemented within 18 months.

(b) issue a report to the President on agency compliance with the TMP requirement and recommendations for changes in agency TMPs or executive orders to ensure better compliance.

PART 6 - GENERAL PROVISIONS

Section 601. Revocation. This order supersedes sections 9 and 10 of Executive Order 12759 of April 17, 1991. Executive Order 13031 of December 13, 1996 is revoked.

Section 602. Existing Executive Orders. All other Executive Orders remain in force.

Section 603. Statutory Authority. Agencies must carry out the provisions of this order to the extent consistent with their statutory authority.

Section 604. Limitations. This Order is intended only to improve the internal management of the executive branch and is not intended to create any right, benefit, or trust responsibility, substantive or procedural, enforceable at law by a party against the United States, its agencies, its officers, or any other person.

Section 605. Independent Agencies. Independent agencies are encouraged to comply with the provisions of this Order.

Section 606. Government-Owned Contractor-Operated Vehicles. Agencies must ensure that all Government-owned contractor-operated facilities and vehicles comply with all applicable goals and other requirements of this Order and that these goals and requirements are incorporated into each contractor's management contract.

Section 607. Exemption for Military Tactical Vehicles. Military tactical vehicles are exempted from this Order's requirements for federal fleet fuel efficiency and alternative fuel

vehicle acquisition. Agencies claiming exemptions for military tactical vehicles must provide information on the number of each class or type of vehicle claimed as exempt as well as an estimate of fuel consumption used by each type or class on an annual basis. Agencies should examine options for increasing fuel efficiency in these exempt vehicles and must report actions taken to increase fuel efficiency in these vehicles or fleets. All information required by this Section must be submitted annually under Part 3 of this Order.

Section 608. **Compliance.** If an agency fails to meet requirements of the Energy Policy Act of 1992 and this Order, its report to the President must include an explanation for such failure and a detailed plan for achieving compliance using the agency's current and requested budgets.

PART 7 - DEFINITIONS

For the purposes of this Order:

Section 701. "Agency" means an executive agency as defined in 5 U.S.C. 105. For the purpose of this order, military departments, as defined in 5 U.S.C. 102, are covered under the auspices of the Department of Defense.

Section 702. "Acquisition" means acquiring by contract with appropriated funds supplies or services (including construction) by and for the use of the Federal Government through purchase or lease, whether the supplies or services are already in existence or must be created, developed, demonstrated, and evaluated. Acquisition begins at the point when agency needs are established. It includes the description of requirements to satisfy those needs, solicitation and selection of sources, award of contracts, contract financing, contract performance, contract administration, and those technical and management functions directly related to the process of fulfilling agency needs by contract.

Section 703. "Alternative fuel" means methanol, denatured ethanol, and other alcohols; mixtures containing 85 percent or more by volume of methanol, denatured ethanol, and other alcohols with gasoline or other fuels; natural gas; liquefied petroleum gas; hydrogen; coal-derived liquid fuels; fuels (other than alcohol) derived from biological materials; electricity; and any other fuel the Department of Energy determines, by rule, is substantially not petroleum and would yield substantial energy security benefits and substantial environmental benefits, including net reductions of greenhouse gas emissions.

Section 704. "Alternative fuel vehicle" or "AFV" means a dedicated, dual-fuel, bi-fuel, or flexible-fuel motor vehicle.

Section 705. "Bi-fuel vehicle" means a motor vehicle with two separate fuel storage systems that is capable of operating on alternative fuel or petroleum fuel, but not a mixture of the two.

Section 706. "Bio-based product" means a commercial or industrial product (other than food or

feed) that utilizes biological products or renewable domestic agricultural (plant, animal, and marine) or forestry materials.

Section 707. "Dedicated vehicle" means a motor vehicle that operates solely on alternative fuel.

Section 708. "Dual-fuel vehicle" means a motor vehicle with two separate fuel storage systems that operates on a mixture of alternative fuel and petroleum fuel.

Section 709. "Flexible-fuel vehicle" means a motor vehicle that is capable of operating on alternative fuel, petroleum fuel, or a mixture of the two.

Section 710. "Heavy-duty vehicle" means a motor vehicle of more than 26,000 pounds gross vehicle weight rating that is certified for use on all public roads and highways.

Section 711. "Light-duty vehicle" means a motor vehicle of less than or equal to 8,500 pounds gross vehicle weight rating that is certified for use on all public roads and highways.

Section 712. "Medium-duty vehicle" means a motor vehicle of more than 8,500 pounds and less than or equal to 26,000 pounds gross vehicle weight rating that is certified for use on all public roads and highways.

Section 713. "Motor vehicle" means a vehicle that meets the definition of section 216(2) of the Clean Air Act, 42 U.S.C. 7550(2).

Section 714. "Renewable fuel" means fuel derived from a renewable feedstock such as agricultural crops or the byproducts thereof, herbaceous and woody crops, solar energy, wind power, and geothermal heat.

Section 715. "Replacement fuel" means the portion of any motor fuel that is methanol, ethanol, or other alcohols, natural gas, liquefied petroleum gas, hydrogen, coal derived liquid fuels, fuels (other than alcohol) derived from biological materials, electricity; ethers; or any other fuel the DOE determines, by rule, is substantially not petroleum and would yield substantial energy security benefits and substantial environmental benefits, including net reductions of greenhouse gas emissions.

Section 716. "Zero-emission vehicle" or "ZEV" means a dedicated alternative fuel vehicle that produces no evaporative or tailpipe emissions, e.g., pure electric vehicles and hydrogen-fueled vehicles.

WILLIAM J. CLINTON
THE WHITE HOUSE

Federal Agency AFV Acquisitions FYs 97, 98, & 99

June 28, 1999

Agency	FY 97		FY 98		FY 99	
	Req	Acq	Req	Acq	Req	Acq
Department of Energy	185	88	287	264	692	902
Department of Justice	50	26	6	5	38	16
Department of Transportation	210	154	328	263	423	427
TVA			0	15		
NASA	45	114	67	105	101	105
USPS	962	825	6,111	10,767	10,516	12,239
EPA	62	27	76	54	82	55
Defense	2,482	1,795	3,543	1,749	4,866	3,212
GSA			66	89	105	105
Labor	18	55	29	59	45	62
NRC	3	3	1	1	14	14
HUD	0	0	1	0	1	1
Agriculture	244	136	456	231	645	254
Veterans Affairs	366	73	539	168	917	1,198
Commerce	No Report					
Interior	No Report					
Treasury	No Report					
Office of Personnel Mgmt	No Report					
HHS	No Report					
Education	No Report					
State	No Report					
SSA	No Report					
Total	4,627	3,296	11,510	13,770	18,445	18,590

Note: Agency numbers in bold signify compliance with EPACT AFV acquisition requirements.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

MAY 5 1999

MEMORANDUM

THE ADMINISTRATOR

SUBJECT: Alternative Fuel Vehicles

TO: Assistant Administrators
Regional Administrators
Inspector General
Lab Directors

In achieving our mission of protecting public health and the environment, it is important that we lead with our deeds as well as our words. I am proud of the Agency's efforts in recycling, buying recycled paper, and using energy efficient office equipment, low flush toilets, and other office and building fixtures that make our offices environmentally friendly. It is now time for us to turn our attention to another area where we need to lead – the use of alternative fuel vehicles (AFVs). AFVs can play an important role in reducing air pollution, as well as helping to improve energy security. The Energy Policy Act of 1992 (EPAct) and Executive Order 13031 recognize the need for the federal government to play a leadership role through its fleet purchasing. They require that 75% of our covered new vehicle acquisitions be AFVs. Our goal is not just to meet that requirement, but to exceed it. The maximum possible acquisition of AFVs is a tangible part of EPA's mission to improve air quality.

Achieving this goal will require coordinated efforts. You and your fleet managers have primary responsibility for your fleets, understand your vehicle needs, and are in the best position to know what will work in your area. The Office of Administration and Resources Management (OARM), which has overall responsibility for vehicle acquisition, and the Office of Air and Radiation (OAR), which has expertise on AFVs, also have vital roles to play in coordinating the Agency's efforts. OARM and OAR will be responsible for heading up a team to plan for and oversee the Agency's acquisition of AFVs. OARM and OAR will also serve as a resource for and provide assistance to the fleet managers as they incorporate these commercially available vehicles in their fleets. If your office has a fleet, I am asking you to designate one person from your immediate office to serve on this team. In addition, you may also designate a person with direct knowledge of your vehicle needs.

Meeting this goal will require plans for each individual fleet, as well as an agency-wide plan. You and your fleet managers are responsible for developing a detailed plan for fleets under

your control that shows the steps you will take over the next two years to achieve the Agency's goal on AFV acquisitions. The plan should describe your vehicle needs, your planned vehicle acquisitions, the availability of AFV refueling infrastructure, the availability of partnership opportunities with local agencies or utilities, an explanation of why non-AFV acquisitions will not be AFVs, any obstacles to achieving the Agency's goal, and suggestions for overcoming those obstacles. Your final plan is due within four months, and drafts should be shared with the Agency-wide team before then.

The team led by OAR and OARM will identify the steps that need to be taken Agency-wide. Within six months, OAR and OARM, based on input from you and your fleet managers, shall provide me a report on how EPA will achieve this goal. Using your plans for AFV fleet acquisitions, the report shall include the current status of EPA's AFV acquisitions on a fleet-by-fleet basis, each fleet's acquisition plan for the next two years, an identification of any obstacles to achieving our goal, and concrete steps for overcoming those obstacles. The report shall also include recommendations for ensuring continued progress towards this goal, including a mechanism for ensuring accountability. While this plan and report are being developed, you should continue to work with OARM on AFV acquisitions and should not delay the acquisition of AFVs.

It is important for EPA to work in partnership with the General Services Administration (GSA) and the Department of Energy (DOE) on AFV acquisitions. Accordingly, I am asking the team to work with GSA and DOE to assist in their AFV efforts and to resolve any institutional barriers that are identified. The status of these discussions should also be addressed in the report that is due in six months.

Being an environmental leader is a challenge. Achieving the goal of exceeding EPA's AFV acquisition requirements is part of that challenge and provides us with an exciting opportunity to demonstrate our leadership. I have found that EPA is a special organization not only because its mission is to protect public health and the environment, but also because the people that work at EPA are personally dedicated to that mission. I know that dedication and the desire to be part of the solution to environmental problems will ensure that we achieve success in reaching this goal. I thank you in advance for your efforts.


Carol M. Browner

cc: Agency Fleet Managers

Susan Pappas
Carol Equo
Edith Roman
Marge McDonald
Marvin Simmons
Patricia Thomas
Rickey Mathney
Alma Adams
George Smith
Roy Crossland
Grace Wright
Fred Cordini
Barbara Gross
Jonell Allamano
Rene Cochrane
Fred Childers
Mike Gaudy

Ricky Hardigree
Kathy Martin
Rodney Booth
George Craven
Neal Lackie
May Fong
Kathy Morgan
Maureen Dodd
E.B. Roberts
Arnold Samuel
Nick Tolve
Pam Saunders
Dorothy Branham
Melvin Joppy
Jane Ulric
Larry Valent
Melvin Strickland

07/08/99 18:33 FAX 202 565 2085
05/08/99 18:05 FAX 202 269 9768

EPA-OMS-FED

0005
0002



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

JUN 29 1998

OFFICE OF
ADMINISTRATION
AND RESOURCES
MANAGEMENT

MEMORANDUM

SUBJECT: Acquisition of Alternative Fuel Vehicles

FROM: *[Signature]* Rich Lemley, Director
Facilities Management and Services Division

TO: Assistant Regional Administrators
EPA Laboratory Directors

The Energy Policy Act of 1992 requires all Federal agencies, when replacing vehicles or adding vehicles to fleet inventories, to acquire a certain percentage of Alternative Fuel Vehicles (AFVs). The percentages are calculated based on the number of AFVs acquired as compared to the total number of new acquisitions or replacements: 33 percent in FY 97, 50 percent in FY 98, and 75 percent for every year thereafter. The Act allows vehicles used in law enforcement, and those which reside in geographical areas with a population of less than 250,000, to be exempted from the percentage calculations.

In order to meet the reporting requirements established in the Executive Order, we need your assistance in verifying the number of vehicles in our nationwide motor vehicle fleet inventory. I am asking that you complete the attached "Motor Vehicle Master Record" and submit it to our Transportation Management Office no later than July 15, 1998. Also, to ensure accurate and up-to-date data, we are asking that this form be completed and sent to this office whenever there is a change in the composition of your motor vehicle fleet (i.e., vehicle replacement, acquisition, disposal, modification, etc.). We are in the process of making enhancements to our nationwide automated motor vehicle inventory management system that will soon enable you to download this information directly into our database at EPA Headquarters.

EPA was in compliance with the Act in FY 97, and it is also our intention to comply with, and even exceed, the Act's goals in the future. At the same time, I recognize that there are systematic barriers, including an insufficient supply of AFVs nationwide, and an inadequate number of maintenance and refueling infrastructures that may make it difficult for us to meet the FY 98 and FY 99 targets. Nevertheless, we need to make a concerted effort to acquire AFVs when updating our fleet.

07/08/99 16:34 202 565 2085
06/09/99 WED 14:06 FAX 202 260 8768

EPA-OMS-FED

0008
003

2

I appreciate your assistance in helping us to address this important issue and look forward to working with you in the future. If you or your staff have any questions regarding this or any other transportation initiative, they may contact Melvin Joppy at (202) 260-6232.

Attachment

Proposed Goals under a New Federal Transportation Executive Order

The following discussion considers three potential goals related to Federal fleets: improvements in fleet fuel efficiency; enhanced use of alternative fuels; and enhanced use of alternative fuels. The overall objective of these goals would be to ensure Federal leadership in the displacement of petroleum consumption. Projected impact, legislative authority, and other related issues are addressed below for each of the three goals.

GOAL: Increased Fleet Efficiency

- Since 1995, the size of vehicles used in Federal fleets has steadily increased, with a resulting increase in the amount of gasoline and diesel consumed by Federal fleets. The start of this trend coincided with the end of the Executive Order 12759 requirement that Federal agencies reduce their annual petroleum consumption by at least 10% by 1995 in comparison with 1991.
- A fleet efficiency provision (e.g., one that calls for reducing each agency's entire fleet's average annual petroleum consumption per vehicle by at least 20 percent by FY 2005 in comparison with FY 1999, as in the draft EO) would reduce the amount of petroleum consumed in Federal motor vehicles by increasing the use of:
 - Advanced technology vehicles such as hybrid electric vehicles;
 - Alternative fuels and vehicles; and,
 - Smaller, less expensive vehicles than those currently being used.
- This type of fleet efficiency goal supports the legislative goal of Section 502 of the Energy Policy Act (EPACT) of 1992 to:
 - Reduce oil imports;
 - Improve the health of our nation's economy; and,
 - Reduce greenhouse gas emissions.
- Each year the Federal government purchases approximately 40,000 new vehicles. Given EPACT's requirements to purchase AFVs, between 15,000 and 20,000 of these vehicles should be AFVs. However, the remaining 20,000 to 25,000 could fall under the proposed order's requirement for greater fuel efficiency.
- By reducing the amount of petroleum consumed by Federal fleets, a fleet efficiency goal will have the added effect of reducing greenhouse gases emitted by Federal fleets.
- At this point, hybrids are not cost-effective on a lifecycle basis in this country; however, with economies of scale and production improvements, these vehicles will likely be competitive with conventional vehicles on a lifecycle basis. (Note: The Toyota Prius is already cost-effective in Japan where gas prices are significantly higher.)

GOAL: Ensure Use of Alternative Fuel

- About 50 to 75 percent of the Federal government's current AFVs do not use alternative fuel.
- By using a high percentage of gasoline in the AFVs they acquire, Federal agencies are failing to meet Congress' intent of the EPACT AFV acquisition requirements,

which is to reduce petroleum consumption through the use of alternative fuels by 30 percent by 2010.

- A goal calling for increases in use of alternative fuels, in combination with the increased fleet efficiency section, will result in a substantial increase in the amount of alternative fuel used in Federal AFVs and a corresponding decrease in petroleum consumption.
- This type of goal supports the legislative goals of Section 304 and Section 502 of EPACT to:
 - Provide Federal leadership in the use of alternative fuel in AFVs;
 - Reduce oil imports;
 - Improve the health of our nation's economy; and,
 - Reduce greenhouse gas emissions.
- The geographic diversity of Federal fleets and high cost of certain alternative fuel infrastructure has limited the availability of alternative fuels for Federal AFVs. To meet the requirements of this section of the proposed order, Federal funds will be required to construct infrastructure to support Federal AFVs.

GOAL: Acquisition of Alternative Fuel Vehicles

- Section 303 of the Energy Policy Act (EPACT) of 1992 requires Federal agencies to acquire 75% of their "covered" light-duty vehicle acquisitions as alternative fuel vehicles (AFVs). To date only a few agencies have complied on a consistent basis and the Federal government as a whole has failed to achieve compliance.
- Since 1992, the Federal government has purchased approximately 60,000 AFVs, with approximately 40,000 AFVs in the current fleet.
- An AFV acquisition goal in an executive order will raise the level of responsibility for compliance with and reporting of compliance within each agency. This will help ensure that Federal agencies take the AFV acquisition requirement of EPACT seriously and annually acquire the number of AFVs necessary for compliance.
- This AFV goal supports the legislative goals of Section 303 and Section 502 of EPACT to:
 - Provide Federal leadership in the acquisition of AFVs;
 - Reduce oil imports;
 - Improve the health of our nation's economy; and,
 - Reduce greenhouse gas emissions.
- Gaseous fueled AFVs, i.e., natural gas and propane vehicles, and electric vehicles cost approximately \$3,000 to \$5,500 dollars more than comparable gasoline vehicles. Assuming that half of the 15,000 Federal AFVs acquired annually to comply with EPACT are these types of AFVs, the Federal government will pay between \$18 million and \$33 million a year in incremental AFV costs. The other half of Federal AFVs acquired are assumed to be ethanol AFVs, which have little incremental cost but a much higher fuel cost.
- At current low volumes of production, the cost of AFVs, even on a lifecycle basis, is greater than the cost of conventional gas and diesel vehicles. However, if larger numbers of these vehicles were purchased, the price of AFVs, on a lifecycle basis, would likely be comparable to the price of conventional vehicles.

Proposed Goals under a New Federal Transportation Executive Order

The following discussion considers three potential goals related to Federal fleets: improvements in fleet fuel efficiency; enhanced use of alternative fuels; and enhanced use acquisition of alternative fuels. The overall objective of these goals would be to ensure Federal leadership in the displacement of petroleum consumption. Projected impact, legislative authority, and other related issues are addressed below for each of the three goals.

GOAL: Increased Fleet Efficiency

- Since 1995, the size of vehicles used in Federal fleets has steadily increased, with a resulting increase in the amount of gasoline and diesel consumed by Federal fleets. The start of this trend coincided with the end of the Executive Order 12759 requirement that Federal agencies reduce their annual petroleum consumption by at least 10% by 1995 in comparison with 1991.
- A fleet efficiency provision (e.g., one that calls for reducing each agency's entire fleet's average annual petroleum consumption per vehicle by at least 20 percent by FY 2005 in comparison with FY 1999, as in the draft EO) would reduce the amount of petroleum consumed in Federal motor vehicles by increasing the use of:
 - Advanced technology vehicles such as hybrid electric vehicles;
 - Alternative fuels and vehicles; and,
 - Smaller, less expensive vehicles than those currently being used.
- This type of fleet efficiency goal supports the legislative goal of Section 502 of the Energy Policy Act (EPACT) of 1992 to:
 - Reduce oil imports;
 - Improve the health of our nation's economy; and,
 - Reduce greenhouse gas emissions.
- Each year the Federal government purchases approximately 40,000 new vehicles. Given EPACT's requirements to purchase AFVs, between 15,000 and 20,000 of these vehicles should be AFVs. However, the remaining 20,000 to 25,000 could fall under the proposed order's requirement for greater fuel efficiency.
- By reducing the amount of petroleum consumed by Federal fleets, a fleet efficiency goal will have the added effect of reducing greenhouse gases emitted by Federal fleets.
- At this point, hybrids are not cost-effective on a lifecycle basis in this country; however, with economies of scale and production improvements, these vehicles will likely be competitive with conventional vehicles on a lifecycle basis. (Note: The Toyota Prius is already cost-effective in Japan where gas prices are significantly higher.)

Does this mean that EPACT costs taxpayers money?

GOAL: Ensure Use of Alternative Fuel

- About 50 to 75 percent of the Federal government's current AFVs do not use alternative fuel.
- By using a high percentage of gasoline in the AFVs they acquire, Federal agencies are failing to meet Congress' intent of the EPACT AFV acquisition requirements, which

"phased in mandate"

is to reduce petroleum consumption through the use of alternative fuels by 30 percent by 2010

- A goal calling for increases in use of alternative fuels, in combination with the increased fleet efficiency section, will result in a substantial increase in the amount of alternative fuel used in Federal AFVs and a corresponding decrease in petroleum consumption.
- This type of goal supports the legislative goals of Section 304 and Section 502 of EPACT to:
 - Provide Federal leadership in the use of alternative fuel in AFVs;
 - Reduce oil imports;
 - Improve the health of our nation's economy; and,
 - Reduce greenhouse gas emissions.
- The geographic diversity of Federal fleets and high cost of certain alternative fuel infrastructure has limited the availability of alternative fuels for Federal AFVs. To meet the requirements of this section of the proposed order, Federal funds will be required to construct infrastructure to support Federal AFVs.

Is this in EPACT?

→ Budget 2001?

GOAL: Acquisition of Alternative Fuel Vehicles

- Section 303 of the Energy Policy Act (EPACT) of 1992 requires Federal agencies to acquire 75% of their "covered" light-duty vehicle acquisitions as alternative fuel vehicles (AFVs). To date only a few agencies have complied on a consistent basis and the Federal government as a whole has failed to achieve compliance.
- Since 1992, the Federal government has purchased approximately 60,000 AFVs, with approximately 40,000 AFVs in the current fleet.
- An AFV acquisition goal in an executive order will raise the level of responsibility for compliance with and reporting of compliance within each agency. This will help ensure that Federal agencies take the AFV acquisition requirement of EPACT seriously and annually acquire the number of AFVs necessary for compliance.
- This AFV goal supports the legislative goals of Section 303 and Section 502 of EPACT to:

why do we need an "acquisition goal" if it's already law?

- Provide Federal leadership in the acquisition of AFVs;
- Reduce oil imports;
- Improve the health of our nation's economy; and,
- Reduce greenhouse gas emissions.
- Gaseous fueled AFVs, i.e., natural gas and propane vehicles, and electric vehicles cost approximately \$3,000 to \$5,500 dollars more than comparable gasoline vehicles. Assuming that half of the 15,000 Federal AFVs acquired annually to comply with EPACT are these types of AFVs, the Federal government will pay between \$18 million and \$33 million a year in incremental AFV costs. The other half of Federal AFVs acquired are assumed to be ethanol AFVs, which have little incremental cost but a much higher fuel cost.
- At current low volumes of production, the cost of AFVs, even on a lifecycle basis, is greater than the cost of conventional gas and diesel vehicles. However, if larger

How much of this cost could be offset w/ efficiency rules for rest of fleet?

numbers of these vehicles were purchased, the price of AFVs, on a lifecycle basis, would likely be comparable to the price of conventional vehicles.

Additional Q's and A's

Question: What can the Federal government do about private fleets?

Answer: The Department of Energy can extend AFV purchase requirements to private and local government fleets. We published an advanced notice of proposed rulemaking (ANOPR) last year and are in the final stages of preparing a notice of proposed rulemaking (NOPR). This would cover fleets of 20 or more in 120 metropolitan areas. The affected number of vehicles is large - up to 2 million covered vehicles, about 100-200,000 annual AFV purchases. This regulation is complemented by the proposed Rockefeller legislation which would help defray the cost of AFVs and fuels.

Question: Why isn't the Federal government buying more natural gas buses? What about state and local governments?

Answer: The Federal government does not buy very many buses. State and local governments are increasing the use of natural gas school buses. The biggest and most critical area is natural gas transit buses. Currently, the FTA provides 83 percent of the cost of a natural gas bus, compared to 80% of a regular bus. Under TEA-21, Congress established a special fund for clean fuel buses, but the appropriators did not fund it and instead provided the money for regular buses. In a recent OMB statement of position, OMB didn't even object to this "hijacking" of funds meant for clean fuel buses. DOT/FTA is finishing up a rule, but if the President is really interested, we can do quite a bit right now to increase Federal use of natural gas buses. For example, change the statement of position; raise the flag; get high level official to the DOE sponsored July 27th DOE Clean Cities workshop in Anaheim, CA (both Slater and Richardson declined).

FX Book?

Duval

Question: What are the benefits of supporting AFVs along with more efficient vehicles?

Answer: Different types of vehicles offer a range of benefits: reductions in air pollutants; reductions in greenhouse gas emissions; and, reduced dependence on foreign oil.

AFVs clearly reduce dependence on oil, but also offer environmental benefits:

Reductions in Greenhouse Gases: (ROUGH ESTIMATES)

Electric - 30 percent

Propane - 30 percent

Ethanol - 25 percent

Natural gas – 15 percent

Ethanol from biomass (when available) – 90 percent

Significant reductions in Criteria Pollutants: (electric, natural gas, propane)

Fuel Efficient vehicles (PNGV, hybrids, fuel cell vehicles) offer greenhouse gas emission reductions as well as reduced dependence on foreign oil. Depending upon the type of vehicle, they can also reduce criteria pollutants. Fuel cell vehicles offer significant air benefits.

Question: What types of AFVs are currently in the Federal fleet?

Answer: By end of FY99, the Federal fleet will include 21,000 natural gas vehicles, 23,500 ethanol vehicles, 200 methanol vehicles, 500 electric vehicles, and 350 propane vehicles.

DEGREE OF IMPACT OF FLEET ACTIONS ON FLEET EFFICIENCY OPTIONS

Fleet Efficiency Options	Fleet Actions That Could Impact Option						Number of Vehicles Impacted per Year	Industry & Environmental Support	Agency Support	FY 2005 Petroleum Reduction (million gallons) ¹
	AFV Acquisition	Alt Fuel Use	Advanced Technology Vehicle Acquisition	Smaller Vehicle Acquisition	Vehicle Miles Traveled Reduction	Fleet Size Reduction				
Overall Agency Petroleum Reduction	Potential +	+	+	+	+	NI	500K	Both Medium	All, except EPA	69
Petroleum Reduction Average per Vehicle	Potential +	+	+	+	+	-	500K	Both Low	All, Except EPA	69
Petroleum Reduction Average per VMT	Potential +	+	+	+	+	NI	500K	Both High	All	69
Fleet CAFE Increase	NA	-	+	+	NI	NI	40k	Environmental only	Only EPA	1.6 ¹
Vehicle Class CAFE Increase	NA	-	+	+	NI	NI	40K	Environmental only	Only EPA	1.6 ¹

Note: + Indicates positive impact of action
 - Indicates negative impact of action
 NI Indicates no impact
 NA Indicated not applicable

* Calculations based on information from the GSA Federal Vehicle Policy Division's 1997 Federal Fleet Report

¹ Calculation based on 2 mpg increase by 2005 and no CAFÉ bonus credits for AFV acquisitions allowed for compliance. In reality, agencies would be very likely to acquire AFVs solely to gain high MPG credits granted for these vehicles.

- 102 page -

DOE's Regulatory Program for Alternative Fuel Vehicle Requirements For Private and Local Government Fleets

Summary and Status

The Energy Policy Act requires Federal agencies, State government fleets, and fleets of alternative fuel providers (e.g., gas and electric utilities) to acquire alternative fuel vehicles (AFVs)¹. DOE has the authority to extend these AFV acquisition requirements to private and local government fleets if DOE determines that the requirements are necessary to help achieve the goals of the Act, specifically 10% petroleum displacement by 2000 and 30% by 2010. DOE issued an advanced notice of proposed rulemaking on April 23, 1998. DOE is in the final stages of preparing a notice of proposed rulemaking (NPR) that incorporates flexible strategies to promote alternative fuel use. The NPR could be ready for OMB review by the end of August. If approved for publication as a final rule, a January, 2000, date is preferable but April is more attainable. A potential linkage with other Administration and legislative initiatives could strengthen chances to implement the rule.

Background on the Energy Policy Act

The bi-partisan Energy Policy Act of 1992 (Pub. L. 102-486) enacted a comprehensive set of programs designed to, among other things, reduce dependence on imported oil. Titles III, IV, V, and VI established programs and regulations to promote the use of alternative fuels. To enable the Act's displacement goals to be met, alternative fuels must be readily accessible and alternative fueled motor vehicles must be available for purchase. Thus, two important elements of reducing petroleum motor fuel consumption are a nationwide alternative fuel infrastructure and the availability of alternative fueled vehicles at a reasonable cost to the public in a wide variety of vehicle models. Pertinent sections of the act are:

- Sec. 301: Definitions of alternative fuels
- Sec. 303: Federal agency AFV requirements (10% in 1993, rising to 75% in 2000) — ?
- Sec. 409: Public information program
- Sec. 501: Fuel provider AFV requirements (30% in 1997, rising to 90% in 2000)
- Sec. 502: Goals (10% oil displacement in 2000, 30% in 2010) — ?
- Sec. 505: Voluntary programs (i.e., DOE's Clean Cities program)
- Sec. 507: Private and local AFV requirements (20% in 2002, rising to 70% in 2005)
- Sec. 507(o): State government AFV requirements (10% in 1997, rising to 75% in 2001)

Existing Fleet Programs and Results

Federal agencies have acquired over 40,000 AFVs since 1993, encouraged by executive orders 12759 (Bush 12/91), 12844 (Clinton 4/93), and 13031 (Clinton 12/96). Due to replacements and retirements, about 30,000 AFVs are currently in operation, including non-tactical defense vehicles and the U.S. Postal Service. Some aggressive agencies (e.g., USPS, DOD, DOE) are helping carry the bulk of AFV requirements. Many Federal vehicles are bi-fuel (capable of running on gasoline or an alternative fuel) that primarily run on gasoline.

State fleets have acquired about 11,000 AFVs since EPACT was passed. Regulations went into effect for model year 1997, but credits were given for purchases starting in late 1992. Many States also have aggressive State requirements (e.g., Texas)

Fuel providers, such as natural gas and electric utilities, have acquired about 17,000 AFVs since 1992. Regulations went into effect for model year 1997, also with credits starting in late 1992. All told, total annual AFV sales due to the regulations are about 18,000 currently and projected to be about 60,000 annually for the long term.

¹The EPACT defined natural gas, propane, ethanol, methanol, hydrogen, and electricity as alternative fuels. The DOE has since added 100% biodiesel and the P-series fuels to the list.

Role for Private and Local Program

EPACT authorizes the DOE to add private and local requirements after the Federal, State and fuel provider programs have been implemented and if the fleet requirements are needed to meet the aggressive goals in Section 502. Coverage is limited to the light-duty vehicles of businesses and local governments with at least 50 vehicles nationwide and 20 vehicles in the 125 metropolitan areas covered by EPACT. DOE analysis estimates the program could cover as many as 3 million fleet vehicles and could boost annual AFV sales to about 300,000 vehicles. The first year of coverage for fleets would be model year 2002.²

DOE is in the final stages of preparing a notice of proposed rulemaking for this program, after reviewing comments submitted on our advanced notice of proposed rulemaking published on April 17, 1998. We are addressing the public comments and using input from stakeholder meetings and analysis performed at Argonne and Oak Ridge National Laboratories. In order to promulgate the rule, DOE must show that the EPACT goals are achievable and modify them if they are not. Then DOE must show that the private and local fleet program will help achieve the statutory or modified goals.

DOE Approach

DOE analysis has reached several important conclusions which are generally supported by the public comments. First, the fleet programs are an essential step to "jump-starting" the market for alternative fuel vehicles, although many commenters prefer incentives to mandates. Second, even with the private and local fleet program, the potential oil displacement is about 1% by 2010, far short of the aggressive EPACT goals of 10% in 2000 and 30% in 2010. Third, concerns exist that the requirements, as written, could deliver AFVs on the road but little alternative fuel consumption due to the use of bi-fuel vehicles.

A potential approach to address these concerns is to modify the goals by extending the time frame and proposing a fleet mandate and a voluntary "rewards" option that will ensure alternative fuel use. Analysis indicates that goals of 5% in 2010 and 30% in 2030 are achievable and would provide significant energy security benefits. The "rewards" program offers a flexible approach that allows users of alternative fuel to get credit against vehicle requirements by reporting fuel use. Dedicated AFVs get an automatic fuel use credit.

Linkage with Proposed Legislative Incentives and Other Rulemakings

Many commenters believe that incentives are preferable to the EPACT fleet requirements. DOE analysis shows that neither regulation or incentives alone achieve as much alternative fuel use as a combined program. Current legislative activity, such as S. 1003 (Rockefeller), that provide incentives for the use of alternative fuel, would complement a DOE regulation. At the same time, the incentives would mitigate any costs of the regulation to fleets, allowing DOE to focus on the energy and environmental benefits of the rule. Further, an approach that coupled the proposed rule with support for incentives, could strengthen the Administration's entire clean transportation portfolio by focusing attention on the benefits of the PNGV R&D efforts, the proposed EPA Tier II vehicle emissions standards, the proposed EPA low-sulphur gasoline standard, and the proposed vehicle incentives in the Climate Change Technology Initiative.

²DOE was authorized by EPACT to propose this program twice, first starting in model year 1999, and second starting in model year 2002. For the early program, DOE had to propose and finalize a rule by December 15, 1996, with many restrictive conditions. DOE published an ANOPR for this purpose on August 7, 1996, but terminated it on April 23, 1997, announcing it would not promulgate a rule for the early program.

Greening the Government Through Federal
Fleet and Transportation Efficiency

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the Energy Policy and Conservation Act, as amended (42 U.S.C. 6201 et seq.), the Energy Policy Act of 1992 (Pub. L. 102-486), section 301 of title 3, United States Code, and the Energy Conservation Reauthorization Act of 1998 (Pub. L. 105-388) (ECRA), it is hereby ordered as follows:

PART 1 PREAMBLE

Section 101. Federal Leadership. The purpose of this order is to ensure that the Federal Government exercises leadership in the reduction of petroleum consumption through improvements in fleet fuel efficiency and the use of alternative fuel vehicles (AFVs) and alternative fuels. Reduced petroleum use and the displacement of petroleum by alternative fuels will help promote markets for more alternative fuel and fuel efficient vehicles, encourage new technologies, enhance the United States' energy self-sufficiency and security, and ensure a healthier environment through the reduction of greenhouse gases and other pollutants in the atmosphere.

PART 2 GOALS

Sec. 201. Reduced Petroleum Fuel Consumption. Each agency operating 20 or more motor vehicles within the United States shall reduce its entire vehicle fleet's annual petroleum consumption by at least 20% by the end of FY 2005 in comparison with FY 1999.

Sec. 202. Performance Strategies. Agencies have numerous options for developing a strategy to meet the petroleum reduction goal in section 201 of this order. Measures include: the use of alternative fuels in light, medium, and heavy-duty vehicles; the acquisition of vehicles with higher fuel economy, including hybrid vehicles; the substitution of cars for light trucks; an increase in vehicle load factors; a decrease in vehicle miles traveled; and a decrease in fleet size. Each agency will need a strategy that includes most, if not all, of these measures, but can develop a strategy that fits its unique fleet configuration and mission requirements. As part of the strategy, each agency should attempt to accelerate the introduction of vehicles meeting Tier 2 standards. Where feasible, agencies should also consider procurement of innovative vehicles,

such as hybrid electric vehicles, capable of large improvements in fuel economy. The strategy should also attempt to minimize costs in achieving the objectives of this order. In developing its strategy, each agency shall include the following:

(a) AFV Acquisition and Use of Alternative Fuels. Each agency shall fulfill the acquisition requirements for AFVs established by section 303 of the Energy Policy Act of 1992. Agencies shall use alternative fuels to meet a majority of the fuel requirements of those motor vehicles by the end of FY 2005. Section 402 of this order addresses related issues of alternative fuel infrastructure availability and the ability to track alternative fuel usage data; and

(b) Acquisition of Higher Fuel Economy Vehicles. Agencies shall increase the average EPA fuel economy rating of passenger cars and light trucks acquired by at least 1 mile per gallon (mpg) by the end of FY 2002 and at least 3 mpg by the end of FY 2005 compared to FY 1999 acquisitions.

PART 3 ORGANIZATION AND ACCOUNTABILITY

Sec. 301. Leadership Responsibilities. The Office of Management and Budget (OMB), the Department of Energy (DOE), the Environmental Protection Agency (EPA), and the General Services Administration (GSA) shall be responsible for providing leadership to the other Federal agencies in implementing programs to meet the goals of this order. Therefore, they shall perform the following activities:

(a) OMB shall:

- (1) Designate a senior official to assume the responsibility for coordinating the collection of agency submissions pursuant to this order;
- (2) Amend and issue budget guidance to the agencies that requires each agency to identify in their annual budget submission the funding necessary to meet the requirements of this order;
- (3) Review annual agency budget submissions to determine adequacy in meeting the goal of this order and to balance requests for increased funding to support achievement of the goals against other mission priorities; and
- (4) Review agency submissions for the annual report to Congress, after budget decisions are made.

(b) DOE shall:

- (1) Issue guidance to agencies, within 90 days of the issuance of this order, on preparation and submission of agency strategies for complying with this order and the collection and annual reporting of data to demonstrate compliance with this order;
- (2) Review and evaluate agency strategies prior to their submission to OMB;
- (3) Provide OMB with copies of the agency strategy evaluations;
- (4) Provide whatever other support OMB requires to facilitate performance of OMB's role;
- (5) Establish the data collection and reporting system outlined in the DOE guidance for collecting annual agency performance data on meeting the goals of this order and other applicable statutes and policies;
- (6) Educate personnel from other agencies on the requirements of this order, the data collection and reporting system, best practices for improving fleet fuel efficiency, and methods for successfully acquiring and using AFVs;
- (7) Review agencies' annual data submissions for accuracy and produce a scorecard of agency and overall Federal compliance with this order and other applicable statutes and policies; and
- (8) Report to the President annually on compliance with the order, including the scorecard and level of performance in meeting the goals of the agencies' strategies.

(c) EPA shall support DOE and GSA in their efforts to assist the agencies in the accelerated purchase of Tier 2 vehicles.

(d) GSA shall develop and implement strategies that will ease agencies' financial and administrative burdens associated with the acquisition of AFVs, including:

- (1) Agencies shall be allowed to replace their conventionally-fueled vehicles with AFVs by making an initial lump-sum payment for the additional acquisition cost of the AFV and shall be allowed to contribute to the higher replacement costs of the AFV incrementally over the term of the lease, and have the option of averaging AFV

incremental costs across the agency fleet as provided by the Energy Policy Act of 1992.

(2) Within 120 days of this order, the Administrator of GSA, in consultation with other agencies, shall:

(A) provide a summary of agency AFV acquisition plans to potential AFV manufacturers to assist in their production planning. At least four months in advance of agency vehicle ordering cycles, GSA must provide to agencies the best available information on the production plans of AFV manufacturers;

(B) develop, in coordination with DOE and EPA, methods that will help Federal fleet managers to select vehicles to improve fleet fuel efficiency and to meet Tier 2 vehicle standards; and

(C) collaborate with its customer agencies and their procurement staff and officials to discuss and plan efforts to ensure that the GSA-leased fleet is making progress toward the goals of this order.

Sec. 302. Designation of Senior Agency Official. Within 90 days of the date of this order, the head of each agency shall designate a senior official to assume responsibility for the agency's AFV and fleet fuel efficiency programs, and for meeting the requirements of this order. Each senior agency official designated by an agency shall be responsible for:

(a) Preparing an agency strategy for meeting the goals of this order, in accordance with guidance issued by DOE;

(b) Submitting the agency strategy to DOE within 180 days of the issuance of this order for evaluation and submission to OMB;

(c) Implementing the data collection and reporting system outlined in the DOE guidance for collecting annual agency performance data on meeting the goals of this order and reporting the data to DOE;

(d) Ensuring the agency's strategy for meeting the goals of this order is incorporated in the annual budget submission to OMB; and

(e) Assembling the appropriate team and resources in the agency necessary to attain the goals of this order.

Sec. 303. Management and Government Performance. Agencies may use the following management strategies to assist them in meeting the goals of this order:

(a) Awards. Agencies may use employee incentive programs to reward exceptional performance in implementing this order.

(b) Performance Evaluations. Agencies shall, where appropriate, include successful implementation of the provisions of this order in the position descriptions and performance evaluations of agency heads, the senior official, fleet managers, their superiors, and other relevant employees.

Sec. 304. Applicability. This order applies to each agency operating 20 or more motor vehicles within the United States. Agency means an executive agency as defined in 5 U.S.C. 105. For the purpose of this order, military departments, as defined in 5 U.S.C. 102, are covered under the auspices of the Department of Defense.

PART 4 IMPLEMENTATION

Sec. 401. Vehicle Reporting Credits. When preparing the annual report to DOE and OMB, each agency acquisition of an alternative fuel light-duty vehicle, regardless of geographic placement, shall count as one credit towards fulfilling the AFV acquisition requirements of the Energy Policy Act of 1992. Agencies shall receive one additional credit for each light-duty AFV that exclusively uses an alternative fuel and for each Zero Emission Vehicle of any size. Agencies shall receive three credits for dedicated medium-duty AFVs and four credits for dedicated heavy-duty AFVs. Agencies can also receive one credit for every 450 gallons of pure bio-diesel used in diesel vehicles.

Sec. 402. Infrastructure. To support the use of alternative fuel in AFVs, agencies should arrange for fueling at commercial facilities that offer alternative fuels for sale to the public.

(a) Agencies should team with state, local, and private entities to support the expansion and use of public access alternative fuel refueling stations;

(b) Agencies should use the authority granted to them in section 304 of the Energy Policy Act of 1992 to establish non-public access alternative fuel infrastructure for fueling Federal AFVs where public fueling is unavailable.

(c) Agencies are encouraged to work with DOE and GSA to resolve alternative fuel usage tracking issues with alternative and petroleum fuel providers.

Sec. 403. Procurement of Environmentally Preferable Motor Vehicle Products.

(a) Consistent with Executive Order 13101 and section 6002 of the Resource Conservation and Recovery Act (RCRA), 42 U.S.C. 6962, effective six months after the date of this order, no Federal agency shall purchase, sell, or arrange for the purchase of virgin petroleum motor vehicle lubricating oils when re-refined motor vehicle lubricating oils are reasonably available and meet the vehicle manufacturer's recommended performance standards.

(b) Consistent with Executive Order 13101 and RCRA section 6962, in acquiring and maintaining motor vehicles, agencies shall acquire and use United States EPA-designated Comprehensive Procurement Guideline items, including but not limited to retread tires, when such products are reasonably available and meet applicable performance standards. In addition, Federal agencies should consider acquiring other recycled content products, such as tires containing a minimum of 5-10 percent post-consumer recovered rubber.

(c) Consistent with Executive Order 13101, Federal agencies are encouraged to use biobased motor vehicle products when such products are reasonably available and meet applicable performance standards.

PART 5 GENERAL PROVISIONS

Sec. 501. Revocation. Executive Order 13031 of December 13, 1996 is revoked.

Sec. 502. Statutory Authority. Agencies must carry out the provisions of this order to the extent consistent with their statutory authority.

Sec. 503. Limitations. This order is intended only to improve the internal management of the executive branch and is not intended to create any right, benefit, or trust responsibility, substantive or procedural, enforceable at law by a party against the United States, its agencies, its officers, or any other person.

Sec. 504. Independent Agencies. Independent agencies and agencies excepted from coverage by section 304 are encouraged to comply with the provisions of this order.

Sec. 505. Government-Owned Contractor-Operated Vehicles. Agencies must ensure that all Government-owned contractor-operated vehicles comply with all applicable goals and other

requirements of this order and that these goals and requirements are incorporated into each contractor's management contract.

Sec. 506. Exemptions for Military Tactical, Law Enforcement, and Emergency Vehicles.

Department of Defense military tactical vehicles are exempt from this order. Law enforcement, emergency, and any other vehicle class or type determined by OMB, in consultation with DOE, are exempted from this order's requirements for federal fleet fuel efficiency and alternative fuel vehicle acquisition. Agencies claiming vehicle exemptions must provide information on the number of each class or type of vehicle claimed as exempt as well as an estimate of total fuel consumption of exempt vehicles on an annual basis. Agencies should examine options for increasing fuel efficiency in these exempt vehicles and should report actions taken to increase fuel efficiency in these vehicles or fleets. All information required by this section must be submitted annually under Part 3 of this order.

Sec. 507. Compliance. (a) If an agency fails to meet requirements of the Energy Policy Act of 1992 or this order, its report to the DOE and OMB under section 302(c) must include an explanation for such failure and an updated strategy for achieving compliance using the agency's current and requested budgets.

(b) OMB, in consultation with DOE, may modify the compliance requirements for an agency under Part 2 of this order, if the agency is unable to comply with the requirements of that part. An agency requesting modification must show that it has made substantial good faith efforts to comply with that part. The availability and costs of alternative fuels and AFVs can be a factor in OMB's decision to modify the agency's compliance with Part 2 of this order.

Sec. 508. Definitions. Terms used in this order shall have the same definitions as those in the Energy Policy Act of 1992 and Executive Order 13101, unless specifically changed in guidance to be issued by DOE under section 301(b) of this order.

THE WHITE HOUSE,

Executive Order Emission Benefits

Greenhouse gas emissions savings in CO2 equivalent: ~~207K to 590K tons/year~~
The exact figure depends greatly on how Federal agencies choose to comply with the Order.

As much
as 120,000
tons/year.

President Clinton & Vice President Gore:
Providing Public Transportation Incentives to Federal Workers

April 22, 2000

In his Earth Day radio address, President Clinton today announced a new Executive Order directing agencies to offer incentives to federal workers to increase the use of public transport. This effort is designed to reduce the contribution federal employees make to traffic congestion and air pollution and to expand their commuting alternatives.

Providing Federal Workers Mass Transit Incentives in the National Capital Region. The President's new Executive Order on mass transit requires all federal agencies in the National Capital Region, which includes the District of Columbia, Montgomery, Prince George's, and Frederick Counties in Maryland; Arlington, Fairfax, Loudoun, and Prince William Counties in Virginia, to help subsidize public transportation costs for their workers. This measure will cut greenhouse gas emissions and other forms of pollution, help reduce road congestion and expand workers' commuting alternatives. The Department of Transportation estimates that 75,000-100,000 additional Federal employees would take advantage of the transit/vanpool benefits, reducing annual vehicle miles of travel in the region by 40 million-54 million and reducing air pollution costs by \$70 million-\$95 million. The new transportation benefit that goes into effect by October 1, 2000 will:

- Allow all federal workers in the National Capital Region to spend up to \$65 per month (\$100, beginning in 2002) to commute to work by public transit or eligible vanpools. Employees receive the benefit completely free of all payroll taxes, federal income taxes and Virginia, D.C., and Maryland state income taxes.
- Instruct agencies to pay for the benefit using existing appropriated funds, usually taken from administrative accounts such as salaries, benefits, and travel.

Expanding the Mass Transit Incentive Nationwide. The President's new Executive Order encouraging the use of mass transit will provide two additional means for expanding this incentive to Federal employees outside the National Capitol Area. These incentives will also go into effect by October 1, 2000.

- First, federal employees outside of the National Capital Region will be permitted to spend up to \$65 per month (\$100, beginning in 2002) of their pre-tax income for transit or eligible vanpool benefits. This new benefit will lower employees' taxable income by the amount of the benefit they purchase and agencies' payroll costs will be reduced since payroll taxes do not apply to the funds used for the benefit.
- Second, The Department of Transportation, the Environmental Protection Agency, and the Department of Energy will implement a nationwide 3-year pilot program to determine if the mass transit incentive program should be extended to federal employees nationwide. The program will be analyzed to see if it is effective in reducing single occupancy vehicle travel and local area congestion. Employees of these three agencies will receive a "transit pass" fringe benefit nationwide in addition to current compensation, in amounts not to exceed the maximum level allowed by law.

November 16, 1999

EXECUTIVE ORDER

DRAFT

**Federal Energy Environmental Leadership
Through Fleet and Transportation Efficiency**

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the Energy Policy and Conservation Act, as amended (42 U.S.C. 6201 et seq.), the Energy Policy Act of 1992 (Public Law 102-486), section 301 of title 3, United States Code, the Energy Conservation Reauthorization Act of 1998 (ECRA), **and section 2010 of title 15, USC?** it is hereby ordered as follows:

PART 1 – PREAMBLE

Section 101. **Federal Leadership.** The purpose of this order is to ensure that the Federal Government exercises leadership in the displacement of petroleum consumption and subsequent reduction of greenhouse gases through improvements in fleet fuel efficiency and the use of alternative fuel vehicles (AFV) and alternative fuels. Reduced petroleum use and the displacement of petroleum by alternative fuels will ~~foster~~ *help promote* markets for more fuel efficient products, encourage new technologies, enhance energy self-sufficiency and security, and ensure a healthier environment through the reduction of greenhouse gases and other pollutants in the atmosphere.

PART 2 - GOALS

Section 201. **Primary Goal – Reduced Petroleum Fuel Consumption.** Through cost-effective measures, each agency operating motor vehicles within the United States shall reduce its entire fleet's average annual petroleum consumption by at least 20 percent by FY 2005 in comparison with FY 1999. Options for achieving compliance with the Primary Goal include using alternative fuels in EPACT AFVs, using alternative fuel in medium- and heavy-duty vehicles, acquiring vehicles with higher fuel economy, substituting cars for trucks, decreasing vehicle miles traveled, and decreasing fleet size. By achieving the Primary Goal, the Federal Fleet will reduce its greenhouse gas emissions by 7 to 20 percent, depending on the options chosen.

Section 202. **Secondary Goal – Use of Alternative Fuel in EPACT AFVs.** Each agency shall fulfill the acquisition requirements for alternative fuel vehicles established by the Energy Policy Act of 1992 and use alternative fuels in these vehicles for 50% of their fuel requirements by

*- Need safety valve/waiver
- new allowance for non-static safe and?*

2005.

Section 203. **Secondary Goal – Acquisition of Higher Fuel Economy Vehicles.** Through cost-effective measures, each agency shall: 1) acquire passenger cars that have fuel economy that is on average 2 miles per gallon (mpg) higher than their FY1999 passenger car fuel economy average; and, 2) acquire light trucks that have fuel economy that is on average 3 miles per gallon (mpg) higher than their FY1999 light truck fuel economy average.

20059

Section 204. **Meeting the Primary Goal.** Meeting the Secondary Goals will not assure compliance with meeting the Primary Goal. Meeting the Secondary Goals will only achieve about 80% compliance with the Primary Goal for the Federal Fleet overall. Therefore, it will be necessary for Federal agencies to either exceed the secondary goals outlined in Sections 202 and 203, or meet these goals and use other fuel reduction options listed in Sections 201 and 402(a).

PART 3 - ORGANIZATION AND ACCOUNTABILITY

Section 301. **Annual Budget Submission.** Each agency's budget submission shall include a line item that specifically requests funding necessary to achieve the goals of this order.

Section 302. **Government Performance and Results Act.** Each agency shall develop an implementation plan for fulfilling the requirements of this order. Each agency shall include goals and objectives from its plan in its Strategic and Annual Performance Plans required by the Government Performance and Results Act.

Section 303. **Annual Reports.** Each agency shall measure and report its progress in meeting the goals of this order on an annual basis. Agencies shall follow reporting guidelines as developed under Section 306(a) of this order. Each agency's annual report shall describe how the agency is using each of the strategies described in Part 4 to help meet the goals of this order. The annual report shall explain why certain strategies if any, have not been used. Agency reports should be consistent with the reports submitted to DOE and Congress. Agency reports are due to the President on January 1 of each year beginning in the year 2000.

Section 304. **Designation of Senior Agency Official.** Within 90 days of the date of this Order, each agency shall designate a senior official, at the Assistant Secretary level or above, to assume responsibility for the agency's alternative fuel vehicle and fleet fuel efficiency programs, and for meeting the requirements of this Order, including the Annual Report to the President.

Section 305. **Interagency Coordination.**

(a) **Interagency Federal Energy Coordination.** The Office of Management and Budget's Deputy Director of Management shall be responsible for working with the agencies to meet the goals of this order and report their progress. The Deputy Director of

Management shall be responsible for encouraging inclusion of appropriate agency requests for funding Federal energy management in the President's Annual Budget Request to Congress. In addition, the Deputy Director shall be responsible for evaluating each agency's progress in improving energy management; and, submitting agency scorecards to the President to report progress.

The Deputy Director of Management shall assist agencies in developing budget submissions that include funding requests for carrying out the requirements of this order. The Deputy Director of Management will also work with DOE and other agencies to create:

- existing requirements?*
- (1) guidelines for agencies' preparation of annual funding requests to meet the goals and requirements of this order;
 - (2) guidelines for agencies' preparation of the Annual Report to the President on energy management, including budget information, the agency's funding request to OMB, and the amount appropriated by Congress to implement provisions of this Order.
 - (3) an agency energy scorecard including criteria to evaluate each agency's progress in meeting the goals of this order.

*existing?
why not
but they into
other
EO?*

(b) **President's Management Council.** The President's Management Council, chaired by the Deputy Director of Management at OMB and consisting of the Deputy Secretaries of all Federal agencies, will assess agencies' progress in improving Federal transportation management at least once per quarter. The President's Management Council will provide a forum to identify the financial barriers to the acquisition and use of Federal AFVs and alternative fuels, develop innovative methods for agencies to overcome these barriers, and make this information readily available to all agencies.

Section 306. **Applicability.** This Order applies to each agency operating motor vehicles within the United States. Agencies will not be exempt from the requirements of this Order due to limited appropriations.

PART 4 – FEDERAL LEADERSHIP IN TRANSPORTATION

Section 401. **Cost Effective Measures.** Each agency shall ensure that all investments in vehicles and fuels consider the full life cycle cost to lower the Federal Government's cost of operations, reduce energy consumption, and reduce carbon emissions. The Department of Energy will issue guidance to clarify how agencies determine the full life-cycle cost for investments in vehicles and fuels.

1

Section 402. **Energy Management Strategies.** Agencies shall ~~use~~ ^{consider} the following energy management strategies, where cost-effective, to meet the goals of this order.

(a) **Federal Fleet Fuel Efficiency.** Agencies may use any combination of the following approaches to meet the fuel efficiency goal of this order: use more fuel efficient and advanced technology vehicles such as hybrids; reduce vehicle miles traveled; increase use of alternative fuels, renewable fuels, and replacement fuels; place limitations on vehicle type and engine size; and, implement fleet and/or vehicle downsizing among other strategies to improve fuel efficiency and reduce carbon emissions wherever practicable. Agencies shall encourage employees to use alternate modes of transportation (e.g., public transit) rather than an agency fleet vehicle or taxi for local business travel and commuting. Agencies should review their existing fleet including class and weight information; assess their fleet needs in terms of size and vehicle type; replace retiring vehicles with more fuel-efficient vehicles; and purchase the most fuel-efficient vehicles to fulfill new fleet demands.

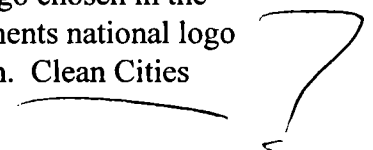
(b) **Innovative Financing of AFV Purchases.** GSA shall implement innovative financing options to encourage the acquisition of AFVs and use of alternative fuels by agencies.

- Mark's GSA revolving fund idea.
- (1) Agencies shall be allowed to incorporate the incremental cost of a future replacement AFV into the lease rate of the current leased vehicle and will have the option of averaging AFV incremental costs across the agency fleet as provided by the Energy Policy Act of 1992.
 - (2) Agencies must pay a surcharge to GSA if alternative fuel infrastructure is available and a Federal fleet does not use alternative fuel in its AFVs at least 50% of the time. The funds paid to GSA will be used to offset the incremental cost of future AFV and advanced technology vehicle acquisitions for the agency paying the surcharge.

(c) **Vehicle Reporting Credits.** In fulfilling the AFV acquisition requirements of the Energy Policy Act of 1992, each agency acquisition of an alternative fuel light-duty vehicle shall count as one credit towards those requirements. Agencies shall still earn credit for AFVs even if placed outside the metropolitan areas specified in the Act. Agencies shall receive additional credits for: AFV purchases that exceed their annual requirements; vehicles that exclusively use an alternative fuel; zero emission vehicles; and dedicated medium and heavy-duty vehicles. Agencies can also receive credits for significant documented alternative fuel use. The Department of Energy shall determine the number of credits and eligibility after consultation with other agencies.

(d) **Infrastructure.** To support the use of alternative fuel in AFVs, agencies shall arrange for fueling at commercial facilities that offer alternative fuels for sale to the

public.

- (1) Agencies should establish partnerships with state, local, and private entities to increase the availability of and support commercial fueling available to the Federal government and the public.
 - (2) Agencies should concentrate their acquisitions and promote alternative fuel infrastructure development in six metropolitan areas that have demonstrated a strong commitment to alternative fuels. The Department of Energy shall designate the six pilot areas, with input from other agencies.
 - (3) Agencies should use the authority granted to them in section 304 of the Energy Policy Act of 1992 to enter into commercial arrangements for the purpose of fueling Federal AFVs where public fueling is unavailable.
- (e) **Alternative Fuel Week.** One week each year shall be observed as National Alternative Fuel Week to recognize the importance of alternative fuels to the United States and to educate the public, including our children, on the many benefits of alternative fuels.
- (f) **Public Awareness.** To increase the public awareness of Federal acquisition and use of AFVs, all Federal AFVs must prominently display the AFV Logo chosen in the General Services Administration/Washington Council of Governments national logo design competition. [GSA Policy Office is proposing this addition. Clean Cities doesn't support it.] 
- (g) **Procurement of Environmentally Preferable Motor Vehicle Products.** Consistent with Executive Order 13101 and the Resource Conservation and Recovery Act, 42 U.S.C. section 6901 et seq., in acquiring and maintaining motor vehicles, agencies shall acquire and use environmentally preferable products, including but not limited to re-refined lubricating oil, retread tires, tires containing 5-10% post-consumer content, and bio-based products (e.g. lubricants), when such products are reasonably available and meet applicable performance standards.
- (1) **Re-refined Motor Oil.** Effective six months after the date of this order, no agency shall purchase, sell, or arrange for the purchase of virgin petroleum oil when an environmentally preferable alternative is readily available and meets the vehicle manufacturer's recommended performance standards.
 - (2) **Climate Neutral Fuels.** Agencies are also encouraged to purchase climate neutral fuels, i.e. fuels for which associated life cycle emissions have been neutralized through other energy efficiency projects, use of renewable energy, or

other appropriate activities.

Section 403. **Management/Government Performance.** Agencies shall use the following management strategies to assist them in meeting the goals of this order.

(a) **Awards.** Agencies shall use employee incentive programs to reward exceptional performance in implementing this order.

(b) **Performance Evaluations.** Agencies shall include successful implementation of the provisions of this order in the position descriptions and performance evaluations of agency heads, members of the agency energy team, fleet managers, their superiors, and other relevant employees.

(c) **Retention of Savings/Rebates.** Agencies granted statutory authority to retain a portion of savings generated from efficient energy management are encouraged to permit the retention of the savings at the facility or site where the savings occur to provide greater incentive for that facility and its site managers to undertake more energy management initiatives, including the purchase of energy efficient and alternative fuel vehicles and the use of alternative fuels.

(d) **Training and Education.** Agencies shall ensure that all appropriate personnel receive training for implementing this order.

(1) The head of each Agency shall issue guidance to their site and fleet managers to educate them on the requirements of the Energy Policy Act, the importance of compliance to the administration and the agency, and the procedures that must be followed to properly budget for and order AFVs.

(2) DOE and DOD shall make training available to all Federal agencies on the energy management strategies contained in this order.

PART 5 – Technical Assistance

Section 501. Within 120 days of this order, the Administrator of the General Services Administration, in consultation with other agency heads, shall:

(a) provide a summary of agency AFV acquisition plans to potential AFV manufacturers to assist in their production planning. At least four months in advance of agency vehicle ordering cycles, GSA must provide to agencies the best available information on the production plans of AFV manufacturers.

- (b) develop, in coordination with DOE and EPA, and implement a vehicle rating system to clearly identify the light, medium, and heavy vehicles in the top five percent for fuel efficiency of their respective classes. This rating system shall be used in the Federal Motor Vehicle Standards to assist Federal fleet managers in selecting vehicles that will help them improve their fleet fuel efficiency.

Section 502. Within 120 days of this order, the Director of the Office of Management and Budget, in consultation with the Secretary of the Treasury, the Director of the Office of Personnel Management, the Administrator of the Environmental Protection Agency, and the Secretary of Energy, shall:

- (a) recommend legislation to the President for parking cash out by amending Federal employee compensation law (5 USC 7905 (b) (2)) to equalize tax treatment for Federal employees.
- (b) recommend legislation to the President to establish requirements and credits for alternative fuel use, incorporation of advanced high efficiency vehicles, and other appropriate approaches that will address barriers to petroleum consumption reduction.

Section 503. Within 120 days of this order, the Secretary of Defense, the Administrator of the General Services Administration and the Secretary of Energy shall:

- (a) report on the feasibility of retrofitting and operating an ethanol refueling station in the Washington, D.C. metropolitan area.

Section 504. Within 180 days of this order, the Secretary of Energy, in collaboration with other agency heads, shall:

- (a) issue guidance describing how agencies may obtain alternative fuel vehicle acquisition credits.
- (b) develop and issue guidelines to assist agencies in developing their Annual Reports to the President.
- (c) develop and issue guidance for entering into commercial arrangements, including the use of Energy Savings Performance Contracts (ESPC), to obtain refueling for Federal AFVs. This guidance must also contain information to assist agencies in determining the locations of existing public access alternative fuel infrastructure.
- (d) continue to provide technical assistance to other agencies that acquire AFVs and alternative fuels and must facilitate the coordination of the Federal Government's AFV program and continue the program begun in FY 1997 to provide partial funding

assistance for agency acquisitions of dedicated electric vehicles.

(e) issue guidance for each agency to track its annual carbon emissions after establishing its 1990 carbon baseline for fleets.

Section 505. Within 180 days of this order, the Administrator of the Environmental Protection Agency, in collaboration with the Secretary of Energy and other agency heads, shall:

(a) develop guidelines for agencies to calculate their 1999 baseline fleet fuel usage.

(b) issue guidance to agencies defining “climate neutral” and identifying “climate neutral” products.

Section 506. Within 120 days of this order, the Secretary of Commerce, in consultation with the Secretary of Energy, the Administrator of the General Services Administration, and the Partnership for a New Generation of Vehicles (PNGV), shall:

(a) identify Federal sites that would be the best candidates for testing and evaluation of the early prototypes of PNGV 2X and 3X vehicles.

Section 507. Within 2 year of this order, the Secretary of Transportation shall:

(a) direct all agencies with 500 or more employees in the Washington, D.C. metropolitan area to submit to DOT transportation management plans (TMPs) aimed at reducing single occupant vehicle trips to work sites. This effort is intended to assist agencies in meeting the requirements of Part 4 of the Order. These plans should address a range of measures including the expanded transit and vanpool benefits, parking cash-out to the extent allowed by law, and employee awareness programs. Plans should also address measures to increase use of ride sharing, bicycling and walking, staggered work hours, and telecommuting.

(1) Copies of the plans must be submitted to the National Capital Planning Commission.

(2) Plans must be implemented within 18 months.

(b) issue a report to the President on agency compliance with the TMP requirement and recommendations for changes in agency TMPs or executive orders to ensure better compliance.

PART 6 - GENERAL PROVISIONS

Section 601. **Revocation.** This order supersedes sections 9 and 10 of Executive Order 12759 of

April 17, 1991. Executive Order 13031 of December 13, 1996 is revoked.

Section 602. **Existing Executive Orders.** All other Executive Orders remain in force.

Section 603. **Statutory Authority.** Agencies must carry out the provisions of this order to the extent consistent with their statutory authority.

Section 604. **Limitations.** This Order is intended only to improve the internal management of the executive branch and is not intended to create any right, benefit, or trust responsibility, substantive or procedural, enforceable at law by a party against the United States, its agencies, its officers, or any other person.

Section 605. **Independent Agencies.** Independent agencies and agencies excepted from coverage by Section 305 are encouraged to comply with the provisions of this Order.

Section 606. **Government-Owned Contractor-Operated Vehicles.** Agencies must ensure that all Government-owned contractor-operated facilities and vehicles comply with all applicable goals and other requirements of this Order and that these goals and requirements are incorporated into each contractor's management contract.

Section 607. **Exemption for Military Tactical Vehicles.** Military tactical vehicles are exempted from this Order's requirements for federal fleet fuel efficiency and alternative fuel vehicle acquisition. Agencies claiming exemptions for military tactical vehicles must provide information on the number of each class or type of vehicle claimed as exempt as well as an estimate of fuel consumption used by each type or class on an annual basis. Agencies should examine options for increasing fuel efficiency in these exempt vehicles and must report actions taken to increase fuel efficiency in these vehicles or fleets. All information required by this Section must be submitted annually under Part 3 of this Order.

Section 608. **Compliance.** If an agency fails to meet requirements of the Energy Policy Act of 1992 and this Order, its report to the President must include an explanation for such failure and a detailed plan for achieving compliance using the agency's current and requested budgets.

PART 7 - DEFINITIONS

For the purposes of this Order:

Section 701. "Agency" means an executive agency as defined in 5 U.S.C. 105. For the purpose of this order, military departments, as defined in 5 U.S.C. 102, are covered under the auspices of the Department of Defense.

Section 702. "Acquisition" means acquiring by contract with appropriated funds supplies or

services (including construction) by and for the use of the Federal Government through purchase or lease, whether the supplies or services are already in existence or must be created, developed, demonstrated, and evaluated. Acquisition begins at the point when agency needs are established. It includes the description of requirements to satisfy those needs, solicitation and selection of sources, award of contracts, contract financing, contract performance, contract administration, and those technical and management functions directly related to the process of fulfilling agency needs by contract.

Section 703. "Alternative fuel" means methanol, denatured ethanol, and other alcohols; mixtures containing 85 percent or more by volume of methanol, denatured ethanol, and other alcohols with gasoline or other fuels; natural gas; liquefied petroleum gas; hydrogen; coal-derived liquid fuels; fuels (other than alcohol) derived from biological materials; electricity; and any other fuel the Department of Energy determines, by rule, is substantially not petroleum and would yield substantial energy security benefits and substantial environmental benefits, including net reductions of greenhouse gas emissions.

Section 704. "Alternative fuel vehicle" or "AFV" means a dedicated, dual-fuel, bi-fuel, or flexible-fuel motor vehicle.

Section 705. "Bi-fuel vehicle" means a motor vehicle with two separate fuel storage systems that is capable of operating on alternative fuel or petroleum fuel, but not a mixture of the two.

Section 706. "Bio-based product" means a commercial or industrial product (other than food or feed) that utilizes biological products or renewable domestic agricultural (plant, animal, and marine) or forestry materials.

Section 707. "Dedicated vehicle" means a motor vehicle that operates solely on alternative fuel.

Section 708. "Dual-fuel vehicle" means a motor vehicle with two separate fuel storage systems that operates on a mixture of alternative fuel and petroleum fuel.

Section 709. "Environmentally preferable" means products or services that have a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose. The comparison may consider raw materials acquisition, production, manufacturing, packaging, distribution, reuse, operation, maintenance, or disposal of the product or service.

Section 710. "Flexible-fuel vehicle" means a motor vehicle that is capable of operating on alternative fuel, petroleum fuel, or a mixture of the two.

Section 711. "Heavy-duty vehicle" means a motor vehicle of more than 26,000 pounds gross

vehicle weight rating that is certified for use on all public roads and highways.

Section 712. “Light-duty vehicle” means a motor vehicle of less than or equal to 8,500 pounds gross vehicle weight rating that is certified for use on all public roads and highways.

Section 713. “Medium-duty vehicle” means a motor vehicle of more than 8,500 pounds and less than or equal to 26,000 pounds gross vehicle weight rating that is certified for use on all public roads and highways.

Section 714. “Motor vehicle” means a vehicle that meets the definition of section 216(2) of the Clean Air Act, 42 U.S.C. 7550(2).

Section 715. “Renewable fuel” means fuel derived from a renewable feedstock such as agricultural crops or the byproducts thereof, herbaceous and woody crops, solar energy, wind power, and geothermal heat.

Section 716. “Replacement fuel” means the portion of any motor fuel that is methanol, ethanol, or other alcohols, natural gas, liquefied petroleum gas, hydrogen, coal derived liquid fuels, fuels (other than alcohol) derived from biological materials, electricity; ethers; or any other fuel the DOE determines, by rule, is substantially not petroleum and would yield substantial energy security benefits and substantial environmental benefits, including net reductions of greenhouse gas emissions.

Section 717. “Zero-emission vehicle” or “ZEV” means a dedicated alternative fuel vehicle that produces no evaporative or tailpipe emissions, e.g., pure electric vehicles and hydrogen-fueled vehicles.

WILLIAM J. CLINTON
THE WHITE HOUSE

November 23, 1999

EXECUTIVE ORDER

DRAFT

Federal Energy Environmental Leadership Through Fleet and Transportation Efficiency

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the Energy Policy and Conservation Act, as amended (42 U.S.C. 6201 et seq.), the Energy Policy Act of 1992 (Public Law 102-486), section 301 of title 3, United States Code, the Energy Conservation Reauthorization Act of 1998 (ECRA), **and section 2010 of title 15, USC?** it is hereby ordered as follows:

PART 1 PREAMBLE

Section 101. Federal Leadership. The purpose of this order is to ensure that the Federal Government exercises leadership in the displacement of petroleum consumption through improvements in fleet fuel efficiency and the use of alternative fuel vehicles and alternative fuels. Reduced petroleum use and the displacement of petroleum by alternative fuels will help promote markets for more alternative fuel and fuel efficient vehicles, encourage new technologies, enhance energy self-sufficiency and security, and ensure a healthier environment through the reduction of greenhouse gases and other pollutants in the atmosphere.

PART 2 - GOALS

to end of

Section 201. Reduced Petroleum Fuel Consumption. Each agency operating motor vehicles within the United States shall reduce its entire fleet's average annual petroleum consumption by at least 20 percent by FY 2005 in comparison with FY 1999.

Section 202. Performance Measures. Agencies have numerous options for developing a strategy to meet the petroleum reduction goal in Section 201. Measures include the use of alternative fuels in light, medium, and heavy-duty vehicles, the acquisition of vehicles with higher fuel economy, the substitution of cars for trucks, a decrease in vehicle miles traveled, and a decrease in fleet size. Each agency will need a strategy that includes most, if not all, of these measures, but can develop a strategy that fits its unique fleet configuration and mission requirements. In developing its strategy, each agency must include the following:

(a) Alternative Fuel Vehicle Acquisition and Use of Alternative Fuels. Each agency shall fulfill the acquisition requirements for alternative fuel vehicles established by the Energy Policy Act of 1992 and use alternative fuels in these vehicles for 50% of vehicle fuel

*No safety
value?*

requirements by 2005.

(b) Acquisition of Higher Fuel Economy Vehicles. Each agency shall acquire passenger cars that have fuel economy that is on average 2 miles per gallon (mpg) higher than their FY1999 passenger car fuel economy average, and also acquire light trucks that have fuel economy that is on average 3 miles per gallon (mpg) higher than their FY1999 light truck fuel economy average.

PART 3 - ORGANIZATION AND ACCOUNTABILITY

Section 301. Designation of Senior Agency Official. Within 90 days of the date of this Order, the head of each agency shall designate a senior official to assume responsibility for the agency's alternative fuel vehicle and fleet fuel efficiency programs, and for meeting the requirements of this Order. Each senior agency official selected by an agency shall be responsible for:

(a) Preparation and submission to the Office of Management and Budget of a strategy to meet the goal contained in Section 201. Approval by the Office of Management and Budget is required if the strategy does not include the performance measures specified in section 202(a) and (b);

(b) Collection of data to measure progress toward the goal and submission of an annual report to the Office of Management and Budget by January 1 each year;

(c) Selection of, and obtaining approval within the agency for, the combination of approaches and tactics embodied in the strategy; and

(d) Assembling the appropriate team and resources in the agency necessary to attain the goal.

(e)

Section 302. Interagency Federal Energy Coordination. The Office of Management and Budget's Deputy Director of Management shall be responsible for working with the agencies to meet the goals of this order. The Deputy Director of Management will appoint a senior official within OMB to coordinate the work of the officials designated by each agency. The person designated by the Deputy Director of Management shall be responsible for:

(a) Encouraging the sharing of best practices in meeting the goal of this order between the agencies and within the government;

(b) Collecting agency's annual reports on progress in meeting the goal of this order, preparing a scorecard of overall Federal compliance, and preparing and submitting a report to the President by June 1 each year summarizing progress toward the goal of this order;

(c) Assuring that each agency's methodology for collecting the data is sufficiently comprehensive and accurate to permit tracking of the overall progress of the government; and

(d) Enforcing the standards necessary for compliance with this order, including the appropriate agency requests for funding Federal energy management in the President's Annual Budget Request to Congress.

Section 303. Management/Government Performance. Agencies shall use the following management strategies to assist them in meeting the goals of this order.

(a) **Awards.** Agencies shall use employee incentive programs to reward exceptional

performance in implementing this order.

(b) Performance Evaluations. Agencies shall include successful implementation of the provisions of this order in the position descriptions and performance evaluations of agency heads, the senior official, fleet managers, their superiors, and other relevant employees.

Section 304. Applicability. This Order applies to each agency operating motor vehicles within the United States. Agencies will not be exempt from the requirements of this Order due to limited appropriations. Agency means an executive agency as defined in 5 U.S.C. 105. For the purpose of this order, military departments, as defined in 5 U.S.C. 102, are covered under the auspices of the Department of Defense.

PART 4 IMPLEMENTATION

Section 401. Guidance. Within 90 days of the signing of this order, the Office of Management and Budget shall issue guidance that details the reporting requirements, exemptions, and definitions of this order.

Section 402. Innovative Financing of AFV Purchases. GSA shall implement innovative financing options to encourage the acquisition of AFVs and use of alternative fuels by agencies, including:

- (a)** Agencies shall be allowed to incorporate the incremental cost of a future replacement AFV into the lease rate of the current leased vehicle and will have the option of averaging AFV incremental costs across the agency fleet as provided by the Energy Policy Act of 1992.
- (b)** Agencies must pay a surcharge to GSA if alternative fuel infrastructure is available and a Federal fleet does not use alternative fuel in its AFVs at least 50% of the time. The funds paid to GSA will be used to offset the incremental cost of future AFV and advanced technology vehicle acquisitions for the agency paying the surcharge.

Section 403. Vehicle Reporting Credits. When preparing the annual report to the Office of Management Budget, each agency acquisition of an alternative fuel light-duty vehicle, regardless of geographic placement, shall count as one credit towards fulfilling the AFV acquisition requirements of the Energy Policy Act of 1992. Agencies shall receive one additional credit for each AFV acquisition that exceeds their annual requirement, light-duty vehicles that exclusively use an alternative fuel, and Zero Emission Vehicles of any size. Agencies shall receive three credits for dedicated medium-duty AFVs and four credits for dedicated heavy-duty AFVs. Agencies can also receive one credit for every 450 gallons of biodiesel used in diesel vehicles.

Section 404. Infrastructure. To support the use of alternative fuel in AFVs, agencies should arrange for fueling at commercial facilities that offer alternative fuels for sale to the public.

- (a)** Agencies should establish partnerships with state, local, and private entities to increase and support the availability of commercial fueling to the Federal government and the public.
- (b)** Agencies should use the authority granted to them in section 304 of the Energy Policy

Act of 1992 to enter into commercial arrangements for the purpose of fueling Federal AFVs where public fueling is unavailable.

Section 405. Acquisition Assistance. Within 120 days of this order, the Administrator of the General Services Administration, in consultation with other agency heads, shall:

- (a) provide a summary of agency AFV acquisition plans to potential AFV manufacturers to assist in their production planning. At least four months in advance of agency vehicle ordering cycles, GSA must provide to agencies the best available information on the production plans of AFV manufacturers.
- (b) develop, in coordination with DOE and EPA, a system that will help Federal fleet managers in selecting vehicles to improve fleet fuel efficiency.

Section 406. Procurement of Environmentally Preferable Motor Vehicle Products.

Consistent with Executive Order 13101 and the Resource Conservation and Recovery Act, 42 U.S.C. section 6901 et seq., in acquiring and maintaining motor vehicles, agencies shall acquire and use environmentally preferable products, including but not limited to re-refined lubricating oil, retread tires, tires containing 5-10% post-consumer content, and bio-based products (e.g. lubricants), when such products are reasonably available and meet applicable performance standards. Effective six months after the date of this order, no agency shall purchase, sell, or arrange for the purchase of virgin petroleum oil when an environmentally preferable alternative is readily available and meets the vehicle manufacturer's recommended performance standards.

PART 5 - GENERAL PROVISIONS

Section 501. Revocation. This order supersedes sections 9 and 10 of Executive Order 12759 of April 17, 1991. Executive Order 13031 of December 13, 1996 is revoked.

Section 502. Existing Executive Orders. All other Executive Orders remain in force.

Section 503. Statutory Authority. Agencies must carry out the provisions of this order to the extent consistent with their statutory authority.

Section 504. Limitations. This Order is intended only to improve the internal management of the executive branch and is not intended to create any right, benefit, or trust responsibility, substantive or procedural, enforceable at law by a party against the United States, its agencies, its officers, or any other person.

Section 505. Independent Agencies. Independent agencies and agencies excepted from coverage by Section 304 are encouraged to comply with the provisions of this Order.

Section 506. Government-Owned Contractor-Operated Vehicles. Agencies must ensure that all Government-owned contractor-operated facilities and vehicles comply with all applicable goals and other requirements of this Order and that these goals and requirements are incorporated

into each contractor's management contract.

Section 507. Exemption for Military Tactical Vehicles. Military tactical vehicles are exempted from this Order's requirements for federal fleet fuel efficiency and alternative fuel vehicle acquisition. Agencies claiming exemptions for military tactical vehicles must provide information on the number of each class or type of vehicle claimed as exempt as well as an estimate of fuel consumption used by each type or class on an annual basis. Agencies should examine options for increasing fuel efficiency in these exempt vehicles and must report actions taken to increase fuel efficiency in these vehicles or fleets. All information required by this Section must be submitted annually under Part 3 of this Order.

Section 508. Compliance. If an agency fails to meet requirements of the Energy Policy Act of 1992 and this Order, its report to the Office of Management and Budget must include an explanation for such failure and a revised strategy for achieving compliance using the agency's current and requested budgets.

Section 509. Exemptions All law-enforcement, emergency, and military tactical vehicles, as defined by the Office of Management and Budget, are exempt from this order.

Section 510. Definitions. Terms used in this order shall have the same definition as those in the Energy Policy Act of 1992, unless specifically changed in guidance to be issue by the Office of Management and Budget.

(a) "Environmentally preferable" means products or services that have a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose. The comparison may consider raw materials acquisition, production, manufacturing, packaging, distribution, reuse, operation, maintenance, or disposal of the product or service.

WILLIAM J. CLINTON
THE WHITE HOUSE

Morley

November 16, 1999

EXECUTIVE ORDER

DRAFT

**Federal Energy Environmental Leadership
Through Fleet and Transportation Efficiency**

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the Energy Policy and Conservation Act, as amended (42 U.S.C. 6201 et seq.), the Energy Policy Act of 1992 (Public Law 102-486), section 301 of title 3, United States Code, the Energy Conservation Reauthorization Act of 1998 (ECRA), and section 2010 of title 15, USC? it is hereby ordered as follows:

PART 1 – PREAMBLE

Section 101. **Federal Leadership.** The purpose of this order is to ensure that the Federal Government exercises leadership in the displacement of petroleum consumption and subsequent reduction of greenhouse gases through improvements in fleet fuel efficiency and the use of alternative fuel vehicles (AFV) and alternative fuels. Reduced petroleum use and the displacement of petroleum by alternative fuels will foster markets for more fuel efficient products, encourage new technologies, enhance energy self-sufficiency and security, and ensure a healthier environment through the reduction of greenhouse gases and other pollutants in the atmosphere.

PART 2 - GOALS

Section 201. **Primary Goal – Reduced Petroleum Fuel Consumption.** Through cost-effective measures, each agency operating motor vehicles within the United States shall reduce its entire fleet's average annual petroleum consumption by at least 20 percent by FY 2005 in comparison with FY 1999. Options for achieving compliance with the Primary Goal include using alternative fuels in EPACT AFVs, using alternative fuel in medium- and heavy-duty vehicles, acquiring vehicles with higher fuel economy, substituting cars for trucks, decreasing vehicle miles traveled, and decreasing fleet size. By achieving the Primary Goal, the Federal Fleet will reduce its greenhouse gas emissions by 7 to 20 percent, depending on the options chosen.

Section 202. **Secondary Goal – Use of Alternative Fuel in EPACT AFVs.** Each agency shall fulfill the acquisition requirements for alternative fuel vehicles established by the Energy Policy Act of 1992 and use alternative fuels in these vehicles for 50% of their fuel requirements by

2005.

Section 203. Secondary Goal – Acquisition of Higher Fuel Economy Vehicles. Through cost-effective measures, each agency shall: 1) acquire passenger cars that have fuel economy that is on average 2 miles per gallon (mpg) higher than their FY1999 passenger car fuel economy average; and, 2) acquire light trucks that have fuel economy that is on average 3 miles per gallon (mpg) higher than their FY1999 light truck fuel economy average.

Section 204. Meeting the Primary Goal. Meeting the Secondary Goals will not assure compliance with meeting the Primary Goal. Meeting the Secondary Goals will only achieve about 80% compliance with the Primary Goal for the Federal Fleet overall. Therefore, it will be necessary for Federal agencies to either exceed the secondary goals outlined in Sections 202 and 203, or meet these goals and use other fuel reduction options listed in Sections 201 and 402(a).

PART 3 - ORGANIZATION AND ACCOUNTABILITY

Section 301. Designation of Senior Agency Official. Within 90 days of the date of this Order, each agency shall designate a senior official to assume responsibility for the agency's alternative fuel vehicle and fleet fuel efficiency programs, and for meeting the requirements of this Order. Each senior agency official selected by an agency shall be responsible for:

- a.) Determining the interim goals the agency will meet in order to meet the 2005 calendar year goals of this order, and
- b.) Collecting the data to measure progress against those agency goals, and
- c.) Selecting, and gaining approval in their agency for, the combination of approaches and tactics appropriate to their agency which will assure attainment of the 2005 goal, and
- d.) Creating the appropriate team of additional resources in the agency necessary for successful attainment of the agency's goals.

Section 302. Interagency Federal Energy Coordination. The Office of Management and Budget's Deputy Director of Management shall be responsible for working with the agencies to meet the goals of this order. The Deputy Director of Management will appoint a senior official within OMB to coordinate the work of the officials designated by each agency. The person designated by the Deputy Director of Management shall be responsible for:

- a.) Encouraging the sharing of best practices in meeting the goals of this order between the agencies and within the government, and
- b.) Collecting the data necessary to track progress against the goals of this order, and
- c.) Assuring that each agency's methodology for collecting the data is sufficiently comprehensive and accurate to permit tracking of the overall progress of the government, and
- d.) Enforcing the standards necessary for compliance with this order, including the appropriate agency requests for funding Federal energy management in the President's Annual Budget Request to Congress.

Section 303. **Annual Reports.** In addition to regular reporting and sharing of data on progress towards the goals, each agency shall report its progress in meeting the goals of this order on an annual basis. Agency reports are due to the President on June 1 of each year beginning in the year 2000.

Section 304. **Applicability.** This Order applies to each agency operating motor vehicles within the United States. Agencies will not be exempt from the requirements of this Order due to limited appropriations.

PART 4 – FEDERAL LEADERSHIP IN TRANSPORTATION

Section 401. **Cost Effective Measures.** Each agency shall ensure that all investments in vehicles and fuels consider the full life cycle cost to lower the Federal Government's cost of operations, reduce energy consumption, and reduce carbon emissions. The Department of Energy will issue guidance to clarify how agencies determine the full life-cycle cost for investments in vehicles and fuels.

Section 402. **Energy Management Strategies.** Agencies shall use any or all of the following energy management strategies, where cost-effective, to meet the goals of this order.

(a) **Federal Fleet Fuel Efficiency.** ~~Agencies may use any combination of the following approaches to meet the fuel efficiency goal of this order:~~ use more fuel efficient and advanced technology vehicles such as hybrids; reduce vehicle miles traveled; increase use of alternative fuels, renewable fuels, and replacement fuels; place limitations on vehicle type and engine size; and, implement fleet and/or vehicle downsizing among other strategies to improve fuel efficiency and reduce carbon emissions wherever practicable. Agencies shall encourage employees to use alternate modes of transportation (e.g., public transit) rather than an agency fleet vehicle or taxi for local business travel and commuting. Agencies should review their existing fleet including class and weight information; assess their fleet needs in terms of size and vehicle type; replace retiring vehicles with more fuel-efficient vehicles; and purchase the most fuel-efficient vehicles to fulfill new fleet demands.

(b) **Innovative Financing of AFV Purchases.** GSA shall implement innovative financing options to encourage the acquisition of AFVs and use of alternative fuels by agencies.

(1) Agencies shall be allowed to incorporate the incremental cost of a future replacement AFV into the lease rate of the current leased vehicle and will

have the option of averaging AFV incremental costs across the agency fleet as provided by the Energy Policy Act of 1992.

- (2) Agencies must pay a surcharge to GSA if alternative fuel infrastructure is available and a Federal fleet does not use alternative fuel in its AFVs at least 50% of the time. The funds paid to GSA will be used to offset the incremental cost of future AFV and advanced technology vehicle acquisitions for the agency paying the surcharge.

(c) **Vehicle Reporting Credits.** In fulfilling the AFV acquisition requirements of the Energy Policy Act of 1992, each agency acquisition of an alternative fuel light-duty vehicle shall count as one credit towards those requirements. Agencies shall still earn credit for AFVs even if placed outside the metropolitan areas specified in the Act. ~~Agencies shall receive additional credits for: AFV purchases that exceed their annual requirements; vehicles that exclusively use an alternative fuel; zero emission vehicles; and dedicated medium and heavy-duty vehicles. Agencies can also receive credits for significant documented alternative fuel use. The Department of Energy shall determine the number of credits and eligibility after consultation with other agencies.~~

~~(d) **Infrastructure.** To support the use of alternative fuel in AFVs, agencies shall arrange for fueling at commercial facilities that offer alternative fuels for sale to the public.~~

- ~~(1) Agencies should establish partnerships with state, local, and private entities to increase the availability of and support commercial fueling available to the Federal government and the public.~~

- ~~(2) Agencies should concentrate their acquisitions and promote alternative fuel infrastructure development in six metropolitan areas that have demonstrated a strong commitment to alternative fuels. The Department of Energy shall designate the six pilot areas, with input from other agencies.~~

- (3) Agencies should use the authority granted to them in section 304 of the Energy Policy Act of 1992 to enter into commercial arrangements for the purpose of fueling Federal AFVs where public fueling is unavailable.

~~(e) **Alternative Fuel Week.** One week each year shall be observed as National Alternative Fuel Week to recognize the importance of alternative fuels to the United States and to educate the public, including our children, on the many benefits of alternative fuels.~~

~~(f) **Public Awareness.** To increase the public awareness of Federal acquisition and use~~

~~of AFVs, all Federal AFVs must prominently display the AFV Logo chosen in the General Services Administration/Washington Council of Governments national logo design competition. [GSA Policy Office is proposing this addition. Clean Cities doesn't support it.]~~

(g) Procurement of Environmentally Preferable Motor Vehicle Products. Consistent with Executive Order 13101 and the Resource Conservation and Recovery Act, 42 U.S.C. section 6901 et seq., in acquiring and maintaining motor vehicles, agencies shall acquire and use environmentally preferable products, including but not limited to re-refined lubricating oil, retread tires, tires containing 5-10% post-consumer content, and bio-based products (e.g. lubricants), when such products are reasonably available and meet applicable performance standards.

(1) Re-refined Motor Oil. Effective six months after the date of this order, no agency shall purchase, sell, or arrange for the purchase of virgin petroleum oil when an environmentally preferable alternative is readily available and meets the vehicle manufacturer's recommended performance standards.

(2) Climate Neutral Fuels. Agencies are also encouraged to purchase climate neutral fuels, i.e. fuels for which associated life cycle emissions have been neutralized through other energy efficiency projects, use of renewable energy, or other appropriate activities.

~~**Section 403. Management/Government Performance.** Agencies shall use the following management strategies to assist them in meeting the goals of this order.~~

~~**(a) Awards.** Agencies shall use employee incentive programs to reward exceptional performance in implementing this order.~~

~~**(b) Performance Evaluations.** Agencies shall include successful implementation of the provisions of this order in the position descriptions and performance evaluations of agency heads, members of the agency energy team, fleet managers, their superiors, and other relevant employees.~~

~~**(c) Retention of Savings/Rebates.** Agencies granted statutory authority to retain a portion of savings generated from efficient energy management are encouraged to permit the retention of the savings at the facility or site where the savings occur to provide greater incentive for that facility and its site managers to undertake more energy management initiatives, including the purchase of energy efficient and alternative fuel vehicles and the use of alternative fuels.~~

~~**(d) Training and Education.** Agencies shall ensure that all appropriate~~

~~personnel receive training for implementing this order.~~

~~(1) The head of each Agency shall issue guidance to their site and fleet managers to educate them on the requirements of the Energy Policy Act, the importance of compliance to the administration and the agency, and the procedures that must be followed to properly budget for and order AFVs.~~

~~(2) DOE and DOD shall make training available to all Federal agencies on the energy management strategies contained in this order.~~

PART 5 – Technical Assistance

Section 501. Within 120 days of this order, the Administrator of the General Services Administration, in consultation with other agency heads, shall:

- (a) provide a summary of agency AFV acquisition plans to potential AFV manufacturers to assist in their production planning. At least four months in advance of agency vehicle ordering cycles, GSA must provide to agencies the best available information on the production plans of AFV manufacturers.
- (b) develop, in coordination with DOE and EPA, ~~and implement a vehicle rating system to clearly identify the light, medium, and heavy vehicles in the top five percent for fuel efficiency of their respective classes. This rating~~ a system that will help ~~shall be used in the Federal Motor Vehicle Standards to assist~~ Federal fleet managers in selecting vehicles that will help them improve their fleet fuel efficiency.

~~Section 502. Within 120 days of this order, the Director of the Office of Management and Budget, in consultation with the Secretary of the Treasury, the Director of the Office of Personnel Management, the Administrator of the Environmental Protection Agency, and the Secretary of Energy, shall:~~

- ~~(a) recommend legislation to the President for parking cash out by amending Federal employee compensation law (5 USC 7905 (b) (2)) to equalize tax treatment for Federal employees.~~
- ~~(b) recommend legislation to the President to establish requirements and credits for alternative fuel use, incorporation of advanced high efficiency vehicles, and other appropriate approaches that will address barriers to petroleum consumption reduction.~~

~~Section 503. Within 120 days of this order, the Secretary of Defense, the Administrator of the General Services Administration and the Secretary of Energy shall:~~

~~(a) report on the feasibility of retrofitting and operating an ethanol refueling station in the Washington, D.C. metropolitan area.~~

~~Section 504. Within 180 days of this order, the Secretary of Energy, in collaboration with other agency heads, shall:~~

~~(a) issue guidance describing how agencies may obtain alternative fuel vehicle acquisition credits.~~

~~(b) develop and issue guidelines to assist agencies in developing their Annual Reports to the President.~~

~~(c) develop and issue guidance for entering into commercial arrangements, including the use of Energy Savings Performance Contracts (ESPC), to obtain refueling for Federal AFVs. This guidance must also contain information to assist agencies in determining the locations of existing public access alternative fuel infrastructure.~~

~~(d) continue to provide technical assistance to other agencies that acquire AFVs and alternative fuels and must facilitate the coordination of the Federal Government's AFV program and continue the program begun in FY 1997 to provide partial funding assistance for agency acquisitions of dedicated electric vehicles.~~

~~(e) issue guidance for each agency to track its annual carbon emissions after establishing its 1990 carbon baseline for fleets.~~

~~Section 505. Within 180 days of this order, the Administrator of the Environmental Protection Agency, in collaboration with the Secretary of Energy and other agency heads, shall:~~

~~(a) develop guidelines for agencies to calculate their 1999 baseline fleet fuel usage.~~

~~(b) issue guidance to agencies defining "climate neutral" and identifying "climate neutral" products.~~

~~Section 506. Within 120 days of this order, the Secretary of Commerce, in consultation with the Secretary of Energy, the Administrator of the General Services Administration, and the Partnership for a New Generation of Vehicles (PNGV), shall:~~

~~(a) identify Federal sites that would be the best candidates for testing and evaluation of the early prototypes of PNGV 2X and 3X vehicles.~~

~~Section 507. Within 2 year of this order, the Secretary of Transportation shall:~~

~~(a) direct all agencies with 500 or more employees in the Washington, D.C. metropolitan area to submit to DOT transportation management plans (TMPs) aimed at reducing single occupant vehicle trips to work sites. This effort is intended to assist agencies in meeting the requirements of Part 4 of the Order. These plans should address a range of measures including the expanded transit and vanpool benefits, parking cash-out to the extent allowed by law, and employee awareness programs. Plans should also address measures to increase use of ride sharing, bicycling and walking, staggered work hours, and telecommuting.~~

~~(1) Copies of the plans must be submitted to the National Capital Planning Commission.~~

~~(2) Plans must be implemented within 18 months.~~

~~(b) issue a report to the President on agency compliance with the TMP requirement and recommendations for changes in agency TMPs or executive orders to ensure better compliance.~~

PART 6 - GENERAL PROVISIONS

Section 601. **Revocation.** This order supersedes sections 9 and 10 of Executive Order 12759 of April 17, 1991. Executive Order 13031 of December 13, 1996 is revoked.

Section 602. **Existing Executive Orders.** All other Executive Orders remain in force.

Section 603. **Statutory Authority.** Agencies must carry out the provisions of this order to the extent consistent with their statutory authority.

Section 604. **Limitations.** This Order is intended only to improve the internal management of the executive branch and is not intended to create any right, benefit, or trust responsibility, substantive or procedural, enforceable at law by a party against the United States, its agencies, its officers, or any other person.

Section 605. **Independent Agencies.** Independent agencies and agencies excepted from coverage by Section 305 are encouraged to comply with the provisions of this Order.

Section 606. **Government-Owned Contractor-Operated Vehicles.** Agencies must ensure that all Government-owned contractor-operated facilities and vehicles comply with all applicable goals and other requirements of this Order and that these goals and requirements are incorporated into each contractor's management contract.

Section 607. **Exemption for Military Tactical Vehicles.** Military tactical vehicles are

exempted from this Order's requirements for federal fleet fuel efficiency and alternative fuel vehicle acquisition. Agencies claiming exemptions for military tactical vehicles must provide information on the number of each class or type of vehicle claimed as exempt as well as an estimate of fuel consumption used by each type or class on an annual basis. Agencies should examine options for increasing fuel efficiency in these exempt vehicles and must report actions taken to increase fuel efficiency in these vehicles or fleets. All information required by this Section must be submitted annually under Part 3 of this Order.

Section 608. **Compliance.** If an agency fails to meet requirements of the Energy Policy Act of 1992 and this Order, its report to the President must include an explanation for such failure and a detailed plan for achieving compliance using the agency's current and requested budgets.

PART 7 - DEFINITIONS

For the purposes of this Order:

Section 701. "Agency" means an executive agency as defined in 5 U.S.C. 105. For the purpose of this order, military departments, as defined in 5 U.S.C. 102, are covered under the auspices of the Department of Defense.

Section 702. "Acquisition" means acquiring by contract with appropriated funds supplies or services (including construction) by and for the use of the Federal Government through purchase or lease, whether the supplies or services are already in existence or must be created, developed, demonstrated, and evaluated. Acquisition begins at the point when agency needs are established. It includes the description of requirements to satisfy those needs, solicitation and selection of sources, award of contracts, contract financing, contract performance, contract administration, and those technical and management functions directly related to the process of fulfilling agency needs by contract.

Section 703. "Alternative fuel" means methanol, denatured ethanol, and other alcohols; mixtures containing 85 percent or more by volume of methanol, denatured ethanol, and other alcohols with gasoline or other fuels; natural gas; liquefied petroleum gas; hydrogen; coal-derived liquid fuels; fuels (other than alcohol) derived from biological materials; electricity; and any other fuel the Department of Energy determines, by rule, is substantially not petroleum and would yield substantial energy security benefits and substantial environmental benefits, including net reductions of greenhouse gas emissions.

Section 704. "Alternative fuel vehicle" or "AFV" means a dedicated, dual-fuel, bi-fuel, or flexible-fuel motor vehicle.

Section 705. "Bi-fuel vehicle" means a motor vehicle with two separate fuel storage systems that

is capable of operating on alternative fuel or petroleum fuel, but not a mixture of the two.

Section 706. “Bio-based product” means a commercial or industrial product (other than food or feed) that utilizes biological products or renewable domestic agricultural (plant, animal, and marine) or forestry materials.

Section 707. “Dedicated vehicle” means a motor vehicle that operates solely on alternative fuel.

Section 708. “Dual-fuel vehicle” means a motor vehicle with two separate fuel storage systems that operates on a mixture of alternative fuel and petroleum fuel.

Section 709. “Environmentally preferable” means products or services that have a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose. The comparison may consider raw materials acquisition, production, manufacturing, packaging, distribution, reuse, operation, maintenance, or disposal of the product or service.

Section 710. “Flexible-fuel vehicle” means a motor vehicle that is capable of operating on alternative fuel, petroleum fuel, or a mixture of the two.

Section 711. “Heavy-duty vehicle” means a motor vehicle of more than 26,000 pounds gross vehicle weight rating that is certified for use on all public roads and highways.

Section 712. “Light-duty vehicle” means a motor vehicle of less than or equal to 8,500 pounds gross vehicle weight rating that is certified for use on all public roads and highways.

Section 713. “Medium-duty vehicle” means a motor vehicle of more than 8,500 pounds and less than or equal to 26,000 pounds gross vehicle weight rating that is certified for use on all public roads and highways.

Section 714. “Motor vehicle” means a vehicle that meets the definition of section 216(2) of the Clean Air Act, 42 U.S.C. 7550(2).

Section 715. “Renewable fuel” means fuel derived from a renewable feedstock such as agricultural crops or the byproducts thereof, herbaceous and woody crops, solar energy, wind power, and geothermal heat.

Section 716. “Replacement fuel” means the portion of any motor fuel that is methanol, ethanol, or other alcohols, natural gas, liquefied petroleum gas, hydrogen, coal derived liquid fuels, fuels (other than alcohol) derived from biological materials, electricity; ethers; or any other fuel the DOE determines, by rule, is substantially not petroleum and would yield substantial energy

security benefits and substantial environmental benefits, including net reductions of greenhouse gas emissions.

Section 717. “Zero-emission vehicle” or “ZEV” means a dedicated alternative fuel vehicle that produces no evaporative or tailpipe emissions, e.g., pure electric vehicles and hydrogen-fueled vehicles.

WILLIAM J. CLINTON
THE WHITE HOUSE

DAIMLERCHRYSLER

For Release

Wednesday, November 10, 1999

DaimlerChrysler Communications

CIMS 485-06-48
1000 Chrysler Drive
Auburn Hills, MI 48326-2766 (USA)

DaimlerChrysler's Hybrid Sport Utility offers performance, fuel economy and low emissions in an affordable vehicle

Auburn Hills, Mich. -- DaimlerChrysler is preparing to offer a hybrid vehicle that customers want - a high performance sport utility vehicle with improved fuel economy and lower emissions - at an affordable cost.

There's one catch: The company is waiting on the U.S. Congress to pass a package of \$3,000 in tax incentives that would make the hybrid SUV competitive costwise with its conventional gas-powered counterparts.

The gas-electric hybrid Dodge Durango SUV, with patented through-the-road powertrain technology, gives consumers the option of an environmentally-friendly vehicle that continues to provide the performance, size and utility U.S. customers want.

"You can get V-8 power out of a V-6 and make fewer stops at the gas station," said Bernard Robertson, DaimlerChrysler Senior Vice President, Engineering Technologies. "It's exactly what people want - to be able to have a positive impact on the environment without having to pay for it. The added irony is that this is done in a sport utility vehicle."

The Dodge Durango hybrid is really the concept vehicle Chrysler Citadel powertrain philosophy adapted to an SUV.

The hybrid Durango combines two separate propulsion systems: a 3.9-liter, V-6 engine with automatic transmission that powers the rear wheels, and a three-phase, AC induction electric motor that drives the front wheels. The electric motor assists the gasoline engine during acceleration, and recaptures energy normally lost during deceleration.

The combination provides the power, acceleration and performance of a conventional V-8 engine. In fact, it is quicker than a 5.9-liter V-8-powered Durango from 0-60 miles per hour.

The hybrid powertrain yields a 20 percent increase in fuel economy, achieving 18.6 miles per gallon combined city/highway, compared with 15.5 miles per gallon for the conventional V-8 Durango. The application of fuel-saving hybrid technology in a popular sport utility vehicle results in greater overall savings in fuel consumption than the same technology applied to a smaller passenger car.

"If every SUV sold in this country got that kind of improved fuel economy with a hybrid powertrain, we would save 142 million gallons of gas a year," Robertson said.

In addition, the improved fuel economy results in reduced emissions of carbon dioxide, a greenhouse gas that is produced in the combustion of fossil fuels.

Passengers also enjoy a quieter, smoother ride, with no sacrifices in comfort or equipment options, although trailer tow capability is reduced.

The gains in fuel efficiency result in part from the downsizing of components in the hybrid vehicle. A smaller engine can be used, permitting use of smaller related components, including catalytic converter, fan and fan clutch, radiator, and drive shaft. The improved fuel economy, in turn, permits use of a smaller fuel tank (20 gallons vs. 25 gallons).

The Durango hybrid builds on DaimlerChrysler's research and development in earlier projects, including the Dodge Intrepid ESX series hybrid, which includes an aluminum body to reduce weight, the Dodge Intrepid ESX2 mybrid (mild hybrid), and the Chrysler Citadel, the concept vehicle which was the first to implement DaimlerChrysler's patented through-the- road technology.

With the performance provided by the gas-electric hybrid, the Durango can be adapted for the U.S. and European markets to meet consumers' differing demands for fuel economy, lower emissions and performance.

While the Durango has the potential to become a popular, fuel efficient and environmentally friendly SUV, several challenges remain.

Improved battery technology is needed. The current version of the Durango uses lead-acid batteries, which would be unsuitable for a production vehicle. DaimlerChrysler is working with a major battery manufacturer to develop a lithium-ion battery for the vehicle. Improved batteries would lower the cost of the vehicle and extend its range.

However, it is crucial that tax incentives currently being considered by the U.S. Congress also be put in place. These incentives - up to \$2,000 for use of a vehicle with a non-engine power source and up to \$1,000 per vehicle with regenerative braking - would make the hybrid Durango competitive costwise with the conventional gas-powered Durango.

"Consumers are in love with the size, safety, comfort and versatility of the sport utility vehicle. To offer them an affordable SUV that is also more fuel efficient and lower in emissions would have a major impact on our national oil consumption and greenhouse gas emissions," said Robertson.

- ### -