HB 330

HOUSE COMMITTEE REPORT

(11)
Date Referred: March 16, 1994 FURTHER REFERRALS:

Date of Committee Action: 3/21/94 pm

The FINANCE Committee considered: HB 330

HOUSE BILL NO. 330 FUEL STATE AUTO FLEET WITH NATURAL GAS

"An Act relating to the use of natural gas as a motor vehicle fuel in state owned vehicles."

RECOMMENDATIONS:
be replaced with CS HB 330 (TRS)
[ ] the same title
[✓] a new title

[ ] have attached amendments(s)
[ ] do pass
[ ] do not pass
[✓] no recommendations
[ ] individual recommendations
[ ] additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(s): (Dept)
[ ] fiscal impact _____
[ ] zero fiscal note _____

APPROVES PREVIOUS: (Dept/Date)
[ ] fiscal note(s) _____
[✓] zero fiscal note(s) DOTPF 3/16/94

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
Eileen P. Mackean	✓				
Ronald J. Larson	X				
Terry Martin	X	Mark Hanley		X	
Hoffman	✓	Jean Dunnett		X	
Richard K. Foster	X	Ben Grussendorf		X	
		Jim Brown		—	
		Tamagni		X	
		Navarre		X	
		Mike Navarre			

Eileen P. Mackean Ronald J. Larson
CO-CHAIRMAN'S SIGNATURE
Mackean Larson

STATE OF ALAS A
1994 LEGISLATIVE SESSION

(No. 1
Bill Version: CSHB 330(TRA)
(H) Publish Date: 3/16/94

FISCAL NOTE

Revision Date:
Title: Fuel State Auto Fleet with Natural Gas

Department Affected: DOT&PF
BRU: STW Administrative Services

Sponsor: Green, Sanders
Requestor:

Component: State Equipment Fleet
Component Serial Number: #539

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING:	0	0	0	0	0	0
CAPITAL — INFRASTRUCTURE	0	0	0	0	0	0
CAPITAL — CONVERSION	0	0	0	0	0	0
REVENUE FUND SOURCE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

1002 FEDERAL RECEIPTS	0	0	0	0	0	0
1003 GF MATCH	0	0	0	0	0	0
1004 GF	0	0	0	0	0	0
1005 GF/PROGRAM RECEIPTS	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL FUNDING:	0	0	0	0	0	0

POSITIONS

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year (FY94) impact: $0

ANALYSIS: (Attach a separate page if necessary)
This Committee Substitute allows natural gas to proceed as an automotive fuel on its merits. DOT&PF believes there is a growing appreciation for the fuel's advantages and expect it will rapidly enter the market in the coming years. Recent changes in DEC's State Air Plan will enable the use of federal funds targeted to air quality to be used for refueling infrastructure and vehicle modifications.

Prepared by: Jeffrey C. Ottesen — Phone: 243-7671

Division: Engineering & Operations Standards — Date: March 11, 1994

Approved by Commissioner: B.A. Campbell — Phone: 465-3901

Agency: Department of Transportation and Public Facilities — Date: March 11, 1994

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CS FOR HOUSE BILL NO. 330(TRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE TRANSPORTATION COMMITTEE

Offered: 3/16/94
Referred: Finance

Sponsor(s): REPRESENTATIVES GREEN, Sanders

A BILL

FOR AN ACT ENTITLED

"An Act relating to the use of natural gas as a motor vehicle fuel in state-owned vehicles and to the Department of Transportation and Public Facilities' authority to participate in joint ventures related to natural gas."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. FINDINGS AND PURPOSE. (a) The legislature finds that

(1) it is in the best interest of the people of the state to implement a plan for using natural gas as a fuel for motor vehicles operated by the state in nonattainment areas within the state as determined under federal air quality standards imposed under 42 U.S.C. 7401 - 7625 (Clean Air Act of 1990);

(2) in order to meet the stricter federal motor vehicle emissions standards the state could either use a fuel additive or use an alternative fuel like natural gas; fuel additives have been found unacceptable, therefore, it is a far better choice for the state to use natural gas as an alternative motor vehicle fuel;

(3) the federal government intends to purchase over 10,000 natural gas vehicles

before the end of the century;

(4) natural gas has been successfully used as a motor vehicle fuel in several regions of the state and in various types of motor vehicles.

(b) It is the purpose of this Act to require the use of natural gas in the state motor vehicle fleet and to implement the use of natural gas in nonattainment areas of the state when natural gas is available as a motor fuel.

* Sec. 2. AS 44.42.020(a) is amended to read:

(a) The department shall

(1) plan, design, construct, and maintain all state modes of transportation and transportation facilities and all docks, floats, breakwaters, buildings, and similar facilities;

(2) study existing transportation modes and facilities in the state to determine how they might be improved or whether they should continue to be maintained;

(3) study alternative means of improving transportation in the state with regard to the economic costs of each alternative and its environmental and social effects;

(4) develop a comprehensive, long-range intermodal transportation plan for the state;

(5) study alternatives to existing modes of transportation in urban areas and develop plans to improve urban transportation;

(6) cooperate and coordinate with and enter into agreements with federal, state, and local government agencies and private organizations and persons in exercising its powers and duties;

(7) manage, operate, and maintain state transportation facilities and all docks, floats, breakwaters, and buildings, including all state highways, vessels, railroads, pipelines, airports, and aviation facilities;

(8) study alternative means of transportation in the state, considering the economic, social, and environmental effects of each alternative;

(9) coordinate and develop state and regional transportation systems, considering deletions, additions, and the absence of alterations;

(10) develop facility program plans for transportation and state buildings, docks, and breakwaters required to implement the duties set out in this section, including but not limited to functional performance criteria and schedules for completion;

(11) supervise and maintain all state automotive and mechanical equipment, aircraft, and vessels, except vessels and aircraft used by the Department of Fish and Game or the Department of Public Safety; **for state vehicles maintained by the department, the department shall annually evaluate the cost, efficiency, and commercial availability of natural gas for automotive purposes, and the purpose for which the vehicles are intended to be used, and convert or purchase vehicles to utilize natural gas whenever practicable; the department may participate in joint ventures with public or private partners that will foster the availability of natural gas for all automotive fuel consumers;**

(12) supervise aeronautics inside the state, under AS 02.10;

(13) complete and maintain a current inventory of public facilities, including a projection of the serviceability of the facilities and projections of replacements and additions to facilities needed to provide the level of services programmed by the various user agencies, for municipalities with populations of less than 12,000 and for unincorporated communities, and perform those duties on a cooperative basis with larger municipalities;

(14) adopt energy performance standards for public facilities of the state, the construction of which begins after July 1, 1980; the standards shall be based on thermal and lighting energy standards established by the American Society of Heating, Refrigeration and Air Conditioning Engineers as adapted for application in high latitude, cold climate environs;

(15) provide planning assistance, including but not limited to energy audits and related technical services, to school districts and regional educational attendance areas to develop and implement

(A) standards for the design, construction, and operation of rural educational facilities; and

(B) energy conservation measures for rural educational facilities.

Alaska State Legislature

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DISTRICT 10

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VICE CHAIR, LABOR & COMMERCE COMMITTEE
JUDICIARY COMMITTEE
RESOURCES COMMITTEE
INTERNATIONAL TRADE & TOURISM COMMITTEE

ECONOMIC TASK FORCE

Representative Joe Green

Sponsor Statement

HB 330
Use of Natural Gas as a motor fuel in state vehicles

Natural gas is being used as a vehicle fuel in several states and provinces across the continent. Yet, while supplies of natural gas are abundant, we in Alaska appear to be waiting for an answer to the question "who goes first, the public sector or the private sector"?

Private sector fleet managers have expressed interest in utilizing natural gas, which offers a number of advantages. The state already uses natural gas in a few of its "around-town" cars. The barrier to more widespread use is refueling. Presently, the range of natural gas vehicles (NGV's) is limited, and there are few refueling stations.

HB 330 answers the question "who goes first" by allowing the public and private sectors to go forward together. HB 330 dedicates a minimum number of state vehicles to compressed natural gas (CNG) use. By establishing this critical mass in the NGV fleet, investors will have the confidence to build refueling stations. With the development of a refueling infrastructure, private sector fleet managers could utilize CNG.

HB 330 is a first step in the effort to utilize natural gas as a motor vehicle fuel in Alaska.

Back-up

NEWS CLIPPINGS IN
Anchorage Daily News

Date: 2/7 1994

State tries to set example by driving with natural gas

By HUGH CURRAN
Daily News reporter

Ken Langel knew he had to floor it and make the big van zoom.

"See? Notice any difference?" Langel asked as the cavernous white Dodge and its natural gas-sipping engine roared to life and raced down Aircraft Drive on the banks of Lake Hood.

Langel knows that before Alaskans will accept compressed natural gas-powered cars and trucks as another option to consider on the showroom floor, they'll have to first be convinced how familiar and routine the cleaner-burning fuel can be.

"You don't need to know one thing different to drive one of these," he said.

As manager of the 2,500-vehicle fleet for the State Department of Transportation and Public Facilities, Langel and department commissioner Bruce Campbell see compressed natural gas-fueled vehicles as a way to cut down on the fleet's contribution to Anchorage's carbon monoxide problems, introduce the idea to the public and blaze the trail for widespread, everyday use by residents.

The department took delivery of five vehicles last month to test the practicality and driver reactions to the alternative fuel. A Ford Taurus sedan, Chevy Blazer and Chevy van were converted locally to use either natural gas or regular gas at the flip of a switch. The Dodge Van and Dodge mini-van that the agency plans to buy next month use only compressed natural gas and come that way from the factory.

Langel said it's the recent availability of such factory-made natural-gas vehicles — along with growing air-quality concerns in Anchorage after years of federal clean-air standard violations — that made the time right to try natural gas.

"Compressed natural gas vehicles have been around for 20 or 30 years; it's not like a new rocket science," Langel said.

An Anchorage hotel has been using a natural gas van for the 10 years.

"But previously, there were performance problems with carbureted engines that fuel injection has solved. The tanks and the available pressure weren't as

Please see Page C-2, CARS

CARS: State goes natural gas

Continued from Page C-1

good before, either. We also finally have a wide selection of factory-made vehicles and a new environmental awareness that just wasn't there 10 years ago."

A 1990 test by the American Gas Association showed vehicles using compressed natural gas release less than a quarter of the carbon monoxide emitted by gasoline engines.

Based on talks with Lower 48 fleet managers who have used compressed gas for several years, Langel hopes to see miles per gallon equal to or greater than gasoline vehicles and the rough equivalent of 80 to 90 cents per gallon for the fuel.

Langel said another hoped-for advantage is reduced maintenance costs and longer engine life because the fuel is less likely to leave damaging deposits in the engine and on spark plugs.

The agency spent $2,500 to $4,600 to convert its three vehicles from gasoline to natural gas, Langel said. The factory models cost $3,500 to $5,000 more than gasoline vehicles. He said greater productic should translate into lower costs.

The vehicles look, sound and feel no different from their gasoline cousins. The only telling sign in the Taurus was something that looked like an oxygen tank under the hood and a small metal plug for refueling that sticks out of the grill.

Refueling is currently handled at the Lake Hood office through a compact pump that compresses the natural gas used in the department's building. Langel said the pump refuels an empty vehicle in six to 10 hours. The only commercial compressed natural gas station in Anchorage refills at almost the same speed as regular gasoline.

Langel said the availability of refueling stations will determine whether natural gas vehicles will ever see wide use.

"To really make a dent in air pollution you're going to have to get the public involved, and that can only happen if the refueling infrastructure is there," Langel said. "You'd need at least four stations in Anchorage, one in the Valley and one in Kenai."

Langel said to promote the building of such an infrastructure, local, state and federal agencies — as well as private companies such as Alaska Cab, Enstar, the Alaska Railroad and some tour companies — are putting the final touches on a group tentatively called the Alaska Compressed Natural Gas User's Coalition.

Washington Gas

NGV Hotline: 202-624-NGVS

Energy Policy Act of 1992: Alternative Fuel Vehicles (AFVs)

Introduction

On October 24, 1992, Former President Bush signed the Energy Policy Act of 1992. This new law is designed, in part, to reduce the nation's dependence on foreign oil imports by encouraging the use of domestically produced fuels. As such, the Energy Policy Act contains both mandates and incentives for the use of alternate fuels in vehicles.

Alternative Fuels

Under the Energy Policy Act of 1992, "alternative" fuels include the following:

Methanol
Ethanol
Natural Gas
Propane
Hydrogen
Coal-derived Liquids
Biological Materials
Electricity

The Act also includes any other fuel that the Secretary of Energy finds to be substantially not petroleum and which would yield substantial energy security benefits and substantial environmental benefits.

Fleet Requirements

The Energy Policy Act requires federal fleets to being purchasing alternative fuel vehicles (AFVs) in fiscal year 1993. The Act requires state fleets and alternate fuel providers to begin purchasing AFVs in model year 1996. And the new law may require private and municipal fleets to acquire AFVs, starting as early as model year 1999. The following table summarizes the annual purchase requirements for federal and state fleets, alternate fuel providers, and private and municipal fleets.

Table 1.

ALTERNATIVE FUEL VEHICLES
NEW FLEET LIGHT DUTY VEHICLE
PURCHASES

Year	Federal	State	Fuel Providers	Private*
1993	5,000	-	-	-
1994	7,500	-	-	-
1995	10,000	-	-	-
1996	25%	10%	30%	-
1997	33%	15%	50%	-
1998	50%	25%	70%	-
1999	75%	50%	90%	20%
2000	75%	75%	90%	20%
2001	75%	75%	90%	20%
2002	75%	75%	90%	30%
2003	75%	75%	90%	40%
2004	75%	75%	90%	50%
2005	75%	75%	90%	60%
2006 on	75%	75%	90%	70%

* Under the early rulemaking scenario

These percentages generally apply to small vehicles in large fleets operating in large cities. Covered vehicles are those up to 8,500 pounds gross vehicle weight, which include passenger cars, pickup trucks and vans. Fleets have to have at least 20 vehicles which are centrally fueled, and the fleet owner must have at least 50 vehicles nation-wide. And the affected areas are those with a 1980 population of at least 250,000.

For non-governmental fleets, the penalties for violation start at $5,000 and increase to $50,000 for repeat violations.

Alternative Fuel Providers

Table 1 shows the requirements for alternate fuel providers, which include natural gas and electric utilities. Starting with model year 1996, 30% of new light duty vehicles must be AFVs, increasing to 90% in 1999. These vehicles must be operated exclusively on alternative fuels unless the appropriate fuel is not available. If these fuel providers have more than one affiliate, division or business unit, only those which are engaged in the alternative fuels business are included.

The Secretary of Energy has discretion to extend the schedule and to reduce the purchase requirements to as low as 20%. Electric utilities have the option of waiting until 1998 if they plan to use electric vehicles. And a fleet may be exempted from this requirement if it can demonstrate that the alternate fuels and/or vehicles are not available.

Private and Municipal Fleets

Under the Act, the Secretary has two opportunities to justify a mandate for private fleets, as shown in Table 2. If a rulemaking is issued by December 15, 1996, then the percentages in the right hand column apply. And if no rulemaking is issued until January 1, 2000, then the percentages in the right hand column apply. And if no rulemaking is issued by the latter date, there will be no private fleet mandate.

Table 2.

PRIVATE AND MUNICIPAL FLEETS
NEW LIGHT DUTY VEHICLES

Model Year	By 12/15/96	By 1/1/00
1999	20%	-
2000	20%	-
2001	20%	-
2002	30%	20%
2003	40%	40%
2004	50%	60%
2005	60%	70%
2006 on	70%	70%

In order to issue one of these rulemakings, the Secretary must find that the program is necessary, practicable and achievable; and that adequate alternative fuels, infrastructure and vehicles will be available. The Secretary also has discretion to delay the deadlines and/or reduce the percentage requirements.

Tax Incentives

The following table shows the amount of tax deductions for AFVs. They include $2,000 to $50,000 for the vehicle (depending on size) and up to $100,000 for the fueling station. These tax deductions apply to property placed in service after June 30, 1993. The vehicle deductions apply to the incremental cost of an AFV over its gasoline counterpart, including either factory-made vehicles or after-market conversions. The facility deduction applies to each fueling station installed by a taxpayer at a single location.

Table 3.

ALTERNATIVE FUEL VEHICLES
MAXIMUM TAX DEDUCTIONS

Vehicle (up to 10,000 lbs. gvw)	*$ 2,000*
Vehicle (10,001 to 26,000 lbs. gvw)	*$ 5,000*
Truck or Van (over 26,000 lbs. gvw)	*$ 50,000*
Bus (Seating capacity of 20 or more adults)	*$ 50,000*
Alternative Fuel Refueling Facility	*$ 100,000*

In addition, electric vehicles quality for a 10% tax credit, up to $4,000 per vehicle.

Other Provisions

Other provisions of the Act which will encourage the use of alternative fuels include:

- Up to $30 million/year to assist in the purchase of alternate fuel transit buses and school buses.
- $25 million/year for low-interest loans for the purchase of AFVs.
- State and local incentive programs, including $10 million/year to assist states in acquiring AFVs.
- Exemption for Vehicular Natural Gas, or "VNG," from certain federal and state regulations, allowing non-utilities to participate without becoming regulated.
- Pipeline recovery of Gas Research Institute costs associated with natural gas vehicle research and development.
- Certification of training programs for alternate fuel vehicle technicians.
- Public information program.
- Electric vehicle research and development.

Clean Air Act Amendments of 1990

How do the fleet requirements of the Energy Policy Act compare with those of the Clean Air Act Amendments of 1990? First, the Clean Air Act affected fleets in 22 urban areas, while the Energy Policy Act will affect fleets in 125 metropolitan areas.

Second, the Clean Air Act included reformulated gasoline and "clean" diesel as alternative fuels. But the Energy Policy Act requires alternative fuels to be "substantially not petroleum," so in the additional cities, reformulated gasoline and clean diesel won't qualify. (Under the new law, DOE is authorized to allow private fleets in the 22 Clean Air Act cities to use reformulated gasoline.)

Third, both laws provide "credits" for those who buy more AFVs than required or who purchase them earlier than required.

Under both laws, the following vehicles are exempt: rental cars, vehicles held by dealers for sale or demonstration, manufacturer test vehicles, law enforcement and emergency vehicles, military vehicles which are exempted for national security reasons, non-road vehicles, and those which are garaged at personal residences.

Under both laws, a study will be made of non-road vehicles, such as airport ground support equipment and marine vessels. In the case of the Clean Air Act, the study is to determine whether the use of alternative fuels in these non-road engines would reduce pollution, while the Energy Policy Act study will determine whether the use of alternative fuels in non-road vehicles would reduce our dependence on foreign energy sources.

Conclusion

Natural gas vehicles (NGVs) fulfill the objectives of both laws. NGVs have lower emissions, as required by the Clean Air Act, and natural gas is domestically produced, as required by the Energy Policy Act.

Metropolitan Areas with 1980 Population of 250,000 or More

Washington, DC-MD-VA

Albany-Schenectady-Troy, NY
Albuquerque, NM
Allentown-Bethlehem-Eastern, PA-NJ
Appleton-Oshkosh-Neenah, WI
Atlanta, GA
Atlantic City, NJ
Augusta, GA-SC
Austin, TX
Bakersfield, CA
Baltimore, MD
Baton Rouge, LA
Beaumont-Port Arthur, TX
Binghamton,, NY
Birmingham, AL
Boston-Lawrence-Salem, MA-NH
Buffalo-Niagara Falls, NY
Canton, OH
Charleston, SC
Charleston, WV
Charlotte-Gastonia-Rock Hill, NC-SC
Chattanooga, TN-GA
Chicago-Gary-Lake Country, IL-IN-WI
Cincinnati-Hamilton, OH-KY-IN
Cleveland-Akron-Lorain, OH
Colorado Spring, CO
Columbia, SC
Columbus, OH
Corpus Christi, TX
Dallas-Fort Worth, TX
Davenport-Rock Island-Moline, IA-IL
Dayton-Springfield, OH
Daytona Beach, FL
Denver-Boulder, CO
Des Moines, IA
Detroit-Ann Arbor, MI
Duluth, MN-WI
El Paso, TX
Erie, PA
Eugene-Springfield, OR
Evansville, IN-KY
Flint, MI
Fort Wayne, IN
Fresno, CA
Grand Rapids, MI
Greensboro-Winston Salem-High Point, NC
Greenville-Spartanburg, SC
Harrisburg-Lebanon-Carlisle, PA
Hartford-New Britain-Middletown, CT
Honolulu, HI
Houston-Galveston-Brazoria, TX
Huntington-Ashland, WV-KY-OH
Indianapolis, IN
Jackson, MS
Jacksonville, FL
Johnson City-Kingsport-Bristol, TN-VA
Johnstown, PA
Kansas City, MO-KS
Lakeland-Winter Haven, FL
Lancaster, PA
Lansing-East Lansing, MI
Las Vegas, NV
Lexington-Fayette, KY
Little Rock-North Little Rock, AR
Los Angeles-Anaheim-Riverside, CA
Louisville, KY-IN
Macon-Warner Robins, GA
Madison, WI
McAllen-Edinburg-Mission, TX
Melbourne-Titusville-Palm Bay, FL
Memphis, TN-AR-MS
Miami-Fort Lauderdale, FL
Milwaukee-Racine, WI
Minneapolis-St. Paul, MN-WI
Mobile, AL
Modesto, CA
Montgomery, AL
Nashville, TN
New Haven-Meriden, CT
New London-Norwich, CT-RI
New Orleans, LA
New York-N. New Jersey-Long Island, NY-NJ-CT
Norfolk-Virginia Beach-Newport News, VA
Oklahoma City, OK
Omaha, NE-IA
Orlando, FL
Pensacola, FL
Peoria, IL
Philadelphia-Wilmington-Trenton, PA-NJ-DE-MD
Phoenix, AZ
Pittsburgh-Beaver Valley, PA
Portland-Vancouver, OR-WA
Providence-Pawtucket-Fall River, RI-MA
Raleigh-Durham, NC
Reading, PA
Richmond-Petersburg, VA
Rochester, NY
Rockford, IL
Sacramento, CA
Saginaw-Bay City-Midland, MI
Saint Louis, MO-IL
Salinas-Seaside-Monterey, CA
Salt Lake City-Ogden, UT
San Antonio, TX
San Diego, CA
San Francisco-Oakland-San Jose, CA
Santa Barbara-Santa Maria-Lompoc, CA
Scranton-Wilkes-Barre, PA
Seattle-Tacoma, WA
Shreveport, LA
Spokane, WA
Springfield, MA
Stockton, CA
Syracuse, NY
Tampa-St. Petersburg-Clearwater, FL
Toledo, OH
Tucson, AZ
Tulsa, OK
Utica-Rome, NY
West Palm Beach-Boca Raton-Delray Beach, FL
Wichita, KS
Worcester, MA
York, PA
Youngstown-Warren, OH

Federal AFV Fleet Program Expands

The number and type of alternative fuel vehicles (AFVs) purchased under the Alternative Motor Fuels Act of 1988 (AMFA) have substantially increased since the AFV purchasing program began, and the number will double in the coming year.

The U.S. General Services Administration (GSA), which purchases and leases vehicles to the federal fleet, is working with the U.S. Department of Energy (DOE) to place AFV's in fleets around the nation to meet environmental and energy regulations. Currently, the fleet consists of 6,237 AFVs. With money provided by DOE for the incremental costs of AFVs, GSA plans to purchase 6,000 to 7,000 more for 1994.

GSA's first fleet consisted of only 67 AFVs, most of which were M85 flexible-fuel vehicles (85% methanol, 15% gasoline). Today's fleet, however, includes a significant number of compressed natural gas (CNG) and E85 (85% ethanol, 15% gasoline) vehicles. And while most of the fleet is flexible-fuel (uses a combination of the alternative fuel with gasoline), the number of vehicles dedicated to a single alternative fuel is rising.

The National Energy Policy Act of 1992 and the Clean Air Act Amendments of 1990 have played a significant role in strengthening AMFA by further requiring the use of alternative fuels to displace foreign oil imports. Additionally, President Bill Clinton's recent Executive Order 12844 increased by 50% the number of AFVs that must be purchased by the federal fleet.

Historical AFV Purchases by the U.S. General Services Administration

Model Year	M85	E85	CNG	Annual Totals
1991*	25 Variable-Fuel Chevrolet Luminas; 40 Flexible-Fuel Ford Tauruses		2 Flexible-Fuel Chrysler vans	67
1992	20 Flexible-Fuel Ford Econoline vans; 2,500 Flexible-Fuel Dodge Spirits	25 Variable-Fuel Chevrolet Luminas	600 3/4-Ton dedicated Chevrolet pickup trucks; 75 dedicated eight-passenger Chrysler vans	3,220 2,950
1993	300 Flexible-Fuel Ford Tauruses; 50 Variable-Fuel Chevrolet Luminas; 2,500 Flexible-Fuel Dodge Spirits	50 Variable-Fuel Chevrolet Luminas	50 Chrysler vans	
Total	5,435	75	727	6,237

*Because federal fleet vehicles are replaced every three years on average, GSA expects to sell 1991 model year Luminas next year to the general public.

Table 1

Under these mandates, the federal fleet is required to add 11,250 AFVs in 1994. GSA's Interagency Fleet Management System will acquire more than two-thirds of this total for leasing to other agencies. The rest of the AFV requirements will be met by conversion of existing vehicles or direct acquisition by other federal agencies such as the U.S. Postal Service.

GSA officials commented that they would like to see a greater variety and number of vehicles produced by original equipment manufacturerers (OEM), especially compact sedans because of their fuel efficiency. In addition to the limited availability of OEM vehicles, an obstacle to placing AFVs is the availability and location of fueling sites. "It's really difficult to place vehicles where the fueling infrastructure hasn't been established or the drivers have to go out of their way–up to 30 miles in some cases–to refuel," according to a GSA spokesperson.

To better understand the benefits of alternative fuels, the Alternative Fuels Data Center is collecting emissions and performance information on more than 600 of these AFVs, also an AMFA requirement. ☐

Requirements for Federal Fleet Alternative Fuel Vehicle Acquisition