

U.S. Department of Transportation
Alternative Fuel Vehicle Acquisition Report for Fiscal Year 2006 (FY 06)

Authority

This report has been developed in accordance with the Energy Policy Act of 1992 (EPACT) (42 U.S.C. 13211-13219) as amended by the Energy Conservation Reauthorization Act of 1998 (Public Law 105-388) (ECRA), and Executive Order 13149, titled "Greening the Government through Transportation and Fleet Efficiency (E.O. 13149)."

Legislative Requirements

The Energy Policy Act of 1992 (EPACT) - requires that 75 percent of all covered light-duty vehicles acquired for Federal fleets in FY 99 and beyond must be alternative fuel vehicles (AFV) (where the fleets have 20 or more vehicles, are capable of being centrally fueled, and are operated in a metropolitan statistical area with a population of more than 250,000 based on the 1980 census). Emergency, law enforcement, and national defense vehicles are exempt from these requirements. EPACT also sets a goal of using replacement fuels to displace at least 30 percent of the projected consumption of motor fuel in the United States annually by the year 2010.

The Energy Conservation and Reauthorization Act of 1998 (ECRA) - amended EPACT to allow one alternative fuel vehicle acquisition credit for every 450 gallons of pure biodiesel fuel consumed in vehicles over 8,500 pounds gross vehicle weight rating. "Biodiesel credits" may fulfill up to 50 percent of an agency's EPACT requirements. In addition, Federal agencies must prepare and submit a report to Congress outlining the agency's AFV acquisitions and future plans each year for 14 years.

Executive Order 13149 (2000), Greening the Government through Federal Fleet and Transportation Efficiency (E.O. 13149) - directs Federal agencies operating a fleet of 20 or more vehicles within the United States to reduce their annual petroleum consumption by at least 20 percent by the end of FY 05 (compared to FY 99 levels) by using alternative fuels in AFVs more than 50 percent of the time, improving the average fuel economy of new light-duty petroleum-fueled vehicle acquisitions by one mile per gallon (mpg) by FY 02 and 3 mpg by FY 05, and using other fleet efficiency measures.

DOT's FY 05 AFV Acquisitions

Table 1 lists DOT's FY 05 AFV acquisitions.

Table 1: DOT's FY 05 AFV Acquisitions

Fiscal Year	Light-duty Vehicle Acquisitions	Covered Acquisitions	AFV Acquisitions	AFV Percentage of Covered Acquisitions
FY 06	895	624	466	75%

During the FY06 vehicle procurement cycle, DOT acquired 466 alternative fuel vehicles (AFVs), increasing its acquisition of AFVs by 175 additional vehicles and increasing its AFV percentage of covered acquisitions from 31% (FY05) to 75% (FY06).

DOT's efforts to increase AFV acquisitions beyond the EPC Act required 75% are hindered by the limited number of AFVs available in smaller vehicle classes. For example, there is only one AFV available in the compact sedan class. The sole AFV compact sedan available greatly increases acquisition cost (compared to the expected incremental cost of AFVs) and can only be delivered to 45 states, leaving five states (including California and New York) with no AFV compact sedan available.

DOT's FY 05 Vehicle Fuel Use

Reduction in Fuel Consumption - DOT has been making progress in reducing its fleet's petroleum consumption. By containing vehicle miles traveled while increasing the average fleet miles per gallon (mpg), DOT has reduced its total fleet petroleum consumption by in FY06 by 7%. DOT has reduced petroleum consumption by nearly 33.6% overall based on the FY 99 fuel consumption baseline.

Alternative Fuel Use - Currently, DOT cannot accurately report its alternative fuel use due to data capture issues in the fleet card industry. Fuel providers, credit card processors and credit card companies do not use the same product codes for alternative fuels. Product codes are used to identify the type of fuel being purchased; e.g. unleaded gasoline, diesel, biodiesel, ethanol, etc. In most cases, the alternative fuel product codes (when they exist) cannot be forwarded through the fleet card industry's electronic network. Therefore, DOT's reported alternative fuel use is estimated.

The AFV refueling infrastructure remains inadequate. There are only a small number of AFV refueling stations, and they are concentrated in a single area of the country (91% in north central U.S.). These factors limit DOT's opportunities to acquire alternative fuels for its AFVs.

Table 2 presents DOT's FY 06 reported vehicle fuel use data.

**Table 2: DOT Petroleum Use in FY 06 (Reported)
in gasoline gallon equivalents (GGE)**

Fuel Type	Quantity	Unit
Gasoline	3,215,430	Gallons
Diesel	154,337	Gallons GGE
Petro. component of B20	143	Gallons GGE
Total	3,369,910	Gallons GGE
FY 99 Baseline	5,075,672*	Gallons GGE
Reduction	1,705,762 (33.6%)	Gallons GGE

*Adjusted for transfer of U.S. Coast Guard and Transportation Security Administration to the Department of Homeland Security.

**Table 3: DOT Alternative Fuel Use in FY 06 (Reported)
in gasoline gallon equivalents (GGE)**

Fuel Type	Quantity	Unit
E-85	64,333	Gallons GGE
CNG	2594	Gallons GGE
B20 (Alt. Fuel portion)	36	Gallons GGE
LPG	1,100	Gallons GGE
Total	68,063	Gallons GGE

DOT's EPACT and E.O. 13149 Compliance Strategy

To achieve compliance with the legislative mandates of EPACT and E.O. 13149, DOT has on-going fleet management training sessions to increase management awareness and oversight at all levels. The Department has also worked with GSA National Fleet Management Office to obtain an annual review of vehicle orders, ensuring that sufficient numbers of AFVs are requested each year. In FY06, nearly one thousand vehicle orders were reviewed and more than one hundred vehicle orders were changed during the review period.

Key Initiatives - In order to meet the requirements, DOT is working on several fleet initiatives as part of our comprehensive compliance strategy. DOT's key initiatives are:

- Department-level surveillance of all vehicle orders to ensure EPAct compliance.
- The potential for adding alternative fuel infrastructure at large DOT facilities is being evaluated.

- DOT will evaluate the role that biodiesel fuel can play in reducing petroleum consumption.

Future Year AFV Procurement Planning

DOT will continue to improve its surveillance of vehicle orders in future years to ensure that sufficient numbers of AFVs are ordered and placed as near as possible to available alternative fuel sources.