

U.S. DEPARTMENT of ENERGY ALTERNATIVE FUEL NEWS

The Official Publication of the Clean Cities Network and the Alternative Fuels Data Center



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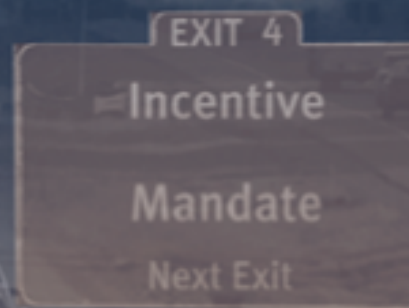
The Great Debate

Incentives or Mandates?

**DOE Budget Request Aims for a Clean, Alternative, and Efficient Future:
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AFN Focus On...the Paso del Norte Clean Cities Coalition



**Inside:
Clean Cities
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Indeed, we do anticipate a "great debate" to ensue during the process of determining whether to require private and local government fleets to acquire alternative fuel vehicles. Some, we suspect, will argue for a strong implementation of the Congressionally authorized rules, while others will warn government to stay out of the way, and still others will suggest "creative" options. In the end, the debate will probably take a familiar path: what's the proper role for government intervention and who's going to pay for it? DOE doesn't have to implement the private and local government fleet rule. We don't really have to do anything. We can just keep playing along with the status quo. The question is how do we reconcile our shortsighted dependency on foreign oil with the status quo? And, how do we square tail pipe emissions with the current air quality problems in many U.S. cities? These are the questions for you to think about. DOE is serious about helping this country move beyond the status quo, and it's our hope that the real debate will be about how we, as partners, can best stimulate new markets for alternative fuels and vehicles. Our Cover Story will help you better understand the proposed rulemaking and how you can be a part of the process. After all, isn't getting involved and making a difference what Clean Cities is all about?

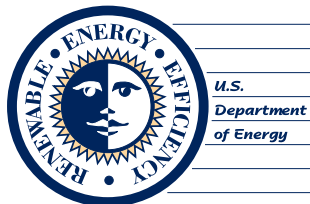
This edition also brings us to the doorstep of the 4th National Clean Cities Conference and exhibition. We've come a long way since the relatively small get-together in St. Louis in 1995. To sum it up, there are more people, involved in more communities, making more commitments, purchasing more vehicles, and using more fuel than four years ago. More is better, and this is progress. I fully expect our fourth meeting to be the best and to chart the course for more progress.

The week of April 6 was another important week in the growing world of AFVs. The executives from American Honda were kind enough to invite the national Clean Cities staff (along with a few hundred others) to their assembly plant in East Liberty, Ohio. There we were first-hand witnesses to the actual production of the much-anticipated CNG Civic GX. But in addition to being awed by the mass production process, many of the guests were also able to clearly see that CNG vehicles can roll off the assembly line just as easily as conventionally fueled vehicles. Clearly, the same can be said about the ethanol flex-fuel vehicles manufactured by Ford and Chrysler (see AFN Vol. 1 - No. 2). The point is that OEM vehicles are becoming available in shapes and quantities that we could only hope for in the past. As Clean Cities partners, our job is to build market confidence for these new vehicles, as well as for the fuels. So, my hat is off to Honda. What's next, the CNG Acura?

As usual, enjoy the issue.

Jeff Hardy —
National Clean Cities
Program Director

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The Great Debate

With the publication of the Advance Notice of Proposed Rulemaking (ANOPR) for Alternative Fueled Vehicle (AFV) Acquisition Requirements for Private and Local Government Fleets, the Department of Energy (DOE) has created an official forum for a debate that has been brewing in the industry for years. Three public hearings will help DOE gain knowledge of the public's perspective on the proposed fleet rules.

The need for reduction in petroleum fuel use is clear—in 1992, 41 percent of the total U.S. petroleum consumption was derived from foreign sources. By 1996, imports had increased to 46 percent, and projections are that imports will rise to 52 percent in 2000 and to 60 percent in 2010. The current cost of petroleum imports is about \$40 billion, which is expected to double by the year 2010. This estimate of future costs could well be low, since recent estimates predict that crude oil production will peak around the year 2010, which will put pressure on the price of petroleum to rise significantly. Unlike other sectors of the economy that use petroleum, transportation vehicles cannot use other fuels if the price of petroleum suddenly increases dramatically. Having the transportation sector so dependent on petroleum thus has both energy security and economic implications for our country. This dependence also has serious environmental effects. Tail-pipe emissions are a major contributor to air pollution and greenhouse gases, and each alternative fuel has advantages over petroleum fuels. Congress enacted the Energy Policy Act (EPAAct) in 1992 to address these concerns about energy for transportation that will become more important with each passing year.

Public Hearing Dates

May 20, 1998—9:30 a.m.
Los Angeles, CA
Royal Federal Building
225 E. Temple Street

May 28, 1998—9:30 a.m.
Minneapolis, MN
U.S. Court House
300 South 4th Street

June 4, 1998—9:30 a.m.
Washington, DC
U.S. Department of Energy
1000 Independence Ave, SW

Address for Written Comments

(due by July 16, 1998):

U.S. Department of Energy
Office of Transportation Technologies
EE-34

Docket No. EE-RM-98-507
1000 Independence Ave., SW
Washington, DC 20585
202-586-3012

What do you think? (excerpts from the April 17, 1998 ANOPR)

- If the EPA's suggested goal of replacing 30 percent of the motor fuel used by 2010 is impracticable and not expected to be achieved, what should the modified fuel replacement goal be in terms of percentage replacement and the year the goal is expected to be achieved?
- What methods or criteria should DOE use to determine the contribution of a fleet requirement program toward meeting the fuel replacement goal as modified?
- What types of programs should be established instead of a fleet requirement program that will result in market penetration of AFVs and alternative fuels to the maximum extent practicable? And what market penetration(s) would be possible with the establishment of these programs?
- What types of voluntary and incentive measures should be undertaken, either in conjunction with fleet AFV requirements or in lieu of such mandates, such as a program that awarded credits for the amount of petroleum displaced that would encourage progress toward the fuel replacement goals?
- DOE is required by section 507(l) of EPA's Act to take into consideration the following factors: energy security; costs; safety; lead greenhouse gases; technological feasibility; energy requirements; economic impacts, including impacts on fleets, workers, and consumers, such as users of alternative fuels for other (non-transportation) purposes; and the availability of alternative fuels and AFVs. What bearing or weighting factor should these factors have on a DOE determination as to whether it should impose AFV acquisition requirements on local government and private fleets?

Unfortunately, implementing alternative fuels for transportation is not easy, quick, or inexpensive. However, there are good indications that once the initial barriers are overcome, alternative fuels will be able to compete with petroleum fuels. What needs to be done in the interim is to get a large number of AFVs in operation, which will justify creating the fuel storage and distribution systems to serve them. Until we get "over the hump" of market implementation barriers, AFVs will not be economically or operationally attractive to more than a small percentage of vehicle owners who are in unique situations. DOE has two major mechanisms to overcome market initiation hurdles: mandate certain vehicle owners to use alternative fuels, or propose incentives for vehicle owners to use alternative fuels.

The rulemaking process will be your opportunity to suggest what types of programs DOE should establish, so AFVs can significantly penetrate the market and overcome implementation barriers. Individual fleet operators, local governments, representatives of trade groups, vehicle manufacturers, fuel providers and producers, service station operators, states, other government entities, and all other interested parties are encouraged to submit written comments.

The ANOPR was published in the Friday, April 17, 1998 edition of the *Federal Register* (Vol. 63, No. 74, pages 19372-19378). It can be obtained from the Federal Register Web site: www.access.gpo.gov/su_docs/aces/aces140.html, or from the Alternative Fuels Data Center (AFDC) Web site: www.afdc.doe.gov/whatsnew.html. All written comments must be submitted to DOE by July 16, 1998 (please provide eight copies). Transcripts of the hearings will be available at the DOE Freedom of Information Reading Room. For information concerning the public hearings and to obtain copies of materials referenced in this article, contact Andi Kasarky at 202-586-3012.

Incentives are an Alternative to Mandates, but not all Incentives are the Same

Financial incentives could include:

- Reduced registration fees
- Sales and tax exemptions
- Investment tax credits
- Elimination of toll fees
- Lower parking fees
- Reduced insurance premiums
- Credit trading
- Personal property tax exemptions
- Reduced loan fees

Non-Financial incentives could include:

- Special parking spaces
- Use of high-occupancy vehicle (HOV) lanes
- Exemption from some transportation control measures
- Special recognition license plates
- Good dealer support and service
- Good utility company support and service
- Specially trained service technicians



Federal News

GSA AFV Ordering Window Closed for 1998

The U.S. General Services Administration (GSA) Interagency Fleet Management System (IFMS) has completed taking alternative fuel vehicle (AFV) orders for 1998. IFMS is the branch of GSA that leases vehicles, including AFVs, to Federal agencies. The following is a run down from GSA of the AFVs that have been ordered by the IFMS for lease to Federal agencies in 1998.

As Federal fleet AFV purchase requirements increase each fiscal year (in 1999, 75% of all Federal fleets' covered light-duty vehicle acquisitions must be AFVs, up from 50% in fiscal year 1998), Federal fleet managers will be faced with vehicle purchasing challenges. To be successful when ordering AFVs, there are several key factors to consider. The most important factors are to plan ahead, and to educate yourself about AFVs and how to acquire them.

Getting to know GSA's Automotive Services Division is a good place to start. The division recently went through a major restructuring and is now called the Office of Vehicle Acquisition and Leasing Services. Both the Automotive Division and the Fleet Management Center are part of this office. The merging of the Fleet Management Center and the Automotive Division will improve coordination and provide better customer service. For more information on the Office of Vehicle Acquisition and Leasing Services, go to <http://pub.fss.gsa.gov/motor>.

Once you know how to acquire AFVs from GSA or other sources, the next step is to become aware of the AFVs available in the marketplace. If a Federal fleet manager learns in advance what will be available from the automakers, that manager will have a good idea of what GSA will offer its customers. (For more information on policies and

laws affecting Federal Fleets, see the GSA Office of Governmentwide Policy, Federal Vehicle Policy Division Web site at www.policyworks.gov). If the fleet can only meet the goal with a particular vehicle type (e.g., compact car or minivan) and that vehicle type is not being offered from the automakers, alert your agency in advance. There are many sources from which to get AFV product availability. The easiest tool is the *Light-Duty Vehicle Resource Guide* available from the National Alternative Fuels Hotline at 800-423-1DOE. The guide is also posted on the Alternative Fuels Data Center (AFDC), at www.afdc.doe.gov/vehicles/OEM_YEAR.html.

IFMS AFV orders for 1998		
Vehicle Type	Fuel Type	Number Leased
Chrysler Minivan	Flexible-fuel E85	1,994
E85 Ford Taurus	Flexible-fuel E85	605
Ford Contour	Bi-fuel CNG	441
Ford CNG Pickup	CNG	298
Ford Club and Cargo Vans	Dedicated & Bi-fuel CNG	62
M85 Ford Taurus	Flexible-fuel	32
GMC Pickup	Bi-fuel CNG	30
Ford LPG Pickup	Bi-fuel LPG	23
Freightliner FL 50	Dedicated CNG	19
Chevy S10 EV	Electric	15
Ford Crown Victoria	Dedicated CNG	2

Learning about the alternative fuel infrastructure is another important step in AFV success. Alternative fuel availability is critical in ordering the right AFV for your fleet. The AFV refueling infrastructure is growing every year, and a refueling

site may be constructed right in your neighborhood. The best way to learn about alternative fuel infrastructure is to visit the Alternative Fuels Data Center (AFDC) refueling site database at www.afdc.doe.gov/refuel. The AFDC lists refueling site locations for CNG, E85, M85, LPG, LNG, and EV charging stations located throughout the United States. The information is gathered from retailers, trade organizations, and general literature. The Web site has several search functions, such as customized queries for specific fuels or regions. Maps are also available for you to download.

Once your alternative fuel education is complete, you can develop a plan to acquire AFVs, knowing that the likelihood of successfully integrating AFVs into your fleet has dramatically increased.



Focus On

The Paso del Norte Clean Cities Coalition

The familiar saying, "we do more in one day than most people do all year," can be said about many Clean Cities programs, and most certainly applies to Carlon Bennett and the Paso del Norte Coalition. Paso del Norte Clean Cities, which spans the U.S.-Mexico border and includes the cities of El Paso, Texas; Ciudad Juarez, Mexico; and Las Cruces, New Mexico, was designated the 41st Clean Cities program in November 1995. In the ten short months that Bennett has served as the

coalition's coordinator, he has helped raise more than \$500,000 to support the organization's AFV efforts. How does he do it? By teaming with other community organizations and nonprofit groups in the area, the coalition has opened doors to opportunities that would not otherwise be available. For example, Bennett is currently working with the Rio Grande Council of Governments, the University of Texas at El Paso, and the Texas Natural Resources Conservation Commission to apply for \$450,000 to support AFV outreach efforts through Environmental Protection Agency's Environmental Monitoring for Public Access and Community Tracking (EMPACT) grant program.

But not all the funding comes from government grants. The coalition also receives cash and in-kind contributions, such as the printing of the program's full-color newsletter, from private sector sources. According to Bennett, "It's all a matter of getting out of the office and becoming active with other air quality organizations. Go visit with other nonprofit organizations. This program is all about building and developing relationships. You can't wait for projects to come to you, and you can't wait for funding to come to you. Every now and then, you'll get lucky. We've been fortunate so far, but next year, we may be singing another song."

Paso del Norte Clean Cities has been fortunate to have Bennett as its full-time, fully funded



Paso del Norte Clean Cities Coalition members (l-r): Dan Deaton, U.S. DOE; Jeff Hardy, National Clean Cities Director; Susan Haas, PDNCCC Vice-Chairman; Carlon Bennett, PDNCCC Director; Louise Martinez, New Mexico Energy, Minerals and Natural Resources Department; and Paul Perez, PDNCCC Chairman.

coordinator, a position supported by a grant from the Texas State Energy Conservation Office. So for now, the coalition is successful. In fact, getting the word out about Clean Cities efforts is yet another critical element to the program's strategy. "We all hear stories about the difficulties in the AFV industry," said Bennett. "The only way to counter that is by spreading the word of our successes and our stakeholder successes. My three favorite words are 'ruthless self promotion.' That's how people notice you. That's how you increase your chances of raising money," he said. The coalition's "ruthless self promotion" effort includes a 16-page, full color, bilingual newsletter boasting Paso del Norte successes, a marketing brochure that opens into a membership form, and a speakers' bureau. As a former reporter, Bennett knows what it takes to make the news, and he uses his experience in advertising and promotions to bring air quality issues and alternative fuels to the forefront of the media. Later this year, the coalition will hold a media training workshop for reporters in the area to teach them more about air quality and alternative fuels—issues that are gaining increasing attention from the media and general public, particularly in the wake of the Climate Change summit in Kyoto.

Less than 15% of the money Paso del Norte raises is targeted for program administration or consultant fees. The coalition focuses almost all of the available funds on AFV projects. "We've tried to run our

Photo Courtesy of PDNCCC/PIX 06151

organization like a business," said Bennett. "If I don't bring money in, we're not doing anything...we're not putting vehicles on the road or educating the public. The most important thing we can do is to try and utilize every dollar to advance one of our projects."

The coalition has several projects currently in the works, including a heavy-duty vehicle demonstration project at the El Paso-Ciudad Juarez border crossing and a clean corridor development project in Las Cruces, New Mexico. The border crossing project involves the introduction of propane and natural gas to the approximately 1,600 heavy-duty diesel trucks that transport goods from Mexico to distribution centers in the United States. These vehicles travel between 30-40 miles per trip, but must often idle in traffic for up to eight hours to cross the border. Using propane and natural gas in this transportation system will help significantly mitigate the area's air quality problems. The coalition is also assisting the City of Las Cruces and the New Mexico Department of Energy, Minerals, and Natural Resources in building a natural gas station as part of a clean corridor effort along I-10 and I-25 in New Mexico. This project could mean up to 500 new LNG and CNG vehicles in the southern part of the state.

Other efforts include a feasibility study at the El Paso International Airport, in which the coalition will be

examining airport operations to see what role it can play in facilitating the use of alternative fuels. According to Bennett, the two largest airlines that service the airport, American and Southwest, have already expressed interest in using alternative fuels.

The coalition's upcoming Clean Air 2000 Campaign is a comprehensive, bilingual outreach plan to promote Clean Cities and the alternative fuels movement. The three main components of Clean Air 2000 are an alternative fuels outreach program, a factory original equipment manufacturers cooperative advertising campaign, and an Ozone Action Day program for the El Paso/Juarez area.

Although much of Paso del Norte's success can be attributed to Bennett's outstanding efforts, he won't take all the credit. "The Paso del Norte Clean Cities Coalition (PDNCCC) is really a team effort, in the area and across the state. We've got really great leadership in the steering committee, and we're fortunate in Texas...we've got the Texas General Land Office, the Railroad Commission, the Natural Resources Conservation Commission, the State Energy Conservation Office, the Alternative Fuels Council, and people like Dan [Deaton, DOE]." But with a proactive coordinator like Carlon Bennett, Paso del Norte Clean Cities will undoubtedly continue to thrive.

Heavy-duty trucks wait to cross into the United States on one of the international bridges between Ciudad Juarez, Mexico and El Paso, Texas. Waits as long as eight hours are not uncommon, forcing the diesel-powered vehicles to leave their engines idling, thereby contributing significantly to the region's air quality problems.



Photo Courtesy of PDNCCC/PIX 06149

Clean Cities Game Plan '98



In just a few months, the Clean Cities program will celebrate its fifth birthday. A lot has happened in five years. More than 60 communities now participate in the program, and these partnerships form a nationwide network of stakeholders, each committed to developing the alternative fuel vehicles (AFV) market. Clean Cities coalitions have become, for the most part, local marketplaces where people come together to learn what's required, what's available, how to purchase an AFV, and where to fuel it. These coalitions have been particularly successful in recruiting fuel suppliers, government organizations, advocacy groups, and, increasingly, automakers and dealerships. The Clean Cities have coordinated activities of both private and public sector AFV proponents by providing a forum to help them foster interest in alternative fuels, and develop commitments to build, purchase, and refuel alternative fuel vehicles. Over the past five years, the Clean Cities program has grown to become a symbol of a community's choice for alternative fuels—and the ongoing commitment to that choice.

The program has been less successful (at least so far) in capturing the attention of private fleet operators and influencing their choice toward alternative fuels. Because active participation of private fleets is crucial to steady growth of the AFV market, efforts for Clean Cities '98 will focus on identifying and educating fleet operators, influencing their choice to use AFVs, and providing rebates to reduce incremental AFV costs and leverage currently offered private sector incentives. Simply put, the strategy for Clean Cities '98 is to make it easier for fleets to choose alternative fuels.

This "game plan" was designed not only to simplify the decision-making process for fleet owners and operators, but also to help energize and invigorate the nation's Clean Cities by focusing efforts on one of the primary goals of the program—increasing the number of AFVs on the road.

There are four elements to this strategy:

1 Identify Who Should Play— the Clean Cities Preferred Fleet Database.

The first step in any deal is to identify the key players who will benefit the most. To do this, DOE is designing a computer-based "Preferred Fleet Database" that draws upon a variety of databases and identifies a select group of fleet operators who might be inclined to use alternative fuels; that is, the "few good fleets." By targeting those fleets for which it makes sense to use alternative fuels, such as transportation services, fleets with high-mileage applications, or businesses with environmental or health care interests, coalitions can zero in on fleets in their own communities with the greatest potential interest in purchasing AFVs. The system is based on the local white pages, so it will be current and specific to each particular area. It will also enable Clean Cities coordinators to design custom mailing lists and merge these lists with pre-written form

letters—all with the touch of a button. DOE will be making this product available to all participating DOE Clean Cities this summer and will be encouraging coalitions to hold "influence the AFV choice" events in their communities.

2 Bring the Players to the Table— Influencing the AFV Choice Events.

Once those "few good fleets" have been identified, they'll need to know that AFVs are readily available. Yes, they are affordable and can be purchased at the local dealership. And, yes, refueling is available—quite possibly right around the corner. This is part two of the national strategy, where those inclined fleets will learn why AFVs are the smart choice for them. Clean Cities "Influence the AFV Choice" events will be held at least once in each Clean City this year. Here, DOE plans to take the "one-stop shopping" approach. The fleet managers will be invited to an event where they can learn exactly what's available to them from the original equipment manufacturers (OEMs), how much they cost, which dealerships offer AFVs, how they can obtain vehicle purchase incentives, and where they can refuel. These events will bring fleet managers face-to-face with OEM representatives and fuel providers. Discussion breakouts or "booths" will be available for OEM representatives to work directly with fleet operators, and do what they do best—sell vehicles. Fuel providers can circulate among OEM booths and provide information on fuel availability and incentives.

3 Make a Deal— the Fleet Buyer's Guide.

Possibly the most important aspect of the "Influence the AFV Choice" events will be the newly designed *Alternative Fuel Vehicle Fleet Buyer's Guide*. This computer-based, decision-making tool, which will also be available on the World Wide Web, will enable fleet managers to walk through the series of decisions leading to a new vehicle purchase. For starters, the Guide will be able to tell a fleet manager whether he or she is required by law to acquire AFVs. Next, the computer will outline all the AFV options available, listing specifications, range, price, and ordering window. All available purchase incentives in the region will then automatically be subtracted from the purchase price to show the net cost to the fleet manager, who will be able to calculate a simple payback period to show when he or she can start making money by using less expensive fuels like natural gas. Finally, the computer will print out a listing of the nearby dealerships and refueling stations.

4 Provide an Offer You Can't Refuse— Clean Cities AFV Rebates.

The final piece of the strategy is to provide rebates to offset the cost of acquiring an AFV. "Higher incremental

prices are often cited as the number one deterrent to acquiring AFVs in private fleets," said National Clean Cities Program Director Jeff Hardy. "Currently, rebates and incentives from various sources like the states, fuel suppliers, and OEMs are available to reduce the net cost to the AFV customer. But by adding a Clean Cities Rebate, we can reduce it even further and stimulate more AFV purchases." According to Hardy, DOE expects to make

up to \$25,000 in rebates available to at least 20 of the Clean Cities, and, in the end, provide rebates for as many as 1,000 new AFVs. "Naturally, this will be a competitive process, but it will also be an opportunity for the communities to showcase their efforts at identifying and recruiting new fleet prospects into the world of AFVs," Hardy added.

DOE Budget Request Aims for a Clean, Alternative, and Efficient Future

A message from David Rodgers, Director, DOE's Office of Technology Utilization...

Throughout the past five years, the U.S. consumer has been given many new and exciting transportation choices. The breakthroughs in technol-

ogy development that have occurred, greatly in part by the Department of Energy's (DOE) investments, are poised to provide the consumer with new vehicle options and help expand the use of alternative fuels and advanced transportation technologies in the transportation industry. However, if these advanced technologies are to succeed, they need to emerge from the laboratories and get onto the roadways. DOE's Transportation Technologies Office of Technology Utilization (OTU) FY 1999 budget request is aimed at supporting deployment of cutting-edge vehicle technologies including natural gas, flexible-fuel, renewable fuel, fuel-cells, and hybrid vehicles. This budget will allow us to continue to address the market barriers that hinder the adoption of alternative fuels and other advanced transportation technologies, as well as work with other Federal agencies, and state and local governments to increase the number of alternative fuel vehicles on the road and refueling stations in the ground.

OTU is the home of the Clean Cities Program, the Alternative Fuels Data Center, and the sponsor of this publication. Included in our program goals are the reduction of automobile emissions and petroleum use, and promotion of alternative fuel vehicle and advanced technology vehicle use. We will aid in accomplishing these goals by providing unbiased information, financial incentives and grant programs, regulatory guidance, and educational tools to help consumers make informed purchasing decisions in choosing alternative fuel and advanced technology vehicles.

Many Clean Cities stakeholders and hotline callers have asked how the program is funded. The funding for these efforts comes from the Energy Conservation portion of the Interior Appropriations Bill under the budget line item Technology Deployment. The 1999 budget request for Technology Deployment is \$16.25 million, \$4.5 million more than last year's budget. Most of the budget requested will reinforce the existing alternative fuel programs, such as Energy Policy Act regulations, Clean Cities, Federal Fleet, and Electric Vehicle testing and evaluation (see box). In addition, new projects that promote fuel-efficient vehicles and reduce greenhouse gas emissions will also be implemented. Other budget allocations within DOE's Office of Transportation Technologies (OTT) include the offices of Advanced Automotive Technologies, Advanced Heavy Vehicle Technologies, Transportation Materials Technologies, and Biofuels Energy Systems. Together, these research, development, and deployment activities will help bring alternative fuel technologies, fuel-efficient advanced technology vehicles, and renewable fuels to our transportation sector.

The House Interior Appropriations Subcommittee will act on the budget request first, before sending a recommended appropriations level to the full House. Once the House acts on the 1999 Interior Appropriations bill, the Senate will develop its version. It is common for bills to be finalized early in the fall.

These efforts are all included in the Department's Office of Energy Efficiency and Renewable Energy (EERE). EERE is working hard to develop and deploy advanced technologies for not only transportation, but also for buildings, in industry and in electricity generation. If you have any additional questions, please call the DOE Alternative Fuels Hotline at 800-423-1DOE, the Clean Cities Hotline at 800-CCITIES, or the Department's Energy Efficiency and Renewable Energy Clearinghouse at 800-DOE-EREC.

Key Changes in 1999 Budget for Technology Utilization

Strengthen Clean Cities Program and EPAAct compliance

Expand State grants and investments in refueling stations and corridors

Add projects focusing on renewable fuels, alternative fuels, and advanced vehicles that reduce greenhouse gas emissions

Redesign the Fuel Economy Guide and develop new information products to help consumers make the "efficient" choice

Develop and refine standards for testing and evaluation of hybrid vehicles

Demonstrate hybrid vehicles in partnership with PNGV and the new DOE/Department of Transportation Advanced Transportation Technology Consortium





From the Automakers

Honda "Rolls Out" First CNG Civic GX

Ohio Governor George V. Voinovich became a part of history as he drove the much-awaited first and highly touted Honda CNG Civic GX off the line at East Liberty



PIX 06143

Honda CNG Civic GX

Auto Plant on Wednesday, April 8. Produced exclusively in East Liberty, Ohio, the Civic GX operates only on compressed natural gas (CNG) and has a 200-mile driving range. It also enjoys the distinction of having the cleanest internal combustion engine ever, emitting one-tenth the hydrocarbon emissions of the ULEV standard—no surprise that it recently won the *Discover* magazine award for "Technology Innovation" in the automotive and transportation category.

Joining Governor Voinovich at the ceremony were U.S. Representative Mike Oxley, (R-Ohio); DOE's Associate Deputy Assistant Secretary for Transportation Technologies, Richard Moorer; and EPA's Director of the Office of Mobile Sources, Margo Oge, as well as other Federal, state, and local government officials, Clean Cities Regional Support Office Staff and coordinators, numerous Honda executives and associates, and other business and industry representatives. Richard Moorer stated, "The U.S. Department of Energy and the alternative fuels industry are excited that Honda will bring its stellar reputation to the alternative fuel vehicle market with both its EV Plus and its Civic GX." Moorer continued, "We especially appreciate the fact that Honda has been promoting its environmentally friendly vehicles and their benefits because this message should not come just from our government. Therefore, I applaud Honda's effort for getting the message out as to how Americans can improve the quality of air through their transportation choices." Among the many guests on hand to celebrate the first mass-produced, dedicated natural gas passenger car was James G. Fuller, President of Lincoln Composites, the Civics' tank supplier. "We're very pleased, and absolutely confident in our product...we've designed it to be as safe and as reliable as possible," said Fuller.

Honda is currently taking orders for Civic GX deliveries to fleet customers, including government entities and utility fleets. In fact, the City of Long Beach Gas Department has the honor of being the first fleet to put in a purchase bid, requesting the delivery of 30 vehicles. According to

Paul Smock, Long Beach Clean Cities Coordinator and CNG Coordinator for the Long Beach Gas Department, the decision was simple. "The City of Long Beach has a history of operating natural gas vehicles, and made

the decision to buy an OEM product when available," he said. "And it's clean...you can look at the tailpipe after driving this vehicle 10,000 miles and it will look like it's never been used." Smock also credited the South Coast Air Quality Management District for its buy-down program that helped defray the Civics' \$4,500 incremental cost to just \$1,500 per vehicle. For more information about the Civic GX, call Honda's Clean Car Hotline at 888-CC-HONDA.

Civic GX Facts

- Emissions are 1/10th Ultra Low Emission Vehicle (ULEV) standard—reduces greenhouse gas emissions by more than 20%
- Runs exclusively on compressed natural gas (CNG)
- Produces more horsepower than the gasoline-powered Civic LX (110 vs. 106)
- Has a driving range of 200 miles
- More than 210 parts have been changed from the base gasoline Civic model to produce the natural gas fueled Civic GX

Volvo Unveils Bi-fuel "Green Cars"

Volvo pledged its commitment to improving the environment and to reducing greenhouse gas emissions by unveiling its bi-fuel natural gas "Green Cars" at a media event in Phoenix, Arizona. The event showcased Volvo's bi-fuel natural gas S70 sedan and V70 wagon. Volvo's choice to use clean burning natural gas is just one element that makes its S70 sedan and V70 wagon truly "Green Cars," meaning a vehicle that has low tail-pipe emissions. However, Volvo's Green Car philosophy goes beyond just the vehicles' tail-pipe emissions. Volvo looks at the total lifecycle of the vehicle, and aims to reduce the vehicle's environmental impact throughout the cycle of vehicle production, tail-pipe emissions, and vehicle scrappage.

Volvo has improved its vehicle production process and has made great strides in reducing the amount of solvent and waste materials left over after vehicle production.



Photo courtesy of Volvo/PIX 06145

Volvo's CNG S70 sedan

The concern about vehicle tail-pipe emissions goes back several years, as Volvo was the first automaker to develop a three-way catalyst, which is now standard equipment in most light-duty vehicle exhaust systems being sold in the United States. Volvo chose to build vehicles that operate on natural gas because of its clean burning characteristics and low levels of carbon emissions. Volvo has also developed guidelines to help vehicle disassemblers dismantle Volvos in the most efficient manner possible, by increasing the amount of recycled materials and decreasing waste.

Although Volvo sells both CNG models in seven foreign markets, they are not currently available in the United

States for two reasons. "We are concerned about customer acceptance of the CNG fuel tank in the cargo area," said Dan Johnston, product information manager of Volvo North America. Volvo also feels the CNG infrastructure in America is not developed enough to adequately market its vehicles. Volvo is planning to build a new model that will have CNG tanks built into the design, thus solving the problem of compromising cargo space for fuel tanks. Volvo hopes to introduce its natural gas products in the United States in the future. For more information about the CNG Volvos, call Jeannine Fallon at 800-970-0888 or visit their Web site: www.volvocars.com.



Clean Cities Roundup

- **Texas.** Clean Cities jumps to 61. The City of Corpus Christi became the 61st Clean Cities Coalition (5th in the state of Texas) on Monday, March 30. Brian Castelli, DOE's Chief of Staff for



Corpus Christi Mayor Loyd Neal and DOE's Brian Castelli

Energy Efficiency and Renewable Energy, presented Corpus Christi Mayor Loyd Neal with a plaque and signed the coalition's memorandum of understanding with stakeholders. "The addition of Corpus Christi into the Clean Cities Program today demonstrates a real commitment to help create a cleaner environment and less dependence on imported oil for this region and nationwide," said Castelli. "The use of alternative fuels and alternative fuel vehicles is a wise investment for our country's future." Corpus Christi is well on its way to becoming a model coalition, as stakeholders have already developed a comprehensive market development strategy that includes plans to build refueling infrastructure in six target areas, or "hubs," to reliably service the region's AFVs. Corpus Christi has also been awarded \$120,000, including \$60,000 from DOE, to develop a Mobile Emissions Reduction Credit Trading Program (MERC). The coalition will work with the City's Air Quality Committee and Texas A&M-Kingsville to explore the opportunities for mobile to stationary source credit trading in the area. The goal of the project is to develop a MERC program that makes the complicated process of emission credit trading more "user-friendly," so it can be used as a model for other cities nationwide. Other Clean Cities Program

designations scheduled for this spring include Genesee Region (Rochester, New York) and Puget Sound (Seattle, Washington) coalitions. Stay tuned to upcoming issues of AFN for details.

- **Denver Region Clean Cities Meeting.** The Second Annual 12-Western States Clean Cities Meeting was held March 29-31 in Corpus Christi, Texas. The meeting drew in coordinators and stakeholders from approximately 20 Clean Cities coalitions, both designated and those seeking designation, from DOE's Denver Region. Clean Cities coordinators gave brief presentations on coalition activities and shared ideas and success stories. Participants also heard from experts on topics including alternative fuels legislation, marketing, funding and donations, public outreach, Clean Air Act issues, Clean Corridors, and Clean Cities strategies for 1998. "The information shared by the coordinators is beneficial to the entire region—for those that have been around a while, as well as the new ones," said Ernie Oakes, DOE's Clean Cities Program manager for the Denver Region. "It's a great way for everyone to share successes and offer solutions to challenges."
- **Norwich.** The Norwich Clean Cities Program recently celebrated the grand opening of the first public access natural gas refueling station in southwestern Connecticut. However, this was no ordinary event. To maximize attendance, ensure local community involvement, and draw attention to the Norwich Clean Cities AFV effort, stakeholders held the celebration on a Saturday (April 25). An AFV parade, kicked off the grand opening event, and a tent with food and face painters for kids helped draw interested onlookers. The event also featured a ride and drive for anyone in the community, as well as a vehicle display that included the first natural gas school bus in the state of Connecticut.



From the States

New NASEO Committee Puts Emphasis on Transportation Issues

The National Association of State Energy Officials (NASEO) has published its National Energy Issues Agenda, which identifies six of the top energy priorities for states and calls upon Congress to act on them. This year, the top priorities include energy-efficient transportation practices and specifically, "the implementation of existing alternative fuel legislation and support programs that allow states, territories, and the private sector to promote alternative fuels use and infrastructure development."

To support this top priority and further encourage states to include energy-efficient transportation programs (like the Department of Energy's Clean Cities) as integral parts of their transportation plans, NASEO has created a new transportation committee. State energy offices already play a critical role in the nationwide network of Clean Cities by providing guidance and expertise to local coalitions, spearheading statewide coalitions, and acting as a partner in the development of alternative fuel vehicle projects in the State Energy Program Special Projects grant program. The new NASEO committee will monitor and research transportation issues and provide a forum for energy officials to share ideas and build upon their present efforts to further enhance the level of importance for alternative fuel and mass transit programs at the state level. "Transportation is a big energy issue for states," said NASEO Communications Director, David Terry. "There are a lot of state energy offices that are very active in transportation, and it's important for others to get the issue up on their radar screens."

Jeff Herholdt, manager, Energy Efficiency Program, West Virginia State Development Office, serves as the committee's Chair, and Deann Parsons, chief of the Nevada State Energy Office, is vice chair. Herholdt, in addition to his role at NASEO and the West Virginia State Development Office, serves as coordinator of DOE's 21st Clean Cities Coalition, the West Virginia Clean State Program. "It is our hope to bring alternative fuels and mass transit issues to the forefront of attention at the state energy offices," said Herholdt. "We need to be more aggressive in adopting transportation measures in our state energy plans."

Clean Cities coalitions can look forward to new and expanded opportunities to partner with state energy offices. "Many state energy offices have traditionally focused on the building and industrial sectors and energy efficiency programs, but I think the Clean Cities Program has brought energy security issues back to the top of state

energy office agendas," said Marcy Rood, Clean Cities Program deputy director. "Regarding air quality, one project we are exploring together is establishing a cap and trade program for clean fuels. It is my hope that the Clean Cities program and the NASEO committee will be able to share and communicate ideas and work together on mutual goals on an ongoing basis," she said. To learn more about NASEO's new transportation committee, call Jeff Herholdt at 304-558-0350, or check out the NASEO Web site at www.naseo.org.

Government/Industry Partnership turns EV Rental Car into a California Reality

EV Rental Cars is teaming up with Budget Rent-A-Car to provide electric vehicle (EV) rentals at Los Angeles International Airport (LAX). The partnership will rent 50 EVs to Budget Rent-A-Car customers at LAX. EV Rental Cars plans to offer GM EV1s, Ford Ranger EVs, and possibly Honda's EV Plus. Electric recharging stations are being installed at the LAX site, and customers will not be charged for recharging costs. For additional recharging, EV Rental Cars is working with General Motors to develop a comprehensive EV recharging guide for the LA area. The guide will be given to EV rental customers. The EVs will be offered to customers at the same competitive rate of conventional rental cars, thanks to Federal funding being used to offset infrastructure development. "The more funding I get, the lower I can keep the cost of the rental," says Jeffery Pink, president of EV Rental Cars Inc. Pink hopes that by making the rental cost comparable to standard rental vehicles, and by providing free recharging, customers will be lining up to rent the EVs. Budget is planning to advertise the EVs on its airport shuttle buses, which should also help business.

The partnership is the brainchild of Jeffery Pink. Pink turned his dream into reality by partnering with industry and obtaining government support. The process Pink went through to get support was not an easy one. He knew that his venture could only be successful if he had government financial aid to help with infrastructure cost. Much of Pink's success comes from his 20 years as a real estate agent. "I applied my business experience to this venture; it took a lot of cold calls and determination to make this happen. What surprised me is that every door I knocked on opened. People were interested in my project and wanted to help."

Pink first approached Budget Rent-A-Car. "They were excited about the prospect of leasing clean EVs to their customers, and after a little convincing they gave me the green light." Next Pink started searching for funding and support. Los Angeles Clean Cities Coordinator LeiLani Johnson helped Pink with Federal funding information. Ms. Johnson explained how Congestion Mitigation and Air Quality (CMAQ) improvement funds are used to build alternative fuel infrastructure. Pink applied for CMAQ funding to help offset start-up costs for the venture.

EV Rental Cars plans to start operations at LAX in June, and hopes to open rental facilities in fall of 1998 at two other California airports, Ontario and Sacramento. For more information, call Jeffrey Pink at 818-468-4698.

Clean Corridor Update

The Interstate Clean Transportation Corridor (ICTC) is currently developing the nation's first "Clean Corridor," an AFV refueling infrastructure network spanning three states and more than 2,000 miles. The corridor will link Las Vegas, Reno, Los Angeles, the San Joaquin Valley, Sacramento, San Francisco, and Salt Lake City along

the I-80, I-5, CA-99, I-10 and the I-15, creating a triangular corridor (see map). The ICTC will provide LNG fuel at 10 locations along the route, servicing approximately 250 heavy-duty trucks and 500 local delivery trucks.

The ICTC has focused on the commercial trucking industry. By 2010, diesel-powered vehicles will be the source of half of the smog in Los Angeles. Heavy-duty trucks rack up high miles and have high fuel use. Alternative fuels will help solve air quality problems and will displace substantial amounts of petroleum. Cliff Gladstein, Executive Director of the ICTC project said, "We provide stakeholders with cost-effective solutions to their pollution problems."

The ICTC has attracted stakeholders by effectively leveraging state and Federal funding for infrastructure development and vehicle purchases. The corridor project has received DOE's State Energy Program (SEP) grants and Petroleum Violation Escrow Account (PVEA) funding to help offset the incremental start-up costs for LNG trucks and refueling stations. ICTC has targeted several highly visible local truck fleets as partners, such as Harris Farms, which received funds to purchase 12 LNG tractors for its fleet. For more information, call Gladstein and Associates, at 310-204-1994.

The Clean Corridor





Hot off the Press

New Refueling and Maintenance Directory

Wondering where to service your AFV in the mid-Atlantic region? Well, look no further. The DOE Philadelphia Regional Support Office (PRSO), in partnership with the Clean Air Council and regional Clean Cities coalitions, has developed a second edition of the *Mid-Atlantic AFV Refueling & Maintenance Directory for 1998*. This comprehensive guide includes contact information, addresses, phone numbers, access and payment information, maps, and directions to CNG and propane refueling sites, EV recharging stations, and maintenance/repair facilities throughout the mid-Atlantic. Designed to assist fleet operators traveling throughout the region, the guide is expected to play a major role in increasing station usage and developing the Northeast Clean Corridor Project. The guide covers the entire mid-Atlantic region, including Delaware, the District of Columbia, Maryland, New Jersey, New York, Ohio, Pennsylvania, Virginia, and West Virginia, and will be available by the Fourth National Clean Cities Conference in June. For more information, call James Ferguson, DOE Philadelphia Regional Support Office, at 215-656-6977.

Green Guide to Cars & Trucks

The first environmental consumer car guide is now available. The American Council for an Energy-Efficient Economy has published *The Green Guide to Cars and Trucks*, to provide car buyers "a practical guide containing Green Score (vehicle air pollution health costs, global warming pollution, etc.) rankings for every 1998 vehicle sold in the United States." The guide aims to help consumers make more environmental choices when purchasing a new vehicle. For a copy of the guide, call ACEEE Publications at 202-429-0063 or visit their Web site at www.aceee.org.

Carbon Emissions from Energy Consumption

The Department of Energy's Energy Information Administration (EIA) has published the *Annual Energy Outlook 1998 With Projections Through 2020*. This projection looks at the amount of carbon emissions from energy consumption, and predicts the growth of E85 through the year 2020. This work also examines the need for market penetrations of more efficient equipment and less use of carbon-intensive fuels. For more information, call EIA at 202-586-8800 or visit the Web site at www.eia.doe.gov/forecasting_index.html.

Ethanol-Powered Vehicle Info

The Iowa Governor's Ethanol Coalition has published its ethanol market study *Drivers' Awareness, Attitudes, and Usage of Ethanol-Blended Fuel*, which discusses environmental and engine performance benefits that would encourage drivers to use more ethanol-powered vehicles. For more information call Ward Lenz, Iowa Department of Natural Resources, at 515-281-8518 or visit the AFDC Web site at www.afdc.doe.gov/whatsnew.html.

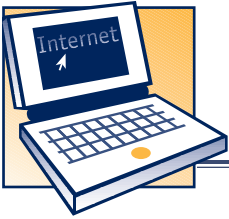


All About Natural Gas Vehicles

The Association of Energy Engineers (AEE) has released *Natural Gas Vehicles*, which gives timely information regarding all aspects of natural gas vehicles (NGVs). The reference book gives a comprehensive assessment of natural gas as a vehicle fuel. For more information, call AEE at 770-925-9558.

Alternative Fuel Guide

The Society of Automotive Engineers (SAE) has released *Alternative Fuel Guidebook: Properties, Storage, Dispensing, and Vehicle Facility Modifications*. The publication is a reference book designed for professionals who need a working knowledge of alternative fuels. For more information, you can call SAE at 724-776-4970 and refer to Order No. R-180, or visit the Web site at www.sae.org.



On the Web

Take the Tour!

www.afdc.nrel.gov/web_view/emis_tour/intro.html

The National Renewable Energy Laboratory has designed a virtual tour to show you how automotive emissions are measured and analyzed at a research-grade emissions laboratory. Using photographs, graphs, and text, the tour walks you through different areas of the laboratory and presents details on testing procedures, equipment, and other aspects of the testing process.

Cooperative Automotive Research for Advanced Technology (CARAT)

www.ipd.anl.gov/carat/index.htm

The Cooperative Automotive Research for Advanced Technology (CARAT) program's overall objective is to develop advanced technologies for light-duty vehicle applications. Colleges, universities, and small businesses involved in the program will research alternative fuels, batteries, injection technologies, flywheels, fuel cells, and vehicle systems. CARAT is sponsored by DOE's Office of Advanced Automotive Technologies. To find out more about the CARAT program and the research areas, visit the Web site. The results of this research effort will be posted on-line as they become available.

Natural Gas Vehicle Coalition (NGVC)

www.ngvc.org

If you are in the natural gas industry, or are considering using natural gas vehicles (NGVs) in your fleet, don't miss the NGVC homepage. This site has general information, as well as a section specifically for the coalition's 200 members. You can locate equipment and service suppliers, as well as learn who is using NGVs and the benefits that they are experiencing. This site also links to the *Congressional Record* and the *Federal Register* online. Don't pass up the benefits that NGVC has to offer you!

General Services Administration (GSA)

www.fss.gsa.gov

Welcome to the Federal Supply Service at GSA. Now is the time for Federal employees to familiarize themselves with the new Vehicle Acquisition and Leasing Services, so they will be prepared when it comes time to order your 1999 vehicles. If you are working with a government fleet that is trying to meet EPA's requirements or preparing for the CAA in 1999, bookmark this site today!

DOE's AFV Acquisitions and Credits Database

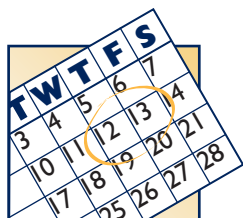
www.ott.doe.gov/credits/index.html

The DOE's Acquisitions and Credits Database provides a convenient way for covered state and fuel provider fleets to report AFV acquisitions electronically. Check out the Web site or call the National Alternative Fuels Hotline at 800-423-1DOE.

Get AFN On-Line!

Do you have Internet access, or an e-mail address? Do you want to save your tax dollars? Do you want to see the next issue of *Alternative Fuel News* before the hard copy edition is mailed?

If so, just send your e-mail address to hotline@afdc.nrel.gov. We'll let you know via e-mail when the new *Alternative Fuel News* is available in the electronic version on our Web site at: www.afdc.doe.gov/AltFuelNews. If you would like to receive a copy of *Alternative Fuel News* in the mail, send us your mailing address, too. If you no longer wish to receive *Alternative Fuel News*, ask us to remove you from our mailing list. For more information regarding *Alternative Fuel News*, call the National Alternative Fuels Hotline at 800-423-1DOE.



Upcoming Conferences and Events

6th Annual Environmental Vehicles and Alternative Fuels Conference

June 15-17, 1998

Detroit, Michigan

Contact: Gwen Brown, The Engineering Society,
at 248-355-2910

Federal Fleet '98: Navigating the Future

July 20-23, 1998

Scottsdale, Arizona

Contact: Yvonne Lewis at 888-698-5646

Driving into the 21st Century - 1998 Tri-State Alternative Fuels Conference

July 22, 1998

Indianapolis, Indiana

Contact: Karen Dalton at 317-927-4784

Changing World of Industrial and Recreation Electric Vehicles

August 20-21, 1998

Orlando, Florida

Contact: Christine Hopf-Lovette, EPRI, at 650-855-2000

*For more information on these events visit the Alternative Fuels Data
Center Web site at www.afdc.doe.gov.*



Look for
complete coverage
on the
**4th National
Clean Cities Conference**
that will be held
**May 31-June 4, 1998, in
Washington, D.C.**
in the next issue
of the AF News!



We'll have important
information on what was
shared at the conference,
how to contact speakers,
and how to get more
details on events.

Questions? Comments? Suggestions?

Call the National Alternative Fuels Hotline at 800-423-1DOE or the Clean Cities Hotline at 800-CCITIES
Check out the Alternative Fuels Data Center Web site at www.afdc.doe.gov or the Clean Cities Web site at www.cccities.doe.gov.