

## 16. ALTERNATIVE FUELS:

### Federal third-party shippers should cut oil use -- report

Jason Plautz, E&E reporter

Published: Thursday, August 2, 2012

The federal government could save as much as \$7 billion a year by requiring its third-party freight carriers to meet certain alternative fuel thresholds, according to a new report set to be released today.

Directing government spending toward shippers that use alternative fuels could help spur the private shipping industry to reduce its oil consumption, the new [report](#) from the American Clean Skies Foundation says. That reduction would be matched by a drop of more than 20 million metric tons of greenhouse gas pollution a year, plus the introduction of thousands of new alternative fuel vehicles.

"This is a missed opportunity to save billions of dollars a year to use cheaper, cleaner fuels that are domestically sourced," said Clean Skies Foundation CEO Gregory Staple. "If you see the government use its purchasing power, then we'll see a gradual shift in the composition of freight and package services available to everyone."

The report only concerns third-party shippers and package carriers in charge of moving and delivery, not the fleets purchased and maintained by federal departments. Those carriers account for roughly \$50 billion in direct spending a year, although Staple said that figure does not factor in indirect costs for suppliers to deliver goods.

Currently, federal fleets are working to reduce their own fuel consumption by 30 percent by 2020 under a 2009 executive order. Agencies have been purchasing electric, hybrid and other alternative fuel vehicles, as well as reducing the size of their fleets.

But Staple said the government should start thinking about "all the trucks and vans that show up daily at our loading docks," which do not have to meet the same standards. The action, he said, would require no work on the part of Congress and could simply come as an executive order or agency mandate.

According to data listed in the report from the U.S. Postal Service and General Services Administration, USPS spent about the same amount on fuel reimbursements for third-party suppliers as all federal agencies did fueling their own fleets. The Postal Service has traditionally represented a significant chunk of federal vehicle use and uses roughly a third of the vehicles in the federal fleet.

The Clean Skies Foundation recommends that, starting in 2015, the federal government require major carriers to use alternative fuels for 5 percent of contracted shipments with that requirement increasing by at least 2 percentage points annually through 2025. Doing so, the group found, would result in a savings of approximately \$25 billion by 2025, or \$7 billion a year when up to 2025 levels.

Staple said that many companies contracted, such as the United Parcel Service Inc. or FedEx Corp., are already making efforts on alternative fuels and that there should not be a problem meeting the standards in the early years.

[Click here](#) to read the report.

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## E&E DAILY HEADLINES -- Thursday, August 02, 2012

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### SPOTLIGHT

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#### 1. TAX POLICY:

Focus turns to Finance panel as wind credit hangs in the balance

### IN THE SENATE

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**2. CHEMICALS:**

After historic committee vote, TSCA reform faces uncertain path to floor

---

**3. CLIMATE:**

Boxer says U.S. should adopt 'no regrets' strategy

---

**4. CYBERSECURITY:**

Top Obama advisers press for bill as hopes for passage flag

---

**5. BIOFUELS:**

Ethanol industry has ally in Iowa senator

---

**6. COAL ASH:**

Bill would provide stronger environmental protections

---

**IN THE HOUSE**

---

**7. OIL AND GAS:**

Admin officials to defend discrepancies in public vs. private production at hearing today

---

**8. ELECTRICITY:**

House clears grid reliability bill

---

**9. EPA:**

Panel advances 2 measures targeting CFC regs

---

**10. KEYSTONE XL:**

22 House Dems ask Obama admin to start from scratch on pipeline review

---

**11. WATER POLLUTION:**

Citing tsunami, House reauthorizes debris research program at lower level

---

**12. HYDROPOWER:**

Hastings files bill to promote generation, preserve dams, cut regs

---

**13. WATER:**

Blumenauer bill would create federal trust fund for infrastructure

---

**POLITICS**

---

**14. CAMPAIGN 2012:**

Ohio coal company blasts Obama for 'war on coal'

---

**15. CAMPAIGN 2012:**

Trio of GOP front-runners vies to challenge McCaskill for Mo. Senate

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**ADMINISTRATION**

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**16. ALTERNATIVE FUELS:**

Federal third-party shippers should cut oil use -- report

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**ON THE HILL**

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**17. SCIENCE:**

Budget cuts imperil Earth observation efforts by U.S. -- expert panel

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**E&ETV'S ONPOINT**

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**18. NATURAL GAS:**

U.S. Chamber's Harbert discusses shale development, LNG exports and fracking regulation

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**UPCOMING MARKUPS AND HEARINGS**

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**19. CALENDAR:**

Activity for July 30 - August 10, 2012

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