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Submitted to: <a href="https://www.regulations.gov">www.regulations.gov</a>

# **RE:** Petroleum Reduction and Alternative Fuel Consumption Requirements for Federal Fleets (RIN 1904-AB98)

The American Clean Skies Foundation (ACSF) is a non-profit organization founded to advance America's energy independence and promote measures to achieve a cleaner environment through the expanded use of natural gas, renewable energy, and energy efficiency. ACSF appreciates the opportunity to submit these comments on the proposed "Petroleum Reduction and Alternative Fuel Consumption Requirements for Federal Fleets" (hereafter, the Proposed Rule). These comments build on ACSF's on-going effort to promote the use of alternative fuels in vehicles. <sup>2</sup>

## I. Executive Summary

In this rulemaking, the Department of Energy (DOE) proposes implementing regulations for Section 142 of the Energy Independence and Security Act of 2007 (EISA) which was designed to reduce annual federal petroleum consumption. ACSF strongly supports the Proposed Rule's underlying goals of reducing petroleum use and increasing alternative fuel consumption in order to advance environmental and energy security, and to save taxpayer dollars. However, ACSF believes that the Proposed Rule currently undercuts these goals because it does not reflect the plain meaning of Section 142 or current DOE and Administration policy on the expanded use of natural gas in the transportation sector. In particular:

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<sup>&</sup>lt;sup>1</sup> The Proposed Rule was published at 77 Fed. Reg. 14,482 (March 12, 2012).

<sup>&</sup>lt;sup>2</sup> See e.g., ACSF comments on proposed Light-Duty Vehicle Greenhouse Gas Emissions and Corporate Average Fuel Economy Standards available at <a href="https://www.cleanskies.org">www.cleanskies.org</a>.

- 1. <u>DOE's regulations should require annual, year-over-year increases in alternative</u> <u>fuel consumption, including after 2015.</u> The Proposed Rule would require a one-time, 10% increase in alternative fuel consumption by 2015. This is a minor increase that is inconsistent with the 20% year-on-year reduction in petroleum plainly mandated by the law and the President's express May 2011 directive requiring that all new federal vehicles run on alternative fuels by the end of 2015.
- 2. **DOE's rulemaking should specifically recognize natural gas vehicles as a key alternative fuel opportunity.** While the Proposed Rule specifically mentions electric vehicles (EVs), it does not specifically mention natural gas vehicles (NGVs) and overlooks the role of NGVs in meeting the proposal's goals. Natural gas is a domestic, abundant, cheaper and cleaner alternative fuel source for transportation that has been endorsed by the Administration (including DOE) and thus can play a key role in helping federal agencies meet their fleet needs.

By implementing these suggestions, which are discussed in detail below, DOE would strengthen the federal fleet vehicle program. Moreover, these changes would be consistent with President Obama's programs for the federal government to lead by example in switching America's cars and trucks from petroleum to various domestic alternative fuels.<sup>3</sup>

## II. Suggested Revisions to the Proposed Rule

## A. DOE's regulations should include annual increases in alternative fuel consumption

## 1. Correct Interpretation of EISA Section 142

DOE published the Proposed Rule to implement the requirements of EISA Section 142.<sup>4</sup> Unfortunately, the Proposed Rule interprets Section 142's *annual* requirements for both petroleum reductions and alternative fuel increases as only requiring a *one-time* increase in each metric. This interpretation significantly limits the effectiveness of Section 142, and DOE should instead pursue an alternative interpretation that better reflects Administration goals as well as language in the statute and precedent.

<sup>&</sup>lt;sup>3</sup> See e.g., Appendix 1 regarding Administration statements in support of NGVs and natural gas as an abundant, low-emitting domestic resource.

<sup>&</sup>lt;sup>4</sup> Pub. L. 110-140 available at <a href="http://www.gpo.gov/fdsys/pkg/BILLS-110hr6enr/pdf/BILLS-110hr6enr

Specifically, Section 142 requires that "beginning in fiscal year 2010, each Federal agency shall reduce petroleum consumption and increase alternative fuel consumption <u>each year</u> by an amount necessary to meet the goals described in paragraph (2)." Paragraph 2 then states that "not later than October 1, 2015, <u>and for each year thereafter</u>, each Federal agency shall achieve at least a 20 percent reduction in <u>annual petroleum consumption</u> and a 10 percent increase in <u>annual alternative fuel consumption</u>."

This statutory language should be read to contemplate year-over-year annual increases in petroleum reductions and alternative fuel consumption. In addition to the plain language of the statute, this quoted EISA language is similar to language found in Executive Order 13423, which requires that "if the agency operates a fleet of at least 20 motor vehicles, the agency, relative to agency baselines for fiscal year 2005, (i) reduces the fleet's total consumption of petroleum products by <u>2 percent annually</u> through the end of fiscal year 2015, [and] (ii) increases the total fuel consumption that is non-petroleum-based by <u>10 percent annually</u>." Moreover, in its "Instructions for Implementing Executive Order 13423," the Council on Environmental Quality (CEQ) interpreted each of these amounts as required, annual changes.<sup>8</sup>

The *annual* requirements in E.O. 13423 and the related CEQ guidance were both issued earlier in the same year that EISA Section 142 was enacted. In adopting similar language in EISA Section 142, Congress can be presumed to have intended that such language be interpreted consistent with precedent. Thus, in addition to the plain language of the EISA, directly applicable precedent (including both a contemporaneous Executive Order and CEQ guidance) shows that Congress meant for these Section 142 changes to be annual.

Moreover, in January 2009, Congress in the 2009 Omnibus Appropriations Act codified E.O. 13423, stating "Executive Order 13423 ... shall remain in effect hereafter except as otherwise provided by law after the date of the enactment of this Act." This codification occurred after the EISA Section 142 was enacted. In short, both before and after Section 142

<sup>&</sup>lt;sup>5</sup> 42 USC § 6374e(a)(1) (emphasis added).

<sup>&</sup>lt;sup>6</sup> 42 USC § 6374e(a)(2) (emphasis added).

<sup>&</sup>lt;sup>7</sup> Executive Order 13423, *Strengthening Federal Environmental, Energy, and Transportation Management*, January 24, 2007 (emphasis added). Published at 72 Fed. Reg. 3,919. Available at <a href="http://www.gpo.gov/fdsys/pkg/FR-2007-01-26/pdf/07-374.pdf">http://www.gpo.gov/fdsys/pkg/FR-2007-01-26/pdf/07-374.pdf</a>.

<sup>&</sup>lt;sup>8</sup> http://www.whitehouse.gov/sites/default/files/omb/procurement/green/eo13423\_instructions.pdf.

<sup>&</sup>lt;sup>9</sup> See Miles v. Apex Marine Corp., 498 U.S. 19, 32 (1990) ("We assume that Congress is aware of existing law when it passes legislation.").

<sup>&</sup>lt;sup>10</sup> See 2009 Omnibus Appropriations Act § 748, available at <a href="http://www.gpo.gov/fdsys/pkg/BILLS-111hr1105enr.pdf">http://www.gpo.gov/fdsys/pkg/BILLS-111hr1105enr.pdf</a>.

was enacted, Congress made clear that it meant for Section 142's alternative fuel increases and petroleum decreases to be annual.

Furthermore, the Energy Policy Act of 1992, as amended in 2005 ("EPAct 1992"), requires that alternative-fuel vehicles comprise at least 75% of new federal light-duty vehicle purchases and leases each year. As old petroleum-fueled vehicles are retired, the portion of alternative-fuel vehicles in the federal fleets increases each year. In this context of on-going annual increases in demand for alternative fuels for the federal fleet, it is unreasonable to interpret EISA Section 142 as a one-time increase in the floor for alternative-fuel purchases.<sup>11</sup>

Inconsistent with this precedent, DOE's interpretation in the Proposed Rule leads not to annual changes in each amount, but rather, to a <u>one-time</u> change in the makeup of federal fleets in 2015, with no requirements for annual improvements thereafter. The Proposed Rule states that "by the end of FY 2015 and for each year thereafter, annual Federal fleet petroleum consumption must be equal to or less than 80 percent of the amount that Federal fleet consumed in FY 2005." Similarly, the alternative fuel consumption target is set at "110%" of the FY 2005 baseline; this language is markedly different than that statutory language in Section 142. Rather than require annual reductions in petroleum consumption and annual increases in alternative fuel consumption, DOE interprets these requirements as no more than a need for "interim milestones" for agencies on their way to achieving DOE's one-time-only changes to federal fleets in 2015. This interpretation is at odds with the aforementioned precedents that describe "annual reductions."

Furthermore, DOE itself admits that its Proposed Rule (i.e., DOE's *interpretation* of EISA Section 142) results in a program that is "not as stringent as the alternative fuel usage requirements set for in E.O. 13423." However, as noted above E.O. 13423 has been enacted into law by the 2009 Omnibus Appropriations Act. And the Proposed Rule recognizes that E.O. 13423 is still applicable law. Thus, DOE's interpretation in the Proposed Rule results in an

<sup>&</sup>lt;sup>11</sup>See EPAct 1992 (Pub. L. 102-486), as amended by EPAct 2005 (Pub. L. 109-58), as codified at 42 U.S.C. § 13212.

<sup>&</sup>lt;sup>12</sup> 77 Fed. Reg. 14,484.

<sup>&</sup>lt;sup>13</sup> While DOE must include "interim numeric milestones" in its proposed regulations, per 42 USC § 6374e(a)(3), the annual changes specified in E.O. 13423 (including after 2015) were codified in 2009. Thus, to the extent that those annual changes might serve as "milestones," they are also amounts that agencies are required, by law, to meet. *See* 2009 Omnibus Appropriations Act, § 748, *supra*.

<sup>&</sup>lt;sup>14</sup> 77 Fed. Reg. 14,485.

anomalous situation whereby DOE seeks to promulgate regulations that are inconsistent with, and weaker than, otherwise applicable law.

For all of the above reasons, DOE should revise its Proposed Rule so that it conforms to the statute's plain meaning and Congressional intent.

# 2. Feasibility of correct interpretation of EISA Section 142

The proper interpretation of Section 142 results in targets that are both feasible and can result in significant overall fuel costs savings.

Regarding a 10% annual increase in alternative fuel consumption, many federal fleets have relatively low current usage rates of alternative fuels. Thus, requiring a 10% annual increase in alternative fuel use from a relatively low baseline is eminently practical. In fact, in President Obama's directive of May 24, 2011, he indicated that "By December 31, 2015, *all* new light duty vehicles leased or purchased by agencies must be alternative fueled vehicles, such as hybrid or electric, compressed natural gas, or biofuel" (emphasis added). Given that a certain share of the federal fleet turns over each year, pursuant to both the EPAct of 1992 and the President's 2011 instruction that *every* new light-duty government fleet vehicle be alternative-fueled starting in 2015, a 10% annual increase is consistent with applicable precedent.

Moreover, the annual outlay for a 10% increase in alternative fuels is not particularly expensive. For instance, total federal fleet expenditures for fuels in FY 2010, other than gasoline

<sup>&</sup>lt;sup>15</sup> See <a href="http://www.whitehouse.gov/the-press-office/2011/05/24/presidential-memorandum-federal-fleet-performance">http://www.whitehouse.gov/the-press-office/2011/05/24/presidential-memorandum-federal-fleet-performance</a>. This Presidential Memorandum is referenced in the Proposed Rule at 77 Fed. Reg. 14,483.

<sup>16</sup> In the Proposed Rule, DOE states that "requiring increases in annual alternative fuel consumption levels potentially would lead to required levels of alternative fuel consumption that far exceed the current total of fuel use without regard to actual demand levels." 77 Fed. Reg. 14,485. Yet, the EISA was meant to spur "demand" for alternative fuels, so this DOE statement seems misguided. Furthermore, if DOE's concern is that the statute could be read to require alternative fuel use beyond total fleet fuel requirements, two responses should be considered. First, taking the U.S. Postal Service as an example, and assuming no growth in fleet size, 10% annual increases in alternative fuel use would not exceed current levels of fleet fuel consumption for over 50 years. This timeframe is well beyond a typical Congressional planning horizon, and indeed fleet technology may have so dramatically changed that any legislation or rule promulgated now may be obsolete for various reasons. Secondly, statutes are interpreted with "rules of reason" such that illogical results are avoided. *See* Public Citizen v. Department of Justice, 491 U.S. 440, 454 (1989) ("[w]here the literal reading of a statutory term would compel 'an odd result,' we must search for other evidence of congressional intent to lend the term its proper scope") (citations omitted). Under this rule of statutory interpretation, in the unlikely event that a 10% increase in alternative fuel use would meet or exceed a fleet's total fuel demands, then no further alternative fuel use would be required.

and diesel, were only approximately \$47 million out of \$1.2 billion in total fleet fuel costs.<sup>17</sup> Assuming a proportional 10% increase in cost, the statute would require an increase of approximately \$4.75 million in annual expenditures (in 2010 dollars) for alternative fuels.

Beyond that, the proper interpretation of Section 142 could result in significant fuel cost savings (as well as energy security and environmental benefits). For instance, according to the Proposed Rule the U.S. Postal Service will be required to reduce its petroleum consumption by 2015 to approximately 116 million gasoline gallon equivalents (GGE). Reducing this petroleum amount in 2016 by an additional 20% would yield additional petroleum reductions of approximately 23 million GGE. Assuming that all of this reduction occurs by switching from gasoline to natural gas, this would yield an annual savings to the USPS of approximately \$29 million. Similarly significant savings would result each year under the alternative interpretation of Section 142 that DOE should pursue, which would continue petroleum reductions (and alternative fuel increases) annually beyond 2015. These savings could be used to offset alternative fuel infrastructure costs, while boosting domestic jobs rather than paying for foreign-sourced petroleum.

Although a 20% reduction in annual petroleum use is aggressive, it should be recognized that this target can be achieved through several mechanisms. First, alternative fuels are intended to increase annually at the same time, which alone will result in an accelerating, year-over-year reduction in petroleum. And as President Obama has instructed that *all* new federal fleets should use alternative fuels starting at the end of 2015, this petroleum displacement will occur at an increasing pace for that reason as well. Secondly, the fuel efficiency of vehicles is rapidly increasing, including through CAFE standards that are tightening fuel economy by approximately 4% per year through 2025. Furthermore, the Federal Government, through its fleet purchasing power, is able to purchase the most fuel efficient vehicles, which should allow it to accelerate petroleum reductions above the CAFE standard improvements. Finally, federal fleets can even further reduce petroleum use through the more efficient use of routes and vehicles.

<sup>&</sup>lt;sup>17</sup> See GSA 2010 Federal Fleet Report, <u>www.gsa.gov/graphics/admin/2010FFR1a.xls</u> (Tab 5-2) for numbers used.

<sup>&</sup>lt;sup>18</sup> This calculation uses DOE's price data from January 2012 for gasoline (at \$3.37 per gallon) and CNG (at \$2.13 per GGE). *See* Dept. of Energy, Clean Cities Alternative Fuel Price Report, January 2012 (p. 3), <a href="http://www.afdc.energy.gov/afdc/pdfs/afpr\_jan\_12.pdf">http://www.afdc.energy.gov/afdc/pdfs/afpr\_jan\_12.pdf</a>. Because approximately 20% of the USPS fleet uses diesel rather than gasoline (as of 2010), and diesel is more expensive than gasoline, the calculated savings using diesel for a share of the fleet would be even more than \$29 million annually. Some portion of this fleet using LNG rather than CNG could result in even greater savings on a GGE basis.

<sup>&</sup>lt;sup>19</sup> See 75 Fed. Reg. 25,330 (discussing the 2012-2016 CAFE standards) and 76 Fed. Reg. 74,866 (discussing the 2017-2025 CAFE standards).

At a minimum, if DOE proceeds with finalizing the current Proposed Rule, DOE should make clear that *E.O. 13423's 10% annual, year-over-year increases in alternative fuel use continue to apply.* The preamble to the Proposed Rule states as much.<sup>20</sup> But the continuing applicability of the E.O. 13423 annual increases is not clear from the proposed regulatory language of the Proposed Rule.<sup>21</sup> At a minimum, DOE should issue continuing guidance and directives regarding E.O. 13423's continuing, year-over-year required increases in alternative fuel use, including after 2015. Furthermore, the plans required under the Proposed Rule should also explicitly require Federal Fleets to address how E.O. 13423 will be complied with, and the requirements of E.O. 13423 should be written into the regulatory language in the Code of Federal Regulations (preferably as part of this current rulemaking).

# B. Recognizing NGVs as a key alternative fuel opportunity

NGVs provide a means to achieve the Proposed Rule's goals of petroleum reduction and alternative fuel increase with proven technology that has achieved significant global acceptance.<sup>22</sup> According to DOE's own information, natural gas is an alternative fuel that is ideal for fleet vehicles.<sup>23</sup> Therefore NGVs can play a key role in helping federal agencies meet their fleet requirements. Each gasoline or diesel vehicle replaced by a NGV is, on a vehicle basis, a 100% reduction in petroleum consumption, and a 100% increase in alternative fuel use.

Moreover, natural gas is cost effective. For instance, a recent DOE report listed CNG at \$2.13 per GGE. Compared to \$3.37 per gallon of gasoline, the price savings is \$1.24 per gallon of fuel switched from gasoline to CNG. When used in place of diesel, the savings are even greater, at \$1.73 saved per gallon. Additionally, the capital cost for an NGV is not significantly higher than for a conventional vehicle. And the fueling infrastructure for fleets can be highly cost-effective given that the infrastructure cost can be amortized over a large number of vehicles.

<sup>&</sup>lt;sup>20</sup> See 77 Fed. Reg. 14,485, discussed supra (the Proposed Rule would result in alternative fuel consumption requirements that "are not as stringent as the annual alternative fuel usage requirements set forth in E.O. 13423").

<sup>&</sup>lt;sup>21</sup> See e.g., proposed sections 10 C.F.R. 438.101 to 438.103, which make no mention of any continuing alternative fuel requirements.

<sup>&</sup>lt;sup>22</sup> The worldwide sales of NGVs in 2009 (the most recent worldwide data) were over 1.3 million vehicles. *See* <a href="http://www.iangv.org/tools-resources/statistics.html">http://www.iangv.org/tools-resources/statistics.html</a>.

<sup>&</sup>lt;sup>23</sup> See Natural Gas Fleet Experiences at <a href="http://www.afdc.energy.gov/afdc/progs/fleet\_exp\_fuel.php/NG">http://www.afdc.energy.gov/afdc/progs/fleet\_exp\_fuel.php/NG</a> for a number of examples of successful conversion or inclusion of NGVs into a fleet of vehicles. See also Caley Johnson, Business Case for Compressed Natural Gas in Municipal Fleets, Dept. of Energy, Natl. Renewable Energy Lab., 2010, available at <a href="http://www.afdc.energy.gov/afdc/pdfs/47919.pdf">http://www.afdc.energy.gov/afdc/pdfs/47919.pdf</a>.

<sup>&</sup>lt;sup>24</sup> See Dept. of Energy, Clean Cities Alternative Fuel Price Report, January 2012 (p. 3), supra.

A number of manufacturers have begun or are currently developing both dedicated and dual-fuel NGVs.<sup>25</sup> In addition, a number of states, local governments, and private companies have recognized the benefits of NGVs and have begun development of the necessary infrastructure to increase the deployment of these zero-petroleum, alternative fuel vehicles.<sup>26</sup> Furthermore, in February 2012, ARPA-E announced a new \$30 million program to fund transformational technologies that reduce the barriers to mass adoption of natural gas use in vehicles.<sup>27</sup>

Despite all this, the Proposed Rule overlooks the role of NGVs. While NGVs are eligible for treatment as "alternative fuel" vehicles, the Proposed Rule mentions only electric vehicles. Nowhere does it mention NGVs. This oversight is particularly inappropriate since NGVs are one of the nation's key alternative fuel opportunities emphasized by the Administration. *See* the Administration quotes attached in Appendix 1.

Moreover, because the Proposed Rule overlooks NGVs, DOE requires certain actions regarding federal fleets that seem misconceived. For instance, the Proposed Rule would require "written plans" that, among other things, "reduce or eliminate the deployment of [alternative fuel vehicles] in locations where the appropriate alternative fuel is not available." Natural gas has a well-developed delivery infrastructure that allows for federal fleets to take advantage of natural

<sup>&</sup>lt;sup>25</sup> Companies that currently offer NGVs worldwide include Fiat, Chrysler, GM, Ford, Honda, and Mercedes, among others. *See* International Natural Gas Vehicle Ass'n, OEM Vehicle Directory, <a href="http://www.iangv.org/tools-resources/oem-vehicle-directory.html">http://www.iangv.org/tools-resources/oem-vehicle-directory.html</a>. *See also*, Dee-Ann Durbin, *More Natural Gas Vehicles Headed to the U.S. Market*, USA Today, March 9, 2012. Available at <a href="http://www.usatoday.com/USCP/PNI/Business/2012-03-09-PNI0309biz-natural-gas-vehicles\_ST\_U.htm">http://www.usatoday.com/USCP/PNI/Business/2012-03-09-PNI0309biz-natural-gas-vehicles\_ST\_U.htm</a>.

<sup>&</sup>lt;sup>26</sup> For instance, the governors of Colorado, Oklahoma, Pennsylvania, and Wyoming recently signed a memorandum of understanding to convert state fleets to compressed natural gas. *See e.g.*, <a href="http://www.cleanvehiclesolutions.com/blog/2011/12/29/governors-sign-memorandum-understanding-convert-state-fleets-natural-gas/">http://www.cleanvehiclesolutions.com/blog/2011/12/29/governors-sign-memorandum-understanding-convert-state-fleets-natural-gas/</a>. In addition, in 2011, several companies announced new financing commitments totaling \$450 million to establish a coast-to-coast highway refueling network that, by 2014, could be capable of supporting tens of thousands of LNG-fueled trucks and CNG-fueled vehicles. *See e.g.*, <a href="http://www.cleanenergyfuels.com/2011/7-11-11.html">http://www.cleanenergyfuels.com/2011/7-11-11.html</a>.

<sup>&</sup>lt;sup>27</sup> See information on the Methane Opportunities for Vehicular Energy (MOVE) program at <a href="https://arpa-e-foa.energy.gov">https://arpa-e-foa.energy.gov</a>.

<sup>&</sup>lt;sup>28</sup> The proposed rule references in its definitions inclusion of the term "alternative fuel" from 10 CFR 490.2, which specifically includes natural gas.

<sup>&</sup>lt;sup>29</sup> 77 Fed. Reg. 14,486.

gas benefits on a nationwide basis.<sup>30</sup> Thus, there is not a need to require plans to reduce the use of alternative fuel vehicles; rather, these plans should focus on how to *deploy* them.

To the extent that natural gas infrastructure (i.e., refueling infrastructure) is unavailable for a particular federal agency, the federal government is uniquely well-situated to develop and deploy these fueling stations to accommodate alternative fuel vehicles while simultaneously bringing those vehicles into its fleets. These actions would implement the role of the federal fleets in leading by example; in many locations, the refueling infrastructure could be available for use by private-sector cars and trucks, reducing the federal government's costs and lowering the barriers to domestic, cheaper, cleaner fuels for private-sector vehicles.

DOE should not confuse the availability of renewable fuels with the availability of alternative fuels—including both electricity (for EVs) and natural gas (for NGVs). Natural gas is an abundant domestic resource, widely available for use in both vehicles and electric generation (which could then provide the power for electric vehicles). Both electricity and natural gas are readily available for increased use in fleet vehicles.

DOE should formally recognize the role and benefits of NGVs in the proposed rule. Unlike EVs, which are explicitly mentioned in the Proposed Rule, NGVs have been deployed worldwide by numerous manufacturers. As DOE has noted in other contexts, numerous private fleets have also had success with NGV fleets.<sup>31</sup> Thus, consistent with other Administration statements, the final rule should emphasize the role that NGVs can play in reducing petroleum consumption and increasing our nation's energy security.

#### III. Conclusion

Unless it is revised, DOE's proposed interpretation of EISA Section 142 will limit the statute's ability to achieve its goals of reducing petroleum and increasing alternative fuel use in federal fleet vehicles. A more reasonable interpretation of the statute requires *annual* adjustments (including on-going changes beyond 2015) in petroleum and alternative fuel use, and those annual adjustments can be cost-effectively achieved by deploying NGVs.

As President Obama stated in a May 2011 memorandum, "the Federal Government operates the largest fleet of light duty vehicles in America. We owe a responsibility to American citizens to lead by example and contribute to meeting our national goals." DOE should do

<sup>&</sup>lt;sup>30</sup> For instance, the U.S. Energy Information Administration (EIA) notes that the "U.S. natural gas pipeline network is a highly integrated transmission and distribution grid that can transport natural gas to and from nearly any location in the lower 48 States." http://www.eia.gov/pub/oil\_gas/natural\_gas/analysis\_publications/ngpipeline/index.html.

<sup>&</sup>lt;sup>31</sup> See DOE, Natural Gas Fleet Experiences, supra.

<sup>&</sup>lt;sup>32</sup> See Presidential Memorandum, Federal Fleet Performance, May 24, 2011, supra.

everything in its power to meet this responsibility, including through an interpretation of Section 142 that is true to its plain meaning and better reflects contemporaneous law and current Administration goals for the rapid expansion of natural gas as a transportation fuel.

Sincerely,

Gregory C. Staple

Chief Executive Officer, ACSF

Enclosure

# Administration Statements Regarding Natural Gas Vehicles

# **President Obama:**

"The Federal Government operates the largest fleet of light duty vehicles in America. We owe a responsibility to American citizens to lead by example and contribute to meeting our national goals. ... By December 31, 2015, all new light duty vehicles leased or purchased by agencies must be alternative fueled vehicles, such as hybrid or electric, compressed natural gas, or biofuel."

- Presidential Memorandum--Federal Fleet Performance (May 24, 2011) <a href="http://www.whitehouse.gov/the-press-office/2011/05/24/presidential-memorandum-federal-fleet-performance">http://www.whitehouse.gov/the-press-office/2011/05/24/presidential-memorandum-federal-fleet-performance</a>.

"We have a supply of natural gas that can last America nearly a hundred years. Developing it could power our cars, our homes, and our factories in a cleaner and cheaper way. And experts believe it could support more than 600,000 jobs by the end of the decade. ... Let's get more of these natural gas vehicles on the road. The federal fleet of cars is leading by example. We've got to help local governments upgrade their fleets, too. If more of these brown trucks are going green, more city buses should too."

- Remarks by President Obama on American Made Energy (Jan. 26, 2012) <a href="http://www.whitehouse.gov/the-press-office/2012/01/26/remarks-president-american-made-energy">http://www.whitehouse.gov/the-press-office/2012/01/26/remarks-president-american-made-energy</a>.

"The development of natural gas will create jobs and power trucks and factories that are cleaner and cheaper, proving that we don't have to choose between our environment and our economy."

- Remarks by President Obama in his State of the Union address (Jan. 24, 2012) <a href="http://www.whitehouse.gov/the-press-office/2012/01/24/remarks-president-state-union-address">http://www.whitehouse.gov/the-press-office/2012/01/24/remarks-president-state-union-address</a>.

"We are the Saudi Arabia of natural gas. We've just got to develop it, and if we do effectively, then we're going to create jobs and it's going to power trucks that are cleaner and cheaper and factories that are cleaner and cheaper."

- Remarks by President Obama delivered in Aurora, Colorado (Jan. 26, 2012) <a href="http://www.whitehouse.gov/the-press-office/2012/01/26/remarks-president-american-energy-aurora-colorado">http://www.whitehouse.gov/the-press-office/2012/01/26/remarks-president-american-energy-aurora-colorado</a>.

"If we're serious about meeting our energy challenge we're going to have to do more than drill. And that's why the real solution is clean, homegrown energy. ... It means that we've got to have natural gas vehicles. We've got a lot of natural gas that can be produced here in the United States of America."

- Remarks by President Obama delivered in Indianapolis, Indiana (May 6, 2011) <a href="http://www.whitehouse.gov/photos-and-video/video/2011/05/06/controlling-gas-prices-and-creating-new-jobs-transcript">http://www.whitehouse.gov/photos-and-video/video/2011/05/06/controlling-gas-prices-and-creating-new-jobs-transcript</a>.

# **Secretary of Energy Steven Chu:**

"As the President has said, natural gas will continue to play an important role in our nation's energy portfolio, helping create jobs, stimulate the economy, and reduce our dependence on imported oil."

- DOE, Energy Secretary Steven Chu Statement on Final Report from Natural Gas Subcommittee (Aug. 18, 2011), <a href="http://energy.gov/articles/energy-secretary-steven-chu-statement-final-report-natural-gas-subcommittee">http://energy.gov/articles/energy-secretary-steven-chu-statement-final-report-natural-gas-subcommittee</a>.

At the opening of a CNG station in Camden, NJ: "By expanding the use of alternative fuels such as natural gas, this project will increase our nation's energy security while reducing carbon pollution and lowering fuel costs for American businesses."

- DOE, Vehicle Technologies Program, Secretary Steven Chu Highlights Grand Opening of Natural Gas Fueling Station in Camden (June 8, 2011)

<a href="http://www1.eere.energy.gov/vehiclesandfuels/news/news\_detail.html?news\_id=17438">http://www1.eere.energy.gov/vehiclesandfuels/news/news\_detail.html?news\_id=17438</a>.

## **Deputy Secretary of Energy Daniel Poneman:**

"Safe, responsible development of America's natural gas resources is a major priority for the country ... today, I was able to see firsthand the full range of natural gas development – from drilling to producing to transporting – and the great potential it holds in helping America tap its own plentiful sources of energy and create an economy that's built to last."

> - DOE, Arkansas Natural Gas Company Hosts Tour With U.S. Deputy Secretary of Energy Poneman (Feb. 3, 2012) http://energy.gov/articles/arkansas-natural-gas-company-hosts-tour-us-deputy-secretary-energy-poneman.

# **EPA Administrator Lisa Jackson:**

President Obama "talked about the importance of natural gas, developing it safely and responsibly. There's jobs there but there's also real opportunity to cut our carbon footprint."

- Interview, Ashley Ahearn, KUOW, Seattle (Jan. 27, 2012) <a href="http://earthfix.kuow.org/communities/article/earthfix-conversation-5-minutes-with-epa-administr/">http://earthfix.kuow.org/communities/article/earthfix-conversation-5-minutes-with-epa-administr/</a>.

"[W]hen you look at pricing and part of the economics, that is going to move markets because natural gas is much more cost competitive. And that is a happy thing because its going to move us to lower emissions, if we can tap and make good use of that resource, or when you look at cleaner cars which are going to save, I think, the estimate is 12 billion barrels of oil with the life of a clean cars national program."

Remarks at Politico Energy Breakfast Briefing, Washington D.C. (Oct. 14, 2011)
 <a href="http://www.politico.com/events/pro-energy-breakfast-briefing/">http://www.politico.com/events/pro-energy-breakfast-briefing/</a>.

# **Secretary of Transportation Ray LaHood:**

Announcing a grant for CNG buses in Los Angeles, Secretary LaHood said that "Investing in America's transit systems will generate tens of thousands of construction-related jobs and put more money in the pockets of working Americans."

 United States continues to fund natural gas buses with federal stimulus programs, NGV Journal (Oct. 21, 2011) <a href="http://www.ngvjournal.com/en/markets/item/7152-united-states-continues-to-fund-natural-gas-buses-with-federal-stimulus-programs">http://www.ngvjournal.com/en/markets/item/7152-united-states-continues-to-fund-natural-gas-buses-with-federal-stimulus-programs</a>.

Announcing a grant for CNG buses in Ohio, Secretary Lahood said that "These grants and others like them will put thousands of Americans back to work building sustainable, energy-efficient transit vehicles and facilities across the country."

- Scott Gerfen, COTA will use grant to renovate McKinley Avenue fueling station, ThisWeek Community Newspapers (Nov. 23, 2011)

<a href="http://www.thisweeknews.com/content/stories/worthington/news/2011/11/21/cota-will-use-grant-to-renovate-mckinley-avenue-fueling-station.html">http://www.thisweeknews.com/content/stories/worthington/news/2011/11/21/cota-will-use-grant-to-renovate-mckinley-avenue-fueling-station.html</a>.