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## New \$1.5 Billion Federal Delivery Contract to Encourage Cleaner Trucking

## GSA Responds to Clean Skies' Proposals for Environmental and Alternative Fuel Benchmarks

Washington D.C. – This month, the U.S. General Services Administration (GSA), the government's purchasing arm, took new steps to implement the Obama Administration's energy security and environmental goals by proposing that vendors competing for a \$1.5 billion government-wide contract for package delivery services, beginning in 2014, be assessed on their ability to meet annual targets for fuel efficiency, greenhouse gas intensity and alternative fuel use as well as delivery prices.

The American Clean Skies Foundation (ACSF), a Washington, D.C. nonprofit group, today commended GSA's decision and noted that the five year contract should help to fulfill the Obama Administration's commitments to reduce America's oil dependence and cut global warming pollution related to contract transportation services.

"This new GSA contract could set an important new benchmark for government transport contracts, and GSA should be applauded for expressly recognizing that transport related pollution has quantifiable costs and negative impacts on federal agency operations," said Gregory C. Staple, the Foundation's CEO. "Hence, it makes sense for the government to compare the environmental performance of its current and potential business partners. Proposed contracts like this show the Administration is serious about achieving greater reductions in air emissions and oil use."

The proposed GSA solicitation is for express and ground shipping of an estimated 15 million to 35 million packages annually from federal agencies over a five-year period (2014-2018). FedEx won the first such Domestic Delivery Services contract, and UPS was awarded the current DDS2 contract in 2009, which expires in September 2014. FedEx and UPS have both begun to integrate alternative fuel vehicles in their fleets.

## ACSF Correspondence and Coalition Building

<u>Last June ACSF urged the GSA Acting Administrator, Daniel M. Tangherlini</u>, to require the overnight delivery vendor that wins the government's new business to meet annual targets for reducing emissions, cutting petroleum and increasing the use of alternative fuel vehicles. ACSF also suggested that GSA consider providing contract incentives based on the vendor's environmental performance.

"We are delighted that GSA carefully considered and adopted proposals we submitted last June," said Warren Lavey, ACSF's senior regulatory counsel. "Spurring freight and package transportation providers to reduce petroleum consumption and toxic air pollution will decrease costs for government agencies and all shippers, improve public health, increase domestic jobs and enhance national security, asserted Lavey,

who is advising the State of Illinois on implementing the nation's only state law requiring sustainable transportation procurement programs in government agencies.

"We hope the federal government continues to encourage a more rapid expansion of electric and natural gas vehicles," said Brian Skretny, ACSF Clean Transportation Program Director.

A cross-industry coalition including the American Council on Renewable Energy (ACORE), the Advanced Energy Economy (AEE) and the Electric Drive Transportation Association supported the GSA action.

"This transition from a fossil fuels-dominated transportation infrastructure to one driven by greater efficiencies and renewable energy will build a stronger economy, a more secure nation, and a more viable job market, all while promoting a more sustainable global environment," commented in a <u>June letter</u> then ACORE President and CEO Vice Admiral Dennis V. McGinn, who now is the Navy's assistant secretary for energy, installations and environment.

### DOD Transport Contract Also Targeted by Clean Skies

This month, ACSF also urged the Department of Defense to include environmental and fuel metrics in assessing vendors seeking a new \$2.5 billion Worldwide Express delivery services contract. The Foundation said that this contract also provided the government with another prime opportunity to improve air quality, create more domestic jobs, and curb the vast transfer of U.S. wealth to oil-rich nations in the Middle East.

The GSA and DoD contracts were identified by ACSF as part of its ongoing "Oil Shift" campaign, which was launched by a landmark 2012 Foundation report: "Oil Shift: The Case for Shifting Federal Transportation Spending to Alternative Fuel Vehicles." The report explained how the government can point its \$150 billion dollar annual spending on transportation services to advance fiscal, defense, and environmental objectives.

The Oil Shift report also pointed out that environmental and energy security related contract terms are required by President Obama's executive orders on environmental justice, emissions and petroleum reduction, especially Executive Order 13514 on Federal Leadership in Environmental, Energy and Economic Performance. That order, issued in 2009, requires every agency to adopt a sustainability plan with annual performance targets for reduced emission and petroleum use, and to ensure that their vendors are energy efficient and environmentally preferable.

#### About the American Clean Skies Foundation

ACSF is an independent nonprofit working for cleaner energy in the U.S. transportation and power sectors. The Foundation believes that renewables, natural gas and efficiency can all help to reduce help to reduce harmful pollution and improve our country's energy security. More info at <a href="https://www.cleanskies.org">www.cleanskies.org</a>.

# An FAQ about DDS3 is here: http://www.cleanskies.org/oilshift/gsa-opportunity/

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