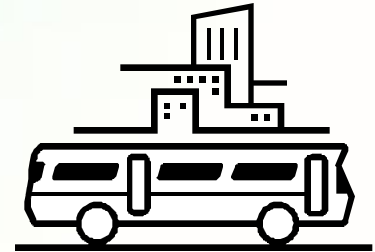




Advancing Cleaner Transportation



***Transportation Energy Partnership
Washington Day 2006
March 8, 2006***

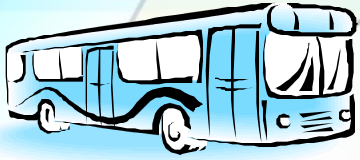
**Carol Werner, Executive Director
Environmental & Energy Study Institute**



Environmental & Energy Study Institute (EESI)

Seeking Innovative Environmental and Energy Solutions

- Dedicated to promoting sustainable societies through innovative policies on energy, climate, transportation, agriculture, and smart growth.
- Founded in 1984, by a bipartisan Congressional Caucus.
- Provides timely information regarding science, policy, and technologies.
- Organizes ~20 Congressional briefings a year.
- Builds coalitions and networks.
- Publishes 3 electronic newsletters.
- EESI Associates Program allows companies and individuals to participate.



National Clean Bus Network

- Stakeholders including environmental groups; trade associations; technology providers; public health representatives; and local, state and federal agencies working together to promote the development and deployment of clean bus technologies.
- Educate federal policy makers about the benefits of clean bus deployment and opportunities to support the implementation of cleaner fuels and advanced technologies.
- **Over 1000 members**
- Monthly newsletter - ***National Clean Bus Update***
- **National Clean Bus Leadership Program**
 - 3 years and going strong.
 - Clean Cities Coordinators have taken the lead in nominating fleets – 25 nominations in 2005.

Rescission

- What is rescission?
 - Provision in the Transportation Appropriations Bill, 2006 (P.L. 109-115) requires states to return previously apportioned but unobligated highway dollars
- FHWA directed states to determine by **January 28, 2006** which unobligated funds they would rescind.
- **\$1.99 billion rescinded in 2006** from five core highway programs.

Transportation Rescission

How does it work?

- Five core programs targeted
 - **Interstate Maintenance (IM),**
 - **National Highway System (NHS),**
 - **Bridge**
 - **Surface Transportation Program (STP) and**
 - **Congestion Mitigation and Air Quality Improvement Program (CMAQ)**
- Rescission applied to states proportionately, based on FY 2006 apportionments for core programs.
- States have latitude to decide which program funds to rescind.

Transportation Rescission

Do rescissions happen every year?

YES!

- \$207 million in 2004
- \$1.26 billion in 2005

\$**1.99 billion** rescinded in 2006.

Does this rescission affect my state?

Yes! Every state is required to return a portion of previously apportioned transportation funds according to the rescission directive. The amount varies based on how much the state receives in transportation funds each year.

- **SAFETEA-LU** requires a **\$8.543 billion** rescission of highway funds on September 30, 2009 (The day the law expires).
- **DOT** will rescind money each year to comply with this requirement.

Rescission impact on CMAQ

Why is it a problem?

- **16%** of total rescissions (\$211 million out of \$1.2 billion total rescission) in FY '05 came from CMAQ.
- CMAQ represents **only 5%** of total apportionments.
- Unfair treatment of CMAQ.

What does the rescission mean for CMAQ projects?

- **CMAQ funds cleaner transit projects**
 - Alternatively-fueled buses
 - Hybrid-electrics
 - Hydrogen fuel cell
 - Infrastructure
 - Idling reduction
- **If state transportation officials return CMAQ funds, resources shrink for innovative clean transportation projects!**

States and CMAQ – unfair treatment ?

- States with significant air quality problems are rescinding millions of dollars in CMAQ money.
- In FY '05, New York, Pennsylvania and Massachusetts alone rescinded \$117.4 million in CMAQ funds.

NEW YORK

No money for clean transportation?



- FY 2005 rescission share - **\$64.4 million.**
- The **entire share was returned from CMAQ money .**
- State struggles with air quality problems.
- **762 cancers per million*** from inhaled diesel soot.
- FY 2006 rescission share - **\$100.3 million.**

*Source: *Diesel and Health in America: The Lingering Threat*, Clean Air Task Force 2005

PENNSYLVANIA

Rescission at what cost?



- FY 2005 rescission share - \$58.2 million.
- **Almost half** (\$24.3 million) of the total rescission amount came from CMAQ in 2005!
- **22 counties** designated as non-attainment areas for EPA's **particulate matter (PM2.5) standard**.
- **37 counties** designated as non-attainment areas for EPA's **8-hour ozone standard**.
- FY 2006 rescission share - **\$94.2 million.**

The Good Guys

States using CMAQ to clean the air

- **California**
 - Diesel pollution contributes to 70 percent of the state's cancer risk due to airborne pollution.
- **Georgia**
 - 24 counties in non-attainment of EPA's 8-hour ozone standard.
 - 22 counties **in** non-attainment areas for EPA's particulate matter (PM2.5) standard.
- **Ohio**
 - Toledo ranked 4th most challenging place in the country for people with asthma.
- **No CMAQ money was rescinded by these states in 2005, 2004 and 2003.**

***Source: *Diesel and Health in America: The Lingering Threat*, Clean Air Task Force 2005**

Taking Action

Influence how funds are rescinded

- Decisions on FY 2006 rescission amounts have already been made by state DOTs.
- **Rescissions occur each year so building support for increased transparency and protecting clean air funds is critical.**
- **Contact your state Department of Transportation (DOT)**
 - Ask about the rescission process, and the public's role in decision making.
 - Underline that rescission of clean air funds (CMAQ) should be a last resort.
 - **FAIR RESCISSIONS** – should be based on original apportionments.

Taking Action

Influence how funds are rescinded

- **Contact your Governor's office**
 - Indicate the importance of being engaged in this rescission issue.
 - Your Governor can influence what the state transportation department decides to do!

Taking Action

Increase awareness about rescissions

- **Building support for increased transparency**
- **Contact your Mayor's Office, Metropolitan Planning Organization and transit provider**
 - Discuss working together to ensure funds for local projects are protected.
 - Areas with air quality problems – stress need to protect CMAQ funds.

Taking Action

Increase awareness about rescissions

- **Contact your local media**
 - Emphasize that millions of dollars designated for improving air quality are being sent back without public involvement in these decisions.
- **Contact your state legislators**
 - Advise them of the rescission.
 - Urge them to make inquiries about the rescission process.
 - Suggest that they hold a hearing on the issue or ask for a briefing by state DOT officials.

Taking Action

Increase awareness about rescissions

- **Contact Local officials**
 - Focus on those seeking transit investment or compliance with air quality standards.
 - Brief them and urge their engagement with DOT.
- **Contact other state transportation partners**
 - Public Health Organizations (Lung Association, NACCHO)
 - AARP
 - Environmental organizations

BUDGET HIGHLIGHTS



Transportation FY 2007 Budget Highlights

- **Transit**

- Funding **increases by \$300 million** from \$8.5 billion (appropriated) in FY 2006 to \$8.8 billion in FY 2007.
- Budget request falls **\$100 million short** of the \$8.9 billion authorized by SAFETEA-LU.

- **CMAQ**

- **\$1.63 billion** distributed by formula (for FY 2006).
- **\$1.69 billion** for FY 2007.

- **Transit Research**

- **\$1.2 million** for the clean fuels and electric drive bus deployment program.

Transportation FY 2007 Budget Highlights

- **Clean Fuels Grant Program**

- Authorized at \$238.1 million over five years in SAFETEA-LU.
- Unfunded authorization in TEA-21.
- DOT is requesting **\$45 million** in funding for the first time!
- Projects should be in non-attainment or maintenance areas.
 - **Purchase or lease clean buses**
 - **Related equipment and infrastructure**
 - **90 percent federal match**
- Eligible fuels/technologies include:
 - CNG, LNG, biodiesel, alcohol-based fuels, clean diesel
 - Batteries, Hybrid electric, Fuel cell
 - Other low emission technologies



DOE FY 2007 Budget Highlights

- **Vehicles Technology Program**
 - **\$166 million** compared to **\$182 million** (FY 2006 appropriated).
 - **\$6.17 million** for advanced battery development (plug-in hybrids).
- **The State Energy Program (SEP)**
 - Formula grants to States.
 - Boost for FY 07 - **\$49.45 million** from \$35.6 million (FY 2006 appropriated).

DOE FY 2007 Budget Highlights

- **Biomass**

- **DOE request is \$150 million** (bio-fuels, bio-energy and bio-based products).
- USDA request is \$12 million for biomass R&D.
 - EPACT 2005 authorizes USDA biomass R&D at **\$200 million (Sec. 9008)**.

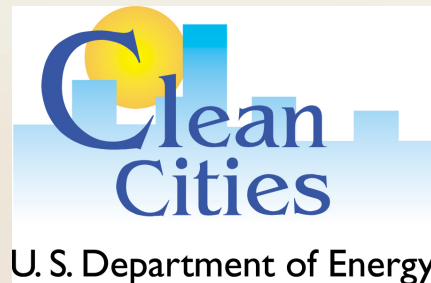
- **Governors Ethanol Coalition recommendations**

- **\$550 million for FY07 for USDA/DOE Bioenergy Programs.**
 - DOE Biomass Program: \$100 million.
 - Integrated Biorefinery Demonstration (Sec. 932(d) of EPACT '05): \$100 million.
 - USDA's Biomass Research and Development Program (Sec. 941 of EPACT '05): \$100 million for cellulosic.
 - 'Reverse Auction' Production Incentive for Cellulosic Biofuels (Sec. 942 of EPACT '05): \$250 million.

DOE FY 2007 Budget Highlights

- **Clean Cities**

- Moved to Vehicle Technologies Program from Weatherization.
- **\$4.3 million** request (**\$7.8 million appropriated in FY 2006**).
- **45%** below FY 06 appropriations.



Call to Action – *What can CC Coordinators do*

- **Talk to your Senator/Representative**
 - Members (House and Senate) on Energy and Water Appropriations Subcommittee are KEY!
 - Contact Members **NOW**.
 - Member request letters should include Clean Cities – **March 15 deadline** for House.
 - Coalitions in UT (Hatch and Bennet), OH (Hobson), TN (Wamp), CA (Feinstein, Doolittle) are **CRITICAL**.
- **KEY MESSAGE** - Success stories!
Talk about efforts to ***reduce emissions, protect health, reducing dependence on foreign oil.***

Call to Action – *What can CC Coordinators do*

- **Budget cuts hamper efforts to deploy cleaner fuels and advanced technologies**
 - Emphasize that the budget has been cut by **60 percent since 2005.**
 - CC has leveraged millions in resources.
 - **Identify Congressional champions for Clean Cities.**
 - Utilize existing relationships to build support.

What's ahead for 2006 OIL SAVINGS LEGISLATION



Key legislation for 2006

- **Senate Bill (S.2025)**

- *Vehicle and Fuel Choices for American Security Act of 2005*
- Bayh (D-IN), Brownback (R-KS), Graham (R-SC), Lugar (R-IN), Sessions (R-AL), Norm Coleman (R-MN), Obama (D-IL), Lieberman (D-CT), Nelson (D-FL) and Salazar (D-CO)

- **House Bill (H.R 4409)**

- *Fuel Choices for American Security Act of 2005*
- Kingston (R-GA) + 42 cosponsors

Senate and House Bill are similar, some differences

Key highlights

- ***Oil savings plan***

- Senate bill - 2.5 million barrels per day in 2017, ramping up to 7 million barrels in 2026.
- House bill targets - 2.5 million barrels per day in 2015, ramping up to 5 million barrels in 2025.

- ***Transportation efficiency measures***

- reducing school bus idling, efficiency standards for heavy-duty vehicles, promoting tire efficiency, incentives to accelerate commercialization of advanced motor vehicles such as diesel, hybrids and plug-in hybrids.

- ***Incentives for alternative fuels***

- Incentives for cellulosic ethanol.
- Bolsters funding for bio-energy research.
- Sets a production benchmark of 75 million gallons of cellulosic ethanol by 2010.
- **Incentives to expand alternative fueling infrastructure.**

NEW INITIATIVES



National Plug-in Partner Campaign



- **The City of Austin and Austin Energy** are leading a national campaign to demonstrate to automobile manufacturers that a market for flexible-fuel Plug-in Hybrid vehicles (PHEVs) exists today.
- Transportation accounts for **2/3 of all US oil consumption**.
- The transportation sector generates **82 percent of carbon monoxide** and **56 percent of NOx** emissions and over **one-quarter of total US greenhouse gas emissions**.



What is a Flexible-Fuel Plug-In Hybrid Vehicle (FF-PHEV)?

- hybrid technology + added battery capacity = greater all-electric operating range
- Recharge the battery by plugging into an ordinary electrical outlet.
- When a travel range is needed that exceeds the capacity of the battery pack, the automobile operates on gasoline or biofuels.
- At prevailing electric rates, the cost of an “electric” gallon is **70-80¢** – compared to gas, which is averaging \$2.50 a gallon.
- Flexible-fuel plug-ins allow use of E-85
 - Displaces oil
 - Use domestically produced fuel



Why *Flexible-Fuel Plug-In Hybrid Vehicles*?



- **Plug-in hybrid vehicles will help:**
 - Reduce dependence on imported oil
 - Reduce greenhouse gas emissions reductions
 - Improve air quality
 - Increase overall vehicle fuel economy
 - Reduce fuel costs
- **The electrification of the transportation sector is the fastest and cheapest alternative to petroleum.**
- **Biofuels can play a significant role with plug-ins.**
- **Can incorporate new renewable energy sources such as wind-generated electricity as a transportation fuel.**

National Plug-in Partner Campaign



Who's part of this National Campaign?

- **Cities, Counties and Local Governments**
 - New York State
 - Austin, Baltimore, Boston, Dallas, Los Angeles, Salt Lake City, Seattle to name a few
- **Non-Profits**
 - EESI is a founding partner
- **National Security Organizations**
- **Public Power Utilities – 126 already signed on**
- **Campaign launched on January 24 in Washington DC**

National Plug-in Partner Campaign



Become a PLUG-IN Partner!

- **Get your organization or company to support the Plug-in Partners Campaign!**
 - **Businesses**
 - **Non-Profit**
 - **Local Governments**
 - **Utilities**
- **Initiate a petition drive** so you and your community can show automakers your interest in purchasing gas-optional PHEVs.
- **Sign the Plug-In Petition**
- **Request that fleet managers**, government or corporate, consider PHEVs as part of their future purchasing plans. Consider placing 'soft' **Fleet Orders**



National Plug-in Partner Campaign



JOIN US NOW

www.pluginpartners.org





For more
information contact:

Carol Werner, *Executive Director*

(202) 662-1881

cwerner@eesi.org

or

Shefali Ranganathan, *Policy Analyst*

(202) 662-1883

sranganathan@eesi.org

www.eesi.org