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)

• 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• $1.99 billion rescinded in 2006 from five core highway programs.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$1.99 billion rescinded in 2006.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
PENNYSYLVANIA

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
• 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.
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**
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
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