

Government must do a better job of meeting its own AFV acquisition requirements and using alternative fuels in its vehicles. DOE has worked closely with all the Federal agencies to maximize acquisitions of alternative fueled vehicles and increase the use of alternative fuels. DOE participated actively in the development of Executive Order 13149, which strengthens the Federal Government's commitment to using AFVs and gives DOE a greater role in assisting Federal agencies compliance with EPA's AFV acquisition requirements and report on their acquisitions.

DOE's final question about fleet requirements asked how DOE should weigh the factors in section 507(l) of EPA's Act when deciding whether to promulgate a private and local government fleet program. Nine responses explicitly addressed this question. There was no clear consensus that DOE should accord the greatest weight to any particular factor. Four commenters mentioned economic factors: the impacts on fleets, workers, consumers (particularly non-transportation propane consumers); cost burdens the rule would impose on local governments; and fuel market impacts. One commenter said Congress did not intend that a fleet mandate be imposed if it would harm the economic well-being of businesses, workers, or consumers. This commenter also stated that the evidence suggests the costs of such a mandate would greatly exceed its benefits. Three commenters mentioned AFV availability as a concern that should be considered before DOE proposes any fleet AFV acquisition program. Another commenter said the unavailability of suitable vehicles had been regarded by Congress as sufficient reason to defer imposition of fleet mandates.

A commenter raised the issue of environmental benefits of AFVs, saying Congress had not intended for acquisition mandates to be imposed on fleets if AFVs did not confer environmental benefits. The same commenter noted earlier that AFVs at one time had been automatically assumed to have lower environmental impacts than petroleum-fueled vehicles, but that the evidence had since showed this assumption to be false. This commenter also urged DOE to weigh vehicle safety and greenhouse gases in its consideration of a possible private and local government fleet program.

#### Discussion of Urban Transit Buses

In the ANOPR, DOE asked for input on how it should determine if the inclusion of urban transit buses in the

proposed rule would help meet the replacement fuel goals. Virtually all the commenters responding to this question took it as soliciting their opinion on whether an urban transit bus fleet rule should be promulgated. Eighteen commenters urged DOE to promulgate a mandate that urban transit bus operators acquire alternative fuel buses. A number of these comments suggested that this mandate could be adopted independent of a private fleet mandate. There was general agreement among supporters of a transit fleet mandate that transit buses were a good fit for alternative fuels.

Nine commenters, six of them urban transit bus operators, opposed the imposition of an urban transit bus AFV mandate. Two of them described such a mandate as "unfunded." One argued that imposition of such a requirement would be overly ambitious, financially burdensome, and could decrease urban transit bus ridership. Several commenters stated that requiring the acquisition of more expensive alternative fueled buses could lead to reduced ridership if transit agencies had to raise fares to pay for the buses. One commenter said transit riders already help reduce petroleum imports by not driving their own cars, and that DOE should recognize that the petroleum fuel consumed by urban transit buses is going to the "highest use." Two commenters pointed out that an increasingly large percentage of new urban transit bus purchases are alternative fueled, and that alternative fuels have made impressive inroads in the urban transit bus sector. Two other commenters said these gains have been made without mandates, and voluntary adoption of alternative fueled urban transit buses should continue, as local funding and circumstances permit.

DOE asked how it should quantify the impact on public transit properties of requiring them to acquire alternative fueled buses. Thirteen of the 15 respondents to this question spoke directly or indirectly to the issue of economics. All said that it would be a financial burden because of the higher cost of alternative fuel buses, the cost of installing the infrastructure (or the operational costs of off-site refueling), the cost of training maintenance personnel, and the costs (in some cases) of retrofitting large facilities to accommodate AFVs. One also pointed out that increasing (conventional) diesel engine efficiency had permitted a reduction in transit bus fuel consumption over the past 10 years.

DOE asked for comment on whether an urban transit bus fleet mandate, if imposed, should apply to public and private urban transit bus operators, or

only to public operators. By a substantial margin (nine to one), commenters favored applying the requirement equally to public and private operators.

Two commenters commented on ways to address offset the economic penalties of owning and operating alternative fueled urban transit buses. One favored using a life-cycle cost approach, rather than emphasizing the first cost of vehicles and infrastructure. The other noted that CMAQ funds are available from the Department of Transportation and that other Federal funds are available to help finance alternative fueled bus purchases. This commenter urged DOE to work with the Federal Transit Administration (FTA) and the Federal Highway Administration to secure the maximum available funding for urban transit bus projects.

In response to its question concerning what implementation schedule, if any, should be used for transit bus fleets, DOE received three comments advocating use of the schedule that is described in section 507(g) of EPA's Act, described above. One commenter called for an emphasis on fuel replacement, but offered no specific advice on how this objective should be accomplished. Eight comments suggested other schedules, mostly longer phase-in periods.

DOE's final question about a potential AFV mandate for urban transit buses concerned the types of exemptions and exclusions it should provide transit agencies. Three transit properties called for exemption of all urban transit bus fleets irrespective of size. One commenter said participation of urban transit bus fleets should be based not on acquisition numbers, but on annual fuel use. Three other transit properties said exemptions should be based on the cost-effectiveness and/or the technical applicability of alternative fueled urban transit bus operation for the fleet in question. Another commenter said that fleets with fewer than 100 buses should be exempted if an urban transit bus fleet rule were imposed.

#### B. Stakeholder Meetings—Fall 1998

In the Fall of 1998, DOE held a series of informal meetings with stakeholder groups to supplement the formal hearings held in conjunction with the ANOPR several months earlier. These meetings were held because DOE was interested in expanding the scope of regulatory options that it was considering and in gauging stakeholder reactions. At these meetings, DOE discussed the issues affecting the development of the NOPR, including DOE's processes, requirements, and