Approved: 3/7/95
Date

MINUTES OF THE HOUSE COMMITTEE ON TRANSPORTATION.

The meeting was called to order by Chairperson Kenneth King at 1:00 p.m. on February 21, 1995 in Room 313-S of the Capitol.

All members were present except:
Representative Dillon, excused
Representative Powell, excused

Committee staff present: Hank Avila, Legislative Research Department
Tom Severn, Legislative Research Department
Bruce Kinzie, Revisor of Statutes
Ellie Luthye, Committee Secretary

Conferees appearing before the committee:
Ron Hein, MESA Environmental
Gil Sperling, General Counsel for the Natural Gas Vehicle Coalition
Steve King, Operations Manager of MESA Environmental
Roy Ryscamp, United Parcel Service

Others attending: See attached list

The House and Senate Transportation Committees met jointly and also some members of the House and Senate Energy and Natural Resources committees were in attendance.

Chairman King called the meeting to order at 1:00 p.m. and opened hearings on **HB 2161,** concerning alternative fueled vehicles; conversion of government fleets; loan program; tax credit.

The Chair called on Ron Hein, on behalf of MESA, as the first conferee. Mr. Hein stated **HB 2161** was an effort to have the State of Kansas recognize the importance of alternative fuels for motor vehicles. He listed three things this bill would accomplish: 1) makes the provisions of the Federal Clean Air Act with regards to the phase-in acquisitions scheduled for alternative fueled vehicles applicable for the entire state fleet 2) sets up a revolving loan program which would make loans to local units of government who desire to convert or acquire new vehicles which are dedicated to alternative fuels or install alternative fuel filling facilities 3) establish a tax credit for conversion expenses. He strongly urged passage of **HB 2161.** (Attachment 1)

The next conferee was Gil Sperling, General Counsel for the Natural Gas Vehicle Coalition. He stated 44 states have enacted legislation to promote the use of non-petroleum motor fuels and distributed a report which summarized the various incentives and requirements placed into law in each of the 44 states. He told the committee there were five (5) reasons to vote for **HB 2161**: jobs, national security, the environment, safety and the future and offered explanations of each. He concluded that America must address its dependence on imported oil and this bill was a small but important part of the effort to secure our energy future. (Attachment 2)

The Chair next recognized Steve King, Vice-President, Engineering and General Manager of MESA Environmental. He testified alternative fuels (natural gas, LPG, ethanol, methanol) offer the potential to reduce our dependency on foreign oil, reduce vehicle operating costs, reduce regulated emissions emitted from vehicles, and create Kansas jobs. He concluded MESA supports **HB 2161** which should include mandates that would 1) require the latest technology conversion equipment to ensure low emissions and good performance over the service life of the vehicle 2) require verification of compliance with Memo 1A for emissions and tamper-resistance 3) target the high fuel users first and 4) provide tax incentives or rebates for vehicle conversions, refueling facilities and the associated infrastructure. (Attachment 3)

Chairman King called on Roy Ryscamp from United Parcel Service. He stated UPS became a pioneer in automotive engineering in the 1930's with the use of electric vehicles in its New York City operation and by the end of the year more than 70% of the UPS fleet in Canada would be run on propane. He told the committee in 1989 UPS became the first private transportation company in New York City to use compressed

natural gas (CNG) and since then they have expanded its use of CNG to California, Oklahoma, Texas, Washington DC and Connecticut. He testified if the state of Kansas were to offer economic incentives for a private fleet conversion of alternate fuel-vehicles the public/private partnership will encourage others to take their own initiative to use cleaner burning fuels and this incentive will translate to not only a better environment but to an enhanced economy through the creation of additional jobs. (Attachment 4)

Ed Schaub, Western Resources, rose in support of **HB 2161.**

Written testimony was presented from Bill Fuller, Associate Director of the Public Affairs Division of the Kansas Farm Bureau, in support of **HB 2161.** (Attachment 5)

Hank Avila, Research, gave an overview of the bill and went through the bill section by section and then stood for questions from the committee.

Representative Holmes, who introduced the bill, also appeared briefly and explained he had asked the Revisor to draft this bill according to the minimum federal requirements as he felt it was important to have this done as a legislative decision and not by the Corporation Commission. In response to a question from the committee regarding penalties for non-compliance to conversion to alternative fueled vehicles it was stated some Federal penalties could be imposed.

There being no opponents to **HB 2161** the Chair closed hearings on **HB 2161.**

Chairman King appointed a sub-committee consisting of Rep. Shore, Chairman and Rep. Wilson and Rep. Pauls to study the bill and the changes that had been suggested and to report back to the full committee on Thursday, February 23rd any amendments to the bill and their recommendations to **HB 2161.**

Chairman King adjourned the meeting at 2:30 p.m.

The next meeting is scheduled for February 22, 1995.

HOUSE TRANSPORTATION COMMITTEE GUEST LIST

DATE: February 21, 1995

Joint Committee:

NAME	REPRESENTING
Don Victor	Midwest Energy INC Hays KS
Greg Krissek	KS Dept of Ag
Chuck Jordan	Dept of Admin
Roy Ryscamp	United Parcel Service
Bob King	United Parcel Service
Gil Sperling	Natural Gas Vehicle Coalition
Ron Hein	MESA
Steven King	MESA
Kevin Carleton	Ford Corp
Bob Totten	KS Contractors Association
Ed Yeadon	Gov's office
John Federico	Peter McGill + Assoc

.IEIN, EBERT AND WEIR, CH..
ATTORNEYS AT LAW
5845 S.W. 29th Street, Topeka, KS 66614-2462
Telephone: (913) 273-1441
Telefax: (913) 273-9243

Ronald R. Hein
William F. Ebert
Stephen P. Weir
Stacey R. Empson

JOINT HEARING OF
HOUSE AND SENATE TRANSPORTATION COMMITTEES
TESTIMONY RE: HB 2161
Presented by Ronald R. Hein
on behalf of MESA
February 21, 1995

Mr. Chairman, Members of the Committee:

My name is Ron Hein, and I am legislative counsel for Mesa. Mesa is one of the nation's largest independent natural gas producers and currently has approximately 60% of its natural gas reserves in the state of Kansas.

MESA strongly urges the legislature to approve HB 2161, either as it has been introduced, or with amendments as I will discuss below.

HB 2161 is an effort to have the State of Kansas, which is the fifth largest natural gas producing state in the nation, recognize the importance of alternative fuels for motor vehicles. Natural Gas is a clean burning fuel which is domestically available, cheaper than gasoline, safe to use, and because it is cleaner to burn, reduces maintenance costs on motor vehicles and increases motor vehicle life expectancy.

At the Federal level, the Clean Air Act as amended by the Energy Policy Act has clearly set out the direction that Congress would have the nation move with regards to alternative fuels. The Clean Air Act, among other things, mandates that state owned fleet vehicles in standard metropolitan statistical areas of more than 250,000 people must be converted to alternative fuels based upon a statutory phase-in.

Today, there are approximately 50,000 natural gas vehicles (NGVs) on the road in the U.S. and about 700,000 worldwide. By the year 2000, 10% of all vehicles may be running on natural gas.

Motor vehicles account for approximately 40% of the ozone and 65% of the carbon monoxide pollution in the United States. Approximately 50-60% of air pollution is tailpipe emissions.

Compared with gasoline-powered vehicles, NGVs reduce emissions of carbon monoxide by more than 90 percent, hydrocarbons by up to 93 percent and nitrogen oxide up to 65 percent.

A natural gas vehicle will emit approximately 300-400 fewer pounds of pollutants per year than a gasoline powered car. This will help clean the environment, and hopefully avoid health problems relating to those pollutants.

House Transportation Committee
February 21, 1995
Attachment 1

Converting to natural gas will help the United States' balance of trade. Forty percent of the USA's trade deficit results from importation of foreign oil. The US could reduce consumption of oil by 500,000 barrels per day by the year 2000 if 10 million vehicles converted to natural gas.

Natural gas vehicles are safe. The gas tanks do not rupture in studies where they have been exposed to fire, crashes, and 44 caliber armor piercing bullets.

Even if the cylinder was punctured, the gas would simply escape, and would quickly disperse throughout the air since natural gas is lighter than air.

HB 2161 as introduced does three things:

1. The bill makes the provisions of the Federal Clean Air Act with regards to the phase-in acquisitions scheduled for alternative fueled vehicles applicable for the entire state fleet. When determining the number of new acquisitions of motor vehicles that must be AFV's, the state would consider the entire state fleet, and not just the fleet vehicles based in Wichita and Kansas City metropolitan area.

2. HB 2161 sets up a revolving loan program, initially funded by an appropriation from the legislature, which funds will be used to make loans to local units of government who desire to convert vehicles, acquire new vehicles which are dedicated to alternative fuels, or install alternative fuel filling facilities. HB 2161 provides for a statutory one million dollar cap on the appropriation that can be made to this revolving fund, and thereafter any loans made from the fund must be made from monies paid back or interest paid on such loans.

3. HB 2161 establishes a tax credit for conversion expenses, initial acquisitions of dedicated vehicles, and alternative fueling facilities.

MESA has had discussions with the Governor's office with regards to the potential fiscal note of HB 2161. MESA is cognizant of the desire of the legislature to hold down spending, and understand that this is not the time to begin some massive new state program. We have suggested to the Governor's office several ways in which we can reduce the fiscal note, and MESA is hopeful that working with the Governor and legislature that we can take some steps towards promoting alternative fuels in this state without incurring significant fiscal expense.

The proposals which we have submitted to the Governor include the following: 1) amend the state phase-in acquisitions schedule so that it applies only to state vehicles based in the city of Topeka rather than statewide; 2) eliminate the loan program completely, reduce its fiscal impact by reducing the statutory cap, appropriate an amount less than the cap, cap the state general fund appropriation, permit grants and gifts to be used for the loan fund, and/or restrict the availability of loans to a certain number of local units; 3) restructure the tax credit as a refund; 4) limit the refund/tax credit to fleet vehicles only; and 5) restrict the refund only for those fleets consuming large amounts of fuel.

In addition we have pointed out to the Governor's office that the use of alternative fueled vehicles should reduce the fuel costs and maintenance cost on motor vehicles for the State of Kansas as well as extend the motor vehicle life of these vehicles.

A vehicle which averages 20 miles a gallon and is kept by the state for 100,000 miles should save the state at least $1,500 in fuel costs over the life of the vehicle, assuming a conservative 30 cents differential in fuels costs. In addition, there should be reduced maintenance costs, and, the vehicle should easily get more than 100,000 miles, thus generating additional savings to the state.

MESA is well aware of the bill deadline facing the legislature, but we believe that with the assistance of a subcommittee of the House Transportation Committee, and the cooperation of the Governor's office, we can arrive at a program that would enable Kansas to move forward in this area while keeping the fiscal impact to the state to a bare minimum.

In a few minutes you will hear from Mr. Gil Sperling, General Council for the Natural Gas Vehicle Coalition. Also with me today is Mr. Steve King, Operations Manager of MESA Environmental, a wholly-owned subsidiary of MESA which is active in the development and marketing of natural gas conversion technology.

Thank you very much for permitting me to testify, and I will be happy to yield to questions.

Prepared Testimony of

Gilbert P. Sperling

General Counsel

Natural Gas Vehicle Coalition

Before

The House and Senate

Transportation Committees

Good afternoon. My name is Gil Sperling. For the past seven years I have served as General Counsel to the Natural Gas Vehicle Coalition. The NGV Coalition's 250 members are actively committed to the full commercialization of natural gas vehicles. The Coalition's membership includes equipment manufacturers, natural gas distribution companies, natural gas producers, like Mesa, Inc., and companies that convert gasoline vehicles to operate on American natural gas. Companies like Mesa Environmental.

What Other States Have Done

I am pleased to be here today to speak on behalf of House Bill No. 2161. Across this nation, state governments have recognized the importance of moving America off imported oil and onto domestic natural gas and other alternative fuels. In fact 44 states already have enacted legislation to promote the use of non-petroleum motor fuels. Attached to this statement is a copy of a report prepared by State Analysis, Inc. for the Gas Research Institute. The report summarizes the various incentives and requirements placed into law in each of these 44 states. Like House Bill 2161, laws in Arizona, California, Connecticut, Illinois, Iowa, Louisiana, Missouri, New Hampshire, New York, Texas and elsewhere require state government fleets to convert to natural gas or other alternative fuel. Also, similar to House Bill 2161, legislation enacted in Arizona, California, Connecticut, Louisiana, North Dakota,

House Transportation Committee
February 21, 1995
Attachment 2

Oklahoma and Virginia provide tax credits or deductions for the purchase of a new NGV or conversion to natural gas. Other states, including some of those I already have mentioned have established rebate and loan programs, have eliminated or reduced motor fuel taxes on alternative fuels, and have established special state offices and programs to encourage greater use of non-petroleum fuels.

I recite this litany of states and state programs to show that the State of Kansas is not alone in the effort to free America of OPEC. States larger than Kansas, and smaller, have put in place these important programs. Importantly, as a natural gas producing state, enactment of House Bill 2161, will allow Kansas to join a solid block of similar states to promote this important industry.

Jobs, National Security, the Environment, Safety and the Future

Detractors of legislative incentives for alternative fuels claim that the legislation is not necessary. I could not more strongly disagree. The reasons to vote for House Bill 2161 are simple: jobs, national security, the environment, safety and the future. First, jobs. As you in Kansas are aware, the natural gas producing sector of the economy continues to lag. By helping pave the way toward increased use of natural gas in vehicles, House Bill 2161 will put people to work. Also, the development of new technology and the establishment of conversion centers and natural gas fueling stations also adds jobs. This job created effect is equally true when other alternative fuels, like ethanol, are considered.

Second, let me talk about national security. Just recently, America topped 50% in oil imports. The billions we pay for imported crude (more than $50 billion in 1990 alone) go to support others, including those who would make war with America and our allies. Imagine what $50 billion a year would mean pumped into the U.S. economy, not abroad. Passage of House Bill 2161 is a vote for America's national security and against those who make us even more dependent.

The environment. While clean air is not the pressing problem in Kansas, as it is in other places in America, increased use of natural gas and other alternatives will improve the health of Kansans. Think about the last time you sat in traffic behind a diesel bus or car. That problem does not exist with natural gas. NGVs reduce emissions of carbon monoxide by more than 90 percent, non-methane smog forming hydrocarbons by 90 percent and nitrogen oxide by 65 percent. In addition, because it has virtually no particulate emission, natural gas dramatically reduces toxic, cancer causing emissions.

With respect to safety, natural gas may be the safest motor vehicle fuel available. Unlike gasoline, which pools on the ground when leaked, natural gas dissipates in the air, dramatically reducing the potential for fire. Also, natural gas cylinders on vehicles resist rupture to a far greater extent than gasoline tanks. Finally, natural gas is delivered by pipeline, thus eliminating one of the greatest road hazards -- the gasoline delivery truck.

Finally, let me talk about the future. Gasoline clearly is not the future. At more than $4.00 a gallon in most places around the world, and with limited supplies, the end of the gasoline era is within sight. The country that develops and commercializes non-petroleum vehicle technology will lead the world into the future. The opportunity once again to become the world's leading vehicle manufacturer is tremendous. House Bill 2161 helps to set us on that path.

NGVs are Cost-Effective Today

One other point to respond to the detractors of House Bill 2161. NGVs are not a pie in the sky idea. With more than 50,000 operating on U.S. roads today, NGVs have proven reliable, user friendly and economic. Today's NGV gives superior performance at less cost. At anywhere from 25¢ to 50¢ less than a gallon of gasoline, natural gas is a "driving bargain." As a result, NGVs are significantly less costly to operate on a per mile basis compared to gasoline vehicles. While the initial cost of an

NGV is high, high mileage fleets and those that consume a lot of fuel, can achieve a payback in a relatively short amount of time.

By providing greater incentives for the purchase of NGVs, House Bill 2161, and similar legislation in other states, helps build demand to a level where, in the near future, production runs of factory built NGVs will drop that initial cost to a level where all vehicle owners can achieve savings by using natural gas.

Federal Help for the States

Thus far, I have summarized the advantages of House Bill 2161 and given you an idea of what other states have done. As you know, the federal government too has taken a lead role in our nation's transition to non-petroleum fuels. The Alternative Motor Fuels Act, the Clean Air Act and the Energy Policy Act are but three of the pieces of federal law that support the alternative fuel industry. Through a strategic blend of financial and other incentives and requirements for certain fleets, federal law is helping to build demand. Importantly, federal law helps the states. For example, the federal Congestion Mitigation and Air Quality Program provides funds and guidance for local NGV and other alternative fuel projects. Also, the Energy Policy Act Section 409 State and Local Incentives Program provides federal funds in support of state alternative fuel initiatives. The success of this latter program is demonstrated by the fact that for every dollar provided for this program last year by the U.S. Department of Energy, nearly nine dollars were added by private and state government sources. This kind of leveraging produces great results at little cost. This year the Department of Energy plans to expand funding for this program to $5 million or more.

Specific Comments About House Bill 2161

I would like to shift my presentation now to focus on the legislation before you. There are a number of suggestions I would offer.

- First, focus the bill on converting vehicles that consume a lot of fuel. Our market analysis shows that these vehicles are an economic, cost effective target for early conversion to non-petroleum fuels. By focusing the legislation's economic incentives on high fuel consumption vehicles, more vehicles will be converted. The greater the demand, the more rapid the development of the fueling infrastructure and the initiation of a full production run manufacture.

- Second, redefine alternative fuels to focus on non-petroleum fuels. Reformulated gasoline does not increase jobs, does not enhance national security in any measurable way and, based on recent studies, may be more harmful to human health than traditional gasoline. While there is a place for reformulated gasoline (after all it is mandated under the Clean Air Act) the inclusion of petroleum products dilutes the benefits of House Bill 2161. Importantly, under the current draft, a tax credit would be provided for the purchase of gasoline vehicles.

- Third, add provisions that would require the establishment of a Kansas Alternative Fuels Office as part of state government. The legislation should require this Office to apply to the U.S. Department of Energy for funds under Section 409 of the Energy Policy Act. The addition of federal funds could prove helpful in these days of tight budgets.

Conclusion

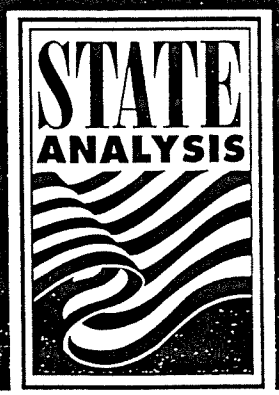
The NGV Coalition commends the sponsors of House Bill 2161 for its forward looking vision. America must address its dependence on imported oil. This bill is a small but important part of the effort to secure our energy future. Thank you.

ALTERNATIVE TRANSPORTATION FUELS

STATE LAWS

prepared for the Gas Research Institute

December 30, 1994



2400 N. John Marshall Drive • Arlington, Virginia 22207 • (703) 534-1700

ALASKA

P.L. 94-122
Chapter 122 promotes the use of natural gas as a motor-vehicle fuel in state-owned vehicles. One of the main provisions of the measure establishes a joint venture between the state and private or other public partners to foster the availability of natural gas for all automobile fuel consumers. The law also establishes an official state policy for the use of natural gas in state fleet vehicles whenever feasible and requires the Department of Natural Resources to annually evaluate the possibility of natural gas purchases.

ARIZONA

P.L. 94-353
Arizona's Omnibus Alternative Fuels law provides for the establishment of an Alternative Fuel Delivery System Development Fund to provide grants to promote the use of alternative fuels. It will provide a tax credit per vehicle for the conversion to alternative fuel of traditionally-fueled vehicles, as well as a credit for the purchase of alternative fuel refueling equipment. The tax credit will be $1,000 from 1994 to 1996, $500 in 1997, and $250 in 1998. An additional provision allows school districts to calculate life-cycle savings for alternative fuel use to be applied to the capital budget.

P.L. 93-160
This legislation allows taxpayers to subtract 25 percent of the purchase price of alternative fuel vehicles (AFV) from their adjusted gross income for tax purposes. The cost of conversions and refueling equipment also is subject to this tax benefit. The measure eliminates franchise fees and local taxes from compressed natural gas (CNG) tariff rates and clarifies CNG reporting requirements as they affect tax collection and administration.

P.L. 93-206
This measure eliminates franchise fees and local taxes from CNG tariff rates. It also clarifies CNG reporting requirements, specifically as they affect tax collection and administration.

P.L. 92-127
Chapter 127 expands fleet requirements to include a provision requiring that as fleet vehicles are replaced, new vehicles be capable of using fuel other than gasoline or diesel. The law also allows for the purchase of vehicles that have been converted to use alternative fuels and it requires converted vehicles to meet certain safety standards. Liquified natural gas is included in the definition of alternative fuels.

P.L. 91-176
This law requires the director of the Department of Administration, in consultation with the State Energy Office, implement a replacement program for fleets with vehicles that are the most fuel efficient in their class and to increase the use of alternative fuels in state-owned vehicles.

P.L. 87-139
This measure mandates shifts to clean fuel vehicles by certain public and private fleets in metropolitan Phoenix and Tucson. In 1988, the mandate was extended to buses, and natural gas was given a partial and temporary exemption from the state's motor fuels tax.

ARKANSAS

P.A. 93-896
This act requires school buses purchased by school districts to be diesel-fueled or factory-converted for alternative fuel use.

P.A. 93-960
Under this act, $8.7 million for 1993-94 and the same for 1994-95 is appropriated to convert and provide AFVs and infrastructure for schools and state agencies.

P.A. 91-659
This measure creates a nine-member alternative fuels commission to coordinate and direct the alternative fuels market.

CALIFORNIA

P.L. 94-48
This law specifies advanced and alternative fuel transportation projects as employment training disciplines.

P.L. 94-916
This law contains provisions that allocate up to 20 percent of the state's Employment Training Fund to special employment training projects. Included in the definition of special employment training projects is the development of the electric clean fuel vehicle industry, as well as other advanced transportation technology industries within the state.

P.L. 94-1000
Existing state law requires the Public Utility Commission (PUC) to authorize public utilities to pursue various activities in the interest of utility rate payers, such as research and development of CNG, electric and other low-emission vehicles (LEV). This law defines "interests" to mean direct benefits for rate payers in the form of safer, more reliable, nondiscriminatory or less costly gasoline and electrical service.

P.L. 94-1218
The California Alternative Energy Source Financing Authority Act is renamed the California Alternative Energy and Advanced Transportation Financing Authority Act under this measure. It also revises the membership and authorizes financial assistance for projects that relate to the development and commercialization of advanced transportation technologies. AFVs are defined within the bill to include electric and ultra-low emission vehicles (ULEV).

A.B. 1926
This law establishes a state policy encouraging electric vehicle development and utility electric vehicle programs and required utility commission investigation into the proper role of utilities.

A.B. 1049
This measure appropriates $2 million for an electric vehicle development consortium and $224,000 for an electric vehicle and AFV infrastructure development master plan.

P.L. 93-441
This law appropriates 75 percent of the Petroleum violation Escrow Account to be used to fund defense conversion initiatives.

P.L. 93-445
A defense conversion program is established to aggressively compete for federal defense conversion dollars and to help defense-related workers, businesses and industries make the transition to competitive civilian-oriented jobs including jobs involving advanced transportation technologies such as electric vehicles.

P.L. 93-446
This law increases competitive technology programs in the state including advanced transportation technologies.

P.L. 93-501
Chapter 501 deletes the provision of law which prohibits the Metropolitan Transportation Commission from allocating any operating funds to transit operators after Jan. 1, 1994

P.L. 93-873
This law changes state tax law concerning AFV tax deductions to be compatible with federal tax law. It would give a $100,000 per location tax deduction for clean fuel vehicle refueling property and a $2,000 tax deduction to AFVs from June 1993 through December 1994, excluding electric vehicles.

P.L. 93-875
This measure, which amends Chapter 92-768 (See below), allows tax credits for a specified percentage of the purchase price of any non-recreational motor vehicle that is a LEV intended to be used on private roads, school campuses and commercial or industrial work sites within the state.

P.L. 93-956
A South Coast Air Quality Management District program to encourage participation in projects to increase the utilization of clean-burning fuels is extended indefinitely under this law. The projects should include the use of alternative fuels such as natural gas, CNG and liquid petroleum for transportation and stationary source sectors.

P.L. 93-1159
This law appropriates $1 million in state energy funds to match federal funds available under the National Energy Policy Act of 1992 for energy conservation and development programs, including accelerated introduction of clean fuel transportation systems such as electric vehicles and electrified mass transit.

P.L. 92-66
Chapter 66 appropriates $1.5 million to the State Energy Resources Conservation and Development Commission to fund private/public consortia for development of advanced transportation systems and electric vehicles. The Petroleum Violation Escrow Account provides the state's share of $1 million for the appropriation. These funds are eligible for federal matching funds. Chapter 67, companion legislation, appropriates $500,000 for federal matching funds to support electric vehicle and advanced technology development. An additional $1.9 million would be appropriated toward electric, CNG and methanol vehicle infrastructure development.

P.L. 92-309
This measure requires the South Coast Air Quality Management District to develop a plan for fast-track environmental permitting for clean fuel vehicle production.

P.L. 92-762
Chapter 762 provides for the development of a consumer recharging and refueling infrastructure master plan to support the development, production and operation of AFVs. It also authorizes the state Energy Resources Conservation and Development Commission, in consultation with the state Air Resources Board and the PUC, to require fuel producers, suppliers, distributors and retailers to provide specified LEV fuel information.

P.L. 92-768
Only alternative fuel LEVs are eligible for the 55-percent income tax credit on the differential costs between LEVs and gasoline-powered vehicles under this measure.

P.L 92-790
This law earmarks funds for the Employment Training Panel to encourage the development of the electric and clean fuel vehicle industry and other advanced transportation technology industries. It also increases funding for the panel to $7 million.

P.L. 91-78
This resolution supports the development and commercialization of electric vehicles and asks Congress to pass federal electric vehicle legislation.

P.L. 91-496
The State Air Resources Board shall adopt emission standards and procedures applicable to new engines used in publicly-owned and privately-owned transit buses and shall make the standards and procedures effective on or before Jan. 1, 1996. In adopting standards, the board shall consider the projected costs and availability of cleaner burning alternative fuels and LEVs compared with other air pollution control measures.

P.L. 91-900
This law condemns the state's dependence on petroleum-based fuels in motor vehicles citing the contribution to the substantial degradation of the air quality and public health.

P.L. 90-1432
Under this legislation, districts in nonattainment areas are allowed to adopt regulations requiring public and private fleet operators to purchase LEVs and operate them on clean alternative fuels.

P.L. 90-1611
Chapter 1611 provides a 55-percent income tax credit up to $1,000 on the difference between the purchase price of an LEV and a conventional vehicle.

P.L. 90-1705
This law authorizes local governments to assess emission fees to fund vehicle demonstration programs.

P.L. 89-796
Subject to vehicle availability, this law requires at least 25 percent of all newly-acquired state government vehicles must have clean fuel capacity.

P.L. 89-990
This law exempts incremental costs (the difference between the sticker price of conventional vehicles and LEVs) of LEVs from state sales and use taxes.

COLORADO

P.L. 94-158
This law directs the Department of Revenue to promote rules and regulations requiring owners or operators of motor vehicles powered by natural gas or liquefied petroleum gas to pay an annual license tax fee and acquire a decal for such motor vehicles.

P.L. 93-174
All sales of motor fuels must be based on gallon equivalents and such equivalents must be reflected on fuel dispensers under this law.

P.L. 92-190
Chapter 190 establishes a rebate program, under the Air Quality Control Commissioner, of up to $1,000 for owners of new or converted motor vehicles who use certain alternative fuels. The law also establishes a certification program for mechanics who convert motor vehicles.

CONNECTICUT

P.A. 94-101
This law excludes income earned from the sale of natural gas as a fuel for motor vehicles from the gross earnings tax on gas companies. The exemption from the gross earnings tax applies to taxable

years beginning before Jan. 1, 2000.

P.A. 94-170
Act 170 excludes income, which is earned from the sale of natural gas as a motor vehicle fuel, from the gross earnings tax on gas companies. The exemption from the gross earnings tax applies to taxable years commencing before Jan. 1, 2000. The law also provides tax incentives to corporations, which are engaged in promoting alternative fuels and electricity for all operations, that convert motor vehicles to utilize CNG, electricity, liquefied petroleum gas or liquefied natural gas (LNG).

P.A. 93-37
At least 10 percent of all cars and light-duty trucks purchased by the state in 1993 and 1994 for purposes other than law enforcement or other "special use" purposes must be powered by CNG under this measure.

P.A. 93-90
This act allows motor vehicles using pressurized gas as fuel to enter and park in areas that are under grade level.

P.A. 93-93
This law reduces the tax on propane used as a transportation fuel.

P.A. 93-199
This act contains provisions for encouraging the use of vehicles powered by alternative clean fuels, including natural gas and electricity as part of the mandate established by the federal Clean Air Act.

P.A. 92-188
This resolution encourages the use of vehicles powered by CNG and electricity. It also promotes the use of vehicles powered by "clean alternative fuels" by creating a sales tax exemption for the purchase of a clean fuel vehicle or conversion equipment and provides a 10 percent tax credit against the gross receipt for individual and corporations on the incremental cost of purchasing electric vehicle.

P.A. 91-142
Chapter 142 requires the Department of Environmental Protection to study the feasibility of implementing the California LEV program.

P.A. 91-179
This act provides certain tax incentives and credits for purchasers of clean-fueled vehicles (specifically natural gas fueled vehicles). The act provides for a sales tax exemption for the purchase of clean fuel vehicles or conversion equipment (beginning Oct. 1, 1991); credit against gross receipts tax for corporations and others on the incremental cost of purchasing clean fuel vehicles or natural gas conversion equipment (beginning Jan. 1, 1992) and; price preferences in the form of mandated discounts for state purchases of fleets of clean fuel vehicles.

P.A. 90-219
This law directs the Standardization Committee of the Public Works Department to "consider vehicles using alternative fuels when considering new purchases."

DELAWARE

P.L. 92-171
Chapter 171 establishes a testing and pilot program to demonstrate the commercial feasibility of vehicles that use alternative fuels by collecting data on fuel economy, performance and air emissions. It also eliminates the state motor fuels tax on alternative fuels.

DISTRICT OF COLUMBIA

P.A. 93-9-363
This act requires government and private owners of fleets of 10 more to convert 5 percent of their vehicles to operate on clean alternative fuels each year beginning in 1995 through 2000.

P.A. 90-8-243
Government and private owners and operators of fleets of ten or more vehicles must convert five percent of their vehicles to operate on clean alternative fuels each year beginning in 1993 through the year 2000. Reformulated gasoline is not included in the definition of clean alternative fuel. This measure also bans commercial vehicles, not powered by an alternative fuel, from operating in the Central Employment Area of the District from sunrise to sunset between May and Sept. 15, effective in 1998. By Feb. 15, 1992, and on Oct. 1 of each subsequent year, each owner and operator of a commercial fleet is required to submit plans to the mayor that contain specific short- and long-range goals and timetables for the implementation of a clean alternative fuels program. Fines of up to $5,000 per day for noncompliance may be imposed.

FLORIDA

P.L. 93-35
This law exempts entities that supply CNG for use as a motor vehicle fuel from Public Service Commission regulation.

P.L. 93-207
Under this measure, county governments receive waste reduction credits for using yard trash, clean wood waste or paper waste as feed stocks in the production of clean-burning fuels such as ethanol.

GEORGIA

P.A. 93-336
This law establishes a one-time fee of $100 to inspect dispensers of CNG.

P.A. 92-1080
This measure removes authority from the Public Service Commission (PSC) to regulate the sale

of CNG to the public for use as a motor fuel.

HAWAII

91-S.C.R. 175, S.R. 154
This resolution requests the Department of Business, Economic Development and Tourism with the Department of Accounting and General Services, determine: 1) alternative motor fuels; 2) conservation costs; 3) additional purchasing costs for alternatively fueled vehicles; 4) comparative costs of fossil and alternative fuels and; 5) short- and long-term benefits of using alternative fuels.

ILLINOIS

P.L. 93-30
The Clean Alternative Fuels and Conservation Act provides that by the year 2000, 75 percent of state-owned passenger cars, light trucks and vans would be capable of running on clean alternative fuels.

93-S.J.R. 13
This resolution encourages the federal government to cooperate in funding research intended to increase production and use of ethanol.

INDIANA

P.L. 94-123
Chapter 123 creates the Renewable Transportation Fuels Task Force to study and report on the renewable transportation fuels industry.

P.L. 93-277
This law includes a special fuel tax provision of 16 cents per gallon on all special fuel sold or used in motor vehicles. The tax is paid by the supplier of the fuel. A special fuel is defined to include "all combustible gases and liquids that can be used in combustible engines and all gases and liquids used exclusively for heating, industrial or farm purposes other than transportation." Exceptions to the tax include transactions involving fuel used for non-highway purposes and fuel sold to common carriers of passengers such as taxis.

P.L. 93-79
This law requires public and private utilities which own certain passenger motor vehicles, trucks, buses and recreational vehicles powered by alternative fuels must obtain alternative fuel decals and pay a $100 annual fee.

P.L. 93-60
A price preference of 10 percent would be provided under this law for state and local government procurement of "SoyDiesel."

92-S.C.R. 31
This resolution was adopted to encourage the implementation of an initial test group of 20 state vehicles to use CNG.

IOWA

93-H.J.R. 5
This law requests the President of the United States, the Office of Management and Budget, the Administrator of the U.S. Environmental Protection Agency and the Congress support the ethanol fuel industry by ensuring the continued development of renewable fuels.

P.A. 92-1099
This measure provides for financial incentives to support the increased production of ethanol used as an additive in motor vehicle fuel.

P.A. 91-253
This law requires percentages (five percent by July 1, 1992, 10 percent by July 1, 1994) of light-duty trucks and passenger vehicles purchased by the state to be equipped "with engines which utilize alternative methods of propulsion." Acceptable fuels include flexible fuels (methanol\ethanol), CNG, propane, solar energy and electricity.

KENTUCKY

P.L. 92-273
Under this measure, rates, terms and conditions of service for the sale of natural gas to a CNG fuel station, retailer or to any end-user for use as a motor vehicle fuel are not subject to regulation by the PSC. Any utility provider of such a non-regulated service must keep separate records and books of account adequate to allow the commission to allocate costs and revenues and to perform other acts that will assist the commission in enforcing this act. The transportation, distribution or delivery of natural gas to any CNG fuel station, retailer, or any end-user for use as a motor vehicle fuel shall continue to be subject to regulation by the commission.

LOUISIANA

93-H.C.R. 50
This resolution urges the governor to create a task force on alternative fuels.

P.A.92-169
The state's alternative fuel tax credit for the purchase of vehicles which run on clean fuels, applies only to vehicles registered in Louisiana.

P.A. 91-1060
This measure provides a 20 percent income tax credit for clean burning alternative fuel vehicles and property connected to the dispensing of such fuel.

P.A. 90-927
This act requires 30 percent of new state agency fleet vehicles to have clean fuel capability as of Sept. 1, 1994. The mandate increases to 50 percent in 1996 and could increase to 80 percent in 1998, pending a review of the program by the Department of Environmental Quality.

MAINE

P.L. 93-178
The PUC must establish a special rate for utility sales of natural gas for use in motor vehicles powered by CNG under this law. Such rates must be designed to encourage the use of CNG as a motor vehicle fuel.

Initiated Bill 92-1
(An initiated bill can either be passed by the legislature or passed by public referendum. This bill became law through referendum.)
This law promotes the use of energy efficient forms of transportation and discourages transportation modes reliant on foreign oil.

MARYLAND

P.L. 93-201
This law directs the Department of Environment, by 1998, to establish a motor vehicle emissions certification program, vehicle emissions standards and a compliance program for the same motor vehicles included in the California program.

P.L. 93-269
Machinery and equipment used exclusively to dispense clean-burning fuels into motor vehicles are exempted from the property tax.

P.L. 93-270
This measure alters the rate of the motor fuel tax for "alternative fuels" as defined under the Federal Energy Policy Act of 1992 from 24.25 cents per gallon to 23.5 cents per gasoline equivalent gallon.

P.L. 93-603
Chapter 603 exempts from taxation the sale of machinery and equipment used to convert an existing gasoline or diesel fuel-powered motor vehicle to a vehicle propelled by a clean burning fuel.

P.L. 92-330
This law deregulates third-party sale of natural gas as a vehicle fuel while maintaining the regulatory status of gas sold by utilities. The term "gas company" does not include a company that sells, supplies or distributes natural gas as a fuel for motor vehicles. The law also provides that the sale of natural gas for use as motor fuel in certain vehicles is not under the jurisdiction of the PSC.

MASSACHUSETTS

P.L. 90-410
This legislation adopts the California vehicle exhaust emissions requirements, phased in to start in 1993. The law currently is the subject of appellate litigation in the federal courts, after being upheld by the U.S. District Court of Appeals for Massachusetts.

MINNESOTA

P.L. 94-587
This tax law requires permits for AFVs and excludes the sale of CNG or propane for certain vehicles from the state's motor fuel tax.

P.L. 94-640
Minnesota's omnibus transportation law providing for gasoline tax increases beginning April 1, 1995, includes provisions to require a study of electric vehicle technology and appropriates funds to test electric vehicle technology.

P.L. 93-250
This law increases the amount of oxygen required in gasoline in carbon dioxide nonattainment areas during carbon dioxide-restricted emission periods.

P.L. 93-254
This law directs the Department of Public Service to evaluate and implement policies to promote the development of the equipment and infrastructure needed to facilitate the use of AFVs.

P.L. 91-302
Chapter 302 cuts annual subsidies for ethanol from $10 million to $4.5 million, but included a provision to restore the $10 million in 1993.

MISSISSIPPI

P.L. 94-518
This measure lowers the privilege tax on motor vehicles using CNG. The annual privilege tax will be lowered from $200 per year to $100 per year in an effort to increase the usage of CNG within the state as an alternative fuel.

P.L. 93-304
Chapter 304 deregulates natural gas for use as a motor vehicle fuel.

MISSOURI
(In Missouri, laws go straight from bill number to state code chapter.)

93-H.B. 211
This measure increases the tax paid by owners of alternative fuel motor vehicles from $6.50 to $8

and makes decals used for identifying alternative fuel vehicles remaining in Missouri during interstate travel valid for 15 rather than three days.

93-H.B. 611
This law provides for the formation of an ethanol and renewable fuels commission to attract these products to the state. The act also provides a 20-cent gallon incentive for ethanol produced in the state.

91-H.B. 45
This law establishes a timetable for the conversion of government vehicle fleets to alternative fuels. Any fleet of 15 or more vehicles must convert 10 percent by July 1, 1996, 30 percent by July 1, 1998, and 50 percent July 1, 2000. By July 1, 2002, 30 percent of government vehicles must operate solely on alternative fuels.

MONTANA

P.L. 93-592
If funding is available, this law establishes a production-based ethanol tax incentive.

P.L. 93-617
Chapter 617 provides for a credit of 50 percent of the equipment and labor costs incurred in converting a motor vehicle to operate on an alternative fuel.

NEBRASKA
(In Nebraska, laws go straight from legislative bills to state code chapters.)

94-L.B. 1160
The Alternative Fuel Tax Act requires any person who operates a motor vehicle powered by an alternative fuel, including natural gas, to purchase an alternative fuel user permit annually to pay for the estimated fuel use tax liability. The amount of the permit is based on the type of vehicle, the average miles per gallon of the vehicle and the average Nebraska motor fuel tax rate. The penalty for operating an AFV without a valid permit is $1,000 for each violation.

93-L.B. 479
School districts are allowed to borrow funds to purchase or convert vehicles to operate on alternative fuels and to pay for fueling facilities under this measure.

NEVADA

P.L. 91-612
The State Environmental Commission must conduct public hearings and submit a report concerning the use of alternative fuels in certain motor vehicles under this law. It also requires the commission to adopt the laws of California concerning certain emission tests for diesel vehicles.

NEW HAMPSHIRE

P.L. 94-33
Manufacturers and dealers are allowed to sell new motor vehicles that meet emission standards set by the California Air Resource Board. Such cars have been prohibited from being sold within the state by the federal Environmental Protection Agency.

P.L. 94-263
Receipts from the sale of natural gas or electricity for motor vehicles are excluded from the definition of "gross receipts" for the purpose of the state's franchise tax.

P.L. 94-299
This law exempts non-utility entities that are engaged in the sale of natural gas and electricity for motor vehicle use from the jurisdiction of the PUC. Additionally, the law requires the PUC to establish rates and charges relating to the sale of natural gas and electricity for motor vehicles which are consistent with the cost of providing the service. It also requires inter-agency review and the development of safety standards for natural gas and electric vehicles.

P.L. 94-302
This law requires certain utilities, federal, state, municipal and private facilities to purchase a specific percentage of AFVs. Beginning in 1995, 25 percent of heavy and light trucks purchased by federal facilities operating within the state must be AFVs. By 1997, 15 percent of state facility light-duty fleets must be powered by alternative fuel and by 1998, 30 percent of the heavy-duty fleet must be AFVs. Utility fleets must be 30 percent AFVs by 1997, and 50 percent of the heavy-duty vehicles must be AFVs by 1998. Municipal and private fleets must make 50 percent of their heavy duty vehicles AFVs by 1998, and 30 percent of their light-duty fleet AFVs by 1999. The law also establishes the Clean Fuel Fleet Advisory Committee.

P.L. 93-214
This measure establishes a committee to conduct a comprehensive study of alternative transportation fuels and AFVs and their impact on the state. The committee also would study alternative fuel incentives and recommend a state policy on these issues.

NEW MEXICO

P.L. 94-5
Chapter 5 provides tax relief for the previously enacted law 93-360. It reduces the gasoline and special fuels taxes increase from 22 cents to 20 cents in increments by June 30, 1997.

P.L. 94-130
This law appropriates $750,000 from the state's general fund to the Alternative Fuel Conversion Loan Fund in order to provide loans for the conversion of traditionally-fueled vehicles to ones powered by alternative fuel. It also sets a timetable for the conversion of vehicles to alternative fuel for the agencies and departments of the state government.

94-H.R. 45
This memorial resolution requests the appropriate interim committee study barriers to investment in natural gas as an alternative motor vehicle fuel, compile results of the state's alternative fuels projects and make recommendations to the legislature of measures that would foster commercialization.

P.L. 93-186
This law which provides for the regulation and servicing of CNG vehicles and their refueling stations.

P.L. 93-231
State vehicles would be exempt from the special fuels tax under this law. It also requires a special fuel use permit for out-of-state AFVs traveling within New Mexico.

P.L. 93-360
Gasoline and special fuels taxes increase from 16 to 22 cents per gallon under this measure.

P.L. 92-58
The Alternative Fuel Conversion Act mandates the conversion of at least 30 percent of new state-owned vehicles beginning in mid-1993, increasing to 60 percent in 1994 and 100 percent in 1995. It also mandates post-secondary institution fleet vehicles be converted to alternative fuel. The act creates a revolving loan fund and establishes a state alternative fuel transportation manager and establishes a $5 million loan fund to finance conversions.

NEW YORK

P.L. 93-598
The Petroleum Overcharge Restitution Act of 1993 creates an Alternative Fuel Vehicles Program. The program provides information, training and technical assistance to vehicle purchasers, owners, and maintenance technicians concerning the availability, use servicing and maintenance of new and converted AFVs.

NORTH CAROLINA

P.L. 91-738
The Energy Division of the Department of Economic and Community Development and the Department of Administration will study the use of clean transportation fuels in state-owned vehicles and develop a demonstration project using natural gas as the fuel for state-owned vehicles.

NORTH DAKOTA
(No session law chapters are assigned in North Dakota.)

93-H.B. 1016
This measure provides an appropriation for fuel ethanol production incentives. It also provides an

appropriation from the alcohol motor vehicle fuel fund.

93-H.B. 1429
This law provides a 10-percent income tax credit for conversions of motor vehicles to CNG.

OHIO
(No session law chapters are assigned in Ohio.)

92-H.B. 201
The Alternative Fuels Advisory Council is established to evaluate the use of alternative fuels in the state.

OKLAHOMA

P.L. 94-379
This measure provides for the certification and qualification for an alternative fuels equipment and conversion technician.

P.L. 93-224
Chapter 224 creates the Alternative Fuels Conversion Fund which will provide loans for conversions to AFVs up to $5,000 and loans for refuel stations up to $100,000. The conversion funds will never be greater than $5 million.

P.L. 92-306
This law extends from Jan. 1, 1993 to Jan. 1, 1995, the time allowed for a 50-percent tax credit for investments in clean-burning motor fuel vehicles.

P.L. 91-235
The Alternative Fuels Conversion Act provides for a 50-percent tax credit for conversion of a vehicle to liquid propane gas, LNG or CNG and for equipment used to fuel vehicles for a period of two years. The 50-percent tax credit is applicable from Dec. 31, 1990 to Jan. 1, 1993. At the end of the two-year period, the tax credit reverts back to the 20 percent implemented in 1990 by the legislature.

OREGON

P.L. 93-496
Loans from a small loan fund are allowed for certain alternative fuel, recycling, energy conservation and transportation projects. Alternative fuel projects may include facilities such as fueling stations necessary to operate an AFV fleet.

P.L. 93-684
Not more than $2.5 million of the annual $40 million set aside for tax credits by the Department of Revenue may be allocated to AFVs and facilities required to operate such vehicles under this law. It also reduces the amount of the tax credit allowed for the installation of alternative energy

devices from $1,500 to $1,260.

P.L. 91-711
This measure provides for business tax credits of up to 35 percent of the purchase price of conversion kits for alternative fuel fleet vehicles. The same tax credit would be provided to businesses purchasing fleet vehicles from manufacturers, with the credit applied to the incremental cost of installing the alternative fuel technology.

P.L. 91-399
A certain percentage of state vehicles must be capable of using alternative fuel to the maximum extent economically possible under this law. After July 1, 1994, the state shall acquire only AFVs except in areas unable to economically dispense alternative fuel.

PENNSYLVANIA

P.A. 92-139
This act exempts electric vehicles and ZEVs from the annual registration fee.

P.A. 92-166
The Alternative Fuels Incentive Grant Fund converts conventional vehicles or purchase vehicles specifically designed to operate on alternative fuels. This fund covers up to 60 percent of the eligible costs and is funded by the existing tax on gas utilities.

P.A. 91-22
This act provides an exemption from the retail sales tax for the difference in cost between an electric vehicle and the list price of a comparable vehicle.

89-H.R. 237, S.R. 124
This resolution urges Congress "to enact a meaningful mandate for phased shifts to alternative transportation fuels by a substantial number of our nation's vehicles, and to assure that any such mandate permits undistorted competition, under comparable regulatory conditions, between all transportation fuels that are substantially cleaner than oil-based products." It also urges Congress "to enact tax incentives for the private sector and financial assistance incentives for the states and municipalities in order to reduce the obstacles posed by initial capital expenditures for shifts to alternative transportation fuels."

RHODE ISLAND

P.L. 92-361
The Department of Environmental Management has the authority to regulate tailpipe emissions and promulgate regulations for the LEV program in 1994 if such a program is proven needed to maintain air quality standards in the state.

P.L. 91-192
Chapter 192 exempts electric-powered motor vehicles from the automobile sales and use tax.

91-H.R. 121
This resolution establishes a commission to study the feasibility of converting a percentage of the state fleet to alternative fuels.

SOUTH CAROLINA

P.A. 94-389
This act deregulates the retail sale of CNG for motor transportation purposes and expands the definition of public utility to include every corporation that delivers natural gas distributed or transported by pipe. The measure also establishes conditions that exempt public utilities from calculating a rate of return if the rate is determined to be just as reasonable.

P.A. 92-449
Chapter 449 creates the Alternative Transportation Fuels Study Committee to conduct a comprehensive study of clean alternative transportation fuels. The purpose of the committee is to analyze all issues pertaining to the use of transportation fuels.

SOUTH DAKOTA

P.L. 93-104
This law provides incentives for the use of CNG and ethanol as motor vehicle fuels. It reduces the road tax from 18 cents to 6 cents, removes the sales tax on labor and equipment and abates the property tax for fill stations for five years.

TEXAS

P.A. 93-603
This act creates a six-member Alternative Fuels Council to develop a state alternative fuel policy. It creates an Alternative Fuels Conversion Fund to consist, in part, from oil overcharge funds. Money will be made available to school districts, state agencies, counties, cities and mass transit authorities and certain private businesses to install refueling systems and purchase AFVs.

P.A. 91-14
All Transit Authority revenue vehicles (buses, certain taxis, etc.) are required to be purchased as alternative fuel capable or converted to use alternative fuel in accordance with the progressive conversion schedule. Subsequent rulemaking allowed the percentage conversion requirements to be met by any fleet vehicle owned by the state or locality rather than exclusively revenue vehicles. In addition, two-year exemptions can be granted in certain instances when it is clear that a particular vehicle type cannot be purchased as alternative fuel capable or be converted.

P.A. 89-1190
A phased shift to clean transportation fuels by certain vehicles in nonattainment areas is mandated by this law. The mandate covers all metropolitan buses, state agencies with fleets of more than 15 vehicles and school districts with fleets of more than 50 school buses. Affected fleet operators are directed to attain clean-fuel capability for all vehicles acquired after Sept. 1, 1991. Retrofitting

of vehicles will be necessary in the probable event that sufficient clean fuel vehicles are not yet available directly from original equipment manufactures.

UTAH

P.L. 94-129
Chapter 129 appropriates $330,000 to the Clean Fuels Public Sector Vehicle Loan Fund. The fund makes loans available for the purchase of alternative fuel government vehicles or the conversion of government vehicles to those powered by alternative fuels.

P.L. 92-92
This law provides a definition for clean fuels eligible for exemption from the special fuel tax.

P.L. 92-96
Counties and municipalities are prohibited from imposing franchise taxes on sales of CNG and electricity used in motor vehicles as special fuel under this measure.

P.L. 92-106
This law requires the conversion of vehicle fleets to cleaner burning fuel if it is determined necessary to meet national ambient air quality standards, except in specified circumstances.

P.L. 91-34
The Clean Fuel Private Sector Incentive Program awards money from an annual budget of $10,000 to private sector conversions or purchase of clean fuel vehicles. The law also established the revolving clean Fuel Conversion Fund and an appropriation of $10,000 will be given annually. Up to $3,000 per government vehicle may be loaned out to government departments, school divisions etc. with repayment required within seven years.

VERMONT

93-H.J.R. 48
This resolution calls for state agencies to consider the purchase of AFVs when purchasing new vehicles.

VIRGINIA

P.L. 94-164
Chapter 164 extends a tax credit to income or gross receipts taxes equal to 10 percent of the deduction allowed for any individual or corporation for purchases of clean fuel vehicles that are principally garaged in Virginia or for certain refueling property places in service in Virginia. The credit may be extended for five years.

P.L. 94-171
Local governments are allowed to provide a different classification for motor vehicles which utilize clean special fuels for personal property tax purposes under this measure.

P.L. 94-216
This law would transfer all responsibility for the AFV fund from the Commonwealth Transportation Commissioner to the Commonwealth Transportation Board. The goals of the fund are to improve the air quality in the state and reduce dependence on imported fuels by enhancing programs to convert public vehicles to AFVs, including electric vehicles.

94-H.J.R. 527
This joint resolution continues the work of the Clean Fuel Study Joint Subcommittee throughout 1994. Included in the areas of study by the subcommittee are: 1)monitoring the operation of clean fuel demonstration projects; 2)monitoring the conversion of state motor vehicle fleets to alternative fuels and; 3)considering proposals for financial and other incentives aimed at increasing the use of alternative fuels.

P.L. 94-528
This law authorizes the issuance of local motor vehicle licenses free of charge for AFVs.

P.L. 93-159
Chapter 159 replaces the current 3 percent motor vehicle sales and use tax rate with a 1.5 percent rate for motor vehicles converted to use clean fuels. The Department of Motor Vehicles will be permitted to develop a system to allow advance, lump sum, payment of the tax.

P.L. 93-234
Pursuant to the Clean Air Act, this law provides for a clean fuel fleet program for certain areas of the state. Beginning with the model year 1990, a certain percentage of purchases of new fleet vehicles by owners of centrally fueled fleet vehicles registered, based or having a majority of their travel in the affected localities would be required to be clean fuel vehicles.

P.L. 93-562
This law provides for a state income or gross receipts tax credit of 10 percent of the allowable federal tax credit for clean fuel vehicles and refueling property.

P.L. 93-625
This law reduces the special fuel tax rate from 16 cents to 10 cents per gallon on clean special motor vehicle fuels including CNG, hydrogen and electricity.

P.L. 92-351
Chapter 351 creates the Virginia Alternative Fuels Revolving Fund to provide loans to governmental entities for the conversion of publicly-owned motor vehicles from the use of gasoline and diesel fuels to alternative fuels. The fund will be administered by the Department of Air Pollution Control and the State Air Pollution Control Board.

91-H.J.R. 334
This resolution requires the Joint Alternative Fuels Subcommittee to study the use of certain clean fuels.

91-H.J.R. 481
This resolution requests the Department of Transportation undertake alternative fuel pilot projects in the Northern Virginia, Richmond and Hampton Roads areas. The studies will focus on the use of CNG-powered vehicles and their emission rates in these areas.

WASHINGTON

P.L. 94-225
Chapter 225 eliminates the state's tax credits for ethanol blends, effective May 1, 1994.

P.L. 91-199
This law requires 30 percent of the state fleet to operate on clean fuels after July 1, 1992, increasing 5 percent each subsequent year.

P.L. 89-113
The state's Department of Transportation must consider acquiring clean fuel vehicles where they are feasible and economically justified.

WEST VIRGINIA

P.L. 93-92
This law authorizes the Secretary of Administration to purchase or lease alternative fuel-powered vehicles for use by any state agency.

P.L. 93-94
Chapter 94 determines whether it is economically feasible for state vehicles to operate on alternative fuels.

P.L. 91-1
This law permits the PSC to establish a program to encourage the use of natural gas, methanol (derived from coal) and electricity in new demonstration technologies, including alternative fuel vehicles.

WISCONSIN

P.A. 91-302
The Department of Natural Resources must promulgate rules requiring the use of clean fuel vehicles and clean alternative fuels by operators of covered fleets in certain areas under this measure.

Testimony to the Senate and House of Representatives Transportation Committees on HB2161

February 21, 1995

Steven King, P.E.
Vice President - Engineering
& General Manager
MESA Environmental
3125 West Bolt Street
Fort Worth TX 76110

Chairman, members of the Senate and House Transportation committees, and members of the Energy committee, thank you for providing me the opportunity to speak with you today concerning the use of alternative fuels for transportation. Alternative fuels (natural gas, LPG, ethanol, methanol) offer the potential to reduce our dependency on foreign oil, reduce vehicle operating costs, reduce regulated emissions emitted from vehicles, and create Kansas jobs.

Natural gas is inherently the cleanest burning of all hydrocarbon fuels. However, just converting to natural gas does not guarantee clean vehicle emissions. The technology of the conversion system must take advantage of the inherent properties of natural gas to make it clean. The old style mechanical conversion systems allow vehicles to operate on natural gas, but do not ensure low emissions and are not always reliable. This fact has been verified and reported by the City of Houston, the State of Florida, and others.

More than two years ago, MESA realized the need for improved conversion system technology. MESA Environmental was formed to address this need. MESA Environmental develops, manufactures, and markets conversion systems for natural gas and LPG vehicles. MESA has invested in excess of $20 million developing new vehicle conversion technology to meet EPA and California Air Resources Board (CARB) requirements for emissions, tamper-resistance, and durability. We now offer conversion systems for a variety of popular fleet vehicles.

Today's fuel injected gasoline vehicles are up to 90% cleaner than the carbureted gasoline vehicles of ten years ago. All U.S. production passenger cars and trucks built today use electronic fuel injection and have some method of emission control. They start and drive reliably without hesitation or special cold start procedures common to the old carbureted vehicles. The primary reason for the change to electronically controlled vehicles is emissions compliance. A secondary benefit of this technology is improved driveability. Drivers now expect this improved performance, often without realizing the emissions benefits it brings.

It is important to provide the operators of alternative-fueled vehicles with performance at a level similar to that of the gasoline vehicle that is being replaced. This can be accomplished through the use of today's advanced electronic natural gas fuel injection systems.

EPA regulations require that any alterations to a vehicle must not adversely affect its emissions (EPA Memorandum 1A, 1974). Alterations must also be tamper-proof to prevent any adjustment that might affect emissions. These regulations apply to all vehicle modifications or conversions, regardless of the fuel type.

House Transportation Committee
February 21, 1995
Attachment 3

Today's complex gasoline vehicles, with their electronic fuel injection, sophisticated emission control equipment, and built-in on-board-diagnostics, are not always easy to convert to an alternative fuel. The conversion system must be designed for each specific vehicle to ensure proper operation and low emissions. The days of the one-size-fits-all conversion are gone. Development of vehicle-specific conversion systems takes a significant amount of resources in both time and money. Dedicated engineers with sophisticated test equipment are required to develop, apply, and calibrate a conversion system to a vehicle.

Representative emission test results using MESA's conversion system are attached for reference. In general, a reduction in emissions of up to 90% from gasoline can be achieved, depending on the vehicle type and the pollutant. Emissions reduction from heavy-duty vehicles are greater than from passenger cars and light-duty trucks. Heavy-duty vehicles also consume more fuel and are therefore more likely to receive economic benefits from the use of alternative fuels. A driveability test performed by Ford test engineers is also attached showing the performance that can be achieved from electronic gaseous fuel injection.

NGV conversion system costs for gasoline vehicles range from $3500 to $6000 per vehicle depending on the type of vehicle and the driving range required. Conversion of diesel vehicles is possible, but is more complicated and expensive. A diesel engine must first be converted to a spark-ignited engine. This requires the engine to be disassembled and rebuilt using modified components.

The light-duty OEMs (Chrysler, Ford, and GM) and the heavy-duty engine manufacturers (Cummins, Detroit Diesel, CAT, etc.) are developing products to fill this market. Unfortunately, their product offerings are limited to a narrow range of vehicle types. They are also dedicated and only operate on natural gas. Bi-fuel vehicles will be needed for some time to bridge the gap while the refueling and service infrastructures develop to support the industry.

Conversions must be cost effective for fleets to justify their use. With the higher cost of advanced conversion systems and the relatively small NGV market that exists today, the economics of conversion are questionable. Yet it is imperative that the latest technology conversion systems be used in order to ensure compliance with Memo 1A and to meet with driver satisfaction.

Tax incentives or rebates will be required to jump start the alternative fuel industry. As the market grows, conversion costs will drop, and the beneficial economics will provide the needed incentives to keep the industry going.

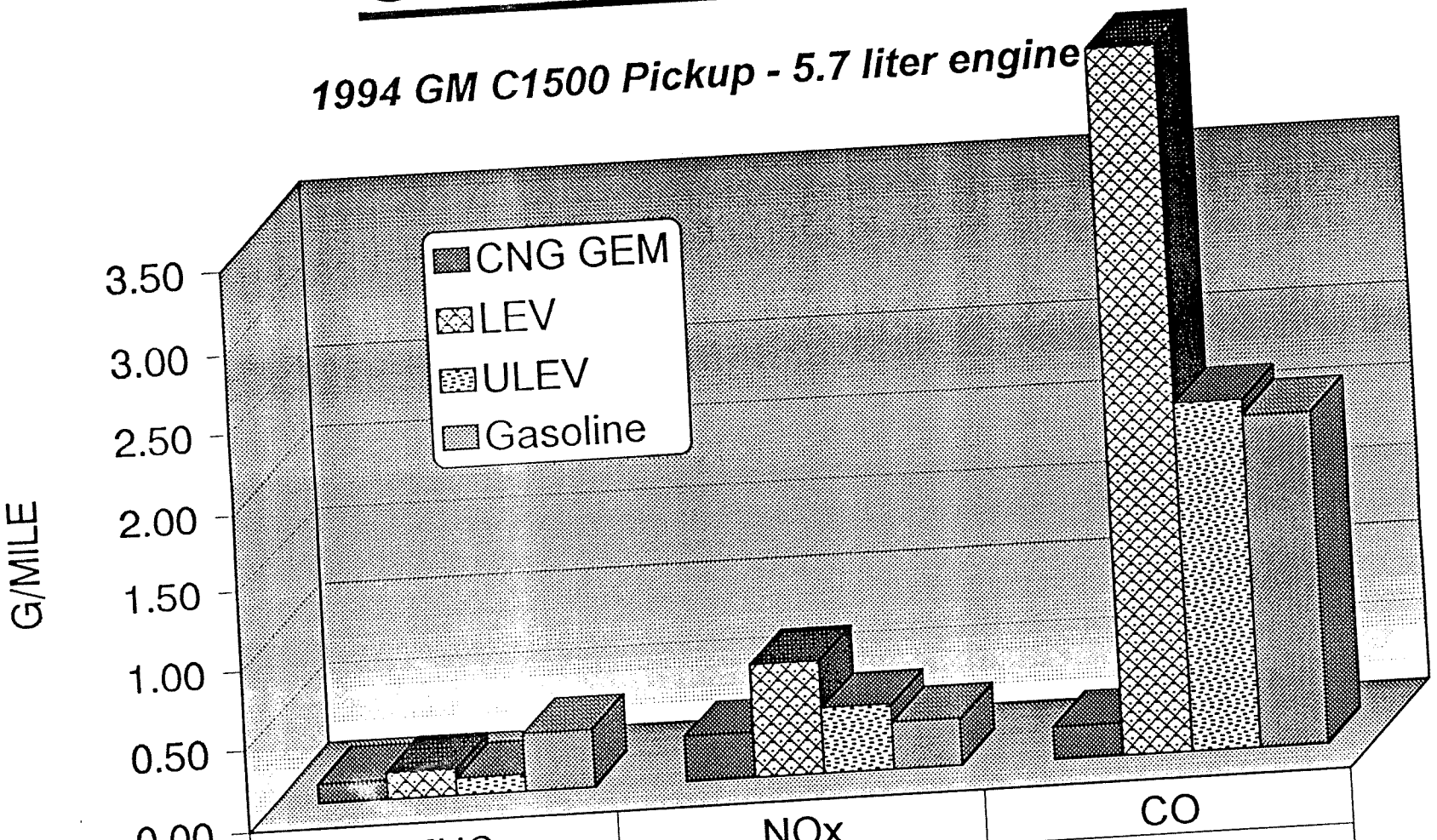
Tax incentives should also be provided to help build the alternative-fueled vehicle infrastructure. This includes refueling facilities, conversion centers, service centers, and training centers.

In conclusion, MESA supports HB2161. Mandates should:

1) require the latest technology conversion equipment to ensure low emissions and good performance over the service life of the vehicle,
2) require verification of compliance with Memo 1A for emissions and tamper-resistance,
3) target the high fuel users first (high mileage fleet vehicles, heavy-duty vehicles, etc.), and
4) provide tax incentives or rebates for vehicle conversions, refueling facilities, and the associated infrastructure.

GEM EMISSIONS

1994 GM C1500 Pickup - 5.7 liter engine

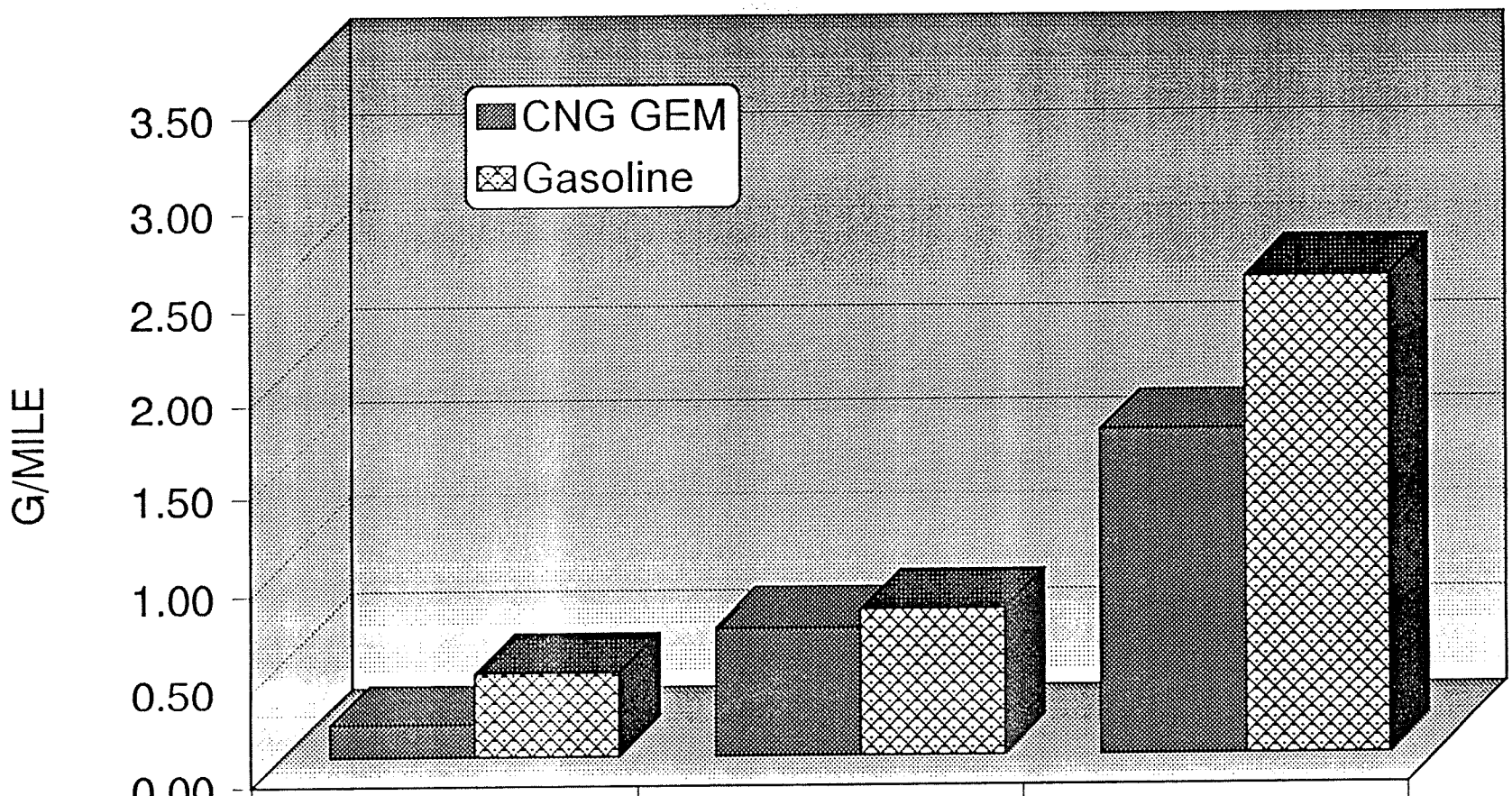


	NMHC	NOx	CO
CNG GEM	0.12	0.27	0.20
LEV	0.16	0.70	4.40
ULEV	0.10	0.40	2.20
Gasoline	0.35	0.29	2.10

EPA FTP-75 Results

GEM EMISSIONS

1994 Ford F150 - 4.9 liter engine

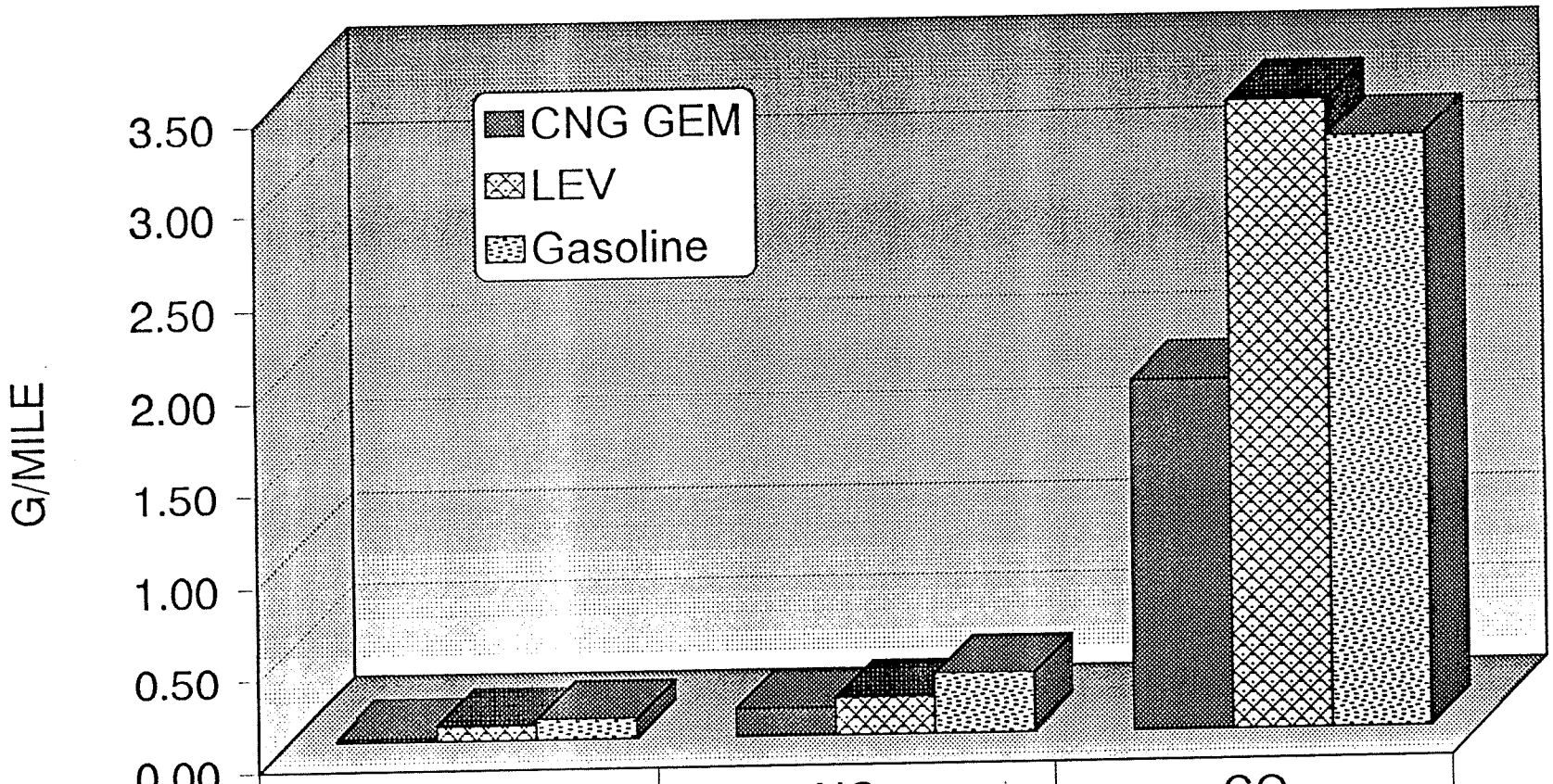


	NMHC	NOx	CO
CNG GEM	0.17	0.67	1.70
Gasoline	0.44	0.76	2.50

EPA FTP-75 Results, Ford Data

GEM EMISSIONS

1992 Grumman LLV - 2.5 liter engine

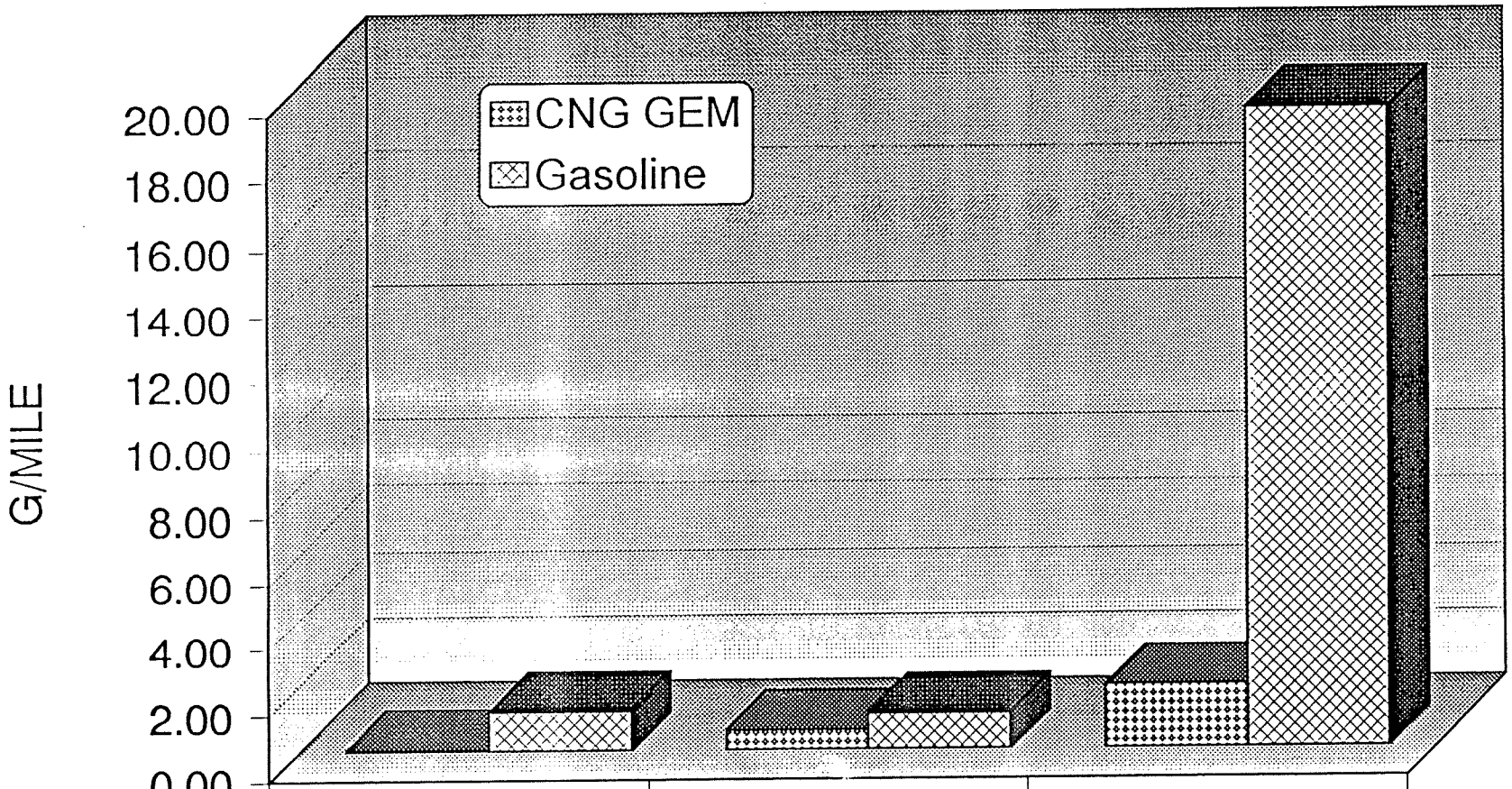


	NMHC	NOx	CO
CNG GEM	0.02	0.15	1.90
LEV	0.08	0.20	3.40
Gasoline	0.11	0.33	3.20

EPA FTP-75 Results

GEM EMISSIONS

1992 Grumman UPS - 4.3 liter engine



	NMHC	NOx	CO
CNG GEM	0.05	0.59	1.89
Gasoline	1.17	1.07	19.20

EPA FTP-75 Results

MESA GEM DRIVEABILITY RATING

Ford F150 with 4.9 liter engine

Category	Gasoline	Natural Gas
Crowd, below 40 mph	8.0	8.0
Crowd, above 40 mph	8.0	8.0
Cruise, below 40 mph	8.0	8.0
Cruise, above 40 mph	8.0	8.0
WOT Accel	8.0	8.0
Part Throttle Accel	8.0	8.0
Tip-in	7.5	8.0
Part Throtle Response	7.8	7.8
Idle	6.5	6.3
Start Quality	7.0	6.0
Hot Start Times	1.0 sec	2.3 sec
Cold Start Times	1.5 sec	3.2 sec

Evaluation conducted by Ford

MESA
ENVIRONMENTAL

Comments of
United Parcel Service
on
Alternative Fuel Incentive Legislation
As It Relates to House Bill 2161

7171 Mercy Road
Omaha, Nebraska 68106
February 21, 1995

Roy Ryscamp
Public Affairs

House Transportation Committee
February 21, 1995
Attachment 4

United Parcel Service (UPS) operates the country's largest private delivery fleet, which provides pick-up service to more than 1.2 million customers and handles in excess of 11 million ground and air packages each business day. The very magnitude of our operations calls for the greatest possible efficiency of service, which is the bottom-line commitment on which our business has thrived or nearly 88 years.

Not surprisingly, as our size and efficiency increases, we also choose to respond to higher levels of environmental responsibility. UPS' alternative fuels testing program is a clear example of how these two objectives work so well together.

In the 1930's, UPS became a pioneer in automotive engineering and was an early user of electric vehicles in its New York City operation. Since that time, UPS has tested methanol and propane during the gas shortages and even constructed a stratified-charge engine during the '80's that could burn any fueled including kerosene, ethanol, methanol and gasoline. In Canada, more than 70 percent to UPS' fleet will run on propane by the end of the year.

In 1989, UPS became the first private transportation company in New York City to use compressed natural gas (CNG) as an alternative fuel. In coordination with Brooklyn Union Gas Company, 10 UPS package cars were converted to run on CNG. Since that event, UPS has expanded its CNG testing program to include, in addition to the New York initiative, projects in California, Oklahoma, Texas, Washington DC and most recently Connecticut.

UPS' total fueled cost for road vehicles last year was more than $264 million. When compared with gasoline, an equivalent gallon of natural gas can cost less than half the standard fuel purchase, excluding taxes. These cost savings and various incentives offered, help offset costly infrastructure expenses, making CNG a viable alternative.

In December 1992, emission test results released from the Los Angeles CNG test project were favorable. Compressed natural gas produced 70 percent less nitrogen oxides and 89 percent less non-methane hydrocarbons, the two primary smog-causing pollutants, than gasoline. Also, carbon monoxide was reduced by 86 percent.

Our CNG vehicles also perform well in urban delivery situation. In Dallas, UPS' CNG vehicles are reporting a six percent improvement for miles per gallon as compared with gasoline-fueled package cars. And, CNG vehicles have been proven safe to operate, another primary consideration for UPS.

Looking into the future, the 1990 Clean Air Act amendments require that UPS and other fleets phase in clean-fuel vehicles in 22 cities declared to be extreme non-attainment areas, beginning in 1998. As local governments provide incentives for companies to adopt aggressive clean-fuel programs, UPS will consider expanding its CNG program into these areas. Listed below are a few other criteria UPS considers when selecting cities in which to expand its CNG program:

- Infrastructure costs and public/private partnerships.

  It costs UPS and average of a half-million dollars to build a "quick fill" natural gas station on UPS property. These stations are capable of filling a delivery vehicle in four minutes, an essential operational flexibility for us. The public sector could advance the CNG cause by providing incentives for companies like UPS to invest in this kind of essential infrastructure, as occurred in Oklahoma. Oklahoma's legislation offering fleet operators a 50 percent tax credit for building alternative-fuel infrastructures there literally brought UPS to the table. In addition, the Oklahoma Corporation Commission allowed a lower tariff provision to go into effect, reducing the product sales cost for natural gas as a motor fuel.

- Cost of fuels.

  Fuel costs vary by region. However, some states offer other incentives for CNG vehicles such as exemptions from road use or other transportation taxes, or favorable tariff/tax credits.

- Technology advancements.
  Presently, UPS spends about $4,000 per vehicle to convert a gasoline engine to CNG use. This is both costly and inefficient. UPS also has made significant investments toward producing a prototype dedicated CNG engine on the west coast, and we anticipate success in the near future. The challenge is getting an American engine manufacturer to market and mass produce a dedicated natural gas engine that will meet UPS' needs.

- Availability of incentives.
  UPS will look at states or municipalities that adopt operational incentives for alternative-fuel vehicles such as designated parking and loading zones or emissions credit trading programs. Similarly, the EPA recently passed a rule giving certain clean-burning vehicles access to high-column traffic lanes.

CNG demonstrates to us that UPS can be part of the environmental solution, improving air quality without seriously impacting the efficiency, economy and high quality of our business.

Legislative incentives are needed at the state level to "jump start" the alternative fuel market; once the market is self-sustaining, incentives may be phased out.

The alternative fuel-vehicle market incentives that we suggest are a 50 percent investment tax credit for the vehicle conversion process and the construction of refueling stations. The commitment of a no tax status of compressed natural gas and other alternative fuels for a specific time frame would be necessary for the total benefit of such a conversion to be realized.

Green curbs, the State or municipalities could set aside a certain amount of space at streetside curbs and in publicly-owned parking lots, such as at airports, where parking would be restricted to clean fuel vehicles. With respect to streetside parking, the restriction might be made effective only for certain weekday business hours.

Where High Occupancy Vehicle lanes exist alternative fuel vehicles should be designated as HOV vehicles and as such exempted from restrictions such as time of day, day or week or future congestion pricing.

Tradable emissions reduction credit program. State could allow fleets purchasing and operating clean fuel vehicles to earn marketable pollution reduction credits. Credits either could be traded to other entities obligated to reduce their emissions, and could be applied to either mobile or stationary sources.

We believe that if the state of Kansas were to offer economic incentives for a private fleet conversion of alternate fuel-vehicles, this public/private partnership will encourage others to take their own initiative to use cleaner burning fuels. This incentive will not only translate to a better environment but to an enhanced economy through the creation of additional jobs.

Our concern for the people of Kansas is not only to provide them with an efficient, dependable and economic service but clean environment as well. It could be said we are not environmental activists but more appropriately that we are active environmentalists.

CONNECTICUT LAW
SIGNED BY THE GOVERNOR

Substitute Senate Bill No. 333

PUBLIC ACT NO. 94-170

AN ACT CONCERNING INCENTIVES FOR THE USE OF ALTERNATIVE FUELS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. (NEW) There shall be allowed as a credit against the tax imposed on any corporation under chapter 208 of the general statutes, with respect to income years of such corporation commencing on or after January 1, 199~~4~~5, and prior to January 1, ~~1999~~ 2000, an amount equal to fifty per cent of the amount spent by such corporation directly for the construction of any filling station or improvements to any existing filling station in order to provide either compressed natural gas, liquefied petroleum gas or liquefied natural gas, as defined in section 29-330 of the general statutes.

Corporate Business Tax
IE. INCOME TAX

Definition of liquefied petroleum gas. Chpt. [illegible] statute

Sec. 2. (NEW) There shall be allowed as a credit against the tax imposed on any corporation under chapter 208 of the general statutes, with respect to income years of such corporation commencing on or after January 1, 199~~4~~5, and prior to January 1, ~~1999~~ 2000, an amount equal to fifty per cent of the amount spent by such corporation for converting motor vehicles so that they can use either electricity, compressed natural gas, liquefied petroleum gas or liquefied natural gas, as defined in section 29-330 of the general statutes.

Sec. 3. (NEW) On and after July 1, 199~~4~~5, and until July 1, ~~1999~~ 2000, compressed natural gas, liquefied petroleum gas and liquefied natural gas shall not be subject to the tax imposed under section 12-458 of the general statutes, as amended by public act 93-93 and section 34 of public act 93-74, provided such fuel is sold to a covered fleet for use in a covered fleet vehicle, as defined in section 241 of the federal Clean Air Act, 42 USC 7581, and any regulations adopted thereunder.

Motor Fuel Tax

Sec. 4. (NEW) Any program adopted by the commissioner of environmental protection providing for mobile emissions reduction credits shall allow credit for emission reductions achieved by vehicle conversions eligible for such tax credit even if

the conversion took place before the credit program began.

Sec. 5. This act shall take effect July 1, ~~1994.~~ 1995

Certified as correct by

_____
Legislative Commissioner.

_____
Clerk of the Senate.

_____
Clerk of the House.

Approved _____, 1994.

_____
Governor, State of Connecticut.

MEDIA RESULTS FROM UPS CONNECTICUT CNG INITIATIVE

August 18, 1994

Tax Breaks In Hartford If Cars Use Clean Fuel

By KIRK JOHNSON
Special to The New York Times

HARTFORD, Sept. 16 — Two months ago, Connecticut staked out a new position among states with air pollution problems: it opened up its checkbook.

Under a new law that energy experts say is only the second in the nation, Connecticut announced that any commercial fleet operator that wanted to convert vehicles from ozone-spewing gasoline to cleaner fuels like natural gas or electricity would get a big tax break. For every dollar spent on conversion or on building alternative fueling stations, fleet owners could deduct 50 cents from their corporate profits tax. After the conversion, the new fuel would be exempted from the 31-cents-a-gallon state fuel tax.

Only Oklahoma, a natural-gas-producing state with few smog problems, has done anything similar. It also gives the 50 percent deduction.

Connecticut's move has paid off. The nation's largest commercial fleet operator, United Parcel Service, said in August that it would convert more than half its 925 vehicles in Connecticut during the next 24 months to compressed natural gas. The highest proportion of converted U.P.S. trucks elsewhere is 15 percent, in Oklahoma. A coalition of environmental and gas industry groups has also formed to push next year for a similar law in New York, using Connecticut's as the prototype.

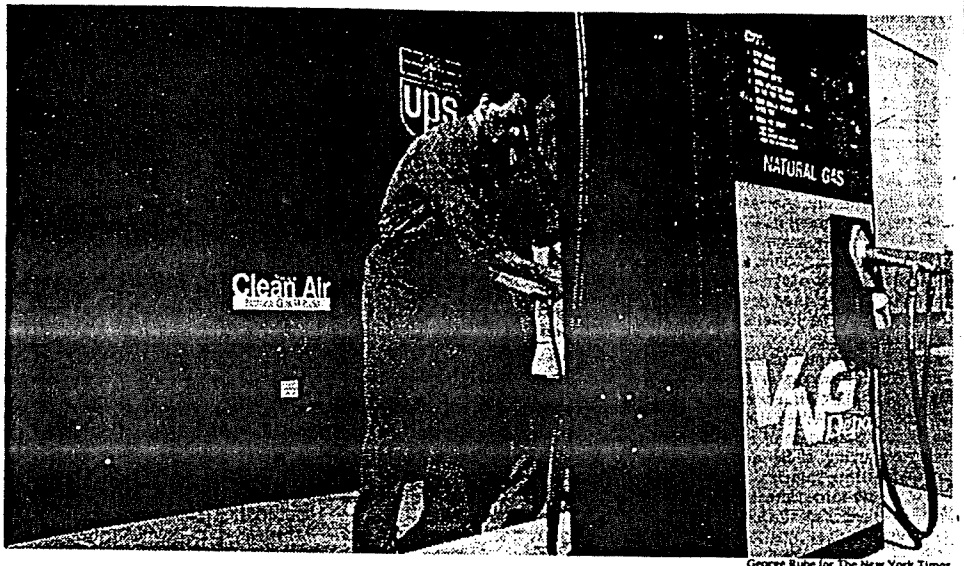
Connecticut officials said that they would not know how many companies were using the program until tax receipts had been counted, but they estimated that the tax breaks might cost $1 million in revenue.

The story behind this law reveals how business, government and environmental concerns can occasionally line up in surprising and enthusiastic agreement. The law also underlines the deep policy differences between Connecticut and some of its neighbors that have been at the heart of the long regional debate about carrying out provisions of the Federal Clean Air Act.

New York and Massachusetts, for example, have both passed laws that will require certain percentages of low- or zero-emission vehicles to be sold over time. Connecticut officials have repeatedly rejected the idea of mandates, arguing that the market, if encouraged and prodded, can and should carry the freight.

"They obviously believe it's good for their respective states, but we in Connecticut have a little bit different philosophy," said Timothy R. E. Keeney, the State Commissioner of Environmental Protection. "From the Governor on down, we don't believe that a sales mandate is a productive way to proceed."

Cooperation with businesses is at the root of the new Connecticut law.



George Rahe for The New York Times

The nation's largest commercial fleet operator, United Parcel Service, will convert over half its Connecticut fleet to natural gas, which is cleaner than gasoline. Jerry Martine, a mechanic, filled up with natural gas.

Instead of orders to fight pollution, Connecticut tries incentives.

In fact, it was proposed by U.P.S., which told lawmakers in Hartford this spring that it wanted to accelerate its use of alternative fuels, but needed help defraying the costs.

It can cost up to $8,000 to convert a typical U.P.S. truck to compressed natural gas, said Robert K. Hall, the company's automotive engineer. He said that total would take nine or 10 years to recoup without incentives,

"It takes about 50 percent to put a dent in the cost of the project, to make it feasible," he said.

Lawmakers completed the rest of the economics equation themselves: if a big company like U.P.S. was ready to leap, could a local industry perhaps be fostered in converting vehicles and making alternative-fuel equipment? And if Connecticut acted first, might it gain an edge?

The result was an environmental bill that even a chamber of commerce president could love. It sailed into law with bipartisan support.

"It shows that these clean-air technologies are not pie in the sky, that they're doable," said Senator Michael P. Meotti, a Democrat from Glastonbury who, as co-chairman of the Transportation Committee, is a sponsor of the bill.

Some applause about the new law has been cautious, however. Several environmental and energy groups said they feared that the new law could encourage politicians to say that the state was now doing enough in dealing with ozone problems.

"Someone might say that, and I suspect someone will," said John R. Garrison, chief executive of the American Lung Association. But Mr. Garrison added, "I wouldn't do anything to discourage implementation of this law because it is an important first step."

Whether the Connecticut law will in fact be an economic boon is also uncertain. When the legislature was debating the bill this spring, the prospects of jump-starting an alternative-fuels business seemed bright: the state was courting a Massachusetts company that planned to expand in Connecticut, building electric cars in Waterbury. The company later backed out, however.

New York, where at least 2 percent of all vehicles offered for sale must be zero-emission cars by 1998, was able last month to attract a California electric car company, U.S. Electricar, that said it would assemble its vehicles in the Syracuse area. The company's president said that the prospect of a guaranteed market was a major factor.

Owner Loses Zoning Fight

Robert Mnuchin, a onetime power on Wall Street, has lost a battle on Main Street: the Zoning Board of Appeals of Washington, Conn., has refused to grant a variance for his new home, which exceeds the town's 35-foot height limit by six feet.

Mr. Mnuchin, a retired former partner in Goldman, Sachs & Company, said he did not know what he and his wife, Adriana, would do now.

The Mnuchins' 10-room $900,000 home sits on 300 acres. Many residents in the western Connecticut town of 4,000 feared that granting the variance would have set a precedent, allowing others to exceed the limit.

NF 9/17/9

Hartford Using Corporate Tax Breaks to Encourage Clean-Fuel Cars

By KIRK JOHNSON
Special to The New York Times

HARTFORD, Conn., Sept. 16 — Two months ago, Connecticut staked out a new position among states with air pollution problems: it opened up its checkbook.

Under a new law that energy experts say is only the second in the nation, Connecticut announced that any commercial fleet operator that wanted to convert vehicles from ozone-spewing gasoline to cleaner fuels like natural gas or electricity would get a big tax break. For every dollar spent on conversion or on building alternative fueling stations, fleet owners could deduct 50 cents from their corporate profits tax. After the conversion, the new fuel would be exempted from the 31-cents-a-gallon state fuel tax.

> An environmental accord between business and government.

Only Oklahoma, a natural-gas-producing state with few smog problems, has done anything similar. It also gives the 50 percent deduction.

Connecticut's move has paid off. The nation's largest commercial fleet operator, United Parcel Service, said in August that it would convert more than half its 925 vehicles in Connecticut during the next 24 months to compressed natural gas. The highest proportion of converted U.P.S. trucks elsewhere is 15 percent, in Oklahoma. A coalition of environmental and gas industry groups has also formed to push next year for a similar law in New York, using Connecticut's as the prototype.

Connecticut officials said that they would not know how many companies were taking advantage of the program until tax receipts had been counted, but they estimated that the tax breaks might cost $1 million in revenue.

The story behind this law reveals how business, government and environmental concerns can occasionally line up in surprising and enthusiastic agreement. The law also underlines the deep policy differences between Connecticut and some of its neighbors that have been at the heart of the long regional debate about carrying out provisions of the Federal Clean Air Act.

New York and Massachusetts, for example, have both passed laws that will require certain percentages of low- or zero-emission vehicles to be sold over time. Connecticut officials have repeatedly rejected the idea of mandates, arguing that the market, if encouraged and prodded, can and should carry the freight.

"They obviously believe it's good for their respective states, but we in Connecticut have a little bit different philosophy," said Timothy R. E. Keeney, the State Commissioner of Environmental Protection. "From the Governor on down, we don't believe that a sales mandate is a productive way to proceed."

Cooperation with businesses is at the root of the new Connecticut emissions law. In fact, it was proposed by U.P.S., which told lawmakers in Hartford this spring that it wanted to accelerate its use of alternative fuels, but it needed help defraying the costs.

It can cost up to $8,000 to convert a typical U.P.S. truck to compressed natural gas, said Robert K. Hall, the company's automotive engineer. He said that amount would take nine or 10 years to recoup without incentives.

"It takes about 50 percent to put a dent in the cost of the project, to make it feasible," he said.

Lawmakers completed the rest of the economics equation themselves: if a big company like U.P.S. was ready to leap, could a local industry perhaps be fostered in converting vehicles and manufacturing alternative-fuel equipment? And if Connecticut acted first, might it gain an edge in fostering that business?

The result was an environmental bill that even a chamber of commerce president could love. It sailed into law with support from both political parties.

"It shows that these clean-air technologies are not pie in the sky, that they're doable," said Senator Michael P. Meotti, a Democrat from Glastonbury who, as co-chairman of the General Assembly's Transportation Committee, is a sponsor of the bill.

Some applause about the new law has been cautious, however. Several environmental and energy groups said they feared that the new law could encourage politicians to say that the state was now doing enough in dealing with ozone problems.

"Someone might say that, and I suspect someone will," said John R. Garrison, chief executive of the American Lung Association. But Mr. Garrison added, "I wouldn't do anything to discourage implementation of this law because it is an important first step."

Whether the Connecticut law will in fact be an economic boon also remains to be seen. When the legislature was debating the bill this spring, the prospects of jump-starting an alternative-fuels business seemed bright: the state was courting a Massachusetts company that planned to expand in Connecti building electric cars at a renov factory in Waterbury. The company later backed out, however.

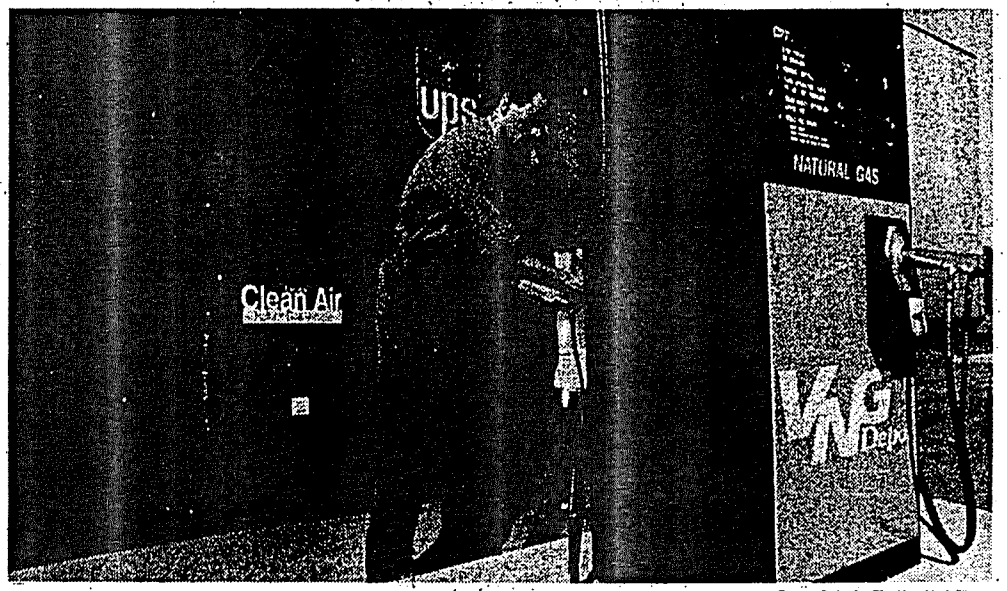
New York, where at least 2 percent of all vehicles offered for sale must be zero-emission cars by 1998, was able last month to attract a California electric car company, U.S. Electricar, that said it would assemble its vehicles in the Syracuse area. The company's president said that the prospect of a guaranteed market was a major factor in the decision.

If U.P.S. and its allies are successful, laws like Connecticut's may soon be sprouting in the region, further diluting any economic advantage for the state. A U.P.S. spokesman, Jim Teague, said that Brooklyn Union Gas Company, local chapters of the American Lung Association and the Natural Resources Defense Council, among others, had joined in the lob bying for a bill in Albany.

"Based on these favorable resu we can take this model legislation to New York, Massachusetts, Rhode Island and other states," Mr. Teague said. "We're looking to do almost precisely the same legislation as was done in Connecticut."

Through its new law, Commissioner Keeney said, Connecticut is showing its commitment where it counts.

"You hear a lot of noise in states like Massachusetts and New York about how supportive they are about programs like this," he said. "But this is really evidence of Connecticut moving ahead. That's putting your money where your mouth is."



George Rube for The New York Times

The nation's largest commercial fleet operator, United Parcel Service, will convert over half its Connecticut fleet to natural gas, which is cleaner than gasoline. Jerry Martine, a mechanic, filled up with natural gas.

4-10

The Journal of Commerce
and Commercial

MONDAY, AUGUST 29, 1994

UPS Hartford Vans to Use Compressed Natural Gas

By GREGORY S. JOHNSON
Journal of Commerce Staff

In another expansion of its alternate fuel program, United Parcel Service is replacing diesel-powered package vans in Hartford, Conn., with 100 trucks powered by compressed natural gas.

UPS also is building a CNG station at its Hartford terminal as part of the $1 million project. The company plans to convert another 400 vehicles in parts of Connecticut within the next two years, covering 60% of the state fleet, said Jim Teague, a spokesman for UPS' Northeast Region.

Connecticut state is offering 50% of the amount spent in the form of tax incentives, said Bob Kenney, a UPS spokesman in Atlanta.

Conversion of the diesel-package trucks can cost up to $8,000 per vehicle, but it's worth it, he said. "Our goal is to identify alternate fuels that work well in our vehicles and reduce emissions while matching or lowering costs of conventional fuels. We have had particularly promising results with CNG, which we have tested since 1989."

The CNG station will be built by Connecticut Natural Gas Corp. of Hartford, which itself has 60 natural gas vehicles (NGV), said Rusty Cunningham, the utility's transportation manager. "We have our own fueling station and we're also partners in an NGV station with Texaco in Hartford," he said.

He added that the gas company will receive further business from the U.S. Post Office, which plans to convert 125 jeeps used by letter carriers to compressed natural gas.

UPS said it operates the largest CNG fleet in the country, with more than 200 vehicles in Los Angeles; New York; Oklahoma City and Tulsa, Okla.; Dallas, and Washington, D.C. The company said it plans to triple its NGV fleet over the next 12 months.

Its Canadian unit, United Parcel Service Canada Ltd., will have converted more than 800 vehicles, 70% of its fleet, for CNG use by the end of this year.

In 1989, UPS became the first private fleet operator in New York to use CNG when it converted 10 package vans to run on compressed natural gas. In February 1992, UPS became a customer of the first full-scale NGV station in Manhattan.

SOUTH CENTRAL • SHORELINE

The Hartford Courant.

Established 1764

Volume CLVI, Number 231 Copyright 1994, The Hartford Courant Co. Friday, August 19, 1994 ★1 Newsstand 50¢

Connecticut news

UPS to switch many of its trucks to natural gas for tax break

By LARRY WILLIAMS
Capitol Bureau Chief

United Parcel Service, one of Connecticut's largest fleet operators, plans to convert more than half its trucks from diesel to natural gas to take advantage of a new state tax incentive.

The new law, which took effect July 1, will allow UPS to receive a credit against its corporate income taxes equal to half its conversion costs, which a company official estimated Thursday at $1 million initially.

In effect, the state's taxpayers will pay $500,000 of that cost. What they will get in return is cleaner air, a state environmental official said.

Jim Teague, northeast region public affairs manager for UPS, said the plan is to build a compressed natural gas fueling station at its Hartford garage and to convert 100 vehicles by March 1995.

Within two years, he said, the company expects to convert 500 of the nearly 900 delivery vans it operates in Connecticut. The cost per vehicle is as much as $8,000, Teague said, and the cost of the fueling station may be as much as $750,000.

Without the tax incentive, Teague said, such a large-scale conversion project would not be economically feasible.

Although UPS has been experimenting with compressed natural gas since 1989, only about 200 of its vehicles nationwide have been converted. About 140 are in Oklahoma, which also offers a tax credit, not merely to clean up the air, but to stimulate growth in the state's natural gas industry.

Tax credits and financial incentives for conversions in other states are "marginal," Teague said.

Sen. Michael P. Meotti, D-Glastonbury, co-chairman of the legislature's transportation committee and a sponsor of the tax credit, said he was gratified to see the law produce results so quickly.

"UPS' past experience with [compressed natural gas] vehicles elsewhere and their significant new initiative here should underscore the fact that alternative fuels aren't just a pie-in-the-sky idea," Meotti said.

Natural-gas powered vehicles emit far less air pollution than diesel- or gasoline-powered cars, he said.

Robert Moore, deputy commissioner of the Department of Environmental Protection, said the UPS conversion helps the state in its effort to bring air quality in the Hartford area into compliance with federal standards.

He said the state has applied for federal designation of Hartford and the surrounding community as an "attainment area," meaning that its air quality is good enough to avoid radical measures such as forced carpooling.

4-12

HARTFORD COURANT

August 30, 1994

A heart and darts

United Parcel Service earns a heart along with state income tax deduction for its decision to convert more than half of its fleet of distinctive brown UPS delivery trucks from diesel fuel to natural gas. The resulting cleaner air will benefit us all.

HARTFORD ADVOCATE -- August 25 - September 21

BRIEFS

UPS Has Gas

It's a shiny brown truck, big, square, lumbering on leaf springs and straight axles. UPS had made a joke of its delivery machines in commercials—in one, the driver slips on his sunglasses and mugs as though he's behind the wheel of a Ferrari. Very funny, given that the truck could have been built in 1938.

But not this truck. Although it looks like all the others, the truck behind the state capitol last week had two distinguishing features. One was a tiny gauge, visible through a port on one side, that read 1,800 pounds of pressure. The other were the big white letters announcing "This is a CLEAN AIR natural gas test truck."

UPS plans to convert 500 of its Connecticut fleet of 900 brown trucks to natural gas over the next three years, and state tax payers will foot half the bill thanks to a "partnership" agreement forged by State Senator Michael Meotti (D-New Britain), who heads the state legislature's Transportation Committee. His law, which passed unanimously in the regular session, promises a five-year fuel tax abatement to any company converting its fleet to alternative fuels; plus a tax credit for half the cost of conversion. The UPS job will cost about $1.4 million, including a $750,000 refueling station to be built in Hartford.

As a bonus UPS, which moved its headquarters from Fairfield County to Atlanta several years ago, will receive environmental "credits" under a controversial provision of the Federal Clean Air Act. The credits could be sold or traded to other companies whose pollution controls are less advanced.

Robert Moore, Deputy Commissioner of the Connecticut Department of Environmental Protection, says the credits could spur economic investment in Connecticut. "We can encourage other industries into Connecticut with these credits available," he says.

TULSA WORLD

ME EDITION 89th Year – No. 347 • Tulsa, Oklahoma, Sunday, August 28, 1994 • Entire Contents © 1994 World Publishing Company

ENERGY

Energy Briefs

UPS Plans 100 More Natural Gas Vehicles

HARTFORD, Conn. — Residents in Hartford have something in common with Tulsans.

Spurred by recent legislation, United Parcel Service is extending its fleet of compressed natural gas vehicles into Connecticut. Starting with 100 in Hartford, UPS hopes to put as many as 500 CNG vehicles in Connecticut in the next two years.

A state law enacted this year grants a 50 percent tax credit to businesses that convert vehicles to CNG, propane or liquified natural gas. It costs about $8,000 to convert a UPS van to CNG.

UPS has about 224 CNG vehicles in six locations nationwide, including 75 in Tulsa.

VIDEO MONITORING SERVICES OF AMERICA, INC.

330 West 42nd Street, New York, NY 10036
(212) 736-2010 / Fax (212) 736-8396

6430 West Sunset Blvd, Los Angeles, CA 90028
(213) 993-0111 / Fax (213) 467-7540

212 West Superior Street, Chicago, IL 60610
(312) 649-1131 / Fax (312) 649-1527

1930 Chestnut Street, Philadelphia, PA 19103
(215) 569-4990 / Fax (215) 563-1985

730 Harrison Street, San Francisco, CA 94107
(415) 543-3361 / Fax (415) 543-6148

26400 Lahser Road, Suite 312, Southfield, MI 48034
(810) 352-9220 / Fax (810) 352-9226

361 Newbury Street, Boston, MA 02115
(617) 266-2121 / Fax (617) 266-1301

8111 LBJ Freeway, Dallas, TX 75251
(214) 644-9696 / Fax (214) 644-7055

1066 National Press Building, Washington, DC 20045
(202) 393-7110 / Fax (202) 393-5451

10260 Westheimer, Suite 210, Houston, TX 77042
(713) 789-1635 / Fax (713) 789-0980

2125 Biscayne Boulevard, Miami, FL
(305) 576-3581 / Fax (305) 576-3049

190 East Ninth Avenue, Denver, CO 80203
(303) 861-7152 / Fax (303) 832-4104

630 Oakwood Avenue, West Hartford, CT 06110
(203) 953-1889 / Fax (203) 953-1713

1951 Fourth Avenue, San Diego, CA 92101
(619) 544-1860 / Fax (619) 544-0230

A BURRELLE'S Affiliate

TRANSCRIPT

DATE August 18, 1994
TIME 5:30-6:00 PM
STATION WFSB-TV (CBS) Channel Three
LOCATION Hartford, Conn.
PROGRAM Eyewitness News

Denise D'Ascenzo, co-anchor:

In tonight's Three On Your Side report, the United Parcel Service is delivering your mail the natural way. The UPS trucks are being replaced by trucks running on natural gas. The change is motivated by state legislation offering economic incentives to private fleet operators that use alternative fuels like natural gas. UPS says it hopes to expand the switch from diesel to gas to other delivery areas in Connecticut. The incentives are being offered to speed up the use of alternative fuels and help clean up the air.

# # #

VIDEO MONITORING SERVICES OF AMERICA, INC.

330 West 42nd Street, New York, NY 10036
(212) 736-2010 / Fax (212) 736-8396

6430 West Sunset Blvd, Los Angeles, CA 90028
(213) 993-0111 / Fax (213) 467-7540

212 West Superior Street, Chicago, IL 60610
(312) 649-1131 / Fax (312) 649-1527

1930 Chestnut Street, Philadelphia, PA 19103
(215) 569-4990 / Fax (215) 563-1985

730 Harrison Street, San Francisco, CA 94107
(415) 543-3361 / Fax (415) 543-6148

26400 Lahser Road, Suite 312, Southfield, MI 48034
(810) 352-9220 / Fax (810) 352-9226

361 Newbury Street, Boston, MA 02115
(617) 266-2121 / Fax (617) 266-1301

8111 LBJ Freeway, Dallas, TX 75251
(214) 644-9696 / Fax (214) 644-7055

1066 National Press Building, Washington, DC 20045
(202) 393-7110 / Fax (202) 393-5451

10260 Westheimer, Suite 210, Houston, TX 77042
(713) 789-1635 / Fax (713) 789-0980

7125 Biscayne Boulevard, Miami, FL 331..
(305) 576-3561 / Fax (305) 576-3049

190 East Ninth Avenue, Denver, CO 80203
(303) 861-7152 / Fax (303) 832-4104

630 Oakwood Avenue, West Hartford, CT 06110
(203) 953-1889 / Fax (203) 953-1713

1951 Fourth Avenue, San Diego, CA 92101
(619) 544-1860 / Fax (619) 544-0230

A BURRELLE'S Affiliate

TRANSCRIPT

DATE August 18, 1994
TIME 5:00-5:30 PM
STATION WTNH-TV (ABC) Channel Eight
LOCATION New Haven, Conn.
PROGRAM Action News

Jon Crane, co-anchor:

The United Parcel Service's fleet of trucks in Hartford is becoming more environmental-friendly. UPS is replacing its diesel-powered vehicles with one hundred natural gas-powered vehicles. The changeover is prompted by state legislation offering economic incentives to private fleet operators that use alternative fuels.

# # #

4-17

VIDEO MONITORING SERVICES OF AMERICA, INC.

330 West 42nd Street, New York, NY 10036
(212) 736-2010 / Fax: (212) 736-8396

6430 West Sunset Blvd, Los Angeles, CA 90028
(213) 993-0111 / Fax: (213) 467-7540

212 West Superior Street, Chicago, IL 60610
(312) 649-1131 / Fax: (312) 649-1527

1930 Chestnut Street, Philadelphia, PA 19103
(215) 569-4990 / Fax: (215) 563-1985

730 Harrison Street, San Francisco, CA 94107
(415) 543-3361 / Fax: (415) 543-6148

26400 Lahser Road, Suite 312, Southfield, MI 48034
(810) 352-9220 / Fax: (810) 352-9226

361 Newbury Street, Boston, MA 02115
(617) 266-2121 / Fax: (617) 266-1301

8111 LBJ Freeway, Dallas, TX 75251
(214) 644-9696 / Fax: (214) 644-7055

1066 National Press Building, Washington, DC 20045
(202) 393-7110 / Fax: (202) 393-5451

10260 Westheimer, Suite 210, Houston, TX 77042
(713) 789-1635 / Fax: (713) 789-0980

2125 Biscayne Boulevard, Miami, FL 331..
(305) 576-3581 / Fax: (305) 576-3049

190 East Ninth Avenue, Denver, CO 80203
(303) 861-7152 / Fax: (303) 832-4104

630 Oakwood Avenue, West Hartford, CT 06110
(203) 953-1889 / Fax: (203) 953-1713

1951 Fourth Avenue, San Diego, CA 92101
(619) 544-1860 / Fax: (619) 544-0230

A BURRELLE'S Affiliate

TRANSCRIPT

DATE August 18, 1994
TIME 11:00-11:35 PM
STATION WVIT-TV (NBC) Channel Thirty
LOCATION Hartford, Conn.
PROGRAM Connecticut News

Gerry Brooks, co-anchor:

Diesel is out; natural gas is in. UPS in Hartford says it will replace its diesel-powered truck fleet with trucks that run on natural gas. The company says the change was motivated by state laws that provide economic incentives to businesses that use alternative fuels.

# # #

VIDEO MONITORING SERVICES OF AMERICA, INC.

330 West 42nd Street, New York, NY 10036
(212) 736-2010 / Fax (212) 736-8396

6430 West Sunset Blvd, Los Angeles, CA 90028
(213) 993-0111 / Fax (213) 467-7540

212 West Superior Street, Chicago, IL 60610
(312) 649-1131 / Fax (312) 649-1527

1930 Chestnut Street, Philadelphia, PA 19103
(215) 569-4990 / Fax (215) 563-1985

730 Harrison Street, San Francisco, CA 94107
(415) 543-3361 / Fax (415) 543-6148

26400 Lahser Road, Suite 312, Southfield, MI 48034
(810) 352-9220 / Fax (810) 352-9226

361 Newbury Street, Boston, MA 02115
(617) 266-2121 / Fax (617) 266-1301

8111 LBJ Freeway, Dallas, TX 75251
(214) 644-9696 / Fax (214) 644-7055

1066 National Press Building, Washington, DC 20045
(202) 393-7110 / Fax (202) 393-5451

10260 Westheimer, Suite 210, Houston, TX 77042
(713) 789-1635 / Fax (713) 789-0980

2125 Biscayne Boulevard, Miami, FL 33137
(305) 576-3581 / Fax (305) 576-3049

190 East Ninth Avenue, Denver, CO 80203
(303) 861-7152 / Fax (303) 832-4104

630 Oakwood Avenue, West Hartford, CT 06110
(203) 953-1889 / Fax (203) 953-1713

1951 Fourth Avenue, San Diego, CA 92101
(619) 544-1860 / Fax (619) 544-0230

A BURRELLE'S Affiliate

TRANSCRIPT

DATE August 18, 1994
TIME 8:19 AM
STATION WPOP-AM Radio
LOCATION Hartford, Conn.
PROGRAM Morning Drive Live

Dean Paganni, anchor:

United Parcel Service, UPS, plans to start using natural gas powered vehicles in the Hartford area. The project will be launched today in cooperation with the Connecticut Natural Gas Company. If it all works well, the program will be expanded.

# # #

4-19

VIDEO MONITORING SERVICES OF AMERICA, INC.

330 West 42nd Street, New York, NY 10036
(212) 736-2010 / Fax (212) 736-8396
6430 West Sunset Blvd., Los Angeles, CA 90028
(213) 993-0111 / Fax (213) 467-7540
212 West Superior Street, Chicago, IL 60610
(312) 649-1131 / Fax (312) 649-1527
1930 Chestnut Street, Philadelphia, PA 19103
(215) 569-4990 / Fax (215) 563-1985
730 Harrison Street, San Francisco, CA 94107
(415) 543-3361 / Fax (415) 543-6148
26400 Lahser Road, Suite 312, Southfie[ld] 48034
(810) 352-9220 / Fax: (810) 352-9226
361 Newbury Street, Boston, MA 02115
(617) 266-2121 / Fax (617) 266-1301
8111 LBJ Freeway, Dallas, TX 75251
(214) 644-9696 / Fax (214) 644-7055
1066 National Press Building, Washington, DC 20045
(202) 393-7110 / Fax (202) 393-5451
10260 Westheimer, Suite 210, Houston, TX 77042
(713) 789-1635 / Fax (713) 789-0980
2125 Biscayne Boulevard, Miami
(305) 576-3581 / Fax (305) 576-3049
190 East Ninth Avenue, Denver, CO 80203
(303) 861-7152 / Fax (303) 832-4104
630 Oakwood Avenue, West Hartford, CT 06110
(203) 953-1689 / Fax (203) 953-1713
1951 Fourth Avenue, San Diego, CA 92101
(619) 544-1860 / Fax (619) 544-0230

A BURRELLE'S Affiliate

TRANSCRIPT

DATE August 19, 1994
TIME 8:48 AM
STATION WPOP-AM Radio
LOCATION Hartford, Conn.
PROGRAM Morning Drive Live

Al Jones, anchor:

The State of Connecticut has its first major corporate participant in a program that is designed to clean up the state. WPOP's Pat Robb tells us UPS will be converting its fleet of big brown delivery vans from diesel to natural gas.

Pat Robb reporting:

One hundred UPS vans in Hartford will undergo the transformation from diesel power to natural gas by March of next year. The company also plans to build a natural gas station at its Hartford headquarters on Locust Street. But spokesman Jim Tiges said that's just the beginning.

Jim Tiges (UPS Spokesman): This project represents a million dollar investment for UPS. And with plans to expand our compressed natural gas initiative elsewhere in Connecticut in the near future. Hopefully we will have a total of some five hundred compressed natural gas vehicles in place in the next two years.

Robb: UPS decided to go forward with its conversion project when the legislature passed a bill last session providing incentives to companies who use alternative fuels in their vehicle fleets. Robert Moore, with the State Department of Environmental Protection says by transforming from diesel to natural gas UPS will cut seventy five percent of the pollutants emitted from the vans.

Robert Moore (Department of Environmental Protection): CNG-fired vehicles are inherently lower emitters of some of our problem air pollutants here in Connecticut, particularly ozone precursors, carbon monoxide and diesel-particulate matter.

Robb: Under the state's incentive program, Connecticut taxpayers will be picking up half of UPS's conversion costs, which Project Manager Robert Hall says will be substantial.

4-20

Robert Hall (Conversion Project Manager, United Parcel Service): All of the electronic fuel management system that goes with the engine will be replaced. Then we, of course, have to add cylinders, brackets and add lines. We have to meet the NFPA-52 Fire Code. It's about -- on these diesel vans -- it's about an eight to nine thousand dollar conversion.

Robb: The DEP hopes that other companies will follow the lead of United Parcel. The state itself has a conversion effort underway, though currently just seventy-five state government vehicles run on natural gas.

# # #

VIDEO MONITORING SERVICES OF AMERICA, INC.

330 West 42nd Street, New York, NY 10036
(212) 736-2010 / Fax (212) 736-8396

6430 West Sunset Blvd., Los Angeles, CA 90028
(213) 993-0111 / Fax (213) 467-7540

212 West Superior Street, Chicago, IL 60610
(312) 649-1131 / Fax (312) 649-1527

1930 Chestnut Street, Philadelphia, PA 19103
(215) 569-4990 / Fax (215) 563-1985

730 Harrison Street, San Francisco, CA 94107
(415) 543-3361 / Fax (415) 543-6148

26400 Lahser Road, Suite 312, Southfield, MI 48034
(810) 352-9220 / Fax (810) 352-9226

361 Newbury Street, Boston, MA 02115
(617) 266-2121 / Fax (617) 266-1301

8111 LBJ Freeway, Dallas, TX 75251
(214) 644-9696 / Fax (214) 644-7055

1066 National Press Building, Washington, DC 20045
(202) 393-7110 / Fax (202) 393-5451

10260 Westheimer, Suite 210, Houston, TX 77042
(713) 789-1635 / Fax (713) 789-0980

2125 Biscayne Boulevard, Miami, FL 33137
(305) 576-3581 / Fax (305) 576-3049

190 East Ninth Avenue, Denver, CO 80203
(303) 861-7152 / Fax (303) 832-4104

630 Oakwood Avenue, West Hartford, CT 06110
(203) 953-1889 / Fax (203) 953-1713

1951 Fourth Avenue, San Diego, CA 92101
(619) 544-1860 / Fax (619) 544-0230

A BURRELLE'S Affiliate

TRANSCRIPT

DATE August 18, 1994
TIME 5:02 PM
STATION WTIC-AM Radio
LOCATION Hartford, Conn.
PROGRAM 1080 News

Richard Price, anchor:

Come next Spring that UPS truck that pulls up to your front door will be a clean machine. That's because the UPS in Greater Hartford is converting its truck fleet from diesel fuel to compressed natural gas. The package delivery service says all one hundred trucks operating in the metro Hartford area will be converted to the cleaner burning natural gas. The Co-chair of the Legislature's Transportation Committee, State Senator Michael Meotti, says as tougher and tougher federal environmental regulations kick in, this will be a great deal of help.

Senator Michael Meotti (Co-chair, Legislature's Transportation Committee): As the Federal Government challenges the State Government now, the actions I think of UPS help us challenge everyone else to do their role in providing cleaner air for the people of Connecticut and throughout the region.

Price: It will cost eight thousand dollars per truck for UPS to convert but part of the expense will be off-set by fuel tax credits approved by the 1994 General Assembly.

# # #

4-22

VIDEO MONITORING SERVICES OF AMERICA, INC.

330 West 42nd Street, New York, NY 10036
(212) 736-2010 / Fax: (212) 736-8396

6430 West Sunset Blvd, Los Angeles, CA 90028
(213) 993-0111 / Fax: (213) 467-7540

212 West Superior Street, Chicago, IL 60610
(312) 649-1131 / Fax: (312) 649-1527

1930 Chestnut Street, Philadelphia, PA 19103
(215) 569-4990 / Fax: (215) 563-1985

730 Harrison Street, San Francisco, CA 94107
(415) 543-3361 / Fax: (415) 543-6148

26400 Lahser Road, Suite 312, Southfield, MI 48034
(810) 352-9220 / Fax: (810) 352-9226

361 Newbury Street, Boston, MA 02115
(617) 266-2121 / Fax: (617) 266-1301

8111 LBJ Freeway, Dallas, TX 75251
(214) 644-9696 / Fax: (214) 644-7055

1066 National Press Building, Washington, DC 20045
(202) 393-7110 / Fax: (202) 393-5451

10260 Westheimer, Suite 210, Houston, TX 77042
(713) 789-1635 / Fax: (713) 789-0980

2125 Biscayne Boulevard, Miami, FL 33
(305) 576-3581 / Fax: (305) 576-3049

190 East Ninth Avenue, Denver, CO 80203
(303) 861-7452 / Fax: (303) 832-4104

630 Oakwood Avenue, West Hartford, CT 0611
(203) 953-1889 / Fax: (203) 953-1713

1951 Fourth Avenue, San Diego, CA 92101
(619) 544-1860 / Fax: (619) 544-0230

A BURRELLE'S Affiliate

TRANSCRIPT

DATE	August 19, 1994
TIME	7:34 AM
STATION	WPKT-FM Radio
LOCATION	Hartford, Conn.
PROGRAM	WPKT News

Raymond Edwards, anchor:

United Parcel Service will replace its diesel powered package delivery vehicles in Hartford with one hundred powered by compressed natural gas. The company said yesterday, it will also build a compressed natural gas fueling station at its operating facility in Hartford. UPS was motivated by state legislation offering economic incentives to private fleet operators that use alternative fuels like compressed natural gas. The company says it hopes to build on its Hartford initiative by expanding its natural gas program elsewhere in Connecticut.

# # #

VIDEO MONITORING SERVICES OF AMERICA, INC.

330 West 42nd Street, New York, NY 10036
(212) 736-2010 / Fax (212) 736-8396

6430 West Sunset Blvd., Los Angeles, CA 90028
(213) 993-0111 / Fax (213) 467-7540

212 West Superior Street, Chicago, IL 60610
(312) 649-1131 / Fax (312) 649-1527

1930 Chestnut Street, Philadelphia, PA 19103
(215) 569-4990 / Fax (215) 563-1985

730 Harrison Street, San Francisco, CA 94107
(415) 543-3361 / Fax (415) 543-6148

26400 Lahser Road, Suite 312, Southfield, MI 48034
(810) 352-9220 / Fax (810) 352-9226

361 Newbury Street, Boston, MA 02115
(617) 266-2121 / Fax (617) 266-1301

8111 LBJ Freeway, Dallas, TX 75251
(214) 644-9696 / Fax (214) 644-7055

1066 National Press Building, Washington, DC 20045
(202) 393-7110 / Fax (202) 393-5451

10260 Westheimer, Suite 210, Houston, TX 77042
(713) 789-1635 / Fax (713) 789-0980

2125 Biscayne Boulevard, Miami, FL 3313.
(305) 576-3581 / Fax (305) 576-3049

190 East Ninth Avenue, Denver, CO 80203
(303) 861-7152 / Fax (303) 832-4104

630 Oakwood Avenue, West Hartford, CT 06110
(203) 953-1889 / Fax (203) 953-1713

1951 Fourth Avenue, San Diego, CA 92101
(619) 544-1860 / Fax (619) 544-0230

A BURRELLE'S Affiliate

TRANSCRIPT

DATE	August 19, 1994
TIME	8:07 AM
STATION	WFCR-FM Radio
LOCATION	Amherst, Mass.
PROGRAM	WFCR News

Bob Paquette, anchor:

United Parcel Service in Hartford, Connecticut announced yesterday they will convert one hundred delivery trucks from diesel power to natural gas by March of next year. The company will also build a natural gas fueling station in the city. UPS spokesman Bob Kenney says the company will spend a million dollars on the conversion but over the long run, it will be worth it.

Bob Kenney (UPS Spokesman): Basically, Connecticut has introduced a bill giving fifty percent of the amount spent in the form of tax incentives to businesses that convert motor vehicles or construct filling stations. So, it is very attractive to us.

Paquette: Kenney says UPS has plans to convert another four hundred vehicles to natural gas within the next two years. The Federal Clean Air Act mandates fleet operators to investigate the use of alternative fuels.

# # #

Gas is a natural for UPS's Hartford fleet

United Parcel Service will replace its diesel-powered delivery vehicles in Hartford, Conn., with 100 vans powered by compressed natural gas. The company will build a CNG fueling station at one of its operating facilities in the city.

The UPS action was spurred by state legislation offering incentives to fleet operators that use alternative fuels. Connecticut, in turn, was pushed by the federal government. The state is classified as one of 22 "ozone non-attainment areas" by the federal Environmental Protection Agency. The Clean Air Act Amendments of 1990 require companies in those areas to purchase clean air vehicles and to operate on clean fuels.

The mandates apply to operators of fleets that have 10 or more vehicles that can be centrally fueled.

For light-duty vehicles, 30% of 1998 model year new vehicle purchases must meet the requirements. The percentages increase to 50% for model year 1999 and 70% for model year 2000.

For heavy duty vehicles, 50% of new vehicles must be clean fueled, beginning with the 1998 model year.

UPS contends that the costs of converting to natural gas are steep and requires support from all levels of government. The carrier says a CNG fueling station can cost as much as $750,000, depending on the cost of real estate, fueling method, and capacity. Vehicle conversion can cost up to $8,000 per vehicle.

The Connecticut law gives the buyer 50% of the amount spent, in the form of a tax incentive, to businesses that convert motor vehicles and build filling stations for clean fuels.

UPS operates the largest private fleet of CNG vehicles in the U.S. It has more than 200 CNG vehicles in California, New York, Oklahoma, Texas, and Washington D.C. With the Hartford project and others, the company expects to triple that fleet in the next 12 months.

TRAFFIC MANAGEMENT

OCTOBER 1994

THE LOGISTICS MAGAZINE

TECHNOLOGY

UPS Brings Alternative-Fuel Program to Connecticut

Hartford, Conn., is the next metropolitan area targeted by United Parcel Service in its drive to expand its growing fleet of compressed natural gas-powered package-delivery trucks. The company announced recently it will replace 100 diesel-powered trucks in that service area with the alternative-fuel vehicles. In addition, it will build a CNG fueling station in that city to service the new fleet.

As was the case with similar fleet changes three years ago in Oklahoma, the move is partly motivated by recent state legislation that offers economic incentives to companies that use alternative fuels.

The UPS announcement was welcome news to Connecticut state legislators who passed the recent legislation, including State Senator Michael Meotti, the bill's sponsor. "Offering businesses economic incentives will greatly speed up the use of alternative fuels in our state as well as the development of associated infrastructure, which means our air will be cleaned up that much faster," he says. "The legislation may even attract new business related to alternative fuel technology."

Connecticut is the first state on the East Coast to enact legislation promoting voluntary use of clean-burning fuels as a means to improve air quality. The state has been classified by the federal Environmental Protection Agency as one of 22 "ozone non attainment areas" because of its substandard air quality. As a result, it must find ways to demonstrate compliance with various provisions of the Clean Air Act of 1990.

Sen. Meotti said at a Hartford press conference that he is especially pleased that his state's first clean air initiative is being taken in partnership with UPS. He said the UPS program will send a strong message to other fleet operators that the large-scale use of alternative fuels is indeed viable. "UPS' past experience with CNG vehicles elsewhere in the country and their new initiative here underscore the fact that alternative fuels aren't just a 'pie-in-the-sky' idea."

UPS currently operates the largest alternative-fuel fleet in the country, with a total of more than 200 CNG vehicles in California, Texas, Oklahoma, New York, and Washington, D.C. With the Connecticut project and others in development, the parcel-delivery company expects to more than triple its CNG fleet in the next 12 months. □

FLEET EQUIPMENT®
The Leading Information Resource for Fleet Equipment Managers
DECEMBER 1994 • VOLUME 20 • NUMBER 12

INDUSTRY NEWS

UPS to Introduce 100 Natural Gas Vehicles in Connecticut

United Parcel Service (UPS) will replace its diesel-powered package delivery vehicles in Hartford, Conn., with 100 powered by compressed natural gas (CNG) and will build a CNG fueling station at its Locust Street operating facility.

Motivated by recent state legislation offering economic incentives to private fleet operators that use alternative fuels like CNG, UPS says it hopes to build on its million-dollar Hartford initiative by expanding its CNG program elsewhere in Connecticut in the near future.

According to State Senator Michael Meotti, who introduced the legislation in the Connecticut State General Assembly, "Offering businesses economic incentives will greatly speed up the use of alternative fuels in our state as well as the development of associated infrastructure, which means our air will be cleaned up that much faster. The legislation may even attract new business related to alternative fuel technology to the state."

Connecticut is the first state on the East Coast to enact comprehensive legislation promoting the voluntary use of clean-burning fuels as a means to improve air quality. The state has been classified as one of 22 "ozone non-attainment areas" by the EPA because of its sub-standard air, and therefore must demonstrate compliance with the stringent Clean Air Act Amendments of 1990.

By partnering with such a highly credible company as UPS, Meotti says he is sending a strong message to other private fleets about the feasibility of using alternative fuels. "UPS's past experience with CNG vehicles elsewhere and their significant new initiative here should underscore the fact that alternative fuels aren't just a 'pie in the sky' idea. Rather they are a viable option to gasoline and diesel that not only will improve Connecticut's air quality, but also lessen our dependence on these fuels, which, unlike natural gas, often must be imported."

Kansas Farm Bureau

PUBLIC POLICY STATEMENT

HOUSE TRANSPORTATION COMMITTEE and

SENATE TRANSPORTATION and UTILITIES COMMITTEE

H.B. 2161 - Alternative Fueled Vehicles; Conversion of Government Fleets; Loan Program and Tax Credits

February 21, 1995
Topeka, Kansas

Presented by:
Bill Fuller, Associate Director
Public Affairs Division
Kansas Farm Bureau

Chairman Vidricksen, Chairman King and members of the committees:

My name is Bill Fuller. I am the Associate Director of the Public Affairs Division at Kansas Farm Bureau. We appreciate this opportunity today to express support for H.B. 2161. The farm and ranch members of the 105 county Farm Bureaus in Kansas have long standing policy supporting the production, distribution and utilization of alternative fuels. The use of agricultural products for the production of fuel provide an additional market for our producers of grains including corn, grain sorghum and soybeans. In addition, these fuels provide positive air quality benefits.

The more than 430 voting delegates at the 76th Annual Meeting of Kansas Farm Bureau adopted the following policy:

(over)

House Transportation Committee
February 21, 1995
Attachment 5

Crop-based Alternative Fuel Production AG-11

We believe ethanol and biodiesel have great potential for reducing U.S. reliance on foreign oil, for addressing environmental concerns, and for crop consumption and crop price enhancement. We strongly support ethanol and biodiesel production and encourage:

1. Consumer education concerning crop-based alternative fuel use;
2. Promotion of ethanol as an octane rating enhancer and an emissions-reducing additive;
3. Utilization of crop-based fuels by state vehicles, by farmers and other consumers;
4. Suppliers to significantly increase quantities of crop-based alternative fuels available to customers; and
5. Establishment of research projects for the utilization of all by-products of the ethanol and biodiesel production processes.

We support tax credits and other appropriate measures which will promote production and sale of crop-based alternative fuels.

KFB is doing something to promote the use of alternative fuels. All drivers of vehicles in the KFB fleet have been advised to purchase ethanol-blended fuel. Directories identifying service stations with supplies of ethanol have been distributed. Information about supplies and utilization of biodiesel has also been distributed.

We certainly appreciate this hearing today that has significant importance to both agriculture and our environment. We respectfully encourage the approval of the concepts outlined in H.B. 2161. Thank you!