

REMARKS PREPARED FOR DELIVERY BY
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AT THE

NATIONAL PROPANE GAS ASSOCIATION'S
GOVERNMENT AFFAIRS CONFERENCE
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WASHINGTON, D. C.

UMTA'S ALTERNATIVE FUELS INITIATIVE PROGRAM

THANK YOU FOR YOUR KIND INTRODUCTION. I WOULD ALSO LIKE TO THANK THE NATIONAL PROPANE GAS ASSOCIATION AND YOUR VICE PRESIDENT OF GOVERNMENT AFFAIRS, JIM BURROUGHS, FOR PROVIDING ME THIS OPPORTUNITY TO ADDRESS YOU CONCERNING THE URBAN MASS TRANSPORTATION ADMINISTRATION'S PROGRAM RELATIVE TO ALTERNATIVE FUELS.

I BRING GREETINGS FROM DOT SECRETARY SAM SKINNER AND UMTA ADMINISTRATOR DESIGNATE BRIAN CLYMER. YOUR GOVERNMENT AFFAIRS CONFERENCE IN WASHINGTON PROVIDES AN EXCELLENT OPPORTUNITY TO GET FIRST HAND KNOWLEDGE FROM DIFFERENT GOVERNMENTAL AGENCIES ABOUT WHAT'S GOING ON IN WASHINGTON CONCERNING CLEAN AIR, ALTERNATIVE FUELS, AND THE SORT.

WHEN BUREAUCRATS OR POLITICIANS GET TOGETHER, WE EXPECT A LOT OF HOT AIR TO BE GENERATED IN SMOKED FILLED ROOMS. TODAY AT THIS PANEL SESSION, HOWEVER, THE TYPE OF AIR THAT WE WANT TO SEE GENERATED IS CLEAN AND BREATHABLE. THE THREE BASIC NEEDS FOR LIFE TO EXIST ARE FOOD, WATER, AND AIR AND IT IS AIR THAT IS BY FAR THE MOST IMPORTANT. WE CAN SURVIVE FOR DAYS WITHOUT FOOD OR WATER, BUT WITHOUT AIR WE WOULD QUICKLY PERISH.

THE QUALITY OF THE AIR IS A MAJOR ISSUE ALL ACROSS AMERICA. COMMUNITIES ARE FACING A CRISIS IN TERMS OF TRAFFIC CONGESTION WHICH IS STRANGLING THE TRANSPORTATION NETWORKS OF OUR URBAN AND SUBURBAN AREAS, AND NOXIOUS EMISSIONS WHICH ARE CHOKING THE VERY AIR THAT WE BREATHE AND POLLUTING THE ENVIRONMENT. BOTH ARE HAVING SERIOUS IMPACTS ON THE VITALITY OF OUR AMERICAN CITIES AND WELL-BEING OF THEIR CITIZENS.

THIS IS NOT A NEW PROBLEM THAT HAS JUST BEEN UNCOVERED. THE IMPORTANCE OF OUR NATION'S ENVIRONMENT WAS RECOGNIZED ALMOST TWO DECADES AGO WITH THE PASSAGE OF THE NATIONAL ENVIRONMENTAL POLICY ACT IN 1970. YET, TODAY 100 METROPOLITAN AREAS FACE POTENTIAL SANCTIONS FOR FAILING TO MEET THE ENVIRONMENTAL PROTECTION AGENCY'S STANDARDS FOR OZONE AND CARBON MONOXIDE.

FURTHERMORE, WE NOW ALL RECOGNIZE THAT THIS IS MORE THAN SIMPLY A DOWNTOWN PROBLEM. FORTY-FOUR STATES HAVE BEEN INFORMED TO TAKE STEPS TO MITIGATE MOTOR VEHICLE POLLUTION IN SUBURBAN AREAS THAT CONTRIBUTE TO THE URBAN AREAS FAILURE TO MEET CLEAN AIR STANDARDS. AS THE DISTINCTION BETWEEN URBAN AND SUBURBAN HAS BECOME BLURRED, WE HAVE COME TO TO THE REALIZATION THAT THIS IS REALLY NOT ONLY A REGIONAL PROBLEM, BUT IN FACT A NATIONAL PROBLEM.

TWO SATURDAYS AGO, I READ AN ARTICLE IN THE WASHINGTON POST WHICH INDICATES THAT THE U.S. CONTRIBUTION TO THE GREENHOUSE EFFECT HAS INCREASED SIGNIFICANTLY AND AT A MUCH HIGHER RATE THAN THE REST OF THE WORLD SINCE 1986.

HOWEVER, I FEEL AS IF I'M PREACHING TO THE CHOIR--YOU ARE THE CONVERTED. YOU ALREADY HAVE HAD THE FORESIGHT AND DISPLAYED THE LEADERSHIP NECESSARY TO CONSTRUCTIVELY ADDRESS THIS PROBLEM. YOUR PAST AND CONTINUING EFFORTS IN THE CONVERSION OF EXISTING ENGINE TECHNOLOGY TO RUN ON PROPANE ALSO SPEAK DIRECTLY TO THIS CRITICAL ISSUE. THE PROPANE VEHICLES WHICH YOU HAVE HERE ON DISPLAY IS YET ANOTHER EXAMPLE OF THAT LEADERSHIP AND INITIATIVE.

THE GREATEST CONTRIBUTOR TO OUR AIR QUALITY PROBLEM IS EMISSIONS FROM MOTOR VEHICLES. IT IS WELL RECOGNIZED THAT TRAFFIC CONGESTION INCREASES THE AMOUNT OF POLLUTION AS VEHICLES OPERATE IN IDLE OR LOW SPEED CONDITIONS. CURTAILING TRAVEL AND DEVELOPMENT COULD BE ONE SOLUTION. HOWEVER, THE SEVERE IMPACT OF STIFLED ECONOMIC DEVELOPMENT AND ACCESS TO JOBS MAKES THIS SOLUTION AS DAMAGING AS THE PROBLEM.

WE MAY CONSIDER SHIFTING TRAVEL BEHAVIOR TOWARD HIGHER OCCUPANCY MODES OF TRAVEL SUCH AS TRANSIT. HOWEVER, AMERICA'S LOVE AFFAIR WITH THE AUTOMOBILE IS NOT JUST A SOUTHERN CALIFORNIA PHENOMENA, IT IS NATIONAL.

BUT, WITH THE TYPICAL SMOKE AND SMELL OF DIESEL FUELED BUSES, IT'S HARD TO CONVINCE PEOPLE THAT THEY ARE DOING SOMETHING GOOD FOR THE ENVIRONMENT BY RIDING BUSES. PARTICULATE EMISSIONS FROM DIESEL ENGINES ARE KNOWN TO BE MUTAGENIC AND CARCINOGENIC. AS YOU KNOW, BUSES GENERALLY OPERATE IN THE MOST CONGESTED CORRIDORS OF TRAVEL AND EMIT POLLUTANTS AT GROUND LEVEL. THEREFORE, EPA'S EMISSION STANDARDS FOR NEW PURCHASED TRANSIT BUSES ARE MORE STRINGENT THAN IT IS FOR TRUCKS. UNFORTUNATELY, ATTAINMENT OF THESE STANDARDS IS PROVING EXTREMELY DIFFICULT TO MEET.

WE BELIEVE THAT THESE PROBLEMS CAN ONLY BE ADDRESSED WITH A COMPREHENSIVE AND COORDINATED APPROACH WHICH INTEGRATES THE LATEST TECHNIQUES OF TRAFFIC MANAGEMENT WITH THE LATEST TECHNOLOGY IN EMISSIONS CONTROL. FURTHERMORE, IT WILL REQUIRE THE COMBINED EFFORTS OF ALL LEVELS OF GOVERNMENT AND ALL SEGMENTS OF THE PRIVATE SECTOR. YOUR EFFORTS IN THIS ARENA, AS I MENTIONED IT EARLIER, IS A SHINING EXAMPLE OF THE EFFORT THAT WILL BE REQUIRED FROM THE PRIVATE SECTOR.

WE BELIEVE THAT UMTA'S ALTERNATIVE FUELS INITIATIVE PROGRAM WHICH WAS ANNOUNCED A LITTLE OVER A YEAR AGO IS A CRITICAL ELEMENT IN ADDRESSING OUR NATION'S INTER-RELATED AIR QUALITY AND MOBILITY PROBLEMS. THE PROGRAM IS AIMED AT FIVE OBJECTIVES:

1. TO ENCOURAGE THE ADOPTION OF ALTERNATIVE FUELS IN A WIDE RANGE OF TRANSIT APPLICATIONS TO IMPROVE AIR QUALITY, REDUCE THE NATION'S DEPENDENCY ON FOREIGN SOURCES OF ENERGY AND INCREASE THE USE OF AMERICA'S NATURAL AND RENEWABLE ENERGY SOURCES.
2. TO ENHANCE SUBURBAN AND URBAN MOBILITY THROUGH INCREASED USE OF NON-POLLUTING TRANSIT SERVICES.
3. TO ENCOURAGE THE CREATION OF NEW JOBS THROUGH THE EXPANSION OF ALTERNATIVE FUEL PRODUCTION AND MARKETS.
4. TO ENCOURAGE PRIVATE ENTREPRENEURIAL OPPORTUNITIES FOR THE UTILIZATION OF NEW TRANSIT SERVICES USING ALTERNATIVE FUELS.
AND,
5. TO DOCUMENT ALTERNATIVE FUELS AS SAFE AND COST EFFECTIVE FOR A WIDE RANGE OF TRANSIT APPLICATIONS.

TO DATE WE HAVE RECEIVED OVER 50 PROPOSALS FOR ABOUT 600 ALTERNATIVE FUELED VEHICLES. OF THESE, MORE THAN HALF ARE FORMAL APPLICATIONS FOR OVER 275 ALTERNATIVE FUELED VEHICLES. IT IS ANTICIPATED THAT WE WILL AWARD ALL THE APPLICATIONS FOR WHICH WE HAVE MONEY RESERVED IN FY 1989, I.E., ABOUT \$25 MILLION IN FEDERAL FUNDS.

OF THE 275 ALTERNATIVE FUELED VEHICLES, ONLY 6 ARE PROPANE POWERED. NOW, I DO NOT WANT TO TELL YOU HOW TO MARKET YOUR PRODUCT, BUT OBVIOUSLY, IF YOU PLAN TO PROMOTE IT, YOU WILL HAVE TO DO MORE.

I RECOGNIZE THAT THE NATIONAL PROPANE GAS ASSOCIATION IS NOT INTIMATELY FAMILIAR WITH THE TRANSIT INDUSTRY, BUT THEN NEITHER WERE THE AMERICAN GAS ASSOCIATION PEOPLE. THEY WENT AROUND THIS PAST YEAR LEARNING ABOUT TRANSIT AND HOW TO DO BUSINESS WITH TRANSIT OPERATORS. AS A RESULT, A SIGNIFICANT MAJORITY OF THE APPLICATIONS THAT WE HAVE RECEIVED HERE AT UMTA HAVE BEEN FOR ALTERNATIVE FUELED VEHICLES POWERED BY COMPRESSED NATURAL GAS. YOU MIGHT WANT TO EMULATE THEIR APPROACH.

WE FEEL THAT OUR PROGRAM HAS BEEN A GREAT SUCCESS, WE ARE THE CATALYST AND YOU THE PRIVATE SECTOR PROVIDE THE SUPPORT.

AS YOU ARE AWARE, THE PRESIDENT'S PROPOSED CLEAN AIR ACT AMENDMENT PROVIDES STRONG DIRECTION WITH REGARD TO ALTERNATIVE FUELS. FOR METROPOLITAN AREAS OF OVER ONE MILLION, ALL NEW BUS PURCHASES WILL HAVE TO BE ALTERNATIVE FUELED ON A PHASE-IN SCHEDULE: TEN PERCENT IN 1991, TWENTY-FIVE PERCENT IN 1992, SIXTY PERCENT IN 1993, AND ONE HUNDRED PERCENT IN 1994 AND THEREAFTER.

ADDITIONALLY, FOR THE MOST SERIOUS OZONE NON-ATTAINMENT AREAS, A PROGRAM WOULD BE ESTABLISHED TO INCREASE THE NUMBER OF CLEAN-FUEL VEHICLES--500,000 VEHICLES IN MODEL YEAR 1995, 750,000 VEHICLES IN MODEL YEAR 1996, AND 1,000,000 VEHICLES PER YEAR FOR MODEL YEAR 1997 THROUGH 2004.

LET ME EMPHASIZE THAT NEITHER THE PRESIDENT'S PROPOSAL NOR UMTA'S AFI PROGRAM FAVOR ONE ALTERNATIVE FUEL OVER ANOTHER. ALL CLEAN ALTERNATIVE FUELS INCLUDING "METHANOL, ETHANOL, NATURAL GAS, PROPANE, ELECTRICITY, REFORMULATED GASOLINE OR OTHER POTENTIAL MOTOR VEHICLE PROPELLANT THAT HAVE LOW EMISSIONS ARE ACCEPTABLE.

WE ARE ENTHUSIASTICALLY SUPPORTIVE OF THE PRESIDENT'S PROPOSED AMENDMENTS. HOWEVER, WE ARE ALSO COGNIZANT OF ALL THAT IS NECESSARY TO MOVE AN INDUSTRY FROM DIESEL FUEL WITH WHICH THERE IS VAST EXPERIENCE TO A DIFFERENT TYPE OF FUEL, WHICH AT THIS TIME IS BASICALLY UNKNOWN.

THE USE OF ALTERNATIVE FUELS ALSO FACES CHALLENGES FROM LOCAL PROHIBITIONS AND RESTRICTIONS THAT MAY, OR MAY NOT BE WARRANTED. THESE ARE LOCAL, BUT VERY REAL PROBLEMS. WE HAVE MUCH TO DO IN THIS AREA TO DETERMINE WHAT ARE APPROPRIATE REGULATIONS.

WE AT UMTA CONSIDER THE SAFE OPERATION OF TRANSIT PARAMOUNT FROM NOT ONLY A PASSENGER PERSPECTIVE BUT ALSO FROM A TRANSIT EMPLOYEE PERSPECTIVE. THE TRANSIT INDUSTRY IS A LABOR INTENSIVE ONE AND ONE IN WHICH ITS WORK FORCE IS ITS GREATEST ASSET. UMTA HAS EVERY INTENTION OF ENSURING THAT THE HEALTH AND SAFETY OF TRANSIT'S WORKERS ARE NOT JEOPARDIZED BY THE INTRODUCTION OF ALTERNATIVE FUELS.

WE CERTAINLY WANT TO ALLEVIATE ANY MIS-PERCEPTIONS THAT MAY EXIST WITHIN THE INDUSTRY. TO THAT END, WE BELIEVE THAT APPROPRIATE TRAINING MEASURES WILL HAVE TO BE UNDERTAKEN TO ELIMINATE MISREPRESENTATIONS AND TO GUARANTEE TRANSIT'S SAFE OPERATION.

MANY CONSIDER ALTERNATIVE FUELS TO BE A CURE-ALL WHICH WILL MAGICALLY PROVIDE URBAN AND SUBURBAN MOBILITY, WHICH WILL CLEAN OUR NATION'S AIR, AND WHICH WILL PROVIDE US WITH ENERGY INDEPENDENCE. GREAT PROGRESS HAS BEEN MADE IN DEVELOPING THE NECESSARY TECHNOLOGY TO MAKE ALTERNATIVE FUELED TRANSIT BUSES A REALITY.

HOWEVER, WE NEED TO BE REALISTIC AS WELL. WE MUST REALIZE THAT THIS TECHNOLOGY HAS NOT FULLY MATURED. THE PRECISE EMISSION AND ECONOMIC CHARACTERISTICS, RELIABILITY, AND DURABILITY HAVE YET TO BE COMPLETELY DETERMINED.

THE PRESIDENT'S PROPOSED PHASE-IN SCHEDULE IS A REALISTIC APPROACH THAT PROVIDES THE OPPORTUNITY FOR THE TECHNOLOGY TO MATURE. IT ALSO PROVIDES THE NECESSARY THRUST TO MOVE THOSE WHO HAVE SOUGHT TO DELAY AND DRAG THEIR FEET OVER THIS ISSUE.

THERE IS CERTAINLY MUCH MORE TO BE DONE BEFORE WE REACH THE DAY WHERE A NON-POLLUTING BUS IS THE NORM RATHER THAN THE EXCEPTION. WE WELCOME THE OPPORTUNITIES, AND THE CHALLENGES. WE BELIEVE THAT THIS ISSUE REPRESENTS A SHINING EXAMPLE OF A STRENGTH OF THE PUBLIC/PRIVATE COOPERATIVE EFFORT IN ADDRESSING NATIONAL ISSUES. IN LIGHT OF SHRINKING FEDERAL RESOURCES, WE LOOK TO MAINTAIN AN ACTIVE PARTNERSHIP WITH THE PRIVATE SECTOR. WE ARE LOOKING FOR THE CONTINUED CONTRIBUTION OF RESOURCES FROM THE PRIVATE SECTOR IN DEVELOPING INNOVATIVE SOLUTIONS TO OUR NATION'S PRESSING NEEDS.

AND WHILE I HOPE, I KNOW, THAT WE AT THE FEDERAL LEVEL WILL HAVE YOUR CONTINUING SUPPORT TOWARD THAT GOAL.

THANK YOU.

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