

A National Strategy for the New U.S. NGV Industry

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THE NEW ENVIRONMENT

- Four major changes have occurred that are repositioning the U.S. NGV industry:
 - World demand-driven rising petroleum prices
 - Impact of hurricanes Katrina and Rita on oil availability and prices
 - Emergence of vocal national conservative organizations lobbying for reduction in foreign oil dependence
 - Passage of the CLEAR ACT incentives and other pro-NGV Energy and Highway Bill programs

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THE NEW ENVIRONMENT

- These events have:
 - Generated significant customer interest in NGVs
 - Shifted the vehicle economics in favor of NGVs
 - Created a golden opportunity for the industry
- They've also shifted the focus of national programs the industry needs to capitalize on the opportunity

PROPOSED NATIONAL FOCUS

- Four-part strategy:
 - National government Advocacy
 - Congress and Executive Agencies (e.g., DOE, EPA)
 - Customer Marketing and Education
 - Media and Industry Communications
 - Technology/Vehicle Development

NATIONAL GOVERNMENT ADVOCACY

- With passage of the Energy and Highway Bills, more government advocacy is needed – not less
- Highest priority activities:
 - Promulgation of Incentive and New Program Regulations

NATIONAL GOVERNMENT ADVOCACY

Promulgation of Incentive and New Program Regulations

- Fuel, Vehicle and Infrastructure Tax Incentives (Treasury)
- National Units of Sale (Conference on Weights and Measures)
- Clean School Bus Program (EPA)
- EPAct modifications (DOE)
- Incremental Cost Allocation for Federal Vehicles (GSA, OMB)
- Review of EPAct Programs (DOE)
- Mobile Emissions Reductions Trading and Crediting (EPA)
- Alternative Fuels Reports (DOE)
- Regulation of After Market Conversions (EPA)

NATIONAL GOVERNMENT ADVOCACY

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 - Appropriations of Funds for New Programs

NATIONAL GOVERNMENT ADVOCACY

Appropriations for New & Existing Programs

- Clean School Bus Program (EPA)
- Advanced Vehicles Pilot Demonstration Program (DOE)
- Diesel Truck & Retrofit Modernization Program (DOE)
- Railroad Efficiency Improvement Program (DOE, DOT)
- Diesel Emission Reductions Program (EPA)
- Joint Flexible Fuel/Hybrid Vehicle Commercialization Initiative (DOE)

- NGV RD&D (DOE)
- Clean Cities (DOE)
- Individual member company local project appropriations

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 - Appropriations of Funds for New Programs
 - Extension of Tax Credits

NATIONAL GOVERNMENT ADVOCACY

Extension of Tax Credits

- All three credits have expiration dates:
 - Vehicles: December 31, 2010
 - Infrastructure: December 31, 2009
 - Fuel: September 30, 2009
 - But the excise tax increase doesn't expire until September 30, 2011
- All three tax credits must be extended
- The groundwork must begin to be laid now.

NATIONAL GOVERNMENT ADVOCACY

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 - Promulgation of Incentive and New Program Regulations
 - Appropriations of Funds for New Programs
 - Extension of Tax Credits
 - Making NGVs a federal priority (including RD&D)

NATIONAL GOVERNMENT ADVOCACY

Making NGVs a Federal Priority

- Administration's espoused transportation policy:
 - Hydrogen in the longer term
 - Farm fuels and hybrids until then
- DOE has requested zero dollars for NGV RD&D the past two years
- That's got to change
- The Administration must explicitly include NGVs as playing a significant role in America's transportation future

CUSTOMER MARKETING AND EDUCATION

- Key Market Targets:
 - Transit buses
 - Trash haulers
 - School buses
 - Government fleets
 - Airports
 - Water ports
 - Utility fleets

CUSTOMER MARKETING AND EDUCATION

- Highest priority activities:
 - Development of collateral marketing materials and tools explaining new NGV economics
 - e.g., NGV Purchasing Guide
 - Coordination of presentations/seminars before target market decision makers
 - Coordination of NGV industry participation in target market trade shows (“NGV Zones”)
 - Preparation and publication of NGV case studies and other articles in target market trade publications

MEDIA AND INDUSTRY COMMUNICATIONS

- Highest priority activities:
 - Aggressively respond to national/trade articles that:
 - Are negative about NGVs
 - Don't mention NGVs, but should
 - Proactively contact key media, and work for positive NGV media coverage
 - Continue to keep member companies abreast of all national and international development that affect the NGV industry

TECHNOLOGY AND VEHICLE DEVELOPMENT

- Highest priority activities:
 - Convince More OEMs to Re-enter (or enter) the Market
 - Develop New Medium- and Heavy-duty Platforms through the UPFC
 - Continue to maintain existing and develop new CNG and LNG C&S through CSA, NFPA and other standards organizations
 - Support SAE work developing LNG tank, composition and connector standards along with other SAE NGV standards

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TECHNOLOGY AND VEHICLE DEVELOPMENT

- Participate on the DOE's Hydrogen Codes and Standards Coordination Committee
 - Ensure orderly transfer of knowledge from the NGV experience
- Support CSA's activities in expanding NGV standards to include hydrogen
- Strengthen the role of the Technology Committee in evaluating NGV RD&D programs and solicitation/coordination of funding partners
- Strengthen the Technology Committee in evaluating failures and incidents involving alt fuel vehicles and systems

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TECHNOLOGY AND VEHICLE DEVELOPMENT

- Support CNG cylinder inspection training
 - Provide scholarships
 - Evaluate the effectiveness of the training
- Provide guidance and support of the harmonization of international NGV standards
- Develop road map for infrastructure expansion in key niche markets
- Continue sponsoring and administering the Transit Users Group and its newsletter

REALIGNING NGVC AND CVEF

Background

- In 2003, the marketing and technology functions of the NGVC were transferred to the CVEF:
 - Permitted NGVC to focus on highest priority, i.e., passage of the CLEAR ACT incentives
 - Isolated existing and potential DOE technology contracts from the lobbying activities
 - Provided more revenue options, e.g., sponsorships

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REALIGNING NGVC AND CVEF

Background

- That structure worked well the past two years
 - Although it caused confusion in the industry
- With the new economic realities, another restructuring is needed

REALIGNING NGVC AND CVEF

- Therefore, the Boards of both the NGVC and CVEF have approved the following:
 - Marketing and customer education functions (and staff) would move back to NGVC
 - Technology functions (and staff) would stay in CVEF
 - NGVC would provide CVEF an annual grant to underwrite operations
 - The CVEF would not solicit sponsorship or funding from the US NGV industry

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REALIGNING NGVC AND CVEF

- The CVEF would continue to manage its existing contracts and seek others
- The NGV Coalition would be renamed the NGV Alliance to reflect its more integrated and focused mission

IT'S TIME TO PULL TOGETHER

- We have a golden opportunity
 - But it's only important and of value if we take advantage of it
- Much work needs to be done at the national level
- All NGV Stakeholders need get behind and support the effort

What Do You Think?

- Are we heading in the right direction?
- Is this strategy what you believe is needed?
- What should be added? Dropped?
- We need to hear from you!!

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