

June 13, 2006

## Dear GSA Automotive Customers:

This letter is to inform you of GSA Automotive's compliance strategies to the upcoming 2007 environmental regulations and the impact to our 2007 procurement programs. The primary purposes of GSA's Federal Vehicle Standards are to achieve a practical degree of standardization within the Federal Government's automotive fleet and to simplify the competitive procurement of vehicles through our choice programs. The Engineering & Commodity Management Division within the GSA Vehicle Acquisition and Leasing Center recently conducted market research on upcoming 2007 Federal Environmental Regulations and their potential effects on federal vehicle procurement activities.

The Environmental Protection Agency's new regulations are defined in the Code of Federal Regulations Title 40 Subchapter C- Part 86, "Control of Emissions from New and In-use High-way Vehicles and Engines". Section 86.007-11 "Emission standards and supplemental requirements for 2007 and later model year diesel heavy-duty engines and vehicles" applies to diesel engines and vehicles equipped with diesel engines. There are many technological elements that original equipment manufacturers are developing and packaging into their vehicles equipped with diesel engines to comply with upcoming environmental regulations. The technologies may include, but are not limited to, re-design of engine fuel delivery systems compatible with new mandatory Ultra Low Sulfur Diesel (ULSD) fuels, exhaust gas recirculation, particulate diesel filters to reduce particulate matter, new engine lubricants, new electronic controls, and improved engine cooling systems to accommodate the higher engine operating temperatures.

The prices of vehicles over 8500 Pounds GVWR equipped with diesel engines, both as minimum equipment or optional equipment are expected to increase substantially in 2007. Vehicles affected by these changes include pick-ups, light, medium and heavy cab chassis/trucks, ambulances, buses, wreckers, carriers and a variety of vehicles available under GSA Schedule 23V program.

GSA will include firm technical requirements in our 2007 Federal Standards 122, 307, 794, 807, 833, GSA's requirements for wreckers/carriers and GSA's minimum requirements for ambulances covered in part under Federal Specification KKK-A-1822E. These requirements will include specific requirements for particulate emission levels associated with diesel engines.

The 2007 vehicles equipped with diesel engines procured through GSA will also require the use of ULSD fuel. The scheduled transition date for distribution of ULSD is October 2006. The ULSD should be compatible with most prior model year vehicles equipped with diesel engines.

Hopefully, this information is helpful for your planning purposes. Should you have any further questions or need additional information, please feel free to contact me directly at (703) 605-2965, or by e-mail at <a href="mailto:russell.miller@gsa.gov">russell.miller@gsa.gov</a>.

Sincerely,

Russ Miller Director

Engineering & Commodity Management Division (FFAE)

**GSA** Automotive

Vehicle Acquisition and Leasing Services