



United States
Department of
Agriculture

OCT 29 2007

Office of the
Assistant Secretary
for Administration

1400 Independence
Avenue SW

Washington, DC
20250-0103

TO: Subcabinet Officials
Agency Heads

FROM: Boyd K. Rutherford
Assistant Secretary
for Administration

SUBJECT: Fiscal Year 2008 Policy on Acquisition of Alternative Fuel Vehicles
for Agency Fleets

My memorandum, dated November 17, 2006, entitled, "Policy on Acquisition of Alternative Fuel Vehicles for Agency Fleets," established new policy guidance requiring USDA agencies to acquire E85 ethanol flexible fuel vehicles when available for all light duty vehicles leased or purchased through the General Services Administration (GSA) or commercially. After careful analysis of the USDA orders placed through GSA in Fiscal Year (FY) 2007 and discussion with GSA concerning the incremental cost methodology applied to leased vehicles, I have determined that continuing with a 100 percent E85 acquisition compliance policy is not economically feasible for FY 2008.

Therefore, by this memorandum, I am issuing revised policy guidance on acquisition of alternative fuel vehicles for agency fleets for FY 2008. This guidance continues to support the alternative fuel vehicle fleet requirements of both the Energy Policy Act and Executive Order 13423, "Strengthening Federal Environmental, Energy, and Transportation Management," while recognizing the incremental cost impact on agency fleet budgets. The E85 alternative fuel vehicle acquisition policy for FY 2008 is as follows:

1. **GSA Leased Vehicles**
Agencies shall ensure that 75 percent of all light duty vehicles leased for use in Metropolitan Statistical Areas (MSAs) are E85 flexible fuel vehicles.
2. **Purchased Vehicles and Commercial Leases**
Agencies shall ensure that 100 percent of purchased and commercially leased light duty vehicles for use in MSAs are E85 flexible fuel vehicles. Additionally, all non-MSA light duty vehicle acquisitions where the vehicle will be garaged near a public or otherwise readily accessible E85 fueling station shall be E85 flexible fuel vehicles. This applies in all cases unless an E85 option is not available for the specific vehicle type and size needed. In accordance with guidance issued by the Department of Energy, "near" is defined as within a five mile radius or within 15 minutes driving time.

Subcabinet Officials and Agency Heads

Page 2

To determine if a vehicle is located in an MSA, agency Fleet Managers can refer to:
http://www.eere.energy.gov/vehiclesandfuels/epact/state/progs/dyn_msa.cgi.

The ultimate goal is, of course, reducing our use of petroleum based fuels and increasing use of alternative fuels, especially biofuels such as E85 ethanol. This is not only a legislative requirement, but also of great importance to the Department. To accomplish this goal, I ask for your continued support in emphasizing to your agency fleet personnel the importance of using alternative fuels to the greatest extent possible in all agency E85 flexible fuel vehicles.

The policy directive will be forwarded to GSA for inclusion in their acquisition instructions to USDA fleet ordering offices nationwide. The Agriculture Property Management Regulations will also be revised to incorporate this policy.

Please feel free to contact me with any questions you may have regarding this policy. Elaine Plotkin (202-720-8873) and Sharon Holcombe (202-720-3820) of the Office of Procurement and Property Management are available to assist with staff inquiries.

cc: Directors, Administrative Services Divisions
Cheryl Brumback, ARS, NASS
Renee Utt, ARS, NASS
Gerrard Campbell, OIG
Lisa Aumann, OIG
Yvette Rushing, NRCS
Russ Noyes, APHIS, AMS, GIPSA
Annette Perry, APHIS
Jeanne Jacobs, RD
James Shavers, RD
Shonni Hanks, FS
Melissa Frey, FS-FEPP
Hedy Armstrong, FAS
James Brice, FAS
John Bausch, FNS
Sharon Boyd, NFC
Ray Moreno, OCIO
Teresa Maguire, DA
Johnny DuBose, FSA
Tony Jones, FSA
Bessie Harris, RMA
Mary Slay, RMA
Sue Miller, FSIS