

Do as I say, not as I do

By Carolyn Amon

In his [State of the Union address](#), President Obama spoke of unfinished tasks and called for the creation of an Energy Security Trust to promote advanced vehicle technologies. The Trust is a great idea, but in addition to this project finishing tasks will require catch-up on some previous commitments. After a strong start in his first term, the Obama administration has fallen behind on its promise to lead in three AFV-related goals.

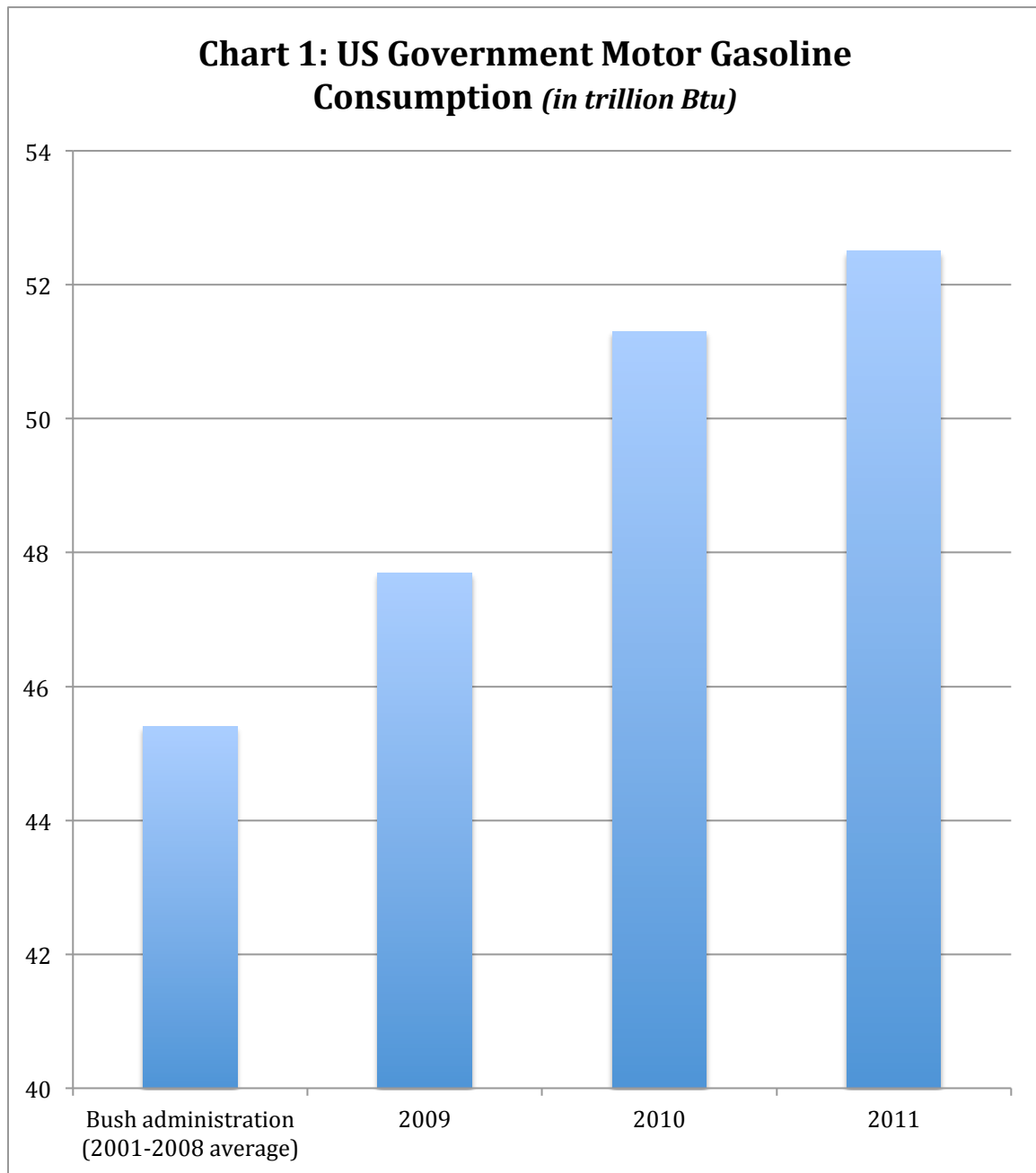
In a 2011 [Presidential Memorandum](#), Obama committed the federal government to lead by example in the national effort to reduce oil imports by a third by 2025, increase the number of electric vehicles on the road to 1 million, and build manufacturing capacity for AFVs. The memorandum specified that to do its part the government would, by 2015, purchase only alternative fuel vehicles to fulfill its light-duty vehicle needs.

This is more than just a symbolic gesture. As the largest light-duty fleet operator in the United States, owning close to half a million vehicles, the federal government can be a market mover¹. Indeed, the number of new vehicles it purchases every year far exceeds the total number of hybrid and electric vehicles annually sold on the U.S. market.

Thus far, however, the government has failed to reduce its oil consumption, increase its hybrid and electric vehicle purchases, or primarily source from hybrid and electric vehicles produced in the U.S.

¹ According to a [GAO study](#) the federal fleet totals 449,000 vehicles, excluding postal civilian and tactical military vehicles.

1) Oil consumption growth



Source: based on data from the [EIA](#)

As chart 1 shows, since President Obama took office the U.S. federal government's consumption of motor gasoline has steadily increased. Each year, consumption has surpassed the average during President Bush's presidency. The figure for 2011, the latest year available, reached a decades-high 52.5 – a level not seen since 1982.

2) Fall in hybrid and electric vehicle purchases

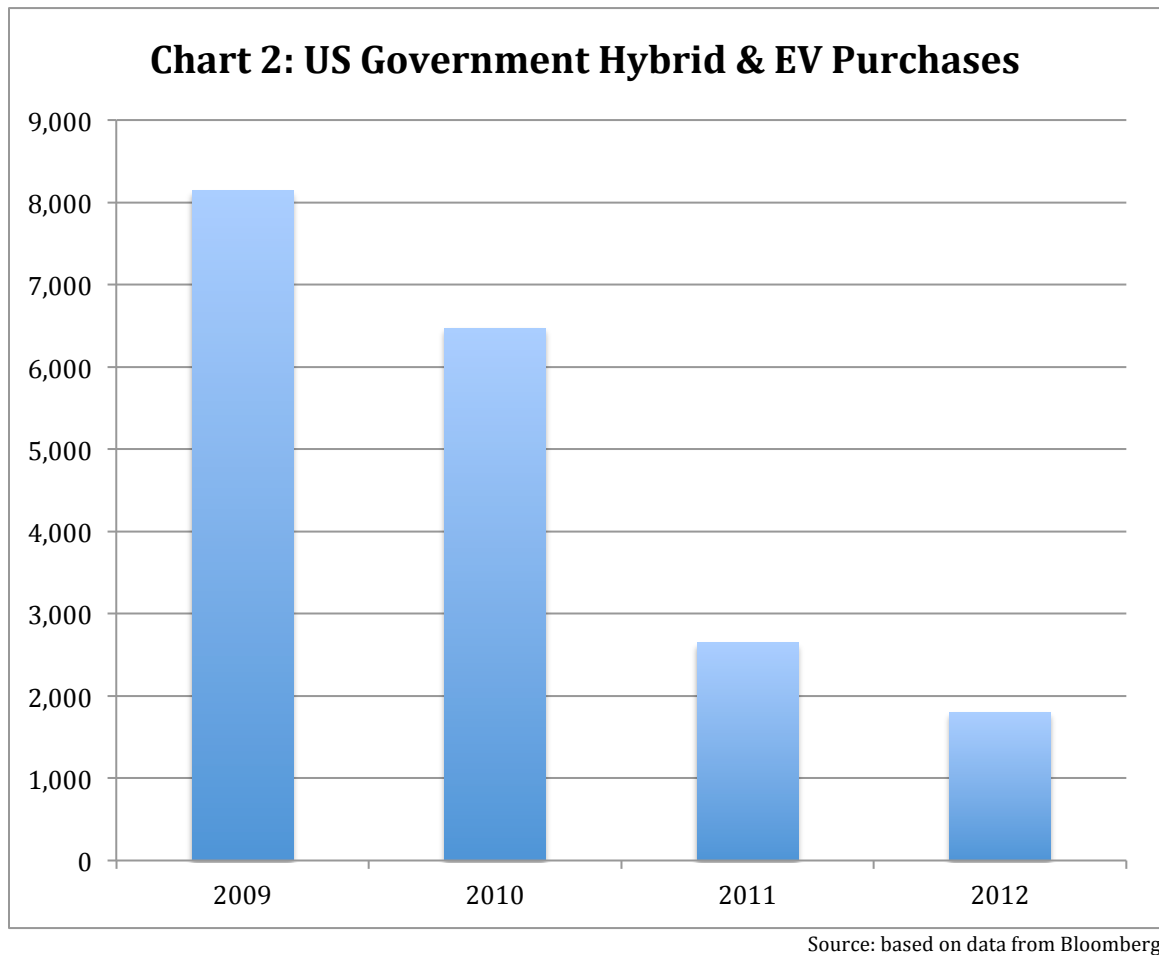


Chart 2 shows that after a record 8,139 hybrid and electric vehicles in 2009 federal government purchases of these vehicles have decreased every year. Purchases more than halved between 2010 and 2011 and fell by a third between 2011 and 2012, to just 1,801 vehicles.

Hybrid and electric vehicle acquisitions have also fallen as a share of total federal agency vehicle purchases. According to a [Bloomberg report](#) hybrids and EVs accounted for 10% of all vehicles bought in 2009 and 2010, at a time when they accounted for 2.5% of the U.S. automotive market. This was a big jump compared to the Bush administration years, when hybrid and electric vehicles accounted for less than 1% of total purchases. However, the share has significantly dropped during Obama's presidency. In 2012 the [3.6%](#) share of hybrids and EVs in government vehicle purchases barely outpaced the general market share of 3.23%.

3) Not made in the USA

In 2012 President Obama told the United Auto Workers that he would buy a Chevy Volt when he returned to being a private citizen. In the meantime, during his presidency the government has purchased 308 Volts. In another boost to domestically manufactured AFVs, the Ford Fusion accounted for the [bulk](#) of government purchases in 2011. However, in 2012 the Korean-made hybrid Hyundai Sonata accounted for over half of the government's hybrid and electric purchases. The Sonata and other vehicles produced in Asia also accounted for over half of purchases 2009 and 2010.

The issue here is not that the government should exclusively purchase domestically produced vehicles. But the majority of manufacturers selling electric vehicles on the domestic market are producing them in the U.S.; federal fleet purchases could more closely reflect this, especially given that the government has backed many of these manufacturers through loan guarantees and grants on the condition that they produce vehicles and create jobs in the U.S.

President Obama envisioned a leadership role for the U.S. in the AFV market when he first came into office and his administration has been more supportive than any predecessors, backing words with around [\\$5 billion](#) in investments. But the federal government has yet to embrace the technologies it is touting. Meanwhile China continues to pour resources into its "new energy vehicle" industry, one of seven strategic sectors it is counting on for future growth. China has a plan and acts on it; the US too often has a goal and fails to follow through. The federal government must do as it says and kick its oil addiction first to more effectively lead the country to an alternatively fueled future.