



**Keynote Address**  
**By Annalloyd Thomason, Executive Director, AFVi**

*Annalloyd Thomason delivered this keynote address during the opening General Session of the 14<sup>th</sup> Alternative Fuels & Vehicles Conference + Expo 2008 on Monday, May 12. Ms. Thomason is the Executive Director and founder of Alternative Fuel Vehicle Institute (AFVi). She oversees the development of the educational tools, training services, and learning opportunities to help fleets begin and increase their use of alternative fuels, vehicles, and advanced transportation technologies. Ms. Thomason works with hundreds of alternative fuel partners to reach thousands of fleet managers every year. She has been part of the industry since 1989.*

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Las Vegas understandably seems like a city whose history began when the first casino magically popped out of the ground following the legalization of gambling in 1931. But before that, there was 1829, the year the first settlement of the area occurred when a young Mexican scout discovered an oasis with grassy meadows and springs that had been home to Native Americans for 5,000 years. The settlement became the trail that brought explorers and immigrants through the desert valley leading to the intensified journey west to California in search of gold. That was the beginning of “the meadows,” which also means Las Vegas. By 1900 there was a railroad, followed by gambling, followed by a building boom, megaresorts and today it is known as the “Entertainment Capital of the World.” Catherine the Great, empress of Russia and connoisseur of erotic art, might have been a fan of Las Vegas had she been born two centuries later. She made an observation applicable to Las Vegas when she said, “A great wind is blowing and that gives you either imagination or a headache.”

As I stand here today, in a state that I have called home for 22 years, it’s difficult to imagine, a mere three miles from this ballroom, what the explorers were thinking when they landed upon the spring head for what would become this city. I suspect imagination overwhelmed headache and it signaled the growth of the American West. The great wind continues to blow a bit too regularly in the Valley and I think we are at an equally dramatic crossroads that requires a hearty dip into the springs of our imaginations.

The crossroad I’m speaking of is the convergence of worldwide demand for fossil fuels, decline in petroleum supply, increasing concern about global warming, and geopolitical uncertainty. One great thinker put an aspect of the problem this way, “In the face of the basic fact that fossil fuel reserves are finite, the exact length of time these reserves will last is important in only one respect: the longer they last, the more time do we have, to

invent ways of living off renewable or substitute energy sources and to adjust our economy to the vast changes which we can expect from such a shift.” That insightful comment is more urgent today than when it was delivered on May 14, 1957 by the late Admiral H.G. Rickover, the father of the nuclear navy and modern nuclear engineering. In his profound speech before the Minnesota State Medical Association, his prophetic observations covered the correlation between energy and standard of living, unconstrained population growth, diminishing fossil fuel reserves and the mythology of a techno-fix. His own projection in 1957 was that we were likely to run out of reserves between 2000 and 2050. He said “whether or not you land on the side of the optimists or pessimists in the debate, a century or two is a short span in the history of a great people. It seems sensible to me to take a long view, even if this involves facing unpleasant facts.” I can’t think of anyone I’ve read who has cast such a bold long view, and five decades later, there is nothing to dispute in his analysis of energy resources and our future.

I’m too conservative to willingly stick my neck out with certainties about the state of the world one year from now, much less fifty-one years. History is rife with examples of such *mea culpa* miscalculations. For instance, when the CEO of the International Monetary Fund announced in 1959 that, “In all likelihood world inflation is over.” Or, there was the *Business Week* prognostication in 1968, “With over fifteen types of foreign cars already on sale here, the Japanese auto industry isn’t likely to carve out a big share of the market for itself.” One thing I have more certainty about is a lingering unease over unresolved questions facing fleet managers, policy makers and the automotive industry. What is the likelihood of carbon regulation and how soon? How high can fuel prices go? What alternative fuel vehicle options are there? What fleet vehicle investment strategies won’t leave me with dangling assets? How green is green? The temptation to predict is compelling these days by virtue of the extraordinary events that have taken place just in the first four months of this year. The signals are a mixture of startling and provocative. For instance, we would all likely come up with the same first example, which falls squarely in the startling camp – oil prices are at a level most thought of as unimaginable just one year ago. Consider some of the other significant markers so far in 2008.

Diesel prices are at a record high.

Ten percent of people with mortgages owe more than their houses are worth.

Perennially perky Ben Bernanke dipped his big toe into the pool of pessimism.

NASA’s top scientist said he was wrong last year and carbon cuts have to go deeper.

Oil imports are steadily declining.

Startling plus provocative = headache or imagination. For every fuel, vehicle and technology in the marketplace today, its entry was hailed as triumph over adversity and at the same time condemned to an ill fate. That has been a headache. But, imagination born of the necessity away from the fossil fuel age is already driving the leadership that is providing the roadmap. Changes in government policy, massive education, research,

technological innovation, international cooperation and a firm resolve have already given us the robust alternative fuel, vehicle and advanced transportation market that we enjoy today. Alternative fuels alone do not solve the energy, climate and geopolitical conundrum. But, because of investments that have been made for decades, today, there is a market that has already been built from the ground up. In this dawning age of green, consider just a few examples of how alternative fuels have become the status quo.

The Port of Long Beach is replacing 16,800 old diesel trucks with no less than half new, alternative-fueled trucks, as well as new or converted diesel trucks. Kenworth Trucks and LNG truck engine maker Westport Innovations say they can produce 5000 new heavy-duty LNG trucks in 24 months.

The Department of Energy says the system cost for automotive fuel cells has gone from \$275 per kilowatt in 2002 to \$95 per kilowatt in 2008, and is expected to be at \$60 by next year, compared to \$50 per kilowatt for a gasoline engine.

GM is planning to deploy 1,000 fuel cell vehicles in California

Grocery retailer Safeway, just this year, started using B20 biodiesel in its fleet of more than 1,000 trucks.

The Environmental Protection Agency's voluntary program, "SmartWay," has recruited more than 600 companies since 2004 that have saved more than 600 million gallons of diesel fuel per year, saving the trucking industry nearly \$2 billion in annual fuel costs, and eliminating nearly 7 million metric tons of carbon dioxide emissions that contribute to global warming.

There are over 150,000 natural gas vehicles on U.S. roads today and over 5 million worldwide. Contributing to that is Honda's Civic GX, which broke company sales records this year.

Today's trucks and buses produce only one-eighth the tailpipe exhaust compared to 1990 models and new engines will be even cleaner. It would take 60 trucks built last year to equal the soot emissions of one truck sold twenty years ago.

By displacing oil imports, domestically produced ethanol can reduce the U.S. trade deficit by \$13 billion annually.

Overall operating costs of propane fleets range from 5% to 30% less than those of gasoline fleets.

Seventy-six percent (76%) of fleet executives reported that they will respond to public pressure to "go green."

These are achievements we celebrate because of the tireless efforts and relentless vision of the men and women who built the bandwagon and then jumped on it to create a great alternative transportation system. T. Boone Pickens has lent his voice and his money to take on “big oil” and transform corporate America. Larry Burns, who has been called “GM’s visionary-in-chief”, has devoted his life to inventing our transportation future. Robert Hirsch has been immortalized in peak oil circles. The scientist and free market advocate with a fusion reactor prototype named after him is devoting the rest of his life to education and action to move away from fossil fuel dependence. And, then there are the countless others in our ranks who are with us this morning – Harris Ranch Feeding Company, Schwan’s, UPS, the United States Navy, the City of Kansas City, Enterprise-Rent-a-Car, Cox Communications, the U.S. Departments of Energy and Transportation, the U.S. Environmental Protection Agency, Orange County Florida, the Railroad Commission of Texas, Anheuser-Busch, New York City and the California Energy Commission. The momentum is intoxicating and the hope is palpable. Yet, I’m reminded of a commencement speech given by English Prime Minister Winston Churchill. It consisted of three words: “Never give up.” He paused and again said, “Never give up.” One last time, he thoughtfully paused before sitting down and implored, “Never give up.”

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