



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #107

Eliminate Diesel Truck Idling Reduction Grant Program (Administration - General Agency Provisions)

[LFB 2017-19 Budget Summary: Page 30, #14]

CURRENT LAW

The Department of Administration (DOA) manages the diesel truck idling reduction grant program, which is scheduled to sunset on June 30, 2020, for grant funds and June 30, 2021, for program administration. Funding for the program is provided from the petroleum inspection fund.

GOVERNOR

Delete \$1,000,000 SEG in 2017-18 and \$1,077,100 SEG and 1.0 SEG position in 2018-19 associated with the diesel truck idling reduction grant program and associated funding and position authority. Eliminate diesel truck idling grants effective June 30, 2017, and specify an end date of June 30, 2018, for program administration.

DISCUSSION POINTS

1. The diesel truck idling reduction grant program, created under 2005 Act 25, is administered by DOA's Division of Energy, Housing and Community Resources. The program was originally scheduled to sunset on June 30, 2011, for grants and June 30, 2012, for program administration. The program was extended under 2009 Act 28 and 2015 Act 55.
2. The program aims to improve fuel efficiency and lower air pollution by providing grants to freight motor carriers headquartered in Wisconsin to purchase and install idling reduction units for long-haul truck tractors. The idling reduction units provide an alternative source of power

to heat, cool, or provide electricity to the truck cab, or other parts of the vehicle, instead of using the vehicle's main drive engine to power those functions. Motor carriers are eligible to receive reimbursement of up to 50% of the cost to purchase and install idling reduction equipment.

3. The grant program, which was provided a five-year extension under the 2015-17 biennial budget act (2015 Act 55), currently has sunset dates of June 30, 2020, for funding of grants and December 31, 2021, for funding of program administration. Funding for the program is \$1,076,200 SEG (\$1.0 million for grants and \$76,200 for administration) and 1.0 SEG position in 2016-17, funded from the segregated petroleum inspection fund. Attachment 1 identifies 2015-16 grants by recipient, size of fleet, headquartered city, and grant amount awarded.

4. Revenue for the petroleum inspection fund is primarily generated from the 2¢ per gallon petroleum inspection fee. The Department of Agriculture, Trade and Consumer Protection is responsible for inspecting petroleum products brought in to the state to assure that the product meets minimum product grade and environmental specifications. A petroleum inspection fee is assessed on all of the inspected petroleum products (such as gasoline, diesel, and home heating oil). If the diesel truck idling reduction grant program were eliminated, the funds appropriated for the program would remain in the balance of the petroleum inspection fund and could be used for other purposes of the fund, including debt service payments.

5. In its 2017-19 agency budget request, DOA indicated that "Demand for funding under this program remains relatively strong and recipients generally report increased efficiency, cost savings and reduced pollution. However, incorporation of these technologies has become generally accepted by the industry due to their cost effectiveness and proven technologies. Sunsetting the program earlier than provided under current law would not be expected to decrease the industry's use of these technologies."

6. The administration argues that the elimination of the grant program will not affect utilization of diesel truck idling reduction technologies. In addition, the budget provision would reduce expenditures from the petroleum inspection fund, allowing revenue from the fund to be used for other purposes. Therefore, the Committee could choose to approve the Governor's recommendation. [Alternative 1]

7. On the other hand, the subsidization of diesel idling reduction units through the grant program may have a positive influence on adoption and use of such units in the trucking industry. To the extent that the grant program has an effect on installation of diesel idling reduction units, such that fewer units would be purchased and installed if the program were eliminated, it is possible that the budget provision could result in reduced fuel efficiency and increased air pollution. Additionally, this form of financial assistance would no longer be available to trucking companies. Therefore, the Committee could choose to delete the Governor's recommendation. [Alternative 2]

ALTERNATIVES

1. Approve the Governor's recommendation to delete \$1,000,000 SEG in 2017-18 and \$1,077,100 SEG and 1.0 SEG position in 2018-19 associated with the diesel truck idling reduction

grant program under DOA. Eliminate diesel truck idling grants effective June 30, 2017, and program administration effective June 30, 2018.

ALT 1	Change to Base		Change to Bill	
	Funding	Positions	Funding	Positions
SEG	- \$2,077,100	- 1.00	\$0	0.00

2. Delete provision.

ALT 2	Change to Base		Change to Bill	
	Funding	Positions	Funding	Positions
SEG	\$0	0.00	\$2,077,100	1.00

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Attachment

ATTACHMENT

Diesel Truck Idling Reduction Grant Awards, 2015-16

<u>Name</u>	<u>Headquarters</u>	<u>Number of Units</u>	<u>Award</u>
Small Fleet Awards (50 or Fewer Truck Tractors)			
Progressive Transportation, Inc	Wausau	4	\$18,990
Fairway Transit Inc.	Pewaukee	3	16,230
D.T.A.K., Inc.	New London	3	14,243
Zeller Transportation LLC	Hartford	2	10,877
Spoerl Trucking, Inc	Ixonia	2	10,629
O'Neil 5 Star, LLC	Ellsworth	2	9,612
J&J Trucking Brandon, LLC.	Brandon	2	9,495
Tim Neubauer Trucking, LLC	Sparta	2	9,495
Jim Piontek Trucking, Inc.	Green Bay	2	9,495
Kraze Trucking LLC	Amherst	1	5,439
RF Trucking of Dane Co, LLC	Arlington	1	5,439
RJL Transport	Auburndale	1	5,439
Farmway Transport, Inc.	Marshfield	1	5,439
Slinger Trucking, Inc.	Randolph	1	5,439
Aaron Vincent	Niagara	1	5,439
Rocky n Wendy Trucking, LLC	Berlin	1	5,439
C56 Trucking, LLC	Montfort	1	5,439
Schroeder Transport Services	Lodi 1	5,439	
Sanderfoot Wind & Excavating, Inc	Neenah	1	5,417
North Shore Logistics, Inc.	Neenah	1	5,417
Shawn P Tennant	Cochrane	1	4,806
Stefi Express, Inc	Milwaukee	1	4,800
Kalin Express, Inc	Franklin	1	4,800
McAllister & Sons Transport, Inc	Green Bay	1	4,748
Triumph Transport, Inc	Cudahy	1	4,748
Timon Perron Trucking, Inc	Campbellsport	1	4,748
Roberts Trucking	Eldorado	1	4,748
Michael J. Wrobleski	Green Bay	1	4,748
Ralph Hoffman	West Salem	1	4,748
'S' Corp	Green Bay	1	4,748
SWD Trucking LLC	Waterford	1	4,700
Total Small Fleet Awards		44	\$221,184
Large Fleet Awards (51 or More Truck Tractors)			
Marten Transport Services, Ltd.	Mondovi	33	\$150,000
WEL Companies, Inc.	De Pere	22	98,604
Kreilkamp Trucking, Inc.	Allenton	15	73,530
Blackhawk Transport	Beloit	15	73,530
Paper Transport Inc.	Green Bay	20	73,242
H. O. Wolding, Inc.	Amherst	13	63,726
Bulk Logistics, Inc.	Milwaukee	12	58,824
Rands Trucking, Inc	Ladysmith	8	38,960
Skinner Transfer Corp.	Reedsburg	6	29,412
Abbyland Trucking Inc.	Abbotsford	6	27,756
Pioneer Transportation, Ltd.	Merrill	4	19,608
Karls Transport, Inc.	Antigo	5	17,490
Wiedmeyer Express	Kewaskum	4	17,000
Double J Transport, LLC	Jackson	3	14,706
Fuchs Trucking LLC	Sauk City	3	11,697
Wisconsin Nationwide Transportation Inc. of Two Rivers	Two Rivers	2	10,636
Total Large Fleet Awards		171	\$778,721
Total All Awards		215	\$999,905