

AN ACT relating to sustainability in state shipping.

*Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

➔SECTION 1. A NEW SECTION OF KRS CHAPTER 45A IS CREATED TO READ AS FOLLOWS:

(1) In this section, "shipping" shall including freight, package delivery, and other forms of cargo or package transport.

(2) The Finance and Administration Cabinet shall develop a sustainability program in consultation with the Department for Environmental Protection for the procurement of all shipping services.

(3) The sustainability program shall require shipping providers that provide shipping services to governmental bodies to report to the cabinet by January 1st of each year:

(a) The amount of energy consumed by the shipping provider during the previous year;

(b) The amount of greenhouse gases emitted during the previous year, including energy used and greenhouse gases emitted as a result of the shipping provider's use of electricity in its facilities; and

(c) The amount of energy used and greenhouse gases emitted during the previous year by the shipping provider's subcontractors in the performance of its shipping services.

(4) All procurement for shipping by a governmental body shall:

(a) Specify how the bidder shall report its energy use and associated greenhouse gas emissions under the shipping contract;

(b) Require shipping providers to disclose:

1. Measures they use to reduce vehicle engine idling;

2. Their use of multi-modal transportation, including rail, trucks, and air transport, and how that use is anticipated to reduce costs for the

governmental body;

3. The extent of their use of:

a. Less expensive fuels as an alternative to petroleum; and

b. More efficient vehicle propulsion systems;

4. The level of transparency and verification measures of the shipping providers reporting under subsection (3) of this section;

5. Their use of speed governors on heavy trucks;

6. Their use of recyclable packaging;

7. Their network efficiency, including the in-vehicle use of telematics or other similar technologies that provide for improved vehicle and network optimization and efficiencies;

8. Their energy intensity per unit of output delivered;

9. How they will advance the environmental goals of the state; and

10. Opportunities to effectively neutralize the greenhouse gas emissions reported under subsection (3) of this section.

(5) In selecting the shipping provider, the governmental body:

(a) Shall give appropriate weight to the disclosures under paragraph (b) of subsection (3) of this section and information required under subsection (4) of this section in its best value analysis; and

(b) May accept from a shipping provider an optional offer at a reasonable cost of carbon neutral shipping in which the shipping provider:

1. Calculates the direct and indirect greenhouse gas emissions of the provider that are specified under subsection (3) of this section;

2. Obtains independently verified carbon credits to offset those emissions; and

3. Retires the carbon credits.

(6) The secretary of the Finance and Administration Cabinet shall promulgate

*administrative regulations under KRS Chapter 13A to specify how governmental bodies shall give appropriate weight to the requirements of this section in procuring shipping services.*