SmartWay™ Transport Partnership

ICCT – NESCAUM International Workshop
Future Directions
February 22, 2006

The "SmartWay" To Save Fuel, Money and the Environment

Freight - Significance and Challenge

- Freight movement is essential to our economy and way of life
 Each year in the US, truck and rail move about 10 billion tons of freight worth more than 8 trillion dollars
- Ground freight consumes significant energy... and is growing
 - •Over 35 billion gallons fuel --- will increase to 45 billion by 2013
 - Accounts for 20% of all transportation energy use
 - Produces 350 million metric tons of CO2 annually
- The ground freight industry is large and decentralized
 - •7 million freight trucks and 20 thousand locomotives in US
 - •Half-million fleets, most of which have 20 trucks or fewer

EPA Response: SmartWay Transport Partnership

- Voluntary partnership with industry and other stakeholders to improve fuel economy, save money, and reduce emissions
- Initiated in 2003 with 14 Charter Partners and rolled-out in 2004 with over 50 leading truck and shipping companies
- In <2 years, over 300 Partners have joined, including many of the largest US truck fleets, Class I railroads, and US and international shippers and logistics companies
- Over \$6 Million in grants to reduce unnecessary truck idling 2004-2006; an additional \$95 Million <u>authorized</u> by Energy Bill
- MOU with Canada Sept 2006 to coordinate with FleetSmart
- Innovative program support outreach, testing, capitalization

Innovative Public Outreach

- EPA participates in conferences, workshops and meetings aimed at educating industry and the public about the environmental and economic benefits of SmartWay
- In 2004, EPA issued guidance for States that want to use idle reduction projects in state air quality improvement plans
- Later that year, EPA initiated its highly successful "Products on Wheels" public service campaign
- During 2004-2005, EPA held a series of idle-reduction workshops across the country
 - •Input from stakeholders will help EPA develop draft "model" guidance for states and communities that want to adopt idle reduction policies

National PSA Campaign

SHIP SMARTER



An environmentally appealing way to transport goods that's also deliciously profitable.

SmartWay Transport helps shippers and for-hire carriers lower greenhouse gases and other emissions, while at the same time giving the average truck a fuel savings of \$2,000 per year.

To find out more about this new partnership, call for your info kit at 1-734-214-4767 or log onto www.epa.gov/smartway.



A new voluntary program from the U.S. Environmental Protection Agency

CALCULATE YOUR SAVINGS TO THE ENVIRONMENT. TO YOUR BOTTOM LINE.



For logistics managers, SmartWay can add up to 7% in fuel savings.

SmartWay Transport helps shippers and for-hire carriers lower greenhouse gases and other emissions, while at the same time giving the average truck a fuel savings of \$2,000 per year.

To find out more about this new partnership, call for your info kit at 1-734-214-4767 or log onto www.epa.gov/smartway.



A new voluntary program from the U.S. Environmental Protection Agency

Positive Media Response



We've got trucking covered

Innovation in Technology Testing

Goal: Accelerate deployment of cleaner, more efficient transportation technologies

- SmartWay tested idle reduction technologies found significant fuel savings, and NOx and PM benefits
- SmartWay promotes emission control technologies verified by EPA's Voluntary Diesel Retrofit Program
- SmartWay is currently testing fuel-saving technologies like aerodynamic trailer fairings and single wide tires

Innovations in Capitalization & Deployment

- EPA teamed up with several states to offer innovative financing options for fleets to purchase SmartWay Technology Packages
 - •In Minnesota, truck fleets can apply for small business environmental improvement loans
 - •In Arkansas, truck fleets can apply for small business loans from the AK Department of Environmental Quality
- EPA and the Department of Transportation are exploring other innovative funding sources for fleets, including State Infrastructure Bank and Transportation Infrastructure Finance and Innovation Act (TIFIA) funding
- EPA is working with stakeholders to seek opportunities for private funding sources to offer competitive and/or energyreimbursement loans

Innovative Tools for SmartWay Fleets



U.S. Environmental Protection Agency

SmartWay Transport Partnership

Contact Us | Print Version Search:

<u>EPA Home</u> > <u>Transportation and Air Quality</u> > <u>SmartWay Transport Partnership</u> > Technology Calculator for Freight Managers

SmartWay Home

Where You Live

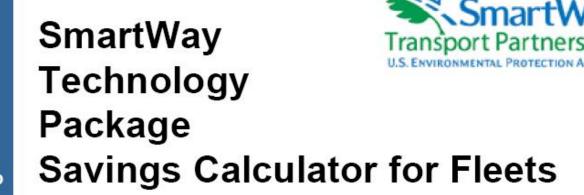
Basic Information

Environmental Effects

Newsroom

Join the Partnership Freight Carriers Shippers

Partners



Instructions

Calculator home

Customized to Fit Each SmartWay Fleet

(Hours)

(Months)

- SmartWay's
 on-line tools
 allow trucking
 companies to
 readily
 calculate the
 benefits of
 SmartWay
 fuel-saving
 upgrades
- Results are customized to fit each fleet's operations

Annual

Period

Idling per Truck Loan

RESULTS: Monthly Monthly Net Annual Total % Fuel Fuel Fuel Loan Monthly Equipment Cost Savings Savings Savings Payment Savings "None Selected" STEP 1: ENTER YOUR TRUCK STEP 2: SELECT AND LOAN INFORMATION. TECHNOLOGIES OF Enter your basic vehicle and loan YOUR TRUCK. numbers here OR Click the "Load Check the technology Typical Values" button below* for boxes below to test various help with typical long haul truck combinations of numbers. technologies for your truck. You can check as many items as you want. Technology Quantity Cost Total ☐ Bunk Heater Number of 0 1 \$ 1500 Trucks in (Heater) Fleet Total Fuel ☐ Auxiliary Power Use for (Gallons) \$ 7000 Unit (APU) Fleet ☐ Aluminum Average Wheel Sets for Annual 1 \$ 3000 (Gallons) Single Wide Tires Fuel Use (Tires) ☐ Trailer Cost of \$ 0 Aerodynamics 1 \$ 2400 Fuel (Aero) ☐ Automatic Tire Yearly \$ 0 \$ 900 Fuel Cost Inflation (ATI) Monthly □ Oxidation \$ 0 1 \$ 1000 Fuel Cost Catalyst (DOC) Average

SmartWay Strategies Pay Off

- Large fleets can save tens of thousands of dollars with relatively small improvements in fuel economy
- SmartWay makes it easy for even small fleets to determine which strategies make the most economic sense for their operations

TRIPLE

Case Study:

Invested: \$16,9000

0.53 MPG Improvement
14% reduction in CO2 Emissions or 38 tons per tractor
Fuel Cost Savings \$94,230.00* a year, for 23 tractors
*2004 results

SmartWay Upgrade Packages

- A SmartWay fuel-saving package for a class 8 tractor-trailer can include: APU, aerodynamic tractor and trailer fairings, single wide fuel-efficient tires, automatic tire inflation, and a DOC
- Assume the truck uses 18,000 gallons of fuel each year, which includes 1,800 hours of idling.
- With the SmartWay upgrade kit, overall fuel efficiency would improve by > 14%, and – assuming fuel is \$2.35/gallon -- this would save > \$6,000/year in fuel costs.
- Assuming the cost of the upgrade is about \$14,000, the pay back is 28 months, or less than 3 years. This is conservative -doesn't factor in potential for resale of dual wheels or reduction in M&R costs for tires and engine.

What SmartWay Partners Are Saying

"Cooperative initiatives, such as SmartWay Transport, are an important step toward measuring and reducing our environmental ground transportation footprint."

-- Michael Bertolucci, Senior VP, Interface, Inc.

"This program gives us the opportunity to work with our carriers and logistics centers to develop practices and technologies that significantly benefit the environment."

-- Mark Servidio, VP, Sharp Electronics

"The very worst thing that'll happen to you is you'll save fuel, which means you'll make more money."

-- Dave Berry, VP, Swift Transportation

Thank You! For More Information

SmartWay web site: www.epa.gov/smartway

SmartWay call center: 734 – 214 – 4767

SmartWay e-mail: <u>smartway transport@epa.gov</u>

My information: Cheryl L. Bynum

734-214-4844

bynum.cheryl@epa.gov