SmartWay Transport Partnership

Enhanced Supply Chain Performance

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Today’s Presentation

- SmartWay program overview
- Key program components
- Looking to the Supply Chain
- Global support
SmartWay Program Overview

Goal: Promote cleaner, more efficient transportation options

Freight Partnership – launched in 2004
- Improves fuel efficiency of goods movement sector
- Reduces GHG emissions
- Saves companies money
- US EPA certified tractor-trailers and verified equipment

Light Duty – launched in 2005
- Vehicle environmental scores
- US EPA certified SmartWay passenger vehicles

Enhancements to Partnership – in development
- Based upon feedback from partners, increased focus on shippers, multiple freight modes, freight networks and hubs
- New assessment and tracking tools will provide more information for EPA and our partners while streamlining data management
- Creates a framework and model for sustainable goods movement across the global supply chain
Key Program Components

**Partnership**
- Assess, benchmark and track emissions of carriers, shippers, and logistics companies
- National idle reduction program
- New carbon assessment tools
- Partner support (PAM, helpline)
- GHG and fuel savings

**Outreach and Education**
- Partner recognition - SmartWay web site, logo, and awards
- Partner education – webinars, fact sheets, e-update, web site, workshops
- Innovative pilot programs
- Brand marketing – PSAs, media campaigns, events

**Technology Program**
- Test program
- SmartWay Tractor/Trailer
- SmartWay-verified technologies
- Test methods

**Finance Program**
- Innovative finance programs (grant programs, banks, retailers)
- SmartWay Finance web site

**International Activities**
- Conferences and training
- Replication
- Special projects

**Light Duty Vehicles**
- SmartWay certified vehicles
- Preferential leasing, purchasing
- Consumer education
How Does The Partnership Work?
SmartWay Partner Results

2, 700+ Partners
- Drive approximately 650,000 trucks (10% of industry)
- Travel over 60 billion miles per year (30% of industry)
- Consume over 12 billion gallons of fuel (32% of industry)
- In addition, encompasses - rail operators, freight shippers, logistics companies, technology manufacturers, trucks stops, ports, banks, vehicle and equipment dealer and service centers

Since 2004, SmartWay Partners saved
- 14.7 million metric tons of CO2
- 1.5 billion gallons of diesel fuel
- $3.6 billion in fuel costs
- Equivalent to taking about 3 million cars off the road for 1 year
Why is SmartWay Successful?

Shippers:

– Top of the supply chain, drive marketplace demand
– Give preferred status to SmartWay Carrier Partners
– Get better data to improve their own shipping operations
– Modify logistics operations to improve efficiency & reduce emissions, for example:
  • Inter-modal Shipping
  • Full Truck Loads
  • Warehouse Improvements
  • Idle-Reduction at facilities
– Get recognition and PR value with SmartWay brand

Carriers:

– Gain competitive advantage:
  • Preferred status, plus
  • Fuel efficiency, savings
– Reduce emissions
– Integrate fuel saving technologies and strategies into fleets, such as:
  • Idle Reduction
  • Improved Aerodynamics
  • Efficient Tire Systems
  • Driver Training
  • Renewable Fuels
  • Advanced Lubricants
– Get recognition and PR value with SmartWay brand
SmartWay Tractors and Trailers

Specifications include 2007+ engine, idle reduction, low rolling resistance tires, and aerodynamic equipment

- 10% to 20% efficiency gain, relative to a comparable truck without these fuel-saving features

- Limited to the equipment & truck types that EPA tests
SmartWay Finance Program

Innovative finance programs reduce emissions and improve air quality
- Aim for highest leveraging of public dollars (4x or higher)
- Loan program funds can be “recycled” multiple times – increasing public benefits

About $47 million in grants awarded since 2008
- Complements $284M 2008-2010 funding for EPA’s National Clean Diesel Campaign

SmartWay Finance funding supports a wide range of projects across US
- Port dray truck retrofits and repowers
- Over-the-road and regional truck fleet upgrade, leasing and loan programs
- APU rebates for independent owner-operators
- Lease/loan programs aimed at small fleets for trade-ups in equipment
- Retrofit and repower of school, buses port, construction, and agricultural equipment

EPA web sites provide technology, emissions and financial information
- SmartWay Finance web site
- SmartWay verified technologies web site
- National Clean Diesel Campaign verified emission control equipment web site
- SmartWay Upgrade Kit technology and cost calculator
- Diesel Emissions Quantifier retrofit calculator
SmartWay Finance Center – Help for Smaller Fleets, Owner Operators

Get a fast loan quote Now – truck, trailer, & equipment loans and leases

Start Your Loan Application Now:

1. Loan Type
   SELECT

2. Amount $ 0

3. Location Select Location

This World Wide Web site is provided as a public service by the U.S. Environmental Protection Agency (EPA). SmartWay Transport Partnership. The purpose of this site is to efficiently and conveniently disseminate information on financing that is available for purchasing cleaner trucks and trailers, and emissions reducing and fuel saving technologies (such as auxiliary power units). All loan information contained in this site represents private company loans. There are not Federal government loans. If you obtain a loan from any of the financial entities here you are subject to their contractual terms and conditions. The EPA does not endorse the products or services of these companies.
SmartWay Finance Helps Fleets Cut Emissions and Costs

<table>
<thead>
<tr>
<th>Cleaner Used Truck</th>
<th>2005 MY Truck on the Used Truck Market</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Standard Truck</td>
</tr>
<tr>
<td></td>
<td>Extend loan by 12 months &amp; lower rate to 6%</td>
</tr>
<tr>
<td>Purchase Price:</td>
<td>$40,000</td>
</tr>
<tr>
<td>60 Month Interest Rate:</td>
<td>12%</td>
</tr>
<tr>
<td>Monthly Payment:</td>
<td>$890</td>
</tr>
<tr>
<td>Total Cost:</td>
<td>$53,400</td>
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</tbody>
</table>

Combining diesel filters with fuel saving retrofits cuts emissions and costs less!

<table>
<thead>
<tr>
<th>Equipment</th>
<th>Cost</th>
<th>% Fuel Savings</th>
<th>Annual Fuel Savings</th>
<th>Monthly Fuel Savings</th>
<th>Monthly Loan Payment</th>
<th>Net Monthly Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>APU, Tires, and Aero</td>
<td>$16,500</td>
<td>17%</td>
<td>$8,323</td>
<td>$693</td>
<td>($411)</td>
<td>$282</td>
</tr>
</tbody>
</table>

Assumes loan at 9% for 48 months; $3/gal diesel

http://www.epa.gov/smartway/transport/calculators/index.htm#single
SmartWay Outreach Program

Multi-media public service campaign
- Reached 3B people via 26,227 airings at 177 stations
- Over $14 million in pro-bono placements

Direct outreach
- SmartWay Affiliates commit to do outreach and education
- SmartWay participates in conferences, webinars, media events and distributes materials via web, e-update
- SmartWay partners provide case studies
- Pilot projects explore new outreach opportunities

SmartWay vehicles and equipment
- OEMs and dealerships market SmartWay certified vehicles and SmartWay verified products via web, trade shows, media, POS materials

SmartWay Partner recognition via logo & awards
Public Service Campaign

Logistics managers are constantly looking for ways to reduce costs for their customers through customized solutions. SmartWay® Transport Partnership is one smart money-saving program grounded in innovative business strategies and new technologies. SmartWay Transport is about streamlined logistics operations that reduce fuel costs while reducing greenhouse gases and other emissions.

To find out more about this collaborative program, please call 1-734-214-4767 or visit www.epa.gov/smartway.
PSA - Aimed at Freight Partners (TV, Radio, Print)

These Manufacturers Are Hauling The Best Logo In The Business

Introducing SmartWay Certified Tractors & Trailers From These Manufacturers

Tractor makers:
- Freightliner
- International
- Kenworth
- Mack
- Peterbilt
- Volvo

Trailer makers:
- Great Dane
- Trailmobile
- Utility
- Wabash

To learn more visit epa.gov/SmartWay
PSA – Aimed at Consumers
(TV, Radio, Print)

Reflects Well On You.

Driving a vehicle that is fuel-efficient, produces fewer greenhouse gases, and can save you money reflects well on its owner—especially these days, with growing concerns about climate change. The U.S. Environmental Protection Agency makes it easy to identify environmentally friendly cars and trucks. Just look for the SmartWay® leaf. SmartWay will help change the way America drives.

For more on SmartWay certified cars and trucks, leaf through our website at www.epa.gov/smartway.

Reflects well.
(And helps keep the air clean, too.)

Let’s face it, any time your fleet can boost fuel efficiency by 10 to 20%, it reflects well on you and your bottom line. U.S. EPA certified SmartWay Tractors and Trailers allow you to do just that. You can also display the SmartWay certification mark, a symbol of environmental distinction, which also reflects well on you. The SmartWay leaf indicates to both industry and the public that you operate the cleanest and most efficient trucks and equipment available today.

To learn more, visit epa.gov/smartway
Package Labeling Pilot Program
Partner Case Studies

Intermodal conversions:
• Over 40,000 shipments via intermodal
• Savings of 124,703 tons of CO2
• Savings of 11.2 million gallons of diesel fuel

Air Cargo footprint = 20,000 tons CO$_2$
• Included 250,000 shipment records from six product families
• 18% total ton-miles (71% total carbon footprint)

Shifted notebooks from air to sea and truck to rail on domestic shipments
• Saved 7,500 tons of CO$_2$
Partner Recognition

– Partner logo earned by top-performing SmartWay Partners

– SmartWay Annual Awards recognize the “best of the best”

– SmartWay partners compete seriously for recognition
Survey of supply chain executives shows SmartWay as leading industry sustainability program
- Eye For Transport, June, 2010
SmartWay Passenger Vehicle

SmartWay on EPA's Green Vehicle Guide website

Automakers promoting their SmartWay vehicles: Chrysler, Ford, GM, Hyundai, Kia, Mazda, Nissan, SmartUSA, Subaru, Volvo

Hertz & Enterprise highlight SmartWay vehicles in their “green rental” programs

US Bank (6th largest in US with 2,500 branches) & several credit unions (with branches in 7 states) offer discounted loans for SmartWay vehicles
We’ve learned from our Stakeholders

• Strong business case for more sustainable supply chains
  • Transportation is a significant piece of the corporate emissions footprint
  • Transportation becoming greater portion of operating costs
  • Energy savings lower costs and reduce emissions

• Globalization introduces new challenges and opportunities
  • Multinational corporations linking operations across more world ports & borders
  • Longer, multimodal supply chains can also mean more emissions from trade
  • Increased pressure to reduce embodied carbon emissions
  • Shippers demanding freight providers improve efficiency
  • International community must work together for global solutions

• Government/Industry Partnerships can move the marketplace
  • EPA’s SmartWay Transport Partnership is a business friendly mechanism to reduce GHG emissions from supply chains, by saving fuel and $
SmartWay Supply Chain Enhancements

- Industry needs to better assess and benchmark emissions across the supply chain
  - Need multimodal CO$_2$ inventory
  - Also demand for efficiency measurement & optimization

- Carbon disclosure demands growing
  - Shareholders, customers, lenders, insurers
  - Desire for a consistent, global methodology
  - Energy security and energy prices underscore urgency

- EPA is investing in SmartWay program enhancements;
  - new carbon accounting and tracking tools to cover freight modes
  - provide enhanced carbon assessment, tracking and benchmarking capability
  - improve data functionality and management
SmartWay Supply Chain Next Steps

- Peer review
  - Industry, academia, NGOs and governmental experts

- Beta Testing
  - Over 1,500 complete data sets with new tools and volumes of Partner feedback

- Tool revisions based on beta testing and peer reviews

- Develop enhanced data QA/QC
  - Exploring pilot study with UM School of Natural Resources

- EPA initiating stakeholder process to improve understanding of range and capabilities of transport carbon accounting tools
  - Working to understand user needs for supply chain assessment
  - Identify ways to improve data quality, collection and processing
  - Working to standardize or harmonize methods
SmartWay Global Supply Chain

- US Departments of Transportation and Commerce developing program to enhance US supply chain competitiveness
  - EPA SmartWay to help form the sustainability track
- “SmartWay” sister programs launched
  - France, Australia, Mexico, Canada
  - EU beta-testing a SmartWay platform
- Clean Air Initiative in Asia
  - SmartWay technologies used for Green Trucks Pilot Project in Guangzhou, China
  - World Bank implementing $45 million expansion of project
- Development Banks asking for SmartWay business model, capacity building in Latin America and Asia
- Commission for Environmental Cooperation
  - North American Supply Chain Sustainability study recommends US/Can/Mex work to harmonize freight sustainability programs