

Happy Third Birthday, SmartWay!

As SmartWay Transport completes its third year in business, we'd like to take this opportunity to thank our Partners for what has been a phenomenal year of expansion and new growth. Your commitment to reducing energy use and improving the freight sector's environmental performance has built a strong foundation for SmartWay Transport, and has been critical to our success.

As we build our Partnership, we anticipate and look forward to many more years of continued growth. By working together to grow and develop SmartWay Transport, we're confident that we can make even greater strides to reduce the freight sector's environmental footprint and create a cleaner future.

Looking back at 2006 here's a summary of just a few of our achievements and highlights:

-  Welcomed 228 new members to the Partnership;
-  Prevented the release of an estimated 2.5 million tons of CO₂, 11,500 tons of nitrogen oxide, and 559 tons of particulate matter;
-  Saved nearly 5.5 million barrels of oil (or almost 225 million gallons of diesel fuel);
-  Honored 24 SmartWay Partners for their outstanding performance and leadership;
-  Established manageable loan terms for the purchase of fuel-saving equipment upgrades through SmartWay Innovative Finance Program;
-  Developed financial calculator to estimate fuel savings generated by tractor and trailer technology upgrades;
-  Highlighted Partner achievements through widespread media coverage;
-  Extended SmartWay program to include passenger cars and trucks;
-  Launched SmartWay Grow and Go program to promote use of renewable fuels.

In this issue:

- Partner Spotlight:
P.A.M. Transport
- New Partners
- High Fuel Costs
- Tech Tidbits
- The Buzz

As of March 5, 2006

Total Partners: 303

Truck Carriers: 217
Shipper-Carriers: 7
Shippers: 27
Logistics Partners: 12
Rail Carriers: 8
Affiliates: 32

As of March 5, 2007

Total Partners: 500

Truck Carriers: 323
Shipper-Carriers: 11
Shippers: 47
Logistics Partners: 37
Rail Carriers: 9
Affiliates: 69
Truckstops: 2

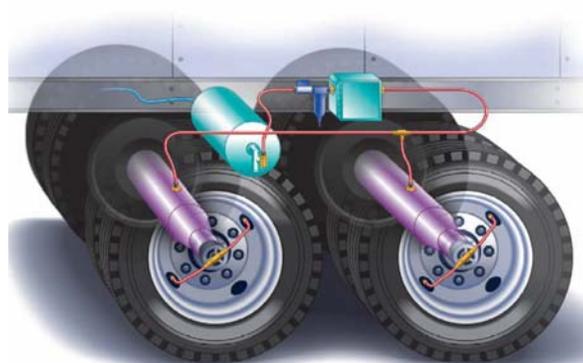


Partner Spotlight



For P.A.M. Transportation Services, Inc. (PTSI), a SmartWay Partner since January 2005, tires represent the number two non-payroll cost (behind fuel) and the number one maintenance cost. In an effort to improve reliability and performance, while also reducing costs associated with tire maintenance and purchases, PTSI chose to evaluate the performance of automatic tire inflation systems (ATIS). The company tested a number of units for one full year on tractor-trailer combinations using four different trailer types, and the results showed an average cost savings of 69.9 percent over tractor-trailer combinations not equipped with ATIS. Based on these results, the company chose to include ATIS in specifications for all new trailers. Currently, approximately 3,000 of the company's trailers are equipped with ATIS. The benefits experienced by PTSI as a result of moving to ATIS usage are substantial and varied. Contributing to the average cost advantage of 69.9 % with the use of ATIS were the following:

- **Reduced maintenance cost** – Proper inflation meant reduced wear and longer tire life. The company also found that the reduced wear resulted in the ability to produce more retreadable casings.
- **Reduction in tire failures** – PTSI found that roadside tire failures have been substantially reduced, resulting in more on-time deliveries to customers and reduced costs associated with service calls and tire replacement. If there is a failure though, in many cases the ATIS can provide sufficient inflation to get the vehicle to a shop for service, rather than requiring a roadside service call.



Other Benefits include:

- **Improved fuel economy** – Properly inflated tires have reduced fuel consumption.
- **Increased trailer resale value** – Because ATIS have long useful lives, PTSI believes that they will increase the value of the trailer when it is offered for resale.



Welcome to the newest Partners in SmartWay!

Thirty new Partners have recently joined Smartway. There are now 500 Smartway Partners.

Affiliates

- Big Truck TV
- Indiana Corn Marketing Council
- Indiana Soybean Alliance
- North Central Texas Council of Governments (NCTCOG)
- South Carolina Trucking Association
- The Centre for Sustainable Transportation

Truck Carriers

- Aspen Transportation, LLC
- Barber and Sons Express

- Barrett Distribution
- C.A.T. Inc.
- Can-Am West Carriers Inc.
- Carlisle Carrier Corp.
- D & D Sexton, Inc.
- Fortune Transportation Co.
- Hermann Transportation Services
- Maddox Express
- Marten Transport, Ltd.
- NCD Companies
- Patrick Transportation
- Pride Transport, Inc.
- Road One Express, Inc.

- Superior Services Express
- TRX Inc.
- Ward Trucking, LLC
- WilTruk Inc.

Logistics Companies

- Cornerstone Logistics, LP
- Ultra Logistics, Inc.

Shippers

- Holcim (US) Inc.
- Limited Brands Logistics Services
- Schering-Plough CHC



Feature Article - SmartWay Upgrade Kits and Financing Initiative Combine to Deliver Fuel Savings, Lower Costs and Cleaner Trucks

With the goal of making clean, fuel-efficient tractor and trailer technologies easier to purchase and more affordable, the U.S. Environmental Protection Agency and Small Business Administration have teamed up to provide trucking companies with two unique services.

One is the SmartWay Upgrade Kit, a bundle of technology options that have been proven to reduce fuel consumption and air emissions. The Kit includes the following components:

- Idle-reduction technologies, such as auxiliary power units, generator sets, battery HVAC, or direct fired heater units,
- Low rolling resistance tires, and
- Tractor and trailer aerodynamics

These components can be individually purchased, or bought as one turnkey system. Under road tests performed by EPA, long haul trucks equipped with components of the kit have demonstrated significant fuel savings over trucks not equipped with the technology. Trucks fully loaded with all features of the SmartWay Upgrade Kit have demonstrated fuel savings of up to 15% -- translating into an annual savings of \$8,000 based on a fuel cost of \$2.75 per gallon.

To ensure that the capital needed to purchase the SmartWay Upgrade Kit and its featured components

is available, EPA has collaborated with the Small Business Administration. Together the two federal agencies have established SmartWay Financing, an innovative loan program that offsets the cost of purchasing and installing the SmartWay Upgrade Kit.

Specifically, SmartWay Financing provides small and medium sized (< \$23.5 million in gross receipts) trucking companies with access to a series of flexible financing options. The loan program is offered by several banks, and consists of these basic parameters:

- The loan is for the SmartWay Upgrade Kit or individual components only,
- Loan amounts range from \$5,000 to \$25,000
- No collateral is required,
- Average loan rate is prime plus 4% to 6% (check with individual lenders for current rates),
- Loan terms range from three to 10 years,
- A processing fee is included, with some banks folding the fee into the loan.

To find out more about SmartWay Financing and whether you can qualify to purchase the SmartWay Upgrade Kit or one of its components, visit www.epa.gov/smartway/financing. A list of participating banks is provided and links to more information about the benefits of our program.

Cost Benefits of SmartWay Upgrade Kit and Financing Options

Equipment	Cost	*Monthly Fuel Savings	**Monthly Loan Payment	Net Monthly Savings
Full Upgrade Kit	\$16,500	\$636	(\$367)	\$269
APU	\$8,500	\$330	(\$189)	\$141

The SmartWay Upgrade Kit and Financing Initiative effectively lower fuel costs and save money.

**Assumes 16,667 gallons of fuel consumed annually, \$2.75 per gallon of diesel, 2,400 idling hours annually*

***Based on five year loan at 12% interest*

Tech Tidbits: SmartWay Upgrade Kit

The SmartWay Upgrade Kit is a package of proven fuel and emissions-saving technologies that can significantly reduce fuel consumption and air pollution. Kit components can be purchased individually, or in combination. For more information on how the Upgrade Kit can save you money, visit www.epa.gov/smartway, and check out the “loan calculator.”

SMARTWAY UPGRADE KIT FEATURES PROVEN FUEL-SAVING TECHNOLOGIES

Technology	Description	Approx. Cost	Benefits ¹
Idle Reduction Device – Bunk Heater	 <p>Small, lightweight, diesel fuel -fired device mounted in the cab that provides heat for cab comfort. Does not include any air conditioning capabilities.</p>	\$1,500	<p>Approx. 5% fuel savings assuming 1,200 hours of idling per year</p> <p>Additional reduction in engine wear-and-tear</p>
Idle Reduction Device – Auxiliary Power Unit	 <p>Small diesel -powered generator mounted outside the cab that provides heat, air -conditioning, and electrical power to run appliances.</p>	\$6,000 - \$8,500	<p>Approx. 8% fuel savings assuming 2,400 hours of idling per year</p> <p>Additional reduction in engine wear-and-tear.</p>
Aluminum Wheels for Single Wide Tires	 <p>Traditional dual tires are replaced with one single wide tire and aluminum wheel. Can be applied to all tractor and trailer tire positions except for the steer tires.</p>	\$5,600	Approx. 4% fuel savings
Trailer Aerodynamics	 <p>Fairings added to the front and underside of the trailer to reduce drag.</p>	\$2,400	Approx. 5% fuel savings
Emission Control Device – Oxidation Catalyst	 <p>A device added to the tractor’s exhaust system to reduce the emission of particulate matter and other pollutants.</p>	\$1,200	Approx. 20 – 50% reduction in particulate matter

¹ All savings assume a Class 8B tractor-trailer traveling approximately 100,000 miles per year.



The Buzz about SmartWay Transport Partnership

Visit the links below to see media stories that feature SmartWay Transport Partnership:

SmartWay Financing

- EPA.gov. Press Release. November. 14, 2006. “Loans to Help Truckers Save Money, Reduce Emissions”.
<http://yosemite.epa.gov/opa/admpress.nsf/4d84d5d9a719de8c85257018005467c2/3e718f93846151a4852572260062b7e2!OpenDocument>
- Environmental Leader. November 28, 2006. “New SmartWay Loan for Trucking Companies”.
<http://www.environmentalleader.com/?p=277>
- Fleet Owner. November. 14, 2006. “EPA Offers Fuel-Saving Loans”.
http://fleetowner.com/news/epa_offers_loans/
- Kansas City info Zine. November 16, 2006. “Loans to Help Truckers Save Money, Reduce Emissions”.
<http://www.infozine.com/news/stories/op/storiesView/sid/19005/>
- Manufacturing.net. November 15, 2006. “EPA, Others Join to Help Truckers Save Fuel”.
<http://manufacturing.net/article/CA6391242.html>
- NewsBlaze. November. 14, 2006. “Loans to Help Truckers Save Money, Reduce Emissions”.
<http://newsblaze.com/story/20061114142344tsop.nb/newsblaze/TOPSTORY/Top-Stories.html>
- Today’s Trucking Online. November 16, 2006. “EPA Offers Loans to Truckers Investing in Fuel Saving Technology”. <http://www.todaystrucking.com/news.cfm?intDocID=16998>
- TruckingInfo.com. December 22, 2006. “Smartway Loan Program Assists Small Fleets”.
http://www.truckinginfo.com/news/news_detail.asp?news_id=57745&news_category_id=20

SmartWay Partner News

- Jacksonville Business Journal. December 28, 2006. “Trailer Bridge Joins Green Partnership”
<http://jacksonville.bizjournals.com/jacksonville/stories/2006/12/25/daily15.html>
- Supply & Demand Chain Executive. January 29, 2007. “Whirlpool Joins U.S. SmartWay Transport Partnership.” <http://www.sdexec.com/online/article.jsp?id=9134&siteSection=29>
- Earthtimes.org. January 25, 2006. “Whirlpool Corporation Joins U.S. EPA SmartWay Transport Partnership”.
http://www.earthtimes.org/articles/show/news_press_release,50105.shtml
- Progressive Grocer. February 8, 2007. “16 Hannaford Stores Get Energy Star Designation.” The grocer is also a member of EPA's SmartWay Transport Partnership:
www.progressivegrocer.com/progressivegrocer/headlines/article_display.jsp?vnu_content_id=1003543195&imw=Y

SmartWay Vehicles

- The Paramus Post. January 24, 2007. “Small car, big world: Chevrolet Aveo not just another econobox.” All models earn the EPA's SmartWay label for above-average marks for air pollution and greenhouse gas scores.
<http://www.paramuspost.com/article.php/20070118212310520>