

SMARTWAY LEGACY FLEET WORK GROUP UPDATE FOR MSTRS

March 3, 2014

Webinar Agenda

- Introductions and Roll Call
 - Gay MacGregor, EPA
- Presentation of SmartWay Legacy Fleet Work Group Recommendations
 - Terry Goff, Caterpillar and Buddy Polovick, EPA
- Discussion of Recommendations for Transmission to Clean Air Act Advisory Committee
 - MSTRS Committee
- Closing Remarks & Adjourn
 - Gay MacGregor, EPA

SmartWay Work Group Background

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- Charge presented to MSTRS May 2011
 - Committee agreed to launch workgroup
- SmartWay Legacy Fleet Workgroup kickoff Sept 2011
 - 25 members, 11 supporting/adjunct members
 - Industry, academia, NGOs, state & local, enviros, SmartWay partners (carriers, shippers, logistics, rail, affiliates)
 - Terry Goff (Caterpillar) co-chair with Buddy Polovick (EPA)
- Concluded deliberations and findings fall 2013
- MSTRS raised question of implications of resource constraints of workgroup recommendations
 - Addressed in final report; affirmed role of SmartWay in directly supporting Agency's core mission

SmartWay Work Group Configuration

Workgroup divided into three Subworkgroups to address Charge:

- **Subworkgroup #1** – How to accelerate and sustain continued legacy fleet efficiency improvements in the trucking and rail sectors.
- **Subworkgroup #2** – Explore opportunities for additional fuel savings and emission reductions from *other freight* transport modes such as marine vessels and air freight.
- **Subworkgroup #3** – Explore opportunities to apply the public-private, market based partnership model to the Nonroad sector.

Workgroup DRAFT Recommendations

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General Recommendations		
Recommendation	Considerations	Page
Use maturity scale and sector evaluation and filtering tool to assess transportation (including truck, rail, marine and air) sectors and subsectors for inclusion in SmartWay	Helps EPA establish key areas for focus in the truck, rail, marine and air sectors and avoid transportation sectors where little or no impact is likely, while aligning priorities with limited resources	30
Continue to enhance data quality and rigor of data validation	Implement quality assurance process, consider audits, cross check with other data providers	34
Strengthen SmartWay brand	Conduct research on brand awareness and perceptions of stakeholders	35
Strengthen partner recruiting efforts, develop expert group to advise EPA	Expand visibility, use social media, package labeling, add other freight modes to enable the shipper module to do supply chain assessments	36
Strengthen partner retention efforts, develop expert group to advise EPA	Simplify and streamline benchmarking tools, provide report cards, webinars, educational forums, opportunities to engage, expand role of Affiliates	36
Enhance financing programs , subject to funding	Leverage state and federal funds, prioritize by hotspots, develop common application, reach out to underserved populations	37
Incorporate black carbon reporting and reduction incentives	Include in all modes incentivize diesel retrofits, support adoption of low sulfur fuels globally	38
Incorporate operational strategies and accord credit appropriately to partners implementing the strategy	Require shippers to report carbon targets and include operational strategies across all modes, but do not double count activity implemented by carriers, publish case studies, best practices	40

Workgroup DRAFT Recommendations

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Truck and Rail Recommendations		
Recommendation	Considerations	Page
Limit focus on vocational trucks to large fleets and operators	Avoid highly specialized, non-freight operators	45
Keep drayage focus on fleets of 50+, use port metrics and technology to measure idling and queuing	Data collection and reporting requirements may be too onerous, create web based interface to ease reporting, develop port metrics	46
Enhance role of third party logistics (3PL) partners, and account for various logistics business models, refine reporting guidance	Identify credit opportunities for 3PLS which foster mode shift and operational improvements, refine performance ratings to account for varying fleet sizes and modes utilized	47
Ease and simplify participation for small carriers and owner operators	Create web-based simple reporting tool for small carriers, or have a third party collect and aggregate data for EPA, provide incentives to participate	49
Incorporate SmartWay into driver training schools	Fosters improved performance and creates awareness	51
Ensure SmartWay continues to inform EPA regulatory programs such as the Phase 2 Heavy Duty Diesel GHG rulemaking	Improve and streamline technology verification process, incorporate emerging technologies, raise performance threshold on SmartWay Designation for Model Year 2014 and newer trucks	52
Enhance integration of Rail partners in SmartWay	Incorporate rail operational strategies, provide greater visibility, streamline reporting to parallel standard reporting currently done for Surface Transportation Board	53
Include Transportation Refrigeration Units (TRUs) in SmartWay program	Require reporting on TRU fuel use, incentivize maintenance and improvements, including alternative refrigerants	54

Workgroup DRAFT Recommendations

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Air and Marine Recommendations		
Recommendation	Considerations	Page
Incorporate Air and Marine Freight into SmartWay Partnership shipper tools and create Air Freight and Marine Partner categories	Establish methods to enable shippers to assess supply chain carbon impacts across all modes including air cargo and ocean shipping. Include foreign flag carriers. Provide partner categories for these modes and include foreign flag carriers.	62 69
The addition of other freight modes in SmartWay can best be achieved through reciprocity and/or data sharing arrangements with existing and established protocols and data sets	Streamline data acquisition by capturing DOT Form 41 data for air cargo and through reciprocity with BSR's Clean Cargo Working Group for marine cargo to reduce Agency and industry burden	63 69
EPA should adopt metric units currently used by rest of world, for EPA tools and methods	Combinations of metric and English units are not understood by Europeans, and switching between short tons and metric tons leads to errors	69
SmartWay should commit to the ongoing global efforts to harmonize and align multimodal supply chain carbon accounting methodologies, and tools	Since discussion of such methodologies are developing quickly in North America, Europe and global organizations, EPA should support and provide resources for active involvement in the supply chain metrics alignment work now ramping up globally	70

Workgroup DRAFT Recommendations

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Nonroad Recommendations		
Recommendation	Considerations	Page
EPA should create a voluntary, market based partnership for nonroad sector	Model on principles and design of SmartWay but create alternate brand	84
EPA should implement a Pilot program for the nonroad sector	Focus on subsectors with fixed work sites, such as quarry and mining, or the goods movement portion of a nonroad sectors' freight activity, such as transporting agricultural products from agricultural sites	86 87

Next Steps

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- MSTRS votes to accept recommendations
- Send report to CAAAC in advance of April meeting
- Present report and recommendations at CAAAC