

# SMARTWAY LEGACY FLEET WORK GROUP UPDATE FOR MSTRS

Oct 29, 2013

# 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)
  - Terry Goff (Caterpillar) co-chair with Buddy Polovick (EPA)
- Three subworkgroups (associated with three elements of charge) concluding workgroup deliberations and findings
- Workgroup report drafted and under final revisions/review
  - Shutdown hindered finalization before 10/29 meeting

# SmartWay Work Group Configuration

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***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.

# General Recommendations

| #     | Recommendation  | Considerations   |
|-------|---|--|
| G-1   | Use <b>maturity scale</b> and sector <b>evaluation and filtering tool</b> to assess sectors and subsectors for inclusion in SmartWay                  | Helps EPA establish key areas for focus and avoid sectors where little or no impact is likely, aligns priorities with limited resources  |
| G-2   | Continue to enhance <b>data quality</b> and rigor of data validation  | Implement quality assurance process, consider audits, cross check with other data providers  |
| G-3   | Strengthen SmartWay <b>brand</b>  | Conduct research on brand awareness and perceptions of stakeholders  |
| G-4   | Strengthen <b>partner recruiting</b> efforts  | Expand visibility, use social media, package labeling, add other freight modes to enable the shipper module to do supply chain assessments   |
| G-5   | Strengthen <b>partner retention</b> efforts   | Simplify and streamline benchmarking tools, provide report cards, webinars, educational forums, opportunities to engage, expand role of Affiliates, develop expert group to advise EPA   |
| G-6   | Enhance <b>financing programs</b> , subject to funding  | Leverage state and federal funds, prioritize by hotspots, develop common application, reach out to underserved populations   |
| G-7   | Incorporate <b>black carbon</b> reporting and reduction incentives  | Include in all modes, incentivize diesel retrofits, support adoption of low sulfur fuels globally  |
| G-8   | Incorporate <b>operational strategies</b> 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  |
| G-9   | SmartWay should commit to the ongoing <b>global efforts to harmonize and align multimodal supply chain carbon accounting</b> 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. |
| G- 10 | EPA should adopt <b>metric units</b> 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   |

# Truck and Rail Recommendations

| #   | Recommendation  | Considerations  |
|-----|---|---|
| 1-1 | Limit focus on <b>vocational trucks</b> to large fleets and operators   | Avoid highly specialized, non-freight operators   |
| 1-2 | Keep <b>drayage</b> 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   |
| 1-3 | Enhance role of <b>third party logistics</b> (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       |
| 1-4 | Ease and simplify participation for <b>small carriers</b> 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                              |
| 1-5 | Incorporate SmartWay into <b>driver training</b> schools  | Fosters improved performance and creates awareness  |
| 1-6 | Ensure SmartWay continues to <b>inform EPA regulatory programs</b> 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 |
| 1-7 | Enhance integration of <b>Rail</b> partners in SmartWay   | Incorporate rail operational strategies, provide greater visibility, streamline reporting to parallel standard reporting currently done for Surface Transportation Board            |
| 1-8 | Include <b>Transportation Refrigeration Units</b> (TRUs) in SmartWay program  | Require reporting on TRU fuel use, incentivize maintenance and improvements, including alternative refrigerants   |

# Air and Marine Recommendations

| #   | Recommendation   | Considerations   |
|-----|--|--|
| 2-1 | Incorporate <b>Air and Marine Freight</b> into SmartWay Partnership shipper tools and <b>create Air Freight and Marine Partner categories</b>  | 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. |
| 2-2 | The addition of other freight modes in SmartWay can best be achieved through <b>reciprocity and/or data sharing arrangements</b> with existing and established protocols and data sets | Streamline data acquisition by capturing DOT Form 41 data for air cargo and through reciprocity with other BSR's Clean Cargo Working Group for marine cargo to reduce Agency and industry burden   |

# Nonroad Recommendations

| #   | Recommendation  | Considerations   |
|-----|---|--|
| 3-1 | EPA should create a voluntary, <b>market based partnership for nonroad</b> sector | Model on principles and design of SmartWay but create alternate brand  |
| 3-2 | EPA should implement a <b>Pilot program</b> 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 |

# Workgroup Next Steps

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- Workgroup revisions and final draft review underway
- Present recommendations to MSTRS Oct 29
  - Report back to Workgroup
- Finalize report and send to MSTRS by Nov 15
- Schedule call with MSTRS for early Dec
  - Discuss report
  - Answer final questions
  - Move to forward to CAAAC