Strategies for Reducing The Trucking Industry's Carbon Footprint

Trucks Deliver a Cleaner Tomorrow

Dear friends,

Trucking has been part of my life since my father and grandfather started Graves Truck Lines in 1935. So when I joined the American Trucking Associations five years ago, it was much more than a job. It was a family reunion of sorts, except now the ATA family comprises 2,500 member companies, big and small, and 37,000 members of our affiliates. Delivering 11 billion tons of freight annually, and generating about $650 billion in revenues, trucking is the driving force behind our nation's economy.

Now in its 75th year, today's ATA is driven by three verities: moving freight is an economic necessity; sharing the road with the motoring public is a civic responsibility; and, addressing our role in climate change is a global obligation. Just about everything you buy spent some time in a truck. Despite their necessity, trucks contribute about five percent of the greenhouse gases produced in this country. The ATA's Sustainability Program is a direct response to that reality.

In partnership with the government and through its own initiatives, the trucking industry already has environmental success stories to tell. Today's diesel engines have made particulate emissions all but disappear, and nitrogen oxides diminish by 50 percent. Those are important beginnings, but just a beginning. Now, the ATA has committed itself to a series of measures that together can reduce diesel and gasoline fuel consumption by 86 billion gallons and CO_2 emissions of all vehicles by 900 million tons in the next 10 years. Our proposals are practical, reasonable, and doable. They make environmental sense, and they make common sense; fuel is the first or second largest cost to trucking companies, and a crushing burden to drivers who must pay more than $1,000 to fill up.

These materials lay out our plans for further reducing the carbon footprint of our industry, and the results we believe they can achieve. To fully realize the program's potential, we need the support of government—for continued research and development, for desperately needed infrastructure improvements through proven mechanisms such as the Highway Trust Fund, and through carbon regulation programs that are practical and workable for our industry.

Between our own efforts and support from the federal government, we are confident that our member companies and affiliates can help deliver a cleaner tomorrow.

Bill Graves
President and Chief Executive Officer
American Trucking Associations

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The American Trucking Associations committed itself to a series of measures designed to further reduce the carbon footprint of the industry. Its Sustainability Task Force has identified six areas where the industry can reduce its carbon footprint by:

- **Enacting a national 65 mph speed limit and governing truck speeds to 65 mph for trucks manufactured after 1992.**
- **Decreasing idling.**
- **Increasing fuel efficiency.**
- **Reducing congestion through highway improvements, if necessary by raising the fuels tax.**
- **Promoting the use of more productive truck combinations.**
- **Supporting national fuel economy standards for medium- and heavy-duty trucks.**

The trucking industry can be called the driving force behind the nation's economy. Nine million people annually help move 11 billion tons of freight—nearly 70 percent of all freight tonnage—and generate roughly five percent of the U.S. Gross Domestic Product. It is an industry with a few giants but primarily small companies operating in an extremely competitive, low-margin business. Around 96 percent of motor carriers have 20 or fewer trucks and are classified as small businesses.

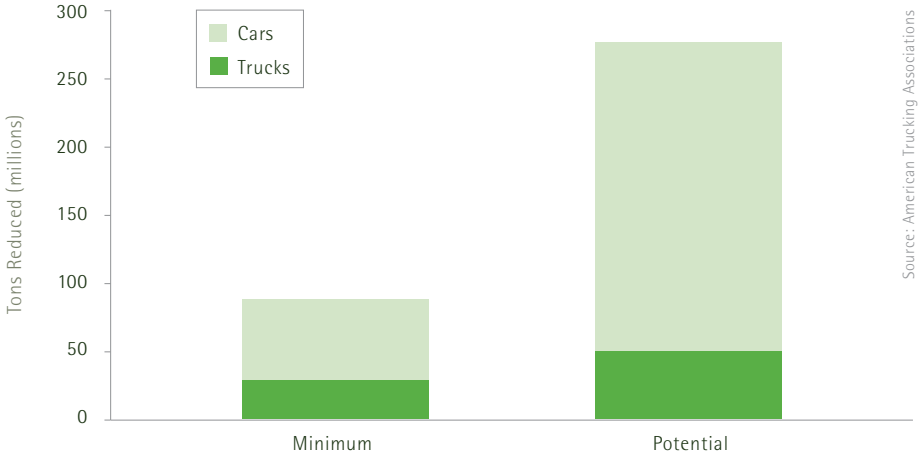
Thanks to advancements in clean diesel technologies and diesel fuels, the trucking industry has continuously improved upon its environmental performance over the last 24 years. The ATA's six recommendations will further ease the industry's environmental impact and reduce its carbon footprint. Over the next ten years, this program can reduce fuel consumption by 86 billion gallons, and reduce the carbon footprint of all vehicles by more than 900 million tons.

By implementing these recommendations with its 2,500 members and 37,000 members of affiliated organizations, ATA is confident that the trucking industry can make a significant contribution to sustainability, while continuing to meet its obligations to its customers, its employees, and to the nation's economy.

1. Speed limits and speed governing—enact a national 65 miles per hour (mph) speed limit for all vehicles, and govern truck speeds at 65 mph for trucks manufactured after 1992.

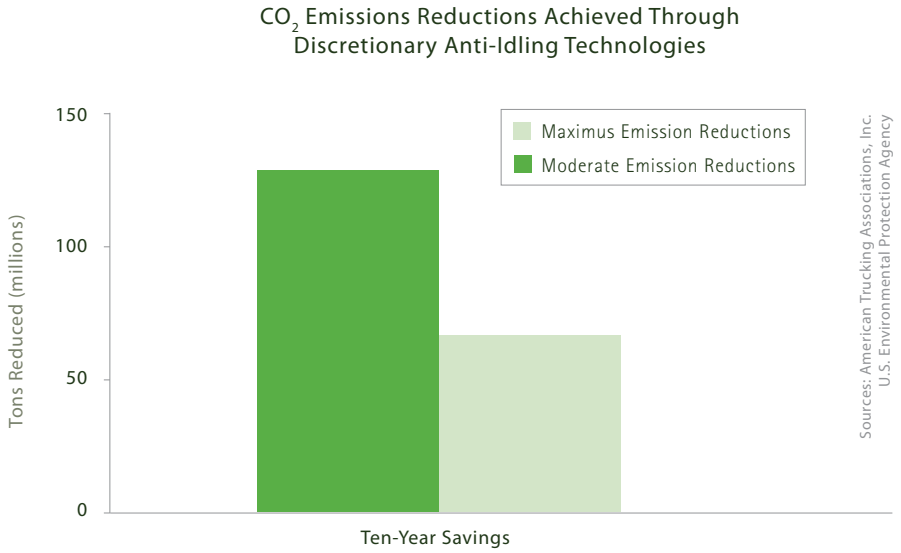
A truck traveling at 75 mph consumes 27 percent more fuel than one going at 65 mph. Bringing speed limits for trucks down to 65 mph would save 2.8 billion gallons of diesel fuel in 10 years and reduce CO_2 emissions by 31.5 million tons. Automobile consumption of gasoline would drop by 8.7 billion gallons, with an accompanying drop in CO_2 emissions of 84.7 million tons. More aggressive enforcement would further reduce fuel consumed and carbon produced.

Diesel & Gasoline: CO_2 Emissions Reductions Achieved by Lowering Speed Limits to Maximum of 65 MPH (Ten-Year Period)



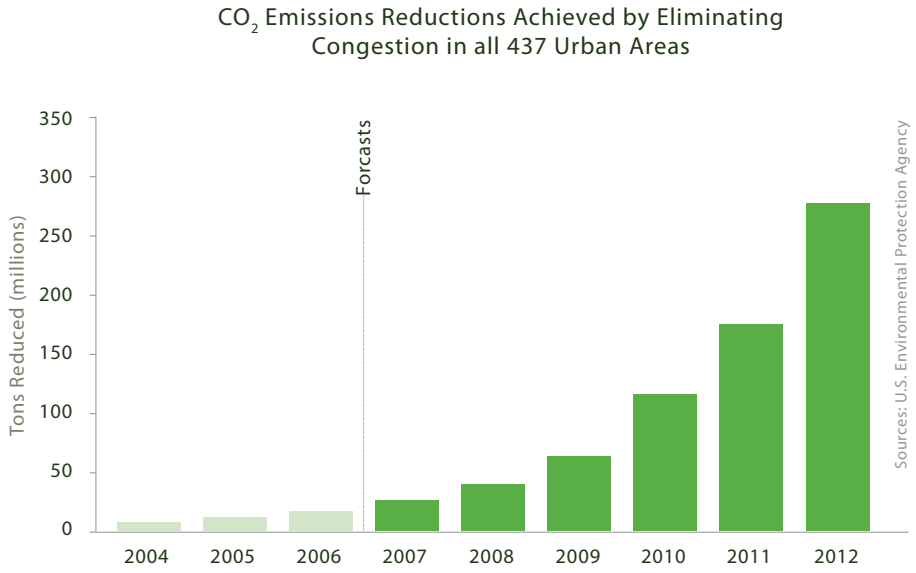
2. Idling—pursue a federal solution that reduces non-discretionary idling through highway infrastructure improvements and reduces discretionary idling through financial incentives for technology improvements.

Idling in congested traffic (see recommendation 4), or running the engine to keep the driver warm or cool while resting, annually consumes an estimated 1.1 billion gallons of diesel fuel. Reducing so-called discretionary idling (for truck cab heating and cooling) can be targeted with new technologies that reduce fuel consumption. Options currently available to fleets to minimize discretionary idling have the potential to reduce CO_2 emissions by an estimated 61.1 million tons over the next ten years.



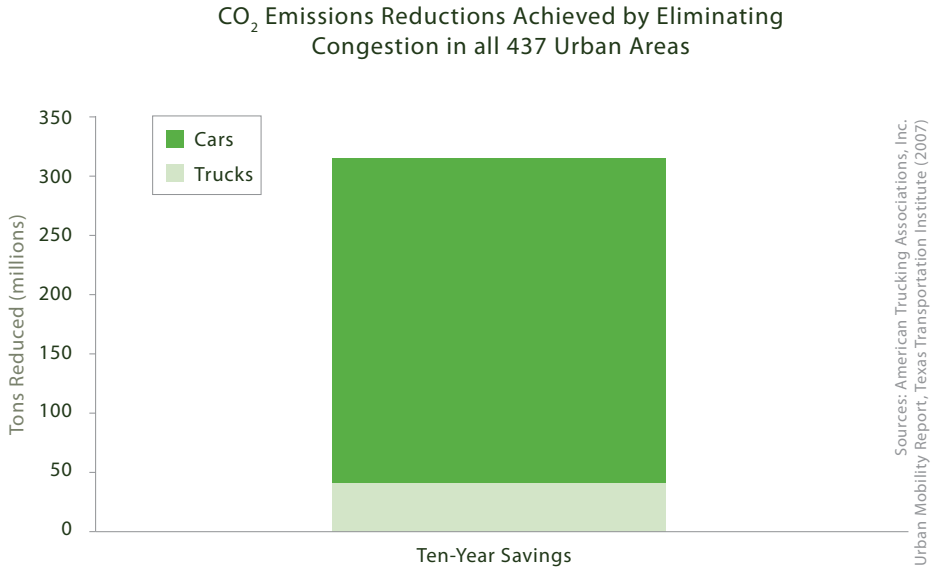
3. Fuel efficiency—encourage fuel efficiency improvement through carrier and shipper participation in the EPA's voluntary greenhouse gas reduction program known as the SmartWay[SM] Transport Partnership program.

Fuel efficiency improvement hinges on reducing the amount of fuel consumed by an entire truck fleet relative to the amount of cargo moved over a given distance. EPA's SmartWay[SM] program encompasses the whole freight industry—shippers, truckers, rail carriers, even dealer service centers and truck stops. Trucking companies must develop three-year plans to reduce fuel use and greenhouse-gas emissions to qualify as SmartWay[SM] members and use the program logo. Program partners are closely monitored by the EPA and will reduce fuel consumption in 2008 by an estimated 554 million gallons of fuel. Over the next nine years, CO_2 reductions are estimated at 119 million tons.



4. **Congestion reduction—**the industry will advocate for improved highway infrastructure to reduce congestion as a preferred method of further reducing carbon emissions— paid for with a dedicated fuels tax if necessary.

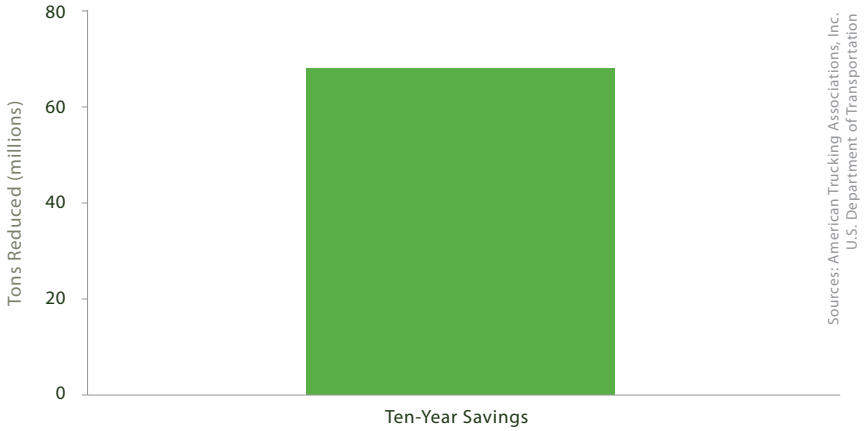
Congestion relief is one of the most viable strategies for reducing carbon emissions. Dealing with the inadequacies and the bottlenecks in the nation's highway system is necessarily a long-range challenge. ATA recommends a 20-year program. Initial focus would be on fixing critical bottlenecks, followed by a program to increase traffic flow in critical freight corridors. These improvements require dedicated revenue, which could be generated by an increased fuels tax. If congestion in all 437 urban areas were eliminated, the reduction in truck CO_2 emissions would be 45.2 million tons over ten years.



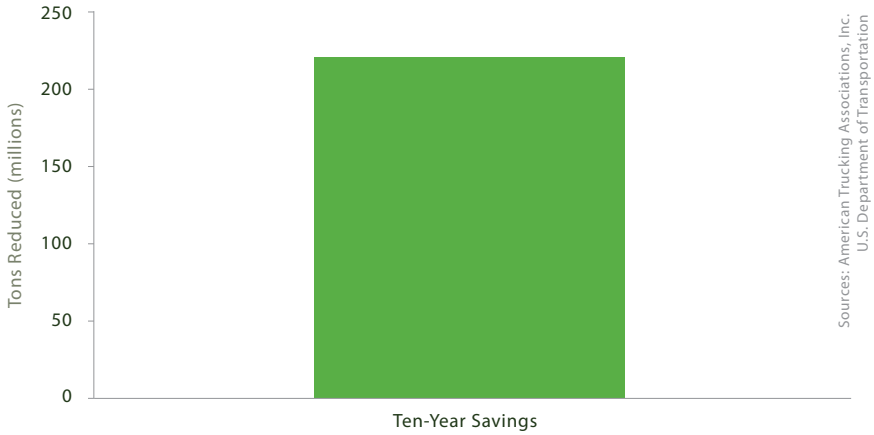
5. **More productive truck combinations—**allowing broader operation of higher productivity vehicles, including single tractor trailer maximum gross vehicle weights of 97,000 pounds, use of heavier double 33-foot trailers, and expanded use of western LCV units.

Permitting truck combinations to be more productive can help decrease the industry's carbon footprint, reducing fuel consumption both by reducing congestion and the number of trucks needed on the road. A large body of research shows that by easing restrictions on truck sizes and combinations, increased volumes of freight can be moved per amount of fuel consumed. A reduction of 294.7 million tons of CO_2 could be achieved with these changes.

CO_2 Emissions Reductions Achieved by Implementing the Western Uniformity Scenario



CO_2 Emissions Reductions Achieved by Allowing Heavier Vehicles



6. Support national fuel economy standards—setting technologically feasible fuel economy standards for medium and heavy duty trucks can reduce fuel consumption if they do not compromise the performance of the vehicles.

ATA supports increasing fuel economy standards for commercial medium- and heavy-duty trucks that are technologically feasible and do not compromise truck performance. Given that fuel economy in the industry has remained flat over the last quarter century and fuel now is oftentimes the largest operating expense for many fleets, it is more critical than ever to ensure small and large fleets alike are able to continue to deliver the nation's goods.

Conclusion

In an industry with thin profit margins and escalating fuel costs, increasing fuel efficiency and minimizing fuel consumption are major goals of any trucking company. Those goals coincide with the global need for industries to reduce their carbon footprint and to lessen their environmental impact. The American Trucking Associations firmly believes that advancing the recommendations in this report will significantly reduce the carbon footprint of the trucking industry while moving the nation's freight more efficiently than ever.