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## **SmartWay and FleetSmart MOU Signing Ceremony**

**September 14, 2005**

**Matthew Payne:** Trucking Fleets across the United States and Canada can benefit from the best that EPA's SmartWay Transport<sup>®</sup> Partnership and Natural Resources Canada's FleetSmart have to offer. Such international coordination is good business and also good government. Along side me today are Director of EPA's Transportation and Regional Programs Division, Suzanne Rudzinski and Director of Natural Resources Canada's Transportation Energy Use Division, Tony Taylor. They will speak about their vision for an integrated federal program for the trucking industry. Also another guest of note in attendance today is Mr. Delvecchio, who is Consul General for Canada.

They are joined by leaders from the freight industry who will speak about their commitment to cleaner and more efficient freight transportation. We look forward to working more closely with Canada and with our industry colleagues on both sides of the border. Together we will develop a stronger more effective partnership that includes: clean operations, reduced emissions, conserving fuel, saving money, maintaining energy security and also protecting the environment.

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Now please join me in welcoming our first speaker, Suzanne Rudzinski, Director of EPA Transportation and Regional Programs Division.

**Suzanne Rudzinski:** I want to thank everybody for coming today, because I am very pleased. Now admittedly I thought the weather was supposed to be an East Coast thing with “Ophelia”, I did not mean to bring it with me. Thank you very much. I think we are here today to commemorate a very important joining of two countries trying to make a more seamless international trucking system by trying to improve the fuel efficiency for both of our countries. We’re very appreciative that the James Group has agreed to host us today. I would like to thank them very much. I’d also like to acknowledge the presence of a couple of representatives. We have representatives from Senator Levin’s office, Congresswoman Kilpatrick’s office and Congressman Dingel’s office. We thank you very much for joining us today, we appreciate it.

I’m very pleased to be here, to announce the important progress in the mutual commitment of the United States and Canada to provide cleaner air to the citizens of the countries we serve. On the horizon behind us, we have the Ambassador Bridge, which luckily is not obscured by clouds here (just rain). It’s the number one crossing at this point in North America; it spans at the Detroit River, it joins the two cities and it’s been a major gateway. We’ve got more than

10 million vehicles that cross the bridge annually and more than 3 million are trucks. It's very important from a transportation and trade perspective that, more than 25 percent of all the merchandise traded between the United States and Canada goes across this bridge, which is an amazing percentage. Many people may see this as a gateway between the two countries, but I think also, many of the people see it as nothing but another traffic jam that has to be tolerated as they go across the bridge. And so, one of the things we would like to do, is to try and figure out ways that we can ease some of that, because it affects more than just people trying to go across on vacation, or Windsor or go to a Red Wings game in Detroit. The truck drivers that are going across play an important role for us. If they are being delayed while they are going across with, their idling trucks and its fuel that they don't need to be spending. It winds up costing them, it winds up costing the country, both in terms of dollars and as well as in terms of air emissions that we would like to reduce.

For EPA, air quality issues are a real concern in border crossing regions such as Detroit. You've got areas like Detroit, that are not meeting ozone standards and that are not meeting PM standards. Anything we can do, that will help to reduce those, we think is beneficial. But we also think that one of the key ways to do this is through voluntary actions. I think that many people are here today, that have joined the program, and I am very pleased that we've got a

number of our Partners here. They're joining this because it is voluntary, because they feel it is the right thing to do, it's the right way to go about reducing emissions, and it winds up helping them with the business bottom line. Which I think is important from our standpoint as well.

By signing the agreement today, we're formally agreeing to work together on various projects that are outlined in the MOU. Some of the first things we are planning to do is integrate the Canadian FleetSmart Program, which is a great education program for drivers. It has shown great benefits in terms of reducing the amount of fuel the drivers use by changing some of the habits they have. We would like to introduce that into our United States SmartWay Transport Partnership Program. Additionally, we are going to be sharing with Canada, some of the technical aspects of the SmartWay Transport Partnership and models we've developed that will help in terms of reducing fuel usage. We think that through cooperation between the two countries; we're going to maximize the benefits of the resources spent on freight transport in both countries.

What we are trying to do here in the United States with the SmartWay Transport Partnership, is to create a demand for a cleaner more efficient freight transportation. It provides an opportunity for freight carriers and shippers to showcase their environmental performance goals, improve air quality, reduce

emissions, save fuel and protect public health. By 2012, we're expecting that the SmartWay Partners in the program will save nearly 7 billion gallons of diesel every year with the technologies and strategies that they are going to be using. This from an environmental standpoint translates into somewhere between 33 and 66 million tons of carbon dioxide and 200,000 tons of oxides of nitrogen emissions each year. By doing this, it's going to be equivalent to taking 12 million cars off the road, in terms of the fuel savings to be had. But the thing is; we also think there are substantial benefits from an economic standpoint. We're estimating that reducing fuel that we save, can save transportation companies over 16 billion dollars annually. That was assuming that if it keeps going this way, we can save a lot more.

We are also very pleased, because giving this is a voluntary program. We're looking to the companies themselves to join; to be leaders and to show others, what the advantages are. And so we're very pleased to have in the audience today, representatives of a number of companies. We've got CFI, Davis Cartage, IdleAir, Panther II Transportation, Styline Transportation and Yellow Roadway among others that are here, and I greatly appreciate the fact that you've brought all the trucks, and if people have not seen them and seen the advantages that they have on them. You should definitely take the opportunity (if the rain will let up) for us to do that.

Because of the FleetSmart Program (that Canada has developed) we think it's a tremendous complement to the program that we have at this point too. It is really aimed at driver education, and we think that is an important component not present in our SmartWay program here in the states which we would like to make that available to everyone. So we're very pleased to be able to take advantage of this, we think that just educating drivers alone can save over 400 million gallons of fuel a year and a billion dollars as well, and that's only if 10 percent of the United States fleets were to join. So the potential is huge, just from doing nothing but educating drivers. By joining programs, we think that the United States and Canadian governments will help put the cleanest and most fuel efficient drivers behind the wheel. The combination will achieve the best fuel efficiency and the best environmental results. As we all know, air pollution knows no boundaries. It has no respect for national lines. Therefore we think its imperative that we all work together to improve our respective air quality. We have a long history of working well together with the Canadians and we think this is just another example of continued cooperation that's going to strengthen us both. We hope to help improve and make a seamless international program here for transportation that will produce energy and environmental benefits for both countries. Thank you again for coming today.

**Matthew Payne:** Thank you Suzanne. Now we could have had this at a nice plush hotel or some really cushy location, but I think the fact that we have the bridge in the background with truck after truck after truck going by is very appropriate. It gives a real sense of how important trucking is to both the United States and Canadian economies. I would like to announce our next speaker, Tony Taylor, who is Director of Natural Resources Canada's Transportation Energy Use Division. Please welcome, Tony Taylor.

**Tony Taylor:** Thank you very much, and Matt. Yes you mentioned the trucks and they certainly add to the atmosphere even when they decide to step on it to go by. Didn't mention the rain though, I think perhaps we should thank the James Group for bringing it on just at the right time, to herd us all in here. Get this thing started. You know how hard it is to gather a group of people with some exciting trucks around here and actually get them together and make things start on time, and I congratulate you for doing that. I also want to add my thanks to Suzanne, and to the James Group for hosting us. I want to thank everybody here for coming and helping us celebrate what I think is going to be a very good agreement for Canada and the United States. I know a lot of people, (Suzanne) are on your staff locally and my staff did some work to put this together. I want to recognize my own staff who got up at 4 am this morning in Ottawa to get here, to help make this work. Lynda Harvey particularly in the middle there and Darin

Bagshaw, thank you. Matt, you mentioned a Rocco Delvecchio who is the Consul General here for the Canadian Government in Detroit. I want to thank him for coming today and making sure that anything I say or fail to say has the official blessing of the government of Canada, so this really will happen. And of course finally, Elly Meister from the Canadian Trucking Alliance. Another Canadian has come here and we'll encourage Elly to say a few words in a minute to represent the support that the Canadian trucking industry has, for what's going on here.

I met a trucker a minute ago who is Canadian and there's probably others of you too, and if you are, it's great to be here in Detroit. When we're done the sun is going to come out and we'll have another look at the trucks. But, Suzanne has said quite a bit about this agreement, and what's important about it is that, I think it is going to give us (her group and ours) the vehicle we need to continue, and indeed to strengthen, the cooperation and determination that we have already to make more efficient, trucking fleets in our freight industry in Canada and United States. And as Suzanne said, what's really interesting is the two programs are bringing together different components here. SmartWay focuses on developing innovative technologies and our program in Canada (FleetSmart) emphasizes education, public outreach, training, better driving habits, vehicle maintenance and fleet management. So really these two programs are



effectively two sides of the same coin and we think the MOU is a unique opportunity to synchronize our efforts; learn from what's succeeded and also from some of the mistakes. I can tell you, I have only been here for half an hour and I've already learned a fair bit more about something's than I knew before.

There's a lot of good ideas out there, than what we need to give us a more efficient fleet, to save fuel, deliver clean air benefits and all the other things Suzanne says. I should add to that, they will lower greenhouse gas emissions, because that's one of the priorities of the Canadian government. I know your government is concerned about greenhouse gas emissions too, and reducing those gives benefits right across the economy and to the planet (to the World), in terms of a better environment.

In Canada, transportation accounts for 25 percent of greenhouse gas emissions. That's a large chunk of what we are responsible for reducing, so we believe we have to pursue all the options that are available to us to reduce that percentage in every part of the transportation sector; and my department (Natural Resources Canada) has a broad range of programs that will help us do this. We have programs aimed at everyday drivers, the taxi industry, public transit, commercial vehicles, including a program for the government of Canada's own vehicle fleets. But today we are particularly focusing on freight, and freight is a

very important, futile, thriving industry, both in Canada and the United States in between our countries. Suzanne, you mentioned the bridge. That's certainly a good example of how much trucking goes on here and how important it is for us to join forces and create a much more efficient fleet of trucks.

I just want to tell you a bit about FleetSmart and then I think that's all I want to say. You may know a little bit more about SmartWay than you know about FleetSmart. We've been in the business for almost 10 years now. It was launched in 1997. The aim, as I said, was to provide drivers and fleet managers with information and advice in areas such as: better driving habits, vehicle up keep, and also we offer some rebates and incentives to help truckers adopt new technology where it's worth while for them and for us. And we now have approximately 3,000 fleet participants; proving that there is quite an appetite for these services. Under the fleet umbrella we have programs ranging from fairly simple tips to some in depth training and demonstration work and as an example; (Suzanne mentioned this too) some truckers still leave their vehicles running when they stop for a meal or rest and we have worked with drivers and truck stops to encourage idle free quiet zone in Canada. We launched a campaign in 2002 and last year, 82 participating truck stop and truck dealerships across Canada volunteered to participate in that and raise awareness and provide their clients with a quieter and cleaner place to rest. Our training programs (in

FleetSmart) are called Smart Driver, and these are available in vehicle and industry sectors including: Forestry and Highway Trucking, Transit Vehicles, Motor Coach, to name a few. And the Smart Driver Programs are specifically designed to meet the driver needs in these individual sectors.

One example of a company in Canada that has participated in our program and has taken advantage of it is, Bison Transport. I'm sure some of you know about Bison, but it became one of the top fleets for fuel economy in Canada and it won a 2004 Energy Efficiency Award from Natural Resources Canada. The bottom line is that, I think our companies in Canada and the governments are ready to open the door on this partnership, so that we can continue to build vibrant freight industries in Canada and United States and we hope that you in the States will find our experiences useful and practical in working with Canadian fleets. We're certainly hopeful that we'll gain just as much from your expertise. We're excited by this Memorandum of Understanding and by the immediate opportunities for collaboration and the short term benefits these will reap. But in the longer term, I said, it's important to see this MOU as moving in the right direction to address climate change. A direction that will bring enormous long term dividends to the world. Finally, I want to congratulate the partners you've recruited for gathering here and for participating in your program and for their foresight and commitment. Thanks very much.

**Matthew Payne:** Thank you, now we're going to have some speakers from industry say a few words about SmartWay and FleetSmart. You know when we go out to talk to industry, to trucking companies, what we always try to do is to get some of our industry partners to say a few words. Because really with the industry, two words from them, is worth about two hours of us trying to explain on the program. It's the people they work with, and if they hear positive things from fellow truckers, which goes a long way toward believing the program works. We really depend on our Partners. So again as everyone else here, I'd also like to give my personal thanks, for those in attendance who showed up with their trucks. I believe IdleAir has a demonstration at the reception. We can give special thanks to Canada because they are catering the reception. I believe the hors d'oeuvres are from Opus One, which is a fine Detroit eating establishment. Speaking of Detroit, I would like to give a special thank you to Mr. Derrick Miller for Detroit's Chief Administrative Officer for being in attendance. It's really great to see you here Van Zoeren. Our next speaker is Mr. James Van Zoeren, who is President and CEO of Alvan Motor Freight. Please welcome James Van Zoeren.

**James Van Zoeren:** Thanks a lot. Its great to see everybody here today, like you said, my name is James Van Zoeren and I am President and CEO of Alvan Motor Freight. I also want to thank, everybody again for coming to this important event. It is a big deal and it's something that has been worked for a long time

and I understand it's been over 10 months that we've been working together to try and get the MOU in place. I just can't figure out, it'll take a government that long to do those things together, but we can do it. Also I want to say a special thank you to the James Group for hosting this. We've hosted a couple events like this in the past here in Detroit at our local facility, its over in Romulus by the airport and it's a lot of work that goes into it, so that's great too.

No doubt this is an important event. The signing of this Memorandum is just one more step in improving cooperation between the United States and Canada. Canada is America's largest trading partner. Anything we can do together to improve and strengthen that relationship is only going to benefit us all, both sides of the border. I say that's a good thing.

Now as mentioned, Alvan is a SmartWay Partner, we've got a strong commitment to the program. We're a family-owned business, and we're celebrating our 64<sup>th</sup> year in business this year. We're based right here in Michigan, actually, Kalamazoo, Michigan. I think an interesting point about Alvan is we're a third generation business. We were founded by my grandfather. I'm the third generation. Now statistics show that only 10 percent of family owned businesses survive until the third generation. Now that tells me one of two things, either I'm pretty smart or I'm pretty lucky. I think I'm going with the pretty

lucky. Seriously, Alvan does a lot of cross-border business back and forth, to and from Canada. It's the fastest growing business segment of our production and has been the fastest growing for last 10 years. Year after year, it grows double digits.

That's why we're so excited and pleased to be here today to witness this agreement. We feel that by working together with our neighbors we can share ideas, we can improve processes, and we can coordinate technology. Working together we can both reduce emissions and lower our costs. That results in a couple of positives and improves the bottom line and also results in a cleaner and healthier environment. In my mind that's a win-win deal.

Thanks again, for allowing me to have this opportunity to speak to you here today and please make sure you check out the trucks since it looks like the rain has stopped. I will tell you this, if this group of carriers out here, are the real quality of carriers that exist on the road in America (its very, very interesting), because there are a lot of companies, out there that I'm not real proud to be associated with, being involved in the trucking industry and I got to tell you, these are quality companies, they're doing quality things, not only in this area, but overall. These are the knights of the road in my opinion that you'll see out there. So take a moment and look at these vehicles. You should be proud of what their

doing, (I'm proud of what their doing) and I just hope you enjoy the rest of this beautiful day. Thanks again.

**Matthew Payne:** Thanks Jim, we'll go from a family owned business to one of the largest trucking companies operating in the United States today; I'd like to welcome Dennis Damman, who is Director of Engineering for Schneider National Inc. Schneider's been a SmartWay Transport Partner since the very beginning. They are one of the charter partners that actually helped us craft, create and develop this program and we're very thankful for their participation and their attendance today. I would like to welcome Dennis Damman.

**Dennis Damman:** Thanks Matt. I would also like to thank the EPA for inviting us to participate in this event and welcome our friends from Canada to it. I have very personal ties to Canada. When my daughter was in college, she met a fellow from Canada and married him and they now live in Edmonton-Alberta, where she teaches high school math and science. This year she's the president of the regional high school science competition in Alberta for Canada. I'm very proud of her. Last year she had two of her students that made it to the National Competition and she's had at least one of the students, for the four years she has been up there. Last April she became a Canadian citizen, something she very proud of, so from a personal standpoint I'm very glad to be here.

From a business standpoint we also have a large presence in Canada. We have an operation center in Guelph-Ontario, (just outside of Toronto); we have 550 company drivers out of that facility. We have 80 independent contractors that work out of there. On a daily basis, going back and forth across the border in Canada, we pull 550 loads. There's a very significant presence in Canada.

People ask why does Schneider National participate in SmartWay, and I can tell you. First of all, people don't think of trucking companies as being environmentally conscious, but I personally believe that I am an environmentalist. I went to school in Madison, WI, where that is ingrained in you and it's carried over. I ride my bike back and forth to work. I have a house that is extremely energy efficient. In fact the utility company visited me a couple of years ago wanting to find out why my bills were half of what the neighbors were. I like to think that I carried that over into my responsibilities at Schneider National.

We spec our equipment with full aerodynamics on them. We have run energy efficient tires; we've pulled our fifth wheels as far forward as we can, to minimize the gap between the tractor and the trailer. We road speed limit our tractors to 63 mph on cruise and 65 mph on the throttle. We have a two minute



idle shut down on the engine. If the driver leaves the engine idling without setting the RPM's up; the tractor automatically shuts off after two minutes. We provide incentives for our drivers to reduce their idle, and our idle times are less than half of the industry average. Starting in 2003, we spec all of our trucks with diesel-fired cab heaters, so that the drivers in the winter time do not have to idle their trucks to stay warm. We are one of the companies that have invested a lot of time and a lot of resources into finding a solution for cooling. We are looking for a mobile solution that will work regardless of where the driver is parked and doesn't require any infrastructure in order for it to run. The heating solution is pretty simple with the diesel-fired heaters. The cooling solution is a lot more difficult, but we continue to work toward that.

In any event, I like what I see on the trucks that are out here, and hopefully we can all learn from all of the technologies that are shared through the SmartWay Transport Partnership and we can continue to be strong advocates to reducing emissions and improve our fuel economy. Once again, thank you for inviting me here.

**Matthew Payne:** Thank you Dennis. Our final speaker is Elly Meister, who is Vice President of Public Affairs for Canadian Trucking Alliance. I would also like to say that Glen Kedzie from the American Trucking Associations is in

attendance in the audience. Both associations will play, and have played key parts of the success of the program. We acknowledge that and thank them for their efforts. I would now like to welcome Elly Meister, Vice President of Public Affairs for Canadian Trucking Alliance.

**Elly Meister:** Thank you Matthew. It's an honor for the Canadian Trucking Alliance to be a part of this international event today. And I'd like to thank Natural Resources and SmartWay EPA for involving my industry from Canada as a part of this official ceremony. Thank you so much. Most of what is important has already been said by a number of the distinguished speakers before you, but what I would like to comment on, at this point, is that the industry has embraced these, both SmartWay in the United States and FleetSmart in Canada. This is voluntary, it's not mandatory. It's a voluntary program and I think that speaks volumes of the commitment by the trucking industry, by the drivers, by the owners into embracing both these programs and they're to be highly commended.

CTA (Canadian Trucking Alliance) has been a long supporter of the FleetSmart Program in Canada. It was initiated in 1997, its taken a little while to reach those heights at the point, but right now we have 3000 (as Tony Taylor originally said) participants in the program and we're proud of all those

participants. We're also involved in the anti-idling campaign that was put on by Natural Resources. Which is becoming successful and we're excited this year when Natural Resources and the Office of Energy Efficiency introduced another program for our industry and for our drivers which is the rebate system; for the in-cab heaters and air conditioning units, so the whole industry is working together to look after the environmental aspects, and climate change that's been there.

Before I end my comments, we are really proud of the Canadian companies that stepped up to the plate early on, and the blue chip Canadian companies that are already supporting SmartWay and the Canadian Trucking Alliance will be working with Natural Resources to ensure a greater buy into this North American program for the benefit of both our countries in the next short while. So Thank You.

**Matthew Payne:** Thank you that concludes our speakers for today. Next we will have the signing of the Memorandum of Understanding which will conclude today's ceremony. Also, please note that there are some gift bags in the back for those who didn't receive one, they're bright blue. As well as some SmartWay folders, SmartWay and FleetSmart folders if you would like to take those with you. It looks like the rain has stopped, so we can get another look at the trucks, and afterwards we have the reception right next door, where we'll have hors



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d'oeuvres and wine sponsored by Canada. Again, thank you everyone for attending and we appreciate you coming out supporting this historic agreement. Thank you.