Educated in trucking

- 1966 – one truck
- Diesel was $.25 a gallon
- Regulation
- De-regulation
- 16,900 trucks today
- SmartWay Charter Member
Eliminate federal excise tax (12% on new trucks)
Fuel tax is for roads – trust fund, spend wisely
Large incentives for solar and wind, very limited incentives for the transportation industry
Need infrastructure for alternative fuel tractors
- LNG, CNG, electric etc…
The technology isn’t quite there for alternative fuel vehicles, power remains an issue
Size and Weight increases – If this was the answer it would have been done
  — Great safety risks – much longer stopping distances etc..
  — Infrastructure damage – roads, bridges etc..
  — Majority of the industry’s equipment can not handle the weight requirements

Cross border trucks
  — Mexican trucks are much worse for pollutants but are not subject to the same restrictions as the US trucks
  — The border crossing is very efficient as is
Demand for Tonnage

Total Increase from 2009 to 2021 may not be accurate due to reduction in product size (TVs, Cereal, detergent etc)

Source: U.S. Freight Transportation Forecast to 2021
Distribution of Tonnage by Mode:

2009 vs. 2021

2009:
- Truck: 68.0%
- Rail Carload: 13.6%
- Water: 6.4%
- Pipeline: 10.9%
- Rail Intermodal: 1.1%
- Air: 0.1%

2021:
- Truck: 70.7%
- Rail Carload: 12.5%
- Water: 5.9%
- Pipeline: 9.2%
- Rail Intermodal: 1.6%
- Air: 0.1%

Source: U.S. Freight Transportation Forecast to 2021
% of Freight <500 miles

<table>
<thead>
<tr>
<th>Region</th>
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<tr>
<td>TOTAL</td>
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Trucking vs. Rail

- Trucking is nimble
- Hurricane Irene for example
  - Instant response
  - Reroute trucks to deliver around road that are out
  - Rail is closed
  - Flexible to surge
Fuel efficiency requirements – What works

- Let the industry make decisions – more effective ways to reduce our carbon footprint (8% of Swift’s miles are run in CA)
  - Trailer skirts – $50 million cost to Swift for little advantage
- Price of fuel drives behavior to cut costs, increasing mpgs
- MPG requirement legislation
  - Swift is well ahead of the requirements
  - This hurts the small business sector
What works

- Reduce speed limit of tractors on the road (Swift is governed at 62 mph)
- Tires (regular psi testing and low rolling resistance)
- Driver Behavior – education, incentives, rewards
  - Reductions driver idle
  - Driving style
- Newer trucks – Swift trade cycle is 48 months
Summary

- We need to spend wisely
- We all share the same goal
- “How can I save a gallon of fuel”
- Let the industry build in efficiencies
- Let’s all work together
DIESEL FROM METHANE
IN REAR

DA SMELL UB PWOGWESS!

shade © 2011
TRANSPORT TOPICS 08/22