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TRUCKLOAD

# Carbon Reduction Opportunities In Heavy Duty Trucking

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Climate Adaptation and Mitigation Workshop  
February 26, 2015

# Con-way at a Glance

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- \$5.8B industry leader in freight transportation and logistics
  - Con-way Freight
  - Con-way Truckload
  - Menlo Logistics
- 30,000 employees worldwide
- 500 operating locations, 20 countries
- 11,900 trucks, 34,300 trailers, 20 mm sq. ft. warehouse space
- 70,000 customer pickups and deliveries daily in N. America
- Over one billion miles annually moving freight on U.S. highways
- Consume 150 million gallons of diesel fuel annually

# About ATA

- National trade association for trucking representing interests of over 34,000 trucking companies, suppliers and affiliated members.
- Offices in Arlington, DC, and Atlanta
- One-stop shopping ranging from advocacy and litigation to policy expertise in safety, engineering, energy, environment, sustainability, economics ...



# Trucking Statistics

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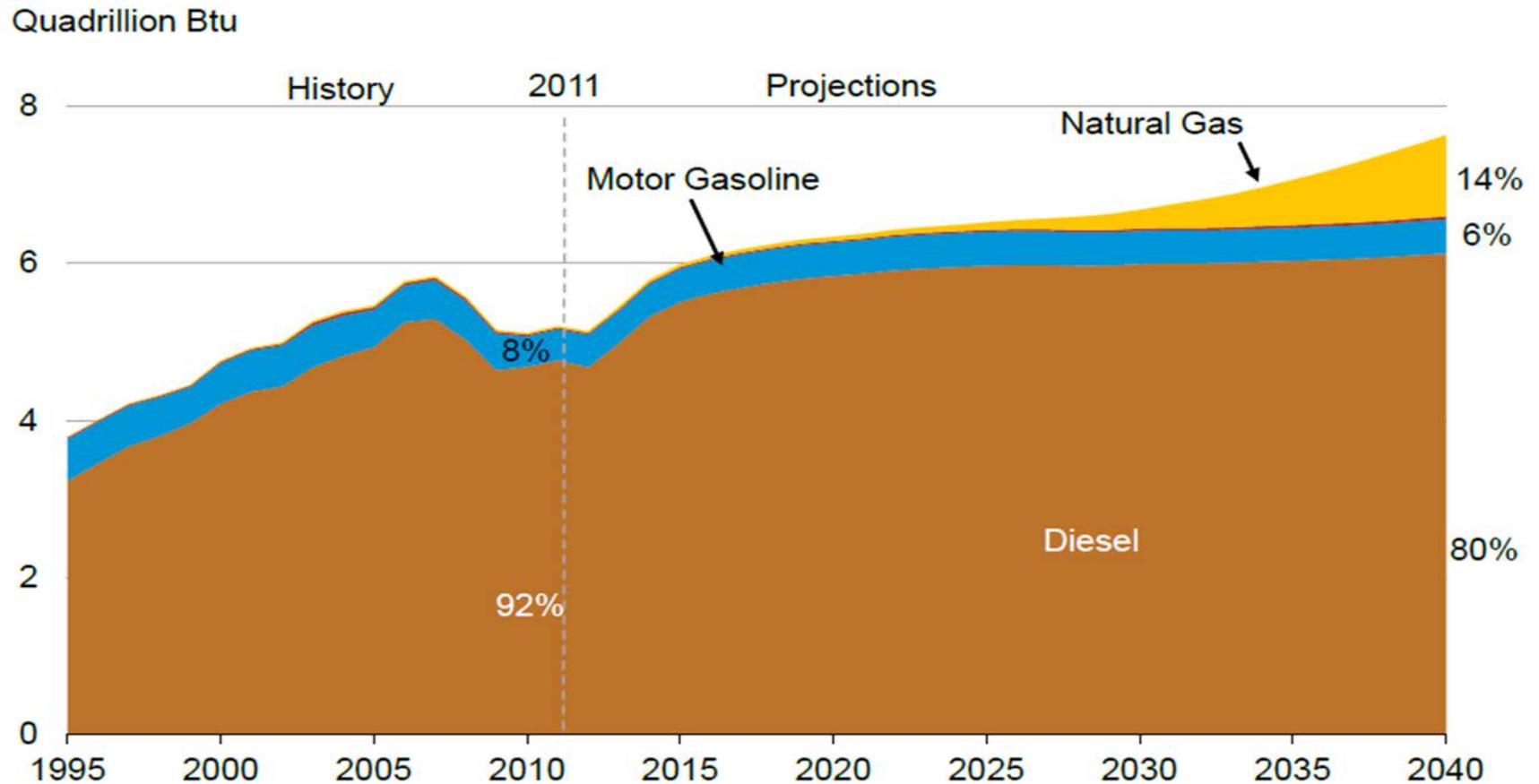
- Over 500,000 trucking companies in the US
  - 97% have fewer than 20 trucks
  - Many different industry segments
- Nearly 70% of all goods (by weight) in the US move by truck
  - 83% by value
  - 97% of all consumer goods
- Future modal shares are expected to stay fairly constant
  - Over 80% of US communities are served only by truck
  - Shipments traveling >500 miles only 13.4% of the truck freight market
  - % of all freight moving rail intermodal expected to remain under 2
- Freight in all modes is expected to outpace capacity (42% by 2040)

# Trucks Use a Lot of Fuel

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- In 2013, trucking consumed 52.7 billion gallons of fuel
  - 37.7 billion gallons of diesel (72%)
  - 15.1 billion gallons of gasoline (28%)
- Fuel is #1 operating cost
  - 2013 diesel bill of \$148 billion
  - Total 2013 fuel bill \$200+ billion
- 1¢ diesel ↑ increase = \$350 - \$375 million in added fuel costs to industry

# Heavy-Duty Fuel Demand Through 2040



Source: EIA, Annual Energy Outlook 2013 Early Release

# We strive to be an industry leader in sustainability through these initiatives



*Con-way is a member of the  
HD Fuel Efficiency Leadership Group and  
has been  
recognized by the President's  
administration*

# How is Trucking Actively Reducing its Carbon Footprint?



# Two paths to reduce fuel consumption

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- Equipment related (differ by vocational task)
  - Tractor specs
  - Trailer specs
  - Driver assisting technologies
  - Idling reduction, governors, APU's,
  - Alternative fuels
  - New vehicle configurations (twin 33's gain 18% efficiency)
  
- System related (differ by operational type)
  - Network optimization
  - Route optimization
  - Geo fencing – (OOR – out of route)
  - Load matching software
  - Aggressive use of intermodal opportunities

# Heavy-duty Fleet Fuel Reduction Efforts

- All Con-way operating companies participate in the EPA's SmartWay Program.
- Focus third-party spend on SmartWay carriers
- Governed top speed at 65 mph
- Reduced idling (Idle shut off at 3 minutes)
- Driver training (progressive shifting)
- Driver assist technology – automated manual transmissions, tonal coaching
- Single wide tires (now LRR and closed shoulder)
- Aerodynamics, advanced lubricants, weight reduction
- Line-haul network simulation, rationalization, and optimization
- Local route optimization
- Asset tracking (satellite and GPS)
- New engine, drive train technologies (Phase 1 and 2 HD Fuel Economy Stds)
- Alternative fuels (including NG pilots)
- Equipment utilization (Safe-Stack)
- Automatic tire inflation and monitoring
- Driver incentive programs

# Industry Adopted Sustainability Plan in 2008

- Set 65 mph speed limit for all vehicles and govern truck speeds at 65 mph for trucks manufactured after 1992
- Reduce congestion through highway improvements
- Promote more productive truck combinations
- Support truck fuel economy standards that are technologically and economically feasible
- Decrease engine idling
- Increase fuel efficiency with US EPA SmartWay Transport Partnership program
- Potential savings of 86+ billion gallons of fuel while reducing the carbon footprint by nearly a billion tons over the 10 years



# Potential Use of Higher Productivity Vehicles

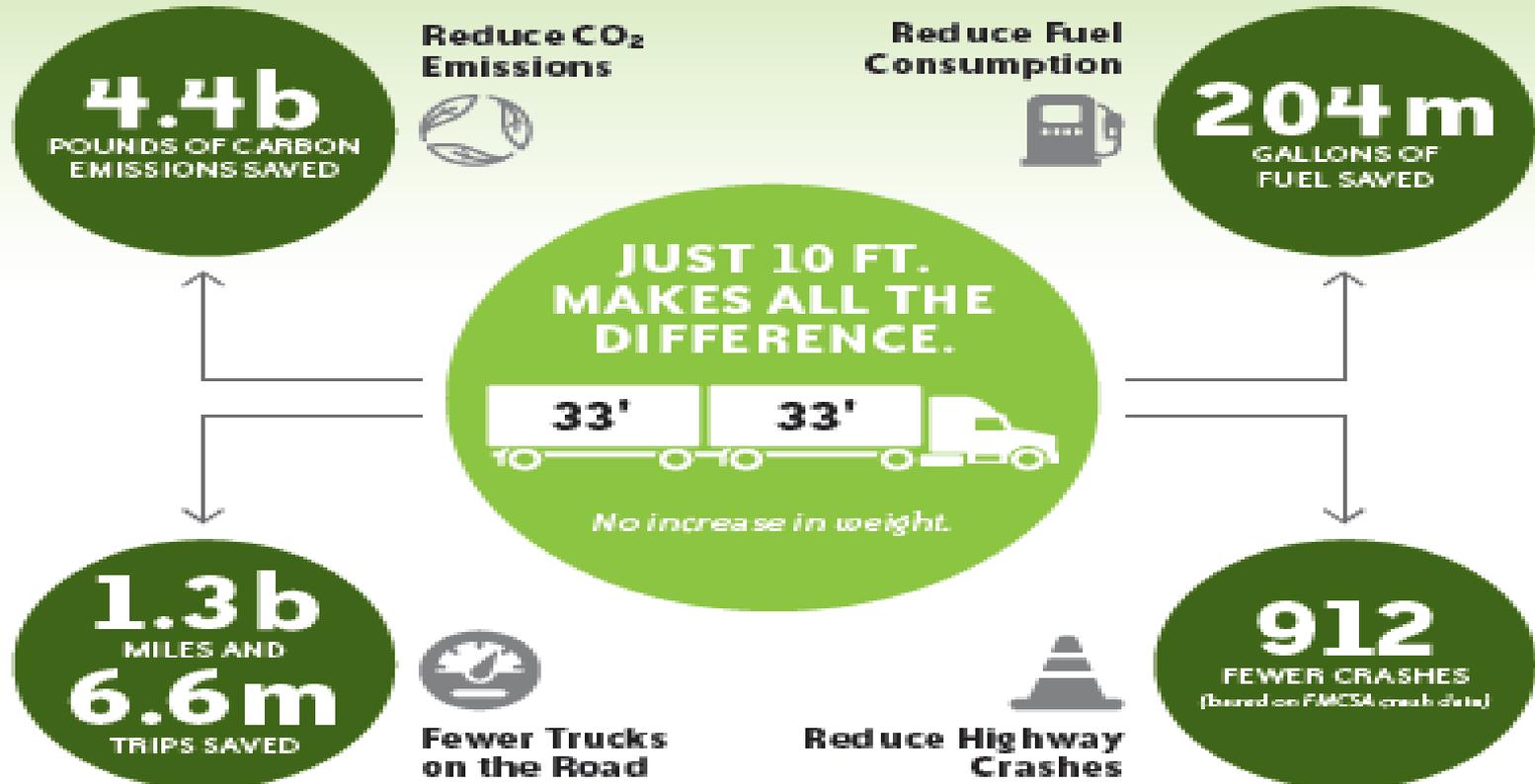
**DID YOU KNOW?**

**69%**

of all freight tonnage was moved by truck in 2013. That is 9.7 billion tons of freight; more than three times the amount moved by rail, water and air combined.

**1982**

was the last time congress established the length standard for a twin trailer at 28 ft.



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# Thank you!

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