
**SPECIALREPORT: FACTS VS. FICTION**

**From the Editor of FactsAboutSCR.com**

***The following report (in black type) was issued yesterday by the OOIDA. Developed based on our interviews with experts from the trucking and emissions reduction industries and environmental policy agencies, we invite you to get the facts (in blue) to some of the false and misleading statements in their report. Unfortunately, the OOIDA developed its position without hearing from our experts on how SCR will be ready to meet their needs.***


## OOIDA says 2010 engine standard needs hard look

**Wednesday, Nov. 19, 2008** – The Owner-Operator Independent Drivers Association is calling on the federal government to rethink the looming deadline for the rollout of the 2010 emission standard for heavy-duty engines.

Since the Environmental Protection Agency started ratcheting down emission standards on heavy-duty engines, the pre-buy phenomena has been something the truck makers could pretty much bank on. That is until 2009 and 2010.

A study released by NERA Economic Consulting concludes that the customer responses to the 2007 engines, which led to pre-buy sales before and low-buy sales when the standard went into effect, will be repeated with the looming 2010 standards. *This study was flawed because it does not take into account the WELL KNOWN fuel economy advantages associated with SCR 2010 technology. In fact, several fleets have expressed interest in a "post-buy" instead of a pre-buy because of the economic advantages.*

That is if the weak economy and lack of available credit don't tank the sales all together.

Adding insult to injury, the trucking industry has become increasingly wary of new technologies as they are developed to meet the ever-tightening emission standards. *First - The folks who performed the study did not approach anyone involved in the North American SCR Stakeholders' Group so that they could learn more about the technology. 90% of the manufacturers preparing for 2010 will be offering SCR as their preferred choice and these OEMs are right on schedule. Second –A perception study recently presented at the Diesel Exhaust Fluid Forum shows us that informed truckers are fine with new technology, especially when it offers fuel economy, less heat rejection, fewer regenerations and lower cost of operations. These are the benefits of SCR. However, the study did show that owner operators need more information.*

The authors of the study, David Harrison Jr., Ph.D., and Mark LeBel, point out that all of this will actually decrease the environmental benefits and cost-effectiveness of the 2010 regulation. *The tie between demand for EPA'07 trucks and EPA2010 trucks is flawed since the researchers ignored fuel economy and performance benefits which are only available through using SCR. Also, it ignores the industry's trend toward public relations aspects of public health improvement, reduced emission, reduced fuel consumption, increased "green" benefits and adoption of EPA 2010 standards.*

The study was an update of one conducted in 2005 in anticipation of the 2007 engine standard. *It might be worth noting that the technology being considered and discussed by researchers in 2005 and again in 2008 was EGR....in fact, increased rates of EGR. Since the basic laws of physics dictate that fuel economy, maintenance costs, and performance deteriorate as EGR rates increase, it is easy to see that the researchers' focus might be narrow and result in conclusions like this. The paradigm has shifted completely for 2010 and the researchers neglected to address that.*

The Association would like the administration and Congress to push for a restructured timeline, phasing in the new standard to allow ample breathing room and to build confidence within the trucking industry. This would provide time to prove the worthiness of new engines, give the economy an opportunity to recover, and explore new fuel alternatives. *Daimler and Volvo have more than 500,000 truckers using SCR in Europe. Together the SCR OEMs, including Daimler, Volvo, Paccar and engine manufacturers Detroit Diesel and Cummins, have plenty of fleets and industry executives that have seen with their own eyes and heard with their own ears from European truckers that SCR has been an economic benefit to them....not a performance compromise. The EPA2010 standards were clearly introduced to the industry in 2001....OEMs and engine manufacturers were then able to devise strategies and product development plans to optimally meet the timelines laid out. It's no coincidence that the truck OEM that sponsored the survey upon which the OOIDA made its decision is the least experienced in global emissions challenges. The vertical integration between engine and truck OEMs has not been just for show. It was precisely intended for the creation of optimized drivetrains in the face of increasing environmental and economic challenges that are facing the entire world.*

"With record-high diesel fuel prices earlier this year, trucking businesses have already faced insurmountable challenges trying to stay on the road," said Todd Spencer, executive vice president of OOIDA. *Fuel prices, or rather fuel savings, is one of the primary benefits of SCR. Escalating fuel prices add stress to our customers' businesses, but also reinforce the advantages of adopting SCR technology. These advantages are over and above today's EPA2007 equipment.*

"It's the worst possible time for the trucking industry to take on a high-stakes gamble with no known level of reliability of the technologies or return on investment." *A statement about the reliability of SCR being **unknown** could only have been made by an OEM that has little or no experience with SCR. Any expert or honest investigation into the SCR experience in Europe and Asia reveals a rapid and successful adoption.*

The Association has been dedicated to a cleaner environment and is a committed affiliate partner in the SmartWay Transport Partnership. *Then, why ask for a delay. For the first time, an emissions reduction technology is as good for truckers as it is for the environment. Access to and advocacy of this SCR technology is a perfect fit for OOIDA member businesses and their SmartWay partnership commitment.*

However, the Association has reviewed recent news reports showing that sales and production of diesel engines and trucks have begun to slow dramatically. Manufacturers are laying off workers and closing production lines in anticipation of lower sales. Fleets, both small and large, are signaling that they will hold on to existing, older equipment, instead of making purchases of newer technology. *This business downturn has much more to do with a reduction in industry capacity in the face of reduced freight volumes and shipments. It also has to do with the rather large "pre-buy" that occurred in 2006 due to the poor experiences customers had with the increasing rates of EGR for equipment purchased in 2003 and 2004. Once again, SCR, which will be available along with a fuel savings advantage is a solution. There is no reason for delay. If anything, people want the 2010 trucks right now.*

"While the Congress and administration continue to address our economic crisis by focusing their attention on the Big Three automakers after bailing out Wall Street ventures gone bad, the engine that drives the trucking industry is headed for a dangerous cliff looming just ahead," Spencer said. *The cliff looming ahead will surely require improved competitiveness through fuel savings and lower operating costs – not delay.*

In 2010, truck engines will be required to comply with more stringent emission standards for nitrogen oxide. Various technologies are being developed and tested by engine and truck manufacturers to meet these standards. *But only SCR is meeting this standard. The only OEM not recommending SCR has yet to clearly explain the impact of the as yet unproven technology they intend to use and which history shows has potential performance degradation on the customer.*

Among other things, the study concluded: *The basis upon which these three conclusions were drawn was not accurate. Therefore, the action request to the EPA is ill founded.*

- Trucks that meet the new standard will have substantially higher purchase prices.
- Trucks that meet the standard will entail technological uncertainties from the perspective of the customer (including uncertain increases in operating and maintenance costs).
- The net result of these customer reactions (pre-buy and low-buy) to the 2010 standards would be reduced environmental benefits and less cost-effective standards.

According to the report, costs of trucks coming off the assembly line, in complying with 2010 emission standards, will run between $7,000 and $10,000 more per vehicle. This is nearly $21,000 more per truck higher than in 2004. Furthermore, there will be an additional weight of between 300 and 500 pounds for some models utilizing new technology. Maintenance and operational costs will be substantially higher than current model engines.

Rather than push forward with the 2010 standard, the Association officials point out that restructuring the implementation deadline could provide opportunities to find ways to benefit the industry and the environment in one fell swoop – instead of suffering unintended consequences. *90% of the manufacturers involved are committed to SCR. SCR will be available and affordable when OOIDA members need to update their equipment. The trucking industry will not change overnight – so OOIDA management and members have time to become more knowledgeable about SCR, its benefits and its potential positive impact on their businesses. "No change," which is the same as "delay" is not a solution – especially when saving on fuel, active regenerations and cost of operations could be an option sooner than later. OOIDA management owes it to its members to give them accurate information and the opportunity to consider fuel saving SCR technology for 2010.*

"With more time, the solutions will become much clearer and environmentally much cleaner," Spencer said. "Otherwise, there will be a delay in the intended environmental benefit because there is a disincentive to purchasing the new technology. Truckers and fleets are simply going to hold onto their equipment for a longer period of time, if they are able to hold onto it at all." *A better way to help OOIDA members through these economic times would be to unite them in their appeal for tax credits, low-cost loan availability and SmartWay fleet commitment to working with owner operators who demonstrate their commitment by adopting the most fuel efficient and lowest-emitting technology available.*