

FleetOwner

Navistar acknowledges past mistakes; looks to bright future

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TOOELE, UT. Trying to put all the rumor, speculation and confusion about its future behind it, Navistar is looking forward with a new direction and new attitude, if you will, as it ventures down the SCR path.

Speaking to reporters here during the company's Vocational Boot Camp for dealers, Jim Hebe, executive vice president-- North American sales for Navistar, talked about what the month-long boot camp is all about and how the company is trying to focus on the future-- not on the mistakes of the past.

"We're headed in the right direction; we're on the right emissions strategy finally," Hebe told Fleet Owner. "We're being as open as possible. One thing you're not going to get anymore from us is the [bull]."

"Two decisions were made in this company in August 2008," he said. "One was to go EGR and the other was to go it alone. The decision to go EGR was not the wrong decision. The decision to go it alone was the wrong decision."

Hebe noted that given more time, the company had been confident an EGR-only solution would have met EPA-2010 emissions regulations. But with emission credits running out, Navistar was left with little option but to make the switch to SCR.

The EPA has since issued a final rule that will allow Navistar to pay nonconformance penalties on engines sold that do not meet the 0.20 grams of NOx limit. The company will offer the Cummins ISX 15 beginning in January and purchase SCR aftertreatment from Cummins and integrate that onto its MaxxForce 11L and 13L engines. The 2010-compliant 13L is expected to be available in early 2013.

"[Cummins] didn't have to do anything for us and the way they've done it, they've been tremendous," Hebe said.

Hebe also said Navistar will not pursue a 15L SCR engine, Instead it will rely on the Cummins model for that power range. "Our intention is to continue to build them as long as we can and then phase into the Cummins ISX15," Hebe said. "It's a shame, it's a great engine."

As part of the approach going forward, Navistar said it will ditch the In-cylinder Technology Plus (ICT+) branding it had given the aftertreatment system when it was announced in favor of calling it what the technology is: SCR.

Hebe acknowledged that there is concern among dealers and customers about the company, but that Navistar is focusing on repairing those relationships.

“The dealers wanted the noise to go away,” he said. “They wanted to get back to selling trucks. They wanted to not have to open the paper every morning and read [about the company]. They wanted to sell trucks.”

Speaking directly to the dealers on Wednesday morning, Hebe said what everyone inside and outside Navistar has long understood.

“We’ve gone through three years of pretty interesting times. We have and you have,” he said. “We’re back digging ourselves out again trying to get back to where we were three years ago.

“I feel more comfortable and confident in our company than at any time I have since ...2006. We’re focused on the right things.”

Hebe mentioned that the added cost of engineering, purchasing and installing the Cummins aftertreatment system would add cost to the vehicles in the short term.

“For the first year we’re going to be [cost-] challenged, but our customers are not going to bear that cost,” he said. “We’re so good at EGR, what’s going to happen when we add SCR? It’s going to be damn good, but it’s going to take us two years to get there.”