

## **EXCLUSIVE REPORT: Cat out of the bag?**

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TORONTO -- It looks as though Cat has one more life in the world of heavy-duty, on-highway engine production. And, as Today's Trucking has learned, that's good news for Navistar.

We're told that despite calling it quits last year on highway diesel power, Caterpillar will in some form or another supply Navistar International with a post-2010 "big bore" engine.

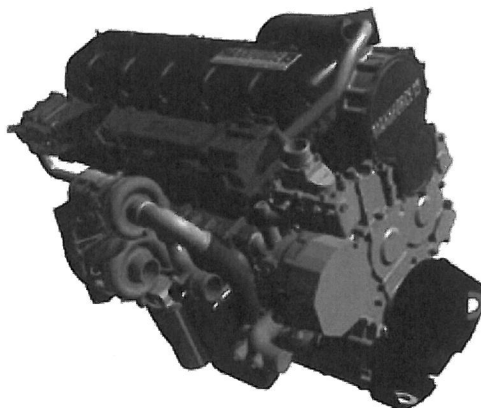
In fact, sources confirm (what was speculation on our part a few weeks ago) that Navistar's newly announced 15-liter, non-SCR MaxxForce engine is actually Cat's C15 -- although neither company is saying anything about it publicly.

It remains to be seen whether Cat produces the engine for Navistar, or whether the truckmaker builds it under licence in one of its existing plants.

Sources also tell us (unofficially) that this is most likely the end of the road for Cummins' 15-liter diesels in International tractors, considering the engine maker decided to go with selective catalytic reduction (SCR) as its 2010 emissions technology.

(Navistar, as has been well documented, is the sole engine maker intending to stick with EGR to meet the 2010 emissions mandate.)

At a stock-market analysts' conference looking at 2008 results last week, Navistar execs wouldn't provide details on the new big bore version of the Maxxforce, but promised they would make an announcement at the Mid America Trucking Show in Louisville this coming March.



Navistar's newest addition, the Maxxforce 15 liter looks remarkably similar to Cat's C15

Sources also point out that it's unlikely this engine will be hitting the market in 2010, or even 2011, meaning that Maxxforce customers will most probably have to settle for the 13 liter for the next few years.

Questions remain whether this 15-liter engine will move ahead with Cat's proprietary ACERT emissions technology -- however unlikely -- or adopt Navistar's "advanced" version of EGR.

If so, the larger capacity could change many things in the EGR equation, requiring additional engineering work that could stretch beyond 2010.

At the time Caterpillar said it was leaving the on-highway engine business, it did mention that it would continue working with Navistar to create off-road trucks as well as other unspecified projects.

It appears this could be one of them.