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Navistar Will Add Urea-Based Aftertreatment to Meet Emissions Regulations

UPDATED -- Navistar International announced this morning that it will add urea-based aftertreatment to its engines with In-Cylinder Technology Plus (ICT+) to meet 2010 Environmental Protection Agency emissions regulations and position the company to meet greenhouse gas rules in advance of 2014 and 2017 requirements.

To be used for diesels in the United States and Canada, ICT+ combines the company's current Advanced Exhaust-Gas Recirculation with liquid urea (diesel exhaust fluid) injection aftertreatment similar to that used by competitors. ICT+ will be initially introduced on Navistar's MaxxForce 13 engine in early 2013, with the MaxxForce 15 to follow, said Daniel Ustian, Navistar's chairman, president and CEO.

A midrange engine for Brazil will also use ICT+, and is being introduced now, Ustian said. He and two other executives spoke briefly in a webcast two hours after the announcement this morning.

They said current products will continue for the rest of the year using a combination of previously earned emissions credits and non-conformance penalties for trucks sold in some states. They took no questions about how each of Navistar's midrange and heavy duty engine families will be affected or anything else regarding ICT+.

Navistar originally tried to meet 2010 emissions standards without the use of urea-based aftertreatment, which the rest of the industry has used through selective catalytic reduction to meet the regulations. However, it has struggled to get to the 0.2 NOx level using only its in-cylinder, advanced exhaust gas recirculation solution.

Navistar has fielded 2010-certified diesels that don't quite meet the regulation's absolute limit for NOx, but had thus far been able to meet the regs with the use of emissions credits. Early this year, the agency said it would allow continued sales of heavy-duty engines by means of the company paying non-conformance penalties of about \$1,900 per engine. But a federal judge recently threw out that arrangement in a suit brought by competitors, and Navistar has had trouble trying to certify a 13-liter engine that meets the absolute NOx limit of 0.2 gram, compared to 0.5 gram it's producing now.

"Our distinctive solution will leverage the investment and advancement we've made in clean engine

technology while providing immediate certainty for our customers, dealers, employees and investors," Ustian said. "We have made tremendous progress with in-cylinder technology and with the introduction of ICT+ our goal is to offer the world's cleanest and most fuel efficient diesel engine, benefiting both our customers and the environment for years to come."

The solution will include "an already proven and certified aftertreatment system," allowing the company to offer production-ready vehicles early next year. The company also says this approach is expected to provide a clear path to quickly achieving 2017 GHG standards.

The company intends to continue to build and ship current model EPA-compliant trucks in all vehicle classes using appropriate combinations of earned emissions credits and/or non-compliance penalties (NCPs) during the transition to ICT+.

"We've shared our new technology path with the EPA and California Air Resources Board (CARB), and both agencies are encouraged by our plans," Ustian said. "We will continue to work with the agencies to ensure that our customers receive uninterrupted deliveries in all 50 states during this transition."

We will provide more details as they become available.