

North American Council for Freight Efficiency

“Driving Innovation”

September 28, 2010



Our Program will begin in 5 Minutes

“US heavy vehicle fuel consumption will increase 25 percent between 2010 & 2020”

- Energy Information Administration (EIA)
Annual Energy Outlook (AEO) 2010

Our Program will begin in 4 Minutes

“Energy efficiency and renewable energy research, development, and deployment activities help the Nation meet its economic, energy security, and environmental challenges, concurrently.”

- Patrick Davis, DOE on advancing Presidential Priorities at 21CTP

Our Program will begin in 3 Minutes

“Trucking industry plays a central role in U.S. economy

- Trucks transport 70% of U.S. goods purchased
- More than 80% of U.S. communities depend SOLELY on trucks to deliver goods
- 1 in every 13 Americans are employed by the industry”
 - Susan Alt, Vice President, Customer & Industry Relations Volvo Trucks NA

Our Program will begin in 2 Minutes

On fuel prices - “We’re all fearful of another [fuel] price surge after the way we were slapped around a couple of years ago. You have to be more conscious and attentive.”

- Robert Ragan, senior vice president Melton Truck Lines, Tulsa, Okla

Our Program will begin in 1 Minutes

“Introduction of all the technologies and strategies modeled in this study into the U.S. heavy-duty long haul fleet would lead to an estimated 8 billion gallons of diesel fuel saved annually.”

- 2009 NESCCAF Study describing opportunities for HD truck fuel consumption by 2030

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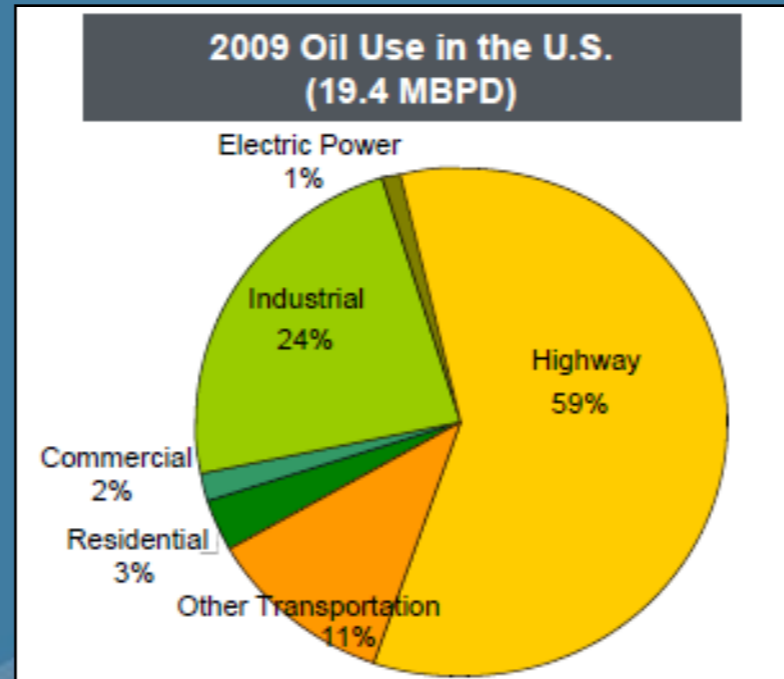
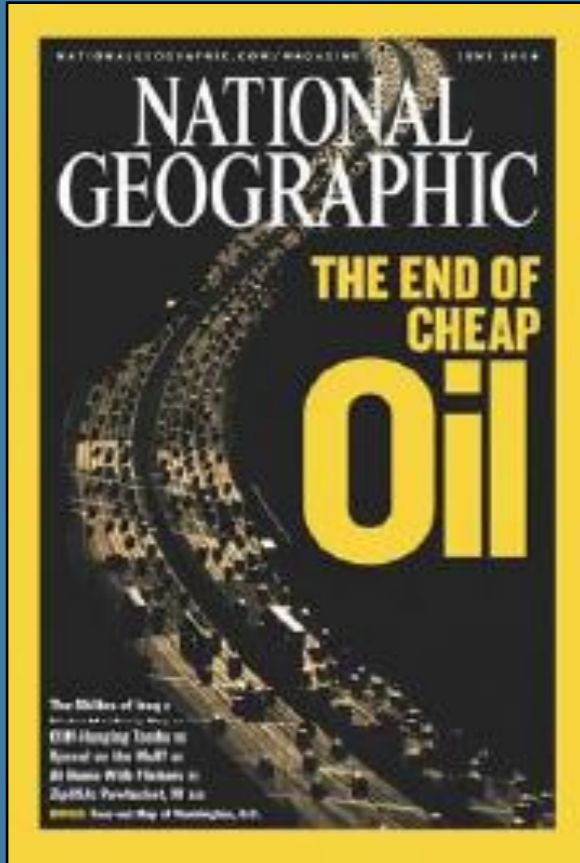


Don Baldwin, Board Chair, Michelin



Welcome

Big Picture



NACFE – what are we really?

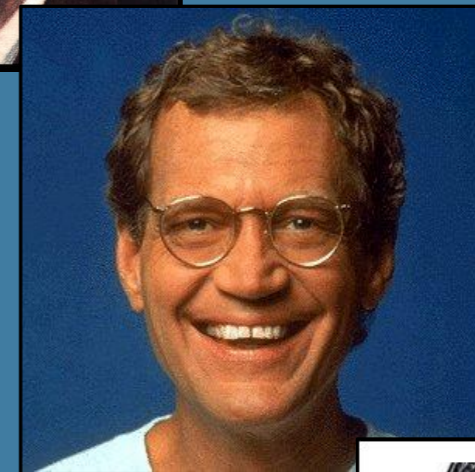
- Vision, mission, etc. = “Removing obstacles”
- Take Action

“It isn't sufficient just to want - you've got to ask yourself what you are going to do to get the things you want.”

- Franklin D. Roosevelt

“Next in importance to having a good aim is to recognize when to pull the trigger.” – David Letterman

“The world is more malleable than you think and it's waiting for you to hammer it into shape” - Bono



Mike Roeth, Executive Director

NACFE Organization & Structure



Agenda

10:00 - 10:15	Welcome	Don Baldwin
10:15 - 11:00	NACFE Organization & Structure	Mike Roeth
11:00 - 11:30	Guest Speaker Steve Phillips, Sr VP Ops Werner Enterprises	
11:30 - 12:30	Box Lunch / Networking	
12:30 - 1:15	Fleet Panel on the state of freight efficiency Steve, Bruce & Joe	Moderator Andrew Smith
1:15 - 2:00	Opportunities to Take Action	Mike R & Gary G
2:00 - 2:30	Closing / Recap	Don and Mike



Industry-Wide Problem

- Freight distribution is a complex system that still requires a significant amount of fuel
- Too many options and poor quality of information leads to long development times, poor recognition of successful technologies and long adoption cycles



NACFE Creation

In 2009, a bold, diverse group of industry leaders began discussing ways to improve the efficiency of freight movement. This led to the creation of the North American Council for Freight Efficiency.



NACFE Overview

NACFE is a non-profit organization dedicated to doubling the fuel efficiency of the freight transportation industry.

We pursue this goal in two ways:

- By improving the quality of information
- By highlighting the success of high efficiency technologies

Vision & Mission

NACFE Vision

A rapidly evolving, more profitable, efficient, and safe freight industry that ensures the environmental sustainability of North American goods movement.

NACFE Mission

The NACFE will drive the development and adoption of efficiency-enhancing, environmentally-beneficial, and cost-effective technologies, services, and methodologies in the North American freight industry by establishing and communicating credible and performance-based benefits.



Formed by the Industry

- **Define** freight efficiency metrics
- **Build** and maintain easy-to-access to information
- **Rate** technologies or methods
- **Develop** new methods and gather information
- **Evaluate** improvements about configurations and maintenance
- **Educate** drivers and fleets
- **Predict** efficiency gains for specific technology

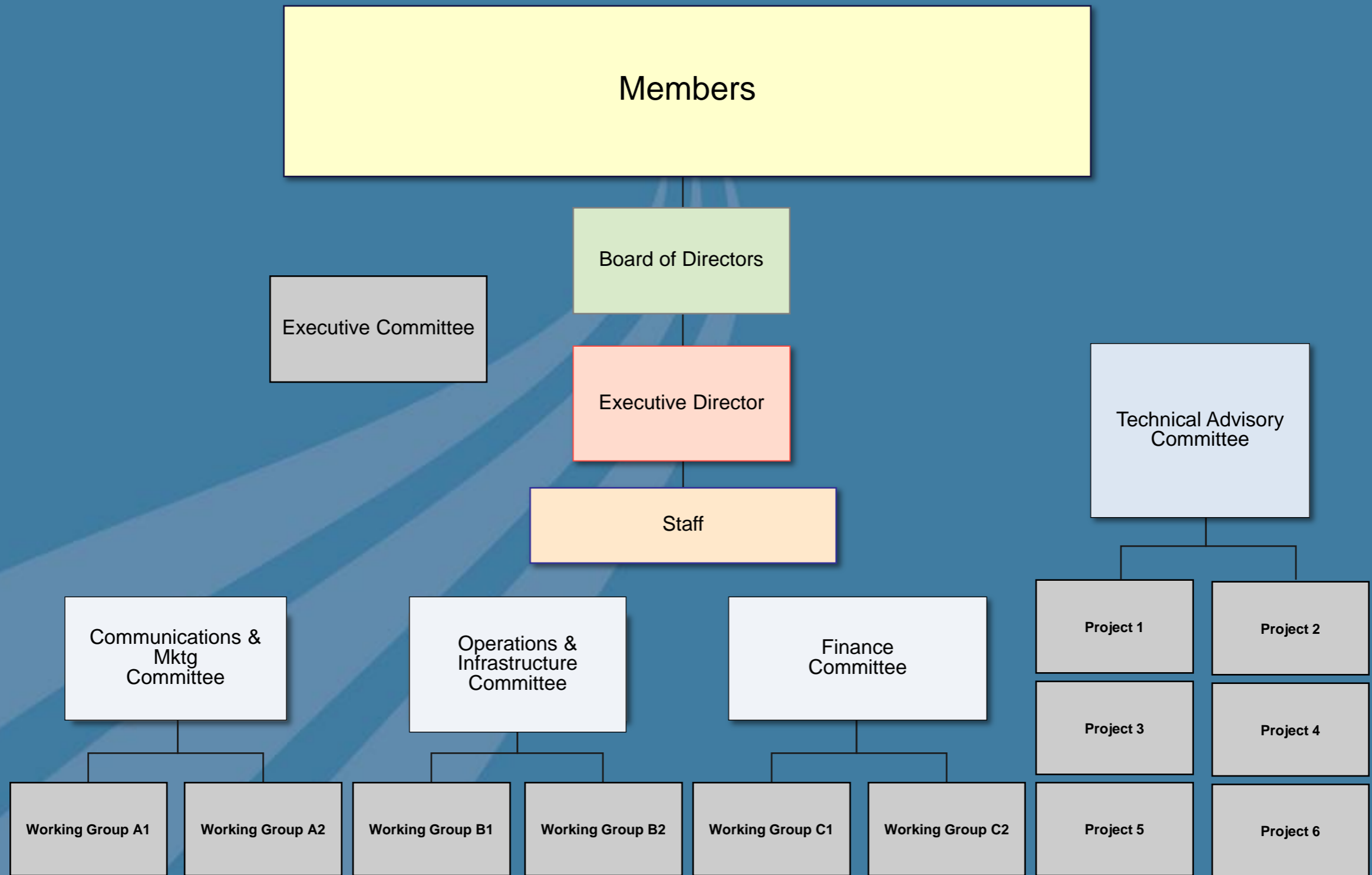
The NACFE Leadership



UPS Logistics Technologies



NACFE Structure



Our Intellectual Property

- Major early adopter fleets
- Universities and National Labs
- Engaged affiliate organizations
- Traditional commercial vehicle suppliers
- Emerging and technology based suppliers
- Others dedicated to the NACFE vision and mission



Success

- Projects deliver tangible, credible information to the freight distribution industry enabling it to make better decisions
- Information aids products and methodologies to be adopted quicker
- Efficiency of the freight system, starting with trucks, doubles by 2016



2010 Status

- Actively creating the means to operate and lead success
- A Technical Advisory Committee is identifying critical projects
- Volunteers and experts are being identified to provide industry-wide input
- Initial funding campaign is active to recruit the appropriate resources

What does it all mean?

- More efficient development of technologies
- Shorter adoption across the market
- More proficient total network of freight distribution
- Lower fuel consumption
- Cooperation and collaboration between all who care and get involved



Mr. Steve Phillips, Sr. VP Operations, Werner Enterprises

Werner Enterprises' Sustainability



Lunch – Outside, you can
bring it back into this room.

Start promptly at 12:30pm

Our Program will begin again
in
10 Minutes



Our Program will begin again
in
9 Minutes



Our Program will begin again
in
8 Minutes



Our Program will begin again
in
7 Minutes



Our Program will begin again
in
6 Minutes



Our Program will begin again
in
5 Minutes



Our Program will begin again
in
4 Minutes



Our Program will begin again
in
3 Minutes



Our Program will begin again
in
2 Minutes



Our Program will begin again
in
1 Minutes



Fleet Panel - State of Freight Efficiency - Recovery, challenges, fuel efficiency, regulations, etc.

Steve Phillips – Werner Enterprises

Bruce Stockton – Con-way Truckload

Joe Gold – Frito-Lay

Moderated by Andrew Smith, AT Dynamics



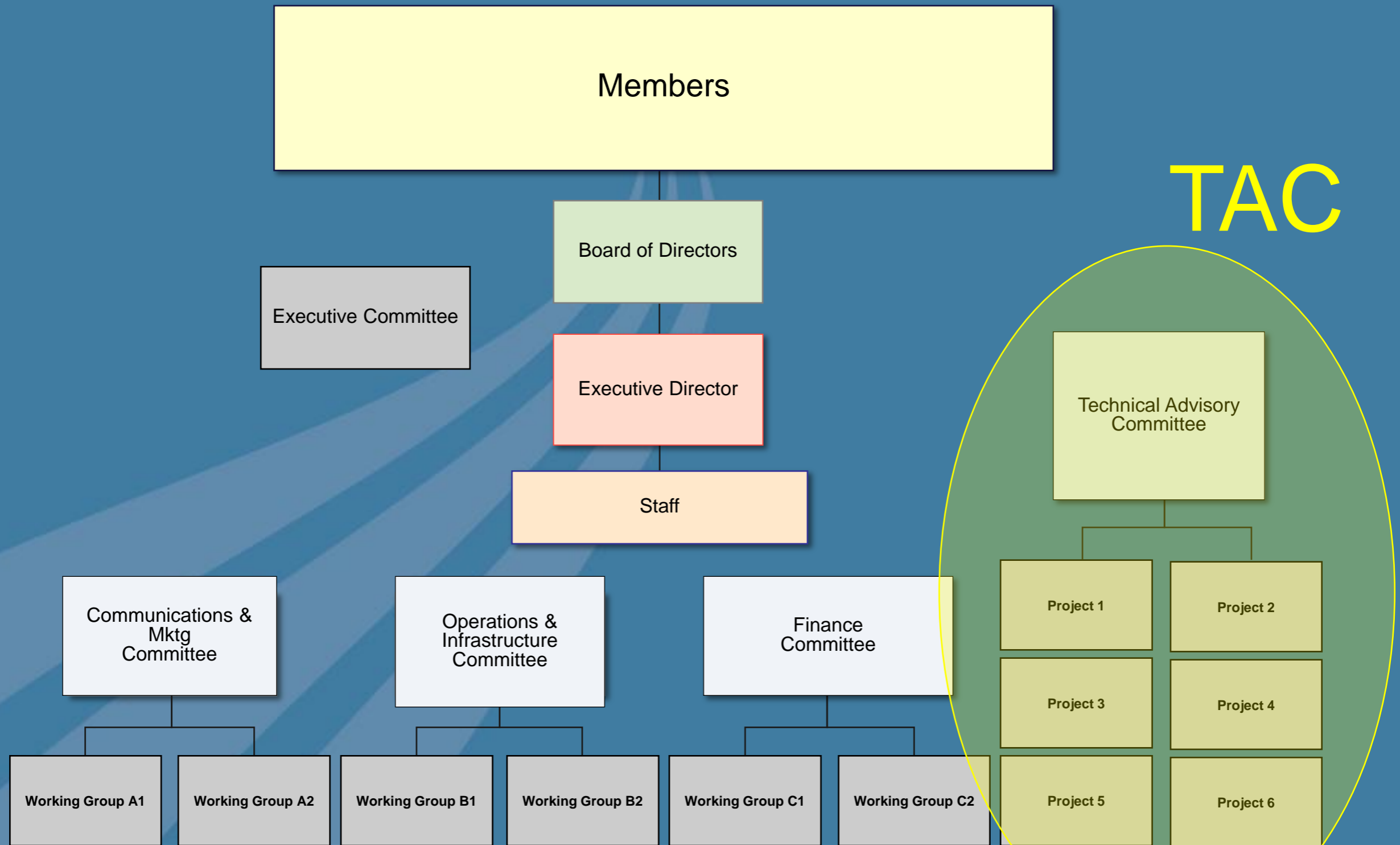
Mike Roeth, for Mike
O'Connell, Technical Advisory
Committee Chair,

Frito Lay

The TAC and First Projects



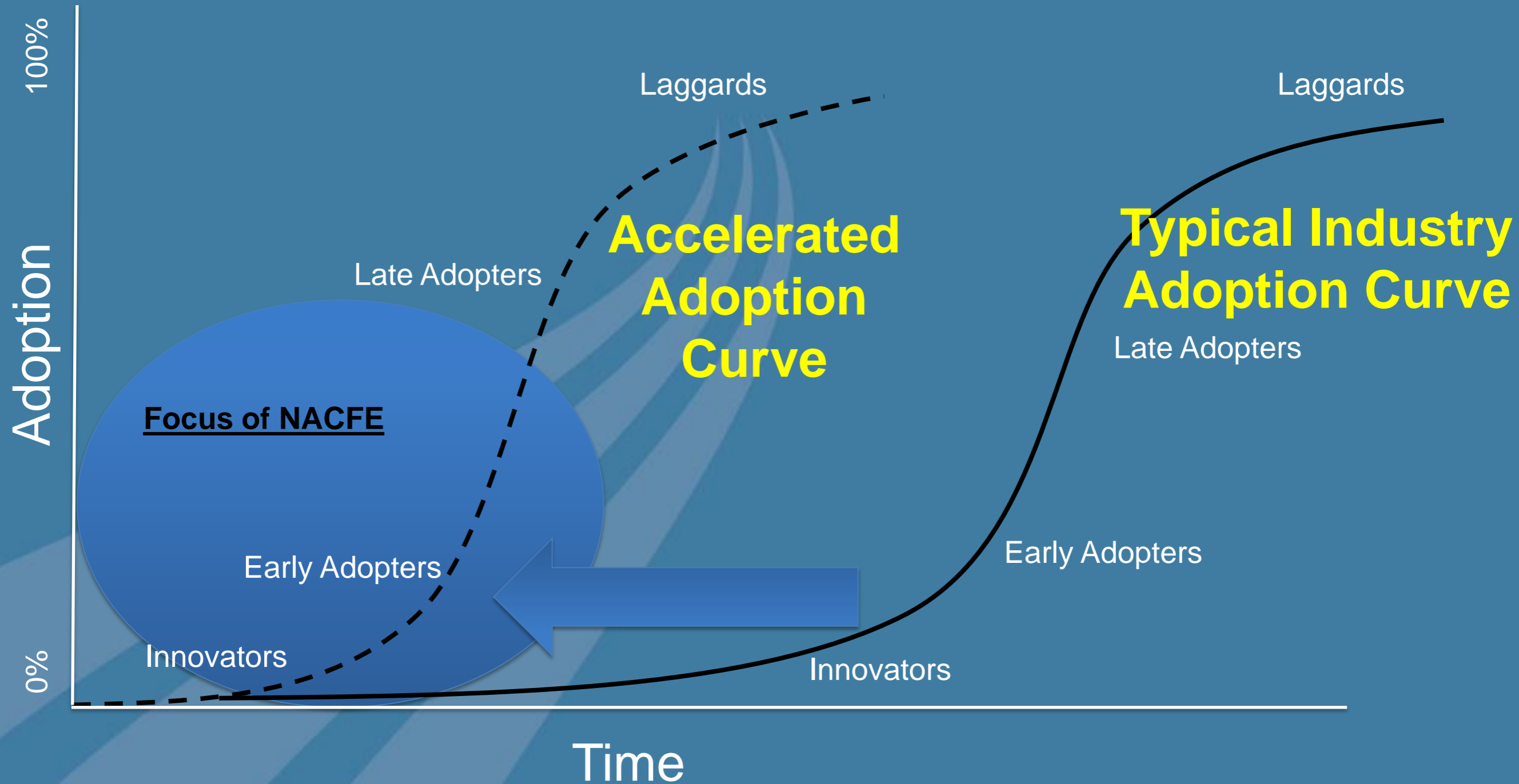
NACFE Structure



Technical Advisory Committee

- An engaged, active group of experts who work collaboratively on projects that support the mission.
- A lean and virtual team that critiques existing reports, delivers new ones and breaks down barriers.
- A committee using web based practices to empower the entire commercial vehicle enterprise.

How can NACFE accelerate *innovation* and *early adoption* of new technologies and practices?



TAC – Intended Structure

Leadership Team ~ 7

(Fleets, Government Groups, NGOs)

Subject Matter Experts

(20 – 50; engaged on specific projects)

**Supply
Chain
Specialists**

**Admin
&
Quality
Control**

Projects

NACFE Technical Advisory Committee

Phase 1

- Clearinghouse of Information
- Adoption Barriers Projects

Phase 2

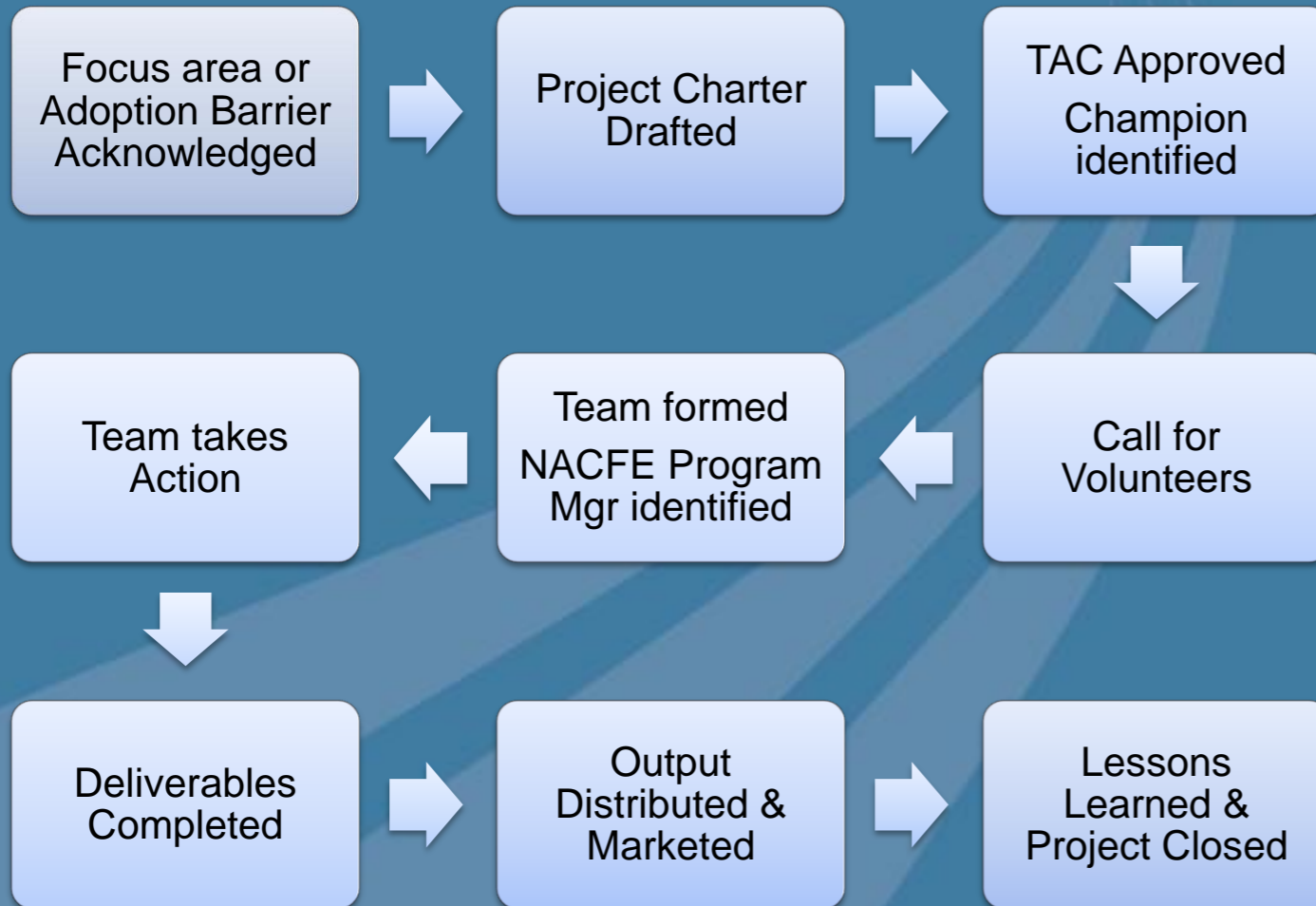
- Technology Evaluations Reports
- Future Freight Reports

Phase 3

- Education
- Consulting

“Market Adoption Barriers” Projects

Project Flow



Project Charter

NACFE Project Charter			
Project name	Create a common sustainability index for shippers	Project #	to be assigned
Project advocate	Bruce Stockton, Con-Way	Sponsor	
Proposal date		Updated	
Background	Shippers are beginning to require of carriers that they have programs to improve their operations sustainability.		
Industry need / pain point - What is not working?	Companies are creating their own sustainability indexes creating confusion and inefficient. Each carrier needs to complete different data and reports for each customer.		
Objective	Work with industry experts and engaged stakeholders to create a common sustainability index.		
Scope	In Scope	Out of Scope	
	Measureable factor related to all transport modes	Individual scoring by NACFE	
	Shipper acceptable standard across industry	SmartWay program falls short	
Needed team skills / participants	Shippers need a say in this project to help develop the criteria with Fleets. A Busch, F-Lay, JC Penney, & Sonoco may be candidates to help develop an industry standard that would exceed SmartWay's fleet model and produce some real results that Shippers can understand and benchmark against.		
Success criteria	1 - Must be adopted/acceptable by shippers		
	2 - Gives NACFE a credible project from the start that shippers would pay for.		
	3 - If shippers and fleets jointly develop it and shippers adopt, other fleets will subscribe to NACFE		
	4 -		
	5 -		
Deliverables	Deliverable	Due Date	
	Study various indexes in existence	10/31/2010	
	Create a common robust sustainability index	12/31/2010	
	Promote and institutionalize	1/31/2011	
Priority matrix	Level of positive impact on freight efficiency	5	
	Cost to implementation	3	
	Speed to implementation	5	
	Priority number	75	
Key consideration	Assumptions & Constraints	Category	Risks
		Only a few fortune 500	
			Mitigation

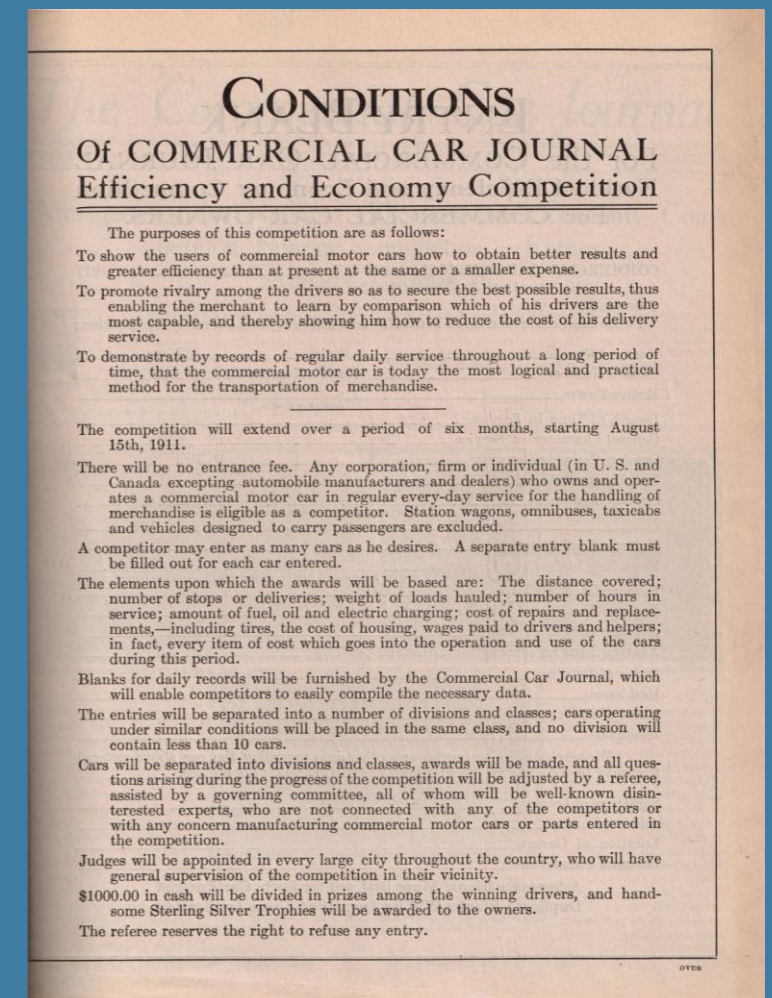
First Projects; Kicking them off today

Your expertise is needed!

A. Sustainability Index

B. California Regulations
Education

C. Commercial Carrier Journal
Freight Efficiency Challenge



CCJ Magazine
March 15, 1911

Project Management

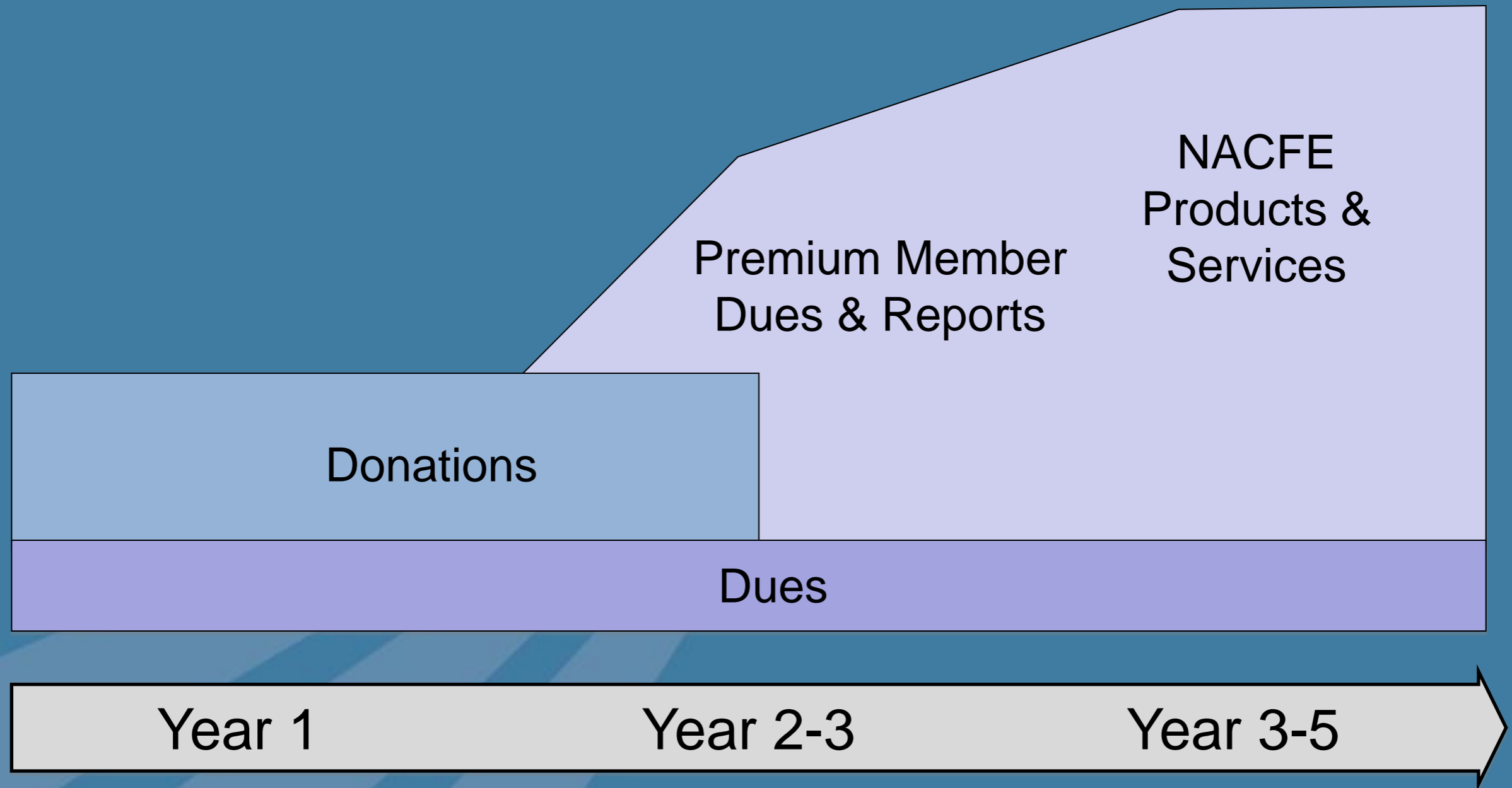
- “Virtual” Teams
 - Project Manager needed
 - Working virtual meetings
 - Identify deliverables, garner resources, take action, periodic report to TAC
 - Mike Roeth to help facilitate
- Please volunteer via the evaluation sheet
- A “call to action” meeting for each project will occur in the next few weeks.

Gary Gaussoin, Financial Committee Chair, Silver Eagle Manufacturing

Opportunities to Support



Revenue over Time



Fundraising Campaign

- Make a difference in the North American freight industry
- Your meaningful donation is critical as we develop our programs and begin our outreach
- Corporate levels of giving:
 - Diamond \$20,000 and up Visit by NACFE leadership
 - Platinum \$7,500 to \$19,999 Early notification of projects and output
 - Gold \$2,000 to \$7,499 Membership for all identified individuals

Thank you for your consideration!



Get Engaged

- Volunteer for one of the projects
- Offer to become an expert resource
- Become engaged in our committee work
 - Technical Advisory Committee
 - Communications and Marketing Committee
 - Finance Committee
 - Strategy
- “Evangelize” to others to become members

Don Baldwin & Mike Roeth

Closing & Wrap Up

Comments

What went well today? Was intriguing insightful, helpful.

What do we need to do more of?

Next Driving Innovation Meeting – Mar 2011 at the NTEA Green Truck Summit in Indianapolis



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We ARE the People We Have Been Looking For!



Thanks for Attending!

Please fill out your Evaluation
Form before Leaving!

North American Council for
Freight Efficiency

