

MEMORANDUM

JULY 6, 2016

TO: California State Transportation Agency
California Environmental Protection Agency
Natural Resources Agency
California Air Resources Board
California Department of Transportation
California Energy Commission
Governor's Office of Business and Economic Development

RE: YRC Worldwide Comments on California Sustainable Freight Action Plan Discussion Draft

YRC Worldwide., a Fortune 500 company and one of the largest transportation service providers in the world, is the holding company for a portfolio of successful trucking companies offering a wide range of local, regional, national and international services but operating primarily in the less-than-truckload (LTL) sector. Through its subsidiary operating companies YRC and Reddaway, the company has a significant presence in the State of California.

YRC Worldwide is committed to environmental sustainability and is a U.S. Environmental Protection Agency (EPA) SmartWay Environmental Excellence award winner. Among our many corporate wide sustainability initiatives are:

- Limiting truck speeds to 62/63 mph
- Employing a network optimization strategy that reduces empty mile percentages and creates new lane densities that optimize equipment use
- Employing the newest vehicle technologies with NOx and particulate matter reduction devices
- Purchasing of fuel-efficient tires that show potential for a 4 percent increase in fuel efficiency and related emissions reductions along with one of the most aggressive tire pressure inflation and monitoring programs in the industry
- Using ultra-low-sulfur diesel (ULSD) at all company-owned fueling sites
- Introducing the use of trailer side-skirts to increase fuel economy
- Employing extensive use of intermodal service with our railroad partners
- Using environmentally efficient longer combination vehicles where permitted

General Comments

YRC Worldwide applauds this interagency initiative resulting from Governor Brown's Executive Order B-32-15 to develop an action plan "to improve freight efficiency, transition to zero-emission technologies and increase competitiveness of California's freight system." As is well-documented in the Draft Discussion Document, California's freight system is the nation's largest gateway for international trade and domestic commerce and "responsible for one-third of the State's economic product and jobs ... accounting for over \$740 billion in gross domestic product

and over 5 million jobs in 2014.” And increased economic prosperity hopefully will only add to those totals. The Draft Discussion Document presents a comprehensive list of initiatives that can provide both short-term and long-term solutions to producing a sustainable freight system. Our comments on the Discussion Draft will focus on two immediate actions – the proverbial “low-hanging fruit” – that can yield virtually next-day environmental benefits with little to no cost to the State.

Strategies to Maximize Asset Utilization in the California Freight System: Part II

The White Paper developed by the National Center for Sustainable Transportation outlines the benefits of a strategy for relaxing vehicle size and weight restrictions. YRC Worldwide supports that strategy and recommends that it be included in the final report to the Governor. As LTL operating companies, both YRC and Reddaway transport more light-weight commodities and consequently are more focused on “size” than “weight” changes. The companies fall into the category of those “cubing out” before “weighing out” and thus would “represent an opportunity for trailer size/length increases such as the use of LCVs” [longer combination vehicles] as outlined on page 30 of the White Paper.

YRC and Reddaway currently run on their line-haul operations so-called “Twin 28s.” This is a combination of a tractor (power unit) and two trailers (cargo units) both of which measure 28-feet. To estimate the potential environmental benefits of operating more efficient truck equipment combinations, YRC Worldwide looked at two scenarios: a partial (60%) conversion of their line-haul fleet from two 28s to three 28s (triples) and a 100% conversion (the former being a more likely scenario).

In 2015, YRC and Reddaway operated 45,000,000 total miles in California. With their trucks operating at an average of 6 mpg, both companies burned 7.5 million gallons of fuel with an estimated 166.5 million pounds of attendant CO2 emissions.

Under Scenario I (60% conversion to a triples operation), fuel use would drop to 6.6 million gallons of fuel – or a 12% reduction – and CO2 emissions would be lowered to 147 million pounds or slightly under 12%. Under Scenario II (full conversion to a triples operation), would result in a 30% reduction in fuel consumption with a similar decline in CO2 emissions. Both Scenario I and II assume a slightly lower mpg number for the triples operation than the 6 mpg figure for the twin 28 configuration. To put the 12% reduction due to a partial conversion to triples in perspective, the current CARB regulations requiring low rolling resistance tires and side skirts on trailers will result in an estimated 6% reduction in CO2 emissions.

The EPA SmartWay program recognizes the environmental benefits of Longer Combination Vehicles: *Increasing the cargo capacity of combination trucks by using longer or multiple trailers can save fuel and reduce greenhouse gas emissions by up to 34 metric tons per year.* Putting more cargo in fewer trucks results in less truck trips, less fuel usage and lower emissions. And those benefits can be realized in days and weeks, not years and decades.

Pilot Projects – Truck Corridors

The Discussion Draft identifies three pilot project concepts one of which was to pursue advanced technologies for truck corridors. We would like to suggest combining both concepts to create a

truck corridor pilot project. Specifically to authorize a triples pilot project on I-15 from San Bernardino to the California-Nevada border. This 170-mile highway is a major freight corridor for East-West traffic and would allow for the movement of triples to and from San Bernardino, Nevada (which currently permits triples) and other Western states on the I-15 corridor. Such a pilot project has been considered previously (High Desert Project) and we would recommend it be included in the Final Report.

We appreciate the opportunity to comment on the Draft Discussion Document and look forward to continuing to work with the various California agencies in the development of a Final Report.

YRC Worldwide
Overland Park, Kansas