Webinar Presentation

2021 SmartWay Excellence Award Criteria

US Environmental Protection Agency
February 17, 2021
Covered Today

- Freight Sustainability Leadership
- Award History
- Award Goals
- Candidate Selection Process
- Award Criteria
- Semifinalist Selection & Application Process
- 2021 Award Highlights & Timeline
SmartWay defines freight sustainability leadership more broadly than performance and efficiency measures that increase profitability. We look for the following organizational actions:

- C-Suite engaging in continually setting new targets for GHG reductions
- Operationalizing freight sustainability in everyday business from purchasing to shipping
- Sharing freight strategies/lessons learned with peers to advance the freight sector
- Participating in environmental sustainability initiatives, i.e. Science-Based Targets
- Improving local air quality in crowded, urban and disadvantaged communities
- Making known your commitment and participation in SmartWay to employees, vendors, suppliers, investors/stakeholders
Freight Sustainability Leadership

- Performance Benchmarking and Reporting Practices
- Internal Company Policies
- Industry Collaboration
- Environmental Performance
- Education, Publicity and Engagement

RESOURCES TO SUPPORT FREIGHT SUSTAINABILITY LEADERSHIP

FOR CARRIERS
- SmartWay Carrier Technical bulletins
- Designated Tractor and Trailer guidance
- Benefits of Becoming a SmartWay Carrier Partner
- Business case for Truck Carriers joining SmartWay
- How SmartWay Benefits Small Fleets
- SmartWay Carrier Video

FOR LOGISTICS PROVIDERS
- Benefits of Becoming a SmartWay Logistics Company Partner
- Resources to Introduce Your Carriers to SmartWay
- SmartWay Logistics Video
- Letter Templates for Recruiting Carriers

FOR SHIPPERS
- Launching a Successful Freight Sustainability Strategy
- Shippers Technical Bulletins
- GlobalGreenFreight.org
- Shippers Business case for using SmartWay
- SmartWay for Shippers: The Business Case for Green Freight video
- Letter Templates for Recruiting Carriers

FOR ALL PARTNERS
- SmartWay Overview
- Procurement Guide
- Data Quality and Best Practices Guidance
- SmartWay Brand Guidance
Award History

- Thirteen years of Partner recognition
- 279 Partner companies
- Ample opportunity for Award recognition of different partner companies each year

MULTIPLE AWARD WINNERS (128 TOTAL)

<table>
<thead>
<tr>
<th>Number</th>
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</table>

279 Partners recognized as Excellence Awardees over 13 years

128 Partners recognized as Excellence Awardees more than once
2021 Excellence Award Goals

- Recognize top Partners that excel in freight sustainability
- Screen Partners based on environmental performance
  - Using the most recent, completed annual reporting cycle from all Partner categories
  - Use semifinalist process to select awardees in some categories
- Aim for a mix of large/medium/small Partners
  - Using total annual miles traveled as indicator
- No new partner categories for Award recognition in 2021
Candidate Selection Criteria Overview

❖ All Partners must:
  ▪ Be a partner in good standing, i.e. on-time submission of the 2020 Tool
  ▪ Have reported actual, verifiable data in their respective tool
  ▪ Demonstrated superior environmental performance
  ▪ Pass Agency-wide adverse environmental compliance screen

❖ Only Multi-modal Carrier, Logistics and Shipper Partners will:
  ▪ Be invited to submit the Semifinalist Application with specific efficiency documentation for qualitative consideration
Snapshot of Candidate Selection

Carrier Finalists Selection
- Finalists: Environmental Performance

Shipper, Logistics & Multimodal Selection
- Semi-Finalist candidates: Environmental Performance
- Finalists: Supplemental documentation completed & submitted (application)
Key Emissions Metrics for SmartWay Partners

<table>
<thead>
<tr>
<th>Key Emissions Metrics</th>
<th>CO₂</th>
<th>NOx</th>
<th>PM</th>
</tr>
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<tbody>
<tr>
<td>Grams per Ton-Mile</td>
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<table>
<thead>
<tr>
<th>Key Emissions Metrics</th>
<th>CO₂</th>
<th>NOx</th>
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<tbody>
<tr>
<td>Grams per Mile</td>
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</tbody>
</table>
SmartWay Performance Rankings for Carriers

Performance Range #

- **CO2**: g/ton-mile
- **NOx**: g/mile
- **PM**: g/mile

**Best** performance range: 1

**Worst** performance range: 5
### Award Criteria for SmartWay Carriers

**Individual Fleet Composite Score** is calculated using this equation:

\[
\text{grams per ton-mile} = w_1 [\text{CO}_2] + w_2 [\text{NOx}] + w_3 [\text{PM}] + w_4 [\text{CO}_2] + w_5 [\text{NOx}] + w_6 [\text{PM}]
\]

\[
\text{grams per mile}
\]

- **CO\textsubscript{2}, NO\textsubscript{x} and PM** in brackets refer to:
  - An “Emissions Rating” or “Bin Rating” in either grams per ton-mile or grams per mile

- **w\textsubscript{1}, w\textsubscript{2}, w\textsubscript{3}, w\textsubscript{4}, w\textsubscript{5}, w\textsubscript{6}** are the weighting factors for each of the six environmental metrics

- **All Carrier fleets are assessed using this equation**
# Carrier Performance Rankings Data

Click down arrows to filter data by column categories. Select one or more items in the dropdown checklists.

Note: g/m = grams/mile and g/tm = grams/ton-mile

<table>
<thead>
<tr>
<th>Carrier Fleet Name</th>
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<th>Mode</th>
<th>Category</th>
<th>Type</th>
<th>g/m CO2 Rank</th>
<th>g/m CO2</th>
<th>g/m NOx Rank</th>
<th>g/m NOx</th>
<th>g/m PM Rank</th>
<th>g/m PM</th>
<th>g/tm CO2 Rank</th>
<th>g/tm CO2</th>
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<td>0.19</td>
<td>5</td>
<td>0.0026</td>
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</tbody>
</table>

https://www.epa.gov/smartway
Award Criteria: Truck & Multimodal Carriers

Individual Truck or Multimodal Fleet Composite Score:

\[
\frac{1}{6} [\text{CO}_2] + \frac{1}{6} [\text{NOx}] + \frac{1}{6} [\text{PM}] + \frac{1}{6} [\text{CO}_2] + \frac{1}{6} [\text{NOx}] + \frac{1}{6} [\text{PM}]
\]

grams per ton-mile

grams per mile

• Specific fleet categories:
  • Truckload Dry Van, Less-than-Truckload Dry Van, Refrigerated, Package, Tanker, Flatbed, Dray, Expedited, Heavy Bulk, Mixed, Moving, Special, Auto, Multimodal
**Award Criteria: Barge & Rail**

<table>
<thead>
<tr>
<th>Individual Fleet Composite Score (in grams per ton-mile):</th>
</tr>
</thead>
<tbody>
<tr>
<td>$w_1 [\text{CO}_2] + w_2 [\text{NOx}] + w_3 [\text{PM}]$</td>
</tr>
</tbody>
</table>

- $W$ is the weighting factor
  - $w_1 = \frac{1}{2}$ for carbon dioxide
  - $w_2 = \frac{1}{4}$ for nitrogen oxides
  - $w_3 = \frac{1}{4}$ for particulate matter

- $\text{CO}_2$, $\text{NOx}$ and $\text{PM}$ in brackets refer to:
  - An “emission rating” based on grams per ton-mile emissions
Carrier Award Criteria: Size Definition

- Awards per fleet size
  - **Large Carriers**: annual miles traveled are greater than or equal to 1% of the total miles traveled for that category
    - **Exceptions**:
      - Large Multi-modal, greater than or equal to 5%
      - Large Truckload Dry Van, greater than or equal to 0.75%
      - Medium Truckload Dry Van, between 0.25% to 0.75%
  - **Small Carriers**: annual miles traveled are less than 1% of the total miles traveled for that category
    - **Exceptions**:
      - Small Multi-modal, less than 5%
      - Small Truckload Dry Van, less than 0.25%

Carrier Fleet categories:

- Truckload Dry Van
- Tanker
- Specialized
- Refrigerated
- Package
- Moving
- Mixed
- Less-than-Truckload Dry Van
- Heavy/Bulk
- Flatbed
- Dray
- Expedited
- Auto Carrier
- Multimodal
Carrier Award Criteria: Size Definition, *continued*

**Awards per fleet size**

- **Large Barge Carriers**
  - Greater than or equal to 25 million annual ton-miles
- **Small Barge Carriers**
  - Fewer than 25 million annual ton-miles

- **Large Rail Carriers**
  - Class I railroads
- **Small Rail Carriers**
  - Class II and Class III railroads
Award Criteria: Shipper

Individual Fleet Composite Score (in grams per ton-mile):

\[ w_1 [CO_2] + w_2 [NOx] + w_3 [PM] \]

- \( W \) is the weighting factor
  - \( w_1 = \frac{1}{2} \) for carbon dioxide
  - \( w_2 = \frac{1}{4} \) for nitrogen oxides
  - \( w_3 = \frac{1}{4} \) for particulate matter

- \( CO_2, NOx \) and \( PM \) in brackets refer to:
  - An “emission rating” based on gram per ton-mile emissions
About five percent of SmartWay Shipper Partners that demonstrate top environmental performance will be selected as semifinalists

- **Semifinalist Criteria #1:**
  Demonstrate that effectively 98 percent of miles or ton-miles shipped are with SmartWay Partners

- **Semifinalist Criteria #2:**
  Demonstrate top environmental performance based on a weighted average of three environmental metrics results from the SmartWay Shipper Tool
  
  50% CO₂ + 25% NOx + 25% PM (in g/ton-mile metric)
Shippers: Award Criteria

Size Definition

🔍 Awards given in three Shipper categories based on relative size of freight operations

- Large Shipper: 500 million or greater annual miles shipped
- Medium Shipper: Between 25 million and 500 million annual miles shipped
- Small Shipper: 25 million or fewer annual miles shipped

🔍 Eligible Shipper partners will be contacted and invited to submit a semifinalist application
Shipper Tool Data
Input Requirements

- Annual activity data includes:
  - Total Miles
  - Total Ton-Miles
  - Average Payload

- Way 3 and Way 4 Shipper participation
SmartWay Award & Shipper Participation

**Four Ways to Join SmartWay**

1. **Take the On-Ramp to Smarter Freight**
   - Learn SmartWay basics and partner with carriers to build your plan

2. **Start Moving Towards Better Performance**
   - Estimate freight transportation efficiency and set improvement targets

3. **Map Your Route with Real Activity Data**
   - Calculate activity-based metrics and uncover opportunities to cut waste

4. **Drive Innovation with Advanced Strategies**
   - Analyze activity data with strategic benefit calculators
About five percent of SmartWay Logistics Partners that demonstrate top environmental performance will be selected as semifinalists

- **Semifinalist Criteria #1:**
  Demonstrate that effectively 80 percent of miles or ton-miles shipped are with SmartWay Partners

- **Semifinalist Criteria #2:**
  Demonstrate top environmental performance based on a weighted average of six environmental metrics results from the SmartWay Logistics Tool

\[
\frac{1}{6} \text{CO}_2 \text{ g/ton-mi} + \frac{1}{6} \text{NOx g/ton-mi} + \frac{1}{6} \text{PM g/ton-mi} + \frac{1}{6} \text{CO}_2 \text{ g/mi} + \frac{1}{6} \text{NOx g/mi} + \frac{1}{6} \text{PM g/mi}
\]
**Award Criteria: Logistics, continued**

Individual Logistics Fleet Composite Score:

\[
\frac{1}{6} [\text{CO}_2] + \frac{1}{6} [\text{NO}_x] + \frac{1}{6} [\text{PM}] + \frac{1}{6} [\text{CO}_2] + \frac{1}{6} [\text{NO}_x] + \frac{1}{6} [\text{PM}]
\]

grams per ton-mile

grams per mile

**Performance Rankings**

**Logistics Business Units**

Click down arrows to filter data by column categories. Select one or more items in the dropdown checklists.

Note: g/m = grams/mile and g/ton-mile = grams per ton-mile

<table>
<thead>
<tr>
<th>Carrier Fleet Name</th>
<th>Mode</th>
<th>Fleet Type</th>
<th>Grams per Mile</th>
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<td>2250</td>
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</table>
Logistics: Award Criteria
Size Definition

Awards given in three Logistics categories based on relative size of freight operations

- Large Logistics: **200 million or greater** annual miles shipped
- Medium Logistics: **Between 10 million and 200 million** annual miles shipped
- Small Logistics: **10 million or fewer** annual miles shipped

Eligible Logistics Partners will be contacted and invited to submit a semifinalist application
WHAT ARE THE SMARTWAY EXCELLENCE AWARDS?
The SmartWay Excellence Awards are EPA’s means to recognize Partners that have optimized the environmental performance and efficiency of their freight management operations.

To be eligible for consideration, qualified companies must have timely and accurate submittal of required data in the 2020 reporting cycle for all Partner categories (i.e., be Partners in good standing). For carriers, EPA must also have received a timely submission of the 2021 Tool.

EPA makes a full review each year of every Partner’s SmartWay Tool submission to assess qualifications for award consideration.

EPA will notify those Partners that are selected as Awardees.

CARRIER CRITERIA
For each truck and multimodal fleet category, EPA identifies candidates that demonstrate top environmental performance. Performance is based on an equal weighting of all environmental metrics results from the SmartWay Carrier Tool (i.e., % CO₂ g/ton-mile, % NOₓ g/ton-mile, % PM g/ton-mile, C2H4 g/ton-mile, % NOₓ g/ton-mile, % PM g/ton-mile). Eligible multimodal carrier Partners will be invited to submit an Award semifinalist application. Exceptions for barge and rail carriers are noted below.

BARGE
Barge carriers are assessed based on a 50% CO₂ + 25% NOₓ + 25% PM g/ton-mile weighted result.

RAIL
Rail carriers are assessed based on a 50% CO₂ + 25% NOₓ + 25% PM g/ton-mile weighted result.

Awards will be given in categories for truck, multimodal, barge and rail. The truck/fleet carrier sub-categories are: TL/Dry Van, Tanker, LL/Dry Van, Specialized, Refrigerated, Package, Moving, Mixed, History/ Bulk, Flatbed, Ditzy, Expedited, and Auto Carrier.

https://www.epa.gov/smartway/smartway-excellence-awardees#criteria
Semifinalist Application Process

🌿 EPA will notify/invite all eligible semifinalists to apply
  ▪ Clear and complete responses to application questions needed

🌿 Semifinalists submit an online application

🌿 Partners requested to substantiate or document their efforts described on the application via:
  ▪ Web links (preferred)
  ▪ Limited digital attachments
  ▪ No hard copies allowed

🌿 Semifinalist applications due: April 26, 2021
2021 Award Highlights

🌱 Awardee announcement

- Industry conference(s) or Virtual event
- Press release
- PSA
- Social media

🌿 Recognition

- Media coverage
- Peer recognition
<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
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<tbody>
<tr>
<td>December 2020</td>
<td>Review and update Award criteria as appropriate.</td>
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<tr>
<td>February 2021</td>
<td>EPA announces 2021 Award program via SmartWay newsletter, email, website and webinars. EPA identifies Award candidates.</td>
</tr>
<tr>
<td>March 2021</td>
<td>Shipper, Logistics and Multimodal carrier semifinalists invited to submit supplemental information. Other carriers do not submit supplemental information.</td>
</tr>
<tr>
<td>April 26, 2021</td>
<td>Submission deadline for semifinalist application.</td>
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<tr>
<td>May/June/July 2021</td>
<td>EPA conducts final reviews and adverse environmental actions screening.</td>
</tr>
<tr>
<td>August 2021</td>
<td>Awardee Notification: There is no public announcement until fall.</td>
</tr>
<tr>
<td>October 2021</td>
<td>Public announcement of SmartWay Excellence Award recipients.</td>
</tr>
</tbody>
</table>
Important to Remember

Feel free to contact EPA with questions

EPA will contact your company:

- When eligible, for additional information
- For Award notification
Questions?
Thank You!

SmartWay website: https://www.epa.gov/smartway
SmartWay Hotline: 734-214-4767

Available Resource: SmartWay Excellence Award Criteria Factsheet

SmartWay email: smartway_transport@epa.gov

Joann Jackson-Stephens, SmartWay Brand Manager
Dr. Chien Sze, SmartWay Associate Director