The Power of Partnership: Reducing Freight Emissions through Collaborative Efforts

U.S. Environmental Protection Agency
SmartWay Partnership
SmartWay Freight Matters!
June 22, 2016
2-3 pm
Webinar Housekeeping

• Submit a question via the Questions pane on your GoTo control panel.

• After the presentation, as time permits, our EPA presenter will answer questions submitted via the Q&A box.

• Please complete the survey at the end of today’s webinar. Your feedback is important to us!
Webinar Housekeeping

The presentation slides will be available at:

http://www.epa.gov/smartway/webinars.htm

Note: Today’s webinar is being recorded.
SmartWay home page

(www.epa.gov/smartway)
It takes you to this page: http://www.epa.gov/smartway/webinars.htm
Select the “Past Webinar Resources” tab shown below.

SmartWay Webinar Schedule

EPA hosts webinars to help you learn how to get the most out of the SmartWay program.

- **Upcoming Webinars**: To participate in an upcoming SmartWay webinar, you must pre-register. Click the registration link below the webinar description to access webinar participation instructions.
- **Past Webinar Resources**: Recordings or presentation slides for all previously-hosted webinars are listed below.
- **SUGGEST A WEBINAR TOPIC**: If you would like to see a webinar about a specific topic, e-mail your idea to smartway_transport@epa.gov with the subject line “SmartWay Webinar Suggestion.”

Get SmartWay Updates

Enter your email address to sign up for SmartWay e-Updates

Updates are sent once per month on average.

You will need Adobe Reader to view some of the files on this page. See EPA’s PDF page to learn more.

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<th>Upcoming Webinars</th>
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**SmartWay Webinar Schedule**

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<tr>
<th><strong>Webinar Title and Description</strong></th>
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<tr>
<td><strong>2016 SmartWay Affiliate Challenge Recognition Webinar</strong></td>
<td><strong>April 21, 2016, 2:00 PM – 3:00 PM (ET)</strong></td>
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<td>Join U.S. EPA SmartWay as we announce and recognize our 2016 Affiliate Challenge Honorees! These top performing Affiliate organizations conducted exceptional outreach and educational activities of both the SmartWay program and sustainable freight transportation and are critical to the continued success of the program.</td>
<td>Register at: <a href="https://attendee.gorowebinar.com/register/6777813247755991810">https://attendee.gorowebinar.com/register/6777813247755991810</a></td>
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<td>This webinar is free, but please register promptly because registration may be closed to new attendees after 12:00 noon on the day of the webinar. After registering you will receive a confirmation email containing information about the webinar.</td>
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SmartWay Freight Matters Webinar Series
Panelists

Patrice Thornton
U.S. ENVIRONMENTAL PROTECTION AGENCY
SMARTWAY TRANSPORT PARTNERSHIP

Alex Stark
Senior Director, Marketing
KANE IS ABLE LOGISTICS
Today’s Webinar

• Why SmartWay
  • Transportation and Freight Sectors
  • Environmental & Economic Drivers

• Brief Overview of SmartWay

• How it Works

• Program Results

• Examples of Collaboration in Action
SmartWay Drivers: Freight Sector Environmental Impacts

Transportation in U.S.:
• Over 1/4 total GHG emissions;
• About 2/3 petroleum-based fuel use.

In Transport Sector:
• Freight accounts for over 25% of all fuel consumed and GHGs emitted.
• Freight is fastest growing source of transport GHGs.

2014 Data - Inventory of U.S. Greenhouse Gas Emissions (EPA 2016)
SmartWay Drivers: Economic Impacts of Freight

• Freight transportation is cornerstone of North American economy
  • Trucking, rail, air deliver goods and materials that drive economic growth and development
  • Exports and Imports
  • U.S. freight system moves:
    • 20 billion tons of freight yearly (domestic & imports/exports)
    • 55 million tons of freight daily
    • $17.9 trillion worth of freight yearly

• Transportation logistics costs $1.4 trillion (8.6% of GDP)
• Canada is largest trading partner (Mexico is 3rd largest)
  • $1.2 trillion annual trade value
  • 767 million tons of freight yearly
    ▪ Trucking carried over 26% of weight (almost as much as waterborne freight)
What is SmartWay?

• SmartWay is a voluntary collaboration between the U.S. Environmental Protection Agency and the business community to:
  • Reduce the release of harmful emissions
  • Reduce environmental impacts from moving goods
  • Improve energy efficiency in the freight industry which can save operational costs
SmartWay Success Factors

• Data Driven
  • Data allows transparency around environmental performance.
  • Facilitates exchange of performance data to inform marketplace.
  • Contributes to effective collaboration.

• Collaboration based
  • Carriers motivated to improve their performance
  • Shippers motivated to address the “carbon question” and improve their environmental footprint
  • Platform for shipper/supplier collaboration
  • Affiliates motivated to educate their members and bring value to their members
SmartWay Addresses the Supply Chain

• SmartWay provides:
  • Partner tools and resources to assess, track and reduce emissions and energy use
  • Innovative financial mechanisms (DERA) to expand access to cleaner technologies
  • Testing and identification of lower carbon strategies and technologies
  • Recognition for top-performing partners
How SmartWay Works to Reduce Emissions

- Measure Supply Chain Footprint
- Benchmark Performance
- Innovate Operations
- Report Results
- Improve Efficiency
Program Results

• Since 2004, SmartWay partners (over 3000) have:
  • Reduced CO2 by nearly 73 million metric tons
    • Equivalent to powering over 6.6 million homes for one year
  • Saved $24.9 billion in fuel costs
  • Reduced oil consumption by over 170 million barrels
  • Reduced NOx by 1.4 million tons
  • Reduced PM by nearly 60,000 tons
Meet our Partners and Affiliates
Collaboration in Action

• Affiliates
  • American Trucking Associations – a Charter partner - includes participation in SmartWay one of the key pillars outlined in their Sustainability Plan
  • North Central Texas Council of Governments connected with local community colleges, resulting in the use of the FleetSmart Driver Training program, an initiative by EPA SmartWay and Natural Resources Canada.

• Academia
  • Information and research from Universities and SAE helped EPA SmartWay develop new test methods
    • Helped inform policy for our rule making

• Manufacturers
  • Resulted in SmartWay Designated tractor trailer program
Collaboration in Action
Best Practices for Data Integrity

• SmartWay collaborated with several partners to develop best practices for data integrity.
• These practices assist EPA and its industry partners in critical and efficient supply chain data management operations.
Collaboration in Action
Shipper partners

• Many of our partners work with 3PL services to assist with the development of cost-effective co-loading strategies
  • A 3PL matched Ocean Spray’s outbound supply route from New Jersey to Florida with empty refrigerated boxcars traveling inbound along the same route to Tropicana Products.
    • Combined benefit of reducing empty backhauls and taking advantage of intermodal efficiencies reduced Ocean Spray’s transport cost for that route by greater than 40 percent
    • Cut GHG emissions by 65 percent
    • Tropicana’s costs for boxcar return were defrayed
SmartWay Global Collaboration

• SmartWay is in Canada
• EPA engaged through bilateral & multi-lateral mechanisms to work with other nations
  • China - *Climate Change Working Group* China Green Freight Initiative
• Multilateral collaboration in Brazil
• UNEP - *Climate and Clean Air Coalition*
• Global Green Freight Action Plan
  • Align/Enhance Existing Green Freight Efforts
  • Develop/Support New Green Freight Programs
  • Address Black Carbon in Green Freight Programs
• *Global Logistics Emissions Council*
  • Creating global framework for freight supply chain logistics emissions methodologies
SmartWay: Collaborator, Catalyst, Convener

• Business to business collaboration
• Program is data driven
• Creates incentives for companies
• Supply chains are linked
Freight Matters!
The Power of Partnerships

June 22, 2016
Misaligned Incentives

Do rewards motivate people? Absolutely. They motivate people to get the rewards.

- Alfie Kohn, Punished by Rewards
Misaligned Incentives
“Me” Sucks
“Me” Sucks
The Power of ...

Sadly, that shift has not occurred in the supply chain for retail products.
Getting from “Me” to “We”
Case Study: Retailer-driven
Case Study: Manufacturer-driven

HERSHEY
THE HERSHEY COMPANY

FERRERO ROCHER
Case Study: 3PL-driven, retail consolidation
The Retailer is the Key

Retail Consolidation – Basic Process Flow

Retailer

Supplier 1

Supplier 2

Supplier 3

Neutral 3PL

EDI Confirmations

Master Order

ASN Ship Confirm

Consolidated Product Shipment

35
Supply Chain Nirvana
Rivals: Reaching Across the Aisle

Steps for the Demo

- Data is inputted from the Combined summary data after the overlap is done
- Zip code key is copied from the zip code families file
- Click on the button Match Zip Code
Benefits of Partnership

**Service.** Partner with a carrier that delivers award-winning performance – consistently 99%+ on time to delivery.

**Reduced costs.** Consolidated retail deliveries. Continuous moves. Partner with a carrier that leverages these and other optimization strategies to shrink freight costs.

**Greener operations.** Look for SmartWay-certified fleet with fuel-efficient tractors.

**Easy data exchange with complete visibility.** Partner with a carrier that supports all EDI formats a cloud-based portal providing complete visibility from shipment to delivery.
You make great products that people love.

Our job is to get them to market.
Questions?

For More Information:
www.epa.gov/smartway
smartway_transport@epa.gov
SmartWay Helpline
734-214-4767