



October 1, 2015

Via Electronic Transmission: A-and-R-Docket@epa.gov

Attention Docket ID No. EPA-HQ-OAR-2014-0827

Attention Docket ID No. NHTSA-2014-0132

Air & Radiation Docket and Information Center
U.S. Environmental Protection Agency (28221T)
1200 Pennsylvania Ave., NW
Washington, DC 20460

Dear Messrs. Grundler and Charmley:

FedEx is happy to provide the following recommendations and comments on the U.S. Environmental Protection Agency's (EPA) and National Highway Traffic Safety Administration's (NHTSA) proposed Greenhouse Gas (GHG) Emissions and Fuel Efficiency Standards for Medium and Heavy Duty Engines and Vehicles – Phase 2 ("Proposed Phase 2") 80 Fed. Reg. 40138 (July 13, 2015).

With annual revenues of \$47.4 billion in FY2015, FedEx offers integrated, comprehensive business solutions through companies operating independently, competing collectively and managed collaboratively, under the respected FedEx brand. FedEx consistently ranks among the world's most admired companies and trusted employers. As we meet the needs of customers and communities across six continents, our more than 300,000 team members remain committed to safety and the highest ethical and professional standards.

Before discussing the proposal itself, we wish to express our appreciation to the EPA's Office of Transportation and Air Quality (OTAQ) and the NHTSA Fuel Economy Division for the collaborative actions undertaken with stakeholders by the agencies throughout the process. FedEx has been pleased to be a stakeholder to help inform with regard to more fuel-efficient and lower-emitting commercial vehicles. We have done so for the same reasons that we focus on improving our

own fleet of vehicles – because we feel there is the opportunity to obtain even more fuel efficiencies and lower greenhouse gas emissions from vehicles – but doing so at a national level so that the nation has a comprehensive, harmonized approach that applies to all commercial vehicles.

This stakeholder engagement has also entailed our involvement in the Heavy-Duty Fuel Efficiency Leadership Group, which is an informal coalition of major trucking fleets and heavy-duty, commercial vehicle technology providers originally convened to inform with regard to the Phase 1 GHG and Fuel Efficiency rules. This action led to the Leadership Group’s Statement of Principles, which was also updated to inform with regard to the Phase 2 program. In particular, this Statement of Principles has been intended to form the basis for a successful national GHG/Fuel Efficiency Phase 2 program, and included, in part, the following:

- **Achieve Significant Environmental, Economic and Energy Security Benefits:** Phase 1 has begun reducing U.S. oil consumption, cutting GHG emissions and producing fuel costs savings for fleets. Phase 2 should also drive GHG reductions and fuel savings while achieving important economic and energy security benefits.
- **Ensure a National Harmonized Program:** A single nationwide GHG/Fuel Efficiency program must be maintained in Phase 2. Inconsistencies between regulatory agencies (EPA/NHTSA/CARB) must be avoided. Harmonization of certification and compliance requirements is critical.
- **Maintain Market, Fleet and Technology Choices:** Fleets are necessarily diverse in weight, size and capability to perform specific work tasks. Phase 2 should achieve significant GHG/Fuel Efficiency gains without restricting fleet choice of product specifications and GHG/Fuel Efficiency technologies needed for different applications.
- **Build on Success of Phase 1:** Phase 1 utilized proven testing/certification protocols while establishing incentives to drive adoption of advanced and innovative technologies. Additionally, it minimized compliance burdens by relying heavily on the existing emissions protocols. Phase 2 should not impose requirements that shift compliance burdens to end-users. The Phase 1 framework, which minimized market disruption and compliance burdens, should be maintained and improved for Phase 2.
- **Provide Regulatory Certainty to Ensure Advanced Technology Investments:** Longer time frames and enough lead time to develop, mature and deploy

advanced technology will provide regulatory certainty and pull through advanced solutions that will provide significant GHG and fuel consumption reduction in an economically sustainable fashion. This is necessary for both manufacturers to make long-term investments that would support the new standards, as well as for fleets that need a high level of reliability and cost effective solutions in order to deploy new technology.

- Drive GHG/Fuel Efficiency Improvement Technologies in Commercial Vehicles.
- Maintain Incentives and Flexibilities: Credits intended to incentivize early market adoption of advanced GHG/Fuel Efficiency technology should be retained. The ATC and ITC programs from Phase 2 should be improved to increase the attractiveness of early adoption of advanced and emerging technologies (Hybrids; EVs; Route Automation, etc.).
- Adopt Complimentary Policies: Other governmental policies must promote research, development and deployment of efficient technologies in the heavy duty and vocational vehicle space. Financial and other incentives – including investment tax credits; accelerated depreciation of new capital investment; increased highway infrastructure spending – can accelerate the deployment of new, more fuel efficient trucks and assist in rapid fleet turnover.

In addition, and with regard to the specific proposal, FedEx offers the following input and observations:

1. Trailer Aerodynamics and Rear Roll-up Doors: When the proposed rule is fully implemented it will establish a trailer aerodynamic efficiency requirement that includes the use of “Bo-Tails.” The operating companies of FedEx utilize rear roll-up doors on their trailers for a number of reasons we will expound on in the Addendum portion of this commentary (just below). Simply said, the operators of trailers utilizing rear roll-up doors request that roll-up doors be covered as acceptable “Partial Aero” or be given a “Qualified Exemption” to the mandate of Bo-Tail use until an effective, durable and cost efficient product is available which is compatible with the rear frame design utilized by rear roll-up doors. The “To Be” created technology efficiency should be verified by EPA.

Section Addendum:

Rear Rollup Benefits:

- A. Driver safety - Roll-up doors allow the trailer to be positioned against a dock without requiring the driver to approach a dock,

stop, fold the Bo-Tail, swing open the doors and then reenter the tractor to complete the parking maneuver. Roll-up doors prevent the extra process steps and contribute to process efficiency.

- B. Dock worker safety - The roll-up door allows a worker to approach the door latches on a solid surface, unlatch the door and using their legs to lift the door properly.
 - C. Less space is required between parked trailers with roll-up doors
2. A Single National Program: The final Phase 2 regulation should be implemented uniformly across the United States, as noted in the Statement of Principles above. EPA, NHTSA and CARB must have a single nationwide GHG/Fuel Efficiency program across the nation that applies to all commercial vehicles, rather than a “patchwork quilt” of differing standards for individual states or regions which could result in limited availability, higher costs (and, therefore, limited adoption/purchase), and, ultimately, less environmental, economic and energy security benefits.
 3. Return on Investment: Phase 2 must not force technology that does not reduce the total cost of ownership for equipment. It is our objective and desire that technology investment produce a payback within the first 18 months of operation.
 4. Components Ratings: While the proposal currently states that it is the responsibility of manufacturers to document the contributive benefit of the components installed on the Tractor and or Trailer; fleets such as FedEx need the verified efficiency of the available components separately, and/or when used in combination. There should be a government-provided rating of components to assist a fleet in its deliberation as to which components are the most effective and should be included in future purchases. Implementation would be inhibited if fleets were required to conduct their own evaluations of individual components.

In addition to the provisions of the proposal referenced above, FedEx is also advocating for new efficiencies in Less-than-Truckload (LTL) freight movement by extending the length of twin 28-foot trailers to 33 feet. This would enable approximately 18 percent more freight to be hauled on the same trip, improving road safety and reducing emissions by significantly reducing the number of trucks on the road. Just five more feet in for these twin trailers would:

- Prevent 912 accidents per year

- Reduce congestion by 6.6 million truck trips per year
- Reduce truck traffic by 1.3 billion miles per year
- Reduce carbon emissions by 4.4 billion pounds per year

FedEx appreciates the opportunity to provide input and comments with respect to the Phase 2 GHG and Fuel Efficiency Standards for Medium and Heavy Duty Engines and Vehicles. And, we look forward to continue working with EPA and NHTSA on the development of this national Phase 2 program.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Mitchell Jackson". The signature is stylized with a large initial "D" and a long horizontal stroke extending to the right.

D. Mitchell Jackson