



Training notes from the woods & the classroom

January 2011

Big Trucks May Face Fuel Consumption Regulations

The Obama administration recently said commercial trucks, buses and tractor trailers should be as much as 20% more fuel-efficient, and will set fuel-economy standards for the first time for such vehicles. The proposal, unveiled jointly by the EPA and the Transportation Department, follows similar initiatives by the administration to boost the fuel efficiency of passenger cars and light trucks. Fuel-economy targets for passenger vehicles have been in place for decades, but the new proposal would for the first for vehicles that weigh more than 8,500 pounds.

The proposal, which would take effect with 2014 models and ratchet up through 2018 models, requires a public comment period and other procedures, and wouldn't be final until next year. The rules would raise the cost of trucks and engines, but the government says the payback in fuel-cost savings would be as fast as one year for heavily used over-the-road trucks.

The rules will add \$7.7 billion in added costs to new vehicles which could be as much as \$6,150 for new tractor-trailers. Regulators said buyers could recover any costs within the first year through fuel savings. The proposal would provide \$41 billion in "net benefits," chiefly through fuel savings, over the lifetime of vehicles produced between 2014 and 2018, the administration said. The operator of a semi-truck would save as much as \$74,000 over the truck's life under the proposal, the administration said.

I DON'T BELIEVE ANY OF IT.

"We are concerned that this could price some buyers out of the market," says Kyle Treadway, chairman of the American Truck Dealers and owner of a Kenworth dealership in Salt Lake City. Lower fuel consumption is good, he agrees, but the federal proposal "is expected to add thousands of dollars to the cost per truck." "If technologically feasible and economically practical, they should result in vehicles that commercial fleets, owner/operators and small businesses will want to buy, at prices they can afford," Treadway said. "If not, truck dealers, their employees and the economy in general will suffer without environmental and national security benefits being achieved."

None of this makes much sense to me because manufacturers and owners are already making extraordinary efforts to increase fuel economy and it can't be as simple as passing new laws! I'm thinking fines which will be passed on to the customer. The market will reward manufactures that offer better fuel economy and those with poor fuel economy will be left

behind or they will satisfy a different market demand. If fuel economy increases are possible then we don't need any new laws to achieve them!

Our industry has just started to pay for the substantial cost increase of the 2007 emission standards, let alone the additional costs of the 2010 emission standards and already the federal government wants to raise the cost of a new truck again! This is poor timing and more unwelcome and unnecessary BIG government intrusion into our lives. Makes me very thankful for the new Congress!

Drive Safe!

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