

Opening Statement of Robert Carrick,
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Senate Finance Committee
Subcommittee on Energy, Natural Resources, and Infrastructure

Hearing on “Natural Gas Vehicles: Fueling American Jobs, Enhancing Energy Security, and
Achieving Emissions Benefits”

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My name is Robert Carrick and I am the Sales Manager for natural gas vehicles at Daimler Trucks North America. I appreciate Chairman Bennet and Ranking Member Cornyn for holding an important hearing on the role of natural gas in the transportation sector. Daimler Trucks North America (DTNA), headquartered in Portland, Oregon, is a leader among US truck manufacturers in introducing natural gas technology in its lineup of trucks.

Since 2008 Daimler has sold and delivered over 5,000 Class 7 and 8 vehicles, as well as thousands of school buses and step vans through Thomas Built Buses and Freightliner Custom Chassis Corp. The Freightliner Business Class M2 112 NG has been ideal for utilities, refuse, municipalities and other short and regional-haul trucking applications. The Freightliner Cascadia Natural Gas has been on the road for over a year, and it offers the next step in super regional haul and lane applications. Freightliner now offers Natural Gas technology in nearly all of its truck applications including the Vocational 114SD.

While DTNA is headquartered in Portland, much of our truck manufacturing is in North Carolina. DTNA operates four manufacturing plants in the state. Thomas Built Buses is headquartered in High Point; our parts manufacturing facility is located in Gastonia; a Freightliner truck manufacturing plant in Cleveland where we produce our Cascadia natural gas truck; and in Mt. Holly we manufacture our Freightliner Business Class M2 trucks including the M2 and 114SD powered by natural gas. With record order intakes so far this year, DTNA is adding capacity and jobs in North Carolina.

Daimler is committed to natural gas because of customer demand for high-performing, reliable trucks that run with near zero emissions. With natural gas, greenhouse gas emissions are reduced by at least 20 percent versus comparable diesel engines. And because the United States has an abundant supply of natural gas, the fuel supply is less constrained by overseas developments.

As I travel around the country I get asked a lot of questions from prospective truck buyers about whether natural gas is right for their business. For some, the decision to go with a natural gas engine makes sense, but for others, natural gas is not the best, most economical choice. For example, natural gas powered trucks are perfect for short and regional-haul trucking. Today's natural gas trucks are ideally suited for 300 to 500 miles per day usage. For companies that operate in that environment, for example at ports and in regional hub and spoke distribution, natural gas is both economical and efficient. Good examples of what I mean are package delivery companies like UPS here on the panel with me today, food and beverage distributors,

utility vehicles, refuse and public transit vehicles that stay within a relatively compact radius and return to a dedicated depot or station to fill up.

Although natural gas trucks have distinct advantages, challenges exist, particularly for long-haul trucking. The lack of a national network of natural gas stations is the leading obstacle facing natural gas long-haul trucking. Less than 1,500 CNG natural gas stations exist in the US, and only about half are publicly available¹. On the LNG side, there are approximately 100 retail stations in operation today². By comparison, there are about 168,000 gas stations³. Technology costs remain high. The incremental cost of a typical natural gas truck is \$45,000 to \$60,000 (plus a 12 percent federal excise tax on all new truck sales) more expensive than a comparable truck with a conventional diesel engine. Engine technology is still a work in process, but the good news is there are new engine products on the market that have the potential to deliver “game changing” results particularly for the long-haul truck segment.

Thank you for the opportunity to participate in today’s hearing and I am happy to answer any questions.

¹ Natural Gas Vehicles for America (www.ngvamerica.org)

² Natural Gas Vehicles for America (www.ngvamerica.org)

³ Fueleconomy.gov