

News from SANBAG



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SANBAG Confirms Commitment to Ryder for First-Of-Its-Kind Heavy-Duty Natural Gas Truck Rental and Leasing Project Using \$19.3 Million Dollars in State and Federal Stimulus Funding

Marking the commencement of efforts to implement the nation's most groundbreaking and innovative heavy-duty natural gas truck projects to date, the San Bernardino Associated Governments (SANBAG) board today confirmed the agency's commitment to partner with commercial transportation and logistics provider Ryder System, Inc. ("Ryder") to use \$19.3 million in state and federal American Recovery and Reinvestment Act of 2009 (ARRA) funding secured by SANBAG in 2009. Using these funds, Ryder will implement a first-of-its-kind heavy-duty natural gas truck rental and leasing project in its Southern California operations.

Ryder will purchase more than 200 heavy-duty natural gas powered trucks for this project. Both liquefied and compressed natural gas (LNG and CNG) on-board fuel storage systems will be used depending upon the specific type of truck purchased and anticipated application. These ultra low-emission trucks will be deployed into Ryder's Southern California operations network, where Ryder's commercial customers will be able to access them through short-term rentals, long-term leases, or through Ryder's dedicated logistics services. To support these trucks, Ryder will construct new natural gas refueling stations within the region and work with its customers to identify and utilize the tremendous existing natural gas refueling infrastructure already located throughout Southern California. As part of Ryder's core product offering, the company will maintain these vehicles at three of its strategically located maintenance shops in Orange, Rancho Dominguez, and Rancho Cucamonga. Each maintenance facility will be properly equipped for the indoor repair of natural gas vehicles.

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“As an industry leader for almost 80 years, Ryder remains committed to leveraging its expertise and the latest technologies to deliver world-class transportation products and services that build long-term value for our customers,” commented Tony Tegnalia, President of Global Fleet Management Solutions for Ryder. “With more than 1,200 customers and 6,000 commercial trucks operating in the Southern California region, this project represents a tremendous opportunity to expose Ryder’s large and diverse commercial customer base to a leading-edge, environmentally sound and efficient fleet solution.”

Significant funding was secured by SANBAG for the project from Federal and State sources. Nearly \$10 million was secured from the federal American Recovery and Reinvestment Act of 2009 (ARRA) through the U.S. Department of Energy’s (DOE) Alternative Fuel and Advanced Technology Vehicles Pilot Program; and \$9.3 million was secured from the California Energy Commission (CEC) Assembly Bill 118 Alternative and Renewable Fuel & Vehicle Technology Program. The DOE and CEC is focused on accelerating the implementation of clean alternative fuel vehicles, green jobs and the reduction of petroleum demand from the U.S. transportation sector – all goals that will certainly be accomplished through this project.

“We are extremely pleased to partner with Ryder on this cutting-edge project and to work collaboratively to reduce diesel emissions and improve air quality in the region,” commented Paul Eaton, SANBAG Board President and the Mayor from the City of Montclair. “This is the first time that natural gas trucks have been deployed into a commercial truck rental and leasing operation and we are very proud to be the facilitator for this groundbreaking effort.”

SANBAG has been working closely with Ryder to ensure that these significant incentives would be put to use in order to deliver the most impact. After several months of aggressive work, the SANBAG Board today selected Ryder as their fleet partner on this cutting edge effort. Given Ryder’s unwavering commitment to this natural gas truck project, and the potential for significant proliferation of these efforts and associated benefits through the exposure to LNG and CNG trucks by fleet end-users, SANBAG is extremely pleased to partner with Ryder on this ground breaking project.

When fully implemented, this project will replace more than 1.51 million gallons of diesel use annually with 100% domestically produced low-carbon liquefied and compressed natural gas. It will also contribute to the maintenance and creation of more than 400 U.S. green automotive jobs located in regions of the country that have been the hardest hit from the current economic downturn. The project is estimated to reduce more than 9.2 million pounds (4,195 metric tons) of greenhouse gas emissions per year, more than 131 tons of nitrogen oxide emissions annually and completely eliminate 2.65 tons of diesel particulate emissions from local neighborhoods.

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Ryder is a leading provider of commercial transportation and supply chain solutions. The company's Fleet Management Solutions division provides contractual-based full service leasing and contract maintenance services, as well as commercial truck rental, and value-added fleet support services such as insurance, vehicle administration and fuel services. In addition, Ryder provides customers with access to a large selection of used trucks, tractors and trailers through its extensive used vehicle sales program.

Ryder was one of the first national fleets to introduce low-emission and fuel efficient technologies to the truck rental and leasing industry through the launch of its RydeGreenSM line of tractors, trailers, and hybrid straight trucks. This SANBAG-sponsored project represents a significant expansion of the RydeGreen program as the nation works to reduce its dependence upon foreign petroleum sources, increase its use of domestic clean fuels, improve air quality, and operate businesses in a more environmental friendly and sustainable manner.

"The development of a natural gas program is a corporate initiative that has been under review by our executive leadership and Board of Directors for more than year now. SANBAG's support of this effort will serve as a springboard to launch us even beyond our initial goals," commented Mr. Tegnalia. "This partnership will allow our customers that may not otherwise have the opportunity to utilize a natural gas truck to give it a try, and I'm certain they will have a positive experience. Ryder will then look to replicate the success of this program in other parts of the country where Ryder has a strong presence."

This project will result in more than clean air, U.S. job stimulus, and satisfied customers. In addition to reducing emissions, with natural gas fuel prices significantly and consistently lower than diesel fuel, Ryder customers who incorporate natural gas vehicles in their fleet have the opportunity to realize additional cost savings.

"Ryder is not only positioned to take advantage of all the benefits this program will bring, but they are willing and able to be a national leader and innovator," commented Deborah Robinson Barmack, SANBAG Executive Director. "We applaud Ryder and look forward to working with them to bring the project and benefits to fruition, and then expand these efforts on a national basis."

Ryder provides leading-edge transportation, logistics and supply chain management solutions worldwide. Ryder's stock (NYSE: R) is a component of the Dow Jones Transportation Average and the Standard & Poor's 500 Index. Ryder ranks 399th on the FORTUNE 500[®]. For more information on Ryder System, Inc., visit www.ryder.com.

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