

News from SANBAG



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SANBAG and Ryder System, Inc. Begin Natural Gas Truck Rental and Leasing Project Using Stimulus Funding

Marking the commencement of efforts to implement the nation's most groundbreaking and innovative heavy-duty natural gas truck projects to date, San Bernardino Associated Governments (SANBAG) has entered into an agreement with commercial transportation and logistics provider Ryder System, Inc. ("Ryder") and other project partners. The project now begins the implementation phase, utilizing \$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.

Of the nearly \$20 million that was secured from ARRA, \$9.9 is through the U.S. Department of Energy's (DOE) Alternative Fuel and Advanced Technology Vehicles Pilot Program, and \$9.3 million from the California Energy Commission Assembly Bill 118 Alternative and Renewable Fuel & Vehicle Technology Program. The DOE and Energy Commission are focused on accelerating the implementation of clean alternative fuel vehicles, green jobs and the reduction of petroleum demand from the U.S. transportation sector.

Ryder will purchase and deploy approximately 202 heavy-duty natural gas powered trucks for this project. These ultra low-emission trucks will be deployed into Ryder's Southern California operations network of 1,200 customers representing more than 6,000 commercial trucks, where Ryder's commercial customers will access them through short-term rentals, long-term leases, or through Ryder's dedicated logistics services.

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“Ryder is a proven leader in the transportation, logistics and supply chain management industry,” said SANBAG President Brad Mitzelfelt. “As partners on this ground breaking project, we hope to help lead the way to cleaner air for our region.”

Today also marks approval of the SANBAG funding agreement with the Energy Commission. The Funding agreement with the DOE was approved earlier in the year, as well as with the other project partners, Gladstein, Neandross & Associates for technical and administrative support, and the Southern California Association of Governments acting as the Clean Cities Coalition, providing outreach and marketing support.

“We applaud this ideal public/private partnership that provides two new public access fueling stations and a large deployment of low emission, natural gas powered trucks,” commented James D. Boyd, vice chair, California Energy Commission. “These heavy duty natural gas trucks are a major element of our state's commitment to reduce petroleum consumption and greenhouse gas emissions, advance alternative fuels and create green jobs.”

With the contracts in place, Ryder will soon purchase the first 70 LNG/CNG trucks. The infrastructure development stage will commence with construction of two new LNG/CNG fueling stations, which will service their fleets in Orange and Rancho Cucamonga, CA. Upgrades to their maintenance facilities, which will house the newly purchased natural gas trucks also will begin.

When fully implemented, this project will replace more than 1.3 million gallons of diesel use annually with 100 percent 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 7.2 million pounds (3,626 metric tons) of greenhouse gas emissions per year, more than 131 tons of nitrogen oxide emissions annually and completely eliminate 2.3 tons of diesel particulate emissions from local neighborhoods.

“We are excited to provide our 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. “This represents a tremendous opportunity to expose Ryder’s large and diverse commercial customer base to a leading-edge, environmentally sound and efficient fleet solution.”

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Ryder Natural Gas Project, Continued...

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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