



Writing Sample

TRANSPORT INDUSTRY DRIVING A 'SMARTWAY' TO TACKLE EMISSIONS

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An innovative new method for tracking the transport industry's fuel consumption may hold the key to reducing carbon emissions, according to a group of academics and industry representatives.

Government partner Natural Resources Canada explains, "The SmartWay Transport Partnership is a collaboration designed to help businesses reduce fuel costs while transporting goods in the cleanest most efficient way possible."

Originally developed in 2004 by the US Environmental Protection Agency, the program was adopted in Canada in 2012 by the Supply Chain Management Association (SCMA) and Natural Resources Canada (NRC). It offers shippers the opportunity to choose carriers based on their emissions rating – the transportation equivalent of "Certified Organic" food labelling.

SmartWay enables companies to measure vital emission factors such as fuel consumption, mileage and payload data. Once collected and entered into the system, the data is available for review by shippers who want to lower their carbon footprint.

Historically, shippers have focused on cost, service and quality when choosing a carrier. However, sustainability has a chance of becoming a fourth consideration on par with the others.

Climate scholars, government embrace program

The transportation industry is one of the biggest producers of climate change-causing CO₂, says UBC associate professor and logistics expert Garland Chow. In Canada, the sector contributes 25% of the country's greenhouse gas

emissions, according to the federal government.

Last year, with the financial support of NRC, the SCMA's Chow led a nationwide survey of 169 shippers and logistics providers. The results, published in January, provide valuable insight into how Canadian companies view sustainability and make decisions affecting greenhouse gas emissions.

Helping industry go green

SCMA project manager Alison Toscano says the transportation industry is responsible for a large and "growing share" of air pollutants, which is why SCMA has been holding information sessions across Canada to show companies how they can be more green.

"SCMA has also been conducting one-on-one meetings with target companies to make them aware of the program," says Toscano.

In the first quarter of 2014, meetings have been held across Canada in Vancouver, Calgary, Toronto, Montreal and Halifax. "Our motivation is to encourage industry to be more green," says Chow.

Sustainability becomes a consideration for shippers and carriers

Historically, shippers have focused on cost, service and quality when choosing a carrier. However, sustainability has a chance of becoming a fourth consideration on par with the others.

Both shippers and carriers can make use of SmartWay in their own unique ways. NRC explains the value of the program as follows:

Shippers can use SmartWay to:

- Compare the environmental performance of carrier;s

- Calculate their freight carbon footprint;
- Qualify to use the SmartWay Transport Partnership logo.

Carriers can use SmartWay to:

- Market themselves to shippers that are concerned about emissions;
- Benchmark themselves against industry peers;
- Qualify to use the SmartWay Transport Partnership logo.

Shippers, as the customer, can put pressure on individual carriers to be more sustainable when they transport goods. But it won't be easy. Chow says fewer than 5% of the companies surveyed would be willing to make capital investments – such as buying more fuel efficient transport vehicles – to support sustainability if it negatively affected profits.

A win-win solution

Thankfully, it's not a zero sum game. The most effective ways of reducing emissions often have the effect of increasing profits, which is a win-win situation.

According to Toscano, in many instances, companies will see a return on investment within two to three years.

“There's no reason why you can't earn a profit and be sustainable at the same time,” Chow says. “Many sustainability practices are actions that should be taken to increase efficiencies anyway.”

The most commonly used sustainability practices involve optimizing:

- Trip movement strategies, making delivery routes as direct as possible;
- How goods are fitted into shipping containers;
- Using the most efficient means of moving goods, such as rail transport;
- Using more energy efficient vehicles, such as natural gas powered trucks.

Training drivers correctly is also important says Alison Toscano, a SCMA project manager. “Even if you have the most fuel efficient trucks, if the operators drive them like Ferraris, it defeats the purpose.”

Taking the guesswork out of improved efficiency

For too long, shippers and carriers have only been able to guess at efficiency improvements.

“If you can't *measure* the performance that you're looking for, you can't manage it,” says Chow.

That's where the SmartWay system comes in. “Shippers that select SmartWay-registered carriers can see very clearly those who have reduced their emissions,” Toscano says, offering sustainable carriers a competitive advantage.

SCMA says on its website that SmartWay won't improve operations directly, but it helps companies understand where improvements can be made.

Measurements better prepare companies for carbon taxes

Measurements are also important for forward-thinking executives who recognize that carbon taxes might be inevitable. British Columbia, for instance, has already implemented such taxes. In other provinces and territories, some companies are preparing for that eventuality. A true carbon tax would be levied on all emissions, unlike performance regulations that only set limits on certain industries.

“It's a matter of risk management,” Chow says. “If you are not already measuring your emissions, if and when a tax is implemented, you'll be forced to play catch up.”

The implication is that judicious companies would have the upper hand over competitors scrambling to meet new regulations.

Consumers support green companies

Government is not the only source of pressure for shippers and carriers to be more sustainable. Consumers are increasingly rewarding green companies with their patronage. Companies are responding by increasingly adopting programs that address environmental concerns. They market their involvement by showcasing environmental program logos on product labels or websites. The idea is to demonstrate their commitment to the environment.

“Now you can communicate your data to your customers, and show them why they should buy from you and not your competitors,” says Chow. “You can show how being more efficient is the same thing as lighting 5,000 homes, or taking ten trucks off the road every day, or planting six trees.”

But Dr. Gwen O'Sullivan of Mount Royal University cautions against 'green-washing'. According to her, consumers don't always know what these programs represent. “Sometimes it looks like companies are taking big steps, but what is the reality?”

Clearly, there's a long road ahead for the transport industry to become more sustainable, but programs like SmartWay help put companies on the right path.