

May 20, 2010

The Honorable Ray LaHood
U.S. Department of Transportation
1200 New Jersey Avenue, S.E.
Washington, D.C. 20590

The Honorable Lisa Jackson
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, N.W.
Washington, D.C. 20460

Dear Secretary LaHood and Administrator Jackson:

Navistar International Corporation recognizes the benefits for the country of a National Program to address greenhouse gases (GHGs) and fuel efficiency from medium and heavy-duty trucks and buses. Navistar fully supports the adoption of such a National Program, and welcomes this opportunity to be a partner in helping to advance that goal. Our company is committed to working with EPA and NHTSA, the states, and other interested parties to help address three of the most pressing issues facing the U.S. today and into the future: greenhouse gas reductions, fuel efficiency improvements, and increased energy security.

Navistar supports a National Program comprised of GHG emission standards and fuel efficiency standards for years 2014-2018, consistent with the following principles:

Program Principles:

- Start in 2014 and be fully implemented by 2018
- Be designed to increase the use of existing technologies in order to achieve significant GHG reductions and fuel efficiency improvements which, based on the measurement metric and baseline that are used, could result in individual vehicle GHG reductions as high as 20% and fuel efficiency improvements as high as 25%.
- Establish standards applicable to medium and heavy-duty vehicles in a manner that:
 - recognizes the commercial needs of the trucking industry and the demands of heavy-duty applications
 - recognizes technology improvement opportunities across the entire vehicle and its operation
 - is compatible with the complexities of the marketplace
 - avoids unintended consequences

- Design the Program to reduce CO2 emissions significantly and achieve multiple billions of dollars in fuel savings for the Nation
- Incentivize the early introduction of advanced technologies (for example hybrid vehicles and electric vehicles)
- Continue to collaborate with other countries, towards a harmonization of methods for determining a vehicle's GHG and fuel efficiency, recognizing the global nature of the issues and the industry

Navistar understands that EPA and NHTSA will jointly propose the comprehensive National Program for full public review and comment, affording all interested parties the right to participate in a public hearing, and submit comments and other relevant information to the Agencies for consideration prior to reaching any final determinations. We look forward to EPA and NHTSA establishing clear and implementable standards through regulation. We also understand that EPA and NHTSA's preliminary analysis indicates that such a National Program could reduce up to approximately 250 MMT of CO2 and save up to approximately 500 million barrels of oil over the lifetime of the vehicles built during 2014-2018 and achieve approximately \$70 billion in fuel savings. Nevertheless, the results of the rulemaking are not pre-determined but depend upon processes set by laws. Navistar is committed to supporting the adoption of a National Program consistent with these principles.

Navistar appreciates the collaborative efforts that have led all of the stakeholders to this point and looks forward to working together in the future.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Vukobratovic". The signature is written in a cursive style with a large initial "D".

Chairman, President and CEO
Navistar International Corporation