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2024 Greening Freight Programs industry survey

Executive Summary

Prepared for Natural Resources Canada

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Supplier name: Phoenix Strategic Perspectives Inc.
March 2024

This public opinion research report presents the results of a 15-minute telephone survey of 300 representatives of the Canadian freight transportation industry who were involved in or knowledgeable about the management or implementation of trucking fuel efficiency programs and policies within the business' fleet of vehicles. The fieldwork was conducted from January 3 to February 1, 2024.

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Executive Summary

The department of Natural Resources Canada (NRCan) commissioned Phoenix Strategic Perspectives (Phoenix SPI) to conduct survey research to assess Freight Transportation Medium and Heavy-duty Vehicle (MHDV) industry awareness and uptake of fleet energy assessments, truck and trailer retrofits and engine repowers.

1. Research purpose, objectives and intended use of results

NRCan's Greening Freight Programs (*SmartWay*, *SmartDriver* and the Green Freight Program) are three programs that provide training, tools, and resources to help Canada's fleets lower fuel consumption, operating costs, and harmful vehicle emissions. The purpose of the research was to assess perspectives on reducing fuel use and improving energy efficiency in freight transportation among the MDHV industry.

The specific research objectives included:

- Determine whether companies have implemented retrofits and, if so, what types of retrofits were completed in the past three years.
- Understand the barriers, if any, to retrofitting fleets.
- Assess use, and perceived importance, of fleet energy assessments.
- Understand interest in fleet energy assessments, including reasons companies have not considered an assessment.
- Measure perceived importance of government funding programs that support fleet retrofits.
- Assess familiarity with the Green Freight Assessment Program¹ and awareness of provincial/territorial rebate programs for fleets retrofits.
- Measure participation in government funding programs for fleet retrofits and determine preferred types of funding.
- Understand whether government funding will motivate companies to consider retrofitting fleets.
- Explore awareness, and implementation, of repowering.
- Understand whether government funding will motivate companies to consider repowering engines.
- Assess intent to repower fleet engines in the next two to three years.

The results of this research will be used to: 1) enhance NRCan's understanding of inflection points and potential federal funding assistance needs to increase the uptake of ZEV purchases and retrofits; and 2) to inform program and policy development for natural resources or in relation to Government of Canada and Ministerial priorities.

¹ This program has since been recapitalized and renamed the Green Freight Program (GFP), which launched on December 12, 2022.

2. Methodology

A 15-minute telephone survey was conducted with a random sampling of 300 representatives of the Canadian freight transportation industry who occupy a position of owner/operator or senior level manager.

The sampling frame was purchased from Dun & Bradstreet (D&B Canada) and drawn from NAICS code 4841 (General Freight Trucking)—specifically: 48411 (Local) and 48412 (Long Distance) and NAICS code 4842 (Specialized Freight [except Used Goods] Trucking Local—specifically: 484220 (Local) and 484230 (Long Distance).

All respondents were involved in, or knowledgeable about, the management or implementation of trucking fuel efficiency programs and policies within the business' fleet of vehicles. Thirty-seven percent (37%) of respondents described themselves as very knowledgeable in this regard and 63% as somewhat knowledge.

The results were weighted to reflect the actual distribution of businesses operating in this sector in Canada and can be considered accurate to within $\pm 6\%$, 19 times out of 20. The margins of error are greater for results pertaining to subgroups of the total sample.

The fieldwork was conducted from January 3 to February 1, 2024. More information on the methodology can be found in the Appendix: [Technical Specifications](#).

3. Contract value

The contract value was \$78,044.58 (including applicable taxes).

4. Statement of political neutrality

I hereby certify as a Senior Officer of Phoenix Strategic Perspectives that the deliverables fully comply with the Government of Canada political neutrality requirements outlined in the *Communications Policy* of the Government of Canada and Procedures for Planning and Contracting Public Opinion Research. Specifically, the deliverables do not contain any reference to electoral voting intentions, political party preferences, standings with the electorate, or ratings of the performance of a political party or its leader.



Alethea Woods
President
Phoenix Strategic Perspectives Inc.

5. Notes to readers

- All results are expressed as percentages, unless otherwise noted. Throughout the report, percentages may not always add to 100 due to rounding and/or multiple responses being offered by respondents.
- At times, the number of respondents changes in the report because questions were asked of sub-samples of the survey population. Accordingly, readers should be aware of this and exercise caution when interpreting results based on smaller numbers of respondents.
- Subgroup differences are identified in the report. Where subgroup differences are not discussed for certain questions, it can be assumed that there were no significant differences of note.
 - When reporting subgroup variations, if one or more categories in a subgroup are not mentioned in a discussion of differences (for example, if two out of four regions are compared), it can be assumed that significant differences were found only among the categories reported.
 - Only subgroup differences that are statistically significant at the 95% confidence level, pertain to a subgroup sample size of more than n=20 are, or are part of a pattern or trend are discussed in the report.
- Where relevant, results are compared to similar surveys conducted in 2018, Winter 2022, and Fall 2022/Winter 2023. For ease of reference throughout the report, the survey conducted in Winter 2022 is referred to as “2022” and the survey conducted in Fall 2022/Winter 2023 is referred to as “2023”.
- The survey questionnaire is [appended](#) to the report.

6. Summary of findings

Company Profile

- Companies represented in this survey were distributed regionally as follows: Atlantic Canada (9%), Quebec (16%), Ontario (35%), and the West (24%).
- Most companies have fewer than 100 employees: 60% employ between five and 99 employees, 29% have less than five employees, and 11% have 100 or more.
- The vast majority of companies have fewer than 100 trucks in their fleets: 58% of companies operate fleets ranging from five to 99 trucks, 30% operate fleets with less than five trucks.
- More than one-third (38%) of companies provide eco-driving training to their truck drivers, while 60% do not.

Government Funding Programs

- The majority of freight industry representatives surveyed believe that government funding programs that support fleet retrofits are at least somewhat important. Specifically, 38% said these programs are very important, while an additional 25% viewed them as somewhat important.

- Awareness of provincial/territorial rebate programs for greening freight transportation is low – 15% of freight industry representatives surveyed said they are aware of these rebate programs.
- Awareness of federal green transportation programs is also relatively low: 21% of freight transportation company representatives are aware of the Zero Emission Vehicle Awareness Initiative, 17% are aware of the SmartWay Transport Partnership program, 16% are aware of the SmartDriver Training, 15% are aware of the Incentive for Medium- and Heavy-Duty Zero Emission Vehicles Program, and 14% are aware of the Green Freight Program.

Fleet Energy Assessments

- Nine percent of companies have had a third party conduct an energy assessment of their fleet. Among companies that have not had an energy assessment, 26% would consider having a third-party energy assessment.
- Freight industry representatives who said that their company would *not* consider having a third party complete an energy assessment were most likely to point to lack of need when asked to explain why. This is consistent with 2023. This year, four in 10 said their company does not need an assessment because they are not planning to retrofit their fleet (34%) or there is no need to retrofit their fleet (6%).

Retrofits

- One-quarter (25%) of the companies surveyed have implemented retrofits to the trucks in their fleet in the past year and 72% of companies have *not* implemented any retrofits.
- Among companies that have recently implemented retrofits to their trucks, 58% installed cab heaters. Following this, 44% implemented cab coolers, 41% have incorporated predictive cruises and auxiliary power units.
- Cost continues to be the primary barrier to retrofitting: 39% reported costs as the barrier facing their company, while 23% of companies encounter no obstacles to retrofitting their trucks.

Repowering

- Fifty-seven percent (57%) of companies surveyed are reportedly aware that repowering existing engines can be a cost-effective alternative to purchasing a new Original Equipment Manufacturer (OEM) vehicle. However, only 19% of companies have repowered any existing truck engines within their fleet.
- Sixty-four percent (64%) of companies are *not* considering repowering any of their fleet engines in the next two to three years. Among these, 30% cited high costs as the main reason for the lack of interest in repowering, 23% mentioned that it has no value or will not provide cost-savings, and 22% are already planning to buy a new fleet.

Communications

- Over half of respondents found various types of information useful, including fuel consumption ratings for Medium- and Heavy-Duty Vehicles (65%), on-road performance of energy-efficient technologies (58%), business cases for adopting energy-efficient technologies and practices (54%), stories on fleets transitioning to decarbonizing operations (46%), and data on the energy efficiency of Canada's HDV fleet (46%).

Fleet Profile

- Respondents reported a diverse range of fleet types, with 39% exclusively operating for-hire fleets, 37% exclusively operating private fleets, and 24% operating both for-hire and private fleets.
- Forty-one percent (41%) of freight industry representatives reported that up to one-quarter of their company's fleet is less than five years old.
- Forty-nine percent (49%) of surveyed freight transportation companies have dry vans in their fleet, followed by 18% with flatbeds, and 17% with specialized trucks.
- Seventy-five percent (75%) of companies surveyed use their trucks for regional deliveries, 61% for long hauls, and 32% last mile deliveries.
- The majority (68%) of surveyed companies reported that their trucks travel more than 200 kilometers daily.

Concluding observations

The following are offered as concluding observations:

- Cost continues to be a major barrier to retrofitting and repowering fleets. In line with the 2023 results, most companies have still not implemented any retrofits to their fleet nor repowered any existing truck engines. This presents an opportunity to address the perception of high costs associated with retrofitting and repowering by promoting awareness of government programs, in particular, programs with financial incentives.
- Awareness of government programs continues to be relatively low. Consistent with 2023, awareness of provincial and territorial rebate programs for greening freight transportation is limited, with more than eight in 10 unaware of such programs. Likewise, familiarity with individual federal green transportation programs also continues to be fairly low. What has changed this year is the proportion of freight representatives familiar with at least one program. It has increased significantly compared to 2022 (when familiarity with programs was last measured), suggesting some improvement in overall awareness of the existence of these programs. A general increase in awareness, however, has not translated into increased program participation. There has been virtually no change in program participation rates over time. Levels have remained consistent since the baseline survey conducted in 2018.
- Use of fleet energy assessments continues to be limited as was the case in 2023, with lack of need mentioned as the primary reason for not considering an assessment. This finding points to a potential communications opportunity—addressing misperceptions and lack of understanding of the benefits of these assessments might help to increase uptake of fleet energy assessments.
- Many companies continue to track fuel efficiency metrics with their fleets, and this year, significantly more freight representatives said their company tracks average speed than was the case in 2022 (when use of these metrics was last measured).