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April 27, 2012

Commissioner Carla Peterman
California Energy Commission
1516 9th Street
Sacramento, CA 95812-2815

DOCKET

11-ALT-1

DATE APR 27 2012

RECD. MAY 01 2012

Re: Docket 11-ALT-1 – Comments on the 2012-2013 Investment Plan for the Alternative and Renewable Fuel and Vehicle Technology Program

Dear Commissioner Peterman:

Navistar, Inc. (Navistar) is pleased to have the privilege to provide the following comments to the California Energy Commission (CEC) on the 2012-2013 Investment Plan for the Alternative and Renewable Fuel and Vehicle Technology (ARFVT) Program. Through the ARFVT Program, CEC has been successful in making a difference in the availability of alternative technology choices for commercial vehicles and removing barriers to the adoption of alternative technology choices.

Navistar and our customers have benefitted greatly from CEC's programs and we look forward to continued work with CEC. Navistar supports the April 25, 2012 Lead Commissioner Report on the 2012-2013 Investment Plan for the Alternative and Renewable Fuel and Vehicle Technology Program.

Navistar recently made an announcement (see Attachment 1) of our plans to fully engage the Natural Gas vehicle market. When complete, our plans will make available to the market the broadest portfolio of Natural Gas powered commercial vehicles. Navistar's CEO, Dan Ustian, believes – and has been quoted in The New York Times¹ as saying – that certain segments of the commercial vehicle market could quickly see penetration rates of 20% for Natural Gas technology.

The opening paragraph on page 38 of the Lead Commissioner Report, and specifically the first sentence, highlights a vital need for this growing market

¹ <http://www.nytimes.com/2012/04/11/business/energy-environment/wider-availability-expands-uses-for-natural-gas.html>

segment. A key driver in the commercial vehicle market is the availability of service locations with trained technicians to quickly return a commercial vehicle to service. Simply put, if a technology cannot be serviced and quickly returned to duty, the commercial vehicle market will not adopt it. Navistar has many dealers in California so availability of service locations is covered.

However, technician training is a potential barrier to higher adoption rates of Natural Gas technology. On behalf of Navistar's California dealers as well as competitive dealers, we would like to see the Workforce Training and Development Funding Allocation include programs focused on Natural Gas powered commercial vehicles. We believe such training programs will help to facilitate higher penetration rates for Natural Gas powered commercial vehicles.

In conclusion, Navistar believes the ARFVT Program has been a successful and beneficial program. We believe the Lead Commissioner Report of the 2012-2013 ARFVT Program will continue that record. We look forward to supporting CEC in this and other programs that concomitantly achieve CEC's goals and provide value to our customers.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Anthony J. Cook". The signature is fluid and cursive, with the first name "Anthony" being more prominent and the last name "Cook" following in a similar style.

Anthony (Tony) J. Cook, PE
Director, Government Technical Relations
Navistar, Inc.

Attachments: Navistar Natural Gas Press Release

cc: Mel Assagai – Strategic Counsel PLC
Jason Quaranto – Navistar

California Energy Commission Docket 11-ALT-1

Navistar Advances Commitment to Natural Gas Through Partnership With Clean Energy

Company Commits to Comprehensive Natural Gas Product Strategy with Broad Range of Medium- and Heavy-Duty Truck Offerings

LISLE, Ill., Feb. 1, 2012 /PRNewswire/ -- Navistar, Inc. today announced its launch of a comprehensive natural gas strategy, including integrated natural gas product offerings and a strategic partnership with Clean Energy Fuels Corp. (NASDAQ: CLNE) that will provide customers with a sustainable, commercially viable solution for adding natural gas powered trucks to their fleets.

"Natural gas has clearly emerged as the most realistic alternative fuel option for the trucking industry," said Dan Ustian, Navistar chairman, president and CEO. "Together, Navistar and Clean Energy have come up with a breakthrough program that offers customers a quicker payback on their investment plus added fuel costs savings from day one of operation. When combined with Navistar's industry-leading dealer network and Clean Energy's unmatched fuel distribution system, customers can be confident that bringing natural gas vehicles into their fleets makes good business sense."

"We believe the deployment of new, innovative, heavy-duty natural gas engines by world-class original equipment truck manufacturers like Navistar is accelerating the transition to natural gas fuel as a game-changer for heavy-duty trucking," said Andrew J. Littlefair, Clean Energy President and CEO. "We welcome the opportunity to work with Navistar to bring the benefits of clean, cost-effective, domestically abundant natural gas fuel to the company's trucking customer base."

By leveraging the company's existing integrated vehicle and powertrain platforms, Navistar will offer the broadest range of Class 6 through Class 8 CNG-/LNG-powered vehicles in the category. Clean Energy will provide a comprehensive CNG/LNG fueling solution to meet customer demands and aid in bringing new customers into the natural gas market.

Navistar and Clean Energy will work closely with the company's commercial truck dealers and fleet customers on the deployment of natural gas powered trucks and a natural gas distribution support system. Together, the companies will demonstrate how a natural gas integrated vehicle offering with the right distribution and fueling solution can be integrated into a fleet's operations to reduce costs and drive efficiencies. The strategic partnership will help accelerate the adoption of natural gas technologies by making it easier for customers to invest in the new technology, including incentives aimed at neutralizing the cost difference for the diesel fuel equivalent for those who purchase at least 1,000 diesel gallon equivalents of natural gas fuel each month.

Clean Energy Distribution Support

Clean Energy, the leading provider of natural gas fuel for transportation in North America, recently unveiled a route plan for the first phase of 150 new liquefied natural gas (LNG) fueling stations for America's Natural Gas Highway (ANGH). The company has identified 98 locations and anticipates having 70 stations open by the end of 2012 in 33 states.

Many of the fueling stations will be co-located at Pilot-Flying J Travel Centers already serving goods movement trucking through an exclusive agreement with Pilot to build, own and operate natural gas fueling facilities at agreed-upon travel centers. Pilot-Flying J is the nation's largest truck-stop operator with more than 550 retail properties in 47 states.

"The deployment of new, innovative, heavy-duty natural gas engines by world-class original equipment truck manufacturers like Navistar is accelerating the transition to natural gas fuel as a game-changer for heavy-duty trucking. We welcome the opportunity to work with Navistar to bring the benefits of clean, cost-effective, domestically-abundant natural gas fuel to its trucking customers," said James Harger, Chief Marketing Officer, Clean Energy.

Navistar's Product Offerings

Navistar will leverage its existing commercial truck and engine platforms to offer the broadest portfolio of integrated products for the natural gas market. The company will continue to offer

International DuraStar® and WorkStar® vocational trucks with its natural gas powered MaxxForce® DT, developed in conjunction with Emissions Solutions Incorporated (ESI) of McKinney.

To meet the growing demands of the regional haul and class 7/8 vocational market Navistar will offer the Cummins-Westport ISL-G, in the International® TranStar and WorkStar. Additionally, Navistar will enter into a phase II developmental agreement with Clean Air Power Ltd. on the International ProStar, WorkStar and PayStar vocational trucks, powered by a diesel pilot injection LNG MaxxForce 13-liter engine.

"One of the major obstacles in customer transition to natural gas has been the lack of a gas powered range of engines designed to meet the multiple requirements without compromise," said Jim Hebe, Navistar senior vice president, North America Sales Operations. "Navistar—with its extended range of truck engines—is uniquely able to leverage engine platforms into the industry's broadest range of natural gas trucks. When the MaxxForce 13L is introduced in mid-2013, customers will have a capable range of natural engines and trucks, from 7.6 liter to 13 liter with horsepower ranging from 200 to 450."

Summary Facts: What makes Navistar, Clean Energy Alliance Unique?

- Product Portfolio
 - Navistar offers the broadest truck and engine offering Class 6 thru Class 8
- Availability/Distribution
 - Commitment to support on-highway fueling requirements through Pilot/Flying J
 - Capabilities to provide customer specific fueling stations
 - Partnering with Navistar dealers and Idealease to meet on-site fueling needs
- Affordability of Technology
 - Navistar is committed to provide CNG/LNG offerings that provide payback within range of customer expectations
 - Through our partnership, Clean Energy and Navistar are offering an incentive program (Fuel and Truck) that will mitigate or equalize the cost of vehicle with diesel equivalent
- Economic Model makes CNG/LNG a viable fuel without incentives
 - Clean Energy will guarantee fuel prices at a significant reduction from diesel for the term of 5 years
 - Government subsidies and incentives not required to make the economic model work
- Support
 - Navistar offers the broadest coverage in North America, nearly 800 outlets
 - Providing facility training and building requirements
 - Providing sales and service training for dealership technicians and sales staff

About Navistar

Navistar International Corporation (NYSE: NAV) is a holding company whose subsidiaries and affiliates produce International® brand commercial and military trucks, MaxxForce® brand diesel engines, IC Bus™ brand school and commercial buses, Monaco® RV brands of recreational vehicles, and Workhorse® brand chassis for motor homes and step vans. The company also provides truck and diesel engine service parts. Another affiliate offers financing services. Additional information is available at www.Navistar.com/newsroom.

About Clean Energy

Clean Energy (Nasdaq: CLNE) is the largest provider of natural gas fuel for transportation in North

America and a global leader in the expanding natural gas vehicle market. It has operations in CNG and LNG vehicle fueling, construction and operation of CNG and LNG fueling stations, biomethane production, vehicle conversion and compressor technology. Today, Clean Energy fuels more than 25,000 vehicles at 273 strategic locations across the United States and Canada with a broad customer base in the refuse, transit, trucking, shuttle, taxi, airport and municipal fleet markets. Clean Energy del Peru, a joint venture, fuels vehicles and provides CNG to commercial customers in Peru. We own (70%) and operate a landfill gas facility in Dallas, Texas, that produces renewable natural gas, or biomethane, for delivery in the nation's gas pipeline network, and we plan to build a second facility in Michigan. We own and operate LNG production plants in Willis, Texas and Boron, Calif. with combined capacity of 260,000 LNG gallons per day and that are designed to expand to 340,000 LNG gallons per day as demand increases. NorthStar, a wholly owned subsidiary, is the recognized leader in LNG/LCNG (liquefied to compressed natural gas) fueling system technologies and station construction and operations. BAF Technologies, Inc., a wholly owned subsidiary, is a leading provider of natural gas vehicle systems and conversions for taxis, vans, pick-up trucks and shuttle buses. IMW Industries, Ltd., a wholly owned subsidiary based in Canada, is a leading supplier of compressed natural gas equipment for vehicle fueling and industrial applications with more than 1,200 installations in 24 countries. For more information, visit www.cleanenergyfuels.com

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