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The Greening of a Tailpipe Industry

By Greg Lamm

When you are in the business of burning diesel fuel — and burning a lot of it — it can be hard to be environmentally friendly.

Just ask Darren Berg. Since 2003, Berg has run MTR Western, a luxury charter motorcoach company that transports entertainers, corporate commuters, politicians and sports teams. The Seattle-based company has 300 workers and 167 buses operating in Seattle, Portland and four other cities.

So when Berg set out in 2006 to make his company “carbon neutral,” he knew it would take more than launching an office recycling program or making sure workers turn off the lights at the end of the workday.

“While that’s admirable,” said Berg, “the fact is when you run a fleet of a hundred buses and they burn 120 gallons of diesel a day, whether or not you turn your thermostat down at the end of the night is a rounding error to the emissions you are putting out.”

For Berg, achieving his goal means using cutting-edge technology to reduce pollution. That includes using the right tires, running his biodiesel-fueled buses with engines that trap exhaust and reburn it, and using filters that

trap diesel soot. It means training drivers — and relying on technology to keep them honest.

MTR’s carbon-reducing success in an industry not generally associated with being green offers a hint at the steps other companies might add to their environmental initiatives. Those include concentrating on the biggest sources of pollution, making a substantial investment and trusting your customers to respond to — and pay a premium for — your environmental edge.

Not that MTR is so focused on the big picture that it ignores the details. If a driver excessively idles or has a fuel-wasting lead foot, the Global Positioning System-tracked buses are equipped to send automated e-mails back to the dispatcher to rat the driver out.

Technology onboard also allows the company to know when a driver had to slam on the brakes — a fuel-guzzling maneuver. The buses also are equipped with cameras that record the incident, so managers can see what the driver was doing just before applying the brakes hard:

was the driver tailgating, for example, or was the bus cut off in traffic.

Berg's company became carbon neutral at the end of 2007. What gave MTR Western its final push was buying carbon credits to protect a famous stand of redwoods in Northern California. But beyond paying his way to being a net-zero polluter, Berg said he also wanted to do as much as possible to actually reduce tailpipe pollution.

"Rather than emit whatever the hell you are going to do and buy credits against it," he said, "you need to get your emissions down as low as you possibly can and then credit against the balance."

To calculate his company's carbon footprint, Berg said he used an emissions calculator and procedures put out by the federal Environmental Protection Agency that weigh factors such as the year of each bus, miles driven and types of fuel burned.

Because the calculator was written several years ago, it does not take into account the emissions-reducing technology employed on MTR's newer fleet. Still, to make sure he reached his goal, Berg said he overestimated his mileage and then bought more carbon credits than the calculations advised.

"I am confident that we've added a margin of error that more than makes us carbon neutral," Berg said.

Getting here didn't come cheap, Berg said.

MTR could have opted to run an old fleet that would have been exempt from meeting the latest federal emissions standards. But, the company bought new buses that cost \$500,000 each and are equipped with clean technologies such as exchange gas

recirculation systems or diesel particulate filters.

"That's a significant investment," said Lance Randall, business relations manager for Seattle's Office of Economic Development, who met Berg at a business function and later sat down with him to learn more about MTR Western's carbon-reduction plan.

Randall said he was impressed with Berg's commitment to reducing carbon emissions from a company in an industry not usually associated with being green.

"I think what he had done is great," Randall said. "It not only helps the environment, but it helps him market his company as well. He caters to customers who like to say, 'hey, I'm riding in a bus that is carbon neutral.' That's a big thing."

On top of training and equipment costs, add the \$200,000 a year that MTR Western pays to support the Van Eck Forest Project, part of the Pacific Forest Trust's preservation of 2,200 acres of forest lands in Humboldt County, Calif.

Over the next century, the trust estimated that the forest will remove a half a million tons of carbon emissions from the air.

MTR Western could have found cheaper carbon credits. But by choosing to buy emission reductions from the Van Eck project, the company chose an emissions-reduction program that is verified under California's rigid pollution-reduction standards, said Connie Best, managing director for the Pacific Forest Trust.

"We were very happy that they contacted us," said Best. "We thought that it shows

real leadership. We'd like to applaud that leadership."

Berg said starting his own "little bus company" has been a lifelong dream. "When I was a kid, I used to ride my bike around and pretend like it was a bus," said Berg, who grew up on Grants Pass, Ore.

Berg went on to launch several companies, including a company that builds Leadership in Energy and Environmental Design-certified green-built homes, a software company and a financial services company. But after 2001, when travel-related companies such as airlines and motorcoach companies were weakened in the wake of the Sept. 11 terrorist attacks, Berg saw an opportunity.

The fallout from 9/11 left virtually every other bus company financially crippled.

But Berg's company was not saddled with debt or losses and was able to buy some almost-new repossessed buses for nearly half price.

Berg also decided to build his company on buses with the cleaner technology that met the new EPA emissions rules on diesel-burning road-using trucks and buses. Berg said he was told that no one cares about environmentally friendly buses, and certainly no one would be willing to pay the 10 percent to 15 percent more that MTR has to charge to cover its expenses.

Berg said he has found the opposite to be the case. His revenues in 2007 were \$34.5 million, and his customers include NFL teams, high-end tour operators and touring professional entertainers. MTR Western also does a brisk business in the San Francisco Bay Area with corporations that pay the

company to shuttle employees to and from work.

"We've learned in five years that there are more customers than even we imagined that are happy to pay an additional sum of money for a well-run, well managed environmentally responsible diesel-burning company," Berg said.