Navistar International Corporation Resolves Lawsuit Against Environmental Protection Agency

WARRENVILLE, ILL (May 4, 2010) – Navistar International Corporation (NYSE: NAV) yesterday reached an agreement with the Environmental Protection Agency (EPA) in which EPA promised to hold a public workshop or hearing to address issues Navistar raised in its federal court appeal of EPA's certification policies for SCR-equipped diesel powered trucks.

Navistar had asked the United States Court of Appeals in Washington, D.C. to void those polices because they had been adopted by the EPA without the public process required by law, but instead following input only from the SCR engine makers. In its appeal, Navistar charged that EPA is using those policies to allow SCR- equipped diesel powered trucks to operate for extended periods without any control of NOx emissions and is certifying SCR engines as meeting NOx emission requirements when they do not.

The agreement reached yesterday provides that EPA will "engage in a public process to reexamine its policies, for future 2011 and later model year engines" during which it will "provide a thorough review of EPA's policies regarding operation of SCR-equipped engines". EPA also has promised to "ensure, among other things, that SCR equipped heavy duty diesel engines are designed to properly control emissions as required under applicable regulations."

The agreement must be published by EPA in the Federal Register for comment before it can become final.

"We are pleased with this agreement and look forward to participating in the public process," said Jack Allen, president of Navistar's North American Truck Group. "We believe that with full and open public participation, EPA will develop a new approach that will result in equal enforcement of the 2010 NOx requirements for all engine makers."

In March, Navistar's MaxxForce® DT mid-range diesel engines and MaxxForce® 13 big bore diesel engines were certified by the EPA for model year 2010.

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. It also is a private-label designer and manufacturer of diesel engines for the pickup truck, van and SUV markets. The company also provides truck and diesel engine service parts. Another affiliate offers financing services. Additional information is available at www.Navistar.com/newsroom.

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