

# FOCUS

## TRUCKING & LOGISTICS

Pages 17-25

### Mandated rest times, limits on hours worked are among the challenges facing truckers, says Utahn who now heads the nation's trucking association

By Andrew Haley

The Enterprise

Dan England, chairman of C.R. England-Global Transportation, is the current chairman of the American Trucking Associations (ATA). England was elected by the ATA board at its annual meeting in October 2011. In an e-mail interview with *The Enterprise*, he said new hours of service regulations slated to take effect July 1, 2013, are expected to hamper trucking companies still recovering from the recession.

"The most significant provisions of the new rules don't take effect until the next summer. However, projections are that fleet

productivity could be negatively impacted as much as 5 to 15 percent depending on the specific trucking niche," he said.

U.S. Department of Transportation Secretary Ray LaHood announced the final rule creating the new hours of service regulations in December 2011. The new regulations reduce drivers' permissible number of hours worked in a week from 82 to 70 and stipulate that drivers take a 30-minute break for every eight hours behind the wheel. The final rule maintains the 11-hour workday limit.

"Trucking is a difficult job, and a big rig can be deadly when a driver is tired and overworked. This final rule will help prevent

fatigue-related truck crashes and save lives. Truck drivers deserve a work environment that allows them to perform their jobs safely," LaHood said in a press release.

But England said regulations intended to promote safety would backfire as companies seek to make up lost productivity.

"If fleets become less productive they will need to add more trucks and drivers to do the same job. This will drive up the cost of transporting goods in the U.S. With more trucks on the highways, more congestion will be created and more collisions will occur," England said.

"The trucking industry fails to understand why the rules were changed when truck-related deaths and injuries have dropped so dramatically under the existing rules. For this reason the American Trucking Associations have filed suit against the Federal Motor Carrier Safety Administration, seeking to overturn the new rule."

England is one of five Utahns to hold the top spot at a national association recently. Although Salt Lake-based C.R. England is the nation's largest refrigerated carrier, England said Utah owes its prominence in the industry to geography rather than to market share.

"By no means does Utah rank at or near the top in terms of number of trucking companies domiciled in the state, but Utah does have a very active and effective trucking association that represents the interests of Utah carriers along with the interests of all carriers that travel through the state," he said.

"Utah's prominence in trucking stems from the fact that it is strategically located. It is literally the 'Crossroads of the West' with I-80, I-15 and I-70 crossing the state. Because of its location, virtually all of the nation's largest carriers have facilities in the state. The presence of these facilities necessitates the hiring of many Utahns, which is a very good thing for Utah."

But those interstates, the arteries of motorized commercial transport, are in desperate need of maintenance and repair, England said. He said horror stories of crumbling bridges and roads were "resounding[ly]" true. The problem, he said, is the inability of politicians to push through unpopular gas tax hikes, which are the principal means of funding highway maintenance and repair.

"As our country rebounds from the deep recession, highway traffic will increase dramatically. It appears that virtually every state is struggling with the issues of funding new highway construction and maintaining existing

highways," he said.

"The historical funding mechanism is the gas and fuel taxes. In the majority of states these 'user fees' have not been increased at a rate to keep up with the need to build new infrastructure. States are hesitant to increase these user fees because tax increases are not well received and the politicians who propose them are often not reelected."

Paradoxically, the unpopularity of gas tax increases is leading to a surge in tolling, often at a higher cost to users.

"We see many states turning to tolling as an alternative. This is done for political expediency. The politicians can say they didn't vote for tax increases, yet the cost to the motorist actually goes up because tolling simply costs more than traditional highway funding through gas taxes," England said.

*"If fleets become less productive they will need to add more trucks and drivers to do the same job. This will drive up the cost of transporting goods in the U.S. With more trucks on the highways, more congestion will be created and more collisions will occur."*

"I don't know what the solution to this dilemma will be but it would help tremendously if elected officials could do a more effective job of informing the public of the advantages to increasing fuel taxes over tolling. Fortunately, Utah has been very forward thinking in providing funding for highways — at least to this point. The future is still uncertain."

Adding to the dilemma is the high cost of fuel, driven up by uncertainty over the bellicose standoff with Iran over its nuclear program and refining shortages in domestic markets. Market pressures created by rising fuel prices are leading to increased transportation prices in the short term, but also driving carriers to search for alternative, *see ENGLAND next page*



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## ENGLAND

from previous page

cheaper fuels.

"Ultimately, the consumer must pay the high cost of fuel. If trucking companies failed to pass this cost along, they wouldn't be in business very long. As an industry, we support the study and use of alternative fuel sources," England said.

Long a pioneer in the refrigerated trucking industry, C.R. England, a fourth-generation, family-owned, legacy Utah company, is conducting its own research and development studies into alternative fuels. Taking advantage of a recent superabundance of natural gas supplies made possible by new advancements in drilling technology, England said the freight carrier is looking at various models of natural gas-powered engines that might one day haul its clients' goods. In October 2011, Carl Galbraith, director of business development at Questar, told *The Enterprise* that the gas giant is pursuing plans to build a network of natural gas fueling stations for commercial carriers along the Interstate network.

"C.R. England is currently testing five natural gas tractors at one of our facilities in Southern California. We think natural gas, whether LNG (liquid natural gas) or CNG (compressed natural gas,) will play a significant role in the future of our industry. Costs of conversion of diesel engines to natural gas need to come down, but the price differential between diesel fuel and natural gas provides a major incentive for fleets to explore conversion," England said.

## A bank's perspective on the state of trucking

At TAB Bank (formerly known as Transportation Alliance Bank), we keep an eye on the trucking industry. In 2011, TAB's trucking portfolio purchased over \$2.4 billion of invoices, and we constantly stay in contact with customers through surveys and our TAB 25 Index of core customers' key performance indicators.

As we move into the second quarter of 2012, we continue to see gains in the trucking industry. The American Trucking Association's tonnage index jumped 5.9 percent in 2011 — the largest annual increase since 1998. The monthly year-over-year increases have continued in 2012 as February's 5.5 percent increase marked 27 straight months of increases. And, according to TransCore, a leading load matching service, spot market freight rates rose 7.4 percent overall in 2011. This is on the backdrop of previous depressed years, but these are still considerable gains.

We are seeing even greater increases than the national average. In our index of core customers KPIs, we saw a 14 percent increase in total billing in first quarter 2012 compared to first quarter 2011. These increases are the combination of a couple factors — increase in rates and organic growth of carriers taking on more freight. One negative statistic to note is the stretching of payment by our trucking clients' customers. Days to pay an invoice increased from an average of 27.71 days in February 2011 to 29.79 days in February 2012, and by March 2012, it hit 30.4 days.

TAB's quarterly survey of business conditions also shows our customers expect to see increases in both rates as well as the need to increase the size of their fleets. Along with other questions, we ask carriers whether they expect rates to increase, decrease or remain the same in the next 60 days. A large majority of respondents expect rate increases to continue into the second quarter.

TAB's vice president of transportation and finance, Curtis Sutherland, talks with fleets daily and he is hearing comments that reflect some of the statistics.

"The fleets I am talking with are saying some pricing power has returned with their customers and they are concentrating on lane optimization or getting rates where they can make money in the lane for their customer. And they have been successful," he said. "The good carriers have rebounded and are profitable again. The carriers we had issues

with before the economic downturn, we are still having issues with."

Growth is expected to be sustained in 2012 through solid profitability and truck tonnage growth. While that is good news for trucking fleets, the industry is keeping watch on potential driver shortages as well as maintaining aging equipment. According to ACT Research, the current average age of class 8 trucks is now at 6.7 years, the oldest since it was tracked beginning in 1979. We are seeing fleets address this issue as February marked the 26th straight month that sales of heavy duty trucks increased.

At TAB, we are expecting trucking to continue on the road to strong performances for the remainder of 2012.

Tim Valdez is TAB Bank's chief lending officer. He has been in commercial finance for nearly two decades and has spent several years structuring working capital for trucking companies. Valdez has been with TAB for nine years.



Tim Valdez

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# Federal ban on truckers using cell phones has little effect on Utah trucking companies

By Andrew Haley  
The Enterprise

Several industry insiders say last year's ban by the Federal Motor Carrier Safety Administration (FMCSA) on handheld mobile phone use in large trucks and buses has had little impact on carriers with similar regulations already in place.

Department of Transportation Secretary Ray LaHood announced a new administrative ruling in November 2011 prohibiting drivers from reaching for, or even holding, cell phones, saying in a press release, "when drivers of large trucks, buses and hazardous materials take their eyes off the road for even a few seconds, the outcome can be deadly."

Drivers caught violating the new rule face a \$2,750 fine for each offense, while repeat offenders can be banned from driving commercial vehicles. The new rules force states to suspend the commercial driver's license (CDL) of drivers with two or more serious traffic violations. Trucking and bus companies that permit drivers to use handheld phones face \$11,000 fines.

But several prominent members of the Utah trucking industry said the ruling has had little effect because insurance liabilities and traffic tickets in states where handheld cell phone use in trucks is already banned led them to make company rules against cell phones years before.

"The truth of the matter is it's very confusing. Typically your large fleets, they're going to have rules that drivers can't use cell phones anyway," said David Creer,

*"We've been using headsets for years. If a driver calls us, we can tell by the noise if he's driving. We don't want him to get a ticket and we don't want the insurance exposure."*

executive director of the Utah Trucking Association.

He said truckers resented the manner in which the new rules had come about. By making an administrative ruling on the matter, they felt LaHood cut short debate and public comment about the issue. The rule took effect Jan. 3, 2012.

Kelle Simon, founder and president of Kelle Simon Trucking, West Valley City, said the new rule has had little effect on his company.

"We've been using headsets for years. If a driver calls us, we can tell by the noise if he's driving. We don't want him to get a ticket and we don't want the insurance exposure," he said.

Kelle Simon Trucking has no problem with drivers chatting on the phone while they drive, he said, so long as they are doing so safely. For many drivers working 11-hour days, the only time to stay in touch with their families is while they are behind the wheel. Ultimately, the decision about when to talk and in what circumstances falls to the driver, Simon said.

"If they're on a headset we don't mind

[if they're on the phone.] You never know the situation. They could be in rush hour in LA or out in the middle of the desert. I guess it's the person's judgment. There's going to be thinking. We're all adults," he said.

In 2010, Kelle Simon's drivers logged 14 million miles. The same year, the company saw \$27 million in gross sales. In 2010, it had 145 Utah employees.

Larry W. Miller, president of L.W. Miller Companies, Logan, said his company has been installing high-tech wireless communications in all its cabs for several years.

"We have Bluetooth in all our trucks. That's legal. We've done that for truckers' convenience," he said, referring to the wireless technology that connects electronic devices, like headsets, over short distances.

Rustin Walker, who works in the L.W. Miller safety department, said the new FMCSA rules are focused less on the communications aspect of cell phone use, such as actually talking, and more toward any activity that breaks a driver's visual connection to the road or leads to momentary distractions, such as reaching for a ringing

phone. With that in mind, L.W. Miller has customized its rigs to permit drivers a full range of communications opportunities that a driver can use while sitting upright, with both hands on the wheel, and eyes on the road.

"It's kind of the appearance of evil thing. We want to get away from anything like reaching for a phone," Walker said.

"If they'd have introduced this rule five years ago, there would have been an outcry. But it's not that big a deal because Bluetooth is so inexpensive," he said.

In 2010, L.W. Miller's drivers logged 17.2 million miles, while the company saw \$118.7 million in gross sales. That year, it had 425 Utah employees.

The new rules may not upset trucking company owners, but they are having an effect on the daily lives of drivers, according to Creer. He said the handheld mobile phone ban, and new hours of service regulations, interfere with drivers' personal lives. He said that drivers are ordinary people, with wives and families, as well as doctor appointments and other humdrum affairs that require phone calls during business hours, a time when drivers are behind the wheel, usually six days a week.

"In the old days you had a log book and you could pull over to make a call. But [with the new hours of service rules] they don't have the opportunity to pull off to the side of the road and make a call. There's a whole other story to be told, that of the American truck driver," he said.



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# International freight forwarding: an important part of the logistics puzzle

International logistics has evolved greatly since 25 years ago, when the first third party logistics providers, commonly called 3PLs, began to appear. The fine art of tuning a supply chain and having goods where needed had become a matter of how well a company could organize all the resources at hand. 3PL providers and their affiliated freight forwarding divisions stepped in to meet this need.

All products consumed are transported at one point as well as the materials needed to produce them. Distribution costs are now recognized as a key component of profitability for both small and large corporations. This importance has brought logistics center-stage and companies increasingly turn to a specialized logistics provider to bring all the various resources together. We now live in a global marketplace where both suppliers and customers are around the world, not around the block or across the country.

Time-definite scheduling is now com-

monplace and it requires coordination of all the various resources. A 3PL or freight forwarder will now arrange services from a supplier's door to end user using all modes of transportation, including ocean, air, truck or rail. The necessary coordination with the smaller local transportation companies at both origin and destination are also be part of this overall responsibility. The average international transaction will normally have as many as seven or eight transportation companies involved in the process. The freight forwarder coordinates the interface with these entities.



Scott Ogden

For international requirements a good 3PL will either be an established International Freight Forwarder and Custom House Broker or have strong ties or arrangements with a good partner to provide this service. With the advantage of large volumes they control on behalf of their many customers, they are able to negotiate favor-

able rates with the steamship line, airline or truck providers involved in the supply chain. The International Freight Forwarder will also utilize their connections throughout the world with a network of agents or company-owned offices. They will work directly with the overseas vendors and provide all communications necessary to arrange shipments through the channels of that forwarder. Forwarders utilize the services of many different steamship lines or airlines, depending on the time-sensitive needs of the customer, while also keeping in mind the overall goal of reducing the total door-to-door transportation costs. The forwarder will also assess risk management and can provide cargo insurance to make sure that a client's goods are covered when they have exposure to loss and damage in a transaction.

Custom House Brokers are a part of the solution for international shipments. As a broker on behalf of the import client or 3PL, they advise and guide the client through a maze of government require-

ments. They provide appropriate documentation and interface with U.S. Customs on behalf of importers. The broker can research duty rates, compliance issues and keep the customer from incurring penalties and fines for lack of compliance. For export customers they also provide appropriate international documentation as needed, as well as advice for requirements of exporting into the markets their clients are working to sell.

A final key element of necessary service of an International Forwarder or 3PL is their ability to provide transparency — where a client's shipments are in the supply chain process. The ability to give information down to the product SKU number is within the ability of most 3PL providers; their investments in technology are made available to clients. This information can be made available 24/7 via the Web with all the necessary people across an organization having access to this data.

In summary, the use of a qualified International Freight Forwarder or 3PL provider and their familiarity with all the players in the supply chain, makes the ultimate goal of a dependable supply chain a reality. A dependable and well-tuned supply chain will increase profits and market penetration to make a company more successful.

Scott Ogden is president/CEO and founder of Cargo-Link International. Cargo-Link was started in 1976 providing Customs Broker services, airfreight and ocean forwarding services. Cargo-Link is headquartered in Salt Lake City but has a worldwide network of agents in all parts of the world comprised of more than 1,500 companies.

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# England Logistics grows into top 50 third party logistics company

By Andrew Haley  
*The Enterprise*

England Logistics, a wholly owned subsidiary of C.R. England-Global Transportation, is reaping the benefits of a new business model called third party logistics (3PL). Joe Stevens, director of national sales at England Logistics, called 3PL “a non-asset-based approach” to trucking and freight shipping. While Stevens said he disliked using the term “broker” because “anyone can hang up a shingle and call himself a broker,” England Logistics is essentially a brokerage firm that custom-crafts transportation solutions for its customers.

Founded in 1997, England Logistics has grown into a top 50 3PL company that is now the 10th largest freight brokerage in the country. With offices in China, possession there of the exclusive Wholly Owned Foreign Entity status and what Stevens called a “very robust” container and transoceanic shipping division, England Logistics is poised to expand into a global freight company. That spectacular growth is made possible by the strange nature of 3PL, an industry that provides much greater flexibility than a traditional “asset-based” transportation company principally because it is not encumbered by the trucks, drivers, warehouses, timetables, contracts and traditional clients that are the flesh and bone of businesses like parent company C.R. England.

“Logistics, for lack of a better word, is a facilitator. England Logistics is a facilitator from soup to nuts,” Stevens said.

While 3PL has been around over a decade, the industry has taken off in the last three to five years because of problems with asset-based transportation companies, Stevens said.

“Given the economic volatility of the last several years, it’s really come to the forefront,” he said.

3PL had arisen as a market solution to supply unsatisfied customer demand. Additionally, the rise in 3PL mirrors recent changes in the military that have followed advances in communications and computing technology, and which enable large, complex digital networks to radically shrink communications time while significantly expanding the complexity and leveragability of available data. The theorists of so-called network-centric warfare contend that complex digital networks, linked by computers, allow for the translation of an informational advantage into an operational advantage, which is easily translatable into the business world by substituting operational advantage for market competitiveness.

To illustrate the benefit of 3PL solutions to a potential consumer, Stevens gave the example of a hypothetical shipping scenario where a long-time client of a transportation company had a sudden increase in productivity, either as a result of ramped up production or because it released a new product. If this hypothetical client approached his or her long-time transportation provider and requested 100 additional trucks worth of volume for the coming month, in the majority of cases that asset-based provider would be unable to meet the demand because of prohibitive capitaliza-

tion costs for a temporary volume surge. The very nature of asset-based transportation requires traditional shipping companies to maintain a minimum of unproductive capital, meaning they simply do not have the flexibility to meet temporary or sudden changes in clients’ shipping needs.

A company like England Logistics, on the other hand, has a network of 14,000 carriers to draw from, and the ability to do so on a temporary basis, Stevens said. Odds are one of those 14,000 carriers can meet the need of the hypothetical client with an unexpected demand for a 100 trucks. As a “soup to nuts facilitator,” England Logistics would handle the entire transaction, from ascertaining the client’s exact needs to finding and customizing the right solution for them.

“Don’t tell me what you need. Tell me what you want,” Stevens said.

In a sense, 3PL is the cloud computing of shipping and transport. Its rise parallels similar trends in computer collocation that,

like 3PL, provide the benefits of intensive capital as a fee-based service rather than an investment. To a degree, these modern approaches to business, made possible by computing, allow for something like the crowd sourcing of capital acquisition, granting a customer the production capacity of a heavily capitalized company with none of the inherent inflexibility of an organization built on large buildings and heavy machines.

“Me and my staff go into an operation and kind of fit and mold and customize a transportation solution for them. We’re very flexible. I have multiple resources to pull from, whereas an asset-based [company] may be fixed. I’ve got a multitude of avenues to pull from. Multiple avenues and multiple price points,” Stevens said.

By tapping into carriers with available, provisional capacity, England Logistics is able to provide shipping at lower costs, much as online airfare providers do. Its flexibility allows England Logistics a nuanced

range of operations. The company has six divisions handling anything from parcel delivery to the 2010 transport of a 400-ton electric transformer from China to New Hampshire via container ship, intermodal railroad, Schnabel car — a specialized type of railroad freight car — and Goldhofer trailer, a specialized heavy-haul trailer.

The company’s six divisions are Truckload Sourcing, its largest division; Less Than Truckload, which handles parcel shipping; Global Sourcing, an international freight forwarding operation; Intermodal Transportation, which handles rail; Supply Chain Management, which helps lower costs and improve systems efficiency; and England Carrier Services, which works with C.R. England to provide carrier services. The company’s Special Projects Engineering team handled the 400-ton transformer job, devising complex solutions for a unique problem. The different divisions allow England Logistics to reach as wide a market share as possible.



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<b>C.R. England, Inc.</b> 4701 W 2100 S Salt Lake City	801-972-2712 801-974-3800 crengland.com	4,331  \$1.1 billion	0  834	Yes  Yes	531 million  1,729	Dan England Dean England Wayne Cederholm Chad England
<b>Pride Transport, Inc.</b> 5499 W 2455 S Salt Lake City	801-972-8890 801-972-1450 pridetransport.com	398  \$103 million	0  153	Yes  Yes	\$45.4 million  507	D. Jeffrey England Jay England
<b>LW Miller Companies</b> 1050 W 200 N Logan	435-753-8350 435-750-6022 lwmillers.com	220  \$88.7 million	0  0	Yes  No	\$20 million  377	Larry W. Miller
<b>Parke Cox Trucking Co., Inc</b> 4250 S River Road St. George	435-628-0886 435-628-9324 coxtrucking.com	65  \$11.75 million	16  100	Yes  Yes	\$6.6 million  82	Parke Cox
<b>Geodyne Transport</b> 1235 S 3200 W Salt Lake City	801-575-1110 801-575-1101 geodyne.net	29  DND	0  0	Yes  No	\$2.6 million  32	Judd Kemp
<b>DST Distributors, Inc.</b> 444 W Spring Creek Place Springville	801-491-3781 801-491-6989 dstdistributorsinc.com	25  \$ 8.3 million	0  400	Yes  Yes	DND  DND	D. Scott Tollestrup

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# Utahn who led nation's truck dealers says industry has yet to recover from pre-recession levels

By Andrew Haley

The Enterprise

Kyle Treadway, president of Kenworth Sales, stepped down as chairman of the American Truck Dealers association (ATD) in February. One of five Utahns to recently chair prominent national associations, Treadway said his tenure in ATD's top slot was informative and productive, and that while his industry has yet to recover to pre-recession levels, those levels had created oversupply problems that ultimately were bad for business.

"Trucking is usually a bellwether for the general economy, and our fortunes have greatly improved over the past 18 months. Disrupting our usual pattern has been a series of federal regulations artificially raising and lowering our customers' demand for products and services. All in all, life is much better, but we're facing continued federal disruption in the next decade. The Utah market is better positioned by our geography, frugal state government and well-established customer base," he said in an interview conducted by e-mail.

"We are seeing dramatic improvement, but not to the peak levels pre-recession — and that is a good thing. We over-produced and created a glut of trucks. This made for a freight overcapacity situation that drove down freight rates and financially damaged our customers. It's taken years to reach equilibrium between freight demand and capacity, thus allowing carriers to raise their rates back to sustainable levels," Treadway

said.

As a predictor for the general economy, the trucking business took the brunt of the downturn head on. Even for an industry used to operating on a boom-bust cycle, the depth and duration of the recession proved too much for some companies.

"Demand for trucks dropped 60 percent on a national level. Fuel prices monopolized our customers' budgets, so they postponed maintenance and repairs. Ten percent of dealers went out of business as two brands folded, and the remainder struggled," Treadway said. "Commercial truck dealers are used to cycles of profitability and loss, so we gear our businesses for the 'rainy day.' But this prolonged storm drowned many. The survivors are the strongest and now are well positioned to see their conservative strategy pay off."

Treadway said he expects to see "a tempered and gradual improvement, peaking in 2014 when the first round of new fuel economy standards kicks in." Other federal regulations, notably new Department of Transportation rules prohibiting truck drivers from reaching for, or even holding, a cell phone, have led to market adaptations such as the installation of wireless headsets powered by Bluetooth technology. While he said original equipment manufacturers (OEMs) were "late to the game," something which created a "significant aftermarket," OEMs are now tapping in to demand for those and other high-tech hands-free communications technologies.

"All the OEMs are offering factory installed, sophisticated communication equipment. This includes vehicle diagnostics, GPS, cellular connections, Internet, etc. And these technologies will be restricted when the vehicle is in motion. Carriers are demanding more control over the operation of their valuable equipment and increased productivity. The two goals are not incompatible and we're seeing this evolve rather quickly," Treadway said.

Though a flurry of new federal trucking rules has raised the hackles of many in the trucking industry, the back-and-forth has garnered scant public attention. Treadway said that was a sign that the industry is performing as it intends.

"We are a silent giant. You may only think of trucks when one is right in front of you, but chances are 90 percent of your food, clothes, appliances, fuel, vehicles, building materials, etc. were transported by truck at some point. If you're not aware of us, we're doing our job efficiently and quietly. That means we are safely operating on the nation's highways, making delivery deadlines and keeping costs down," Treadway said.

Beyond the day-to-day logistics of tractor and trailer sales, the ATD allows the nation's truck dealers to coordinate policy and strengthen the overall industry through effective communication.

"My goal on joining the board of ATD was to meet other dealers outside of my own OEM network and learn from them.

Through the chairmanship I was able to accomplish that, as well as meet car dealers and study their business model. The study in contrasts and similarities between commercial and consumer markets was striking. Just as you learn so much about American culture when you visit a foreign country, I learned much about my industry by studying car dealerships," Treadway said.

Among the highlights of his chairmanship were programs to help groom future industry leaders and to promote those currently excelling in the field, while ramping-up lobbying efforts in Washington.

"We launched a 'next gen' program for the dealers, general managers and senior OEM executives of the future. I'm proud of this effort to smooth the pathway for our industry leaders of the future. We also created the first commercial truck of the year award that has been touted by the industry. More importantly, we organized a legislative coalition of industry stakeholders to advocate for our interests on the federal level. This helped improve relations between various trade associations in our nation's capital," he said.

But those efforts were not an unequivocal success. Echoing statements by Dan England, current chairman of the American Trucking Associations, and another of the five Utahns heading national associations, Treadway said ineffective policies are causing a serious funding shortfall for key national transportation infrastructure.

see TREADWAY next page



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# EPA report highlights advances in clean diesel technology

A new EPA report on black carbon — a form of particulate air pollution most often produced from biomass burning, cooking with solid fuels and diesel exhaust — highlights advances in clean diesel technology and options to upgrade older engines.

The United States will achieve substantial BC [black carbon] emissions reductions by 2030, largely due to controls on new mobile diesel engines, according to the report. Diesel retrofit programs for in use mobile sources are a “valuable complement to new engine standards for reducing emissions.”

Allen Schaeffer, executive director of the Diesel Technology Forum, issued the following statement regarding the report:

“While there may still be some debate about the role of black carbon on the earth’s climate, this report assures that there is no doubt about the benefits and importance of clean diesel technology in reducing black carbon emissions in the U.S. Thanks to the switch to ultra-low sulfur diesel fuel, coupled with advances in diesel engine design and emissions control technology, fine particulate emissions have been virtually eliminated from new diesel vehicles and equipment in the U.S.

“Today diesel engines are responsible for less than 6 percent of all particulate emissions in the U.S.

“In the past decade, emissions from heavy-duty diesel trucks and buses have been reduced by 99 percent for nitrogen oxides (NOx) — an ozone precursor — and 98 percent for particulate emissions which include black carbon. Today, clean diesel technology with near zero emissions is standard equipment in nearly all off-road diesel vehicles and equipment such as construc-

tion equipment, agricultural vehicles, stationary generators, locomotives and marine vehicles.

“Not only are the clean diesel engines near zero emissions, they are also achieving important gains in fuel efficiency of anywhere from 2 to 10 percent, bringing valuable savings to owners and operators of new clean diesel engines.”

According to the report, the U.S. currently accounts for about 8 percent of the global black carbon emissions, with 52 percent of that coming from mobile sources and 93 percent of the mobile sources attributed to diesel engines. On top of the 32 percent reduction from 1990-2005, EPA projects this percentage will decline by 86 percent by 2030, largely due to controls on new mobile diesel engines. As clean diesel technology continues to advance, these improvements may be even more significant.

The report also highlights the far greater role of other sources of black carbon in developing countries such as Asia,

Latin America and Africa, where residential cooking and biomass burning are the primary sources of black carbon. It also recognizes the challenges in reducing emissions from both mobile and stationary diesel engines in these developing countries since they typically do not have ready access to cleaner low sulfur fuels that are required for most advanced emissions control technologies.

“Beyond the new technology advancements in reducing particulate emission, the opportunities for modernizing and upgrading existing diesel engines and equipment are also highlighted in the report.” Schaeffer said. “We are continuing to work with national environmental and health organizations to increase funding for the highly successful voluntary and incentive-based Diesel Emissions Reduction Act, which is helping to modernize and upgrade older diesel engines in school and transit buses, commercial trucks, construction and agricultural equipment, and marine vessels.”

The Diesel Technology Forum is a

nonprofit national organization dedicated to raising awareness about the importance of diesel engines, fuel and technology. Forum members are leaders in clean diesel technology and represent the three key elements of the modern clean-diesel system: advanced engines, vehicles and equipment; cleaner diesel fuel and emissions-control systems.

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## TREADWAY

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England said stories of crumbling bridges and roads are resoundingly true and that the root cause of the problem is the inability of politicians to successfully argue for higher taxes on gasoline.

“We have yet to see passage of key legislation to fund our nation’s highways. Our infrastructure needs are overshadowed by the larger political movements and rhetoric monopolizing our elected leaders’ attention,” Treadway said.

So many concurrently held leadership positions have given Utah increased clout on the national stage. Despite its relatively small market share, compared to states like New York, Texas and California, Treadway said the Utah contingent is proving itself right along with the big dogs.

“There is surprise at the ‘coincidence’ of so many Utahns on the national scene, but we are well-received and quickly get past any preconceptions,” he said.

“Utahns have recently led the National Auto Dealers Association, the American Trucking Association, the National Trailer Dealers’ Association and our American Truck Dealer Association — all at the same time. We all share a long-term commitment to trade association strength through networking, education and advocacy. That is not unique to our industry, as the presence of Utahns in senior leadership positions in several industry associations evidences,” Treadway said.

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