



# AMERICA'S PRIVATE FLEETS

# A CHRONOLOGY OF TRANSPORTATION MILESTONES

The history of private carriage is inextricably linked to government regulation, federal and state legislation, the economy, public work projects, and trade associations. Here are some key markers over more than a century.

**1887**

Interstate Commerce Act is signed by President Cleveland, establishing Interstate Commerce Commission.

**1893**

The Secretary of Agriculture establishes the Office of Road Inquiry, which eventually becomes part of the Department of Transportation.

**1903**

Elkins Anti-Rebating Act is passed, making it unlawful for shippers to receive rates or even to solicit such favorable treatment; making railroads liable for prosecution for unlawful discrimination and concessions; making departures from published rates a misdemeanor; and authorizing courts to enjoin carriers upon proof of misconduct of unlawful discrimination or departure from published rate.

**1906**

Hepburn Act is passed, extending the ICC's control to express companies, sleeping car companies, and oil pipelines.

**1910**

Mann-Elkins Act is passed, giving the ICC the authority to suspend proposed rail rate changes, and giving ICC control over classification of freight.

**1916**

The Federal Aid Road Act is passed, firmly establishing the federal aid policy involving federal-state cooperation for highway construction.

**1918**

The Office of Road Inquiry becomes the Bureau of Public Roads in the Department of Agriculture.

**1920**

The Transportation Act of 1920 is enacted, giving the ICC authority over minimum rates and actual rates. The ICC is also granted control over entry.

**1921**

The Federal Highway Act is passed, requiring state highway departments to designate a system of interstate and intercounty highways eligible to receive federal aid.

**1925**

U.S. Supreme Court rules that interstate traffic is not subject to state jurisdiction.

The Cummins Bill is introduced in Congress—the first bill seeking to authorize federal regulation of motor carriers.

**1933**

American Trucking Associations (ATA) is founded.

**1935**

Motor Carrier Act of 1935 is enacted, subjecting motor carriers to ICC regulation of entry, rates, and service.

**1939**

National Council of Private Motor Truck Owners is formed. The name is later changed to the Private Truck Council of America.

**1940**

The Transportation Act of 1940 is enacted, bringing water carriers under ICC regulation.

**1944**

The Federal Aid Highway Act of 1944 continues the principles involved in the 1921 Act, but also established a 40,000 mile interstate system of the more important U.S. highways.

**1946**

Ernest Cox, ICC supervisor for the Chicago district, acknowledges that while most private carriers were fortunate during the war to find anyone to drive their trucks, "We must get back to proper selection procedures, or suffer the violent public reaction which is bound to come."

**1947**

Private Carrier Conference of ATA is incorporated.

**1948**

Reed-Bulwinkle Act is enacted, granting immunity from the antitrust laws to carriers that organize rate bureaus to establish rates, providing the rates proposed and methods used by the rate bureaus are approved by the ICC.

**1954**

President Eisenhower asks Secretary of Commerce Sinclair Weeks to head an advisory committee on transportation policy. The committee's report recommends a relaxation of regulation, including the abolition of the ICC's power to prescribe rates.

**1956**

Federal-Aid Highway Act is signed, launching today's Interstate Highway system. It established truck weight limits of 18,000 pounds on a single axle, 32,000 pounds on tandem axles, and 73,280 pounds gross weight, and 96 inches in width.

*(continued on inside back cover)*



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# WELCOME TO THE WORLD OF AMERICA'S PRIVATE FLEETS



**Gary Petty**  
*President and Chief Executive Officer*  
*National Private Truck Council*

We are pleased to present the first compilation of America's private fleets, the story of the \$300 billion-a-year corporate trucking industry.

In these pages we hope you glean a sharper understanding of corporate trucking, its story, its numbers, technology and people. We highlight some of the success stories and examples of best practices found in America's private fleet community. We demonstrate how your company could be enhanced by a top-flight private fleet operation.

We offer some of the best, proven strategies of private fleets, as varied as the products these fleets haul and the services they provide. We explain the basics of private trucking as well as some of the more esoteric methods used to gain optimizations, shave costs and to help run among the most efficient commercial truck fleets anywhere in the world.

Important underlying fundamentals are noted, such as sustained commitment from corporate upper management and a first-class team of trained and experienced professional managers. Experience shows that virtually all successful private fleets have both long-term corporate support for the business model and top professionals on board—from drivers to transportation directors—who consistently meet the highest, most demanding standards of customer service in American business.

We spotlight the new rising class of private fleet managers—more professional, better trained, more technology-savvy and wearing more hats within the corporation than even before.

All in all, we hope to paint a picture of U.S. private fleet trucking in 2008 and beyond. It's a picture that has helped produce the highest standard of living in the world.

We would like to thank all the members of the National Private Truck Council who opened their doors to assist in this project. From all of us at NPTC, welcome to AMERICA'S PRIVATE FLEETS!

A handwritten signature in black ink, appearing to read 'Gary Petty', with a stylized flourish at the end.

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# PRIVATE FLEETS: THE HISTORICAL PERSPECTIVE

The history and success of private fleet trucking in America are a reflection of the economic successes of the country itself.

The roster of private fleet operators is a who's who of corporate America that includes manufacturers, beverage bottlers, food producers, wholesalers, petroleum companies, retailers, publishers and many others.

Today these companies utilize the latest in sophisticated technology and software to run and manage their fleets for optimum service and profitability. But to appreciate fully where private trucking is today, a history lesson is helpful.

One must go back more than a century to fully comprehend the roots of private carriage. That would be the year 1887 when President Grover Cleveland signed the Interstate Commerce Act that established the Interstate Commerce Commission. However, as a result of the Elkins Anti-Rebating Act of 1903, it became unlawful for shippers to accept favorable rates or even to solicit rebates from its transport providers.

The trucking landscape in the 1930s was vastly different than the dynamic, just-in-time trucking industry of today. Back then, regulation was the word of the era. Everything from routes to rates was heavily regulated by the ICC and by the states. In order to operate any fleet, it was imperative to work the halls of the ICC and its intricate maze of regulations, tariffs and rulemakings.

There has never been any shortage of

private carrier representation in Washington. In fact, there were often rival groups vying to “carry the water” and represent private carriage in our Nation’s Capital before the ICC, the courts and the Congress.

The first group to formally represent private carriage was the National Council of Private Motor Truck Owners, founded in 1939, which later became known as the Private Truck Council of America. The Motor Carrier Act of 1935 followed by two years the creation of the American Trucking Associations. That was followed by the creation of the Private Carrier Conference of the ATA, which was incorporated in 1947 following the end of World War II.

William Ott of Kraft Foods Co. was the first president of the National Council of Private Motor Truck Owners. That group was dedicated to the “preservation of the right of all persons to operate motor trucks in the furtherance of their own enterprises, other than the business of for-hire transportation,” according to Irv V. Kimball, a former president of the Private Truck Council of America.



The Council was largely responsible for the establishment of the “primary business test,” a key tenet to make distinctions between private and for-hire transport. The Council also helped Congress delete the so-called “commodities clause,” which would have prevented private truckers from hauling any items in which they had an “interest,” except for those items consumed in their own day-to-day business operations.

Without the elimination of the “commodities clause,” it is highly doubtful that today’s private trucking sector would even exist.

Meanwhile, the Private Carrier Conference also was a force in Washington. It was chiefly responsible for a series of landmark decisions affecting the sector under the leadership of Joseph E. Keller, its first general counsel who was informally known as “the Pope of private carriage.” It was hardly an exaggeration.

One of Keller’s first winning arguments was in the Lenior Chair Co. case, which went all the way to the Supreme Court. That ruling set the precedent for private carriers to charge for their services. Another landmark ruling established the definition of private carriage. For practical purposes, the courts defined a private carrier as a company that hauled its own products in its own trucks to help its own primary business, which was something other than transportation.

Both the PCC and PTCA were early proponents of deregulation as evidenced when, in 1954, President Dwight D. Eisenhower asked Commerce Secretary Sinclair Weeks to head an advisory committee

on transportation policy. That report eventually recommended a relaxation of economic regulation of the trucking industry, including eventual deregulation and an abolition of the ICC’s all-powerful ability to set trucking rates.

In 1956, the Federal-Aid Highway Act was signed, eventually authorizing what is today’s 56,000-mile Interstate Highway system. Back then truck weight limits were 18,000 pounds per axle (today it’s 20,000), 32,000 pounds on tandem axles (today it’s 34,000) and 73,280 pounds gross vehicle weight (today it’s 80,000) and 96 inches in width (today it’s 102).

By 1960, total U.S. freight transportation outlays reached \$46.8 billion (today it’s close to \$800 billion) and trucking revenue reached \$31.5 billion (today it’s over \$630 billion). By 1964, more than 10 million of the nation’s 12 million trucks were operated by private carriers.

In 1966, the Supreme Court again made history by relaxing some of the regulations governing private fleet operations. The high court let stand a ruling from the 9th Circuit Court of Appeals, San Francisco, in ICC v. Northwest Agricultural Cooperative Association that allowed farm cooperatives to backhaul some non-farm related commodities for its members. That set the standard for what is today’s dynamic and profitable backhaul industry for private carriage.

It took another dozen years before the next key development. That’s when the ICC, in its decision in what became known simply as the Toto case, reversed



## HISTORY

its 40-year policy and allowed private carriers to apply for for-hire authority. This liberalization freed a regulatory logjam culminating two years later in the landmark Motor Carrier Act of 1980, which changed the face of the industry forever by reducing barriers to entry and freeing the industry to offer new, dynamic services without prior approval by the federal government.

“After 1980, there was a big rush to outsource transportation,” recalled Rick Schweitzer, general counsel of the NPTC. “But the pendulum eventually began swinging back because of the paramount nature of customer service requirements that only private fleets can meet.”

The last step of deregulation took place in 1994, when NPTC, as part of a coalition of shippers and motor carriers, successfully lobbied Congress to enact a statute

preempting state regulation of intrastate trucking rates, routes and services.

A few other major changes occurred in the late 1980s regarding representation of private carriage interests in Washington. In 1987 the Private Carrier Conference changed its name to the National Private Trucking Association and pulled out of the ATA. NPTA and the Private Truck Council of America began merger discussions that same year. The result was the National Private Truck Council being formed in 1988. The NPTC this year will celebrate its 20th year — the 69th year including its predecessor organizations — of representing the dynamic, service-intensive private carrier industry, the largest sector of the overall U.S. transportation industry. •





## ACTIVE ASSOCIATION MEMBERS—PAST AND PRESENT



Private Truck Council of America Board of Directors meeting in Washington, c. early 1960s.



The graduating Class of 2007 of Certified Transportation Professional® program.

# STATISTICAL PROFILE

It's no exaggeration to say that nearly everything we eat, wear or use came to us by private trucking, at least on some part of its journey. Private trucking is a major economic force in this country. With its total revenue in excess of \$300 billion a year, private trucking accounts for nearly half of the \$635 billion revenue in truck transportation revenue, according to the 2007 State of Logistics Report provided by the Council of Supply Chain Management Professionals.

To put that \$300 billion revenue in perspective, that is approximately one-fourth of the nation's total logistics cost of \$1.305 trillion in 2007.

America's private fleets include some of the largest names in U.S. business – Wal-Mart Stores, Verizon Logistics, Pepsi Bottling Group, and Safeway, to name a few. They also include some names that might not be as well known to the general public, but are huge in scope, operation and contribution to American commerce.

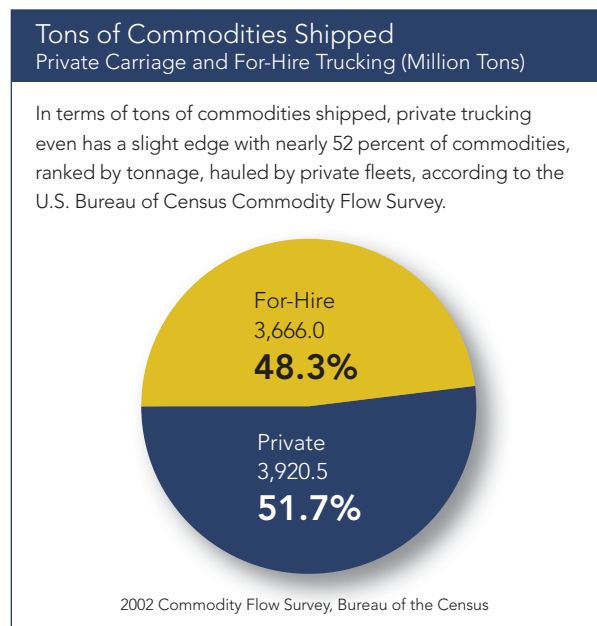
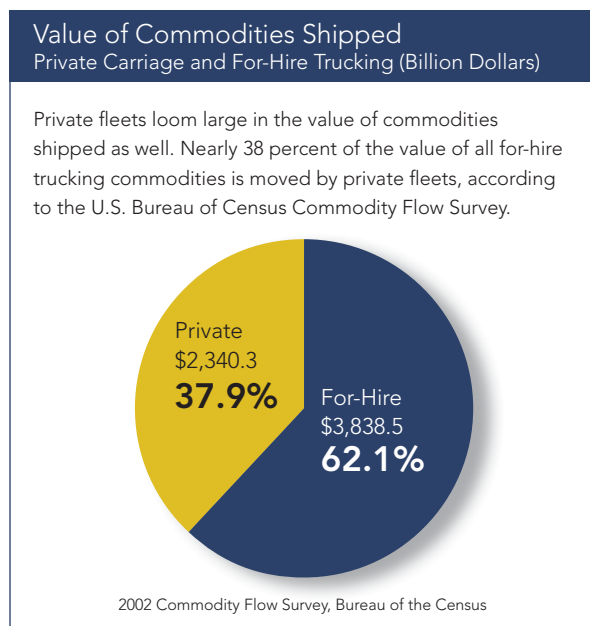
They include Sysco Corp., one of the nation's largest private fleets with more than 7,660 tractors, 1,530 straight trucks and 9,500 trailers. This Houston-based

food service giant's finely tuned operation helps fuel Sysco's annual sales, which totaled \$32.6 billion in 2006. Sysco's private fleet includes its Sygma Network, which delivers exclusively foods and goods to restaurants; its FreshPoint unit, which distributes fresh fruits and vegetables; and its Guest Supply unit, which provides housekeeping supplies to the hotel and lodging industries.

Wal-Mart Stores, another of the nation's largest private fleets, likewise has depended upon its private fleet to help fuel its success by enhancing customer service, reducing supply chain costs and accelerating inventory turns.

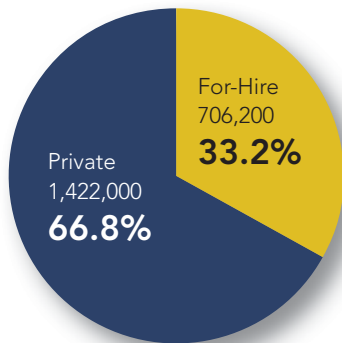
There are other, lesser-known names that provide essential day-to-day deliveries and services to many other American industries.

Of course, these private fleets often contract out to for-hire carriers for additional services. So these numbers only include the number of tractors private fleets actually own or lease, excluding that equipment provided by for-hire or other outside carriers.



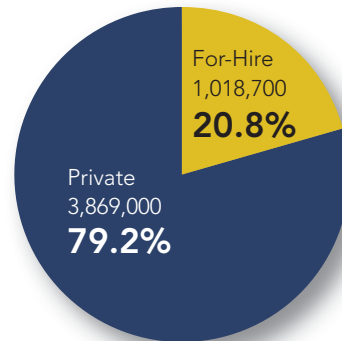
**Power-Units by Trucking Segment**  
2002 Vehicle Inventory & Use Survey

Nearly two out of every three power-units on the highway are run by a private fleet, according to the U.S. Bureau of Census Commodity Flow Survey.



**Commercial Trucks by Trucking Segment**  
2002 Vehicle Inventory & Use Survey

Similarly, private fleets operate nearly four out of every five trucks in the nation's fleet, totaling nearly 4 million trucks, excluding pickups, minivans and sport utility trucks. Again, these numbers come from the U.S. Bureau of Census Commodity Flow Survey.



All trucks excluding Pickups, Minivans, Other Light Vans & Sport Utilities

Not only do private fleets haul products, they provide essential services to all. Your local utility company, as well as the local baker and plumber, all combine to operate sizeable private fleets. In fact, about 42 percent of truck tonnage falls into this “private local” category, with “private interstate” traffic accounting for about 15 percent of all truck tonnage.

On the revenue side, about half of private trucking’s \$300 billion revenue comes from “private local” while another \$166 billion is “private interstate” long-haul business, according to figures compiled by the Eno Foundation, the Council of Supply Chain Management Professionals,

Transportation Technical Services, U.S. Census Bureau, SJ Consulting and other sources.

Any way one chooses to slice the total transportation pie, private trucking provides a very healthy slice of service and revenue to the American economy. •



# WORLD CLASS SERVICE

While there can be many overriding reasons for operating private fleets, most in the industry say the biggest benefit can be summed up in one word—service. American corporations in this century are discovering they operate in a worldwide market place. Innovations on one side of the world are quickly understood, imitated and implemented halfway around the world in the ultra-competitive global market place of today’s worldwide view of commerce.

Private fleets have grasped this concept of continuous improvement and are constantly striving to add value—not just at the transportation end of the equation but through their own supply chains and those of their customers.

“Our private fleet is a very integral part of that value proposition,” says Larry Brown, director of logistics, for Perdue Farms, Salisbury, Md. “Our private fleet is superior to anything from any supplier of fresh poultry in the market place. The Perdue Farms Inc. private fleet is a natural component of the Perdue commitment to outstanding quality and service.”

As an example of that, Perdue’s private fleet of 230 tractors, 235 drivers, 750 trailers travels 22 million miles a year. Its on-time delivery score (measured to the

minute) exceeds 99.3 percent. That’s one of the reasons that Perdue has annually received multiple “supplier of the quarter” awards from several entities and most recently the “Supplier of the Year” award in the fresh meat category by Wal-Mart.

“In today’s markets, most consumers expect great value as the norm,” Brown explains. “It takes truly outstanding products and services to distinguish any organization from the rest of the field. At Perdue, we believe the fleet is one of the ways we can help our company differentiate the brand from the rest of the marketplace.”

## The Wal-Mart model

Tim Yatsko, senior vice president of transportation at Wal-Mart Stores, says his company’s private fleet offers at least five competitive advantages in today’s marketplace:

- Cost-effective
- Leverage against common carriers
- Flexible
- Offers maximum network efficiency
- Enables Wal-Mart to react quickly in disaster situations.

“That greatly enhances our ability to assist the communities in which we serve,” Yatsko said.

Perdue and Wal-Mart are hardly alone in that



assessment. While private fleets — at \$300 billion a year in revenue — represent more than half of the total U.S. trucking market, it also represents about 2.5 percent of the U.S. Gross Domestic Product.

While these numbers are impressive, the success has been won on the operational front lines day-in and day-out. Private fleets are critical to ensuring products are available when and where customers want them. In many cases, drivers even stock the shelves. The level of flexibility and sense of urgency and ownership private fleets bring are key enablers in an environment of compressed order cycle times and inventory levels.

The Kraft private fleet handles about 10 percent of Kraft’s overall business. While that may not seem overly large, its influence reaches far beyond the shipments they haul.

“First, for the shipments delivered by the private fleet, we are assured of superior service at a very competitive cost,” says Harry Haney, who has been with Kraft for more than 20 years. “Additionally, we use our fleet to benchmark the costs charged by our contract carriers, helping us be more efficient consumers of transportation services. Our private fleet management team also oversees a dedicated operation that is now slightly larger than the private fleet, further leveraging our resources.”

There is another advantage, as well. “Operating a private fleet successfully requires such a broad range of management and leadership skills that it helps us prepare leaders for significant leadership roles in other parts

of the organization,” Haney says.

Above all else, private fleets have learned from their customers that they want to get their product from a modern, safe private fleet whose drivers have come to be synonymous with the products they deliver.

### The private fleet value proposition

Increasingly, top executives at companies with well-run private fleets recognize the value proposition. They love the productivity and service enhancements that only a private fleet can provide in today’s complex transportation world.

Anton Letica, president of Letica FreightLines, Rochester, Mich., a packaging company serving the food service industry, says its private fleet of 129 tractors and 265 trailers is viewed internally as a “natural extension to our customers in providing value-added” services.

Letica Corp. manufactures packaging solutions for customers from 13 strategically located facilities across the nation. Letica offers a wide range of rigid containers and lids. Its extensive product line, ranging from 6-ounce to 7-gallon containers, also includes UN-certified products, tamper evident lids and value-added lid fitments. Additionally, through Letica’s Maui Food Division, it offers a broad product line of hot, cold paper and plastic cups with lids to match.

Letica’s private fleet is able to providing service that the company president says none of his competition can match.

“In today’s business world, our customers have demanding just-in-time schedules,” Letica says. “We’re able to offer distinguishable services such as JIT services to our account base and enhance our services more than our competition. It’s part of our ability to differentiate our company in the market place.”

Though Letica uses for-hire carriage to augment its



private fleet, “sometimes service levels don’t meet our expectations or our accounts’ expectations. Missed pickups and lack of communication affect our relationship with our accounts.”

The solution? Letica says “having control over your own trucking fleet, maintain service levels best in class that none of the competition can match.”

Like many well-run private fleets, Letica views its company driver work force as a natural extension of its sales operation. There is a strict dress code. There is training on how to meet and deal with customers. And, of course, most get very familiar with the customers on their regular routes.

“Our drivers are a huge asset,” Letica says. “We have high standards. We view them as an extension of our service. It’s critical how they interact with our accounts. They’re an extension of our sales and marketing organization.”

The proof is in some of Letica’s customers who have stayed with the company for decades.

“We’ve serviced accounts for more than 35 years,” Letica says. “In that relationship, our company and customers have gained stronger loyalty between ourselves because of our drivers. They are a huge asset. In today’s fast-paced business world where some businesses lose business every day never to return, that’s loyalty that cannot be bought.”

Charles “Chip” Dorger, is general manager of Letica Resources, Inc. which operates Letica FreightLines, Inc., the logistic and private fleet operation servicing Letica Corporation. The fleet traveled 16.4 million miles to deliver 26,500 truckloads of product in 2007 with an on-time performance of 99.6 percent.

“It’s very simple,” Dorger says. “We operate to meet our customers’ expectations 24 hours a day, seven days a week, 365 days a year. We’re there to support our customers’ continuing success. Not only on the inbound deliver but also through outbound delivery services. When we assist with the customers’ business successes, then we at Letica Corporation are successful.”

“Our around-the-clock availability is configured to

support Letica’s customers’ manufacturing and distribution schedules as well as their requirements,” Dorger says. By achieving this level of service, “we become part of our customers’ business model that increases our customers’ value with their customers. Letica Corporation and Letica Freightlines provide ideas and solutions to bring superior innovation in packaging to our customers.”

### A solid foundation

Senior executives of companies operating private fleets say a well-run private fleet allows them to sleep at night – not worrying about losing customers because of late deliveries, not worrying about offending customers because a driver was discourteous, not worrying about lapses in their overall supply chains because a truck was routinely late without prior notification.

James Roth is executive vice president of Hillyard, Inc. For more than 100 years, this St. Joseph, Mo.-based company has been manufacturing flooring products and Roth knows first hand the benefits of a private fleet.

“We started our private fleet back in the late 1940s,” Roth says. “The main reason we started our private fleet remains the same reason we continue to operate it today. When we do it ourselves, we know the product will get there on time, it won’t be damaged and it won’t be dirty.”

A few years ago Hillyard experimented with for-hire carriage. It failed. “We went out to contract carriage and tried to outsource this—and we got nothing but complaints,” Roth recalled. “We found our customers were used to getting deliveries from Hillyard trucks. We found the contract carriers were not as dependable as private carriers are.”

Today Hillyard runs a compact fleet of 16 trucks. “It boils down to service,” Roth says. “Maybe we spoiled our customers.”

Hillyard’s corporate traffic manager, Terry Imlay, CTP, gets praise from Roth for staying on top of ever-changing scope of regulations affecting ground transportation. “The whole scope of trucking changes every six months, it seems,” Roth says. “You have to have somebody on top of what’s going on. I think it pays dividends.”

Asked what part of his operation keeps him up at night, Roth replied: “Not a whole lot. We have people who are capable of handling this and we have professional drivers. I’m not worried about a whole lot at that end of the business day.”

A private fleet doesn’t always have to be large to be efficient. At 61, Imlay has been in transportation his entire life, starting as an owner-operator before taking over Hillyard’s transportation division 15 years ago.

He uses 17 company drivers and two dedicated drivers to service 33 warehouses. All Hillyard’s equipment is first-rate, air-conditioned, air-ride trailers which can be either heated or cooled.

“It’s like putting a puzzle together,” Imlay explains. “It’s all about matching equipment availability to customer needs. You have to crawl before you can walk. We’ve had to grow and become more sophisticated.”

An example of that sophistication is Imlay’s weekly traffic flow. On Mondays, Hillyard hauls finished goods out of its St. Joseph’s, Mo., plant to the Midwest. On Tuesday, it’s to the Ohio Valley, Wednesdays to Minnesota, Thursdays to the East and Southeast and Fridays to the Southwest, West and Northwest.

To help reduce empty miles and balance equipment, Imlay found a steady demand of a variety of freight. Hillyard drivers haul bottles from Alameda County, California, buckets out of Texas and even some raw materials for flooring such as resins and soaps out of the Northeast. Some of Hillyard’s reefer trucks haul fish out of the Northeast and produce out of California to balance loads.

For companies such as Hillyard who efficiently manage their private fleets, unit delivery costs can be as little as one-third the rate charge by common or contract carriers. This usually will involve some level of a headhaul-backhaul shuttle operation to reduce empty miles and even add a little revenue to the mix.

Like Letica and Hillyard, there are as many examples of private fleet performance excellence as there are kinds of freight hauled in their trailers.

## Supporting the mission

Another example of exceptional performance in a private fleet can be found in a company with nearly \$13 billion in annual sales. Ranked as one of the top ten private fleets in the country, the company has thousands of tractors, straight trucks and trailers operating nationwide devoted to providing the highest level of service possible to customers.

The national transportation manager of this company says the private fleet provides huge value from a service perspective. “As an organization, our mission is simple: support the sales of our products” he says. “Our business is fairly straightforward and not inherently complex, but complexity does lie in volume and how many times to go to a given location. It is not uncommon for our trucks to make runs to the warehouse 15 or 20 times a day.”

The private fleet, he says, allows the company to better spread those deliveries across the 24-hour spectrum. “We found that difficult to do with a common carrier,” he says. “Our own truck fleet allows us better control flow in and out of hundreds of satellite warehouses and more than four dozen manufacturing plants.”

## A people business

“The main value we have is our drivers are actually our customer service reps,” says Gary Strausbaugh, CTP, vice president of transportation for [Mennel Milling Co.](#), a 100-year-old, fifth-generation family-owned business which has been operating a private fleet since the horse-and-wagon era. Now, the Fostoria, Ohio-based company operates 43 power units and also operates a van division with brokerage authority.

“Our drivers see things at the plants every day,” Strausbaugh explains. “They’re the people who represent Mennel on a day-to-day basis. Our sales people may sell flour and take orders, but it’s our drivers who are out there and see what’s going on every day. They can identify problems fast. We use them as our first line of defense. If somebody gets angry, they can diffuse the situation fast.”

In today’s business world, competition is not just measured product against product. It’s a company’s

people that often tip the scales in helping put the best product to market as efficiently as possible.

### Fleet-side advertising: Selling the brand

Private fleets can serve as a base of transportation services while raising brand awareness as a rolling company billboard. Utilizing private fleet vehicles for advertising has many benefits, most notably promoting the company's brand products at lower overall costs compared to traditional modes of advertising. When a company delivers reliably and safely using a 53-foot billboard that proudly announces its name in 20-to-25 foot-high letters, one can be assured that its name is not getting lost in the usual blur of mass advertising.

For many private fleets, fleet-side advertising is one of the most effective and low cost means of sustaining powerful daily communication with present and prospective customers. In fact, based upon anecdotal reports from private fleet operators, truck advertising can substantially increase in-store sales, sometimes by as much as 10%.

### Dividends paid to the military

George M. Carpenter, CTP, is systems and technology manager for *Army and Air Force Exchange Service*, which operates 368 power units, 1,475 dry vans and ran 24.4 million miles in 2006. AAFES supplies all the PX's and BX's on Army and Air Force bases worldwide.

Empty miles are the bane of all truckers, and a ruin for productivity. AAFES' empty mile percentage is 14 percent, which would be impressive for a for-hire carrier let alone a private fleet.

"We don't have for-hire backhauls," Carpenter said. "The only backhauls we do are our own merchandise. We do mode-shifting, building up small package loads to less-than-truckload (LTL) shipments, then LTL to truckload to make more efficiencies from our purchase orders. From point of origin, we control all the transportation. In controlling costs, we've also been able to increase efficiency."

It must be working. If AAFES were a private company, its revenues would have been \$8.9 billion with earnings

of \$427 million and dividends paid to the Military MWR Programs of \$232 million in 2006.

That's just one example of how private fleets can make transportation budgets stretch further when effectively managed. There are many other examples.

### The final run

Keith McWilliams has been at *Batesville Casket* for six years and is now the Transportation Director. Drawing on previous experience with a third party logistics provider and another private fleet company, McWilliams directs a private fleet that was able to generate \$2.95 million in backhaul revenue for the 2007 fiscal year. Of that amount, \$1.1 million was external backhaul, from non-Batesville Casket Co. vendors.

"We been very successful in some geographic lanes; like coming out of Texas," McWilliams says. "We haul bottles, electronics, recycled plastic and a variety of other goods. We don't have specific customers; we use brokers because we're not quite at a point where we can definitely say we're going to be in Dallas next Monday, Wednesday and Friday."

"Managing this business is a challenge, but it's worth it," McWilliams says. "We have to run a delicate balance between our outbound needs and desire to grow backhaul revenue. Utilizing our equipment is essential to our day-to-day success."

With backing of top Batesville management, McWilliams is being encouraged to expand the fleet's backhaul reach. "Do we have opportunity? Yes. And we are actively pursuing those empty miles."

Batesville Casket operates four manufacturing facilities for the production of metal and hardwood caskets. Metal manufacturing facilities are located in Batesville, Indiana and Manchester, Tennessee. One wood manufacturing facility is located in Batesville, Mississippi, with a wood processing facility in Vicksburg, Mississippi.

Batesville's international operations include a metal manufacturing facility in Mexico City and a wood manufacturing facility in Chihuahua, Mexico.



Batesville Casket operates approximately 90 local warehouses (Customer Service Centers) throughout North America. These warehouses are served by six regional distribution centers.

Batesville Casket Company oversees a private fleet of 375 straight trucks, 191 tractors and 530 trailers and dollies. For 2007, that fleet logged 29.4 million miles. Its operation includes a first leg from four manufacturing to six regional distribution centers (DCs); a second leg from those DCs to customer service centers; and a final leg from those customer service centers to funeral home customers.

Batesville chooses to operate its private fleet because of one reason: “It’s service, without a doubt,” McWilliams says. To show the lack of turnover among its drivers, Batesville recently had a driver retire after 41 years of continuous service.

“We pride ourselves on service,” McWilliams says. “The casket industry has a large surplus in manufacturing capability. Our competitive advantage is our service to our funeral home customers. We don’t sell to the general public. We sell to licensed funeral directors and we are able to give those directors top-flight service.”

McWilliams and Batesville think of its long-haul fleet as more than long-haul drivers. “They’re not dock-bumpers. They help unload caskets and inspect the units as they’re delivered. At every touch point, we expect our people to look at our product and make the decision on whether that product continues to go down the supply chain,” he says. “Our private fleet is a vital component of the quality and service Batesville Casket Company provides to our customers.”

### A prescription for success

Walgreen Oshkosh, the 107-year-old national chain of pharmacies, has run a private fleet since the early 1900s when it needed trucks to deliver its own homemade ice cream. Walgreens trucks now delivery thousands more goods than just ice cream, but the service mantra still is the same.

“We’ve always been utilizing our own trucks in

one way or another,” says Thomas R. Stedman, Walgreens vice president of corporate transportation. “As we expanded into new markets, we used common carriers for a time. But in the 1970s we recognized the advantages of using our own fleet.”

Of a private fleet’s value to the overall corporation, Stedman says if it’s managed correctly, the private fleet is invaluable.

“Generally we ended up saving money because we manage it and control it,” he says.

About seven or eight years ago Walgreens was opening a drive-through pharmacy Rx Express, smaller stores that would only sell pharmaceuticals and other supplies. They would be staff by just two people – a pharmacist and a technician.

These mini-stores would receive a pallet or two of product per week from the closest DC 400 miles away in Woodland, Calif. For awhile, it used a major regional LTL carrier. Although deliveries were made next day, they often varied greatly by time. Because of the two-person staff, often an extra person had to be hired to help unload these deliveries coming at various times.

“Finally, our store operations people came to us and said, ‘We have to bring another person in to help unload this freight.’”

Stedman put on his thinking cap. He designed a private fleet route with about 10 stops on the route, delivering to stores at precisely the same time every week.

“It can be an exact time because we’re running only our trucks and we have total control over them,” Stedman said.

There were other ancillary savings. Using common carriage, Walgreens had to use cardboard boxes that cost nearly \$1 apiece and could not be reused. With a private fleet, Walgreens utilizes reusable plastic totes, ideal for small loads. Plus, they can be reused.

“We’re always thinking green—and this helped with that,” Stedman said. “The bottom line? We have improved service, timely deliveries and we ended up saving \$70,000 a year in Southern California,” Stedman said. “Plus, we’re helping with the environment.” •

## FUNDAMENTALS OF SUCCESS

Anyone considering starting a private fleet from scratch ought to be aware of the wisdom of hundreds of other managers who have done the same.

Tom Stedman of Walgreens, offers a checklist of three paradigms for those thinking of starting a private fleet:

1. You have to improve service.
2. You have to lower costs.
3. You have to deliver product in a better condition.

“A lot depends on how top management views customers,”

Stedman says.

“At Walgreens, our stores rule us. So service rules us. So a private fleet makes sense from that perspective.”

Another leading private fleet manager says it’s

imperative that any new private fleet be technologically driven so that all aspects of the fleet can be measured against best practices of trucking in general-private and for-hire alike. “You have to manage data, not with stories or opinions,” he says. “We manage the data day in and day out. You have to make sure you collect data that has integrity in the first place and, once you collect the data, you take corrective action when necessary and put it to good use.”

The other advice he would add to a newly minted private fleet is to not be afraid to toot your own horn in the corporate boardroom.

“You must understand what value you provide and

don’t be afraid to show that. You have to be the biggest cheerleader in your organization,” he says. Finally, he says, be aware of what the private fleet’s mission is within the corporation. “Make sure the vision is there,” he says. “We don’t have a blank check. We have to make sure we’re providing value all the time.”

For several years up until the 2001, a national distributor of equipment and supplies relied on LTL carriers to deliver their products to customers. After a series of customer service failures coupled with spikes

in charges, the company started its own private fleet from scratch. It hired NPTC-trained professional fleet managers, bought its own equipment and hired its own drivers, starting with three dozen or so and adding



two or three dozen more each year. Today, their private fleet has over 150 drivers.

A major competitor, meanwhile, with a change in leadership, decided to outsource its private fleet, using the familiar refrain that trucking “was not a core competency”. The company which built its private fleet from scratch now has a commanding lead in terms of annual growth, twice as much as the competitor and double the market average for their industry.

They attribute this growth, in significant part, to having their own private fleet of trucks and drivers which provide “best in class” of customer service—at a differentiated level which helps attract and keep

business. In contrast, the competitor which outsourced its private fleet is growing at a much slower rate—and losing market share in the process.

This example shows that making trucking a “core competency” via the private fleet can be a significant advantage—for customers and corporate shareholders alike.

After outsourcing a large percentage of its private fleet for two years, Unisource Worldwide brought the fleet back in-house—producing valuable dividends.

Unisource is the leading independent marketer and distributor of commercial printing and business imaging papers, packing systems, and facility supplies and equipment in North America. Its bright red trucks are ubiquitous in any large U.S. city.

Rick Gilchrist, CTP, Unisource’s director of transportation, says the goal is to allow customers to reduce suppliers, simplify the ordering process and lower costs.

“We can deliver what your business needs when you want it,” he told Fleet Owner magazine. “The importance of on-demand transportation in making this happen cannot be overstated.”

Unisource is focused on efficiency. Cost control was at the heart of Unisource’s strategic move. “Our thinking was that outsourcing our private fleet in favor of dedicated contract carriage would alleviate some of the risk and potential liability, and thereby reduce our insurance and workers’ comp costs,” Gilchrist says.

The company ultimately decided on three dedicated carriers, which hired the majority of the Unisource drivers. It didn’t take long for Unisource to discover that the providers “weren’t making the money to provide the value-added service solution we were looking for,” says Gilchrist.

After two years, Unisource decided to pull the plug on the outsourcing initiative and re-establish its private fleet. The reason was two-fold: All contracted performance objectives were not being met by the outside carriers and, most importantly, a new management team at Unisource believed the private fleet could better help the company achieve its customer service objectives.



“We are in business to serve our customers and the best way to accomplish that was with our own private fleet,” says Gilchrist. “If your own employees are dealing with your customer in your truck, it creates a level of ownership that someone from the outside may find hard to emulate.”

With the private fleet back under its roof, Unisource is taking no chances. The company has applied what it learned from the outsourcing arrangement and strengthened its commitment to private fleet success.

The first example of that commitment is operational focus. The 500 truck units will now be responsible for doing the pedal runs between the company’s 70 distribution facilities and making deliveries from those distribution centers. Unisource took its renewed commitment one step further by opening up its regional long haul movements to the private fleet. Strategic use of backhauls also is helping produce synergies.

Unisource also uses its fleet to handle its internal distribution requirements at night, re-positioning freight and helping to boost customer service guarantees.

But perhaps the greatest benefit of the experience is that Unisource now fully appreciates the private fleet’s value. “By resuming control of our distribution network and showing we care about our people, they have taken our service-focused message to heart,” Gilchrist explains. “And that gets passed on to the customer.” •

# THE RISING CLASS OF MANAGEMENT PROFESSIONALS

**W**hile private fleets have to deal with traditional challenges faced by the trucking industry – driver shortage, skyrocketing fuel costs and increasing governmental regulations – those issues are far more threatening to the trucking industry generally than to private fleets. In and of themselves, they do not represent life or death outcomes to the private fleet.

Rather private fleets face more of a threat when they fail to secure a commitment from their organization. This lack of investment, whether strategically or financially, can undermine the contributions of a private fleet quicker than any external factor.

To ensure that the value of the private fleet is properly understood, translated and communicated throughout the organization requires the presence of a strong private fleet management team that can continue to enhance the customer service value proposition.

Fortunately, there is no question that today’s private fleet manager is better educated, better trained, more computer savvy and more technologically oriented than his or her counterparts of a generation ago.

While it’s still helpful to learn how to spec a Class 8 truck for over-the-road capability, the demands of today’s private fleet manager requires a much more diverse set of skills to cope with the ever-changing ground freight market.

“The whole job has changed in complexity,” says Mennel’s Strausbaugh. “There are ever-changing government regulations, taxes of all sorts, the rising price of equipment and learning how to be cost-competitive.”

Strausbaugh operates a 43-truck private fleet that



also has a van division. He must manage both company drivers and owner-operators. All his fleet uses electronic logs so he must serve as a liaison between his drivers and Mennel’s payroll department. He soon hopes to upgrade that electronic system to allow it to capture bill of lading signatures to further streamline the billing process to customers.

“We measure ourselves against the best commercial for-hire carriers,” Strausbaugh explains. “The No. 1 thing is we have to run a safe fleet. The No. 2 thing is to run it economically, which isn’t as easy as it used to be. So many factors affect your job. The Department of Transportation, Environmental Protection Agency, Federal Motor Carrier Safety Administration and many more government agencies affect your operation.”

Strausbaugh summed up the total demands of his new rising class of fleet manager this way: “You have to be a generalist in all areas. Maybe 30 years ago you just had to worry about going from Point A to Point B. Not any more.”

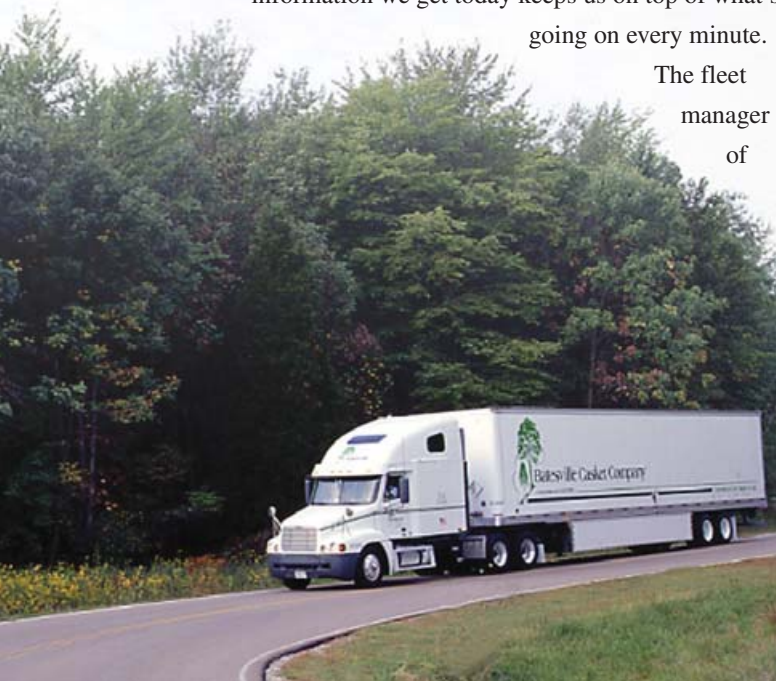
George M. Carpenter agrees. A former truck driver, Carpenter has risen through the ranks to his current role with the Army and Air Force Exchange Service. “The fleet managers of old we just required to be ‘truck-smart,’” says Carpenter, a 28-year industry veteran. “The main demands back then were to keep the trucks rolling and on-time. Today’s fleet manager must understand all facets of the organization. He must be able to collaborate with both internal and external customers. And he must understand the impact the fleet has on the organization’s bottom line.”

### Effective communications

The communications revolution has resulted in real-time information flowing between the fleet manager and his drivers. It definitely helps in planning, this new breed of private fleet managers say, and has sped up the demands of the job exponentially.

“I’m one of the rising class of fleet managers and it’s great to have so much technology,” says Greg Whisenant, CTP, risk management transportation safety manager for Shaw Industries, Dalton, Ga. “All the information we get today keeps us on top of what’s

going on every minute.  
The fleet  
manager  
of



several years ago might only know what’s happening every 4 to 8 hours when the driver must call in from a truck stop pay phone.”

Jeff Chulack, CTP, of Talon Logistics, Pittsburgh, is also one of this rising class of managers. A 15-year logistics veteran, Chulack has seen the transformation first hand in the way a solid private fleet operates.

“There has been a marked change in the way people view transportation managers even since the late 1990s,” he says. “You have to be educated and have some degree of knowledge of all facets of business. Before you might have just had to know how to turn a wrench. Now you need know IT, HR and all aspects of safety.”

Chulack says today’s private fleet manager requires a blend of skills but the number one priority is to be an effective communicator with employees and to be able to translate their jobs into meaningful work.

Then there are demands of technology. “When I broke in 15 years ago, you wrote the schedule in pencil. Now we schedule everything by computer—people, freight, loads, it’s all computerized. Anybody who is not computer-literate is fooling themselves. The age of technology has caught up with transportation.”

Chulack has some advice for the technologically wary. “That ship has sailed,” he says. “You’re either going to get on it or you’re going to swim.”

### Enhancing utilization

Increasing use of backhauls to help balance private fleet utilization is another trend in private fleets. Many private fleets operate for-hire authority to help obtain backhauls that often add directly to a corporation’s bottom line. But this means the private fleet manager must wear an additional hat—the for-hire trucking authority.

For-hire authority is being utilized as a cost hedge by many of the top private fleets, including Boise Cascade, Batesville Casket, Shaw Industries and hundreds of others. Sometimes, however, it’s not necessary to obtain for-hire authority to balance out empty miles. Some

fleets have arranged “barter” services where they might haul for other private fleets on certain hard-to-fill lanes in exchange for similar services on other lanes.

“Sometimes it’s smarter to partner with other carriers to move your product and the way to do that is partner with another private fleet,” says one private fleet executive. “I’ll give you my Dallas-Buffalo trade in exchange for a similar lane somewhere else in our system.”

Some of the best private fleets actually run a “blended” operation of private, for-hire and backhaul operations—really three trucking companies in one, in many instances. “Today it is very common that we oversee a dedicated fleet operation and in some cases manage a backhaul program where the private fleet operates as a for-hire carrier,” says Harry Haney of Kraft Foods. “We are expected to balance the needs of both private and dedicated operations (and potentially non-

dedicated contract carriers as well) to craft an optimal transportation solution for our companies.”

Haney says this requires private fleets managers to “continually raise our game by elevating and refining our skills—particularly communication, financial and interpersonal skills.” To do that, Haney says, it is imperative

today’s rising class of fleet managers stay on top of all industry trends through homework, networking, counterparts at other companies and through industry

associations such as National Private Truck Council.

“You have to be an ambassador of good will, get the job done, keep costs down and make sure everything is legal,” sums up Hillyard’s Imlay. “When I started in this business, the industry was pretty rough-and-tumble and guys were pretty gruff. We’ve made great strides. The people entering this industry now are more educated and more sophisticated. It’s made it better.” •



# TECHNOLOGY DRIVES IMPROVEMENTS

Like virtually every other aspect of American industrial life, technology is transforming the way private fleets operate. But it's not just the way private fleets are using technology that is so impressive. Private fleet practitioners say it's the way they've embraced technology that unlocks additional productivity and helps to fuel our country's competitiveness.

"The only way to get smarter is to use technology," says one private fleet operator.

Technology in private trucking is used to manage everything from the number of loads hauled per day, building backhaul loads for non-corporate customers, managing a driver's routes and hours of service, GPS satellite tracking to ensure timely deliveries and efficiencies, monitoring vehicle efficiency and service

parameters, automated messaging to drivers and customers, online driver logs, online fuel tax reporting and other uses.

The sharp rise in the cost of diesel fuel is placing new emphasis on fleet efficiencies that often can be aided by just the right use of certain software.

In today's world, two-tenths of a mile per gallon improvement can mean thousands of dollars, says one executive interviewed. "You can't afford to sit down with a pencil and a spreadsheet. It's not enough any more."

For that reason, and many others, private fleets are in the forefront of using trucking technology to enhance operations, improve efficiency and profitability and operate more safely. Private fleets are the leaders in adapting risk-management tools such as electronic logs, onboard electronic recorders, tools to prevent speeding and recording engine data.

Private fleet practitioners say some of the wisest expenditures in technology can occur with streamlining and automating processes formerly done manually. But every segment of technology must be measured against a hard test on return on invested capital (ROIC).

Private fleets also have to consider additional "soft" costs in terms of customer service, speed to market and other economic value-added developments that can occur to the overall organization. These can include improved inventory turns, decreased lead time for products and reductions in empty miles, among other improvements.



This truck was state-of-the-art technology almost a century ago.



“We feel we partner with some of the best transportation technology providers,” says Shaw’s Whisenant. “We are very selective and we take our time to test drive the systems. We look at the companies’ past history to make sure they are committed to upgrading the systems as technology moves forward.”

Whisenant has two keys to determine whether a particular technology is worthwhile:

- It must provide a return on investment within 24 months.
- It must contain elements to improve customer service and streamline processes.

Some of the best and most cost-effective technology private fleets can utilize are onboard computers to improve driver communication, driving performance and customer service. For instance, many companies are using location monitoring to notify customers in advance of any

exceptions in deliveries to customers as well.

Recent changes in truck driver hours of service have placed a new importance on managing a driver’s on-duty time. Technology is playing a huge part in helping private fleets manage their driver’s time in the safest, most productive manner possible.

Mennel’s Strausbaugh installed new technology on his private fleet to avoid accidents involving lane changes, a common cause of over-the-road incidents. The results speak for themselves. “We have not had any lane accidents since we installed it nearly five years ago,” Strausbaugh says proudly. “And we run a total of 2.5 to 3 million miles a year.”

It’s all part of the commitment private fleets have forged in offering strategic, competitive advantages that can offset market dynamics while aiding a company’s overall operation within budget.

In the last decade, the worldwide sourcing revolution has created new emphasis on a company’s well-managed supply chain. Now the savviest companies view their supply chains as competitive weapons. Private fleets are proving every day they are valuable and essential components in that fight because of their flexibility and operating efficiencies—and the adaptation of emerging technology. •





# THE FUTURE OF PRIVATE TRUCKING

As a major component of the transportation industry, the private fleet community will always tend to mirror the changes occurring in the overall U.S. economy. As such, the American Trucking Associations predicts that gross domestic product (GDP) growth will average just slightly less than three percent per year over the next 10 years, fueled in no small part by foreign trade. As the dominant portion of that freight transportation mix, private fleets will out-perform these economic trends, according to figures compiled by the National Private Truck Council.

The strength of freight transportation in general, and private carriage in particular, has helped fuel our nation's overall competitiveness. In fact, according to a report compiled in 2007 by the Council of Logistics Management, the overall business logistics costs were \$1,183 billion – just 9.5 percent of our nominal Gross Domestic Product (GDP). Those results come despite today's skyrocketing fuel costs, continued capacity pressures, record levels of truck driver shortages and turnover, congestion, environmental pressures and security.

Professionally managed private fleets provide the necessary flexibility to help any business get its goods and products to the ultimate consumer in a safe and efficient manner, while at the same time providing control and security that simply cannot be purchased outside.

## Environmental sustainability

As members of the greater manufacturing, distribution, retailing and service community, private fleets have become important contributors to address key issues and opportunities as it applies to environmental

and business sustainability. These contributions allow fleet professionals to work with leaders throughout the parent company, as well as those from suppliers, academia, governmental and civilian organizations to develop a better understanding of the environmental issues and opportunities we face both in our business and as a global community.

Through creating efficiencies in our business operations and partnering in the development of new technologies, we are steadily working toward our goals, including finding ways to help restore balance to climate systems, reduce greenhouse gases, reduce dependence on oil and save more money for our customers.

Private trucking relies on diesel for fuel. Emissions from all cars and trucks contain carbon dioxide and other greenhouse gases, which pollute the air and may contribute to climate change. One private fleet has advocated its commitment to reduce our greenhouse-gas emissions by 25 percent. Others are following suit, implementing hybrid-powered vehicles and reducing the amount of greenhouse gases released into the air.

These innovations are good not only for the environment but also for business. As with the innovations in retail, distribution and packaging, these investments and innovations will spark industry-wide changes in vehicle platform, engine and transportation efficiencies, create jobs, reduce foreign oil dependency and increase the quality of life for our stakeholders. Overall, these commitments will reduce our footprint and buy us much-needed time for everyone to transition to a more sustainable future.

## NPTC's unique value

For private fleets, there is no better resource in America than the National Private Truck Council,

the only independent trade association representing the interests of America's private fleets not only in Washington but throughout the country. NPTC members are renowned for their networking ability and their curiosity in how to do their jobs better.

The National Private Truck Council's Private Fleet Management Institute points to five key elements in structuring a professional private fleet. These critical areas are often interwoven into a blend of "just right" operating practices in creating a private fleet that often adds value beyond merely transportation.

- 1) Use the right equipment. Company engineers must set specifications for equipment as well as maintenance & repair procedures, timing of replacement cycles, fuel economy and power, size and weight, among other criteria.
- 2) Measure the financial implications of a fleet, especially for defining whether the fleet is a cost or a profit center, whether to lease or buy equipment, hire or outsource staff, negotiate terms for payment, and whether to serve external customers (for backhauls or triangulations) or not.
- 3) Measure the operational capacity needed to manage the fleet. Requirements include commitments of staff and systems, origin and destination capabilities, support from customers, storage capacity and sufficient utilization of assets.
- 4) Understand regulatory compliance in terms of fleet safety and security as well as for service quality and risk management.
- 5) Human resources: Will your company outsource or in-source its fleet drivers and mechanics? Many leading private fleets lease their drivers and maintenance employees to allow flexibility in seasonal headcount. Leasing drivers also mitigates risks and costs to the fleet operator in terms of workers compensation, responsibility for unemployment claims and eliminates in-house staffing as well as costs of driver recruitment, advertising, screening, selection, background checking, and hiring administration.

NPTC members often remark how their dues money is often "earned back" in multiples because they can rely on legal, safety and industry expertise from the association and its fellow members instead of having to "go on the outside" for such assistance.

"Over the years NPTC has been a tremendous value to Bridgestone Firestone and has become the go-to source for help in operating our fleet safely and efficiently," says Ron Tartt, CTP, general manager of the company's private fleet. "We use the benchmarking survey, the weekly update, and the training offered at both the annual conference and the webinars."

Additionally, NPTC's safety and legal resources help with regulatory interpretation and safety initiatives and questions, simplifying what could otherwise be a very daunting process."

But perhaps the most important impact is the networking with other industry professionals," he says. "Attend any NPTC conference or annual meeting and chances are one has to arrive early for the educational seminar if one is to get a seat. Usually, they are standing room only. NPTC does a tremendous job providing the educational knowledge base to help these people get better. The typical NPTC member's feeling is, 'It's not that I just want to get better. It's I have to get better.'"

### Conclusion

Regardless of the pressures and challenges confronting today's private fleet professionals, they continue to unleash innovative new strategies to enhance their value proposition and their customer service expectations. This professional commitment to get the right goods to the right customer in the right condition at the right time and at the right price is good news for the America's business community and the consuming public.

To learn more about America's Private Fleets, visit the National Private Truck Council at [www.nptc.org](http://www.nptc.org).



(continued from inside front cover)

### 1958

The Transportation Act of 1958 is enacted, providing in part that rates of a carrier shall not be held up to a particular level to protect the traffic of any other mode of transportation. It also provides that no person engaged in any business enterprise other than transportation shall transport property by motor vehicle in interstate or foreign commerce for business purposes unless such transportation is within the scope and in furtherance of that person's primary business enterprise, other than transportation. The transportation must be incidental to, and in furtherance of, some established non-carrier business.

### 1960

Total outlays for U.S. freight transportation are \$46.8 billion. Of this, \$31.5 billion is for highway transportation; of that, \$18.0 billion is for intercity truck transportation.

### 1964

The first issue of *The Private Carrier* magazine is published. More than 10 million of the nation's 12 million trucks are operated by private carriers. Private trucks travel more than 100 billion miles. ICC Commissioner Laurence K. Walrath warns, "Each superhighway we plan today is virtually obsolete before it is completed. Even if longhaul commercial traffic finds its way back to railroads, waterways, airplanes, or pipelines, the fact remains that private automobiles are congesting our highways to the point of intolerance."

### 1965

The Highway Beautification Act is passed.

### 1967

Department of Transportation is created.

### 1970

Total outlays for U.S. freight transportation are \$83.8 billion. Of this, \$62.5 billion is for highway transportation; of that \$44.6 billion is for intercity truck transportation. Heavy duty truck sales are 126,000.

### 1974

Congress enacts the 55 mph speed limit as an energy-conservation measure.

### 1975

Congress passes legislation permitting states to raise gross vehicle weights on interstate highways from 73,280 to 80,000 pounds.

### 1978

The ICC issues the *Toto* decision, reversing its long-standing policy and permitting private carriers to apply for for-hire authority.

### 1980

Total outlays for U.S. freight transportation are \$212.1 billion. Of this, \$155.4 billion is for highway transportation; of that, \$94.6 billion is for intercity truck transportation. Heavy duty truck sales are 176,000.

The Motor Carrier Act of 1980 is enacted, easing motor carrier rates and entry controls.

### 1982

The Surface Transportation Assistance Act of 1982 is enacted. It requires states to permit trucks of 80,000 pounds gross vehicle weight to operate on interstate

highways and designated primary roads. The STAA also forbids states from prohibiting the use of single 48-foot trailers or two 28-foot trailers on interstates and designated primary roads.

### 1983

The Department of Transportation appropriations act increases the allowable width for trucks on the interstate and other selected federal-aid primary routes from 96 to 102 inches on lane widths of at least 12 feet.

### 1985

Total outlays for U.S. freight transportation are \$270.0 billion. Of this, \$205.0 billion is for highway transportation; of that, \$124.8 billion is for intercity truck transportation. Heavy duty truck sales are 231,000.

### 1987

The Private Carrier Conference changes its name to the National Private Trucking Association and disaffiliates from the American Trucking Associations. NPTA and the Private Truck Council of America begin merger discussions.

### 1988

The National Private Truck Council is formed.

### 1989

NPTC holds its First Annual Meeting in Washington, D.C.

### 1991

NPTC begins the Certified Transportation Professional® (CTP) program, the only recognized national certification credential for private fleet professionals.

### 1994

Congress deregulates intrastate trucking operations, providing additional operating options for private fleets.

### 1996

The Interstate Commerce Commission is abolished by act of Congress, the final step to deregulation of the trucking industry.

### 2005

The Single State Registration System (SSRS) is replaced by the Uniform Carrier Registration program, requiring participation by private fleets for the first time. The California Supreme Court let stand a Court of Appeal decision affirming the statutory distinction between private and for-hire carriage for purpose of liability for personal injury, ruling that a company operating a private fleet to hire an independent contractor as a for-hire carrier and the shipper/private carrier would not be liable for the negligence of the for-hire carrier.

### 2007

The total tonnage from primary freight shipments in the United States stand at 15.55 billion tons, according to the American Trucking Associations, with total revenue of \$770.5 billion. Trucking's share of total tonnage stands at 69% and its share of total revenue is 83.8%.

### 2008

Private fleets continue as the largest sector of the trucking industry and are projected to maintain this position well into the 21st Century.

