

Inside TRALA

TRALA 2001 SCHOLARSHIP GOLF TOURNAMENT SET TO TEE OFF - The Seventh Annual Larry Miller Memorial Golf Tournament will be held Monday, September 17, at the beautiful Kemper Lakes Golf Club in Long Grove, Illinois. Tournament participation looks very strong this year, with registrations running at a record pace for this marquee event for truck renting and leasing companies, their customers, and suppliers. The scholarship program, open to high school seniors of employees from all TRALA member companies, awards four new \$5,000 scholarships annually. The scholarships are renewed each year if students continue to meet established academic requirements. *(Cont. on page 4)*



LEGISLATIVE VICTORIES MOUNT DESPITE STATE FISCAL WOES - TRALA has come through one of the most challenging legislative seasons in years with a long string of victories. Perhaps most remarkably, TRALA was successful 100 percent of the time in amending tax and budget bills to remove rental/lease trucks from new taxes targeted at the industry. So far in the 2001 legislative season, TRALA has more than a dozen victories in the bank, a few priorities that will remain on the to-do list, and one litigation loss. This in a year marked by repeated attempts by the states to solve revenue shortages by piling taxes on the back of the renting and leasing industry. Here's a brief run down of some of the action:



- ♦ On the environmental side, TRALA successfully amended **Texas** and **Arizona** air quality legislation to remove lessors from liability for idling violations committed by their customers.
- ♦ A TRALA-sought program to allow inaccurate lease/rental vehicle accident reports to be corrected was approved in May and implemented throughout the country. The **Commercial Vehicle Safety Alliance** (CVSA) has agreed to recognize a standard form created by TRALA as the mechanism by which states can receive and process correction requests.



- ♦ In **Connecticut** the private carrier property tax exemption TRALA fought to gain two years ago was preserved despite repeated repeal efforts.
- ♦ The IRS backed down from its threat to collect federal excise tax on truck bodies from a **Tennessee** company after TRALA and its counsel intervened.
- ♦ **Kansas** adopted TRALA's legislative language to allow truck lessors the option to register as the owner



(Cont. on page 4)

CALENDAR OF EVENTS

September 6-9, 2001	Idealease Annual Meeting - Phoenix, AZ
September 17, 2001	Seventh Annual Larry Miller Memorial Golf Tournament - Kemper Lakes Golf Course, Long Grove, IL
September 21, 2001	TRALA membership directory advertisers "early bird" discount deadline
September 23-25, 2001	NationaLease 57th Annual Meeting - New Orleans, LA
October 3-7, 2001	TRALA Fall Leadership Meeting - Resort at Squaw Creek, Lake Tahoe, CA
October 25-27, 2001	AMTRALEASE Fall Meeting - Orlando, FL

Visit www.trala.org for additional industry events.



NEWS AND NOTES

Please welcome the following companies that have recently joined TRALA.

Aramark Uniform Services provides uniforms, career apparel and accessories for over 1.5 million people at more than 450,000 businesses every day, through rental, purchase or lease programs.

Aramark effectively assesses companies' unique needs and delivers consistently superior customer service and high-quality products. **Aramark** Uniform Services is a business unit of **Aramark** Worldwide. To learn more about **Aramark** please contact Andy Anderson at (770) 552-2136.

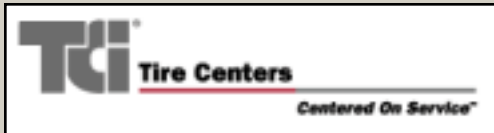


Carlisle is dedicated to component details and total braking system performance. With over 30 years of manufacturing experience and an unparalleled approach to the integration of all braking components,



Carlisle is the "supplier of choice" for the trucking and heavy equipment industry. For more product information, contact Danny Duganiero, National Fleet Sales Manager, at (440) 582-8779 or Brian Brozek, National Sales Manager, at (904) 223-0099.

With over 150 locations nationwide, **Tire Centers, LLC**, offers a total tire maintenance program that focuses on enhanced operating ratios. Cost reduction through services such as OTR tire tracking and United Rescue Program, and a commitment to Centered on Service™ is what makes **Tire Centers** a leader in the industry. For specific information regarding all their tire products and services, contact John Hagg at (615) 812-0807.



In the news: Richard L. Bogen, President of **RLB Executive Search**, was a recently appointed Chairman of the Board of Directors of **XATA Corporation**... Andy Anderson, **Aramark Uniform Services** was recently promoted to Vice President-Sales... **Tire Centers** is moving their corporate headquarters to 310 Inglesby Parkway, Duncan, SC, (800) 603-2430.

Contact TRALA's Laura Capuco at (703) 299-9120 or at lcapuco@trala.org to list your company's news.

LEGAL ACTION FUND CAMPAIGN UNDERWAY - State legislatures are gearing up to deal with revenue shortfalls that will lead to very contentious 2002 legislative sessions. With the current economic slowdown expected to continue, states will leave no rock unturned in their quest to identify new revenue sources. Truck renting and leasing was targeted by the legislatures this year, and will be even more under the microscope in 2002...that's why your support of the *TRALA Legal Action Fund* is critical.

Last year's successful campaign allowed TRALA to prevail every time, **every time**, our industry was

challenged by the states. Your contribution to the *2001 Legal Action Fund* gives TRALA the resources necessary to act swiftly and aggressively on legislative and regulatory issues affecting the truck renting and leasing industry. Without your *Legal Action Fund* contributions, TRALA would not be able to continue building on its impressive track record of victories. Watch for the *2001 Legal Action Fund* mailing coming soon and please join your colleagues in making a significant contribution to this year's effort. If you have any questions, contact TRALA's John Lynch at (703) 299-9120 or at jlynch@trala.org. ■



**EXECUTIVE PROFILE:
MICHAEL CANCELLIERE
VICE PRESIDENT OF NORTH
AMERICAN SALES,
INTERNATIONAL TRUCK AND
ENGINE CORPORATION
CHICAGO, ILLINOIS**

TRALA welcomes Michael Cancelliere, International Truck and Engine Corp., as a new board member.

Tell us a little about International and your background with the company.

International is a leading truck and engine manufacturer, building trucks for nearly 100 years. We have a strong leadership position in the leasing industry, particularly with our medium product. I've been with International over 21 years, starting as a commissioned retail salesman. Over the years, I progressed through the company, predominantly in sales and marketing.

How does truck leasing fit into your business plan?

One of the reasons that the leasing industry is so critical to us is that leasing companies truly understand life cycle costs, including initial acquisition, running costs, and residual values. This is completely in line with our business philosophy of offering customers the lowest total cost of operation. Our commitment to the leasing industry is unyielding, as evidenced by our recent introduction of the industry's newest medium truck.

When you look at the leasing industry, how do you view the future?

The long-term outlook for the leasing industry is excellent. We view it as a continued growth segment as many private fleets continue to migrate toward leasing or the logistics services they provide. We certainly see long-term growth opportunities. Short-term, some of the factors that are affecting the trucking industry as a whole are affecting leasing, causing a decrease in volume purchasing from leasing companies.

Used truck valuations have been a factor. The tightening of credit throughout the industry has impacted the types of deals that leasing companies can approve through their own internal credit departments.

Consolidations and acquisitions have created excesses not only of used trucks but of rental equipment as well. Short order boards are impacting the need for rental equipment. In the past, when order boards were

six to twelve months long, leasing companies' rental fleets supplied interim vehicles. Today, with order boards being so short, there is no such thing as an interim vehicle.

We won't see a balance of new and used equipment anytime in the next twelve months. It's going to take longer than a year. There's a very large supply of used inventory, particularly Class 8 Sleepers.

Have we reached the nadir, so to speak, of the used truck challenge?

We don't believe it's bottomed out yet. Because 1998 through 2000 were such large Class 8 production years, there are lots of trucks out there that are candidates for coming back in to the market in 2001, 2002, and 2003. While we think the major dips in prices have already occurred, prices may not have hit bottom. And there's always the threat of competitors or large customers dumping large amounts of equipment into the market, which could be very painful for the entire industry.

Where does International find value as a TRALA member?

The leasing industry is of paramount importance to International, and TRALA represents virtually the entire industry. Being a member of TRALA gives us the chance to interface with customers at the executive level, ensuring that we can listen to and understand the needs of our customers, and ultimately deliver upon those needs.

It also allows us to support the industry whenever discriminatory tax or regulatory issues arise that could adversely impact our customers.

And the value to you as a TRALA board member?

I've always had a personal commitment to the industry as a whole, and to the leasing industry in particular. Being a board member of TRALA gives me an opportunity to be proactive and responsive on behalf of the industry. It's a chance to make a difference.

Before we finish, can you tell us about your family and your interests outside of work?

I have three children: four-year-old Victoria, seven-year-old Michael, and nine-year-old Kimberly. I serve as a business consultant to Junior Achievement, I play some golf, but my primary interest outside of work is spending as much time as I can with my children. ■

LEGISLATIVE VICTORIES (CONT) - of the

vehicle. Kansas had been the only state that required the operator of a vehicle under lease to be the registrant.

- ♦ A **Michigan** Revenue Department challenge to the interstate sales tax exemption for trucks leased to for-hire carriers that was secured by TRALA in 1999 was successfully resolved in favor of lessors.
- ♦ TRALA lobbied against a **North Carolina** referendum to allow a vehicle rental tax to fund a new sports arena, and it was defeated.
- ♦ TRALA removed vehicles over 10,000 pounds from a new three percent tax on motor vehicle rental in **North Dakota**.
- ♦ Legislation in **Alabama** removed TRALA members from potential lawsuits by clarifying that a lessor of motor vehicles may pass the sales tax onto customers.
- ♦ Truck rental taxes were removed from the final budget in **Tennessee** after months of lobbying.
- ♦ Finally, TRALA went three for three for consumer truck rental members by passing bills into law in **Arizona, South Carolina, and Tennessee**. These bills allow consumer truck rental companies to collect property taxes and registration fees from their customers on the rental contract.



The bad news for TRALA took place on the litigation side. In February, a **Florida** circuit court judge, ruling on procedural grounds, overturned the broad tort reform package enacted in the 1999 session, which included a \$300,000 cap on vicarious liability for motor vehicle rental. Limits on vicarious liability for vehicles leased for more than a year were not affected by this ruling. On the heels of this surprising decision in Florida, the **Massachusetts** Supreme Judicial Court delivered an April finding that the Commonwealth had sufficient nexus to impose apportioned corporate income tax on out-of-state truck lessors whose vehicles were operated in Massachusetts. The Florida decision is currently on appeal, with expectations that the litigation may proceed for a year or longer.



TRALA is considering options in responding to the Massachusetts ruling, particularly given earlier favorable rulings on similar cases in **Illinois** and **Mississippi**.

Overall, the 2001 legislative session should serve as a proud reminder to the TRALA membership of how effective our industry has become in pursuing its legislative agenda, and protecting itself from unfriendly government initiatives. ■

SCHOLARSHIP GOLF TOURNAMENT (CONT) -

Don't miss this opportunity to relax and enjoy a spectacular golfing experience with your friends and colleagues in the truck renting and leasing industry, while supporting educational opportunities for our next generation. For Larry Miller Tournament information, please contact Leslie Hummel at (703) 299-9120 or at lhummel@trala.org. For more information on the Founders Scholarship Fund, please visit TRALA's website at www.trala.org. ■



The Truck Renting And Leasing Association is

a voluntary, non-profit national trade association, organized in 1978 to provide a unified and focused voice for the truck renting and leasing industry. The industry is responsible for nearly 40 percent of all new commercial trucks, Classes 3 through 8.

TRALA's mission is to foster a positive legislative and regulatory climate within which those companies engaged in leasing and renting trucks and trailers, as well as related businesses, can compete without discrimination in the U.S. marketplace.

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