

Inside TRALA

TRALA MEMBERSHIP RESPONDS TO SECURITY THREAT - After

September 11, the nation began adjusting to the stark reality of terrorism at its worst. Security and safety have always been top priorities for the truck renting and leasing industry, and that emphasis has never been more apparent. How TRALA members have responded to the national tragedy reveals an industry actively working to maintain security while keeping the economy rolling.

As an immediate step, Peter Vroom, TRALA president, announced the establishment of its Truck Security Task Force. Its mission is to serve as an information clearinghouse for the membership while coordinating industry responses to security issues that impact truck renting and leasing. Members of the task force will essentially serve as policy advisors to TRALA as the industry works cooperatively with law enforcement, regulatory agencies, and legislators.

"We want the TRALA staff to stay very close to any and all developments, and we want them to know that they can summon this task force into action immediately," says TRALA Chairman Reed

Murphy, president of MHC Truck Leasing, Inc., based in Kansas City, Missouri.

Immediate Response - TRALA's leadership believed issuing immediate guidance to its members after the terrorist attacks of September 11 was prudent.

"The recommendations that the TRALA board of directors had for all TRALA members was to review their existing rental and leasing procedures and ensure that all staff have been fully trained on how to implement these procedures," Murphy says.

"Because our companies have such a huge investment in capital equipment the industry already does a lot of things right simply to protect that investment. One of the ways we do that is by knowing who is operating our equipment and how they are operating it," Murphy adds.

"When it became apparent that some suspected terrorists had hazardous material CDL's, I sent a memo to all of our locations," says Thomas Brown, president of Brown NationalLease in Des Moines, Iowa. "I reminded our employees that when we are performing maintenance on a leased truck, we must be absolutely certain that whoever is picking up the truck is an employee of the customer."

While this is standard operating procedure, Brown says he wanted to be sure that every employee understood this is the time for unwavering vigilance. "We recognized we could have a potential terrorist come in, represent himself as working for one of our regular customers, and request a rental truck," Brown says. "Unless we have heard directly from the person at that company who normally arranges rental equipment, we check with the company before giving anybody a rental truck."



Relief workers unfurl flag at the Pentagon.

Michael W. Pendergrass - Getty Images

DATES TO REMEMBER

January 7, 2002 Leadership Conference Discount Registration Deadline

February 1, 2002 Deadline for 2002 TRALA Founders Scholarship Applications.

April 3-7, 2002 TRALA National Leadership Conference - San Diego, CA.
♦ NationalLease Spring Executive Meeting
♦ Amtralease Spring Business Meeting

Visit www.trala.org for additional industry events.

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NEWS AND NOTES

TRALA warmly welcomes these new members:



Leyman Manufacturing Corporation, established in 1940 and manufacturer of the first all-hydraulic rail gate, provides lift gates including an internal gate, slider and rail gates, and the tuck-under style. Leyman currently has over 450 distributors nationwide and works with major trailer body manufacturers. Contact Jeff Morgan at (513) 891-6210 for more information. www.leymanlift.com

Lockton Risk Services designs and administers private-label insurance programs with tailored coverages and competitive rates on a state, regional or national basis. Lockton provides a broad range of coverages,



manages the underwriting for all programs, and offers individualized program web site management. Lockton Risk Services is also a licensed insurer in all 50 states. For more information, contact James Stephens at (913) 676-3529. www.locktonrisk.com

Trucks & Parts is America's largest dealer of new and used refuse trucks. Specializing in sales and rental to the waste industry, Trucks & Parts also offers a wide assortment of other vehicles including grapple boom trucks and roll offs. Additionally, Trucks & Parts has a large inventory of new, used, and rebuilt truck parts including engines, drivetrain components, and sheet metal. Contact Lex Goldenberg at (813) 247-6636 for more information. www.trucks.com



In the news.....Horton, Inc. recently celebrated its 50th anniversary. Starting in 1902 as Horton Manufacturing Company, the firm closed briefly and then reopened in October, 1951 with an expanded range of products including clutches, brakes, and motion control devices.

LEGAL ACTION FUND GOAL IN SIGHT - HAVE YOU GIVEN?

TRALA's 2001 Legal Action Fund campaign will wrap up on December 31. To date, just over \$45,000 has been raised towards the \$55,000 goal. Our thanks to the many donors that have already spoken through their contributions. They share the belief TRALA must always be prepared to respond to legal and legislative challenges, particularly those that are unanticipated. Next month, when we publish the list of contributing companies, we hope to announce that TRALA has exceeded its \$55,000 goal for the Legal Action Fund. Help us meet, or better yet, beat our goal by making a contribution today.

Here's an example of how this money is used on your behalf. In recent weeks, the Ohio Legislature put forth a broad budget/tax proposal that would have severely injured truck leasing by

requiring a lease customer to pay all sales tax due "up front" at the inception of the lease. TRALA relied on the Legal Action Fund for the resources to hire a seasoned Ohio lobbyist with close ties to the legislative leadership to help TRALA remove truck leasing from the new tax. Bottom line: WE WON, and successfully removed trucks from the bill language. This type of success is not unusual for TRALA, but only because our members are willing to take up the battle. In the last ten years, our legislative, legal and regulatory victories have saved hundreds of millions of dollars.

Next year the economic downturn will lead states to turn over every stone to replace lost revenue. 2002 is likely to be one of the most potentially "taxing" legislative sessions in recent history. With your help, TRALA will be there to defend the interests of our industry and its members. Working together, we will be up to the task. ■





EXECUTIVE PROFILE:
TRACY LEINBACH
*EXECUTIVE VP OF FLEET
 MANAGEMENT SOLUTIONS,
 RYDER SYSTEM, INC.*
MIAMI, FLORIDA

Welcome to TRALA as its newest board member, would you tell us about your position with Ryder?

Thank you; I'm responsible for leading Ryder's Fleet Management Solutions business, which encompasses rental, leasing and dedicated contract carriage solutions in the United States. In the U.S., we do about \$3 billion in revenue. Our Fleet Management Solutions business has about 160,000 trucks that we either own or are responsible for via maintenance contracts. We have approximately 12,000 employees with about 13,000 contractual lease customers. Our rental business serves about 40,000 customers.

How did you come to join Ryder?

I grew up in Pennsylvania and went to college at William & Mary in Williamsburg, Virginia. After college, I spent a couple of years in Philadelphia working for Price Waterhouse, then got my MBA at the University of North Carolina. I joined Ryder out of graduate school and have been here now for 16 years.

What was your first job there?

I started out as the controller for what is now Ryder's Electronics, HighTech and Telecommunications industry solutions group. I spent the first six years of my career with Ryder in logistics and supply chain solutions. I became involved with the leasing business during my seventh year with the company. I've served as the CFO of that business, headed purchasing and asset management, worked with our Canadian and Mexican group, and served as director of our business operations in the United Kingdom and Germany.

I've really had a wonderful time at Ryder, benefiting from a breadth of experiences. And I've lived in six different cities, including London.

What's Ryder's vision over the next several years?

Ryder is really a very different company from when I came onboard in the mid-1980s. We used to be involved in numerous business segments. But in the early to mid-1990s we decided that the best way for us to create value in the marketplace was to build our busi-

ness around complementary core competencies. We sold our aviation, consumer rental and auto carrier businesses, for example. We're now organized around fleet management and supply chain solutions.

Like every company in the leasing business, providing good service and continuing to broaden the service options we can offer customers is key. That's why, for example, we've combined dedicated contract carriage with our leasing and rental business.

As you look forward, where are the major challenges and opportunities for the leasing industry?

Needless to say, these are challenging times. Like everyone in the industry, we follow economic activity and movement of freight. And the used truck challenges surrounding the Class 8 market remain a problem. Plus, we are seeing a real hardening of insurance markets - a lot of companies, and leasing customers, are being challenged to find insurance or to find it at rates they can afford.

At the same time, there is a huge private fleet market that is yet to be tapped by leasing. Private fleets are faced with many of the same challenges that we are. It is time for experts in transportation solutions to step up and help these private fleets address their challenges while also helping them see the benefits of leasing.

As a TRALA board member, what do you see as the association's greatest value, or strengths?

TRALA has done a remarkable job of bringing the industry together to effectively and efficiently represent the industry. We're in a tough business and TRALA members can't afford to spend their dues inefficiently. So first, hats off to the members, previous board members and the staff for the job they do. I certainly hope, as a new board member, to contribute in a way that allows TRALA to continue to be so effective.

We must foster an environment where the industry can operate effectively with a level playing field. Going forward, states are going to be under crushing pressure to generate additional revenue. They will have to either cut services or increase revenue. Our industry already pays a tremendous amount in taxes - we need to be vigilant to ensure that the playing field doesn't get tilted out of our favor.

Finally, how do you spend time away from the office?

I'm blessed to live in a part of the country where I can be outdoors 52 weeks of the year. I like to be active and outdoors. Of course, I play the industry sport - golf.

SECURITY THREAT (CONT) - "Increased security since September 11 seems to be the rule in the industry." says Charles Sommer, president of



Amtralease's Public Service Truck Renting in Long Island City, New York, whose company donated nearly a dozen vehicles to be used by New York Police Department to aid the rescue effort. "We've always been diligent but we've recently tightened

security. We just put in a stronger security camera, for example."

Policy Changes - "It's important to recognize that we are not alone and virtually every business in the nation is now grappling with security concerns," Vroom notes. "Literally hundreds of industries, from oil and gas producers, to medical supply houses, agricultural suppliers, aviation, busing, utility providers, and even emergency vehicles, have been targeted as possible security threats. Yet, most Americans understand there are practical limits to our ability to guard against every potential threat. President Bush emphasized his appreciation of this fact by underscoring the critical importance of 'rooting out those individuals that are perpetrating this violence' as the best and most effective measure to prevent terrorism. Our industry will work closely with government and law enforcement to focus on better intelligence and communication to ensure these individuals never get close to our vehicles."

In addition to exploring how transportation companies can best coordinate with law enforcement, a myriad of public policy recommendations directly impact-

ing the truck renting and leasing industry will surely be considered over the coming months. Tony Chrestman, president of Ruan Transportation Corporation, Des Moines, Iowa, recently testified before Congress. Among the issues he raised for lawmakers is the need to improve the infrastructure border crossings.

Chrestman says, "After September 11, it was taking trucks 8 to 12 hours to cross into Canada and into Mexico. We're asking for more border security, more people in place to improve trade flow."

"If you look at the bridges in San Francisco, for example, if one of those had gone down, how do you continue to make deliveries to keep the local economy going? We also recommended a reevaluation and oversight of the CDL program. There have been some instances where people have been able to get licenses when they shouldn't have."



Tony Chrestman (L) with Sen. Charles Grassley (R-IA) prior to testifying.

It is these types of issues - from homeland intelligence requirements to the potential economic impact of proposed policy changes - that led to the creation of the Truck Security Task Force.

"We are constantly gaining sophistication when it comes to security measures within our industry," concludes Vroom. "But the best deterrent will be to identify and eliminate potential threats before they can be carried out. Our members have made it very clear they are committed to that end." ■

DESTINATION SAN DIEGO - Mark April 3-7, 2002 on your calendar for TRALA's National Leadership Conference and 24th Annual Meeting, themed: *Thriving in Tomorrow's Marketplace*.

San Diego's luxurious Loews Coronado Bay Resort will host industry leaders and noted business strategists as they look beyond current challenges to explore future growth opportunities for truck renting and leasing.

Additionally, take advantage of the fantastic sights the San Diego area has to offer. Whether you enjoy a day at the beautiful beaches of La Jolla, a trip to Tijuana, golfing, or a visit to the world famous San Diego Zoo, there is something for everyone. TRALA has some great optional activities planned for attendees!

Be on the lookout for conference registration materials arriving by mail, or visit TRALA's website at www.trala.org for more conference information. If you've never attended a TRALA conference, 2002 is the year to start!

