

inside TRALA

May 2003

TRALA Environmental Task Force takes on '06-'07 regulations

The effects of pending federal regulations mandating dramatically reduced diesel engine emissions and lower sulfur content in diesel fuel dominated the discussion at a recent meeting of TRALA's Environmental Task Force.

"It is critical that our industry remain deeply engaged on this issue in order to address concerns about the cost, reliability and efficiency of new engines and the availability of the new ultra low-sulfur diesel fuel that will be required to run them," said TRALA President and CEO Peter Vroom.

The new U.S. Environmental Protection Agency diesel engine emissions standards set to take effect in 2007 will require emissions to contain less than one-tenth the current levels of nitrogen oxide (NOx) and particulate matter. Meeting these requirements will require significant new engine technology.

Engine manufacturers are focusing on both Selective Catalytic Reduction technology, which requires the use of urea injection, and NOx absorber technology. While the EPA initially expressed concerns about the potential compliance issues surrounding the use of SCR technology, the agency now appears willing to let the engine manufacturers proceed with the development of both technologies.

Task force member Mike Breeden of Cummins, Inc. indicated at the Environmental Task Force meeting that he expected his company to decide on an engine emissions reduction technology for their engines by the end of 2003. Breeden also said Cummins should have prototype new engines available for testing in 2005.

Concerns about the supply and distribution of new ultra low sulfur diesel (ULSD) fuel were also discussed. Some task force members raised the possibility that new engines meeting the 2007



By 2007, diesel engine will be required to have less than one-tenth the current levels of nitrogen oxide and particulate matter emissions.

emission standards might be available early for testing, but there might not be an adequate supply of new ULSD fuel for such tests. Concerns about the costs of separately storing current diesel fuel and ULSD fuel were also discussed.

"TRALA is working with representatives from the engine manufacturing industry, the petroleum refining industry, as well as the federal government to minimize confusion and uncertainty as these new standards are implemented," said Environmental Task Force Chairman Jim Barr of Ryder System, Inc.

Barr also led discussions about several voluntary EPA programs, including the Smartway Transport Program and the National Environmental Performance Track Program that may be beneficial to TRALA member companies.

A full report of the activities of the TRALA Environmental Task Force will be presented to the Board of Directors at the Fall Leadership meeting.

TRALA members showing great attitude in a bad economy

As the saying goes... *"Don't ever, ever give up, particularly in the face of reason."*



PRESIDENT'S MESSAGE

With a long and unrelenting downturn in the economy, you might expect to see some very long faces in the truck renting and leasing industry. But from my observation, TRALA's membership seems to be enduring this period with a stoicism and even occasional optimism that speaks volumes about the measure of the people and businesses that make up our industry.

When I ask TRALA members what keeps them going strong despite the withering economy, I'm reminded that the individuals that succeed in our business are cut from pretty strong cloth. They've been through tough times before, understand business cycles and know that ours is a resilient industry that will weather the storm better than most.

TRALA members also seem to possess an inherent understanding of the philosophy that change brings opportunity.

Every economic downturn teaches us something, whether we like it or not, and brings opportunities to those willing to restructure or reposition themselves in the marketplace. While most of our companies will admit to yearning for better days, they are not wringing their hands in despair - they are getting on with business and preparing and investing in the future.

It's really not too hard to be encouraged about the future when viewing the strong operational profile and characteristics of an industry that places the best equipment and drivers on the road. When you add into the mix the increasingly sophisticated maintenance needs of operators and an ongoing demand for financial flexibility in managing vehicle assets, you might even get a little bullish.

Remember that you'll only think the sky is falling if you're looking up, instead of forward. I'm proud to be associated with a group that keeps moving forward during adversity. It's that kind of fortitude that will bring us a very bright future.

-- Peter Vroom

TRALA takes leadership role in the transportation industry

Terry Young, president of Advantage Leasing Co., was elected as TRALA's 26th chairman at the 2003 annual meeting.

As TRALA's new chairman, what are your goals for the association over the next year?

In preparation for our summer planning meeting Peter Vroom and I have been discussing TRALA's goals. They fall into five categories: legislative, financial stability, supplier relations, membership and profile.

On the legislative side, two areas continue at the forefront of TRALA's agenda -- vicarious liability and engine emission standards. TRALA has experienced some clear victories on the state level on the vicarious liability issue and we're actively pursuing federal reform. Diesel emission regulations are a growing concern, and last year we stepped up our involvement in this process with visits and positive communication with the U.S. Environmental Protection Agency in Washington. Additionally, we have been in touch with the American Trucking Associations and the Engine Manufacturers Association on this matter. All parties seem to be in alignment on tactics and a strong coalition is building.

Peter and I recently visited with ATA's new president, Gov. Bill Graves. We mutually pledged to keep communication open and

forge a strong working relationship wherever possible, but both parties understood we represent constituents that have different views. We must continue to build and strengthen our rapport with groups including the ATA, state trucking associations, the National Private Truck Council and the American Truck Dealers. I expect this will be a topic of discussion at the planning meeting in July.

TRALA's strong relationship with the state trucking associations is critical to the success of the vicarious liability fight and other issues. During my year as chairman, I hope to be in

contact personally with many of these state executives to emphasize the importance we attach to our working relationship.

TRALA is a business, and TRALA is in the business of leading and protecting the interests of our industry. To do so effectively, this organization must remain financially secure. The TRALA staff is committed to this. Their management of expenses and positive budget performance last year confirms their focus. There is work underway to define what our appropriate budget reserve levels should be. A report will be ready for review at the fall board meeting.

Over the years the importance of the supplier community to our organization has grown. Last year a key group of suppliers enrolled as Elite Sponsors for the TRALA Fall Board Meeting. Cummins, Goodyear, Great Dane, Dana/Eaton/Roadranger, Volvo and Harco increased their financial commitment to our association's programs and services. All of our suppliers bring manpower, contacts, intellect and creativity that we intend to tap. This is exactly why we named the current chairman and past chairman of the Associate Member Advisory Committee to TRALA's Finance Committee.

Our industry, like so many others, has gone through a period of consolidation. We should not take this as a threat, but rather as a signal to find a different approach. TRALA, like most of our members, must find innovative ways to be more efficient. We must ask our members to get more involved, to aid in carrying some of the work load.

Quality of effort is often more effective than quantity. All our efforts on membership should be directed to attracting those quality companies that want to be aggressively involved and are committed to making a difference.

My personal vision for TRALA is that this group will unquestionably be the strongest, clearest voice in the transportation community. In order to be clear and strong, we must keep it simple, leverage ourselves and our relationships, make tough choices, work on the big issues and focus all of our energies on initiatives that will bring success. If we do this effectively, our profile will be clear.

What would you tell people to encourage them to join TRALA?

TRALA gives executives the opportunity to come together to discuss issues that are important to all, no matter how small or large your company may be. It provides a network of professionals that can help one another find unique solutions and stimulate their minds beyond what is possible within their operations. I think it is also important to be very involved in doing your part to support and protect the industry you work in. TRALA provides all of that and more.

A FEW MINUTES WITH...



NAME: Terry Young
AGE: 52
TITLE: President and CEO, Advantage Truck Leasing in Charlotte, N.C.
PERSONAL: Married to Julie
EDUCATION: University of Richmond

Joining Us...

In business since 1932, **Johnson Truck Bodies** is a nationwide manufacturer of fiberglass refrigerated truck bodies and trailers for a wide range of marketing, including dairy, meat, frozen foods, keg beer, live poultry, vending, ice and flowers. For more information, contact Greg LaFrance at (715) 234-7071.



Federal Mogul is a global supplier of automotive and truck components and sub-systems. Through concentration on design, engineering, and manufacturing of auto and truck products, Federal Mogul serves the world's original equipment manufacturers and the aftermarket. For more information, contact Salvatore Miscio at (248) 354-7692.

TRALA CALENDAR

July 17-18, 2003
EXECUTIVE COMMITTEE MEETING
 Hay-Adams Hotel in Washington, D.C.

September 22, 2003
LARRY MILLER GOLF TOURNAMENT
 Kemper Lakes Golf Course in Oak Grove, Ill.

October 8-12, 2003
FALL LEADERSHIP MEETING
 The Broadmoor Resort in Colorado Springs, Colo.

March 31-April 4, 2004
TRALA'S 26TH ANNUAL MEETING
 Arizona Biltmore Resort in Phoenix, Arizona

Have a question about an event?

Contact Leslie Hummel at

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Have a calendar item?

Send it to lgarland@trala.org