

INDUSTRY EYES HIRING OF VETERANS TO ADDRESS TECHNICIAN SHORTAGE

In our ongoing efforts to address the industry's maintenance technician shortage, TRALA is broadening its relationship with the Hire Vets First Program. This resource was established to highlight the valuable skills and experiences military veterans offer employers while at the same time linking employers to veterans. In collaboration with Hire Vets First, TRALA will reach out to every branch of the military with industry promotional material, training publications and work sessions to strengthen the relationship between TRALA members and Vets First contacts.

Two months ago members of TRALA's Equipment and Technology Advisory Council (ETAC) were guest participants in the U.S. Army's Training Assistance Program (TAP) at the Aberdeen Proving Grounds in Maryland. TAP provides career transition training courses for individuals departing the Army.

TRALA's ETAC members took turns educating TAP session attendees about the profile of the truck renting and leasing industry and



TRALA's Equipment and Technology Advisory Council (ETAC) tour the US Army's Advanced Individual Training facility at the Aberdeen Proving Ground in Maryland (left to right): Tom James (TRALA), Craig Talbott (Maryland Motor Truck Association), Ken McKibben (Penske), John Lynch (TRALA), Andy Stopka (NationalLease), Don Porthan (PACCAR), Ty Cross (Ryder), Jim Salas (Ryder), Bob Baumer (Mercedes-Benz), and Jim Russo (AmeriQuest).

what industry employers look for in prospective employees. The ETAC also got an in-depth look at the Army's Ordnance Mechanical Maintenance School that trains active duty soldiers in vehicle maintenance. According to **Ken McKibben, Penske's Senior Vice President for Maintenance**, "TRALA's work with the Vets First Program provides the truck renting and leasing industry a great opportunity to access a labor pool of potential employees with the training and work ethic companies in our industry need to thrive in today's marketplace. I only wish the military had such a fine program in place when I was getting out of the service."

If you have not already signed up as a Vets First Employer, you are encouraged to do so. For more information on TRALA's work with the Vets First program or the maintenance technician shortage, contact John Lynch at (703) 299-9120 or jlynch@trala.org.

Rep. Sam Graves: Eliminating Vicarious Liability Was "The Right Thing to Do!"



CONGRESSMAN
SAM GRAVES
(R-MO)

TRALA's Executive Committee welcomed Congressman Sam Graves (R-MO) with an ovation when he met with the group earlier this summer during its working session in Washington, DC. In response Congressman Graves said he was proud to be the sponsor of the amendment that repealed vicarious liability at the federal level, saying, "It was the right thing to do!"

In describing the struggle to get the legislation passed, Graves stated that the trial

lawyers and big insurance companies "pulled out all the stops" to derail passage of the amendment. However, strong grassroots advocacy by the TRALA-led coalition and its ability to garner the early support of House Speaker Dennis Hastert (R-IL), House Majority Whip Roy Blount (R-MO), and the US Chamber of Commerce ultimately led to victory. In thanking Congressman Graves for his outstanding leadership on this issue, TRALA President and CEO Peter Vroom reported that the amendment has already withstood several legal challenges since its enactment in August 2005.

Tracey Maynor, Great Dane Trailers, Savannah, Georgia, was appointed as TRALA's 2007 Annual Meeting Chairman earlier this year. We asked Tracey to share his thoughts on the industry, his personal philosophy and background.

How did you get your start in the trucking industry?

All of my family has been associated with the industry and I have always loved working in the truck and trailer business. Even today, trucks still make me as giddy as a little kid. I started as a mechanic and then drove a truck for several years. I have only been with two companies so far in my career, PY Monarch Food Service and Great Dane Trailers.

After working with PY Monarch Food Service in their mechanic shop, I joined Great Dane as a sales rep. I was then promoted to National Accounts and three years later was again promoted to my current position as vice president of branch sales. This is our retail arm for which I oversee 29 factory stores and lead 600 employees. Our division alone recorded \$600 million in revenue last year. I've really had a varied career as a buyer, operator, fleet manager, and product salesman.

How does leasing fit into Great Dane's business plan and what do you think the future holds for leasing?

Leasing is a very important part of Great Dane's business plan. Because the leasing industry benefits in good times and bad, leasing companies are consistent buyers of Great Dane's products regardless of the economic climate. We are in a good position to service the leasing industry's needs and react to the market with equipment already built and available through our stocking program.

How will your segment of the industry be affected by the upcoming 2007 diesel engine emission standards?

We had thought there would be a negative effect in 2006 and a positive one in 2007 because companies would not have the capital available due to the pre-buying of trucks. But 2006 sales are already outpacing last year, which was a good year for us. Right now, companies continue to have capital, and we believe in 2007 much of that available capital will go to trailer and other equipment sales. We still feel that sales will be off in '07, but that will be primarily the result of lower truck sales next year.

What qualities does it take to make a successful company and why?

Integrity is number one. It is necessary to do what you say and put the customer first. You need to build your company on the back of strong people. At the end of the day while the product is important, the people are the most critical element for success. It is essential to have a strong focus on customers and employees. You need to treat them right and profitability will come. Most importantly, you need to be passionate about what you do.

A FEW MINUTES WITH...



Tracey Maynor

TITLE: Vice President - Branch Sales Operations, Great Dane Trailers
PERSONAL: Wife, Jaime, and son, Kellam, age 13
EDUCATION: B.S. in Industrial Technology at East Carolina University
HOBBIES: Work and sport fishing

What's new in trailer manufacturing and how will it impact the industry?

The supply base for trailer manufacturing is shrinking especially as commodity pricing continues to be very volatile and we feel the influx of foreign manufacturers. Customers continue to put pricing pressures on manufacturers, which in turn, pushes companies to become more efficient if they want to stay in the game. The biggest fear is that a Chinese producer will come to the U.S. and undercut domestic prices while selling inferior equipment.

In addition, the trailer manufacturing industry is in a consolidation mode. In the last downturn, companies disappeared and it will happen again in the next downturn - which will be inside of the next 10 years. Companies with strong balance sheets will be the ones to survive.

What's the value of TRALA membership for suppliers?

TRALA is the best industry organization out there. The membership works closely together and the members don't let their competitiveness get in the way. TRALA does a really good job of making sure that the leasing members are readily available to suppliers and that they have the opportunity to meet their customers or potential customers face-to-face.

ONE YEAR LATER . . .

VICARIOUS LIABILITY REPEAL VICTORY STANDS STRONG

August 10, 2006 will mark the one-year anniversary of the historic enactment of federal legislation banning vicarious liability laws nationwide. While vicarious liability lawsuits continue to be filed by a few trial lawyers, hope is fading quickly as it appears that courts are not willing to challenge the new federal law. Already, judges in New York, Maine and Connecticut have interpreted the federal law as banning vicarious liability for vehicle renting and leasing in those states. "We anticipated that there would be challenges to the federal law in court," said **TRALA Chairman Bob Shingle**. "But the language of the law was precise and well-drafted."

Recent Favorable Court Action



In a U.S. District Court case in **Maine, Piche vs. Nugent et al**, Judge Margaret Kravchuk, while considering venue for the case, affirmed the applicability of the new law. She stated in her decision that the question of vicarious liability venues "is not a question likely to repeat itself in the future." Citing

the federal statute, she declared that "the law amends U.S. Code to preempt state statutes that impose vicarious liability...Thus the long term policy debate has been resolved by the federal government."



New York Supreme Court Judge Augustus Agate, in his decision in **Infante v. U-Haul of Florida**, also validated the effectiveness of the federal vicarious liability preemption law. Judge Agate stated that "by enacting the Graves Amendment, Congress has prohibited vicarious liability against these owners and preempted the laws in states, such as New York, that previously permitted it."



The Superior Court of Connecticut, in its decision in **Davis v. Ilama**, referenced the guidance provided by both *Piche v. Nugent* and *Infante v. U-Haul* before declaring that the language of the federal statute "prohibits claims of vicarious liability against vehicle renting and leasing companies and preempts laws in states that previously permitted vicarious liability."



INDUSTRY COUNCIL GROWTH CONTINUES

This year has been one of strong growth and increased activity for TRALA's Industry Council for Vehicle Renting and Leasing. So far in 2006 the Industry Council has played a prominent role in several legislative initiatives as its membership ranks have continued to expand. Most recently the Council welcomed Key Equipment Finance as its newest member. Key joins twelve other major independent corporations and trade associations in combining their resources for stronger and more effective advocacy for the broader vehicle renting and leasing industry.



Shortly, the Industry Council will be unveiling its new website presence. Among its resources will be a valuable reference library. It will contain useful information on court action involving the new federal statute eliminating vicarious liability. The information will include decisions, motions, and transcripts from recent and pending cases. The resources on the Industry Council website will be available to all members with the understanding that any single court decision can affect the entire industry, not just the company involved in a particular case.



The Industry Council will also be holding a meeting in Washington, DC in November 2006. This meeting will be held in conjunction with our Fall 2006 Washington Briefing. More details on both of these sessions will be made available this summer. Please consider attending these meetings and celebrating the Year of the Industry Council!



Vroom Honored by TAEC



PETER VROOM,
TRALA
PRESIDENT & CEO

TRALA President and CEO Peter J. Vroom was honored by the Trucking Association Executives Council (TAEC) with the 13th Bob Halladay Award for his outstanding contributions in assisting and supporting the work and efforts of the state trucking associations. 2005-2006 TAEC Chairman Bob Sculley, president of the New Hampshire Motor Transport Association and Vermont Truck and Bus Association, presented the award to Vroom during the farewell dinner of TAEC's 2006 annual conference on Saturday, July 22, in Stowe, Vermont.

"Peter really *gets it*," said Sculley. "He understands the true value of the state associations and their role on the legislative front. Throughout his career in the industry, Peter and TRALA have been there for us on issues at the national level."

"I am grateful to receive such a prestigious industry award," said Vroom, "Bob Halladay (former ATA SVP of Federation Relations) was enormously respected by the TAEC membership and he exemplified the qualities of collegiality, unity and integrity that are the hallmark of the TAEC organization. The state trucking associations are the backbone of the truck transportation industry and are critically important to TRALA's success. The friendships gained throughout my years of involvement with TAEC have been one of the most rewarding aspects of the relationship. It's just been a great family to be part of and I look forward to my continuing involvement and collaboration on advocacy efforts for many years to come."

2006 Calendar of Events



August 2-4
National Tank Truck Carriers Summer Bd. Mtg.
Quebec City, Quebec

September 17-18
Nationalease Annual Meeting
Chicago, IL



September 18-21
Technology and Maintenance Council Fall Mtg.
Austin, TX

September 27-29
AmeriQuest Fall Business Meeting
Dallas, TX



October 11-14
TRALA Fall Leadership Meeting
Key Biscayne, FL

October 28-31
ATA Management Conference & Exhibition
Dallas, TX



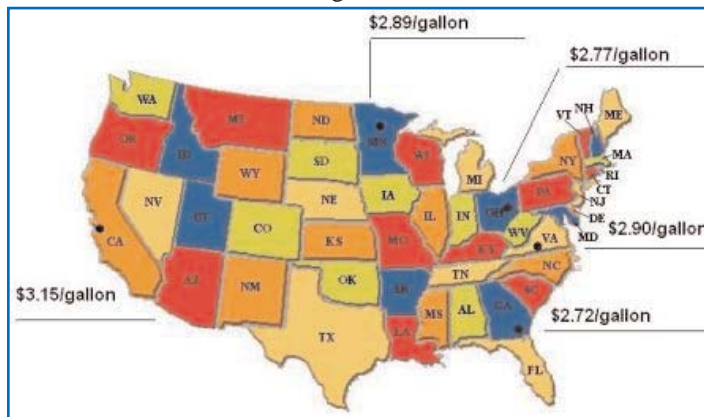
November 15-16
TRALA Fall 2006 Council Meetings &
Washington Briefing
Washington, DC

TRALA EXECs SHARE VIEWS ON ESCALATING FUEL COSTS

In late 2004, diesel prices began to increase steadily and there has been little let-up since. Two factors appear to be the largest culprits - the increase in global demand and the decline in domestic refining capacity. The devastating hurricanes last year in the Gulf Coast region only added to the pressure on prices. Economists and energy industry watchers forecast that prices will remain at high levels with few predictions on when, or if, the costs will begin to decline.

The impact of higher diesel fuel prices is not as direct in the truck renting and leasing industry as in the rest of the transportation sector. **Jerry Kress, president of Carmenita Leasing** in Santa Fe Springs, California, said "Since my company is not consuming the fuel directly, it has not had a direct impact on us." **Tom Fleming, president of Aim Nationalease** in Girard, Ohio, and **Tom Thayer, president of Idealease of Richmond** in Richmond, Virginia, both reported that their full-serv-

ice leasing customers are not happy about the high fuel costs but understand the circumstances. The customers are generally just frustrated with the refiners and the government.



Customers are the top priority for leasing companies so they are implementing programs to help their customers conserve fuel. **Steve Lawrence, president of Lawrence Leasing** in Red Wing, Minnesota, said that his firm has taken several steps to help conserve fuel including: setting a governed and cruise control speed of 68mph; instituting a driver awareness program on idling; and providing incentives for cus-

tomers to consider on-board computer applications. **Bill Hicks, president of FirstLease** in Norcross, Georgia, shared that they have increased mpg through speed control, as well as auxiliary power units (APUs) to cut fuel costs while the vehicle is idling.

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November 15 - 16

**TRALA FALL 2006 COUNCIL MEETINGS &
WASHINGTON BRIEFING
Washington, DC**

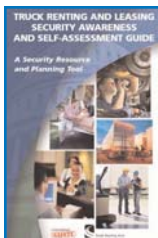
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watch your mail box for more information!**

TRALA SECURITY GUIDES AVAILABLE FOR DOWNLOAD

The Truck Renting and Leasing Security Awareness and Self-Assessment Guide is available on TRALA's website at www.trala.org/security/Final_Website_Edition.pdf. The security guide is part of an ongoing voluntary security enhancement program for the industry initiated by TRALA.

TRALA's security program also includes the publication and distribution of TSA's *Safeguarding America's Transportation System, Security Guide for Truck Rental Employees* that can also be found on TRALA's website at www.trala.org/docs/security/EmployeeGuidetoRentalTruckSecurity.pdf.

The online availability of the guides makes these useful security resources easily accessible to the whole industry. For more information about TRALA's security initiatives, please contact TRALA's Tom James at (703) 299-9120 or tjames@trala.org.



Chamber Economist Regalia Says Economy Down-Shifting



**DR. MARTIN
REGALIA
US CHAMBER OF
COMMERCE**

On June 20, Dr. Martin A. Regalia, vice president for economic and tax policy and chief economist of the US Chamber of Commerce, spoke to TRALA's Executive Committee saying that although the US economy is generally sound, it is down-shifting after three years of growth at four percent.

Regalia predicted that the GDP (gross domestic product) growth would be held to 2 to 2 ½ percent unless investment stays strong, consumer spending goes up, the trade balance improves, and energy prices ease once peak driving season is over.

He also expressed concern about the continuous rise in energy and metal prices despite an adequate supply of both. He believes that despite the fact that the supply and demand for energy are so close - particularly with rising demand from China and India - speculators are driving the prices up artificially. Regalia concluded that the current economic situation would have been difficult for former Federal Reserve Chairman Alan Greenspan to handle, but it has proven even more challenging for his less experienced replacement, Ben Bernanke.

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