

U.S. Clay Producers Traffic Association  
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# Transportation.... What Now

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# Regulatory and Compliance issues effecting the trucking industry



CSA

PSP

ELD

DOT

HOS

EOB

**OMG !!**

# State of the Trucking Industry



- Capacity is extremely tight
- Slow recovery is good for capacity issues
- Many carriers did not replace equipment
- Many changes coming on the regulatory front
- Increased equipment cost
- Natural Gas Trucks

# CSA



- Inconsistency in State Laws, Enforcement, and Reporting
- Data Q, formulas, and weighing violations severity
- This is a relative system with peer groups that may not be the same as ours
- Is this a compliance program or a safety program?

# HOS



- Automatically cut productivity 3% due to the 30 minute break.
- Many drivers depended on the 34 hour restart.
- 70 hour rule now in effect in many situations.
- Driver uncertainty as to off time

# ELD



- Best thing to happen to the Trucking Industry
- Safety conscious companies already use them
- Takes pressure off driver to cover up
- Holds company accountable. And, others.....

# Driver Shortage



- Bad and getting worse
- Turnover ratios are down
- Sign on bonuses and recruiting bonuses
- Military recruiting could help
- Will put pressure on rates to compensate drivers
- We must make the Driver more productive
  - Waiting time to load
  - Quality of the equipment
  - unloading

# Equipment Cost



- Year 2007 Truck cost was \$80,000
- Year 2014 Truck cost is \$130,000
- Over \$18,000 was directly related to the EPA changes
- Safety Improvements added about \$12,000
  - Disc Brakes
  - Smart Steering Wheel
  - Rollover Prevention
  - Onboard Cameras
  - Lane Departure System
  - Collision Avoidance System



# Natural Gas Trucks

## CNG vs LNG



- CNG
  - Long fuel times
  - Spark Plugs
  - Degradation of power
  - Poor Fuel Mileage
- LNG
  - 3 fluids on trucks
  - Shorter fill time
  - More PPE to fuel truck
  - Fuel Mileage less than diesel
- Resale values and maintenance hold the answer
- Fuel Stops- no network

# CNG Cost Analysis



		Diesel	CNG	Variance
1	Truck Cost- New	\$133,000.00	\$165,000.00	
	Resale Value	\$30,000.00	\$10,000.00	
	Lifetime Depreicated cost	\$103,000.00	\$155,000.00	\$(52,000.00)
2	2 Shifts per day	Y	Y	
	Miles per shift	265	265	
	Days per week	5	5	
	Weeks per year	50	50	
	Total miles per year	132500	132500	
	max miles @ disposal	500000	500000	
	Years of ownership	3.8	3.8	
	Fuel CPG	\$3.85	\$2.40	\$1.45
3	Total MPG	5.4	3.99	
	Fuel cost over ownership	\$356,481.48	\$300,751.88	\$55,729.60
	Weight- Tare- Net-lbs	0	1200	-1200
4	Weight Penalty	\$-	\$14,716.98	\$(14,716.98)
	cost of money	\$-	\$5,203.62	\$(5,203.62)
	Excess Fuel Stops cost	\$-	\$35,377.36	\$(35,377.36)
5	Net			\$(51,568.36)
	% increase of revenue to cover			8%

# Conclusion



- Carriers will have to be on their game to survive
- Small carriers are at a big disadvantage
- We all need to make the Drivers life easier

Thank you for your time!

**Questions?**