

THE ATRI INSIDER



The American Transportation Research Institute

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Dave Nemo Show
8:00am CST
XM Channel 171

Thursday, August 9
Cruising the Corridor

Thursday, August 23
Have You Locked Your Doors?

Thursday, September 6
Delivering Goods in the Face of Disaster

Thursday, September 20
Women in Trucking

Highway Funding Analysis Examines Issue from User Perspective

ATRI's recently released *Defining the Legacy for Users: Understanding Strategies and Implications for Highway Funding* is among the first studies ever to examine the issue of paying for the nation's transportation infrastructure from a transportation system user's perspective. Among the key findings is the nation's highway trust funds lose nearly \$1 billion every year to government fleet exemptions. Among these vehicles, there are more than 2 million large trucks; one national study found that a considerable number of these trucks are regularly overweight by 3 tons or more.

Acknowledged in the research as a conservative estimate, the \$900+ million represents state and federal motor fuel tax exemptions enjoyed by government fleets, transit and school buses. The exemptions, which do not include large sectors such as city diesel fleet usage, represent a real drain on state and federal highway trust funds. The ATRI research also documents other diversions and funding shortfalls – all of

which add to the rapid drain on the various trust funds and revenue sources used to maintain the nation's transportation system.

ATRI's research also analyzes the efficiency and impacts of different revenue sources on transportation investment and user equity. Another key area of investigation is the impact that stagnant fuel tax rates have on state and federal funding programs. At the federal level, there has been no increase in the fuel tax since 1993; inflationary impacts have decreased the purchasing power of the federal motor fuel tax by more than 28 percent since that time.

To address decreasing transportation revenues, alternative financing strategies are being pursued by both the federal and state departments of transportation. In particular, the privatization of roadways and tolling are being investigated as a way to fund transportation infrastructure.

ATRI's research identifies a number of concerns with tolling and privatization, including the inefficient return-on-investment of tolls as a revenue generation

mechanism. User price sensitivities appear to also raise safety concerns through traffic diversion to road systems less capable of handling larger volumes and vehicles.

Furthermore, the move to privatize roads puts at risk critical supply chain connectors, often in rural areas, which lack the necessary traffic to generate return-on-investment for private investors. Without major reallocations of formula funds, low-population centers could suffer dramatic decreases in funding relative to large urban areas.

To address the growing need in transportation dollars, ATRI's research identifies increases in the federal motor fuel tax as the most efficient approach, citing cost-to-revenue ratios of less than 3 percent to collect motor fuel taxes, compared to 20 to 30 percent to collect tolls.

To view the Executive Summary or to order a copy of the full report, visit www.atri-online.org.

INSIDE THIS ISSUE:

Board of Directors	2
Message from the President	2
Board Member Spotlight: Chris Lofgren	2
RAC Member Spotlight: Michele McMurtry	3
Research Advisory Committee 2007-2008	3

ATRI Participates in Third National Webinar

On Wednesday, July 25th, FMCSA and ATRI were co-hosts of the third in a series of national "webinars" designed to provide peer-to-peer industry insights on the impacts and opportunities associated with on-board safety systems. The July 25th webinar highlighted motor carrier experience with collision warning systems, addressing issues such as safety returns on investment (ROIs), maintenance and driver

perspectives. The webinars provide trucking company representatives with the ability to simultaneously listen and watch the live FMCSA-sponsored webinars from any location in the U.S. that has internet and telephone access. In addition to ATRI, the webinar featured Philip Jennings, Director of Safety and Training for Saia Motor Freight and Andrew Boyle, Executive Vice President of Boyle Transportation. Over

100 carriers participated from across the country. Previous ATRI/FMCSA webinars focused on lane departure warning systems, featuring Dean Newell from Maverick Transportation and Jerry Waddell from Cargo Transporters, and stability control systems featuring Tracy McDonald from Praxair Canada and Don Osterberg from Schneider National.

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Message from the President

In the next several weeks, trucking industry stakeholders across the country will once again have the opportunity to weigh in with their opinions on the issues most likely to impact how freight is moved in the next five to ten years. Now in its third year, ATRI's Annual Top Industry Issues Survey provides the most comprehensive look at the forces motor carriers believe will shape their businesses, and the strategies most likely to succeed in addressing the challenges ahead.

Phase one of the process – a representative series of interviews and surveys to identify topic categories – is being completed now. In the industry-wide survey, set for release in early August, respondents will be asked to prioritize the issues and strategies for addressing or mitigating the impact of the identified categories. While the process is fairly straightforward it generates substantial interest and discussion across a wide range of complex issues.

ATRI's annual survey is commissioned by the American Trucking Associations Federation, whose membership uses the results to guide programs and policy directions. Other national trade groups, recognizing the importance of freight movement to the country's economy, likewise incorporate the results into their policy decision-making process. Industry suppliers have also applied the analysis to gauge motor carrier sentiment on potential products and services designed to address the industry's challenges.

ATRI's Research Advisory Committee also avails itself of the results to measure the value of proposed research for ensuring the safety and productivity of the industry for years to come. For the past two years commercial driver Hours-of-Service has ranked at number four in the survey, with a top-recommended strategy of research to measure the impact of the rules changes on driver safety and productivity. In response, ATRI has institutionalized its hours-of-service data collection and analysis to measure, over the long-term, whether or not the rules are allowing for the proper mix of rest and work hours to maximize driver safety and productivity.

Given the strategic value of the Annual Top Industry Issues Survey to so many diverse stakeholders, I strongly encourage you to participate in the survey when it is released in August.

Rebecca M. Brewster
 President & COO
 American Transportation Research Institute

Board Member Spotlight: Chris Lofgren



ATRI Board Member Chris Lofgren is President and Chief Executive Officer of Schneider National, Inc., a provider of transportation, logistics and related services, since 2002. Prior to being appointed CEO, Mr. Lofgren served as Chief Operating Officer from 2000 to 2002, and Chief Information Officer from 1996 to 2002. Mr. Lofgren is currently a member of the Board of Directors of Computer Associates, Inc. He also serves on the Advisory Board of the School in Industrial and Systems Engineering at Georgia Tech, as a board member of the Green Bay, Wisconsin Boys & Girls Club, the Executive Committee and the Board of Directors of the American Trucking Associations.



FMCSA Administrator John Hill Addresses ATRI Board



At its June 12th meeting, ATRI's Board of Directors was joined by FMCSA Administrator John Hill for a round-table discussion of on-board safety technologies. In particular, the dialogue centered on the factors considered by carriers when deciding to invest in on-board safety technologies such as lane departure warning, collision avoidance and roll stability systems.

Among the topics covered was the on-board safety systems naturalistic field testing design work that ATRI is conducting for FMCSA. Several ATRI Board members encouraged incorporating an integrated aftermarket version of on-board safety technologies in the naturalistic field test, citing both large numbers of existing units in the field and concern over driver distraction from multiple, disparate systems.

Additional ATRI Board agenda items included the approval of an update to ATRI's 2004 study, *Energy and Emissions Impacts of Higher Productivity Vehicles*. The original study, done in partnership with Cummins Inc, investigated the energy and emission impacts from operating a variety of different commercial motor vehicle configurations and weights, including several higher productivity vehicle designs. Again working with Cummins Inc, ATRI will be modeling different vehicle configurations, this time with 2007 model year engine specifications. Results of this study are expected later this year.

ATRI staff provided the Board with an update on the Operational Costs of Trucking research initiative. In an effort to improve the overall accuracy and relevance of industry research and analysis, the project is identifying both the total costs of commercial motor vehicle operations and the discrete component costs associated with operating trucks in different sectors and configurations, e.g. fuel costs, labor costs, time delays, tire wear, etc.



RAC Member Michele McMurtry



Michele McMurtry brings 35 years of transportation safety experience to her position on ATRI's Research Advisory Committee. Now a Transportation Safety Consultant with McMorgan Group, LLC, Ms. McMurtry recently retired after 27 years with the National Transportation Safety Board. While at NTSB she

investigated accidents, wrote the final Board reports and made recommendations on a wide range of highway safety issues, including drunk driving, railroad highway grade crossing accidents, seatbelts and airbags, ship and barge collisions with and subsequent collapse of highway and railroad bridges, driver distraction, and truck and bus collisions. She served as Hearing Officer on the Safety Board's Public Hearings on Motor Carrier Oversight and NAFTA-related Truck and Bus issues in 2000 and the Wilmer, Texas, Bus Fire Accident in 2006.

Her professional involvements include 30 years of service on TRB committees, most recently, the Truck Size and Weight and the Truck and Bus Safety Committees. She served on the planning committee for the 2003 International Truck and Bus Safety Research and Policy Symposium and the 2005 International Truck and Bus Security Symposium. In addition, she serves on the Program Initiatives Committee of the Commercial Vehicle Safety Alliance. Ms. McMurtry is a graduate of Vanderbilt University in Nashville, Tennessee, with a B.E. in civil engineering. She is a registered professional engineer, private pilot and lives in Potomac, Maryland, with her husband. She is also on the Board of Directors of the Bead Museum in Washington, D.C.

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ATRI's Research Advisory Committee (RAC) is responsible for annually recommending a research agenda for the Institute.



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*Knowledge and Excellence
In Trucking and Transportation
Research*

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<http://www.atri-online.org>



New From ATRI:

- Defining the Legacy for Users: Understanding Strategies and Implications for Highway Funding
- Assessing the Impact of the ACE Truck e-Manifest System on Trucking Operations
- ATRI Reports Initial Findings on Speed Governor Use

To request copies of these or other ATRI studies, visit www.atri-online.org.

Savannah Tollway Survey

The American Transportation Research Institute (ATRI) is conducting research to help Georgia's State Road & Tollway Authority (SRTA) determine the value to the trucking industry of proposed road improvements in the Savannah, GA area. Motor carriers operating in and around Savannah, including the Port of Savannah, are asked to complete the survey available at www.atri-online.org.

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