



Contact:
 Karen Schmitt
 Director, Public Relations
 T: 703-751-5011
 F: 703-823-8761
karen@ndtahq.com

The National Defense Transportation Association is a non-profit, non-political educational association committed to fostering partnerships between government, military and industry, and maintaining a strong and efficient global transportation, travel and distribution system in support of national security. There are over 9000 members in the association, comprised of both individual and corporate members. There are 60 plus chapters in the United States and overseas in Europe and the Pacific. The national headquarters office is located in Alexandria, VA.



The National Defense Transportation Association (NDTA) and United States Transportation Command Host the First Motor Carrier Meeting

The Voice of Defense Transportation

26 February, 2008

The National Defense Transportation Association (NDTA) and United States Transportation Command (USTRANSCOM) hosted the first meeting devoted specifically to the Motor Carrier industry on February 21st at Scott Air Force Base near St Louis, Missouri. The meeting was called at the request of General Norton A. Schwartz, USAF, USTRANSCOM Commander. CEOs representing LTL, TL, Heavy Haul, Household Goods, and Arms Ammunitions & Explosives (AA&E) carriers were invited to discuss the state of the industry. "The meeting was a great success," said LTG Kenneth Wykle, USA (Ret.) NDTA President. "And it was in keeping with NDTA's mission of providing a neutral platform for open dialogue between military and industry. All participants welcomed the opportunity for direct participation with USTRANSCOM's commander as they face many challenges in 2008."

Currently, there are over 500,000 trucking companies that are active in the United States. About ninety percent operate a fleet of 60 vehicles or less; and, a large percent of that total operate 5 or fewer trucks. Given the statistics, and the fact that the Defense Transportation Coordination Initiative (DTCI) is scheduled for roll out first in Tacoma, WA following in San Diego and Corpus Christi, there's interest from both large and small companies across the United States. Main points discussed at the meeting are summarized below:

Industry Concerns and Comments

- **Climate Change / Sustainability**

Legislators recently introduced a bill aimed to cut carbon emissions to 80 percent by 2050 through mandatory caps that would guide a wide range of industries, including motor carriers. Companies that exceed cap levels would be taxed; likewise, a cap-and-trade system would be offered in credit to businesses that kept emissions below requirement levels. Trucking companies and drivers take their environmental responsibilities seriously and would definitely comply, however concern was voiced about the costs and effects of this proposed legislation. Several agreed that perhaps this is the time to pursue energy independence.

- **Infrastructure / Congestion**

Any revenues, from carbon emission tax or otherwise, should be invested in infrastructure improvements to alleviate congestion according to some members. Another approach, is to first decide what needs to be done, then identify the means for funding and allocate resources with respect to priority needs and within established financial parameters.

- **Installation Access**

Coming aboard a military installation is a challenge for companies large and small. Open hours, typically set by the Commanding Officer, vary from base to base and individual gates are always subject to closure and often without notice. Procedures also put a damper on entering. Drivers may wait for hours for clearance if, for example,

security guards are busy. Working schedules further complicate the situation. Some ammunition depots operate only a 4-day week, so when a driver misses a delivery window the wait can be both prolonged and pricey. From the commercial perspective, there were no complaints when it comes to rates. However, questions were raised with regards to operating efficiencies.

- ***Non-Standard Practices***

Fuel is not the only factor that impacts operating costs. In the case of Heavy Haul Carriers, whose operational expenses may reach \$1.50/mile, clearance documents present a challenge. Procedures (i.e., size & weight) and paperwork for hauling oversized loads are not universal - forms differ state by state with significant red tape involved to achieve clearances. In some states, it can take fifteen days or more to receive authorization clearance which often leads to lost productivity. This all impacts USTRANSCOM planning and scheduling when time is factored into their taskings. AA&E Carriers are seeking efficiencies through more advance notice of scheduled shipments and online scheduling for delivery appointments.

- ***“Light Loads” and Other Dilemmas***

Household Goods Movers report a 13% downturn in DOD business due to the decrease in Permanent Change of Station (PCS) orders and other factors, and AA&E Carriers are seeking opportunities for back haul once their government delivery has been completed. AA&E shipments come with a higher price – drivers require special permits, pre-screening, and security clearances. Across the spectrum, driver retention, operator insurance and a sluggish economy are additional elements that negatively impact the Motor Carrier's bottom line.

USTRANSCOM, a 10 billion dollar/year enterprise, somewhat mirrors industry when it comes to budget concerns. When requirements are down, revenue is down – yet folks still need to be paid. One way to offset any down turn may be to expand operations to include FEMA, GSA and / or State Department movements.

Refilling billets, left in the wake of the Surface Deployment and Distribution Command (SDDC) move to the Scott / St. Louis area, is a challenge for USTRANSCOM. SDDC personnel were given the choice to move along with their command, however few of the government contracting staff elected to relocate. This has been a priority, and once these billets are filled these individuals require training to meet DOD standards.

Updates were also on the Motor Carrier Meeting agenda which included a briefing on USTRANSCOM support to U.S. Central Command (CENTCOM), the status of the Defense Transportation Coordination Initiative (DTCI) implementation, the Families First Initiative and SDDC'S Intelligent Road/Rail Information Server (IRRIS) program.

NDTA fosters a unique brand of partnership between public and private industry to ensure world class mission support – one found nowhere else in the transportation and logistics industry. Participation in critical discussions, such as the first Motor Carrier Meeting, is just one of the Association's member benefits. If your company is interested to learn more, please contact Denny Edwards, VP Marketing and Corporate Development [703-751-5011].

#####