

## Getting the Most Out of Your Local Truck Hauler Company

John Conley, VP  
National Tank Truck Carriers Inc.  
2200 Mill Rd  
Alexandria, VA 22314  
703/838-1960 jconley@tanktruck.org

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WHEN I was asked to speak on this topic—Getting the Most Out of Your Local Truck Hauler Company--, I immediately said “yes.” It would have to be the easiest and shortest presentation I ever made. All I really need to do is say: “Congratulations, you are already doing a hell of a job,” then we could all head to the French Quarter early. My telling the chemical shipper community how to get more out of their tank truck carriers would be like my trying to tell Tiger Woods how to add distance to his drives.

Of course, being from Washington D.C. where we are paid by the word, I did not want to give up my time. So I decided to be positive. I will not spend a lot of time today talking about the rate situation. I talked about it last year at the Chemical Week meeting in Houston, and Cliff Harvison and I try to raise the issue of our industry’s economic survival anywhere we can. Clearly, we have not swayed you.

In addressing the topic given to me by Chemical Week, I went to the experts—our chemical transporter members. I asked them what the shipper community could do -- beyond the obvious needed cash transfusion -- to help carriers be more efficient, improve safety and security, and to attract and retain drivers. What could shippers and carriers do together in these areas that would benefit everyone?

I received responses from a significant number of chemical transporters. I have divided these responses into four categories, each with ten items—the Tank Truck Top 40. There could have been more items in each category, and they are not presented in any rank order. I hope that you will review these suggestions with your carriers, and that you and they will get more out of what we used to refer to as partnerships.

However, while the majority of this presentation will not address the near Depression Era rate situation in our industry, please understand that economic survival is the most important issue facing your carrier suppliers. To not talk about rates to this gathering would be like delivering a report on the maiden voyage of the Titanic without bringing up the delicate subject of icebergs.

## The Tank Truck Top 40

### 10 Ways Shippers Can Help Carriers be More Efficient

1. Expand pickup and delivery windows. This was the most frequent request. Do not automatically mandate the 0800 delivery time. Work with consignee to arrange more delivery flexibility, perhaps with a price incentive. Use whole day and whole week. Try to reduce the Monday and Friday spikes.
2. Coordinate requirements of both the purchasing and distribution departments to help the carrier increase loaded miles. Coordinating inbound and outbound movements will improve equipment and driver utilization and benefit all parties.
3. Develop well-written procedures for loading and unloading at customer facilities. Ensure that the customer's receiving site is as described. Ensure that the proper equipment—in terms of tank configuration, transfer equipment, vapor recovery requirements, etc. is specified. Standardization within the industry on trailer configurations, transfer equipment and delivery procedures would help everyone.
4. Release equipment prior to completion of lab sampling, at least back to the carrier's terminal. If there is a problem, the driver can be contacted to return to the plant. Would allow better driver and equipment utilization and better chance for on-time delivery.
5. Look at "short notice to carriers" and "delays in loading/sampling" as part of the shipper's own quality process. Identify and correct these problems with input from carrier. How often does the shipper push the load "outside the window?" Other segments of the trucking industry have been successful in charging a premium for last minute or "panic" orders. We look at it as service.
6. Eliminate or minimize pre-loading and spotting of trailers. Strive for maximum "load and go." Realize that a \$65,000 cargo tank is an expensive storage vessel. Also, loaded and spotted trailers may be a security concern. (In some cases, strategic pre-loading could benefit both parties if mutual commitments are honored.)
7. Allow carrier to work with shipper and consignee to look for areas to improve efficiency and safety. Perhaps let the carrier work directly with the consignee to arrange for delivery times. View carrier as a team member that can provide reliable service that will increase business for the shipper.
8. Work with carriers in reducing tank cleaning costs. Top load where possible. Provide technical information for proper cleaning. Let carriers pass on actual tank cleaning costs and take them out of the rate. Work with carriers and consignees to eliminate or significantly reduce tank truck heels.

9. Establish long-term, meaningful relationships with carriers. Revert back to real partnerships that germinated problem solving, rather than adversarial relationships.
10. Pay invoices within seven days of receipt. Realize that carriers are relatively small business and that delays in payments are impacting carrier cash flow.

### **10 Ways Shippers Can Help Carriers Improve Safety and Security**

1. Expand pickup and delivery windows. Drivers view the “service windows” as so critical to their company’s ability to retain business that they are tempted to do whatever is necessary to meet those service requirements. 0800 is prime rush hour time and is the worst time for a driver to take chances to meet a time requirement, especially if he has been driving all night. Also, it is very frustrating to a driver to arrive on time for a pickup, then have to wait for loading and sampling, or worse, to do whatever is necessary to make a delivery time only to be told “there was no rush for the product.”

To improve security, stagger shipping and receiving times to avoid long waits outside of shipper or consignee facilities.

2. Allow adequate time to transit a load. Understand that delays in loading and sampling cannot be made up on the highway without taking risks or violating regulations. A delay in delivery will be at least the same as delay in departure from the plant.
3. Never introduce nitrogen into a tank without tagging outlets and communicating the use of nitrogen via verbal and written means.
4. Visit consignees to conduct safety surveys to ensure that delivery areas are safe and secure. Realize that drivers are trained to recognize unsafe situations. Do not punish the driver for exercising caution, including not making the delivery until a potentially dangerous situation is remedied.
5. Provide safety information to the driver entering the plant, and encourage consignees to do the same. Include evacuation information, emergency signals, location of showers and first aid equipment, plant specific safety regulations. Provide detailed directions to loading or unloading points or to safe parking areas. Information could be on a laminated card that can be returned when a driver leaves the plant. Provide a safety orientation for a driver visiting a plant or facility for the first time.
6. Constantly review and manage procedures for ensuring that the delivery is made to the right tank. Focus engineering on vehicle movement within the plant. Do not rely on the driver to know the customer’s plant, tank location, tank capacities, etc. Have plant personnel escort driver to delivery point and sign delivery instructions.

Provide assistance to drivers who must pump into tanks that are not visible from the driver's unloading position to further reduce chance of spill or tank overflow.

7. Provide accurate delivery equipment requirements, including product transfer and hose length requirements. If vapor recovery will be required, detail what type of trailer equipment or configuration is needed. Not having the proper equipment can result in delays or, worse, jury-rigging that can cause a release.
8. Shipper personnel should seal the trailer and record seal numbers and locations.
9. Incorporate regularly used carriers into production facility safety committees.
10. Do not ask or allow carriers to exceed weight limits.

### **10 Ways Shippers Can Help Carriers Attract and Retain Drivers**

1. Expand pickup and delivery windows. Get the driver in and out of the plant as quickly as possible. Drivers are paid to and want to drive. Drivers work under "hours of service" regulations that limit their driving time. Drivers hate "on duty, not driving." These regulations will get tougher. Do not classify a load as a "hot load," unless it really is. Drivers can handle pressure, but get tired of shippers "crying wolf."
2. Increase rates to allow the carriers to pay drivers a better wage. Understand that—one way or another—the driver is paid percentage of load. As rates are driven down, driver's pay is driven down. Yet, his business and personal costs go up. "Pay" is the number one reason drivers switch companies or leave the industry. The average chemical tank truck driver makes about \$41,000 a year. As everyone in this room should know, that is not for a "40-hour home-with-the-kids each night week." That \$41,000 equates to about \$13 an hour. Drivers are voting with their feet. They are leaving trucking. The three most important things to help attract and retain quality drivers are:
  1. Money
  2. Money
  3. Money
3. Treat drivers as the professionals that they are. Teach awareness to plant personnel and to customers of the important role drivers play in the chemical industry. Shippers and carriers should work together to recognize drivers for safe and efficient performance. A sincere 'attaboy' travels many miles down the road.
4. Do not put the driver in the position of feeling he has to violate safety practices or regulations to protect his company or his job. Allow him proper transit time, including required rest periods. Do not require him to exceed load weight limits.

5. Provide safe and comfortable areas for drivers who must wait to load or for sampling. Visit these areas and determine if they are the types of places that you would want your employees to have to wait prior to performing a safety-sensitive task. Don't place restrictions on drivers that do not apply to other plant visitors or personnel (restrooms, phones, etc.) Remember, how the driver is treated at your facility will affect his demeanor as he enters the highway with your product.
6. Do not make the driver the "scapegoat" in disputes with the carrier or the consignee. If there is a problem with a driver, contact the carrier to resolve it.
7. Realize that tank truck/hazardous materials drivers are under a lot more pressure since the September 11 attacks. Shippers, carriers, and government agencies are placing more requirements on them and monitoring them more closely. A driver may be stopped for roadside inspections several times on the same trip. In some ways, he is viewed either as a potential terrorist or the potential target of terrorism. Ensure that security requirements impacting drivers are productive, not just for show. Shippers should work through the American Chemistry Council to develop an acceptable secondary form of identification,

We have always said that tank truck drivers have a special responsibility and that they are the best of the lot. Now is the time to show them that we understand and value the unique pressures and requirements of their job. The ways to do that are with pay and recognition.

8. Eliminate or reduce the use of drivers as loaders/unloaders, drummers, inventory takers, etc. Eliminate or compensate. Try to reduce the amount of paperwork required by the driver.
9. Provide more training assistance and materials for the safe handling of our products.
10. Drivers would like to once again be known as Knights of the Road. What caused them to lose that distinction? What can we all do to help them regain that noble status?

## **10 Other Areas Where Shippers Can Help Carriers**

1. Help move to the top levels of your company a better awareness of the importance of safe and efficient tank truck transportation to the success of your company. This could help with the rate and the driver situation and maybe even make your job easier and more appreciated. Increase your own knowledge about the bulk trucking business.
2. Place the same requirements on customer pickup that you place on your carriers.
3. Move away from the "open bidding" process of picking the lowest cost supplier

and look at the total value provided. Realize that most hazardous materials tank truck transportation is a specialized service, not a commodity. Top quality service cannot be provided much longer at commodity prices.

4. Do not let the use of third party logistics suppliers reduce communications between the shipper and carrier. Only utilize 3PLs that understand the special nature of the tank truck industry.
5. Work with carriers to help cover unexpected financial developments such as five-fold increases in insurance premiums. Don't fight surcharge situations as long as possible. There really is an insurance crisis in terms of cost and availability. Stop requiring carriers to sign draconian "hold harmless" and waiver of subrogation provisions as you seek to transfer risk and responsibility to the carrier.
6. Understand that the new security demands by shippers and the government are placing financial and operational pressures on carriers. You do accept the security surcharges airlines are placing on your airline tickets. If you believe such security changes are necessary to haul your product, be prepared to share the costs.
7. Share production projections with your carriers so they can plan their driver and equipment schedules. Give carriers as much notice as possible on changes in your business. Create an environment where a carrier can say "no" to a load for safety or economic reasons without fear of being punished by loss of business.
8. Strive to have the headquarters and plant personnel singing from the same page regarding expectations and compensation. Carriers have to work with both parties and should not be placed in the middle. Be consistent in what is a compensated service and what is a "freebie."
9. Recognize that hazardous materials transportation is much more a service than a commodity. Stop pricing by lanes and inflating volumes, then giving business away to another carrier as a backhaul. Stop relying on "most favored nation" or "meet or release" language in contracts as a way to further beat down rates.
10. Work with carriers that are members of National Tank Truck Carriers. These carriers have made the financial and time investment to keep up with the latest legislative and regulatory developments that impact the tank truck distribution of chemicals and other hazardous materials. They work through NTTC to try to influence those developments. They are involved in the safety and operational activities of NTTC with similar organizations such as the American Chemistry Council to make bulk distribution safer and more efficient. They support an organization that works to portray tank truck transportation of products essential to the economy in the best way to the government, public, and media. The members of NTTC are involved in helping the entire tank truck distribution chain—shippers, carriers, and consignees. If carriers that you are using are not NTTC members, ask them where else they are cutting corners.