

# UTA INDUSTRY WATCH

Volume 7, Issue 1

Contact the UTA @ 1-877-GETS-UTA or [www.uta.org](http://www.uta.org)

January 2005

## President's Message...



My last year's *President's Message* about where our industry's direction was heading could probably be duplicated for this year, but I won't bore you with that. Going into this New Year we all know where we are and what we have to do. That is, getting back to the "basics of selling" as our priority in selling used trucks.

New truck sales seemed to be swinging back to a seller's market, and when that happens, used truck buyers need to be cultivated

and nurtured as we do our plants in the early spring. It's nothing new to any of us, but we need to be aware and make the changes early enough to take advantage of every opportunity.

Used truck warranties remain a key ingredient in selling higher-mileage used trucks. If you're not using them, be assured you are missing sales.

Some of the warranty providers are beginning to put out their own newsletter. The ones I have seen are very informative. Be sure to get on their distribution list.

As I said in last month's *President's Message*, 2005 is a new chapter in the UTA book, as it is in our own lives. Again this year, the UTA board will have a two-day retreat to set the direction for the year. The board is looking to be as successful as we were last year. With your help, we can be assured of that.

We have our sights set even higher for this year's membership growth. Does 1000 members sound like

something you could get excited about? It does to us!

We believe if the UTA's benefits are clearly demonstrated to sales and allied professionals they will want to join. While enhancing our membership count, more importantly it enhances our association's clout in the industry.

For you dealers, please consider signing up your salespeople. The fee is only \$25.00 per year and they receive all benefits of UTA membership except voting rights. The newsletter alone is worth that.

We are considering a sales professional of the year award if we can recruit enough of these members. It just takes each one of us doing a little bit each week for the UTA and we can reach our membership goal.

This year's convention will be in Savannah, Georgia. Make your plans early. We are expecting a higher attendance than last year. Last year we ran out of rooms and some late registrants had to stay at hotels away from our host hotel. Look for an exciting 2005 convention program with extended networking opportunities plus learning tips to increase your productivity. And let's not forget the fun of meeting with friends.

Ethan Nadolson is the new chairman of the UTA Convention Committee, and he is determined to make this year's event the best ever. Don't be surprised if he calls on you for some help in some way. Ethan was our 2004-membership committee chair and you saw what he did

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How are **YOU** supporting the UTA?

## SHARE YOUR NEWS

Expanding a business? Promoting staff? Won an award? Opening a new location? Why not share your news? The *UTA Industry Watch* welcomes submissions, as well as ideas and comments.

David A. Kolman

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## INDUSTRY NEWS BRIEFS

**Alcoa** has combined its Cast Auto Wheels with the wheel divisions of Alcoa Wheel and Forged Products to form Alcoa Wheel Products (AWP). The new unit will offer cast and forged aluminum wheels to commercial vehicle, automotive, motorcycle and specialty markets.



**DaimlerChrysler** and **Freightliner Market Development** have teamed to offer MileMinder, a used truck contract maintenance program with a guaranteed cost-per-mile agreement. The maintenance package includes all mechanical repairs, preventive maintenance, tire repairs and replacement and roadside services. The program, available for leased or purchased vehicles financed through DaimlerChrysler Services Truck Finance, is offered through participating SelecTrucks Centers and Freightliner, Sterling and Western Star dealers.

**Dana's** Commercial Vehicle Systems group has introduced the new Dana Spicer SmartRide family of advanced, integrated lightweight trailer suspension modules and systems, allowing customers to create complete, individually customized suspension packages for their specific business and application requirements. The SmartRide suspension assemblies are available with Dana Spicer Tire Maintenance Systems that automatically measures and maintains proper tire pressure, Dana Spicer Low Maintenance System Hubs and a "deep menu" of Bendix Braking Systems options and Bendix Stability Products, including the Trailer Roll Stability Program.

**Detroit Diesel** will build a new heavy duty diesel engine line at its Redford, MI, manufacturing plant. Being developed in conjunction with parent company DaimlerChrysler, the new line is slated for launch in 2007. The company will also begin North American assembly of the MBE 900 medium-duty diesel engine at the facility. That engine, available since 1998, is offered in four- and six-cylinder versions and is used extensively in Freightliner vehicles.

**General Electric** was to have purchased at the end of December **CitiCapital** Transportation Financial Services Group, which provides financing, leasing, and lending to the trucking industry. The transaction reportedly will almost double GE's assets serving the trucking industry.

**General Motors** plans to invest some \$150 million into upgrading its Flint, MI truck assembly plant. That facility builds the crew cab version of the Chevy Silverado, GMC Sierra full-size pickups and Chevy Kodiak and GMC Topkick medium-duty commercial trucks.

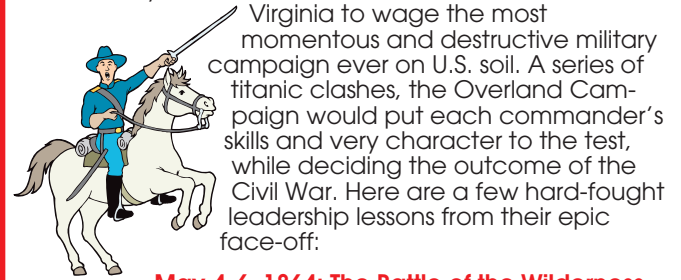
**Hendrickson** has introduced its HTB rear air suspension for Class 8 trucks, a "premium, improved-riding alternative to industry standard suspensions." A lightweight, low-maintenance, non-torque reactive suspension, it is said to be the lightest suspension in its class at 570 pounds including axle brackets, which saves up to 257 pounds of weight over industry-standard 40,000-pound suspensions.

**International Truck & Engine** was to introduce its new Model 7700 heavy duty construction truck this month (January). The new Class 8 will offer what the company calls "polished power" to super dump, rock truck, tanker, logger, and heavy concrete mixer users. It features single 12.25-inch frame rails (without the need for frame rail inserts, frame weight is reduced by 400 pounds compared to competitive models) and a "cleaner" cab-to-rear axle frame to allow for faster and easier body installation. The 7700 is available in 4x2 and 6x4 configurations, with an optional set-back front axle 6x4.

**Volvo Trucks North America** has opened a new parts distribution center in Dallas, TX. The 63,000-square foot facility is expected to fill more than 180,000 orders annually.

## Leadership Lessons from the Civil War

Throughout the spring of 1864, General Robert E. Lee and General Ulysses S. Grant met on the battlefields of



Virginia to wage the most momentous and destructive military campaign ever on U.S. soil. A series of titanic clashes, the Overland Campaign would put each commander's skills and very character to the test, while deciding the outcome of the Civil War. Here are a few hard-fought leadership lessons from their epic face-off:

### - May 4-6, 1864: The Battle of the Wilderness -

The Union forces set out to turn the tables on their foe with a solid plan and a large, seasoned staff, which included General George Meade and his Army of the Potomac. Lee had a mere three officers to handle the myriad tasks of army command. Still, the Confederate general was determined to fight on his own terms: in the woods and lowlands. The Overland Campaign began with tragic mistakes on both sides. Grant's adherence to the plan, over the objections of corps commanders, led his troops directly to Lee's chosen battleground. Lee's reluctance to empower a larger staff wound up demoralizing his troops. By staying calm under fire and reassessing their crisis situations, both leaders prevailed to fight again.

**Leadership Lessons:** If you suffer an initial setback, take a deep breath and give your team some time to work it out. Don't let faulty assumptions continue to dominate your thinking.

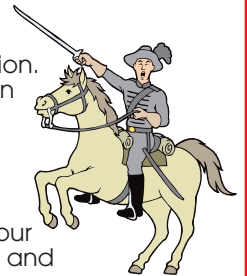
**- May 9-12, 1864: The Battle of Spotsylvania -** While the Battle of the Wilderness exposed both Lee and Grant to a kind of fighting new in its ferocity, Spotsylvania brought each man unexpected organizational challenges. Grant faced internal clashes, even among his high command of Generals George Meade and Philip Sheridan. Lee faced the reality of a severely wounded lieutenant, James Longstreet, and the politics of promotion. Ultimately, both commanders relied on a combination of direct orders and delegation to lead their changing armies.

**Leadership Lessons:** Leadership depends on clear understanding of your subordinates and of your own abilities and shortcomings. Flexibility is the cornerstone of effective leadership.

**- May 31-June 7, 1864: The Battle of Cold Harbor -** Fraught with communication failures and personnel problems, the Overland Campaign culminated with the North's surrender and heavy casualties on both sides. Grant's gravest mistake was underestimating the fighting power of Lee's army. The Union leader, however, kept a larger strategic truth in mind. Grant rebounded to move his entire force south of the James River and target the vital rail and industrial center at Petersburg where he ultimately won the war.

**Leadership Lessons:** Beware of overconfidence. Distinguish between reverse and defeat. If you truly believe in the rightness of your plan, stay the course.

Adapted from the book *Lee And Grant: Profiles in Leadership from the Battlefields of Virginia* written by U.S. Army Major Charles R. Bowery, Jr., and published by AMACOM.



# UTA's 2005 Business Partner Highlights

## National Truck Protection Dealer Co-Op Advertising Program for 2005

National Truck Protection, the largest independent used truck warranty provider in North America, renews its co-op advertising program with UTA. NTP provides standard warranty plans and has the ability to create custom warranty programs to fit your needs. They also perform trade term inspections, administer warranties for several engine and chassis OEMs - controlling repairs and costs.

Effective **January 1, 2005**, and continuing through **June 2005**, National Truck Protection (NTP) will offer your dealership an opportunity to earn monthly Co-Op advertising reimbursement of \$100.00.

### Qualifying Publications:

- American Trucker Magazine
- The Truck Paper

### Qualifying Advertisement Guidelines:

- Truck Dealers Only.
- You must be a member of the Used Truck Association.
- You must advertise the UTA logo in the advertisement's Masthead.
- You must advertise the NTP logo in the advertisement's Masthead.
- The advertisement must run for a full month in either publication.
- Your dealership must purchase a minimum of one NTP Engine Inspection each month.



- This offer is valid to one corporate store and not multiple locations.

### Reimbursement Procedures:

- Complete the UTA-NTP Co-Op reimbursement claim form.
  - Attach the actual advertisement to the form.
  - Attach a copy of the invoice for the qualifying ads from the publications.
  - Submit your Co-Op advertisement request monthly.
  - Send your complete reimbursement package to NTP, c/o Accounts Payable P.O. Box 126, Carlstadt, New Jersey 07072.

To receive a reimbursement form or ask questions please call Rick Clark at 800-950-3377 or email your questions to [rick.clark@ntparranty.com](mailto:rick.clark@ntparranty.com)

## Truck Blue Book Conference Registration Discount

The Truck Blue Book is offering a \$45 dollar savings to UTA members from the full registration fee for their June 16-18 Conference in Las Vegas at the Rio Hotel and Casino. The longest running used truck industry convention will provide you the opportunity to network, learn and grow your business. Learn more by visiting [www.usedtruckseminar.com](http://www.usedtruckseminar.com) or call 800.654.6776.

*Please note that partnerships do not constitute an endorsement of the products or services by the UTA. UTA benefits are not valid with any other offer unless specified by participating partner.*

## OEM Technology Highlight

### Better Fuel Economy, Every Trip.

Of all the fuel-saving devices available for trucks today, none is more efficient or effective than the person behind the wheel. The difference between today's worst and best drivers is as much as 30%! That's thousands of dollars per year. Cummins patented Load-Based Speed Control can help drivers achieve mpg targets.

Under low or intermediate power demands, LBSC gives the driver a performance incentive to up shift earlier in the rpm range. It "cues" the driver at the exact point where shifting is optimized, helping to lower average engine operating speeds. Engines consistently running at a lower rpm get higher fuel economy. They also run quieter and have a longer life-to-overhaul.

Load-Based Speed Control is integrated into the ISX and ISM engine's electronic control module (ECM), giving drivers the power needed to climb hills and pass slower-moving traffic while providing exceptional fuel economy in every other driving situation.



LBSC senses how much load the engine

is pulling and adjusts the engine rpm available (in all but the top two gears). For example: on the ISX engine, on a fully loaded run up a grade, it will increase the engine rpm limit to 2000 rpm, from the traditional 1800 rpm so drivers can utilize the full strength of the engine to get up to speed.

Load-Based Speed Control gives drivers full engine performance when any one of the following driving conditions exist:

- In the top two gears (speed may be limited by gear-down protection or maximum cruise control/road speed governor settings)
- During gear changes to ensure drivetrain synchronization
- In the Automatic or Drive mode of an automated/manual transmissions

To learn about all the feature and parameter settings available with your Cummins ISX or ISM engine, and to create a new spec that you can upload directly to your truck's ECM, visit [www.powerspec.cummins.com](http://www.powerspec.cummins.com).



## FILE CABINET

**Calculating tire FET.** A new Federal Excise Tax (FET) on medium and heavy truck tires was to go into effect on Jan. 1, 2005. Radial tires will be taxed at 9.45 cents for every 10 pounds over 3,500 pounds of load carrying capacity. Bias ply and wide-base tires will be taxed at 4.725 cents for every 10 pounds over 3,500 pounds of carrying capacity. This new tax calculation, according to government officials, will be "revenue neutral," meaning the overall amount of money the U.S. Treasury takes in will not change. The reason being: some tires will have a higher FET, but others will have a lower FET, resulting in a "neutral tax change."

**Web-based Peterbilt info.** Detailed truck schematics and parts lists are now available through the Internet with Peterbilt's TruckCare Web ECAT (electronic catalog). Replacing the CD-ROM version, Web ECAT cross references a truck's original chassis record with the PACCAR Parts catalog. Users can search and identify parts by keyword, part number and interactive visual diagrams. Additionally, wiring and air piping diagrams are included, as are alternate part selections if the part the vehicle was originally spec'd with is no longer produced. The system has information for all Peterbilt trucks built since 1978.

**An "International MAN collaboration."** Navistar International and MAN Nutzfahrzeuge of Germany will collaborate on design, development, sourcing and manufacturing of components and systems for commercial trucks, including a range of diesel engines. While both companies would not comment on specifics, International said it is exploring "opportunities to expand our International engine product line and to offer the value of integrated products for our customers."

**The best of Roadranger CD.** Available from Roadranger is a new four-disk CD set that neatly packages more than 400 Dana and Eaton product and service documents, providing customers with a comprehensive Roadranger product library. The CD set includes key information such as driver training,

lubrication tips, troubleshooting guidelines, illustrated parts lists and warranty information. Components and systems that are featured include axles, brakes, clutches, driveshafts, trailer suspensions, tire management products, manual and automated transmissions, service tools and collision warning systems. To order, call (888) 386-4636 or visit [www.roadranger.com](http://www.roadranger.com).



**Component Purchasing Rules.** The National Truck Equipment Assn. has published a paper recommending five rules for specifying commercial vehicles to maximize a fleet's return on its investment in new trucks:

1. Develop written specifications for complete vehicle applications.
2. Standardize components.
3. Do not automatically under- or over-spec.
4. Identify vehicle requirements up front based on job requirements.
5. Consider life cycle costs.

**"Most Wanted" Safety Improvements.** The National Transportation Safety Board (NTSB) says the Federal Government needs to be doing more to prevent accidents and enhance highway safety. At the same time, the agency released its latest list of "Most Wanted" safety improvements, a way for NTSB to focus attention on needed safety improvements in all modes of transportation. Some highlights of the list:

- Motor carrier operations - Recommendations call for changes in fitness rating procedures to prevent motor carriers from operating if they put vehicles with mechanical problems on the road or unqualified drivers behind the wheel.
- Medically-unqualified drivers - Recommendations seek to eliminate flaws that exist in the process of medically certifying commercial vehicle drivers.

## The UTA Wishes ALL A Happy, Healthy AND Successful New Year



### Can you have too many lights on your rig?

No, this "pimped up ride" with its 10,000 lights was a roadside Christmas gift to all the I-35 travelers from Best Used Trucks, Ft. Worth, TX.

## President's Message... (Continued from page 1)

with building UTA membership. We believe he will produce the same results with this new assignment.

Craig Kendall replaces Ethan at the helm of the membership committee and is already contacting all members requesting help with signing new members. He is very excited about his position and believes together we can be at 1000 by this November. Please respond to him and keep the excitement going.

There are many obstacles, be they within this association, our personal or work lives, that will stand in the way of reaching the UTA's goals in this New Year. However, staying focused and moving forward will produce positive rewards. Remember the words of Hannah More who said: "Obstacles are those frightful things you see when you take your eyes off the goal."

-- Eddie Walker  
UTA President

## Used Truck Optimism

2004 proved to be a very positive year for used truck dealers and the used commercial truck market. Values held consistent with little deterioration due to tight used truck inventories, limited availability to low mileage trucks, freight capacity utilization remaining high and an ever increasing back order of new trucks. Great relief of any of these pressures is unlikely for the first half of 2005 therefore optimism and used truck values should remain strong.

The members of the Truck Blue Book Advisory Council at the 29th Annual Workshop meeting held October 3-6 in Park City, Utah shared this optimism. The Council is comprised of leading used truck professionals representing truck manufacturers, franchised and independent dealers, financing and auction companies and component manufacturers. Selection to the Blue Book Advisory Council is by invitation and each members continued participation is reviewed annually. To maintain a position, members must meet a standard set of yearly requirements.

Over the course of the 2004 Advisory Council Workshop, all of the market charts presented, from 11,000 GVW tilt cabs to owner-operator highway tractors, were positive with a few recommending an upward adjustment of values. The dealer attendees expressed a strong need to acquire equipment to maintain an inventory balance, in fact, for the first time in the four years I have hosted the Advisory Workshop, cabover tractors were even in demand.

While the over all used market mood is positive, Christopher Brady, of Commercial Motor Vehicle Consulting, presented a note of caution in November during his economic presentation at the Used Truck Association convention. Brady said a stumbling block to the current positive economic trend is the 2004 holiday buying season. After a fairly bullish year, a few red flags have risen; three months of declining consumer confidence, a soft labor market, worry about job stability, concern over pay increases and the ongoing high cost of energy.

Though inventories are tight if consumer spending is less than expected, the impact on trucking is somewhat immediate, Brady pointed out, as inventories in the entire supply chain process will build until an inventory correction occurs. There will be a decline in the shipment of raw goods to manufacture new products, decline in shipping finishing goods to resellers, decline of freight moving out of ports and so on. While Brady does not believe an economic fall off will occur with poor holiday spending, the moderate growth he predicts for 2005 could become sluggish.

In light of the good news and expert economic forecasts as the Truck Blue Book prepares its January 2005 data, a modest drop in value for three-year-old

tractors is expected in the first quarter versus a value of a three-year-old tractor in January 2004.

If the current business cycle holds, even with moderate growth, 2005 should sustain used truck values. The truck manufacturers did not ramp up capacity as in the past, so a flood of used trucks is unlikely. Three year old trades or newer could be less plentiful as in the past as a number of fleets held on to 2000 model year equipment to delay accepting new emissions technology. If this results in the average age of used inventory increasing, it will only strengthen newer model year values, while possibly hurting later model years with a possible over supply of high mileage trucks. As with all things, it will play out and, should the experts have been wrong, I am sure there will be a good reason; just ask them.



*Terry Williams  
UTA Board Member  
The Truck Blue Book  
Phone: (913) 967-7507  
Email: [twilliams@primediabusiness.com](mailto:twilliams@primediabusiness.com)*

## UTA Promotional Merchandise Available

The Used Truck Association introduced our initial promotional merchandise at the 5th Annual



Convention in Scottsdale, AZ. If you missed the convention or did not have the cash on hand, please visit [uta.org](http://uta.org) to review all the premium products available.

"Promotional merchandise has a two-fold benefit for the UTA; first, it expands the awareness of the association in the industry, and second, it will raise money for the UTA endowment fund", explained UTA marketing committee chair, Terry Williams. The catalog offers quality drinkware, pens, tools and wearables such as Tehama golf polos, a company in part owned by Clint Eastwood and sold at the finest golf courses throughout the country.

To review the catalog visit [www.uta.org](http://www.uta.org) or to receive the catalog contact the UTA's order fulfillment company, Promark Midwest, at (800) 523-7516 or call the UTA at (913) 967-7507 or email [terry@uta.org](mailto:terry@uta.org).



**MARK YOUR CALENDARS FOR...**

## **UTA Professional Education Opportunities**



### **Professional Used Truck Management**

**Who:** Managers having used truck responsibility and management candidates.

**What:** Focus is on developing sales and marketing, inventory control, employees.

**When & Where:** Feb. 16-18, 2005, Houston, TX.

**Why:** To learn techniques for increasing sales, profits, turns; lowering costs; improving employee performance.

**How Much:** UTA Members - \$615.50; Nonmembers - \$680.00.

**To Register or for Additional Information:** phone the HDMA Academy at (336) 643-1961; e-mail [HDMAinc@earthlink.net](mailto:HDMAinc@earthlink.net); visit: [www.UTA.org](http://www.UTA.org) or [www.hdmainc.com](http://www.hdmainc.com).



## **2005 UTA Convention**

**November 2-5, 2005 • Savannah, GA  
Hyatt Regency**

### **- Quintessential Quote -**

"What I do today is important because I am exchanging a day of my life for it." - *Thomas Simmons.*