



INDUSTRY WATCH

Volume 3, Issue 12

Contact UTA @ 1-877-GETS-UTA or www.uta.org

December 2002/January 2003

President's Message...

Our fourth annual convention has come and gone, the year 2002 has sped to a close. The holiday season set into motion a time of **thankfulness, appreciation, giving** and **sharing**. 2002 was a good year for the UTA, me personally, my business and my family.

The UTA just closed one of its best years, thanks to each one of you and a working board that wouldn't give up. Many, many hours went into accomplishing the challenges we faced.

Not only do we appreciate you, but we appreciate the owners and heads of the companies that some of you work for who make it possible for you to spend time on UTA matters.

The UTA as a group and a national association has come a long way. Coming together is a beginning, keeping together is progress, and working together is success. We can all enjoy feeling a little of the success we have achieved.

I give thanks to God for my health and happiness. I am blessed with a loving wife, children and many friends that make my life's journey so enjoyable.

Thanks to many of my friends who continue to make my business flourish. Without you, I could not have been able to be successful and meet the challenges in the marketplace today. The industry demands today are so strong; I could not imagine facing them without the support of the friends whom I've made over the years. True friends represent the most valuable possession a person can have. No one is rich enough to do without a friend. For mine, I give thanks.

I must give thanks to Dianne, my wife, and my entire family. Having their support has been priceless. There is no equal to a loving family.

In reading *The Finishing Touch*, Charles Swindoll writes: "In case you're still a few gifts short on your gift list, here are some timeless ideas that won't cost you anything (except, perhaps, a bit of pride):

- Patch up a quarrel.
- Find a forgotten friend.
- Write an overdue love note.
- Keep a promise.
- Release a grudge.
- Lessen your demands on others.
- Apologize.
- Point out the one thing you appreciate most about someone you work with or live near."

I look forward to a bigger, better and more rewarding 2003.

Remember, now and then, it's good to pause in our **pursuit** of happiness and just be **happy**.

— Eddie Walker
UTA President



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SHARE YOUR NEWS

UTA Industry Watch is published monthly. Submissions, ideas and comments are most welcome.

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*We Hope You Enjoyed
A Wonderful Holiday Season.
Best Wishes for a
Happy, Healthy,
Prosperous
New Year*

from
the UTA Governing Body

BOARD NEWS & VIEWS

Engines of Today; Problems of Tomorrow?

What will today's October 1st diesel engine bring as far as problems for the second owner in the future? Over the last 20 years engine manufacturers have struggled to increase fuel economy and meet EPA emissions. Let's look back at some of the incidents that have occurred.

Consider 1979 when "Big Cam" engines came out. The new camshaft design made sense by increasing the diameter of the camshaft from 2 inches to 2.5 inches. Seems simple, however if you change the camshaft size you have to change the cylinder block. The research and development of this product went into the millions of dollars. What no one counted on was the pressure on the injector camshaft lobes.

Another incident was not long ago the federal government had all asbestos removed from the cylinder head gaskets on all engines. With asbestos removed not one engine manufacturer was able to keep a head gasket on their engine long term. The new gaskets are not as forgiving as their asbestos predecessors.

In 1986 the electronic engine was born, complete with engine control modules and electronic injectors. Today electronic injectors are the single most common type of failure. A single injector can cost from \$280 to \$444, not including labor for diagnoses, removal and installation.

Look how far the electronic engine has come since 1986. We have 11-liter engines producing more torque than the mechanical Cummins KT 450 or the Caterpillar 3408 diesel engine. The electronic engine's fuel economy, horsepower and engine response are much greater than its mechanical older brother's.

Well, October 1st has come and gone and there is a whole new breed of diesel engines running up and down our highways. The first-time owner will feel the pain of "downtime" when these engines experience premature failures. But they won't feel the pain of the repair bill because they are under the engine manufacturer's warranty coverage. It will be the second owner who will experience the real pain of "downtime" and the repair bill. Engines of today, problems of tomorrow.

— Vince Anselmo
UTA Board Member
National Truck Protection

Business Cycle Follies

Why is there a business cycle? Someone once noted that people could tolerate any condition except the possibility of one. This one condition is: prolonged periods of prosperity. Incredulous as it seems, this observation contains more than just a kernel of truth, and helps to explain where we are in our current business cycle.

When the economy starts to recover from a stiff downturn, people are understandably doubtful about the tenacity of the young expansion. They hold back on their discretionary spending and their use of debt. As the upswing continues to gather force, people tend to become less risk averse. You might say that the greed factor becomes more prevalent.

As the upturn ages, people become more confident and think that the expansion will last indefinitely. (This has a similar ring to peoples' attitudes towards real estate today.) Businesspeople take on more debt to leverage their profit margins.

The consumer will also be increasing their debt burdens to finance their growing consumption habit. This increased confidence of consumers is also reflected in their disregard of saving. Soon a point of no return is reached where the cost of servicing the debt is growing faster than consumers' income. This scenario also holds true for over-indebted businesses.

Now the expansion starts to stall because businesses and consumers cannot sustain this level of credit expansion. A period of credit liquidation ensues and a new downturn begins. The severity of the downturn depends on several factors. These include the oversupply of goods and services, the level of debt buildup, and government economic policies (namely tax and trade policies).

The business cycle will always be with us. You might say it is the result of the genetic make-up of mortals. No government policy or regulation can abolish it.

For argument purposes, let's say it is possible to eliminate the business cycle. Then the question is: What is the price to be paid. What price you ask? Yes, there is always a price because the cardinal law of economics is: There is no such thing as a free lunch.

The price paid is lost opportunities and slower long-term economic growth. Downturns, recessions as they are called, have a beneficial purpose. Their purpose is to provide renewed liquidity to the business system. Think of it as the catharsis of the economic system.

Recessions cleanse the system of marginal companies and transfer their resources to stronger more productive enterprises. They also force consumers to start saving more to pay-off some of their massive debts they have accumulated during the expansion. This sets the stage for the next upward expansion. Without recessions there would be stagnation.

Recessions can be painful for most, but a time of great opportunity for some. Downturns provide the opportunities for those clever individuals, who have the wherewithal (the liquidity), to purchase assets on the cheap. These assets are then transferred into more productive hands, and the economy benefits.

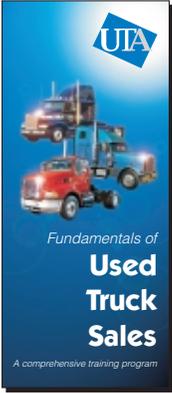
No matter how many rules or laws politicians put in place, the business cycle is here to stay. Your goal is to take advantage of swings in the cycle to gain market share.

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Fundamentals of Used Truck Sales

January 13 - 16, 2003

Tampa, FL



This UTA training course is designed to assist inexperienced used truck sales representatives in developing the skills and knowledge necessary to successfully handle complete sales transactions independently.

To register, or for additional information, contact Heavy Duty Marketing Associates (HDMA) at 1-866-454-4362.

MARK YOUR CALENDAR

NOVEMBER 2003						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

4th Annual
UTA CONVENTION
November 6-8, 2003
Palm Coast Golf Resort,
Palm Coast, Florida

Coming in the January newsletter...

Report on the
UTA's Third Annual Convention

- Quintessential Quote -

"Treat people as if they were what they ought to be and you help them to become what they are capable of being."
Johanna Wolfgang Von Goth, German poet and dramatist