

UTA INDUSTRY WATCH

Volume 7, Issue 6

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

June 2005

President's Message...



The *Truck Blue Book* is conducting its 23rd Annual Conference in Las Vegas June 16-18. I will be attending, and I look forward to seeing many of you there. I am also looking forward to the workshops.

Reflecting back over the years, a lot of relationships have been started at these *Truck Blue Book* meetings. Networking and education were the top priorities when Marvin Gordon started these conferences. He believed in

bringing used truck people together and giving them the opportunity to take home with them something that could better their business, increase their talents or just make their jobs easier. During his years at the helm, he did just that. We all miss him and profit now by his contributions to the industry.

Today, we enjoy the modern day version of the same theory that Marvin had years ago. Completely new faces, but his same goals in mind are at the forefront of *Blue Book* meetings: bring used truck people together, give them the opportunity to network and to take something home that makes their lives better.

Terry Williams and his staff are doing just that also. They are truly carrying on the tradition. If you haven't checked out the agenda, you should do so and plan to attend. Terry always makes a special effort to make your pain of traveling and being away from the office rewarding. You will not be sorry you attended.

On another matter: How high does fuel have to get before

we see a drop off in new and used truck sales? I don't have a clue and I'm not sure anyone else does either. I know we all are enjoying the sales we have. All indications show truck sales will stay pretty steady throughout this year. Higher mileage trucks remain a challenge but used truck warranties continue to help sell these trucks.

Wouldn't it be sensible for the politicians on the federal and state level to include used truck dealers in the planning and implementation of replacing the older trucks with newer, cleaner-burning models? If their goal is to take these trucks off the highways and cut them up, who else is better qualified than the people already doing it? If you're not involved or educated with these programs, find out about them as there are some sales to be made. I just wished the used truck dealers were included. *Transport Topics* did a good article on this in their May 2nd issue.

Don't forget to make your plans to attend the UTA Convention in November. It is coming together really well. All indications show it will be our best and highest attended.

A special thanks to the convention committee, Sue Dorso and the other members who are committed to bringing you a terrific convention.

I would also like to say THANKS to our many sponsors. If it weren't for them, all our efforts wouldn't be enough. I can assure you, we wouldn't have more than \$47,000 in our endowment fund, nor could we enjoy our annual conventions as well as we have. We support our sponsors and we thank them for supporting us. Remember, "Some days there won't be a song in your heart. Sing anyway." Emory Austin

-- Eddie Walker
UTA President

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How are **YOU** supporting the UTA?

GOT NEWS?

Expanding a business? Promoting staff? Won an award? Opening a new location? Share your news with the *UTA Industry Watch*. Send submissions, as well as ideas and comments, to:

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Analysis of Used Truck and Trailer Market Fundamentals

By Chris Brady, Commercial Motor Vehicle Consulting

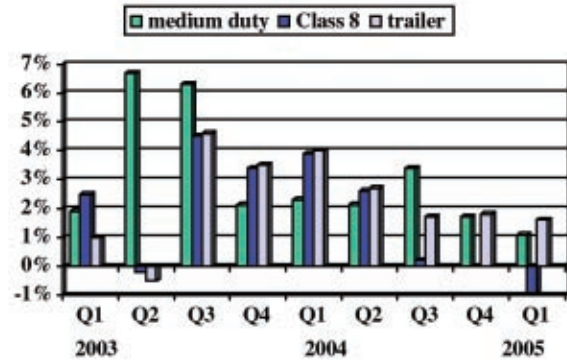
The upward trend in utilization of the medium and heavy truck and trailer populations is decelerating as shipment growth moderates, while fleet capacity expansion accelerates. Over the next several months, this will not cause fleets to adjust truck and trailer investment plans, since truck and trailer utilization remains at very high levels requiring expansion in capacity to meet higher freight volumes. In addition, the average age of a Class 8 truck and trailer implies fleets need to replace older trucks that can no longer meet the economic requirements of the operating environment due to high maintenance costs. Used truck fleets are in the process of making their operations more efficient by reducing the average age of a Class 8 truck and trailer in their fleet. The average age of a medium duty truck is not at a level to stimulate used truck demand. Medium duty truck sales are slowly gaining momentum due to higher business sales and fleets returning to normal trade cycles due to improving business profits.

The deceleration in the growth rate of truck and trailer utilization will cause used truck and trailer demand to stabilize at a high level in roughly six months, if shipment growth remains moderate. Truck and trailer capacity is expanding roughly at the rate of freight volumes, which will cause used truck and trailer demand to stabilize at high levels. If truck and trailer capacity expanded at stronger growth rates than shipment volumes for an extended period of time, more than six months, lower truck and trailer utilization would cause fleets to substantially adjust investment plans. Class 8 fleet capacity utilization decreased by 0.9% seasonally adjusted annual rate in the first quarter, however, fleets have maintained investment plans, since the decline was slight and truck utilization remains at high levels. In addition, Class 8 maintenance expenses continue to spur fleets to replace aging trucks that can no longer meet the economic requirements of the operating environments.

If shipment volumes continue to expand at moderate growth rates, fleet capacity will expand at roughly the growth rate of freight volumes and used Class 8 truck demand will peak in roughly six months, but will remain at high levels. Used Class 8 truck demand will continue to increase over the next six months as capacity comes in equilibrium with freight volumes, since fleets are replacing older inefficient trucks that can no longer meet the economic requirements of the operating environment. Demand for medium duty trucks will continue to trend upward, but at a slower rate, as

Change in Truck and Trailer Utilization seasonally adjusted annual rate

Source: CMVC



moderate growth in business sales causes used truck fleets to slow growth in truck capacity.

The supply of trucks and trailers entering the used market is expanding, as OEMs are increasing new truck and trailer output, which is allowing new truck owners to increase their trade cycles. For example, in the first quarter of 2005, Werner Enterprises reported gains on sales of equipment (truck sales prices minus appreciated value) of \$4.5 million from \$1.6 million a year earlier. Werner Enterprises reported the gain in income was largely due to an increase in the volume of trucks sold.

The increase in supply of Class 8 trucks entering the used market will not cause a decrease in used truck prices, since used truck demand is strong. Low Class 8 sales in 2001, 2002 and 2003 implies a relatively low supply of low mileage tractors in relation to used tractor demand. This imbalance between supply and demand will support used truck prices.

In conclusion, the upward trend in demand for trucks and trailers is predicted to moderate over the next six months, as fleet capacity is slowly coming in equilibrium with shipment volumes. Demand for medium and heavy duty trucks and trailers will remain at high levels, since used truck fleets need to expand capacity to meet higher freight volumes. The supply of used Class 8 trucks will remain relatively low in relationship to demand, which will keep used truck prices at relatively high levels. The supply of medium duty trucks will remain relatively in balance with demand, but the risk is on the upside since medium duty truck demand will continue to increase. Trailer prices will remain relatively stable as demand peaks six months from now, but demand will remain at high levels and supply should remain relatively stable as well.

UTA Fundamentals of Used Truck Sales Graduates

The graduates of the April 2005 session of the UTA's Fundamentals of Used Truck Sales program, conducted in Atlanta, GA, are pictured here. From left to right:

Front Row - John Bowyer, Olson & Johnson; Matt Warren, Jordan Truck Sales; Chris St. John, KCR International; Gloria Zaunbrecher, Lingo International; Dustin Jordan, Jordan Truck Sales.

Second Row - Nathan Gordon, Nalley Motor Trucks; Andy Willerton, Custom Trucks; Matt Ordiway, Wieland International; Dennis Adamson, MHC Trucks; Serena Tabak, Freightliner South Florida; Bill Stuart, Truck & Equipment Sales KC; Marlo Rubio, Jordan Truck Sales.

Third Row - Janne Surbonovski, Hallahan Truck Sales; Doug Griffin, TRL Fleet Sales; Bob McKelvey, Roberts Truck Sales; Jim Howell, Wieland International; John Wilson, Wieland International; Steve Tavoni, SelecTrucks of Delaware; Brian Rodgers, Diamond International; Peter Deutsch, SelecTrucks Grand Rapids; Chris Sanchez, Lakeside International.



These salespeople have joined the ranks of the hundreds of other used truck sales representatives who graduated from this program. Designed specifically for new or inexperienced sales representatives or candidates for sales positions, it covers instruction on trucks and their components, performance calculations, basic prospecting, the truck sales process, financing, goal setting and time management. The UTA wishes the latest graduates good luck and much success in their careers.

INDUSTRY NEWS BRIEFS

FedEx Express will add up to 75 hybrid diesel-electric delivery trucks to its service fleet over the next year. The trucks, which use a hybrid drive system developed by Eaton Corp., have decreased particulate emissions and reportedly travel 57% farther on a gallon of fuel than a conventional FedEx diesel delivery truck.

Goodyear's Wingfoot Commercial Tire Systems is taking over operation of the Pilot Truck Care Centers, offering new and retread tires, as well as limited repair and maintenance services and roadside assistance. The centers, at Pilot Travel Centers, are at eight locations in five states but Goodyear plans to expand the service network.

Grote Industries has formed a joint venture with European lighting company Rinder Group of Spain. The new company, called Luxi, will be headquartered in Guernica, Spain, and Madison, IN, and will provide product in forward lighting, signal lighting, work lights, harness systems and vehicle safety accessories.

Haldex and **SKF** have joined forces to develop an advanced wheel end system for commercial vehicles,

trucks, buses and trailers. The system will be based on Haldex's new generation of disc brakes with a fixed caliper dual disc concept and SKF's truck hub, bearing and sealing technology. The integrated system will be more compact and efficient with improved safety and performance.



Hino has opened its new 100,000-square foot national parts distribution center in Southaven, MS.

National Truck Protection (NTP) has added to their menu of engine warranties the EPA 2002 certified engine models. These include the Caterpillar ACERT, Cummins, Detroit Diesel, Mack, Mercedes Benz and Volvo engine products. The warranties are available in both NTP's Gold and Platinum programs, regardless of age or mileage of the used vehicle. NTP has added a second year of major component coverage options to the Cummins ISX series engines. Buyers of previously owned vehicles can protect their used truck engine for 12 or 24 months or up to 200,000 miles.

UTA Promotional Merchandise Available

Show your pride in membership with Used Truck Association promotional merchandise!



wearables such as Tehama golf polo's.

The UTA Merchandise is also perfect for employee rewards or for sales contest prizes. The catalog offers quality drinkware, pens, tools and

Promotional merchandise expands the awareness of our association in the industry, and raises money for the UTA endowment fund.

Review the catalog visit 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 (800) 827-7468.



UTA 6th Annual Convention



**Hyatt Regency
Savannah, Georgia
Nov. 2-5, 2005**

RESERVE YOUR SPACE FOR THE SPONSOR PRESENTATIONS AND INFORMATIONAL CENTER NOW!

These are the companies that have already committed to the convention's sponsor presentations and informational center:

Presenters

American Trucker
Arrow Truck Sales
Caterpillar
Eaton/Dana Roadranger Field Marketing
Fastline Publications
Peterbilt Motors Company
Truck Paper

Informational Center

American Trucker
ATD/N.A.D.A. *Commercial Truck Guide*
Arrow Truck Sales
Caterpillar
Cobalt Finance
Eaton/Dana Roadranger Field Marketing
Fastline Publications
My Little Salesman
R. L. Polk & Co.
Truck Blue Book
Truck Paper

Reserve your space now. Contact Sue Dorso at 941-492-2429.

UPDATED SPONSOR LIST

As of May 6th the following companies have stepped up to the plate and made a commitment to this year's convention.

American Trucker
Arrow Truck Sales
ATD/N.A.D.A. *Commercial Truck Guide*
Best Used Trucks
CAG Truck Capital
Caterpillar
Cobalt Finance
Cummins
Detroit Diesel Corporation
Eaton/Dana Roadranger Field Marketing
Equipment Data Corp.
Fastline Publications
Fort Wayne Vehicle Auction
Fort Worth Vehicle Auction

Freightliner Market Development Corp.
Heavy Duty Marketing Associates
HTAEW.com
Highline Capital Transportation
International Truck & Engine Corp.
Intersafe
Mack Trucks
My Little Salesman
National Auto Research - *Black Book*
National Truck Protection
Oneway Trailers.Com
Overland Truck Sales
Penske Truck Leasing
Peterbilt Motors Company
Premium 2000 Plus Warranties
R.L. Polk & Co.
Ritchie Bros. Auctioneers
SOARR/Interstate Online Software
Truck Market News
Truck Paper
Utility Trailer Sales of Dallas
Volvo Truck North America
Wholesale Trucks of America



Charity Golf Sponsors

Best Used Trucks
Best Used Trucks of Kansas City
Champion Truck & Trailer
Chicago Mack Sales & Service
General GMC Trucks
HTAEW.com
Interstate 65 Truck Sales
Premium 2000 Plus Warranties
Truck Blue Book
Truck Paper
Volvo Trucks North America
While this list is impressive, we still need more sponsors to make this year's convention the BEST yet! Contact Sue Dorso at 941-492-2429 for sponsorship information.

UTA Convention News

Speaker Highlight: Stephen Latin-Kasper An Economic Forecast

One of the featured speakers at the UTA's upcoming convention is Stephen Latin-Kasper, director of market data and research for the National Truck Equipment Association (NTEA). He will provide an economic forecast for next year.



Stephen Latin-Kasper

Latin-Kasper started his career at the U.S. Department of Commerce, Bureau of the Census, as an economic statistician. In 1981, he joined the Peace Corps to gain experience in his academic field of specialization, development economics. He worked for the Republic of the Marshall Islands government as an economic development advisor. Upon returning to the United States, he became the economist and statistical services manager for the National Fluid Power Association. He joined the NTEA in 1999.

Latin-Kasper has been quoted in, and written articles for, numerous trade magazines and newspapers. He was appointed to the University of Wisconsin, Whitewater's Economics Department Advisory Board in 1998. He was appointed to the Industrial Trade Advisory Committee for Capital Equipment (U.S. Department of Commerce, International Trade Administration) in 1999. He has been on the staff of Milwaukee Area Technical College, teaching economics since 1991. He is a member of the National Association for Business Economics where he has served as the Chairman of the Corporate Planning Roundtable.

UTA Accepting Nominations for the Marvin Gordon Lifetime Achievement Award

Each year, at the annual convention, the UTA honors a used truck industry leader with the UTA/Marvin F. Gordon Lifetime Achievement. The award recognizes a person's contributions to the used truck industry, as well as their community.

The UTA is currently accepting nominations for this prestigious award, and soon you will receive a nomination form in the mail. Nominations are open to anyone in the used truck industry. The nominee need not be a member or past member of the Used Truck Association.

What's more, anyone can nominate someone who they believe is worthy of being honored with this award.

If you would like to nominate someone return the form you will receive shortly or go to the UTA website at www.uta.org to obtain a nomination form, as well as instructions on submitting the nomination.

Used Truck Dealers '20 Group' Under Consideration

The Used Truck Association is trying to organize a 20 Group among independent used truck dealers, similar to the one's NADA provides for new truck dealers. NADA's 20 Group program is a huge success and provides tremendous insight into a business model that would fit for a used truck operation. It allows members to exchange data, discuss opportunities, share information, and consequently, build a stronger dealership.

Not all used truck dealers have a service department, so the idea is to eventually have two UTA 20 Groups: those with service departments, and those without.

To begin, the UTA's vision is to have dealers with service departments to either stay one half day longer after our convention or arrive one half day earlier to have their 20 Group meeting. Paul Spokas of Heavy Duty Marketing Associates came up with this idea. He and his organization would manage the UTA's 20 Groups.

The UTA believes that the many products, benefits, savings and additional profit margins that would result from the 20 Group program would more than underwrite the cost of the program.

The 20 Group would meet three times per year. The groups would decide where and when they meet. They would evaluate their own and one another's operations, working to improve both. A full non-disclosure agreement would be signed by all that participate.

The annual fee to participate, based on 12 minimum sign-ups, would be \$2995 each.

We are asking for your feedback and interest level. Please contact Al Hess, UTA vice president, at (800) 705-4008. The UTA needs your input to determine if it should move forward with this project.

FILE CABINET

Braking rules delayed. Once again, the National Highway Traffic Safety Admin. has postponed its revised heavy-duty truck stopping-distance rule. It now plans to release its proposed rule - expected to cut the required stopping distance by 30% - by the fall.



Easy Roadranger Info. Roadranger's 2005 *Drivetrain Specification Guide* is organized into sections for medium and heavy duty applications for quick and easy reference on product applications for Dana and Eaton products, including axles, brakes, transmissions, clutches, driveshafts, trailer suspensions and collision warning systems. It also provides information on Roadranger service and support. (800) 826-4357

What's the cost per mile? A study by the Heavy Duty Manufacturers Assn., *Heavy Duty Truck Maintenance in the U.S.A. 2005*, found the following averages in per-mile maintenance costs: owner-operators, 25 cents; construction fleets, 20 cents; commercial carriers, 16 cents; private fleets, 15 cents;

(Continued on page 10)

Tidying Up a Long Career in the Truck Business



Jim Sundy

Do you remember your first day or week selling trucks? For me, it seems like only yesterday, but it was a lifetime ago. Thinking back, my mind goes from one image to the next, and there are a lot of them. Where have all the years gone? Where have all the people gone who played a part in my life.

My first day as a truck salesman was like no other day. I should qualify that by saying only one other day was as educational. That was my arrival at Paris Island Marine Recruit Depot. I joined the Marines at the tender age of 16. Obviously, a lot of education was in order, and I never regret this choice of "schooling."

Comparing these two first days is very enlightening, if somewhat bazaar. The Marine Corp. broke me down and put me back together the way it wanted me. The truck business pretty much did the same, but it took more mental discipline to absorb the ins and outs of the truck world.

It is a different world, this truck business. Once you enter it everything changes in its importance. Some people say this is a simple business of buying and selling. Not so! For example, how many deals have you lost because of the inability to get your customer financed?

Very few things can be as upsetting. After days or even weeks of preparation and selling, an account turns out to be un-creditworthy. Devastating, sure, but it is just a part of our business. But, this understanding doesn't come simply. Like so many other aspects of our business, they can only be recognized after you have been there, gone through it and made the mistakes.

One of my first credit mistakes occurred when a customer came in and picked out the highest priced tractor on the lot. He wanted to finance the truck, so he filled out a credit application, and it looked good to me. Two days later, I was getting ready to go to the bank and earn my commission, when the finance company turned him down. After sending the application to two other lenders with the same results, I decided it was time to cut my losses and go onto the next deal.

This turned-down customer showed up that afternoon, pretty upset with the news of his credit rejection. Mind you, this was in the days when salespeople handled getting a truck financed with no F&I. My prospect got in his car and drove off along with my commission.

Returning later that day, he walked slowly into the office. I figured the only reason he could be returning after what he had been told was to whip my butt. With less than a friendly look on his face, he asked how much the drive-out price on the truck was. I pulled the buyer's order and handed it to him. He said in a low voice that he had not been able to get credit for the last 20 years but figured he tried me on for size, since he had never bought anything from our dealership.

The man owned five rigs along with 2,000 acres of land about 80 miles from our location. The bank had him tied

up but would give him any amount of money he wanted to operate on. The bank was not about to let anyone else get into one of its prize accounts.

He wrote a check for the full amount of the truck and told me he would be back in the morning to pick up the truck, as the check should clear by then. He became one of my close friends. He purchased two or more tractors from me every year. He retired four years ago. Another lesson learned the hard way. Part of my continuing education.

One of the important things I have learned during my many years in this business is that you can never get enough education, and you should never stop learning. The individuals that have helped me with my education are many. They know who they are and I thank them mentally everyday.

Think how much our education could have been shortened if we had listened to what others were teaching us and had taken seriously what we had heard. Like most people, I dismissed what I heard and had to experience the mistake before the lesson was learned.

My education continued in full swing as I moved into management. And one of the lessons I learned was that being a manager doesn't mean you necessarily know how to hire. Let me explain.

A salesman for another dealership caught my eye. He worked hard and did a good job. So, I created a plan to hire him for our dealership, starting with outlining the advantage of working for us. He was receptive so I moved on.

A couple of nights later, I took him to dinner and got him more interested in coming to work for our dealership. Afterward, we went to my office to continue our discussions.

Thinking he was ready to make the move, I turned our conversation to money. Since he would not give me a salary, I asked him how much money it would take for him to live each month. He dropped his eyes to the floor. After a lengthy pause he looked me in the eye and said: "Mr. Jim, I don't know. I have never made that much money." What do you say to that?

The bottom line to all this is that I enjoy being able to help people who are learning our profession.

I will close with this. The great thing is to last, get the work done, and see, hear, learn and understand.

*Jim Sundy
UTA Board Member
Nalley Motor Trucks
jsundy@nalleytrucks.com
(404) 622-1921*

Getting More From Your Inbound Sales Calls

Your dealership is likely spending thousands of dollars to get a shot at those truck buyers that rely on trade papers and the Internet as their primary truck-shopping tool. Advertising alone, however, doesn't sell trucks; it only makes the phone ring. Once it rings, it's all up to you.

In 1999, a very successful truck salesperson told me that his primary objective when handling a telephone "up" was: "To stand out from all the other salespeople the prospect will talk to today." He recognized that most prospects talk to 8 to 10 different salespeople before they physically look at a truck. So, he felt his job was to differentiate himself from his competition through what he said and did. He wanted his prospects to remember who he is, and see the value of working with him over anyone else.

His plan was based around a couple of key concepts. First, to focus on customer needs. Some sales reps fall into the trap of focusing on the truck the prospect calls about. Keep in mind, that truck is just an indicator of what the prospect wants or needs in his next truck.

Second, find a way to do something for the prospect. By way of example, returning a call or emailing inventory spec sheets, then following up exactly when you said you would. This demonstrates that you're different from competition; you actually do what you say you'll do - reliability.

How else can you get the customer to recognize your interest in them? The best way is to be genuinely interested. For example, let's dissect a typical telephone "up." Callers often start by telling the salesperson which truck they're calling about, then will ask for more information and then want to know "your best price."

Respond differently. Back up. Say: "My name is Paul, may I have your first name?" Most people don't have a problem with giving someone their first name. This slows the caller down and opens the door to "making a friend." Given a choice, people buy from people they like.

Once you have their name, begin using it in your conversation. You should know where to go from here. Make sure you get their telephone number. Some salespeople like to say: "Just in case we get cut off, may I have your phone number?" Or: "I usually need to send my callers more information. So I don't forget later, may I have your phone, fax and email address?"

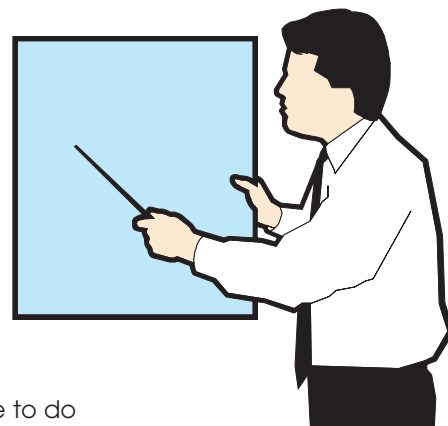
Find out where they're calling from, if they've ever bought a truck from your dealership, have they been working with someone at your dealership, what kind of truck(s) they currently own, how are their trucks spec'd, what do they do with their trucks, what's their anticipated price or payment range, how long have they been shopping, and are they adding or replacing trucks? You're in control now, and it's going in the right direction.

Once you've got the answers, you're in a position to ask three really good questions. First: "What is there about the truck or our ad that prompted you to call us today?"

Second: "What do you want to accomplish today?" Third: "If you were me, what would you want me to do next?" These questions demonstrate genuine interest, and their answers usually tell you exactly what you need to do to move forward.

Reread these suggestions and mentally practice them. When you're comfortable, try using them on your next inbound sales call. I think you'll be pleased with the response and results you'll get.

-- Paul Spokas, Heavy Duty Marketing Associates



UTA Professional Education

Fundamentals of Used Truck Sales:

Who: New or inexperienced used truck sales reps and sales rep candidates

What: Learn trucks, components, performance calculations, basic prospecting, sales process, financing, goal setting & time management

Where: Kansas City, MO

When: August 9-12, 2005

Why: Shorten the learning curve, increase performance, increase employee satisfaction, & reduce turnover

How much: UTA Members \$721.50 & Nonmembers \$791.00

Professional Used Truck Management:

Who: Managers having used truck responsibility and Management Candidates

What: Focus is on developing sales & marketing, inventory control & employees

Where: Baltimore, MD

When: October 5-7, 2005

Why: Increase sales, profits, & turns. Lower costs & improve employee performance

How much: UTA Members \$615.50 & Nonmembers \$680.00

Professional Used Truck Selling Skills:

Who: Anyone engaged in selling used trucks

What: Building Relationships, Qualifying, Selecting & Presenting, Handling Sales Overcoming Objections, Negotiating, and Closing

Where: San Antonio, TX

When: November 17-18, 2005

Why: Sell and deliver one more truck per month - every month, and Increase Gross Profits by 10%

How much: UTA Members \$385.50 & Nonmembers \$425.00

Want to Register? Obtain more information?

Go to: www.UTA.org or www.hdmainc.com

Call the: HDMA Academy (336) 643-1961



2007 Emissions Update

Diesel engine manufacturers say they are ready to meet the U.S. Environmental Protection Agency's more stringent 2007 emissions standards for on-highway diesel engines. These regulations require that both particulate matter and oxides of nitrogen (NOx) emissions be reduced. The new NOx level is nearly 55% lower than today's NOx emissions standard. There is a 10-fold reduction in particulate matter standard 90% lower.

Particulate matter is formed by the incomplete combustion of fuel in diesel engines. Oxides of nitrogen are formed in small amounts during combustion as a result of the combination of nitrogen and oxygen in the presence of high temperatures and pressures. Oxides of nitrogen are collectively referred to as "NOx", where "x" represents a changing proportion of oxygen to nitrogen.

While the technologies being employed to comply with the 2007 emissions standards vary, the new engines should provide the same reliability, performance and durability.

Meantime, diesel engine oil formulations are being changed to help meet the 2007 regulations. The phase-in for the EPA's mandated ultra-low-sulfur diesel fuel, required for the 2007 engines, begins in June of next year.

Here is a brief overview of what engine manufacturers are doing to meet the 2007 regulations.

Caterpillar is building on its ACERT (Advanced Combustion Emission Reduction Technology) engines, using an enhanced combustion process called Clean Gas Induction (CGI), closed crankcase ventilation system and diesel particulate filter system with active regeneration. Engines with 500 hp or less

will require one diesel particulate filter; engines with 550 or more horsepower will require dual filters.

Developed to meet the 2004 emissions standards, ACERT uses series turbochargers, variable valve control, high-pressure multiple injection fuel system, electronics control system and oxidation catalyst.

Cummins is using its current cooled exhaust gas recirculation (EGR) technology and integrating its own particulate filter, designed to replace the existing vehicle muffler. Its 2007 engines will also feature a crankcase ventilation system that virtually eliminates any oil carryover from the engine.

Detroit Diesel is further advancing its EGR technology, in addition to integrating a diesel particulate filter, maintenance-free closed crankcase breather system and improved turbocharger.

International Truck & Engine is using its Green Diesel Technology, an emissions technology platform that provides the flexibility to design application specific solutions using advanced air management, selected fuel system application, proprietary combustion strategies, electronic controls and optimized after-treatment solutions. International's engine with advanced hydro-electronics is the heart of the technology, along with a catalyzed regenerative diesel particulate filter that replaces the ordinary muffler.

Mack Trucks is also using technology based on exhaust gas recirculation, plus a diesel particulate filter system. The technology has been developed from its experience with its ASET (Application Specific Engine Technology) engine family, which features electronic unit pump injection and V-MAC electronics.

(continued on page 9)

Emissions Technology Terms

Exhaust Gas Recirculation (EGR) - These systems accomplish emissions reduction by capturing exhaust gases and returning them back into the engine's combustion cycle along with fresh air and fuel. The recirculated exhaust reduces combustion temperature, which reduces the formation of NOx.

Clean Gas Induction (CGI) - This system draws clean inert gas from downstream of the particulate filter, after it has been filtered and cooled, and returns it to the intake air system. The intake air is soot-free, which helps engine wear, and its low intake manifold gas temperature contributes to lower NOx emissions.

Exhaust particulate traps - These filter and "catch" the particulate matter from the exhaust stream and prevent these particles from reaching the atmosphere. Over time, these traps "fill up" and need to be periodically "cleaned" by means of a regeneration process, otherwise the engine's performance and fuel economy is adversely affected. This regeneration process is typically achieved by "burning off" the trapped particulate matter.

Closed crankcase ventilation systems - In these systems, rather than vent the particulate matter emissions from the engine's crankcase breather being vented to the atmosphere, this "blow-by" is routed into the air intake system. Crankcase blow-by is produced when combustion gases, under high pressure, become contaminated with oil mist when blown past the piston rings into the crankcase.

2007 Emissions Update

(continued from page 8)

Volvo Trucks has introduced its Variable Pulse (V-Pulse) Technology. With the new V-Pulse engines, the exhaust gases created by the exhaust valves are captured and the exhaust pulses push up to 30% of the exhaust through the EGR cooler in two separate intervals. This technology allows Volvo to continue to use a conventional turbocharger.

Volvo and Mack, a member of the Volvo Group, will have a new global engine platform by 2007. While the platform will share common architecture and technology, engines will be customized to meet the performance expectations of each brand's customers, said company officials. The new platform will feature high-pressure fuel injection, single-stage variable geometry turbocharger and rearranged EGR cooler with a diesel particulate filter integrated with a larger muffler.

ENGINE OILS

As a consequence of the 2007 emissions regulations, the composition of diesel engine oil is being modified to deal with the coming lower sulfur content of diesel fuel and emissions control technology. The new engine formulation, called PC-10, will have to maintain the protective and lubricating properties of engine oil and not affect emission control technologies downstream of the engine.

The new oils also will need to be backward-compatible so fleets can use just one oil for both 2007-compliant and older generation engines. Work on PC-10 oils is continuing.

ULTRA-LOW SULFUR DIESEL FUEL

Ultra-low sulfur diesel fuel is a specially refined diesel fuel that has significantly lower sulfur content than regular on-highway diesel. Regular diesel fuel has a maximum of 500 parts per million (ppm). Starting in June 2006, the sulfur content of diesel will drop from the current 500 parts per million (ppm) to no more than 15 parts ppm, and will move to 100% by 2010.

The Canadian federal government is requiring that all diesel fuel sold in Canada for on-highway use will have to be ultra-low-sulfur by October 2006. There is no similar commitment in Mexico at this time.

Using ultra-low sulfur diesel will contribute to dramatic reductions in diesel emissions because the lower sulfur content produces fewer sulfate emissions within the particulate matter in the exhaust and most importantly, enables use of emission reduction equipment, like particulate traps and catalytic converters to lower emissions of particles and nitrogen oxides. The use of these systems in combination with ultra-low sulfur diesel can reduce emissions of fine particulates by more than 90 % and emissions of hydrocarbons to nearly undetectable levels.

Ultra-low sulfur diesel fuel is expected to have

virtually the same energy and performance as today's highway diesel. However, it will be more expensive, anywhere from 5 to 50 cents more per gallon, according to early EPA estimates.

There is also a concern about fuel contamination, since the low sulfur will have to share the fuel distribution system with other fuels, the potential exists for contamination to occur. Product integrity is a major challenge.

HONORS

For UTA Members

Best Used Trucks, Fort Worth, TX, has been honored with the 2005 Rising Star Small Business of the Year Award from the Fort Worth Chamber of Commerce. An annual award celebrating the importance of small businesses to the local and national economy, it goes to companies that have achieved outstanding performance and success in a number of key areas, including business growth and performance, sound business strategies and practices, customer service strategies, business challenges, unique and innovative approaches, and community involvement.

Truck & Equipment Sales of KC, celebrated 15 years in business with an open house May 11 and 12.

By the Industry

Allentown Truck Sales & Service, Allentown, PA, has been named Mack Trucks' North American Parts Dealer of the Year.

Chuck Imbler, Jr., dealer principal of Truck Center, Tupelo, MS, has been honored with his 25th consecutive Circle of Excellence Award from International Truck and Engine Corp. He is the only International dealer to accomplish that feat.

RJ Taylor, founder of Ol' Blue, USA (United Safety Alliance) - a non-profit public charity dedicated to educating the nation on highway safety and to improving relations between law enforcement, commercial drivers and the motoring public - has been honored with the Truck Writers of North America's Lifetime Achievement Award. The annual award, presented and sponsored by Peterbilt, recognizes a TWNA member who has made outstanding contributions to the improvement of communications in the trucking industry throughout their career.

MEMBERSHIP

Closing In On Another Record

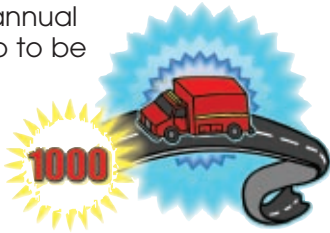
Great News! The UTA membership is on pace to exceed last year's record number of 530 members. Plus, the annual convention is shaping up to be bigger and better than last year's event.

Several innovative new offers from affiliate members should be announced soon which will make UTA membership even more valuable.

Help your friends, dealers and associates who work in the used truck industry become more successful. Sign them up for membership in the UTA today.

Signing up is easy. Just go to the UTA's website at www.uta.org and follow the instructions listed under the "Membership Information" button.

*-- Craig Kendall
Chairman, UTA Membership/Affiliates Committee
Peterbilt Motors Company*



- Quintessential Quote -

"A goal is nothing more than a dream with a time limit."
- Joe L. Griffith

Industry Events Calendar

June 16-18

23rd Annual Truck Blue Book Conference

Rio All-Suite Hotel & Casino,
Las Vegas, NV
www.truckbluebook.com; (800) 654-6776
UTA Members receive discounted registration.



July 14 - 15

Annual Walcott Truckers Jamboree

Iowa 80 Truckstop, Walcott, IA
www.walcotttruckersjamboree.com;
(563) 284-6961

FILE CABINET

(Continued from page 5)

agriculture/mining/forestry, 14 cents; production/distribution, 12 cents. www.hdma.org

Coupling specs. The Holland Group's 2005 coupling products catalog and specifications guide is a comprehensive listing of all Holland coupling products, specifications and parts cross-referencing information. It also contains a complete glossary and index of products by capacities for quick referencing.
www.thehollandgroupinc.com.