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## Trucking Outlook Remains Positive

### Experts Focus On 3 Areas To Achieve More Success

The three most important things fleet executives should be monitoring are the economy, freight growth and the re-regulation of the trucking industry, FTR president Eric Starks explained during the August industry forecaster's State of Freight Webinar.

"In the near-time, the risks continue to be on the upside. In general, things continue to be looking relatively healthy for the freight markets," Starks said. "I think we're at that point right now. The spot market is settling down and

*Anything that creates downtime for a truck will impact the bottom line as the stretching of resources to maintain capacity reaches a critical point.*

contract rates are starting to move higher," he said.

However, FTR continues to sound alarms about the re-regulation of the trucking industry and the regulatory drag caused by an influx of new rules that are currently in the works. The impending legislation could make it more difficult for carriers to hire drivers while at the same time necessitating the hiring of more, and because of productivity losses such regulations will incur.

"There are a large number of regulations coming into play that we anticipate to happen between 2016 and 2018," Starks said. Environmental concerns suggest it will be very



difficult to hire drivers, though losses in productivity will necessitate new drivers to maintain capacity. It's going to be a problem for some time.

Starks said fleet executives should be keeping a watchful eye on several key issues going forward. One is global markets, such as China.

Extreme weather, while it can't be controlled, is another area fleets need to do better at planning for, Starks said. Anything that creates downtime for a truck will impact the bottom line as the stretching of resources to maintain capacity reaches a critical point.

Starks offered three tips on how fleets can improve their prospects for success:

- **Measure:** "Measure everything you can. Track and understand your internal data and external market data so you can identify trends and issues within your system you can correct and change quickly," he said.
- **Communicate:** Fleets struggle to communicate within their organizations and with their customers, Starks said. "We have to figure out a way to communicate changes within the market."
- **Be flexible:** "Have a plan in place, so if market conditions start to change, you have a clear direction of what you want to do to be able to move in that direction," Starks advised.

MORE INFO: <http://bit.ly/1fsOm1>

SOURCE: FleetOwner.com

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### Featured Video



#### Luber-finer Cabin Filter Offers Innovative Treatment

The Luber-finer® Extreme Clean™ Cabin Filter provides outstanding protection from harsh environmental elements such as emissions, pollen and mold while delivering a breath of clean air by eliminating cabin odors. The innovative Extreme Clean Cabin Filter uses Arm & Hammer™ Baking Soda to eliminate odors.

[Click here to view video](#)

### Featured Products



#### Luber-finer® XL Coolant Filters

The Luber-finer XL Extended Service Controlled Release Coolant Filters are designed to prevent rust, dirt, scale and other contaminants from damaging engines used in heavy-duty applications.



#### Luber-finer Imperial XL Filter

Luber-finer® Imperial XL Lube Filter provides reliability with OEM-quality or better performance. Luber-finer delivers 75 years of filtration excellence for on- and off-highway equipment.

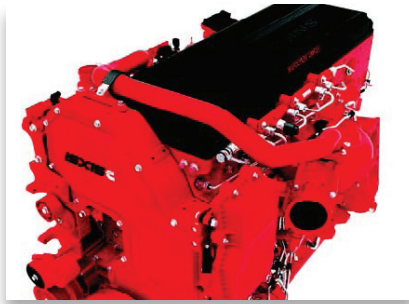


## Cummins Focused On Fuel Efficiency

Perhaps the biggest challenge facing the diesel engine business today is “re-orienting” design efforts away from a focus on exhaust emissions to fuel economy, performance, and component integration – not only to meet U.S. mandates regarding greenhouse gas (GHG) emissions but to meet motor carrier demands for more powerful and more efficient engine models.

“That’s the challenge for us going forward as we come out of a long period where we focused primarily on meeting particulate [matter] and NOx [oxides of nitrogen] emissions,” said Dave Crompton, president of the Cummins Engine Business division at Cummins Inc. “Now we must concentrate more of fuel economy and system integration to enhance performance, along with meeting increased demand,” Crompton added.

The JEP facility in New York currently builds more than 500 mainly on-highway engines every day, according to Mike Kosinski, assistant chief of product engineering at the plant – some 400 15-liter models, 50 or so



12-liter variants, and 50 ISM units that are exported outside of the U.S. with a good number headed to Mexico.

“The base elements of a [diesel] engine are the block and crankshaft – analogous to the hamburger patty and bun,” he explained. “But from there, every hamburger (every engine) is different, customized to the order.

“Each engine we build today is for unique customer needs, because the name of the game now is ‘optimization’ in trucking,” he stressed. “In particular, we continue to tweak everything to better optimize fuel economy. That’s very important to us as we move forward.”

MORE INFO: <http://bit.ly/PuknUr>  
 SOURCE: FleetOwner.com

## Trucking Industry Mergers Expected To Increase

Analysis conducted by global consulting firm PricewaterhouseCoopers (PwC) indicates that merger and acquisition (M&A) activity in the trucking industry should pick up modestly in the bottom half of 2014 – especially for carriers.

“Management teams continue to take a measured approach to M&A and remain primarily focused on local deals aimed at consolidating existing markets and strengthening their core businesses,” noted Jonathan Kletzel, U.S. transportation and logistics leader for PwC.

“Similar to what we saw at the start of the year, deal activity was primarily driven by increased activity in the shipping and trucking sectors, with an

emphasis on addressing overcapacity, fragmentation and sourcing higher margin services.”

Looking ahead, PwC believes transportation and logistics M&A activity will increasingly focus on higher margin, ancillary operations, including assets that benefit supply chain economics and lead to improved operating efficiencies.

Much of trucking is fragmented compared to other transportation modes and can benefit from some consolidation, but we are seeing more activity in truckload.”

MORE INFO: <http://bit.ly/1taWX6Z>  
 SOURCE: FleetOwner.com

## Facts and Trends

### Class 8 Sales Surge In July



Net orders for Class 8 trucks in July posted another big year-over-year increase, continuing a recent trend. According to FTR, preliminary data showed orders at 29,516 units, a 71% increase over July 2013 and the second-best July on record.

MORE INFO: <http://bit.ly/1yRTqml>  
 SOURCE: TruckingInfo.com

### Deere Takes A Hit As Farm Economy Weakens



Deere’s third-quarter profits fell 15% and the farming equipment maker believes that the same weak sales at home and abroad will cut into earnings for the entire year. Plans are to scale back production to align with project demand.

MORE INFO: <http://bit.ly/1riRH2J>  
 SOURCE: IMPOMag.com



### FleetPride Acquires Republic Diesel Truck Parts & Service

FleetPride, Inc., the nation’s largest independent distributor of aftermarket heavy duty truck and trailer parts, has acquired the assets of Republic Diesel truck parts and service business. The acquisition includes Republic Diesel’s heavy duty parts and service operations in Jeffersonville, Ind., as well as Kentucky locations in Louisville (Jennings Lane), Lexington, and Prestonsburg.

MORE INFO: <http://bit.ly/1oKnaJ8>  
 SOURCE: VehicleServicePros.com

## Upcoming Ads

Commercial Carrier Journal/Overdrive  
 Fleet Maintenance  
 Fleet Owner