

# HOTLINE

## DANA'S MAGLIOCHETTI DIES

**Dana Chairman/CEO Joe Magliochetti, 61, dies** of complications from pancreatitis. A 37-year Dana employee, he had been CEO since '99 & chairman since 2000. Magliochetti spearheaded an extensive restructuring program which he recently said would enable the company to "outperform our peers" as the economy recovers. For the past few months he has led the vigorous battle to fend off a hostile takeover by ArvinMeritor. That tender offer is set to expire Oct. 2 but may be extended.

Meantime the merger is undergoing a routine antitrust review by the Federal Trade Commission.

**Glen Hiner, a longtime Dana board member,** has been named acting chairman. Bill Carroll, president of Dana Automotive Systems, is acting President/COO. Dana says it will hire an executive search firm to find a new CEO.

**Magliochetti is a recipient** of the Automotive Hall of Fame Distinguished Service Citation and the Motor and Equipment Manufacturers Assn. Triangle Award recognizing his leadership and advocacy on behalf of the automotive industry.

## EXECUTIVE VIEWPOINT

**Post 9-11 security concerns** & the cost of new rules are a major issue for fleet managers, says International Truck & Engine. In a recent

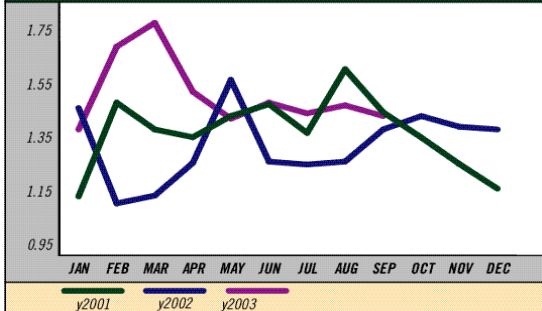
### HOTLINE GOING ALL DIGITAL

**Effective with our January 2004 issue,** Hotline will be available by email only. This will speed Hotline into your hands 10 days to two weeks earlier than you have been receiving it by regular mail. If you need a printed copy, your computer can do it for you.

To assure that you don't miss an issue, please send your email address to [bjiverson@truckinginfo.com](mailto:bjiverson@truckinginfo.com) with "Hotline" in the subject line. Don't forget to include your name and your company name, so we can locate you in our database.

- The Editors

### Diesel Prices (National Retail Average)



International web site customer survey 70% of respondents said they are "very" or "some-what" concerned about cargo & vehicle security, according to Phil Christman, product development vp. 56% said hazardous materials haulers face higher than normal security risks; 50% cited agriculture & food distribution, 44% regional & long-haul operations.

**"The majority think individual truck drivers hold primary responsibility** for the safety of the roads, highways and bridges," Christman says. But technology figures high in security plans & 48% of survey respondents said vehicle tracking could have a positive impact on truck & cargo security.

**In a new white paper,** "Homeland Security: Implications for the Truck and School Bus Industry," International says that homeland security measures in place or being considered by the federal government will have the greatest affect on hazardous cargo, intermodal, transborder, food & agriculture and school bus operations.

**Truck manufacturers will have to deliver the technological infrastructure** to support many of the monitoring and other security systems in use or on the drawing board, says Jeff Bannister, director, truck electronics at International. The Diamond Logic multiplex electrical system introduced in 2001 is used to streamline diagnostics & reduce maintenance costs, but was also designed as a platform for technology innovations. Last year International added application solutions that allow end users & manufacturers to order pre-programmed electrical features that control specific equipment and integrate controls into cab

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switching. Next year it will launch a telematics solution with a back-end portal system allowing wireless transmission of information from the vehicle to fleet maintenance or operations. The system, applicable for Class 6-8 trucks & buses, will be optional at first but Bannister says telematics will become a standard feature on new trucks over the next 10 years.

## HONORS

**Peterbilt & Kenworth take top scores** in all categories of the '03 Heavy Duty Truck Customer Satisfaction Study done by J.D. Power and Associates. Peterbilt scored highest in customer satisfaction among over-the-road Class 8 trucks, getting high marks for quality, exterior, engine, ride/handling/braking, & transmission factors. Kenworth was the only other brand ranked above average in the segment.

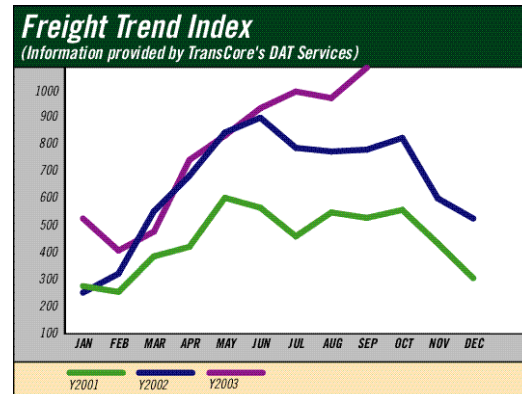
**Peterbilt ranked highest in the vocational segment**, receiving strong scores in all six factors: quality, exterior, engine, ride/handling/braking, transmission and interior. Western Star was a close 2nd. Kenworth & Sterling also performed above the segment average.

**Kenworth took 1st in customer satisfaction among P&D customers** where researchers said the T800 & W900 scored exceptionally well. Peterbilt & Mack Trucks also ranked above the segment average.

**Peterbilt was 1st in the dealer service** rating, which measures satisfaction with the service received from authorized truck dealers. Factors include dealer attitude, dealer facility, dealer quality, service delivery, service initiation, service advisor and price. Dealer facilities & service initiation were cited as key Peterbilt strengths. Mack Trucks was a close 2nd. Kenworth, Western Star & Sterling also ranked above average.

**Study focuses on smaller fleets & owner-operators**, with an average fleet size at a single location of 64 trucks. Results this year were based on responses from 2,675 primary maintainers of 2-year-old Class 8 heavy duty trucks.

**31% of respondents in this year's study said they plan to purchase a Class 8 truck** in the next 12 months, up from 26% in the '02 study. 39% said they would buy the same make



again, down from 44% last year.

## FREIGHT TRENDS

**August availability of exception freight rose 40%** from last year, says Wayne Kirchmann, TransCore market research mgr. "This is the 19th consecutive month with a year-over-year increase in loads & the highest percentage increase since March of this year." On a month-to-month basis, August ended the seasonal downturn with a 12% increase in loads – indicating a strong exception freight market. Looking to Nov., the best combinations of high freight volumes & favorable inbound/outbound load ratios have traditionally come from Illinois, Ohio, Indiana, Tennessee, Texas, Georgia, N. Carolina & Missouri.

**2nd quarter intermodal volume rose 4.4% from 2nd quarter '03** – the 5th consecutive quarterly gain, according to Intermodal Assn. of N. America's Intermodal Market Trends & Statistics. Trailer activity was down 0.4%; domestic container volume was up 4.6%; Intermodal marketing companies reported a 0.1% decline in loads but total revenue was up 5.4%. Contact: [www.intermodal.org](http://www.intermodal.org).

## SALES TRENDS

**After 4 successive quarterly advances**, trailer shipments paused in the 2nd quarter, according to a survey of manufacturers by Economic Planning Associates. Industry trailer shipments were 41,100 vs. 42,800 in 1st quarter. "Even with the slowing, the industry is faring far better than in 2002," says Peter Toja, president. "Shipments in the 2nd quarter were running 28.4% above the similar quarter last year & first half shipments of 83,900 trailers were 44.1% higher than last year's first half."

**Van sales slipped 6.5%** from 1st to 2nd quarter but were up 39.5% from 2nd quarter

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'02. Non-van shipments were up 6% quarter-to-quarter & 2.1% ahead of same period last year. Toja attributes slowing momentum to the uneasy economic environment in 1st quarter. "From this point on," he said, "we anticipate further quarterly increases in non van shipments while van deliveries revive through the end of this year & into '04." Contact: Economic Planning Associates, (631) 864-4900.

**Sleepers 61-84 inches long have captured 76%** of the total sleeper market vs. 44% in '96, according to new study by A.C.T. Research Co. In 2002, 76% of integral-type sleepers & 78% of the add-ons were 61-84 inches long. Study quantifies truck types & duties for 1996-2002. Contact: A.C.T. (812) 379-2085.

## ALLIANCES & ACQUISITIONS

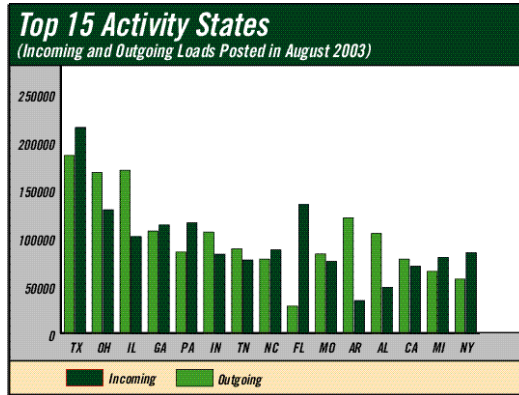
**Dana sells its axle parts production assets to Sypris Solutions** & enters a long-term supply agreement with Sypris for heavy-duty axle components. Company says this was part of its plan to focus on core products & reduce fixed costs. It also says it will continue to assemble axles for heavy trucks.

**Mirachem's MiraClean** biodegradable cleaning products to be offered through all **ConocoPhillips** brands, including **Conoco, Phillips 66, 76 Lubricants & Kendall Motor Oil**. MiraClean had been offered only by 76 Lubricants.

**Terex** buys controlling interest in Czech heavy duty vehicle maker **Tatra** from **SDC International**. Terex says Tatra is an integral part of their ongoing military strategy, a low cost engineering & fabrication resource & an entrée to developing markets. Tatra & Terex are each one-third owners in the American Truck Co. military & specialty truck maker.

**Bergstrom Climate Systems** buys **Sigma Air Conditioning. Bar's Products & Ondeo Nalco** (formerly Nalco Chemical) combine Bar's Leaks & Nalcool brands. Bar's to be exclusive supplier of co-branded Bar's Xtreme Nalcool Heavy Duty Coolants in the U.S. & Canada. **Energy & Engine Technology** buys **BMZ Generator & Welders**.

**Denso Corp., Shanghai Pudong EV Fuel Injection Co & Shanghai Dong Song**



**International Trading** to establish joint venture to produce fuel injection pumps for diesel vehicles made in China. **SmarTire Systems'** Tire Pressure Monitoring Systems to be distributed in China by **Beijing Boom Technology**.

## NEW BUSINESS

**Horton** gets long-term contract as sole supplier of fans, fan drives & other products to **Paccar's** N. American OEM & aftermarket divisions. **Dana Spicer** E-1202I steer axles series made standard on **Kenworth trucks**.

**Heil Environmental Industries** gets 3-year contract to supply **Onyx Waste Services** with rear loader, front loader & recycler refuse collection bodies. Onyx bought 150 refuse collection bodies from Heil under a previous contract & expects to buy an average 140/year through mid-2005. **Interstate Brands** buys 309 **Freightliner** walk-in van chassis.

**Power2Ship** to provide wireless mobile solutions to **ARL Inc.'s** 70 agents operating 500 trucks. **Big Lots** chooses **G-Log Global Command & Control Center** transportation management software. **Bartkus Oil**, Boulder, opens the first biodiesel pump in Colorado. **Blue Sun Biodiesel** is the supplier.

**Qualcomm & Science Applications International Corp.** awarded \$2 million contract from the Federal Motor Carrier Safety Administration to develop & field test untethered trailer asset management system for high-value or high-security-risk loads. Field operational test will quantify costs & benefits. Field testing to begin in the summer of '04. Qualcomm & SAIC were one of three teams that submitted proposals.

**Electric Power Research Institute** gets \$200,000 grant through U.S. EPA's SmartWaySM Transport program for testing of

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idle-reduction technologies. Participating fleets get 50% cost rebate for installing package with **Dometic** or **Taylor Made** ac/heater unit, **Xantrex** inverter/charger, **Phillips & Temro** basic cab wiring kit & **Lifeline VRLA** batteries. System enables drivers to plug into shore power or use battery power for heat, a/c & auxiliary devices. Test fleets will track reductions in idle time & maintenance costs for 12 months & must agree to reinvest any savings in additional idle-reduction technology.

**Dayton Parts LLC** selects **Enterprise Data Management's** Datalliance Vendor Managed Inventory solution. **Integrated Decision Support** to supply transportation optimization software to **Dick Lavy Trucking**.

## EXPANSION

**Dana** launches \$6 million expansion of its heavy vehicle R&D center in Kalamazoo, Mich. **WWL & KXEL**, previously known as **The Dave Nemo Network**, becomes 18th station carrying the **Midnight Trucking Radio Network**.

**Sterling** trucks adds 8 dealer locations, **Western Star** adds 6 locations. Both say network growth is part of plans to grow the brands in the U.S. & Canada. **Great Dane** opens new branch in Charlotte, N.C. **Wright Express** adds **Goodyear, Sears & NTB** to service provider network accepting Wright's Universal Card.

**Volvo Trucks** N. America creates **Volvo Truck Leasing System** with 160 service locations across U.S. VTLS offers complete line of Volvo trucks and menu of customizable offerings, including contract maintenance, full-service leases, finance leases and truck rentals. Support services are also offered including parts, tax service, tires, permits, licensing, fuel cards, road service, insurance and credit cards.

**ICON Capital Corp.** expects to raise \$150 million of investor equity in 12-24 months & acquire \$300 million of lease equipment with new ICON Income Fund Ten. Company manages publicly registered equipment leasing investment programs, specializing in business equipment – including transportation equipment – subject to lease with Fortune 500 companies.

**Clean Air Partners** changes name to **Clean Air Power**. Company says it better reflects focus on creating affordable clean power. **Freightliner** launches redesigned web site

with downloadable screensavers, Trucker's Lounge & Owner's Gallery.

## COMEBACKS & CUTBACKS

**International** to continue building heavy trucks at its Chatham, Ontario plant. \$189 million 10-year program includes technology investments, advanced skills training & plant modernization, plus 2 new R&D centers to be established with one or more Ontario universities. Canadian govt. will contribute up to \$23 million. Province of Ontario will contribute up to \$22 million. Contract with Canadian Auto Workers union enables \$31 million in annual cost savings. International had planned to close the plant last July.

**Mack** takes 2-week Sept. shutdown at its Macungie plant, the 4th unscheduled shutdown in 12 months. Company cited slump in demand for refuse, utility & construction trucks.

**Dana Commercial Vehicle Systems Group** to close Montgomery, Ala. plant & move trailer systems assembly to Lugoff, S.C.

## AFTERMARKET

**Where a fleet buys parts depends on the component type**, according to CK Marketing & Communications. Interviews with 31 private & for-hire carriers indicated that heavy duty distributors are the most common source for drums, rotors, linings, seals, wipers, hoses & fasteners. Engine, steering & interior cab components are purchased from OEM dealers. Tires & lubricants are frequently purchased direct from the supplier. Sales of transmission, drive-lines, axles, suspensions, wheel-ends, exterior trim, electrical & air systems are distributed equally among all channels. Contact: CK Marketing, (614) 261-6400.

## EMISSIONS

**U.S. Dept. of Justice backs lawsuit** before the U.S. Supreme Court seeking to overturn the California's South Coast Air Quality Management District's clean fleet rules for metro L.A. requiring truck operators to buy cleaner-burning models when they replace or add vehicles. The Engine Manufacturers Assn., which initiated the suit with the Western States Petroleum Assn., says the rules constitute a de facto ban on certain engines & vehicles.

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### MILESTONES

**Diesel Today**, quarterly magazine published by **Detroit Diesel** & its distributors, marks 4th year of publication with story on the first Series 60 engine – where it is & what it's doing.

### ASSOCIATIONS

**Automotive Parts Rebuilders' '03 International Big R Show**, to be held Oct. 31-Nov. 3, Mandalay Bay & Casino Hotel, Las Vegas. Show precedes the Automotive Aftermarket Industry Week **AAPEX & SEMA** shows Nov. 4-7. Contact: (703) 968-2772, ext. 105 or [www.BigRShow.com](http://www.BigRShow.com).

'03 **National Truck Equipment Assn. Distributor Profit Survey Report** puts return on assets for "typical" distribution firms at 1.7% and 15.5% for "high-profit" firms. Report looks at return on investment, merchandising, income, expenses, balance sheets, financial ratios, asset productivity, growth, employee productivity & other trends. Contact: [www.ntea.com](http://www.ntea.com).

### PEOPLE

**Peter Karlsten** to president, Volvo Trucks N. America, from president, Volvo do Brazil. He succeeds **Michel Gigou** who is returning to Volvo's European offices. **Dee Kapur** to truck group president, International Truck & Engine. He comes from Ford Motor where he was responsible for all Ford SUVs & ran Ford's full size pick-up business for 4 years. **Jim Johnston** to president, Autocar Trucks, from vp/gen. mgr., refuse div., McNeilus Truck & Manufacturing.

Eaton's Heavy Duty Transmission Div. re-aligned as 2 business units. **Dave Bennett** is gen. mgr, Performance & Vocational Transmission Products, responsible for Fuller 13, 15, 18-speeds & "LL" deep reduction transmissions. He was previously business unit mgr., Eaton Aerospace Components Div. **Curt Hutchins** is gen. mgr., Automated & Fleet Transmission Products, responsible for Fuller 7, 9 & 10-speed RT, FR & Lightning transmissions, AutoShift & Ultrashift automated transmissions. He was operations vp, WaterPik Technologies.

**Marc Laferriere** to marketing vp, Michelin Americas Truck Tires, from commercial business director, Michelin Canada. **Wendell**

**Krahmer** to strategic sourcing director, Transportation Technologies Industries, from Gunite purchasing director.

Ravens becomes independent operating company within Marmon Highway Technologies; names **Jason Gerding** gen. mgr., **Mike Monroe** sales & marketing mgr. Gerding was previously sales engineer, Fontaine Trailer & Fontaine Specialized. Monroe was sales engineer at Ravens' Dover dealership.

**Keith Monroe** to director, platform trailer fleet sales, Great Dane Trailers, from fleet sales vp, Fontaine Trailers. **Jeff Miller** to OEM sales mgr.-trailer products, Hendrickson Intl from trailer account mgr. **Richard Smallwood** to trailer sales mgr., Martin Marietta Composites, from sales & marketing director, Transport Refrigeration.

Sloan Transportation Products names **Scott Bye** president, **Douglas Thomson** vp, heavy duty sales & marketing. **Don McKenzie** to OEM account mgr., Stemco's Hendrickson Axle Div. & various OEM trailer accounts.

Peterson Manufacturing's Maxi-Seal Harness Systems names **Lyn Anglin** president, **Aimee Koch** national sales & engineering mgr. **John Buttrey** to engineering vp, Workhorse Custom Chassis, from engineering, quality & production vp, MS Truck Body. **Jhan Dolphin** to sales vp, RealWheels Cover Co.

**William Ford** to retire as president of NationalLease effective Jan. 1. His successor is **John Grainger**, formerly president/CEO of Laidlaw Education Services. Ford will continue with NationalLease as a consultant & board member.

Technology & Maintenance Council of the American Trucking Assns. awards Silver Spark Plug honors for outstanding service: **Brad Van Ripper**, vp R&D, Truck-Lite Co; **John Martin**, exec. engineer, Lubrizol Corp.; **Marc Clark**, mgr., worldwide fleet engineering, FedEx Express; **Gary Gaussoin**, president, Silver Eagle Manufacturing; **Tom Cuthbertson**, customer implementation director, Aether Systems; **Mike Jeffress**, maintenance vp, Maverick Transportation.

**Anthony Picarello** to marketing director, Volvo Trucks N. America, from marketing director, American Racing Equipment.

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## U.S. RETAIL TRUCK SALES REPORT

MANUFACTURER	CLASS 8 33,001 LBS. & OVER			CLASS 7 26,001-33,000 LBS.			CLASS 6 19,501-26,000 LBS.		
	AUGUST SALES	YTD SALES	YTD SHARE	AUGUST SALES	YTD SALES	YTD SHARE	AUGUST SALES	YTD SALES	YTD SHARE
Chevrolet	0	0	0.00%	168	1,271	2.90%	101	636	1.97%
Ford	0	0	0.00%	181	1,034	2.36%	718	5,074	15.72%
Freightliner	3,679	28,725	32.73%	1,652	11,308	25.84%	1,501	7,613	23.59%
GMC	0	0	0.00%	329	2,331	5.33%	107	1,021	3.16%
Hino	0	0	0.00%	23	136	0.31%	116	548	1.70%
International	1,765	14,003	15.95%	3,388	14,601	33.37%	1,018	12,226	37.88%
Isuzu	0	0	0.00%	40	458	1.05%	4	3	0.01%
Kenworth	1,386	9,259	10.55%	297	1,775	6.79%	0	0	0.00%
Mack	1,169	8,829	10.06%	9	189	0.43%	8	180	0.56%
Mitsubishi Fuso	0	0	0.00%	9	41	0.09%	50	265	0.82%
Nissan Diesel	0	0	0.00%	8	33	0.08%	40	305	0.95%
Peterbilt	1,507	10,759	12.26%	274	1,712	3.91%	0	0	0.00%
Sterling	692	6,203	7.06%	452	2,033	4.64%	98	647	2.0%
Volvo	1,031	8,374	9.54%	0	0	0.00%	0	0	0.00%
Western Star	155	1,004	1.11%	0	1	0.00%	0	0	0.00%
Other	29	590	0.67%	0	0	0.00%	0	0	0.00%
<b>Totals</b>	<b>11,413</b>	<b>87,746</b>	<b>100.00%</b>	<b>6,830</b>	<b>43,753</b>	<b>100.00%</b>	<b>3,761</b>	<b>32,271</b>	<b>100.00%</b>

Compiled by Heavy Duty Trucking Magazine. Source: Ward's Communications

