

**3RD QUARTER 2020
NEWSLETTER**

TRUCKMEN



LETTER FROM THE EDITOR

By Julie Lefelhoc
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This month marked the 19th anniversary of the 9/11 attacks. While that event encompassed a little over two hours of time, as opposed to the current pandemic situation which has affected our lives for months, I think we will always be able to recall what was happening in our lives for either occasion.

I distinctly remember being at work at The B. B. Bradley Co. in Painesville, Ohio. My desk was just outside my boss's office and he had a TV in his office. Someone must have notified him to turn on the news. Several of us were in and out of his office all morning watching the events unfold in total shock and disbelief. One of my sisters was living in Manhattan at the time and none of us had any way of getting through to her to see if she was OK. Thankfully, she was.

Between the hours of 8:45 and 10:50 am that morning, four terrorist-controlled planes crashed into the north and south towers of the World Trade Center and The Pentagon and into a field in Pennsylvania. Three thousand people died and many more were injured. I think besides the feelings of loss and mourning for the lives lost, many Americans couldn't help but feel a new sense of fear for dangers that they had never felt would touch them and confusion about how this had

happened. The sense of security that we all felt in this country was somewhat compromised that day.

To mark the occasion, I asked some of our staff here at Truckmen where they were when the 9/11 attack occurred. Some were home. Dennis W. recalls working in his garage and hearing the news from his wife. Melissa J. was in her bedroom folding clothes and babysitting a friend's children along with caring for her own when she heard the news on the TV. Jim N. was hard at work on his ranch in Bennett, CO rounding up cattle that day. Bruce F. was working out of his home office at the time for J & R Sales when his wife came in to tell him what was going on. Two of our youngest, Brett F. and Kevin W. were about 13 or 14 at the time, so they would have been in school.

Many were at their workplace, as I was. Lisa J. was working at K-mart and ended up watching the events unfold on the full wall of TV's in the electronics department. John T. was driving a truck at the time and saw the news at a truck stop in Joplin, MO. Tom B. worked at Basic Aluminum Castings in Cleveland. Bonnie C. worked at the Ashtabula County Auditor's office and watched the TV down in the basement of that building. Two people were here at Truckmen at the time- Mike M. and Dave J. Dave was working in the shop and Mike in the warehouse and both came over to our old office building at the time and watched the news unfold on the TV there.

That day will live in our memories forever and will serve as a testament to the lives lost. We will not forget them.

What are the most significant ways COVID-19 has changed the supply chain?

It's not a secret that the pandemic has increased uncertainty in supply chains to an unprecedented level. Demand patterns are all over the place, supply lines are disrupted, lead times are unpredictable, and no one is quite sure when and how things will change going forward. When you toss in mass protests, and, as I write this article, the 3.2 million acres and counting that are burning in California and surrounding states, things become even more jumbled. Not to mention that one of the large fires was due to pyrotechnic malfunction at a gender reveal party, adding to the chaos. The fires are so large that the smoke and haze has made an incredible 2,500 mile journey to create an apocalyptic feel during mornings and nights here in Northeast Ohio. This is 2020, folks. A year none of us will ever forget.

So, what are the most significant ways in which COVID-19 has changed the supply chain, and will those changes be long-lived? Let's get some takes from industry leaders.

Online commerce has exploded, and consumers won't change once the pandemic subsides. That's putting huge pressure on last-mile delivery. For truck drivers, COVID also has shined a bright and deserving spotlight on their role as essential to the economy for keeping store shelves filled. We are seeing more acts of kindness shown to our drivers, and more appreciation for the work they do every day.

—Greg Orr, President, CFI

Where companies purchase critical components for their manufacturing and production facilities will change. Companies will reassess and rebuild their vendor network closer to the United States, pending the initial implementation phases of USMCA. We foresee a need for even more cross-border expertise as many manufacturers aren't familiar with the new trade regulations on top of wanting to source more domestic materials.

—Rick Kerr, Operations Manager, Green Bay Office, Sunset Transportation

We've seen a shift toward low-volume, high-frequency, and manufacturing-on-demand strategies as companies work to preserve cash flow during the pandemic. Instead of ordering 10,000 units and storing them, uncertainty in the market is causing manufacturers to order 1,000 units at a time with greater frequency.

—Jim Belosic, President and CEO, SendCutSend

COVID-19 highlighted the critical importance of forging logistics partnerships that combine technology and experienced people. Whether shippers are looking to build supply chain resilience, nearshore supply chain elements, or navigate market volatility, technology-enabled partnerships backed by expertise are more important than ever.

—David Commiskey, VP of Customer Solutions, GlobalTranz

It brought to light just how complex supply chains are. We can no longer take for granted that goods can be moved easily and quickly through international logistics. Businesses are revisiting supply chain design and possible localization, which has caused healthy debate around resiliency versus efficiency and cost.

—Jason Haelzle, P.Eng., Food & Agriculture Sector Leader, GHD

Supply chain executives have to think more differently than they ever have before. With an urgent need to minimize the risks of human-to-human contact, supply chain leaders need to change the way they're approaching automation. Distributors are looking for smaller, more diversified suppliers rather than single-region, large suppliers.

—Nick Young, IoT Architect, OST

Much of the pandemic's e-commerce growth will be permanent. Both pure online and brick-and-mortar retailers will need to adjust their reverse logistics programs to accommodate higher return volumes. Store retailers will face choosing between return-to-store options for online shoppers or keeping e-commerce returns online amid store-crowding concerns.

—Ken Bays, VP, Supply Tech Product Development, Inmar Intelligence

It exposed the resiliency cost. Companies that didn't invest in resiliency had no idea how exposed they were; they couldn't pivot because they were so locked into doing things the cheapest way possible.

—John McPherson, Director of Global Solutions, rfxcel

It has changed three key components of the retail supply chain: sourcing decisions for raw materials and finished goods; agility in inventory distribution; and last-mile delivery with omnichannel fulfillment. Retailers must find innovative ways to deliver goods to consumers as fast and as cost-effectively as possible.

—Meyar Sheik, Chief Commerce Officer, Kibo

COVID-19 has exposed supply chains that are fragile to disruption due to the rigid solutions that support them. The companies that deploy agile solutions that ensure visibility and the control will be the winners now and post-pandemic.

—Mark Goode, President and CEO, DSI

proposal has a lot of support from top trucking industry groups.

The HR and Safety Scoop

By Lisa Jackson
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Smallest carriers, the largest share of DOT audits, now face increased offsite scrutiny

The U.S. DOT in 2020 has increasingly targeted trucking companies with compliance reviews conducted via email and telephone in place of on-site reviews in which inspectors show up in person.

What's more, the Federal Motor Carrier Safety Administration is operating under broader authority to use those offsite audits to issue safety ratings to carriers (Satisfactory, Unsatisfactory and Conditional) as part of the federal government's emergency declaration over the COVID-19 pandemic.

"It's a new twist," said Lesley Sachs, a partner at the national transportation-focused law firm Taylor & Associates, based in Winter Haven, Florida. "Carriers need to pay attention. It is something to take seriously. The opportunity presented itself with COVID, and FMCSA seized it."

FMCSA and its state enforcement partner this year already have conducted nearly three times the number of remote audits conducted in 2019 — 3,582 through the end of July of this year compared to 1,374 for all of 2019.

If that trend holds, FMCSA and state enforcers will have conducted nearly 6,175 remote offsite inspections by yearend. That would be more than five times as many as last year, and more than half of the on-pace-for 12,000 compliance reviews. Last year, just 10% of total compliance reviews conducted by FMCSA and state partners were offsite. In 2018, just 2% of all compliance reviews were conducted via the offsite process.

"It was certainly already a trend," said Daren Hansen, a senior transportation safety consultant for J.J. Keller. "Now, the pandemic shot those numbers up."

With the increased number of offsite audits has come an expansion in the scope of offsite reviews, said Brandon Wiseman, a partner for Scopelitis, Garvin, Light, Hanson & Feary. "Historically, offsite audits were almost always used for what are known as focused audits," he said, as opposed to comprehensive reviews.

FMCSA's offsite audits generally take two weeks or less, said Sachs. Investigators, either from FMCSA or a state DOT, will send an email to carriers notifying them of the pending investigation and requiring them to upload information such as accident records, driver lists, equipment lists, MC-90 forms and other records. They are then often required to fill out a questionnaire with basic details such as revenue and mileage data, insurance information, addresses and other operational information.

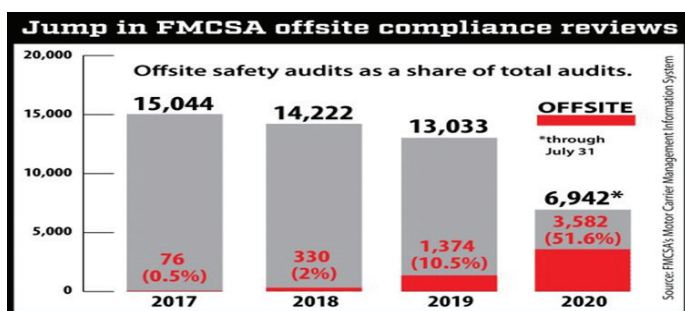
The investigator will complete the process by phone. "They talk with the carrier about their compliance program and practices to get a feel for how robust and developed the compliance program is for that carrier," Sachs said. Finally, "they issue a report to identify any acute or critical violations to address."

Or, in the case of a safety rating of Conditional or Unsatisfactory being issued, carriers then have the usual 60 days (or 45, in the case of hazmat haulers) to file a corrective action plan or an appeal with FMCSA.

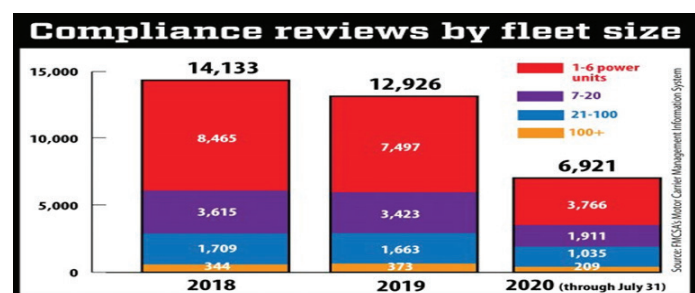
Like most other compliance reviews over the past decade, FMCSA uses carriers' percentile rankings within the Compliance, Safety, Accountability (CSA) program to target fleets for safety audits.

To ward off audits in the first place, Hansen suggested regularly checking CSA scores. "Log in and review your data," he said. "Look at trends. Review any data that can be reviewed. Take advantage of the crash accountability program and have crashes that are clearly not preventable removed. Take steps to address what violations you can to keep your scores down."

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"It was certainly already a trend," said Daren Hansen, a senior transportation safety consultant for J.J. Keller, of FMCSA's move toward remote compliance audits. "Now, the pandemic shot those numbers up."



Smallest carriers, according to FMCSA data, bear the brunt of all compliance reviews conducted. Truckers with six trucks or fewer in 2020 have accounted for 54% of all safety audits. Those with 7 to 20 trucks have accounted for 28%. Those shares are in line with recent years' splits.

1ST QUARTER 2020 SAFETY AWARD WINNERS

– Rick Akers, David Baker, Jesse Bilicic, Mark Currier, Bill Emerson, Nelson Hejduk, Mark Lambert, Rich Madarena, Mike Minman, Jim Neely, Tom Rickard, Mark Sharp, Bill Thompson, Bobby Wurm.

SHOP NEWS

By Melissa Jewell
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Business as usual... Words with a different meaning in our world right now. Where is the light at the end of the tunnel?

When a semitruck and trailer is rolling on the black top in a raging storm, with the wind blowing and no safe place to pull off, the road seems to go on forever. The trailer sways back and forth as the truck tries to stay on course. Time stands still and the uncertainty is frightening, but forward is the only option as the driver pushes on with determination.

My spirit and heart are heavy as I can only see shades of grey through the haze and smoke. As an artist, even when very young, I learned a masterpiece can be brought to life with just a handful of colors, but not without a canvas of some sort or a space for your vision. A masterpiece can start anywhere, at the beginning or the end. I wonder if the colors I choose will be

judged as too bold, or too soft, for it makes no difference to my brush.

I will start with red because it makes a mighty statement wherever it is placed. The color of bloodshed from all who have worked hard to make life better for themselves and those they love. Yellow next for the bright sun to start the day and feed flowers so they grow, and their beauty becomes spectacular. Now brown, to make the trees as their roots travel deep into the earth to withstand any storm. Black to follow the steep and winding road leading to strength and perseverance. Blue to cover the daylight sky and shield us from the darkness. White will cover the mountain tops with many colors intertwined to be seen by all reaching out to heaven's floor.

When the storm gave up and the wind subsided, the driver could see the light at the end of the tunnel. As his headlights shined through the mist and the sun started to rise, the clouds went from grey to blue, with streaks of red dancing across the sky. He could see his masterpiece in the distance as his eighteen wheels carried him down the hillside lined with trees that had survived the beating of the storm. The driver continued home in his/her continued journey for life, liberty, and the pursuit of happiness.

There could be no masterpiece without all these colors to create the beauty of life, more precious than anything. Open your eyes and see the beauty on your canvas, look beyond the smoke and the shades of grey.

Through the darkness in this world be a light!

CABOVER OFFICE

By Jeff Jenks
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Back in the day, early 90's, when Truckmen was conceived, we had a fun little group of "stakeholders" that shared the responsibility of developing a "mission statement". We didn't take this task lightly because we knew we would be held accountable for living by each word. What we arrived at seemed pretty simple, maybe because of the concept of accountability, but it wasn't long before we realized the vast number of obstacles that could challenge the mission!

Our mission was to be a team of "Promise Keepers" and most anyone that worked with us back then would remember my favorite example of what this really meant: If you tell someone you will call them back in a minute then that's what you do! Not two minutes or three minutes or half an hour, mean what you say and say what you mean! This sounds pretty simple, but since we are creatures of habit it's very easy to repeat a commonly used phrase even though it's not what you really mean. The point is to think about what you are saying because your word really is your bond no matter how simple the promise. At the end of the day stuff happens, trucks break, accidents occur, and folks get sick but if you're true to your word through

it all chances are you'll succeed.

But today we have "Rippey"! I'm guessing Rippey has never heard of our mission statement but maybe he doesn't have to think about what he is saying? Rippey is a "Response Bot" developed by San Jose Ca. based tech firm RPA Labs. Using a combination of Machine Learning and Artificial Intelligence Rippey can answer customer and vendor queries instantly through emails, chatbots, text messages and social media. The company goes on to say "response time is one of the most important factors in customer service, we are speeding up the response process with Rippey". I guess Rippey would work whether there was Covid 19 or not!

Is this what it's come too? Would our customer rather have a faster response by Rippey than wait a little bit longer for one of our real "promise keepers"? Have the "non-verbal" communication types finally achieved an acceptable level of zero human interaction? Now that I think about it, I guess Alexa does wish me a good day every morning! I guess Rippey would be better than no answer at all or no information at all, but he just can't "feel" the commitment in that promise! Here's a surprise, I liked it better the old way!

Safe travels,
some of our kids
may not be
in school!



Meet Rippey,
the Response Bot,