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MANAGING COMMERCIAL, PUBLIC, UTILITY AND TELECOM FLEETS

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2008
Top
100
**COMMERCIAL
FLEETS**



Fuel Costs Driving Fleet Efforts

It is no surprise that controlling fuel costs is the dominant topic among LIGHT & MEDIUM TRUCK Top 100 commercial fleet managers.

By Daniel P. Bearth

Rising prices for diesel and gasoline are forcing the nation's biggest commercial fleets to change the way they operate trucks and to consider new kinds of vehicles to make deliveries and provide business services.

Some companies among LIGHT & MEDIUM TRUCK's list of the Top 100 Commercial Fleets — mainly parcel carriers and waste haulers — have turned to alternative fuels, such as natural gas, while many delivery and service fleets are cutting fuel expenses by rerouting trucks, monitoring more closely the performance of drivers and negotiating better deals with fuel suppliers.

"People realize they've got to do something," said Dan

Buttarazzi, director of business development and marketing for MicroAnalytics Inc., a company in Arlington, Va., that provides routing software.

With diesel topping \$4 a gallon and gasoline rising by more than \$1 a gallon over the past year, fleet operators are faced with three choices, Buttarazzi said. "You take [the] fuel cost and eat it. You take the increase and pass it on to customers. Or you do something to rein in costs."

Xpedx, a division of International Paper that distributes paper, graphics, packaging and janitorial supplies and equipment, shrank its fleet of 1,600 trucks by about 200 units by using technology to plan more efficient routes.

"We do the same work with fewer vehicles," said Jeff Higgins, corporate director of marketing services for Xpedx (No. 96). Xpedx hauls paper and other office products from

more than 265 distribution centers to retail stores throughout the United States, Mexico and Canada.

Officials at Dean Foods (No. 30), one of the nation's largest food processors, said all new straight trucks are equipped with cold-plate refrigeration technology and auxiliary power units to conserve fuel and reduce emissions. The company also is testing driver incentive programs to improve performance.

Package carrier giant UPS Inc., Atlanta, (No. 1) is expanding its use of alternative fuel and hybrid truck technologies to reduce its dependence on gasoline and diesel.

In May, UPS ordered 200 diesel-electric hybrid vehicles and added 300 delivery trucks powered by compressed natural gas, bringing to 2,218 the total number of alternative-fueled vehicles in a worldwide fleet of more than 93,600 package cars, vans, tractors and motorcycles.

Notwithstanding these gains, Robert Hall, director of vehicle engineering, said the mainstay of the UPS fleet — the ubiquitous brown package car — remains dependent on petroleum-based fuels.

"What we strongly desire," he said, "is a good clean 4-cylinder diesel engine."

Although engine makers General Motors and Cummins Inc. have told UPS they will offer emissions-compliant 4-cylinder diesel engines in 2010, Hall said UPS has had to make do with 6-cylinder diesel engines that consume about 10% more fuel.

Another company taking the plunge into hybrid trucks is Coca-Cola Enterprises.

The Atlanta-based beverage fleet (No. 3) is buying 120 trucks with fuel-saving diesel-electric drivetrain systems from Eaton Corp.

The company tested a group of 20 similarly equipped trucks last year, said Dimitri Kazarinoff, general manager of emerging technologies at Eaton's Truck Group, and the trucks decreased fuel consumption up to 37%, compared with diesel-powered trucks. The trucks also had lower maintenance costs.

Driver acceptance of the hybrid trucks also has been "highly favorable," said Dave Leasure, corporate director of fleet procurement for Coca-Cola.

"The hybrid-drive units have been performing very well in communicating with the electronic engines, always giving us the necessary torque and horsepower when it is needed," he said.

UPS and other fleets based on start-and-stop operations, such as refuse haulers, also are testing hydraulic hybrids from Eaton, another system that captures kinetic energy as brakes are applied and uses the stored energy

to help accelerate the vehicle.

Meanwhile, a California company has started production of what it claims is the first all-electric medium-duty truck, called the ZeroTruck.

The first battery-powered trucks will be used in a mobile billboard service in the Los Angeles area, according to a statement issued by Electrider Inc. The company, based in Laguna Niguel, Calif., said it will produce the vehicles under an exclusive agreement with Boshart Engineering of Ontario, Calif.

For fleets that use pickup trucks, Roush Performance Products, Livonia, Mich., said it has a conversion kit for the Ford F-150 to run on liquid propane. The truck qualifies for a tax credit of up to \$2,500 to cover the incremental cost of the system and a credit of 50 cents a gallon for fuel purchases, company officials said.

Changing Fuel-Buying Habits

The rise in fuel costs has led many fleets in L&MT's Top 100 to change the way they purchase and monitor fuel use.

Pike Electric Corp. of Mount Airy, N.C., a utility contractor (No. 37), implemented a bulk purchasing program in certain areas that locked in prices for about 30% of its fuel requirements. With more than 6,000 pieces of motorized equipment, a 25-cent increase in the price per gallon of diesel fuel increases Pike's annual fuel cost about \$2.2 million, company officials said.

It is no less important for a pickup-and-delivery operation.

"Fuel represents a significant variable cost in the provision of transportation services," said officials at Canadian parcel carrier Purolator Courier (No. 45), which assesses a surcharge on customer shipments to help compensate for rising fuel costs.

(continued on page 9)





COMMERCIAL FLEETS

Rank	Company Name/Location	Type of Business	Total Trucks 2008	Fuel Types	Maintenance Services
1	UPS Inc. Atlanta	Package and Freight Services	72,635	gas, diesel, CNG, hybrid electric, hybrid hydraulic, LNG, electric	PM
2	FedEx Corp. ¹ Memphis, Tenn.	Package and Freight Services	61,000	gas, diesel, hybrid electric	PM, EO, HD, CM, EU
3	Coca-Cola Enterprises Atlanta	Beverage Bottler	55,000	diesel	Outsourced
4	PepsiCo/Frito-Lay Purchase, N.Y.	Food and Beverage	38,853	gas, diesel	PM
5	Quanta Services ² Houston	Utility Construction	25,000	diesel	PM
6	DHL Americas Plantation, Fla.	Package and Freight Services	22,600	gas, diesel	PM, HD, EU
7	Waste Management Houston	Waste Services	20,719	diesel, natural gas	PM, HD
8	ServiceMaster Co. ¹ Memphis, Tenn.	Home and Business Services	18,096	gas	PM
9	Allied Waste Industries Phoenix	Waste Services	16,500	diesel, gas, natural gas	PM, EO, HD
10	Cintas Corp. Cincinnati	Uniform Services	14,000	gas, diesel	
11	Aramark Philadelphia	Uniform Services and Food and Beverage	11,000	gas, diesel	PM, EO, EU
12	MDU Resources Group Bismarck, N.D.	Utility Construction and Energy Services	9,808	diesel	PM, EO, HD, CM, EU
13	Masco Contractor Services ³ Daytona Beach, Fla.	Construction Supplies	9,600	diesel, gas	Outsourced
14	Interstate Bakeries Corp. Kansas City, Mo.	Bakery Products	8,743	diesel	
15	Cemex Inc. ⁴ Houston	Concrete and Building Materials	8,679	diesel	
16	Asplundh Tree Expert Willow Grove, Pa.	Vegetation Management and Tree Services	8,249	gas, diesel	
17	Agrium Inc. ⁵ Calgary, Alberta, Canada	Agricultural Products	7,868	diesel	Outsourced
18	Oldcastle Materials Inc. ³ Atlanta	Construction Materials	7,459	diesel	
19	The Schwan Food Co. Marshall, Minn.	Food Products	7,139	diesel, gas, LPG	EU, Outsourced

SOURCE

Data for the L&MT Top 100 list are derived from interviews with fleet managers, company documents and other published sources. The

Research: Wenting Li

ranking is based on the number of trucks, regardless of size, owned or leased. Tractor-trailer rigs and automobiles are not counted, but vans, pickup trucks and sport utility vehicles are included.

Rank	Company Name/Location	Type of Business	Total Trucks 2008	Fuel Types	Maintenance Services
20	Orkin Inc. Atlanta	Pest Control Services	6,950	gas, diesel	Outsourced
21	United Rentals Greenwich, Conn.	Equipment Rental	6,700	diesel, gas	
22	Dycom Industries Inc. ³ Palm Beach Gardens, Fla.	Utility Construction	6,300	diesel, gas	
23	Republic Services Fort Lauderdale, Fla.	Waste Services	6,245	diesel, gas, natural gas	PM, HD
24	Wolseley North America ⁶ Newport News, Va.	Plumbing Supplies and Building Materials	6,100	diesel	Outsourced
25	AmeriGas Partners Valley Forge, Pa.	Retail Propane Sales and Service	5,130	diesel	Outsourced
26	Pepsi Bottling Group Somers, N.Y.	Beverage Bottler	5,108	diesel, gas, hybrid	PM, EO, HD, EU
27	Weatherford International ³ Houston	Petroleum Services	4,925	gas, diesel	PM, EO, EU HD, CM
28	Velocity Express ¹ Westport, Conn.	Package and Freight Services	4,758	gas, diesel	Outsourced
29	Dean Foods Dallas	Food Products	4,700	diesel	
29	Veolia Environmental Services ³ Lombard, Ill.	Waste Services	4,700	diesel	PM, HD, EU
31	Baker Hughes Inc. ³ Houston	Petroleum Services	4,570	diesel	
32	Dynamex Inc. ¹ Dallas	Package and Freight Services	4,500	gas, diesel	
33	Energy Transfer Partners/ Heritage Propane , Dallas	Retail Propane Sales and Service	4,400	diesel, gas	Outsourced
34	Kiewit Corp. ³ Omaha, Neb.	Construction and Mining	4,380	diesel	
35	ValleyCrest Cos. Calabasas, Calif.	Landscaping	4,354	gas, diesel, hybrid	PM
36	Snap-On Inc. ^{1, 3} Kenosha, Wis.	Tools	4,075	diesel	
37	Pike Electric Mount Airy, N.C.	Utility Construction	4,051	diesel, gas	HD
38	Airgas Inc. Radnor, Pa.	Industrial, Medical and Specialty Gases	4,044	diesel, gas	PM, HD
39	Safelite AutoGlass Columbus, Ohio	Auto Glass Repair	4,000	gas	Outsourced
40	Coca-Cola Bottling Co. Consolidated Charlotte, N.C.	Beverage Bottler	3,940	diesel	PM
41	Ecolab Inc. St. Paul, Minn.	Business Services	3,890	diesel, gas	Outsourced
42	Ferrellgas LP Overland Park, Kan.	Retail Propane Sales and Service	3,775	diesel	Outsourced
43	BJ Services Co. Tomball, Texas	Petroleum Services	3,674	diesel, gas	PM, HD, EU
44	Advance Auto Parts ³ Roanoke, Va.	Auto Parts	3,500	gas	

FOOTNOTES

1. Data include vehicles owned by independent franchisees or truck owner-operators.
2. Quanta Services data include all rolling stock.
3. Data provided by Transportation Technical Services Inc.
4. Data include Rinker Materials Corp. fleet acquired in July 2007.
5. Data include United Agri Products fleet acquired in May 2008.
6. Data include Ferguson Enterprises and Stock Building Supply fleets.

KEY

- PM:** Preventive Maintenance
EO: Engine Overhauls
HD: Hydraulics
CM: Contract Maintenance
EU: Equipment Upfitting

Rank	Company Name/Location	Type of Business	Total Trucks 2008	Fuel Types	Maintenance Services
45	Purolator Courier Mississauga, Ontario, Canada	Package and Freight Services	3,300	gas, diesel, hybrid electric	PM, EO
46	HD Supply Inc. ³ Orlando, Fla.	Construction Supplies	3,077	diesel	
47	Loomis Fargo & Co. Houston	Armored Car Service	3,000	diesel	
47	Nabors Drilling USA ³ Houston	Petroleum Services	3,000	diesel	
47	NCR Corp. Dayton, Ohio	Business Services	3,000	gas	Outsourced
47	Waste Connections Inc. ³ Folsom, Calif.	Waste Services	3,000	diesel	PM, HD, CM
51	Davey Tree Expert Co. Kent, Ohio	Vegetation Management and Tree Services	2,951	diesel, gas	PM, HD
52	Lowe's Home Centers Mooresville, N.C.	Construction Supplies	2,900	gas, diesel	Outsourced
53	US Concrete Houston	Concrete	2,888	diesel	
54	Union Pacific Railroad Omaha, Neb.	Railroad	2,854	diesel	
55	Brink's Inc. Richmond, Va.	Armored Car and Security Services	2,841	gas, diesel	
56	Stanley Steemer Intl. Dublin, Ohio	Carpet Cleaning	2,800	gas	Outsourced
56	ThyssenKrupp USA ³ Troy, Mich.	Steel and Automotive Parts, Manufacturing and Elevator Services	2,800	diesel, gas	
58	Pepsi Americas Minneapolis	Beverage Bottler	2,674	diesel	
59	Henkels & McCoy Inc. Blue Bell, Pa.	Utility Construction	2,576	diesel, gas	
60	Kraft Foods Global Northfield, Ill.	Food Processing	2,550	diesel	PM, EO, HD, CM, EU
61	MasTec North America Coral Gables, Fla.	Utility Construction	2,546	diesel	
62	Safety-Kleen Systems Plano, Texas	Waste Services	2,513	diesel, gas	EU, PM, HD, Outsourced
63	Suburban Propane Partners Whippany, N.J.	Retail Propane Sales and Service	2,512	diesel	Outsourced
64	Compass Group Charlotte, N.C.	Food Service	2,469	gas	Outsourced
65	BNSF Railway Fort Worth, Texas	Railroad	2,420	diesel	
66	Lincare Inc. Clearwater, Fla.	Home Health Service	2,400	gas	
67	Brickman Group Ltd. ³ Gaithersburg, Md.	Landscaping	2,384	gas	PM
68	Key Energy Services ³ Houston	Petroleum Services	2,374	diesel	
68	Petro Holdings Inc. Stamford, Conn.	Retail Heating Oil	2,374	diesel	
70	Weyerhaeuser Co. Federal Way, Wash.	Building Materials	2,351	diesel	
71	George Weston Bakeries Bay Shore, N.Y.	Bakery Products	2,300	gas, diesel	Outsourced
72	DS Waters of America Flowery Branch, Ga.	Bottled Water	2,198	gas, diesel	

Rank	Company Name/Location	Type of Business	Total Trucks 2008	Fuel Types	Maintenance Services
73	Apria Healthcare Lake Forest, Calif.	Home Health Services	2,150	diesel, gas	Outsourced
74	Lewis Tree Service Rochester, N.Y.	Vegetation Management and Tree Services	2,116	diesel, gas	
75	Nestle Waters North America Glendale, Calif.	Bottled Water	2,101	gas, diesel	PM
76	Basic Energy Services³ Midland, Texas	Petroleum Services	2,000	diesel	
76	Lamar Advertising Co.³ Baton Rouge, La.	Billboard Advertising	2,000	diesel, gas	
76	MYR Group³ Rolling Meadows, Ill.	Utility Construction	2,000	gas, diesel	PM, EO, HD, CM, EU
76	UniFirst Corp. Wilmington, Mass.	Uniform Services	2,000	gas	PM
80	Installed Building Products Columbus, Ohio	Construction Supplies	1,952	diesel	Outsourced
81	Townsend Electrical Const.³ Parker City, Ind.	Utility Construction, Vegetation Management and Tree Services	1,900	gas, diesel	
82	Aaron Rents Atlanta	Furniture Rental	1,850	gas, diesel	Outsourced
83	CSX Transportation Jacksonville, Fla.	Railroad	1,798	diesel	
84	Dr Pepper Snapple Group Plano, Texas	Beverage Bottler	1,740	gas, diesel	PM, EO
85	G&K Services³ Minnetonka, Minn.	Uniform Services	1,735	gas, diesel	PM, Outsourced
86	CHS Inc. St. Paul, Minn.	Energy, Agricultural and Food Products	1,703	diesel, gas	PM, EO, HD, CM, EU,
87	Prairie Farms Carlinville, Ill.	Dairy Products	1,700	diesel, gas	
88	Prairie Material Sales Bridgeview, Ill.	Concrete and Construction Materials	1,678	diesel	PM
89	Honeywell International³ Morristown, N.J.	Manufacturing and Business Services	1,650	gas, diesel	
90	Northern Pipeline Const. Co. Phoenix	Pipeline Construction	1,604	diesel, gas	Outsourced
91	Michels Corp. Brownsville, Wis.	Utility Construction	1,580	diesel, gas	
92	Sysco Co. Houston	Food Service	1,536	diesel	
93	Wingfoot Commercial Tire Systems Fort Smith, Ark.	Tire Service and Retreading	1,509	diesel, gas	Outsourced
94	KSL Services Los Alamos, N.M.	Contract Maintenance	1,500	gas, diesel, CNG	PM, EO, HD, CM, EU
95	LaFarge North America Herndon, Va.	Cement and Construction Supplies	1,483	diesel	PM, Outsourced
96	Xpedx Loveland, Ohio	Paper and Office Products	1,400	diesel	
97	Iron Mountain Resource Mgmt. Boston	Business Services	1,283	diesel	Outsourced
98	Pep Boys³ Philadelphia	Auto Parts and Service	1,150	gas	PM
99	Sunbelt Rentals Fort Mill, S.C.	Equipment Rental	1,102	gas, diesel	
100	Patterson-UTI Energy³ Snyder, Texas	Petroleum Services	1,023	diesel	PM



SECTORS

The delivery of packages and freight, food and beverages and building materials continues to dominate the uses for trucks on the 2008 LIGHT & MEDIUM TRUCK Top 100 Commercial Fleets list, accounting for nearly two-thirds of the total of 664,012 trucks this year.

Based on a survey of 30 fleet managers, gas and diesel are the most prevalent fuels by a large margin over natural gas and hybrid electric vehicles.

Half of the survey respondents said they outsource maintenance. And of those with in-house service capabilities, preventive maintenance was the most common service, followed by hydraulics, equipment upfitting and engine overhauls.

When asked about future truck purchases, fleet managers indicated they would buy a total of 13,177 trucks in the next 12 months, compared with the 13,128 trucks purchased in the prior 12 months.

— Daniel P. Bearth

Business Sectors	Total Trucks	% of Total
Package and Freight Services (6)	168,793	25.42
Food and Beverage (16)	142,751	21.39
Construction and Building Materials (22)	109,912	16.47
Waste Services (6)	53,677	8.04
Home and Business Services (13)	51,823	7.76
Uniform Services (4)	28,735	4.30
Petroleum Services (9)	27,984	4.19
Agricultural Services (6)	25,271	3.79
Propane Service (4)	15,817	2.37
Auto Parts (3)	8,650	1.30
Equipment Rental Services (2)	7,802	1.17
Railroad (3)	7,072	1.06
Armed Car and Security Services (2)	5,841	0.88
Tools (1)	4,075	0.61
Manufacturing (1)	2,800	0.42
Tire Service (1)	1,509	0.23
Contract Maintenance (1)	1,500	0.22
Total Trucks	664,012	

Package/Freight Service (6)	Trucks
UPS Inc.	72,635
FedEx Corp.	61,000
DHL Americas	22,600
Velocity Express	4,758
Dynamex Inc.	4,500
Purolator	3,300
Total	168,793

Food and Beverage (16)	Trucks
Coca-Cola Enterprises	55,000
PepsiCo/Frito-Lay	38,853
Interstate Bakeries Corp.	8,743
The Schwan Food Co.	7,139
Pepsi Bottling Group	5,108
Dean Foods	4,700
Coca-Cola Bottling Co. Consolidated	3,940
Pepsi Americas	2,674
Kraft Foods Global	2,550
Compass Group	2,469
George Weston Bakeries	2,300
DS Water of America	2,198
Nestlé Waters North America	2,101
Dr Pepper Snapple Group	1,740
Prairie Farms	1,700
Sysco Co.	1,536
Total	142,751

Construction/ Building Materials (22)	Trucks
Quanta Services	25,000
MDU Resources Group	9,808
Masco Contractor Services	9,600
Cemex Inc. and Rinker Materials Corp.	8,679
Oldcastle Materials Inc.	7,459
Dycom Industries Inc.	6,300
Ferguson Enterprises and Stock Building Supply	6,100
Kiewit Corp.	4,380
Pike Electric	4,051
HD Supply Inc.	3,077
Lowe's Home Centers	2,900
US Concrete	2,888
Henkels & McCoy Inc.	2,576
MasTec North America	2,546
Weyerhaeuser Co.	2,351
MYR Group	2,000
Installed Building Products	1,952
Townsend Electrical Construction	1,900
Prairie Material Sales	1,678
Northern Pipeline Construction	1,604
Michels Corp.	1,580
LaFarge North America	1,483
Total	109,912

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"A variable fuel surcharge allows Purolator to avoid frequent changes in its base shipping rates and allows the overall cost of shipping to vary, both up and down, with the market price of fuel," the company said in its 2007 annual report to shareholders.

Kraft Foods Global (No. 60) is using a combination of outside carriers and the company's private fleet to do what it can to minimize fuel costs.

Cathy Pernu, senior manager of North America supply chain communications, said Kraft works with its production plants to speed loading and unloading of refrigerated loads to minimize the time that refrigeration units must run, thus curbing fuel use.

The company has a "no-idle" policy for trucks at its facilities and is "maximizing" opportunities to move products by rail, Pernu said.

At Nestlé Waters North America, conserving fuel is part of a broader campaign to minimize the company's effect on the environment, company officials said.

"We are . . . increasing payload, reducing haul length and reducing empty miles," said Jane Lazgin, a corporate affairs executive for Nestlé Waters in North America (No. 75).

"We are also piloting hybrid and compressed natural gas vehicles, along with experiments with biofuels," Lazgin said.

Last year, for example, Poland Spring Water Co., one of several Nestlé Waters brands, converted its fleet of 52 tank trucks and

12 contracted trucks to operate on a 5% mix of biofuel and diesel.

A Natural Market

Waste haulers are taking the lead in adopting alternative fuel and hybrid truck technologies.

Waste Management (No. 7), a Houston-based garbage hauler and landfill operator, began converting diesel-fuel trucks to liquefied natural gas in 2000 and has used emission reduction credits from its natural-gas powered fleet of 120 trucks in California to offset emissions from a new electric power station in San Diego County.

The company also is working on converting landfill gas into LNG to fuel its vehicles. Refuse haulers are the second-largest market for heavy-duty natural gas vehicles in the United States after transit buses, according to Energy Vision, a nonprofit group that advocates greater use of natural gas and other clean-burning fuels.

Energy Vision conducted a press conference in New York City in April to highlight the purchase of 38 natural-gas powered trucks by local waste haulers and public agencies.

President Joanna Underwood said the switch will save an estimated \$330,000 in annual fuel costs. She estimated that if half of New York's 6,000 diesel-powered refuse and recycling trucks were converted to natural gas, the annual savings would be "\$30 million or more." •

Diverse Fleet Challenges Safety-Kleen

For David Dillon, director of fleet transportation operations for Safety-Kleen Systems (No. 62), cutting fuel costs for a diverse fleet of trucks scattered across the country in more than 200 locations is a special challenge.

"We're doing what we can," Dillon said. "We're controlling idle time and speed. We're leveraging volume discounts with fuel providers."

Safety-Kleen's trucks are used to collect used motor

oil and other hazardous chemicals from thousands of locations.

Dillon said the service requires a "multiplicity of vehicle types" and many drivers for each truck, making it difficult to track fuel efficiency of individual drivers and vehicles.

"We look at the physical specifications of vehicles," Dillon said, "and based on what we do, our choices are limited."

Hybrid-electric motors, offered in some models of cars and sport utility vehicles, aren't yet available in cargo vans, Dillon said.

Natural gas has potential as an alternative to gasoline and diesel, although Dillon said he considers it an "interim solution" with the ultimate objective being the development of hydrogen fuel cells for cars and trucks.

Until that happens, Dillon said Safety-Kleen is taking an interim step of its own: It soon will begin using some of the recycled oil it collects in its trucks.

— Daniel P. Bearth



Safety-Kleen Systems Inc.

Safety-Kleen's nationwide operations use different types of trucks and many drivers for each truck. As a result, controlling fuel costs is especially challenging, said David Dillon, director of fleet transportation operations.