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SPECIAL POINTS OF INTEREST

- **ARE WE DOING A GOOD JOB FOR YOU?** If the answer is yes, consider introducing us to a customer or supplier. If they go with the Outsource team you win, too. Ask us about our residuals program.
- **DO YOU SHIP WITH US SOME OF THE TIME?** Become a Program Customer and we will guarantee savings of 10%.

HONORING OUR VETERANS, BOOSTING THE ECONOMY, AND EASING THE DRIVER SHORTAGE

Over the next five years, more than a million active military personnel will be discharged and return to the civilian workforce. Most of these young men and women are in their 20's, and they will be looking for real economic opportunity.

In an early December press release, the American Trucking Associations (ATA) announced it was committing on behalf of the trucking industry and its members to hire 100,000 veterans as part of the U.S. Chamber of Commerce Foundation's Hiring 500,000 Heroes campaign.

"There's no higher calling for an American than to serve in our armed forces, and I'd like to think that driving a truck—delivering America's most essential goods safely and efficiently—is also a high calling," said ATA President and CEO Bill Graves. "That's why we're so proud to be partnering with Hiring Our Heroes and committing on behalf of the trucking industry to hire 100,000 veterans over the next two years."

The trucking industry, as we know, has a problem with a shortage of drivers. The ATA estimates that it is currently short 30,000 to 35,000 drivers, a number that is rising as the economy picks up. Duane Long, current chairman of the ATA and co-founder of Longistics, said that his company could double its size if it could find the drivers to hire.

"It is rare in business and in life to find an opportunity that is a win-win for all involved, but that's what Hiring Our Heroes is—a win for those veterans returning from service looking to transition to civilian life and a win for the trucking industry, which is desperate to find dedicated, hard-working and safety-minded people to fill many thousands of open positions as drivers or technicians," said Long.

"A strong trucking industry is critical to the growth of our country and our economy. ATA's pledge to hire and support 100,000 veterans sets a tremendous example for others to follow," said Eric Eversole, vice president of the U.S. Chamber of Commerce and the executive director of Hiring Our Heroes.

Hiring Our Heroes, a program of the U.S. Chamber of Commerce Foundation, was launched in March, 2011 as a nationwide initiative to help veterans, transitioning service members, and military spouses find meaningful employment opportunities. The mission is to utilize the U.S. Chamber's vast network of state and local chambers and strategic partners from the public, private, and non-profit sectors to create a movement across America in hundreds of communities where veterans and military families return every day.

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HONORING OUR VETERANS

The goal of the Hiring Our Heroes program is to not only honor the service and sacrifice of our returning veterans and military spouses by providing them with the tools and commitment to finding jobs, but also to further American progress by utilizing the talent and skills that these men and women have developed in the military—skills such as the ability to work hard in a team to get the job done, and understanding the importance of logistics.

The reality is that our nation has invested billions of dollars to train hundreds of thousands of men and women in medicine, logistics, information systems, and other essential fields. The U.S. Chamber of Commerce would like to make sure that this talent continues to advance American enterprise long after these service members take off their uniforms.

To date more than 1,700 businesses of all sizes have pledged to hire 585,000 heroes. Out of those commitments, 369,000 hires have been confirmed, with thousands more in the pipeline.

To help train and place veterans in careers as commercial truck and bus drivers, the Federal Motor Carrier Safety Administration (FMCSA) announced in October that it had awarded \$1 million in grants to nine technical and community colleges across the country through its Commercial Motor Vehicle—Operator Safety Training program.

“Those that we entrust to protect and serve our nation deserve opportunities that utilize the skills and training they received on the job on military bases overseas and at home,” said U.S. Transportation Secretary Anthony Foxx. “We can think of none more appropriate to safeguard our highways as commercial vehicle drivers than the thousands of veterans who have already proven they can safely handle large vehicles under extremely stressful circumstances.”

In July, 2014, the FMCSA’s Military Skills Test Waiver Program was expanded to all 50 states and the District of Columbia. Under this program, state licensing agencies have authority to waive the skills test portion of the commercial drivers license application for active duty or recently separated veterans who possess at least two years of safe driving experience operating a military truck or bus. Waiving the skills test expedites the civilian CDL application process and reduces the

expenses for qualified individuals, as well as operating costs to state licensing agencies.

Alphonso Lewis, a U.S. Army veteran and a driver for YRC since 1990, is one of the trucking industry’s biggest cheerleaders for encouraging veterans to seek employment within the industry and urging trucking companies to hire veterans.

“The military gave me a very strong foundation to build on, a foundation of pride, of teamwork, confidence, integrity and commitment, and the drive to be the best you can be,” he said. “As a veteran and a professional truck driver, I know that my fellow service members have what it takes, and what fleets are looking for, to safely move America’s freight. Driving a truck has been a tremendously rewarding career for me after my service ended, and I know that there are thousands of potential drivers in our military just looking for the opportunity.”

At Outsource, we don’t think of this as a win-win situation, but rather as a win-win-win one:

- Providing job opportunities for veterans,
- Finding a way for the trucking industry to help close the driver shortage gap,
- And giving the economy a boost by putting Americans to work, thus putting money in their pockets which will increase consumer spending—all while saying a real and tangible “Thank you” to our veterans.



SOURCE: ATA press release—12/2/14; FMCSA press release—10/21/14; Journal of Commerce article —12/2/14; U.S. Chamber of Commerce Foundation website; White House Joining Forces Program website.

INFRASTRUCTURE REVISITED

In the [August, 2014 issue](#) of The Source, we published a bipartisan open letter to Congress from current and former Transportation Secretaries, calling for passage of legislation that would extend the funding of the Highway Trust Fund for the short term, but also imploring Congress to address the longer-term infrastructure deficit.

On Sunday, November 23, just before one of the most travelled days of the year, CBS news program 60 Minutes, with an annual viewership of 112 million and regularly in the Nielson Top 10, aired a scathing exposé on the state of U.S. transportation infrastructure, catapulting the issue, which has seen very little conversation thus far outside of the confines of the logistics industry, the business community and a handful of government agencies, into the consciousness of the general public.

Business leaders, labor unions, governors, mayors, congressmen and presidents have complained about the lack of funding for years, but aside from a one-time cash infusion from the stimulus program, nothing much has changed. Even the U.S. Chamber of Commerce, a generally conservative organization, is on record at a Senate hearing as voicing strong business

support for raising the gas tax for the first time in 20 years in order to adequately fund the Highway Trust Fund.

According to Ray LaHood, former Transportation Secretary and before that a seven-term Republican congressman from Illinois, our infrastructure is on life support right now.

“It’s falling apart because we haven’t made the investments,” he told 60 Minutes’ Steve Kroft. “Politicians in Washington don’t have the political courage to say ‘This is what we have to do.’....They don’t want to spend the money. They don’t want to raise the taxes. They don’t really have a vision of America the way that other Congresses have had a vision of America.”

LaHood said public spending on infrastructure has fallen to its lowest level since 1947, and that the U.S., which used to have the finest infrastructure in the world, is now ranked 16th according to the World Economic Forum.

A transcript of the program can be found [here](#).

SOURCE: 60 Minutes @ CBS website; JOC article—12/3/14.

ODFL AND OTHER LTL CARRIERS RAISING RATES

Several of the largest LTL carriers have announced general rate increases (GRI) to their non-contract and contract rates. YRC rolled out a 5.9% increase starting December 1, and UPS implemented a 4.9% GRI on December 29. ODFL has issued a GRI of 4.5% effective January 5, 2015.

“The GRI is consistent with our long-term yield management philosophy and provides for increases in our rates based on length of haul rather than the traditional across-the-board increases,” said ODFL’s vice president of pricing, Todd Polen, in a December 15 statement announcing the GRI.

ODFL had implemented a 4.9% GRI in July, 2014. With the stronger than expected manufacturing activity and truck demand, they hired 868 employees in the third quarter alone. In addition, ODFL’s capital expenditures in 2014 will total about \$385 million, including \$206 million for trucks, trailers and other equipment, and \$132 million for real estate and expansion projects.



“Our GRI is intended to offset the rising costs of new equipment, real estate and technology investments, and competitive employee wage and benefit packages,” said Polen. “OD’s yield management philosophy is to take a fair approach that minimizes the impact to our customers’ budgets while also supporting the value proposition that we promise to deliver every day.”

The third quarter of 2014 was the fourth period in the past five quarters in which U.S. GDP expanded at 3.5% or better, and carriers have frequently outpaced that growth, sometimes by more than 6 percentage points. Freight demand, while still not causing a severe capacity crunch, has risen to levels that have enabled LTL operators to raise rates and work on improving their profit margins, infusing capital in their coffers as costs rise and equipment ages.

With LTL rates on the rise, it is more important than ever for shippers to make sure that they are designating the correct freight class. For more about freight classes, check the [July, 2013 issue](#) of THE SOURCE.

SOURCE: ODFL press release, 12/15/14; Journal of Commerce article, 12/15/14

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TRIVIA

1. You may know that “Auld Lang Syne”, widely heard on New Year’s Eve and often referred to as the most popular song that no one knows the lyrics to, was first published by Scottish poet Robert Burns in 1796. Do you know who popularized the song in more modern times and turned it into a New Year’s tradition?
2. Who was the U.S. President at the time that “Auld Lang Syne” was first played at the Roosevelt Hotel and became synonymous with New Year’s Eve?
3. From whom does the tradition of making New Year’s resolutions originate?
4. In what country do you find the ritual of eating twelve grapes at midnight on New Year’s Eve, meant to secure twelve happy months in the coming year?

[Click here for answers to Trivia questions.](#)

ABOUT US

Established in 1990, OUTSOURCE, Inc. offers a complete range of freight management services and supply chain solutions to help you improve control and increase profitability.

OUTSOURCE specializes in worldwide logistics and transport, offering your organization an optimized transportation management solution. Our customer-driven approach to doing business allows us the flexibility to select services and solutions that best serve our clients’ individual needs, and our extensive collective experience in distribution, warehousing, retailing and transportation logistics provides us with the expertise to make it happen.

Air, sea, rail and truck—we can handle all of your domestic and international shipping logistics and transport needs, freeing you to do what you do best.....grow your business.

