OUTSOURCE

VOLUME 6, ISSUE 7 July 2018

The Source

Inside this issue
Cover Story:

Reshoring has been talked of for years

As Trade Tensions Grow, 'Reshoring' of U.S. Supply Chains Sputters

Report says imports of manufactured goods have been growing faster than U.S. output for years despite push to bring back American production

By Erica E. Phillips July 10, 2018 WSJ

U.S. manufacturers that have moved production to low-cost regions overseas aren't bringing that factory work back to the country, according to a new report from business consultancy A.T. Kearney. The report suggests that returning industrial production to the U.S., a Trump administration goal helping drive its aggressive trade policies, will remain tough as manufacturers adjust their supply chains to a new trading landscape.

U.S. manufactured-goods imports from the top offshoring countries grew faster than American manufacturing output in eight of the last 10 years, A.T. Kearney said in the report released Tuesday. Last year, imports from the 14 largest low-cost U.S. trading partner countries in Asia rose 8% to $751 billion while domestic manufacturing grew 5.6% to just over $6 trillion. The imports, which include consumer goods like electronics, toys and furniture, have expanded even as pressure has grown in the U.S. and Europe for companies to restore manufacturing, sometimes called reshoring. Electronics imports from China alone surged by $22 billion in 2017 from the year before after declining by $7 billion in 2016, the report said.

"Reshoring has been hyped for the last five to 10 years," said Johan Gott, a partner at A.T. Kearney and co-author of the report. "Spoiler alert: it may still happen, but it hasn't happened yet." In recent months the U.S. trade deficit has narrowed as exports surged and import growth slowed, but economists don't expect the trend to last. The strong U.S. economy is driving demand for consumer goods, which are still largely manufactured overseas. According to the monthly Global Port Tracker report, published Monday by the National Retail Federation and Hackett Associates, retail imports at the nation's top ports are expected to reach record levels this month. In June, imports at the nation's top ports rose an estimated 6.8% from the same month last year to 1.83 million 20-foot equivalent units, a standard measure for container cargo, according to the report.

Despite the Trump administration's new tariffs on imports—intended to reduce trade deficits and bring production back to the U.S.—experts say low-skilled, labor-intensive manufacturing operations are likely to remain in countries where labor costs are low, such as China, India, Vietnam, Malaysia, Indonesia, Bangladesh and others. "You have existing production already in Asia, and it is cheaper to expand a current production facility as opposed to building a brand new one in another location," Mr. Gott said.

Meanwhile, broad uncertainty of how U.S. trade battles with China and other countries will play out has led many companies to delay major supply-chain decisions, at least until they know whether the new tariffs will remain in place or will fall away in new negotiations. Even if companies decide to place factories in the U.S. to take advantage of tax incentives or to simplify global supply chains, "it would take a long time to take that step because of the costs associated with that investment," said Mr. Gott, saying they are working through "offshoring inertia." Jonathan Gold, vice president of supply chain and customs policy at the National Retail Federation, said he expects most rising production costs driven by tariffs to be passed along to shoppers. "As tariffs begin to hit imported consumer goods or the parts and equipment needed to produce U.S. goods, these hidden taxes will mean higher prices for Americans rather than significant changes to international trade," Mr. Gold said in a statement accompanying the Port Tracker report.

Rising Transportation Costs Help Drive Up U.S. Business Prices

Trucking freight expenses helped drive overall costs higher

By Sarah Chaney and Sharon Nunn July 11, 2018

WASHINGTON—A gauge of U.S. business prices rose broadly in June, driven in part by a rise in transportation costs that underscores the sector's climbing labor expenses. The producer-price index, a measure of the prices businesses receive for their goods and services, rose a seasonally adjusted 0.3% in June from a month earlier, the Labor Department said Wednesday. When excluding the often-volatile food and energy categories, prices were also up 0.3% in June from the prior month. Transportation Costs Producer-price index for transportation and warehousing services, final demand, change from a year earlier. Rising prices for transportation and warehousing services helped push overall costs higher, as costs in this category grew 0.5% month-to-month and continued to climb higher on an annual basis. Trucking freight prices rose 1.3% in June, the largest monthly increase in the category for records dating back to July 2009. To read the full story please go to the link provided. https://www.wsj.com/articles/u-s-producer-prices-rose-in-june-1531312286?mod=pls_whats_news_us_business_f

CSX rises after stunning Wall Street with rail-efficiency gains

By: Thomas Black | AJOT Jul 17 2018

CSX Corp. surged in late trading after record efficiency powered earnings well past Wall Street's estimates.

The second-quarter operating ratio, an industry measure that compares expenses with sales, improved to an all-time best for a U.S. railroad. Profit almost doubled on a per-share basis, CSX said in a statement Tuesday, boosted in part by the U.S. tax cut. The results underscored Chief Executive Officer Jim Foote's ability to build on operating gains forged by his predecessor, Hunter Harrison, who died in December. The company benefited last quarter from robust cargo demand for coal, forest products and consumer goods, while also lowering costs.

The shares rose as much as 4 percent to $67 after the market close in New York. CSX has gained 17 percent this year through the close on Tuesday, the most among major North American railroads. Earnings rose to $1.01 a share, topping analysts' estimates by 14 cents. Revenue climbed 5.8 percent to $3.1 billion. Expenses dropped 7.9 percent to $1.82 billion. That gave the company a record operating ratio, an efficiency measure in which a lower number is better, of 58.6 percent. That's down from 63.5 percent a year earlier.

J.B. Hunt Profit, Revenues Soar on Surging Freight Demand

Transportation operator leads off second-quarter earnings reports for sector saying it saw double-digit gains in trucking, rail pricing measures.

By Kimberly Chin WSJ July 16, 2018

J.B. Hunt Transport Services Inc. JBHT +0.54% reported a 55% gain in second-quarter earnings to $151.7 million, easily beating expectations as higher freight rates and strong shipping demand boosted revenue and profit across the company's trucking and logistics operations. J.B. Hunt's revenue rose 24% to $2.14 billion, the company said Monday, topping consensus estimates of $2.05 billion from analysts. The second-quarter profit reached $1.37 per share compared with 88 cents per share, or $97.9 million, in the same quarter a year ago. Analysts polled by Thomson Reuters estimated J.B. Hunt would earn $1.28 a share for the quarter. J.B. Hunt's stock was off 4.1%, or $4.93 per share, in trading Monday morning.

Lowell, Ark.-based J.B. Hunt, one of the nation's largest trucking and logistics companies and the first to report earnings for the second quarter, is benefiting from a booming domestic shipping economy marked by high demand and tight transportation capacity, leading to rising prices for freight transport. J.B. Hunt reported double-digit increases in revenue per load, a key measure of pricing strength, in its truck-rail intermodal, logistics and trucking segments.

Revenue in the intermodal segment, which makes up about half the company's overall business, rose 16% to $1.16 billion and operating profit increased 22% to $134 million. The company said rate increases and other gains were partially offset by increases in costs for items such as rail purchased transportation, driver pay, retention and recruiting and equipment ownership. Revenue in the Integrated Capacity Solutions unit, a freight brokerage operation typically used to purchase trucking capacity and rail capacity outside the company's owned operations, soared 56% to $347 million.

TRIVIA QUESTIONS

1) How many miles constitute the USA Interstate Highway System?
A. 53,789 **B.** 38,971 **C.** 46,472 **D.** 73,533

2) Which is the longest interstate highway in the USA?
A. I-70 **B.** I-40 **C.** I-80 **D.** I-90

3) How many interstate highways are longer than 1,000 miles?
A. 16 **B.** 20 **C.** 13 **D.** 9

4) The Interstate Highway Act was signed in 1956. What year was the last interstate highway built?
A. 2001 **B.** 1993 **C.** 1986 **D.** 1977

5) The initial cost estimate of the Interstate Highway system was $25B over 12 years. The final cost was….?
A. $128.9B **B.** $152.4 B **C.** $97.3B **D.** $109.7B

6) The initial planning map for the project was submitted by a US general and is known as the….?
A. Eisenhower Map **B.** Custer Map **C.** Patton Map **D.** Pershing Map

Answers Later In The Newsletter

FUEL REPORT

U.S. On-Highway Diesel Fuel Prices* (dollars per gallon) http://www.eia.gov/petroleum/gasdiesel/

	7/2/18	7/9/18	7/16/18	Change from week ago	Change from year ago
U.S. National Average	$3.236	$3.243	$3.239	-0.004	0.748

Truck-Factory Backlogs Soar on Heavy Demand for Big Rigs

Businesses are struggling to book transportation and carriers are trying to keep up By Jennifer Smith WSJ 7/5/2018

Truck owners stepped up orders for big rigs at a time when buying typically slows, pushing backlogs at factories to the highest levels in nearly two decades. Fleets ordered 42,200 trucks in June, more than double the number they bought in the same month a year ago, according to preliminary figures from ACT Research, and 18.5% more than they ordered in May. “We’re expecting in June that the backlog will rise to a level we haven’t seen since about 1999,” said Kenny Vieth, president of Columbus, Ind.-based ACT. The backlog-to-build ratio was about 9.6 months at the end of May, he said, meaning most trucks ordered in June won’t arrive until the first half of 2019.

June is typically a weak month for truck orders. But the persistent robust demand for the heavy-duty vehicles used for long hauls meant carriers ordered new trucks at a seasonally adjusted rate of 492,000 vehicles in the first six months of this year— “the strongest six-month order period that we have in our database, which goes back to 1982,” Mr. Vieth said. Truck operators are racing to meet unrelenting shipping demand in a strong U.S. economy.

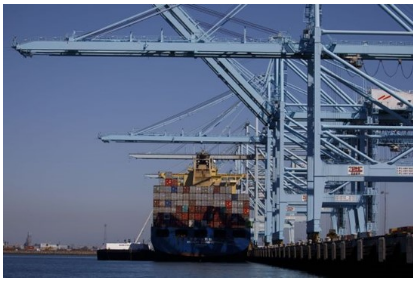
U.S. factory activity accelerated for the second straight month in June as manufacturers hustled to get goods moving ahead of tariffs. Businesses are struggling to book transportation amid a shortage of available trucks, with many paying a premium to keep shipments moving. In June the national average rate for the most common type of big rig hit $2.32 per mile on the spot market, according to online freight marketplace DAT Solutions LLC, the highest monthly average since 2010, when DAT began reporting that data.

Shipments by truck and rail rose 11.9% in May compared with the same month in 2017, while freight spending jumped 17.3%, according to Cass Information Systems Inc., which processes freight bills. “Demand is exceeding capacity in most modes of transportation by a significant amount,” Cass said in a report. “The current level of volume and pricing growth is signaling that the U.S. economy is not only growing, but that the level of growth is expanding.”

Many carriers report trouble recruiting and retaining drivers, which has contributed to the spike in freight rates. Some drivers are leaving for work in the expanding energy or construction industries that pay better or offer more time at home, exacerbating the industry’s high turnover rate. Some trucking companies use new tractors as an incentive to lure new drivers. Diesel prices are also rising, giving carriers an incentive to swap out older vehicles for newer models with greater fuel efficiency.

U.S. Seaborne Imports Surging as Retailers Stock Up Early

Container imports at the ports of Los Angeles and Long Beach jumped 8.4% in June amid 'anxiety' over trade tensions



The Port of Los Angeles, shown left, and the neighboring Port of Long Beach, handle about 36% of the import container shipping volume in the U.S. Photo: Patrick T. Fallon/Bloomberg News

By Erica E. Phillips and Benjamin Din

July 17, 2018 WSJ

LOS ANGELES—Cargo streamed into U.S. seaports at a rapid rate in June, as businesses pulled in goods in an apparent rush to stock up ahead of new tit-for-tat tariffs between the U.S. and China. Container imports at California's ports of Los Angeles and Long Beach, Calif., the biggest U.S. gateway for seaborne trade, rose 8.4% in June from the same month a year ago, reaching 767,059 20-foot equivalent units, a standard measure for container cargo. The growth marked an acceleration from the spring, and a booming early start to the seasonal shipping surge that typically peaks from July to September.

"Peak season has come early, so to speak," said Mario Cordero, executive director of the Port of Long Beach, Calif., the nation's second-largest container port.The shipping rush comes as the Trump administration begins to impose new tariffs in a burgeoning trade showdown with China, including targeted levies on $34 billion in Chinese imports and a promise of further duties on additional $216 billion in Chinese products. Industry watchers say retailers and manufacturers are bumping up orders ahead of the tariffs.

"People are uncertain so they're buffering," said Lora Cecere, an analyst with research firm Supply Chain Insights. "They haven't really experienced this level of uncertainty before and they're not sure what to do about it."

Mr. Cordero said about 70% of the Port of Long Beach's import volume is directly related to China. Of that, about 7% would be affected by the first round of tariffs. "What we have for sure is anxiety in the industry," Mr. Cordero said. "And that's not a good thing for international trade."

The Port of Oakland, another gateway for Asia trade, also reported a strong acceleration in inbound volumes, with container imports growing 8.7% year-over-year in June. Ms. Cecere said the rush to stock up early could cost companies later since they may not have taken the time to target the right goods to order. "This is a supply-side solution," she said. "Right now I think what we've got is a very reactionary response."

Exports at the neighboring Southern California ports were up 7.2% in June to 282,371 TEUs. Through the first half of the year, combined imports and exports at Los Angeles and Long Beach rose a 4.1% from the same period last year.

FOR IMMEDIATE RELEASE July 19, 2018

ATA Pledges to Create Greater Opportunities in Trucking

Association Pledges to Enroll At Least 50,000 People in Enhanced Career Programs

Arlington, Virginia — Today, leaders from the American Trucking Associations pledged that the trucking group would provide at least 50,000 people enhanced career opportunities as part of today's Trump administration announcement to provide pathways to better careers for a half a million Americans.

"ATA is proud to be part of this effort to provide enhanced career opportunities to hard-working Americans. Our nation's economy depends on our trucks moving goods from ports, factories and farms to stores and homes – and we depend on the millions of men and women who drive those trucks, maintain those trucks, load and unload those trucks and route those trucks," said ATA President and CEO Chris Spear. "We appreciate President Trump and Secretary Acosta making this a priority and having the vision to follow through with today's executive order. We hope that through this workforce development effort, we will be able to connect more Americans to family-supporting incomes and address the persistent shortage we face in attracting enough well-trained workers to our industry. The economy is strong and unemployment is low, but there are critical shortages of skilled workers in sectors of the economy, like truck drivers, technicians and mechanics. We support these efforts to help ensure Americans have the skills and training needed to support the modern economy."

ATA was represented at today's White House event by past ATA Chairman Dan England, chairman of the board at C.R. England Inc., Salt Lake City. "C.R. England believes in providing hard-working Americans a path to a better life," England said. "That's why we work so hard at our driving schools and training facilities, giving people a place to learn important and valuable skills that can keep our industry and our economy moving. "Our industry is under constant pressure to bring in new drivers and new technicians to replace an aging workforce and to keep up with the demands of a modern, just-in-time economy," he said. "Today's announcement underscores our commitment, and ATA's commitment, to doing all we can to provide opportunities for careers in trucking."

At today's announcement, ATA pledged to offer enhanced career opportunities to 10,000 people a year, every year, for the next five years, bringing the total commitment to 50,000.

Answers to Trivia

FMCSA report outlines plan to overhaul CSA, with tests of new system slated to begin in Sept.

James Jaillet @trucknewsJJ | July 17, 2018 Commercial Carrier Journal

Complying with an order from Congress issued in 2015, the Federal Motor Carrier Safety Administration has released a report on how it plans to proceed in reforming its Compliance, Safety, Accountability program to better achieve CSA's goal of identifying unsafe trucking companies. The chief reforms outlined in the 10-page report include replacing the existing CSA Safety Measurement System with a new scoring system, working to improve the quality of data used to score carriers, making it easier for carriers to understand and calculate their safety scores and evaluating adding an absolute scoring system (instead of relying only on relative scores that hinge on a comparison of carriers to their peers.)

The agency says it hopes to begin testing a new scoring calculation method on "a small scale model" by September, with a full-scale model test to potentially follow in April 2019. The changes to calculating scores would be the largest reform made to the program. The new scoring system would be based on a so-called "item response theory" method, which was recommended to the agency as holding the potential to account for variables (such as violations and severity weights) better than the previous scoring model used by the agency.

The report, dubbed by the agency and Congress as a "corrective action plan," is dated June 2018, and it was posted to the agency's website July 4, according to a timestamp on the page. The FAST Act highway bill, signed into law by President Obama in December 2015, required FMCSA to pull its SMS percentile rankings from public view and required the agency, with the help of the National Academies of Science, to figure out how to make the program more accurate in its assessment of motor carriers' safety. Congress required the agency to submit a plan on how it would shore up the program following widespread concern among carriers that the scores were unfair and inaccurate and relied on shoddy data.

Last week, the agency announced it was scrapping CSA reforms proposed in 2015 in favor of broader reforms outlined by the National Academies of Science. Even before last week's announcement, however, the agency had posted its corrective action plan on an interior page within its website, though it did little to publicize the report.

To read the full story please go to the link provided https://www.ccjdigital.com/fmcsa-report-outlines-plan-to-overhaul-csa-with-tests-of-new-system-slated-to-begin-in-sept/

Teamsters and UPS Reach Handshake Agreement on UPS Freight Agreement https://unionnegotiations.ups.com/latest-news/ July 13, 2018

UPS and the Teamsters have reached a tentative agreement on a new collective bargaining agreement for UPS Freight employees. The five-year agreement, which is subject to ratification, covers about 11,000 Teamsters-represented UPS Freight employees.

UPS's goal for the freight and small package agreements has been to reward the company's employees for their contributions to its success while enabling the business to remain flexible to meet its customers' needs. Meeting these goals for both the small package and freight agreements, UPS is poised for continued growth supported by greater flexibility to meet the needs of its customers. With agreements now reached for both the freight and small package national master contracts, discussions continue for small package supplements and local agreements. Strong progress has been made on many local small package agreements and supplements, including a handshake agreement covering more than 100,000 Teamster-represented UPS employees located in the Central Conference, the Southern Conference, and Oregon / Idaho, among others. Other local agreements and supplements continue to be negotiated.

The new agreements will go into effect August 1, 2018, once they are ratified by employees.

Please continue to check this website regularly for factual, timely information about the negotiations.

Now for Sale: The Empty Space Inside Retailers' Packages

Saks, Zulily and other businesses are looking to offset rising shipping costs by selling package inserts to advertisers

By Khadeeja Safdar WSJ July 22, 2018

In the sliver of room between a new pair of shoes and the books you ordered online, retailers have found a different way to monetize the empty space in your packages. Saks Fifth Avenue, Zulily and Barnes & Noble College are among several businesses that have joined a new marketplace allowing advertisers to buy and insert paper ads in customers' boxes. More than 25 retailers have listed slots for sale in their packages in the weeks since the website, called UnDigital, went live.

The rise of online shopping has taken a toll on retailers as shipping costs and investments in e-commerce capabilities have cut into profits. Retail margins on average fell to 8% last year from 10.2% in 2012, according to consulting firm AlixPartners. Over that period, e-commerce sales expanded to 17.6% of total sales from 10.5%. Retailers hope they have a remedy: Wring more money out of the space inside the box. For years, companies have been adding product samples or targeted coupons in their packages in hopes of encouraging shoppers to place another order at their stores. Some retailers brokered occasional deals with existing vendors or advertisers. With UnDigital, retailers are offering their packages to a broader range of potential advertisers.

On the UnDigital platform, retailers post monthly listings with a number of packages and the maximum number of inserts per package. Advertisers can specify the number of packages in which they want inserts at a price set by the retailer. The average price per insert is between 10 and 12 cents, and the average number of inserts per box is two to three. Once an advertiser buys the inserts, UnDigital manages printing and payment logistics. It also sends the ads to the retailer's shipping facility for them to be inserted. Advertisers can add unique links on their inserts to track conversion rates. Because retailers can break up the volume of packages into segments, smaller brands and niche advertisers are able to buy inserts, said Ryan Millman, co-founder and CEO of UnDigital. "If you want try 100,000 units instead of five million, it might cost a few cents more, but it allows an advertiser to test with a very large company."

Online retailer Zulily said it has included inserts in packages in the past but mainly from its existing vendors. The retailer joined UnDigital in hopes of finding new advertisers and generating more revenue to reinvest in the business, said Chris Johns, manager of integrated marketing and partnerships for Zulily. "A penny saved is a penny passed along to the customer," he said. Barnes & Noble College is looking for advertisers that sell products specifically for college students, such as those related to technology or entertainment, said Lisa Malat, chief marketing officer at the company. Touch of Modern, an e-commerce site that curates products for men, said it is working on an agreement to include inserts in the packages of Cabela's Inc., which sells hunting and outdoor gear. Though the cost of an insert ad is much higher than a digital ad, an insert can be a more efficient way to reach a shopper, said Ian Yung, senior director of business development at Touch of Modern. "It's rare that someone will order something online and not open the package."

Some shoppers say they open packages but don't bother looking at the inserts. "My main objective is to get my item as fast as I can—I don't look at anything else," said Corey Gorman, a 27-year-old accountant in Scranton, Pa. "The only way I would look at the ads is if they were shoved in my face like YouTube ads."

Whenever there is a **Quotable** in the Outsource newsletter it comes from the Wall Street Journal's daily logistics newsletter written by Paul Page. It is also true anytime that **Number of the Day** appears too.

Quotable

"Transportation costs are going through the roof right now, which definitely impacts the ... quantities we're bringing in versus truckload and LTL."

— A furniture and related products company in the ISM June manufacturing report.

Quotable

"There's so much growth here in parcel delivery that there's more than enough for everybody."

— Dave Clark, Amazon's senior vice president of worldwide operations.

Quotable

"In terms of the pricing environment and the capacity environment, it's a good time to be in the railroad business."

— CSX Corp. Chief Executive Jim Foote.

Quotable

"I would characterize it as the strongest freight and rate market in my career."

— John Steele, chief financial officer at trucker Werner Enterprises Inc.

Number of the Day

3.2%

Year-over-year increase in the average rents for prime logistics real estate in the 12 months ending March 31, according to CBRE Group.

Number of the Day

2.7%

Year-over-year increase in grain carloads carried by U.S. railroads in May, reaching the highest weekly average since 1988, according to the Association of American Railroads.

Number of the Day

1.24

Inventory-to-sales ratio for U.S. merchant wholesalers in May, the lowest since November 2014, according to the Commerce Department.

UPS IT Chief Says Analytics Project Will Improve Logistics Planning

Coming to employees likely by year's end: A predictive analytics tool that analyzes over 1 billion data points daily By Sara Castellanos Jul 17, 2018

United Parcel Service Inc. is working on an "ambitious" analytics and machine learning project to gather and consolidate data from various applications within the company's logistics network to better predict package flow, volume and delivery status, says Juan Perez, chief information and engineering officer. The predictive analytics tool, which has been in development for about eight months, will gather and analyze more than 1 billion data points per day at full-scale, including data about package weight, shape and size, as well as forecast, capacity and customer data. "This allows us to know exactly what's going where, and when it's going to arrive, much more accurately than ever before," Mr. Perez said.

The project is an example of how UPS is upgrading technology systems as it faces heavy competition from rivals including FedEx Corp. and Amazon.com Inc. as well as ever-growing e-commerce shopping demands. The company still relies on some outdated equipment and manual processes, but it's opening new automated facilities and working on technology upgrades, such as this one, as part of a $20 billion capital spending plan. UPS IT Chief Juan Perez says the upcoming analytics tool 'allows us to know exactly what's going where, and when it's going to arrive, much more accurately than ever before.' Photo: United Parcel Service Inc.

The so-called harmonized enterprise analytic tool, developed by an in-house team of developers using the agile software development method, is expected to be deployed by the end of the year. It will give staff more accurate forecasts about the package volume that needs to be processed at UPS facilities on any given day, Mr. Perez said. That will give employees enough lead time to determine whether they need more resources at package and sorting facilities in the event of a higher-volume day. Predictive analytics also could help eliminate bottlenecks in the supply chain because of unforeseen weather or emergency situations, called exceptions, in the network, Mr. Perez said. Knowing how upcoming inclement weather will impact the supply chain days in advance will result in better planning, he said.

"Today, we use data extensively to plan, but the more real-time data we can get on the state of a package, the better visibility we can get about any exceptions in the network, helping us generate improved plans to manage the network as a whole," he said.

Developing the tool was an ambitious feat because of how many hundreds of millions of data points needed to be consolidated into one single platform, said Ted Abebe, senior director for UPS's advanced technology group. Until now, forecast, capacity, customer and package data was housed in different applications. The tool will be tested in the coming weeks and is expected to be available to UPS employees by the end of the year via a smartphone, desktop and tablet application.

"It's one place where everybody's going to get the same facts," Mr. Abebe said.

In the future, UPS could embed the tool with more artificial intelligence to determine the next-best action. For example, the tool could eventually tell employees whether a package needs to be redirected to an alternate facility or a different mode of transportation in order for it to be delivered on time. "Those are some of the types of decisions that today, humans make, but in the future, through AI and technology, those decisions can be automated," Mr. Perez said.

Number of the Day

$12.2 billion

Estimated sales of supply-chain software in 2017, according to Gartner Inc., a 13.9% year-over-year increase.

"Leaders don't make excuses—-they make improvements."

Marina Barragan, Desert Mirage High School student, testifying during an EPA hearing on updating a more ozone pollution standard.