

McMillian, Jane@ARB

From: Dan Ruoff [dan@alegretrucking.com]
Sent: Monday, December 07, 2009 8:22 AM
To: ARB Board Members@ARB
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12-7-09

Statement of facts regarding current economic hardship on our trucking company:

Frank C. Alegre Trucking, Inc.

Lodi, Ca.

Appx. 150 trucks/tractors

Appx. 200 employees

In business for 36 years

Family owned

Active in community

Law abiding

Tax paying

Environmentally conscious and compliant

Current economic strain on our company:

Our overall business is down approximately 40% this year.

Our construction fleet, which consists of appx. half of our business, is down appx. 70% this year.

Our total fuel usage is appx. 40% less than it was 2 years ago.

We are facing a major loss of anticipated revenues. Jobs are simply few and far between.

Prospective jobs opened for bidding used to draw 5 to 10 companies bidding. The jobs are now drawing 35 to 40 bidders. Companies are desperate to find work.

There just isn't enough to go around. This bidding war has resulted in contracts that gain nothing more than a minimum cash flow just to stay in business.

Operating margins are so thin now that there just isn't any profit in doing business anymore.

Public jobs are coming to an end as state and federal governments are going broke. Private money is just no longer out there anymore and therefore will not sustain further growth once Public moneys are gone.

Heavy construction equipment (including our own many loaders/dozers/graders) across the state is parked, which means all the trucks that we use to service this industry are also parked.

We have laid off 5 mid-level managers within our company this year alone.

Appx. 99% of our support staff has been cut back to 4 working days (32 hours) per week since the beginning of the year. This is a 20% reduction in wages for our employees.

Employees are being forced to cash in their vacation days to compensate for the mandatory cut back in hours. Therefore these employees no longer have money to use on vacations like they would have in past years.

We have not been able to match employee health insurance contributions as much

12/8/2009

as we have in the past. Because of this, some employees have elected to waive medical insurance because they simply can't afford it.

Some employees have stopped contributing to their 401K funds.

We are already making every effort possible to cut costs in order to stay in business. We believe the state benefits as a whole when we stay in business as we provide employment to the tax paying citizens of California.

Additional negative economic impact CARB's on-road rule will impose on our company:

1. We purchase each truck anticipating 800,000 miles of usage from it. CARB's rule is forcing us to retire these trucks early which takes away years of projected revenue for our company. This is killing our profits; which hurts our business; which hurts our employees; which adds to the decline in this states economy.
2. Now that CARB has taken away our trucks, in order for us to stay in business we have to buy new trucks earlier than expected. So not only is CARB's rule taking money from our pockets when we had to retire our trucks early, but the double-edge sword is that CARB somehow expects us to miraculously replace this revenue they took from us, in order to find a new way to afford a new truck.
3. New trucks were always purchased when the economy supported the payments. CARB is forcing us to buy new trucks now when the economy simply does not support this new truck payment.
4. Now that CARB is forcing these regulations our used truck values have diminished. This is a serious blow to our budget. We have always been able to turn in our used trucks for trade-in value, or sell them to an owner-operator to run (low miles) for a few more years. This was also moneys anticipated in our business plan. Now CARB has stripped us of this anticipated income as well.
5. When you combine what CARB's truck rule has done to our used truck value along with the current recession, we anticipate the value of our fleet is down appx. 50% compared to what it would be appraised at just 2 years ago.

Dan Ruoff
Maintenance Manager
Frank C. Alegre Trucking, Inc.
Lodi, Ca.