

Spring 2010 Newsletter

Hermann Services Acquires Fleet of 2010 EPA Compliant Tractors!



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HERMANN SERVICES, INC. Spring 2010 Newsletter



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"Rather than try and figure out where to put the roadblocks to prevent mistakes, let's arm them with the intelligence they need, the skills that they need and, from the industry, let's demand the information they need to make smart decisions."

— Charles
Cushman

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Safety, Environment, Growth: Making the Tough Decisions

By **Rich F. Hermann**, Vice President

Every business, large and small, throughout the complex maze of supply chain management has a multitude of options to consider in making logistics decisions. We at Hermann Services make them every day, not only for our own company, but also for a diverse array of clients. What is not optional for us is doing everything we can in order to make the *right* decisions.

That is why we are dedicated to ensuring that our management team knows the facts, inside and out, about every issue affecting the industry. Companywide, our strategic decisions ranging from technology choices to safety protocols to company growth are steeped in thorough research and development.

We recently learned that the Federal Motor Carrier Safety Administration is pushing back the start of its new safety monitoring system, CSA 2010, until later this year, to respond to additional input, and give fleets time to fix safety deficiencies. That makes sense, but does that delay Hermann from proceeding full-steam ahead with our safety training? As you will see in our Safety report this issue, the answer is a resounding no. For us, safety always comes first and training will never be postponed.

2010 marks the year that engine manufacturers must meet the EPA's more stringent diesel emission standards and they are taking various approaches to comply. Each has their pro's and con's, and we've studied them thoroughly. In fact, we've learned so much that we're offering a free seminar to help our industry colleagues get up to speed on them as well, which you'll find details about inside this issue. For those of you who cannot attend, give us a call. We'll be glad to help you in your own decision making process about the technology choices for your unique requirements.

Mergers and acquisitions continue to change our industry's landscape, each providing pro's and con's to those affected. For some, bigger may be better, but for others, it could lead to lower levels of service. In fact according to an ACT Research Company, a majority of responders reported that mergers result in a loss of talent from their supply chain organizations. Other problems cited include diminished service quality and increases in supply disruptions. Founded in 1927, Hermann Services has grown organically to provide the highest levels of service. Therefore, I am proud to report that we have expanded our Hermann Leasing division with a new facility dedicated to serving Connecticut and Western Massachusetts, which you can also read about inside this issue.

Decisions, decisions, decisions. We believe that we are making the right ones for our employees, for our clients, and for the environment. Please let us know if we can be of assistance with any of yours along the way!

Best Regards,
Rich Hermann

Drive Safe! N.J. Drivers Must Make Full Stop for Pedestrians or Face Hefty Fines



New Jersey motorists face steeper fines if they don't stop for pedestrians. As of April 1, 2010 the updated law requires motorists to stop and remain stopped for pedestrians in a crosswalk.

Currently, the law only requires that motorists yield or slow for pedestrians. Fines will increase to \$200 for motorists who don't stop.

Highway Traffic Safety Director Pam Fischer said pedestrians account for around 25 percent of fatalities in New Jersey. That's nearly double the national rate.

Hermann Services Sponsors Free Seminar on 2010 EPA Standards for Diesel Emissions Regulations

How will the 2010 EPA Standards for Diesel Emissions Regulations Impact your Business?

Find out during an upcoming free seminar hosted by Hermann Services, Inc.

The breakfast gathering will take place:

Thursday, May 13, 2010 from 7:00am-10:00am at:
The Holiday Inn, 3050 Woodbridge Avenue, Edison, NJ
Phone: 732.661.1000

What you can expect from the free educational seminar:

- Learn about the technology behind the new engines.
- See how regulations will affect your company, both financially and operationally.
- Understand what the availability of new diesel exhaust fluid is.
- Educate drivers about new procedural changes.
- Use the new technologies as a marketing tool.
- Make smart, economically-sound decisions in the future.

Featured Speakers Include

- **Rich F. Hermann, Vice President, Hermann Leasing Company** - Rich will discuss the financing and operations of the new fleet vehicles.
- **David McKenna, Director Powertrain Sales & Marketing, Mack Trucks, Inc., Volvo Group** - David has been directly involved in the development of the technology required to meet emission standards.
- **Personnel from Hermann Maintenance and Transportation** will be on hand to discuss the maintenance pro's and con's of various compliance technologies.

A questions and answers session will immediately follow David's address.

RSVP is required to attend. Seating is limited so RSVP ASAP to Robin Gregor at 877.809.6070 or by email to robingregor@hermannnds.com.

SAFETY

Hermann Services 2010 Safety Training

The Safety Committee of Hermann Services will be scheduling several Safety Training and Refresher courses during 2010 for all managers and supervisors. On March 9th and March 11th, Matt Montgomery, CDS, Hermann's Occupational Health & Safety Consultant of Safety Management Services Company, Dubuque, IA conducted OSHA Train-the-Trainer courses.

The courses covered training in:

- Ergonomics
- Lockout/Tagout
- Hazard Identification
- Hazard Communication
- Emergency Action Plans
- Bloodborne Pathogens
- Personal Protective Equipment

Thirty-three Hermann Services managers and supervisors participated in the OSHA Train-the-Trainer courses.

Hermann Renews Captive Insurance

A member since June 2005, Hermann Services has renewed our insurance policy with Captive Insurance Group. Consisting of 57 carriers in various regions, all members are audited annually by a SMSC Safety Consultant. Matt Montgomery conducted our annual Transportation Safety Assessment with Hermann Transportation and Hermann Leasing in March.

The TSA audits numerous Federal Motor Carrier Safety Administration requirements including recordkeeping, training, hiring practices, and auto liability/worker's compensation claims.

Safety Comes First Behind the Wheel

Our semi-annual Drivers Safety meetings were held recently in New Jersey and in Texas. Topics focused on Hazardous Materials and Load Securement re-fresher training for all drivers and managers. Todd Currier, certified DOT instructor and Warehouse Manager in our Hermann Southwest facility, performed the training at both meetings. Thanks Todd! Your help in keeping our focus on safety is much appreciated.



Hermann Services Acquires Fleet of Energy Efficient, Driver-Friendly, EPA 2010 Compliant Class 8 Tractors

On a mission to provide the most energy efficient transportation services, Hermann Services has acquired a fleet of class 8 tractors with multiple environmentally-friendly features. Powered by brand new MaxxForce engines, the new trucks meet the 2010 EPA emissions requirements without the need to install additional urea additive equipment.

Hermann's new fleet is also equipped with fully automatic Eaton Fuller Ultra Shift 10 speed transmissions that improve fuel economy, reduce maintenance costs, and enhance driver comfort.

The trucks sport new Super Single Michelin XDA tires. These wide base tires improve fuel efficiency by decreasing weight and rolling resistance. Interstate tests by Oak Ridge National Laboratory (ORNL) show gas mileage increases nearly 3% with use of wider single tires on tractor-trailers.

To further increase fuel mileage, the trucks utilize anti-siphoning fuel tanks that are 25% smaller, which make the vehicles more lightweight. Studies have proven that the savings in fuel costs outweigh any time savings that larger tanks provide to reduce the number of times a driver must fuel up.

Most importantly, according to Bryan Hermann, Director of Fleet Maintenance, Hermann Services, the new fleet features an Electronic Control Module which monitors a Performance Bonus Program. This permits drivers to attain certain cruise control, idle time, and miles-per-gallon parameters that enable them to make more efficient use of drive time.

Drivers will also appreciate the installation of Fontain automatic 5th wheel air release, a switch within the cab that saves time by automatically disconnecting trailers upon activation. Formerly drivers had to exit the cab and manually pull the 5th wheel pin, which could potentially cause injury. Therefore, Hermann projects additional savings through reduced workman's comp claims and lost time.

Based on combined fuel saving projections, Hermann Services forecasts an 11% increase in overall improvement in fuel economy that will reduce fuel consumption by an average of 1,298 gallons per year per truck.

For more information about the new fleet of Hermann Services tractor trailers, please contact Bryan Hermann at (800) 624-1016 ext. 243 or by email to bhermann@hermannnds.com.



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Hermann Leasing Expands to Connecticut and Western Massachusetts

As consolidation in the truck leasing industry translates to larger companies providing less service at higher costs, companies in Connecticut and Western Massachusetts will now have the personal attention of a reputable family-owned and operated firm at your service!

Flexible Leasing Programs Now Available in the Region Include:

- Full Service Truck & Tractor Leasing
- Dedicated Logistics Programs
- Dedicated Transportation Programs
- Dedicated Fleet Services
- Full Service Trailer Leasing
- Fleet Maintenance
- Insurance Coverage
- Equipment Branding with Company Logo
- Dry Van, Refrigerated, Temperature Controlled, Day Cab, Sleeper Cab, and Straight Trucks of all Types

A native of Western Massachusetts, Alan Trauschke serves as Branch Manager of the new facility. He brings over 20 years experience in the truck leasing and transportation throughout the area. "This is perfect timing for a company like Hermann Services to step in and fill the void of personalized service in the region," he says.

Now in our fourth generation of family ownership, Hermann Services delivers supply chain management solutions throughout the U.S. that operate like clockwork. We deploy a total logistics approach to maximize efficiency that customers in the Northeast can rely on.