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## **Swift, Knight change the trucking game by signing onto the clean-truck drayage program in L.A.**

By John Gallagher

The controversial clean-air program at the Port of Los Angeles will mark a dramatic entrance into the container drayage business for two of the nation's largest trucking companies.

Swift Transportation and Knight Transportation submitted letters of intent to become port drayage operators under the port's Clean Truck Program. The separate decisions by the two Phoenix-based truckload operators threw a large wrench into trucker opposition to the plan and thrust two major carriers into the nitty-gritty, daily grind of port drayage that most interstate truckers avoid.

Both carriers already serve the ports by hauling freight for customers outside Southern California. But they assert that registering with the port paves the way for expanding their business and becoming players in the local drayage market.

They'll also be compensated for it. The combined 2,000 trucks the carriers will contribute to the program are already emission compliant. That makes each truck eligible for a \$30,000 incentive - a \$60 million windfall.

"This is going to be a big addition for the harbor and for us," said David Berry, vice president of Swift. "The port is serious about cleaning the air, and we think we can help them do that. We also want to be able to provide service to our customers."

"It seems to make sense for us," said Knight Transportation Chairman and CEO Kevin Knight. "We're already there, we understand the business, we serve the customers and the steamship lines, we already have those relationships. We've always done a little bit of drayage, but we plan to haul significantly more containers in and out of the harbor as time develops."

The Port of Los Angeles considers the registration of Swift and Knight a major coup for its Clean Truck Program, a program the port claims is the best way to eliminate older, pollution-spewing trucks to help it meet stringent California environmental laws.

“The entrance of these two innovative national carriers into drayage service at our port is the culmination of months of discussion between our team and the motor carrier community regarding our program and the opportunities it can provide to trucking companies that are operationally efficient and environmentally responsible,” said Port of Los Angeles Executive Director Geraldine Knatz.

Despite the move by Swift and Knight, much of the trucking industry has been unofficially boycotting the program in an attempt to delay what they consider a recipe for reduced competition and higher costs (see cover story, page 8).

The American Trucking Associations is seeking a temporary restraining order to prevent part of the program from moving ahead.

“We firmly believe that these concession programs unlawfully re-regulate the port trucking industry to the detriment of motor carriers, shippers and the businesses and consumers that depend on the products that are handled at those ports,” said ATA President and CEO Bill Graves.

ATA officials were unaware Swift and Knight, two of its major members, would be signing up for the program. But ATA spokesman Clayton Boyce said there’s no conflict between their actions and ATA’s lawsuit.

“They made a business decision that has nothing to do with our injunction request,” Boyce said. “The ATA is only challenging the unconstitutional bureaucratic requirements of the port’s plan. We’ve said repeatedly we’re not against the aims of the program. We’re in favor of replacing older trucks to improve air quality, and we’re OK with the schedule the ports have set for banning older trucks.”

Neither carrier sees a conflict.

“The ATA needs to protect the industry they represent, and we respect that,” Berry said. “The lawsuit has to run its course. We also have to make sure our customers have smiles on their faces and are happy with our service.”

The port said so far it has received applications from about 20 other licensed motor carriers “of various sizes” that represent more than 1,100 trucks.

Berry said besides providing Swift new revenue, the Clean Truck Program could alter the perception of a sector of the industry that has long been in need of a face lift.

“The drayage business has been characterized as a place where old trucks go to die, and drivers are willing to work for substandard wages with no economic power,” he said.

“This has the potential to be a game changer. Ports are on the verge of becoming not a place of chaos, but where there are clean trucks and less congestion.”