

FLATBED FORUM



A bi-monthly newsletter for small business owners in flatbed transportation.

INAUGURAL ISSUE

11.15.2018

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I am excited to welcome you to our first edition of the Flatbed Forum!

The purpose of this bi-monthly publication is to ensure you stay informed and receive relevant and timely information about CRST Flatbed operations. Our team has worked diligently to put together information that we believe will keep you informed about the flatbed marketplace, new departmental initiatives and opportunities within our organization. We know that working together and staying informed is a valuable key to a successful relationship.

I would like to speak about the current state of the flatbed market, in order to do so we may need to look back a few months. The summer of 2018 will likely go down in history as the highest demand and highest paying freight market that the industry has experienced. There were over 100 loads for every truck available and if your focus was increasing your savings account, putting a little away for your kid's college or paying off the truck, the summer of 2018 was the time to do it. So, what's going on now? Rest assured the flatbed market is still strong. Load to truck ratios are still higher than ever (not quite 100 to 1) but still a record compared to the last 10 years. Rates are still better than ever (not quite summer 2018) but still well above years past. You are part of a Flatbed organization that provides a premium value to shippers, receivers and customers. Based on what we are hearing in the market and from customers, 2019 will likely produce the same pattern we saw in 2018. We work extremely hard with our clients and agents to ensure that you have access to a robust load board with QUALITY freight opportunities. So, if you weren't here during the summer of 2018 or didn't pay off your truck...get ready 2019 should be an exciting year!

Congratulations to all of our contractors for another improvement to our CSA Basic scores. Compliant operation of your business is critical to not only your success but the success of our entire flatbed operation as well. We have one more CSA Basic to improve upon, Vehicle Maintenance. Please visit the Love's tire pass program, make sure that your pre and post trip inspections are thorough and if you recognize items that need repair get to a maintenance shop. There is no time like the present to focus on operating safely. Our safety department and Fleet Managers can assist you with strategies and techniques to operate safely and improve our CSA scores for everyone's benefit.

You are part of an ELITE flatbed family. We need to make sure that we take care of one another while we are on the road, behind the wheel or looking for positive advice. Please know that any of our team members in Birmingham, Eldridge, Cincinnati, Agent operations, and fellow drivers are here to help and are committed to your success. Make sure that you keep our name a PREMIUM brand, make sure that you receive premium service from our office support teams, be ELITE while you are on the road and with our customers through professionalism, integrity and by operating safely.

Thank you for being a valued part of our team. I am excited about the future editions of the Flatbed Forum and your commitment to our organization. Please feel free to contact me should you believe that I can be of any assistance.

Happy Thanksgiving,

Chris Deschaine
President – CRST Malone
Email: cdeschaine@crst.com
Office: 205-978-7476

The Path to Freedom with John Wellborn by Chris Gonzalez, Director of Capacity Development



The dream of any lease purchase operator is to pay off their equipment, enjoy reduced operating expenses, grow their business and look for ways to prepare for retirement. Realizing the dream is not always easy, but it is a rewarding! Every journey has its own path, and every path has its ups and downs. At Malone, we believe in sharing the stories of individual operator's success and their journey in the hope that it will encourage another along their way.

John Wellborn has been off and on the road since 1997. Since that time, he's gained 11 years of over the road experience and has been on the road for the last 8 years straight. Six years ago, John started working as a company driver at a local flatbed company. While John knew his goal was to be an independent contractor, he only knew a little bit about that world from a previous fleet owner he drove for. John began looking at options where he could purchase his own truck and four years ago, he made the decision to come to Malone as a lease purchase operator.

Having recently moved to the small town of Marshall, NC, John met his wife, Julie, and his 20-year-old stepdaughter. Starting a new career with a new home and new family, John was looking for financial freedom. The journey was not always easy - transportation throws many curveballs that no operator can avoid. It is how these curveballs are handled that define the quality of the operator! When John started, he had an older truck that was set-up for a short-term payout. 10 months into the lease John encountered repairs that exceeded the value of the truck. Many operators are faced with this very same situation everyday leaving them to answer the question: do I sell or fix the truck? While many operators sell at a loss and buy a new truck, John was given the option through Malone's lease purchase program to swap into a new truck, assuming no financial responsibility for the truck he was getting out of. While John did lose out on what he had put into the truck, he assumed no losses that many operators face when in the same situation. The truck John swapped into was unit W3467M which he would later receive the title for!

When asking John how the new truck worked out for him, he had a lot to say. Even with a newer unit John encountered the breakdowns that most of us in transportation are familiar with. However, after an engine replacement and several other repairs that would have been costly, if not for Malone's lease purchase maintenance program, he now owns the truck! John has recently equipped his truck with APU units to help combat his expenses due to fuel and maintenance because of idling. The truck has many more years to go, and John plans on staying with Malone for another 10 years until he retires and enjoys life with his family.

John attributes his success to his wife Julie. Julie helps John run his business by staying involved with the load board, making calls and helping determine the best loads and decisions while on the road. Julie cannot always be there, so John also works closely with his Fleet Manager, Mike Wuestenberg, out of Eldridge, IA. With the help of his wife, son, step-daughter and Fleet Manager, John has a place at Malone where he feels comfortable and calls home.

In asking John what he loves most about Malone he replied with, "The Freedom". The freedom to run the freight you want, in the lanes you want to run. Every decision has its cost, but those decisions are John's to control. With an average rate per total mile of \$2.26 in 2018, John and Julie have been defining their success through making some great decisions.

We look forward to highlighting our next Malone Contractor! If you wish to be considered, or wish to nominate someone, please email flatbedforum@crst.com.

Flatbed Market Watch by Tim Barth, Vice President of Sales



While the flatbed market wasn't as hot in October as it was during the summer months, it was still a better October overall than the market has seen in many years. Given the contrast between the summer and fall it's easy to understand the frustration in a slight raise in deadhead miles and fewer loads on the load board. It can be hard to keep in mind that some of this was due to seasonality but some of it can be tied directly to the steel and aluminum tariffs imposed on certain products as well. Yes, we saw a drop in our overall rate per loaded mile on both OTR and regional freight rates in the spot market but in looking towards the end of the year and beyond there is good news on the horizon!

Rates have stabilized and so far in November, overall demand has increased SLIGHTLY. We anticipate things to continue improving through Thanksgiving, when we expect to see the normal upswing until Christmas. Another piece of good news - fuel prices have dropped slightly, \$0.06 cents per gallon, over the past three weeks, and forecasts show this trend will continue through the end of the year.

Thankfully the 2019 outlook is showing load volumes and freight rates near the same as we enjoyed the first half of 2018...Up and Strong!

2018/2019 2290 'Heavy Highway Vehicle Use Tax' Renewal



The 2018/2019 2290 'Heavy Highway Vehicle Use Tax' return for owner operators, this does not apply to lease purchase units, started July 1st. Returns were due by the 31st of August. Returns filed after August 31st will incur penalties. If you have not already filed your 2290 please file it as soon as possible and send a copy to Rita Welch (rwelch@crst.com or fax # 319-390-6793) or Sandra Wright (swright@crst.com or fax # 319-390-6288).

Your stamped 2290 must be in our possession to renew your plate come renewal time. If you have a road use escrow account set-up, you can contact Contractor Settlements or Accounting to have your escrow loaded to your settlement card.

Should you have any questions about this process, please don't hesitate to contact Rita Welch in Licensing/Permits at (205) 978-8713 or Sandra Wright in Accounting at (205) 978-8710.

Malone's BASICS on the Decline and Winter Weather Precautions by Ray George, Director of Safety



Did you know that in October CRST Malone did something that people said couldn't be done? We did something similar this time last year that people said couldn't be done as well. Do you know what it was? Do you know how it affected you?

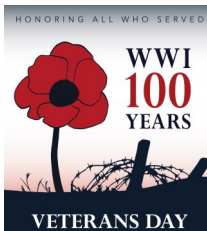
In October 2017 CRST Malone went under threshold in the Unsafe BASIC in CSA (Compliance, Safety, and Accountability). Had this BASIC gone under threshold a few months earlier we may have been spared our DOT audit last fall. This October CSA period we went under threshold in HOS (Hours of Service) for the first time since CSA came into existence! The best part of being under threshold in all but one BASIC, (we still have a lot of work to do on Maintenance at 86) our ISS number fell from 94 – Inspect on the Roadway, to 74 – Optional. This means we're less likely to be pulled around the scales for inspection and that's good news for all of us - potentially saving us a lot of time and money. Thank you for your hard work and effort in getting us under threshold in two areas in the past year.

Now we need to take the same focus and energy used to drive down our HOS and Unsafe violations and concentrate of lowering our Maintenance score – all without losing sight of the other two BASICS. If we work on BLTS (Brakes, Lights, Tires, and Securement), with a special push on brakes and tires, we can get the maintenance BASIC under threshold next October continuing our downward current trend!

A few other areas we need to keep in the forefront of our minds as we head into winter:

- **We support Winter Safe and Comfort Zone Driving.** If the weather conditions make it unsafe to drive we promote Comfort Zone, meaning you as the driver need to make the decision and communicate to operations that it is unsafe to continue and then stop and wait for conditions to improve.
- **Slow down early and always allow plenty of space around your vehicle to allow for others' mistakes.** Be especially careful exiting and entering freeways and on curves, and be below the "suggested" speed to prevent loss of traction or roll-over.
- **Prepare for conditions.** Carry extra food and water, clothing, blankets, etc. Carry a shovel, salt, chains and keep fuel tanks filled to proper levels for conditions. Look at weather reports for your areas of travel and know what lies ahead and what you're traveling through and to.
- **Company mandated shutdowns are for your safety, always obey messaging and shutdowns.** You are our eyes on the roadways as well. If you see conditions that have changed and need to be updated fleetwide please share them with us, so we can assist others in being safe on the roadways. Be sure to keep open lines of communications with operations and safety!
- **If the roadways are slick, it will be slick everywhere outside.** Be careful when climbing in and out of your tractor, off and on your trailer. Always use 3 points of contact when climbing and always face your vehicle or trailer. Use proper footwear for the conditions, and walk slowly when areas are wet, snow covered, or icy. Don't let a slip, trip, or fall take you out!

In Flanders Fields - A Veteran's Day Tribute by Maria Gilbert, Pricing Manager



One hundred years after the armistice was signed between the Allies of World War I and Germany, the red poppy remains a symbol of sacrifices made by soldier's in the fight against Germany. The Belgium Flanders, the Northernmost point of the Western Front during the First World War, became one of the most devastated regions in the battlefield. The war turned the beautiful countryside into a field of mud where nothing could grow, but poppy flowers sprouted on the land of thousands of dead men. In tribute to a fallen friend and fellow lieutenant in the war, Lieutenant Colonel John McCrae, a Canadian doctor and poet, witnessed the sight of bright red poppies flourishing in an unlikely place. The vision inspired him to write 'In Flanders Fields', a poem that became famous and has been part of memorial ceremonies across the world ever since. We thank all the Veteran's and their families for their service to our Nation and for protecting our freedoms here and abroad.

*In Flanders fields the poppies blow
Between the crosses, row on row,
That mark our place; and in the sky
The larks, still bravely singing, fly
Scarce heard amid the guns below.*

*We are the Dead. Short days ago
We lived, felt dawn, saw sunset glow,
Loved and were loved, and now we lie,
In Flanders fields.*

*Take up our quarrel with the foe:
To you from failing hands we throw
The torch; be yours to hold it high.
If ye break faith with us who die
We shall not sleep, though poppies grow
In Flanders fields.*

Lieutenant Colonel John McCrae

We've Moved! New Address and Contractor Settlements Phone #'s



As you've most likely heard, the CRST Malone administrative office has temporarily relocated to Vestavia Hills, AL. The new mailing address is:

CRST Malone, Inc.
601 Vestavia Parkway, Ste. 200
Vestavia Hills, AL 35216
Main Phone: (205) 978-7477

Along with a new address, your settlement clerk has a new phone number! While our phone numbers are new we're still here to assist you with your settlement issues or just make sure your loads are processed. We look forward to hearing from you soon!

Cynthia McBride	Settlement Clerk	cmcbride@crst.com	(866) 534-3729
Freda Harris	Settlement Clerk	fharris@crst.com	(866) 521-3729
Regina Herron	Settlement Clerk	rherron@crst.com	(866) 525-3729
Toni Sullivan	Settlement Supervisor	tsullivan@crst.com	(866) 520-3729

Holiday Settlement Schedule by Toni Sullivan, Manager of Contractor and Agent Settlements



As in year's past the holidays will affect your settlement schedule. Please pay close attention to the cut-off dates and times below, and don't hesitate to contact Operator Settlements with any questions!

Thanksgiving: One payroll this week

Driver paperwork scanned between Midnight CST on Wednesday, November 14th and Midnight CST on Monday, November 19th **pays on Wednesday, November 21st.**

Rockport Owner Operator loads will pay on the regular schedule. Loads that process on Wednesday, November 21st will pay on Monday, November 26th.

Christmas: One payroll this week

Driver paperwork scanned between Midnight CST on Wednesday, December 19th and Midnight CST on Tuesday, December 25th **pays on Friday, December 28th.**

Rockport Owner Operator loads will pay on the regular schedule. Loads that process on Friday, December 28th will pay on Monday, December 31st.

New Year's Day: No change in regular pay schedule

Driver paperwork scanned between Midnight CST on Wednesday, December 26th and Midnight CST on Friday, December 28th **pays on Wednesday, January 2nd, 2019.**

Rockport Owner Operator loads will pay on the regular schedule. Loads that process on Friday, December 29th pays on Monday, December 31st.

Driver paperwork scanned between Midnight CST on Saturday, December 29th and Midnight CST on Tuesday, January 1st, 2019 **pays on Friday, January 4th, 2019.**

Saving Money on the Road by Joey Malone, Manager of Operations



As a small business owner in flatbed transportation you face many expenses. Reducing your everyday expenses on the road is essential to taking more money home.

Travel centers and truck stops can be driver friendly, but if you indulge in all the extras they can be quite the opposite. Try avoiding the game rooms, slots and the so-called 'bargains' in the stores. Since fuel is normally less at truck stops, get your fuel, and move on.

Deciding what to eat while you are on the road can be time consuming, pricey and lead to unhealthy choices. If you eat out every meal for seven days you can easily spend over \$200.00 each week. Some people save a lot of money and make healthier choices by eating from their truck. Many Walmart super centers, and other stores as well, are near to interstates and allow drivers to park and shop. Frozen pizza, muffins, nuts, fruit, sandwich meat, bread and cookies from the supermarket cost half as much as eating out every meal - benefiting both your waistline and your pocketbook!

Be sure to make your truck sleeper friendly and don't hesitate to find different places to lodge. An annual National Parks pass is \$80 and would allow you to stay overnight, throughout the country, using both bath and laundry facilities while you're there. Stop at State Welcome Centers to check out coupons for discount hotels and look for local attractions.

What are the ways you save money on food and lodging while on the road? Share them with us at flatbedforum@crst.com so that we may share them with other small business owners like yourself in our next newsletter!

Welcome the Newest Small Business Owners to CRST Flatbed!



We extend our sincere appreciation to the newest Small Business Owners choosing CRST Flatbed as their team. When choosing CRST Flatbed these SBO's have chosen quality freight at above average rates, customer service, reliability and support to be the backbone of their business!

Sedrick Allen, Oct. 15 th	David Brethold, Oct. 22 nd	Andrew Choate, Oct. 22 nd	Michael Cook, Sr., Oct. 29 th	Wesley Duhart, Oct. 22 nd
Randy Everette, Oct. 31 st	Donald Fitzpatrick, Oct. 29 th	Jeffery Foster, Nov. 2 nd	Pierre Johnson, Oct. 17 th	Edward Johnson, Oct. 29 th
Thomas Miatke II, Oct. 22 nd	Adam Myers, Oct. 15 th	Larner Peak, Oct. 31 st	Timothy Perkins, Oct. 22 nd	Sharmond Ross, Oct. 22 nd
Jerome Scott, Oct. 22 nd	Derrick Starks, Oct. 29 th	William Toothman II, Oct. 22 nd	Andrew Worthing, Oct. 31 st	Vincent Wright, Oct. 31 st

CRST Flatbed Small Business Owner Anniversaries

We extend our sincere appreciation to the newest Small Business Owners choosing CRST Flatbed as their team. When choosing CRST Flatbed these SBO's have chosen quality freight at above average rates, customer service, reliability and support to be the backbone of their business!

Name	Anniversary Date	Years of Service	Name	Anniversary Date	Years of Service
Timothy Downs	11/27/1984	34	John Lacy	11/9/1995	23
Charles Perdue	11/6/1997	21	Wayne Shaw	11/1/2005	13
David Willis	10/19/2007	11	Larry Oliver	11/21/2007	11
James Liberman	10/27/2010	8	Kevin Pippenger	10/26/2011	7
Wayne Wolfe	10/27/2011	7	Gary Warford	11/10/2011	7
Thomas Kapus	11/30/2011	7	James Barkman	10/31/2012	6
Mark McGuire	11/20/2012	6	Michael Chase	11/26/2012	6
Wesley Ward	11/28/2012	6	Godo Menjivar	10/16/2013	5
John Autry	10/17/2013	5	Stacey Bell	11/08/2018	5
Everett Preston	11/21/2013	5	Willie Johnson	11/12/2014	4
Joseph Restivo, Jr.	10/22/2015	3	Jeffrey McHugh	10/23/2015	3
Cornell Brown	11/5/2015	3	Efern Holmes	11/16/2015	3
Steven Webb	11/25/2015	3	Bradford Crawford	10/19/2016	2
Michael Bood	10/19/2016	2	Leotha Boone	10/28/2016	2
Ira Baker	11/9/2016	2	Hilario Munoz	11/9/2016	2
Omar Lopez	11/10/2016	2	Michael Roberts	11/17/2016	2
Walter Jamison, II	11/17/2016	2	David Raymond	11/18/2016	2
James Croy	11/22/2016	2	Roger Gettings	11/22/2016	2
Courtney Cole	11/23/2016	2	James Bailey	10/16/2017	1
Alex Figgs	10/17/2017	1	Rones Jacques	10/18/2017	1
Thomas Jackson	10/20/2017	1	Jacobian Simmons	10/25/2017	1
Michael Lewis	10/25/2017	1	Logan Jones	10/25/2017	1
Anthony Lukancic	10/25/2017	1	Donerique Holloman	10/26/2017	1
Alfred Saunders	10/26/2017	1	Ronnie Richardson	10/26/2017	1
Andrew Gullledge	10/26/2017	1	Robert Lewis	10/26/2017	1
Kenrick Morgan	11/1/2017	1	John Smith	11/1/2017	1
David Paulk	11/9/2017	1	Michael Bowers	11/10/2017	1
Augustus Defoe	11/10/2017	1	Thomas Brink, Jr.	11/10/2017	1
Willie Blocker, Jr.	11/15/2017	1	Michael Barnett	11/15/2017	1
John White	11/15/2017	1	William Lee	11/21/2017	1

Thank you to Jeff Sturm of Truck M1798 for providing this month's cover truck! Jeff's been with Malone since 12/31/2013, and in this picture he's hauling roughly 10K # of tarped hot tubs. Would you like your truck to be the newsletter cover truck? Send us a picture of your truck and trailer, sideview, loaded or empty to flatbedforum@crst.com! #GOFLATOUT

Is there information you would like to see in the newsletter? Anything that would be beneficial to you or your family? Send requests, comments and suggestions to flatbedforum@crst.com. We're looking forward to hearing from you!

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