

FLATBED FORUM



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

12.14.2018

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Happy Holidays

Holiday Message by Chris Deschaine, President

As we get closer to the holidays I've asked our agents and contractors what they would like for Christmas, and what would be an important improvement the flatbed organization could make in 2019 to make our business better. I would like to start by saying that the responses are typically reasonable, maybe a few requests for a fishing boat or vacation, but for the most part, the centralized theme was about caring more, being proud of what we do and celebrating what we have accomplished.

While I have only been with CRST for just under a year, we have accomplished many things in 2018. We have worked together to improve the quality of our brand for ourselves and in the marketplace. We are committed to recruiting and contracting only the best. We have partnered with some of the best clients in the flatbed industry, ensuring that we stay on top with rates and available freight opportunities. We have had a tremendous improvement with our CSA scores and moving to optional inspection should lead to a far better driving experience. Our rates have never been better – period. We continue to demand higher rates due to our elite contractors and premium services. There are a lot of things that we did in 2018 that made our CRST Flatbed operations a far better place to be a contractor and operate a small business. You should all be proud about your contributions to our brand and how these investments in quality during 2018 is going to improve your business in 2019.

So what's in store for 2019? We will be returning to our Elite Contractor jacket program. This program was definitely missed the past 2 years, but rest assured it will be returning in 2019 and have more enhancements and be better than ever. We will revive contractor milestone celebrations such as Operator of the Quarter, Million Miler banquet and Safety awards as well as enhancing our Highway Mentor programs. Recognizing your successes and accomplishments will become one of our primary focuses. Our vendors are working hard to make the services they provide more affordable and easier for you to access. We have organized our customer service team to increase the number of clients and available load options. Our training programs will happen more often and include training on how to make your small business more successful, with tips on freight market hot spots and how to make your dollars stretch further and increase your earning potential.

Be watching your mail for your 2019 IFTA renewal sticker. We are enclosing a coupon that you can redeem at any CRST Lincoln shop for 2 free pair of work gloves. Simply fill in your truck number and sign prior to presenting the coupon to get your free gloves. You can also use this opportunity to call ahead and set up an appointment to have your truck inspected so you are ready to hit the ground running in 2019.

I am excited to be a part of the CRST Flatbed organization, working with the best people in the flatbed industry as we make our company the best destination for independent contractors, agents and small business owners. Let's focus on continuing to improve our brand, demand elite performance from all of the contractors, agents and employees, help each other succeed while we are on the road and staying safe. Please operate safely during this holiday season, enjoy time with your family and friends and have a Merry Christmas and Happy New Year!

IFTA 2019 Permit Renewal - New York Hut/Oregon/IFTA

We are in the process of renewing the 2019 permits for IFTA and Oregon. The New York hut stickers are currently being mailed to the address we have in the system. Please make sure to get your new stickers put on your unit. The New York stickers are good for three years. We will be mailing out the 2019 IFTA stickers and permit as soon as we get them. If you run Oregon, we will also mail your new 2019 permit with the IFTA paperwork. If you have any question's please contact Rita Welch at (205) 978-8713 or Sandra Wright at (205) 978-8710.

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.



2018 in Review by Andy Krupa, Director of Operations/Customer Service, Cincinnati, OH

As we close in on the end of 2018 it seems appropriate that we take stock of where we are as a company, and how we got here. Hopefully, that will help provide some guidance in 2019 and allow us to continue to build on our successes.

Here are a few things we saw in 2018:

- The rate environment for flatbed loads reached an all-time high in 2018. This happened after 2017 was also a banner year for freight rates. At one point in 2018, industry analysts projected that there were 101.5 flatbed loads in this country for every flatbed truck and flatbed companies and contractors benefited financially from the most "truck friendly" flatbed industry in almost a decade.
- In 2018, we saw major customers reach out to us to help them regain control of massive inventory backlogs, and we provided short-term, dedicated fleets to help move massive amounts of product to customers all over the country. These services were provided with solid rates per mile and customer-paid round trip miles in order to lock-in trucks for the length of the project.
- The rise of activity in the oil and gas industry sparked the generation of extra loads in places where they were scarce in 2016. This gave contractors confidence to load into markets that normally would not have many back-hauls available AND get higher rates than ever before to get there.

With all this going on, our contractors began experiencing record level earnings (and so did Malone) and we all believed it would stay at those record levels for the rest of the year. So, we all became a little complacent. As summer transitioned into autumn, things began to slow down a bit. Rates were still high but the number of loads available in our system declined. Customers had worked through their backlogs...seasonal slow downs started happening and panic started setting in for a lot of folks. It was not a big slow down, but it did seem to take folks by surprise.

Our past success does not mean we deserve to be complacent. The best practices we talked about in 2016 still hold true today and will allow all of to have a successful year in 2019. As we now sit on the cusp of a new year, here are some lessons we should all take to heart for 2019:

- 3+ loads per week on a truck will generally help ensure that a contractor can generate enough revenue to support their business for the week.
- Trying to generate \$3500 per week in line-haul revenue will also help ensure that contractor settlements stay solid.
- I always try to tell new contractors, "You will catch more fish if you fish where the fish are instead of where you wish they were." Certain parts of the country are more "freight dense" than others. If you stay in those lanes you are more likely to stay loaded than if you do not.
- "If the wheels ain't turnin'...you ain't earnin". Time spent empty costs our contractors money. Whether you're at home or at a truck stop waiting for a load. Minimizing empty time and dead-head miles will ensure solid settlements and happy customers.

Remember, it's not just freight - it is a vital product that someone has paid for and they need. Be safe, obey the law, do not take unnecessary chances, but do your level best to get that load to its destination as soon as you can. Also remember that this is a "human" business. Robots do not work here - people do. All of us have difficult jobs (drivers MOST ESPECIALLY) and we SHOULD ALL TRY to make those jobs easier for each other if we can.

From everything we are hearing from our customers, 2019 looks like another busy year. Will it be like 2017 or 2018 again? No one can say for certain. What is for certain is that we are THE BEST flatbed company out there, with the best people. Whatever 2019 brings, we will face it and succeed together.



CRST Malone Brotherhood by Chris Gonzalez, Director Capacity Development

CRST Malone Owner-Operator, Corey Vanya, thought he was in a tough bind one cold, November day when he went to do his in-transit tie down check during a routine fuel stop. Corey had picked up a load of slinkies, 80 miles back, but now saw that the back end of the load had leaned over which meant an expensive load rework.

In his moment of need, Corey made a call to a fellow Malone brother, Mike Bowers. Mike had been with Malone since October of 2017 and first met Corey at a shipper in Georgia as he was picking up his first load after Orientation. Both Mike and Corey were picking up freight for agent Deb Wolfe and since that day, formed an unbreakable bond. They only live about 2 hours from each other and often go beyond maintaining communication while on the road by helping each other out with family matters and assisting during the hurricane in North Carolina, ensuring both families were safe.

Mike has an extensive background in securement and held multiple positions from Crane Operator to Train Engineer. He knew exactly how to tackle Corey's problem but instead of just walking him through how to fix it over the phone, Mike went above and beyond and traveled to where Corey was sitting. With the help of Mike's breaker bar and extra straps to secure the rear of the slinkies, Corey was able to get back on his way without a claim or a rework.

Mike is a native of Florence, SC and has an extensive background in transportation, joining the Coast Guard in 1992 and later working for several transportation companies. He knows that he is in the right place with Malone and loves the freedom he has to run his business the way that works best for him. He understands the meaning of the trucking brotherhood and I'm sure Corey and Fleet Manager Casey Atchley would agree, Mike really knows how to #GOFLATOUT.

Understanding Rates by Stephen Lutz, Customer Service Manager



It is important to understand that rates in good areas can fluctuate wildly depending on what you're hauling, where it's going, who is offering the load, etc. Rates in bad areas will always remain constant, though. If you take a load to Colorado it is guaranteed that the rates coming back out will be in the 1.10-1.35 range. This is why it's so important to do your math when accepting a load going to one of these spots. You MUST make your money on the inbound load because chances are, the outbound load is going to cover your fuel and daily expenses, but not much more. Often drivers say, "I just want the highest paying load available." Not being picky about where you go is a great attitude to have, but sometimes the highest paying load is not the best load available. You must remain cognizant about where you are and take that into account. If you are in Texas, for instance, and someone offers you a load going to Colorado for 1.85, that very well might be the highest paying load. Someone else might offer you a load going to Alabama for 1.40 a mile which pays significantly less. You take a load at 1.85 to Colorado, then you're getting 1.20 back out, so you've averaged 1.52 a mile. Now you take the 1.40 load to Alabama, you get 2.50 a mile back out and you've averaged 1.95. Which one seems more appealing now? Outbound rates from Alabama will range from 2.25-2.75 a mile, but very rarely will it be less than that. Accepting loads going to areas with guaranteed high rates is always the smart move.

CRST Malone Holiday Office Schedule

CRST Malone offices will be closed December 24 - 25 in observance of the Christmas holiday. Operations will have skeleton crews in Birmingham, Cincinnati and Eldridge until at least noon on the 24th to handle any last minute load issues.

All of us at CRST Malone wish you and yours a safe a happy holiday season!

Happy Holidays!



Recruiting Tomorrow's Contractors by Templin Rolen, Supervisor of Malone Recruiting Department

The most gratifying part of recruiting is being an initial part of the future success of our drivers. The knowledge that our drivers and their families will prosper from being the next Malone Contractor makes our hard work solely rewarding. Believing in a company, in its core values and goals for success and growth, is a key part of recruiting. Malone makes that easy!

Malone's Recruiting Team is based out of Birmingham, AL and Cincinnati, OH. Our team goal is to search and find the future contractors of Malone. As recruiters we pride ourselves in accuracy, honesty and dependability to build the Malone fleet with professional flatbed drivers!

Working in the supply chain and logistics discipline means balancing the coordination, communication and execution of plans to rapidly optimize the process. In Recruiting, like everything else in logistics, time is of the essence and we strive to assist our future drivers with the attentiveness and accelerated communications to jump start their future with Malone!



CRST Malone vs. CSA by Brian Brown, Safety Manager

2018 has been a fantastic year for Malone and our Safety record. We appreciate all of you and the professionalism you show out on the road. There are three CSA Basics that we need to continue to work on every day.

We continue to struggle with the Maintenance Basic as our score has stayed flat over the years. The main violations that contribute to our Maintenance score pertain to brakes and these violations bring us the majority of our points in this category. You must get under your tractor and trailer to check our brakes. Light violations are another area that are generating unnecessary points. Always check your lights every time you stop. Do a full walk around your truck and trailer and if you find a light that is not working, get it fixed immediately. Don't wait for an inspector to find it for you.

Unsafe driving behaviors, Unsafe Basic, is another area where we are currently struggle to remain below threshold. Unsafe driving behavior costs us all: extra fuel, stress, road rage, violations and loss of life. It is our job to be professional drivers on a daily basis; it is not worth it to speed, follow too close, not obey traffic signs, go into restricted lanes, not wear your seatbelt and above all not pay attention (talking on a cell phone). Becoming a Safer fleet and continuing to lower the Unsafe basic will continue to lower our ISS.

Last but not least of the basics we are struggling with is the Fatigue Basic, Hours Of Service. The ELD era is here and is not going away, any violation created on the ELD can be seen by an Officer for 8 days and our Elog department monitors them daily. We cannot break the 70, 14, 11 or 8 hour rules, we must verify/approve our logs daily and must have the instruction card.

Our ISS (Inspection Selection System) is currently Optional, so our contractors with Prepass get the green light more often than a red one. If you are interested in getting a Prepass, please contact your Fleet Manager.



Post-Thanksgiving Demand Surge by Maria Gilbert, Pricing Manager

If you missed the last installment of Malone's Market Trends, we predicted an upswing prior to Christmas and New Year's and boy has that come true! According to DAT's National Flatbed Demand and Capacity page, 'Load posts skyrocketed 103% while truck posts increased 35%' following Thanksgiving week. Not only are there more loads, with a national average of 23.9 flatbed loads per truck, the rates are holding steady.

Malone's average rate per mile in the first week of December was \$2.50 per mile. Not only is this exceptional, it's \$0.10 per mile over the national spot rate average of \$2.40 per mile for flatbeds! Many drivers and industry experts considered July 2018 as one of the best months of the past year, past several years in fact. When looking back at Malone's average rate per mile in the first week of July it was also \$2.50 per mile. Given the increase in freight availability we urge you to reach out to all available company options prior to taking a brokered load averaging less than \$2.50 per mile.

Keeping you moving with little deadhead and at the highest rate possible is our job and helps ensure your success! We can't stress enough that as we get to the end of December and beginning of January we'll once again see an increase in the number of drivers in AZ, CA, OK, and TX. While there may be the same number of loads available, the increase of drivers means there is less of a chance that you'll be able to load within 24 hours or that you'll be able to load with little to no deadhead out of these areas. As you plan your loads over the next couple of weeks, please keep in mind that the highest load-to-truck ratios are in AL, IN, SC and WV with GA, KY, NC, and OH right behind them. If you don't see a load out of one of these areas on the Malone load board - call! Sometimes our Customer Service Representatives are so busy relaying load information and taking information from customer's and drivers on the phone that they don't have all available loads posted! Early communication is one of the key components of our ability to assist in your success!

For further details on market trends, rates or customer questions, please don't hesitate to contact flatbedforum@crst.com.

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



Thank you to all CRST Malone operators that made it through the Thanksgiving Holiday safely. Starting this week, it is time to take advantage of as many available loads as possible. There is one month between the Thanksgiving and Christmas holidays to increase your take home and YTD revenue by hauling that one extra load a week to achieve this goal.

Christmas - One payroll this week

Drivers' paperwork scanned by Wednesday midnight CST December 19th thru Tuesday midnight CST December 25th, pays on Friday December 28th.

New Year's Day - No change in the regular pay schedule

Drivers paperwork scanned by Wednesday midnight CST December 26th thru Friday midnight CST December 28th, pays on Wednesday January 2nd 2019.

Please contact your settlement clerk prior to the cut off date if you have problems scanning your paperwork on the scheduled cut off date.



Welcome the Newest Small Business Owners to CRST Malone!

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

Keith Dzubiak, Dec. 4th	James Madewell, Dec. 4th	Robert Walker, Dec. 4th	Dexter Malone, Dec. 5th
Oran Alexander, Dec. 15th	Ray Burks, Dec. 15th	Roderick Parker, Dec. 15th	Richard Spence, Dec. 15th
Brandon Woods, Dec. 15th	Dennis Zahina, Dec. 15th	Michael Kennard, Dec. 15th	James Shoemaker, Dec. 15th
David Gagich, Dec. 15th			

Our Agents and Owners would like to Welcome of their new drivers:

John Collins, Dec. 4th (Keith Mitchell)	James Bergeron, Dec. 4th (BRAM Heavy Haul)
Sundeana Walker, Dec. 15th (Robert Walker)	



CRST Malone Small Business Owner Anniversaries

We extend our sincere appreciation to the newest Small Business Owners choosing CRST Malone as their team. In choosing CRST Malone, 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
Rocque Couvillion	12/28/2004	14	Roger Michael	12/19/2017	1
John Wolfe	12/18/2007	11	Bruce Hayes	12/21/2017	1
Stephen Yenchko	12/23/2014	4	Johnny Steen Jr.	12/21/2017	1
Amnon Cohen	12/22/2016	2	David Martin	12/21/2017	1

Our Extended family of drivers that drive for our Agents and Owners Anniversaries:

Name	Anniversary Date	Years of Service
William Mathews (Two Rivers)	12/28/2001	17

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



As you've most likely heard, the CRST Malone's 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) 978-7475 / (800) 366-6350

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

Thank you to Justin Melton of Truck W700TM for providing this month's cover truck! Justin's been with Malone since 9/18/18. He has been very active on social media since joining us in September with his own You Tube videos and updates.

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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