



The Evans Network of Companies



**Northeast Drayage Workshop
Boston, MA
October 13, 2010**



Evans Network – Fast Facts

Third Largest Container Drayage Carrier in the U.S.

\$245,000,000	Revenue Billed
425,000	Container/Intermodal Loads
150,000	LTL Loads
70,000	Van TL Loads
8,000	Flatbed Loads
1,600	Power Units
600	Trailers
105	Service Centers
9	Operating Divisions

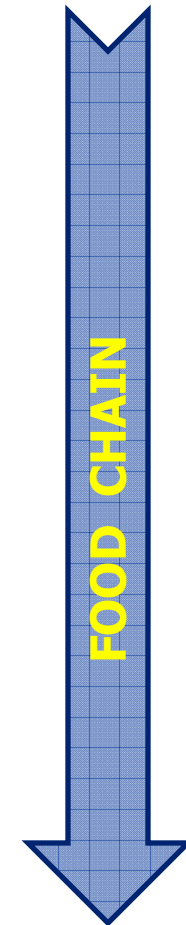
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Port Drayage Business

Who are the Stakeholders?

- Cargo Owners (Importers & Exporters)
- Ocean Carriers
- Freight Forwarders & Brokers
- Marine Terminal Operators
- Railroads
- Port Authorities
- Drayage Carriers
- Independent Contractors





Independent Contractor - Legal Arrangements

**Written contract between Motor Carrier &
Independent Contractor (26 Page Document)**

Two-Year agreement with a cancellation clause

**Provides for the leasing of tractor and driving
services in accordance with USC 49 Part 376**

**Specifies the terms and conditions of the agreement
such as:**

- Equipment**
- Compensation**
- Control & Use**
- Accident Reporting**
- Maintenance Reporting**
- Driver Services**
- Insurance**
- License & Taxes**



Independent Contractor - Qualifications

- **Valid Class A Commercial Driver's License for vehicles with a combined weight of 80,000 Lbs.**
- **Minimum 23 years of age**
- **Minimum 2 years of verifiable CDL Class A experience**
- **Clean driving record** (We use a point system)
- **Clean personal history** (Criminal Background Investigation)
- **Valid Medical Card**
- **Transportation Workers Identification Card (TWIC)**



Independent Contractor – Qualifications (Continued)

TRACTOR:

- **Must be properly registered & licensed**
- **Must have current FHWA inspection**
- **Must have a valid state inspection**
- **Proof of ownership**



Driver Screening Process

- **Personal Interview (Local)**
- **Written Application (Local)**
- **Motor Vehicle Record Check (Corporate)**
- **Criminal Background Investigation (Corporate)**
- **Drug and Alcohol Testing (Local & Corporate)**
- **U.S. DOT Pre-Employment Screening Program Report (Roadside Inspections) (Corporate)**
- **Previous Employment History Verification (Corporate)**



How Are They Compensated?

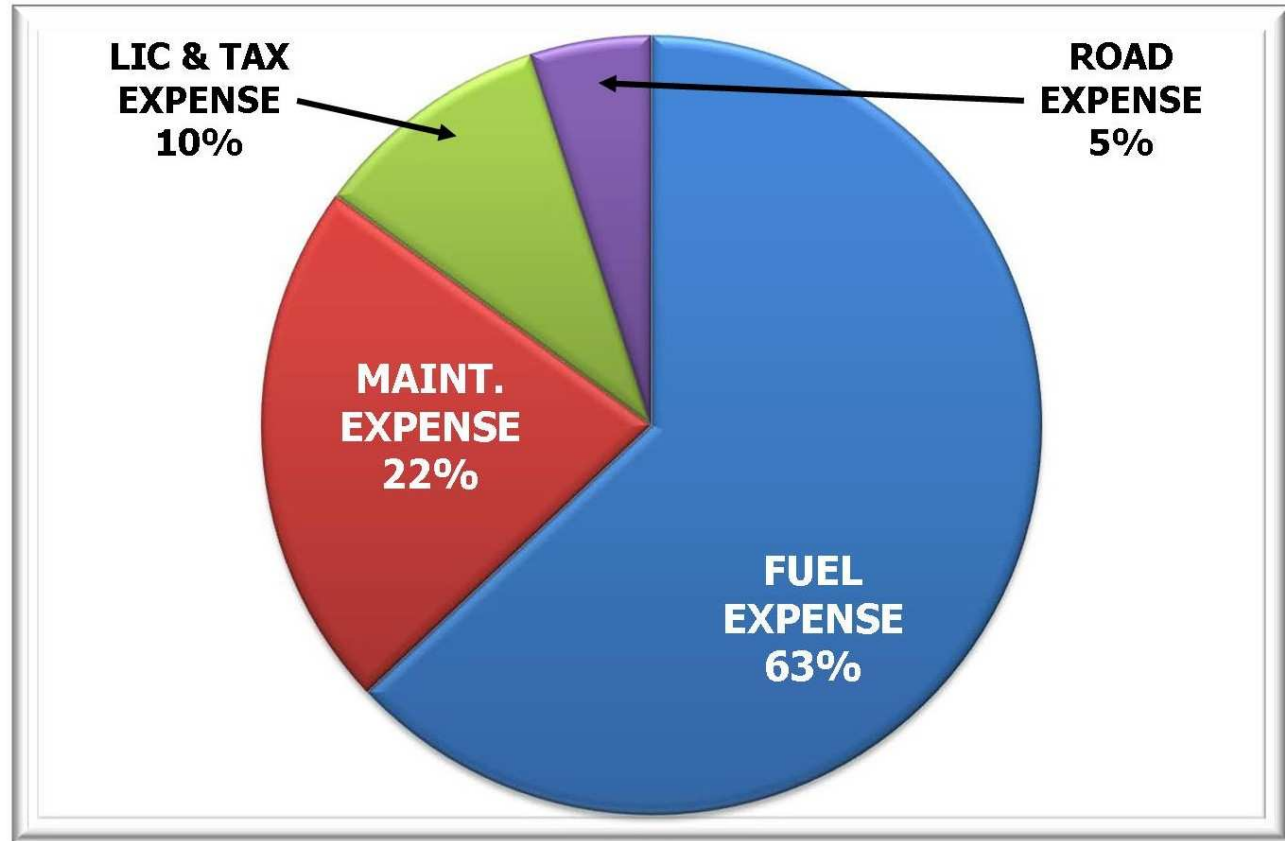
- **Compensation is specified by the contract**
- **Independent contractors receive a weekly settlement of all loads handled**
- **Paid a flat rate for each load – usually based on a percentage of the revenue or a rate per mile as specified by the contract. Other services such as loading/unloading or detention is a pass through.**
- **Federal law prohibit Motor Carriers from deviating from stated compensation with out a written agreement**
- **Customer contracts & rates are negotiated with the customers by the Motor Carrier**
- **Independent Contractors are offered loads and may refuse for any reason**

What Do We Do?

- Furnish loads to the Independent Contractor
- Pay Independent Contractors each week
- Supply Comdata Fuel Cards for fuel purchases
- Provide cash advances as needed
- Calculate and pay all IFTA road taxes
- Supply automobile liability & cargo insurance
- Furnish operating permits & licenses
- Furnish interchange agreements, bonds, LOCs
- Maintain escrow funds for maintenance & tags
- Provide discounted purchasing programs for:
 - Diesel Fuel
 - Tires
 - Parts
 - Tractor Maintenance Service
 - Cellular Services
 - Physical Damage Ins.
 - Liability Insurance
 - Occupational/Accident Ins.
 - Medical Insurance
 - Life Insurance

Independent Contractor's Expenses

TYPICAL OWNER OPERATOR EXPENSES—OPERATING



What Do They Earn?

Sample of Tractors – Northeast – Full Time

	Amount
Revenue (Jan-Dec 2009)	\$122,303
Fuel Expense	\$25,795
Equipment Maintenance	\$9,200
Licenses & Tax	\$4,269
Road (Tolls)	\$2,200
Total	\$41,464
Remaining (Before, Federal & State Taxes, Tractor Payments & Other Expenses)	\$80,838

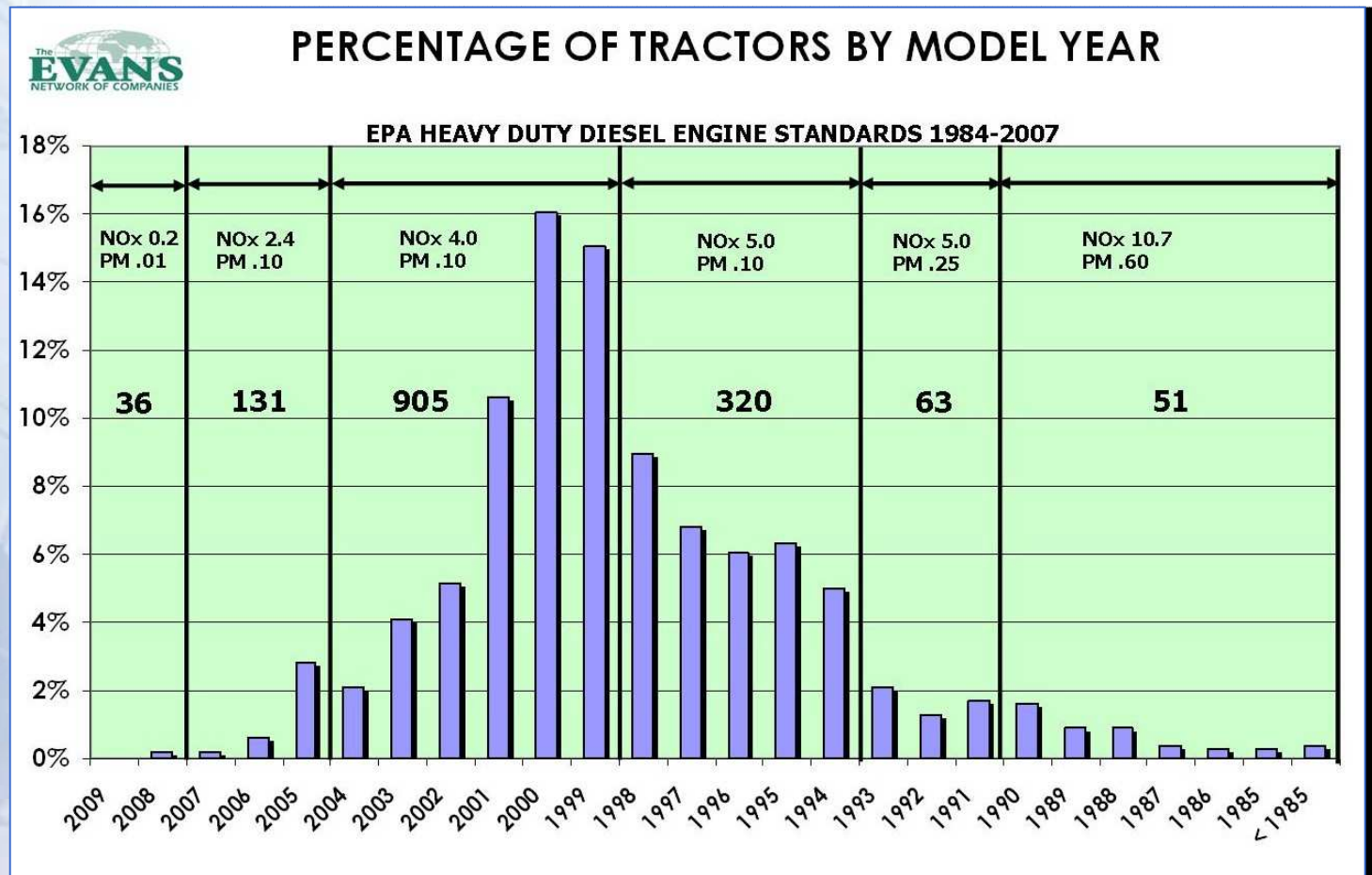


Challenges

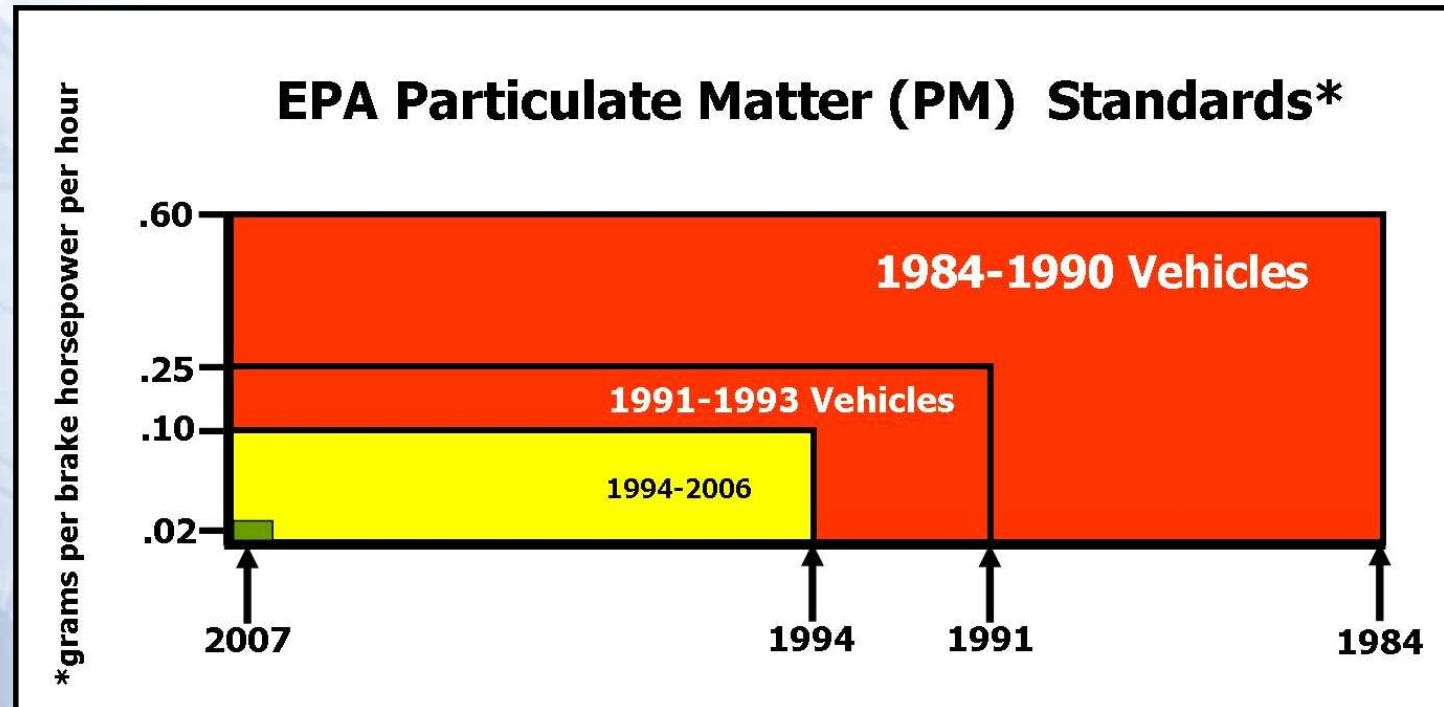
- **Port drayage business is primarily performed by smaller trucking companies using independent contractors**
- **Competition is intense. Cargo owners have done an excellent job of using competition to keep rates low.**
- **Independent Contractor's trucks tend to be older and purchased for cash due to a number of factors.**
 - **Local operation**
 - **Lower annual miles traveled**
 - **Access to capital is limited**
 - **Credit rating for ICs is traditionally low**

Challenges

Snapshot of the Evans Independent Contractor Fleet



RED ZONE TRACTORS - PRE-1994





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