



Modern Bulk Transporter's

2003 Annual Gross Revenue Report

Operating ratios deteriorate further

TANK TRUCK carriers weathered another tough year in 2003. The *Modern Bulk Transporter* Annual Gross Revenue Report showed continued erosion of operating ratios, something that has been underway for much of the past five years.

Almost three-quarters of the fleets participating in the Annual Gross Revenue Report recorded 2003 operating ratios that were worse than the previous year. More than half of the fleets achieved higher revenues in 2003, slightly better than in the previous year's Gross Revenue Report.

Tank truck carriers struggled even as the general economy began a long-awaited recovery from recession. Chemical haulers were hurt by a 15% to 20% drop in shipments, and dry bulk transporters saw a decline of 20% to 40% in plastic pellet loads.

Carrier overcapacity, combined with the drop in shipments, brought intense downward pressure on rates. Shippers increasingly turned to Internet auctions and other electronic pricing schemes to hammer rate structures.

Rate cutting wasn't the only problem, though. A recovering economy brought a 4.1% increase in demand for diesel and other distillate products, which, in turn, resulted in higher fuel costs for truck fleets. Lower-emission diesel engines helped boost the price of new trucks. Concerns about terrorism have prompted requirements for higher levels of security, all of which have raised operating costs for tank truck fleets.

Not surprisingly, the drop in profitability and increase in operating costs were more than some tank truck carriers could stand. Of the 5,000 or so trucking companies that shut down in 2003, as many as 200 of them may have been tank truck fleets, according to industry estimates.

The difficult tank truck economy also prompted a fresh surge of mergers and acquisitions during 2003. A significant number of small- and medium-sized tank fleets sold out, industry experts say, and more would have if they could have found buyers.

Among the mergers and acquisitions in 2003: Kenan Advantage Group added to its stable of petroleum fleets with the purchase of Beneto Tank Lines of Sacramento, California. Quality Carriers added at least two affiliates—Erickson Transport Corp and Eaton's Trucking Service—as well as purchasing the liquid tank business from a large dry bulk fleet.

Even with the mergers and acquisitions, the largest tank truck carriers struggled as much as the rest of the industry. Only half of those participating in the *Modern Bulk Transporter* Annual Gross Revenue Report achieved higher revenues and improved their operating ratios.

Among the Top 10, Quality Distribution Inc headed the list once again. Trimac Transportation Services Inc and The Kenan Advantage Group were two and three respectively. Rounding out the Top 10 were Superior Bulk Logistics Inc,

Groendyke Transport Inc, Schneider National Bulk Carriers Inc, Bulkmatic Transport Company, Enterprise Transportation Company, A&R Transport Inc, and Tankstar USA (new to the Top 10).

The combined Top 10 revenues of \$2.4 billion were slightly above 2002 and accounted for 49.6% of total revenues in the 2003 report. The Top 10 carriers accounted for 43% of the total in 2002.

The Top 25 carriers had \$3.5 billion in revenues, or 73.8% of the total represented in this report. That was a significant jump over the Top 25 total in 2002, which accounted for 65.2% of that report. The 50 largest carriers had revenues of \$4.5 billion, accounting for 93.3% of the total, compared with 82.5% in 2002.

Of the 94 carriers in this report, almost two-thirds recorded higher revenues in 2003 than in 2002. Only about a third showed improved operating ratios.

Total 2003 revenues for all 94 carriers in this report were \$4,834,777,091. In contrast, the 2002 report consisted of 135 carriers reporting a combined total of \$5,052,471,196.

Average revenue in 2003 for these 94 carriers was \$51,377,479, up considerably from the average of \$37,425,712 for 135 fleets in 2002. The median carrier on the list, the one with an equal number of carriers above and below it, had revenues of \$21,263,577. In 2002, the median carrier revenue was \$15,298,975.

Operating ratios for both 2003 and 2002 were supplied by 78 of the carriers in this report. Just 29 showed improvement over the previous year. The operating ratio represents operating expenses as a percentage of revenue.

Still, many of the tank truck carriers were able to limit the damage to their operating ratios. There was no major surge in operating ratios above 95%. Fifty-five fleets had operating ratios between 95.0% and 99.9%, compared with 58 in 2002. Three carriers recorded ratios of 100% or higher, down from five. Ratios between 90.0% and 94.9% were reported by 21 companies, up from 14 in 2002. However, only one carrier had a ratio below 90%.

A majority of carriers in the report supplied tractor revenues, which give an indication of productivity levels. The average for 2003 was \$151,820, down slightly from the \$154,966 average in 2002.

Eight of the Top 10 reported tractor revenues, and their average was \$160,955. That was a clear improvement over the \$152,408 average reported by the Top 10 in 2002.

For the second year, an East Coast petroleum hauler recorded the highest revenue per tractor, \$296,771. The lowest amount (\$66,444) came from a West Coast food fleet.

Average revenue per tractor for 10 petroleum transporters was \$176,887, down from the previous year's average of \$219,486, but still well above the average for all carriers in this

report. Petroleum tractor revenues ranged from the overall high of \$296,771 to a low of \$100,447.

Nine chemical haulers accounted for average revenue per tractor of \$163,091, above the average for all of the carriers in the report. The average for chemical fleets in 2002 was \$149,434. Tractor revenues ranged from a high of \$203,884 down to \$105,200.

Average tractor revenue for five dry bulk specialists was \$162,973, down from the \$189,044 average recorded in 2002. Tractor revenues ranged from a high of \$210,757 to a low of \$106,830.

Among four carriers specializing in transporting liquid and dry foods, average tractor revenue was \$124,489. That was slightly above the \$120,413 tractor revenue average in 2002. The high for the category was \$175,656, and the low was \$66,444.

Many of the figures here are from preaudited reports, and some may include nonbulk revenues or revenues from subsidiary tank truck carriers. In most cases, the figures were supplied directly to *Modern Bulk Transporter*. The editorial staff greatly appreciates the cooperation of all who helped in the preparation of this report. □

Fleet Name	2003 Rank	2003 Revenue in 000s	2002 Revenue in 000s	2003 Ratio	Fleet Name	2003 Rank	2003 Revenue in 000s	2002 Revenue in 000s	2003 Ratio
¹ Quality Distribution Inc Tampa FL	1	565,440	514,300	93.6	CTL Distribution Inc Mulberry FL	25	57,800	59,108	91.9
² Trimac Transportation Services Calgary AB, Canada	2	500,200	440,106	97.8	Eagle Transport Corp Rocky Mount NC	26	57,284	52,921	97.9
³ The Kenan Advantage Group Inc Canton OH	3	364,910	269,288	94.8	Jack B Kelley Inc Amarillo TX	27	55,373	56,272	98.0
⁴ Superior Bulk Logistics Inc Oakbrook IL	4	199,887	196,312	96.5	Penn Tank Lines Inc Malvern PA	28	53,133	51,814	98.2
Groendyke Transport Inc Enid OK	5	138,167	127,368	95.2	Apex Bulk Commodities Adelanto CA	29	52,260	48,039	98.9
Schneider National Bulk Carriers Green Bay WI	6	135,943	133,331	95.4	Linden Bulk Transportation Co Inc Linden NJ	30	52,015	47,567	99.1
⁵ Bulkmatic Transport Co Griffith IN	7	130,200	139,100	103.7	Martin Transport Inc Kilgore TX	31	50,824	45,279	99.2
Enterprise Transportation Co Houston TX	8	129,736	131,615	98.3	J P Noonan Transportation Inc West Bridgewater MA	32	50,457	44,894	96.3
A&R Transport Inc Joliet IL	9	117,000	119,100	97.1	¹² Schilli Bulk Carrier Group St Louis MO	33	48,651	42,634	—
⁶ Tankstar USA Inc Milwaukee WI	10	108,420	110,570	97.0	[*] Highway Transport Inc Knoxville TN	34	45,700	45,700	95.2
⁷ Dewey Corp Jackson MS	11	107,460	111,365	99.3	Andrews Transport Inc Ft Worth TX	35	43,077	44,000	98.7
⁸ Liquid Transport Corp Indianapolis IN	12	100,100	101,000	96.9	Wayne Transports Inc Rosemount MN	36	41,868	37,839	92.8
⁹ Distribution Technologies Inc Newbury OH	13	86,634	87,729	96.9	Tidewater Transit Co Inc Kinston NC	37	39,500	—	95.0
Slay Transportation Co Inc St Louis MO	14	80,500	76,744	94.6	Cliff Viessman Inc Gary SD	38	37,093	34,102	96.0
Ruan Transportation Management Systems Des Moines IA	15	80,000	80,000	—	Service Transport Co Houston TX	39	35,296	36,235	98.7
Transport Service Co Hinsdale IL	16	79,311	74,421	94.9	Langer Transport Corp Jersey City NJ	40	34,162	33,891	96.8
Suttles Truck Leasing Demopolis AL	17	77,144	70,646	97.1					
Mission Petroleum Carriers Inc Houston TX	18	73,035	67,193	—					
McKenzie Tank Lines Inc Tallahassee FL	19	72,000	72,902	98.5					
Coastal Transport Co Inc San Antonio TX	20	71,275	66,834	99.0					
TransWood Carriers Omaha NE	21	71,188	64,098	97.8					
¹⁰ Mystic Tank Lines Corp Beacon Falls CT	22	71,085	42,847	97.4					
¹¹ Dupré Transport LLC Lafayette LA	23	69,570	64,707	96.9					
Foodliner Inc Dubuque IA	24	69,075	61,861	92.9					

* 2002 revenues repeated for 2003.

— Revenues and/or ratios not available.

- 1) Figures include Quality Carriers Inc and Levy Transport Ltd.
- 2) Figures include Universal Transport Inc, Liquid Transporters Inc, Quality Service Tank Lines, Trimac Transportation Services (Western) Inc, Trimac Bulk Transportation Inc, and Trimac Transportation Services Ltd.
- 3) Figures include Advantage Tank Lines, Beneto, Geni, Kenan, Klemm Tank Lines, McDaniel, North Canton Transfer, and PCT.
- 4) Figures include Superior Carriers Inc and Carry Transit Inc.
- 5) Includes information for Bulkmatic Transport Company and Butler & Co.
- 6) Figures include Bulk Logistics Inc, North American Bulk Transport Inc, Rogers Cartage Co, Wheatfield Trucking Co, and Schwerman Trucking Co.
- 7) Figures include Miller Transporters Inc and Miller Intermodal Logistics Services Inc.
- 8) Figures include Mississippi Transport and LTC Logistics.
- 9) Company formerly was known as Manfredi Motor Transit Co.
- 10) Consolidation of Mystic Bulk Carriers Inc and Mystic Transportation Inc.
- 11) Figures include tank, van, and dedicated logistics operations.
- 12) Figures include Truck Transport Inc, Material Delivery Service, Bulk Transport, and Sherman Haulers.

Fleet Name	2003 Rank	2003 Revenue in 000s	2002 Revenue in 000s	2003 Ratio	Fleet Name	2003 Rank	2003 Revenue in 000s	2002 Revenue in 000s	2003 Ratio
Herman R Ewell Inc East Earl PA	41	31,896	30,405	98.2	Baltimore Tank Lines Inc Glen Burnie MD	69	10,303	8,971	94.1
Usher Transport Inc Louisville KY	42	30,600	25,800	97.0	Buesing Bulk Transport Inc Hudson WI	70	9,441	9,069	94.2
Wynne Transport Service Inc Omaha NE	43	28,098	28,186	98.7	BJJ Company LLC Stockton CA	71	9,035	9,036	—
Bulk Transportation Walnut CA	44	26,600	28,000	96.1	*D M Bowman Inc Williamsport MD	72	8,400	8,400	—
CLI Transport LLP Claysburg PA	45	25,325	22,554	97.5	M C Tank Transport Inc West Chester OH	73	8,000	7,500	98.0
Food Express Inc Arcadia CA	46	21,876	23,186	99.0	Terpening Trucking Co Inc Syracuse NY	74	7,570	6,700	99.0
Evans Dedicated Systems Inc Los Angeles CA	47	21,263	14,044	94.0	Arnco Transportation Inc Tulsa OK	75	7,518	6,979	96.0
*J&M Tank Lines Inc Americus GA	48	20,897	20,897	96.6	Jacobson Transport Inc Wahpeton ND	76	7,283	7,053	97.0
Blue Flash Express Zachary LA	49	20,123	24,078	—	Underwood & Weld Co Inc Spruce Pine NC	77	7,109	7,476	94.0
¹³The Hillman Companies Ft Edward NY	50	19,551	18,558	98.7	Horizon Tank Lines Durham NC	78	6,893	6,271	95.5
Iowa Tanklines Inc Omaha NE	51	19,459	19,707	99.1	R O Harrell Inc South Boston VA	79	6,489	5,673	—
Coal City Cob Co Inc Avalon TX	52	17,343	14,418	93.7	*A J Weigand Inc Dover OH	80	6,200	6,200	96.0
J P Donmoyer Inc Ono PA	53	17,151	15,638	94.5	*T J Marquart & Sons Inc Gainesville NY	81	5,204	5,204	99.5
Texas TransEastern Inc Pasadena TX	54	17,118	14,496	93.2	DTI Associates LLC Compton CA	82	4,764	4,587	94.6
¹⁴Atlantic Holding Corp of Virginia Providence Forge VA	55	15,611	13,816	95.3	*Goodman Tank Lines Inc Stowe PA	83	4,639	4,639	95.0
Bork Transport of Illinois Summit IL	56	15,500	11,046	94.7	Reis Trucking Inc Cincinnati OH	84	4,561	4,159	—
*Johnsrud Transport Inc Des Moines IA	57	14,920	14,920	96.0	Jasa Transit Inc Blair NE	85	4,400	2,800	95.3
Kane Transport Inc Sauk Centre MN	58	14,443	14,443	96.2	L W Miller Diversified Inc N Salt Lake City UT	86	4,398	3,682	94.0
Gless Bros Inc Blue Grass IA	59	14,185	12,994	94.8	Wallis Oil Company Cuba MO	87	3,698	2,983	91.0
Howard Lisk Inc Polkton NC	60	13,527	12,324	—	Georgia Tank Lines LLC Atlanta GA	88	3,155	1,607	—
Crossett Inc Warren PA	61	13,126	13,442	101.0	*Apgar Bros Inc Bound Brook NJ	89	2,900	2,900	96.9
Dixon Bros Inc Newcastle WY	62	12,598	12,419	101.0	*Herbert R Shipley Inc Sykesville MD	90	2,623	2,623	92.0
McKinley Trucking Co Inc Carson City MI	63	12,219	12,283	—	Jar Transnational Transport San Diego CA	91	2,000	1,500	—
Double Eagle Transportation Corp Hesperia CA	64	12,188	10,307	94.5	Switzer Tank Lines Inc Mt Summit IN	92	1,991	1,720	96.7
*R J Guerrero Inc Beacon Falls CT	65	12,019	12,019	—	*Valley Spreader Brawley CA	93	1,200	1,200	99.0
Fleet Transit Inc Baltimore MD	66	11,646	9,880	—	Gary New Trucking Inc Texarkana AR	94	780	—	81.0
*Bass Transportation Co Inc Flemington NJ	67	11,222	11,222	95.7	* 2002 revenues repeated for 2003. — Revenues and/or ratios not available.				
Barnett Transportation Inc Tuscaloosa AL	68	10,524	10,572	98.9	13) Figures include Fort Edward Express Co Inc, 4-Star Bulk Transport Inc, Diversified Trailer Group Inc, 4 H Leasing Co Inc, and Hillman Properties Inc.				
					14) Figures include Atlantic Bulk Carrier Corp and Atlantic Tank Lines Corp.				

Alphabetical cross index of listed carriers

Fleet Name	Rank	Fleet Name	Rank
A&R Transport Inc	9	Jasa Transit Inc	85
Andrews Transport Inc	35	Johnsrud Transport Inc	57
Apex Bulk Commodities	29	Kane Transport Inc	58
*Apgar Bros Inc	89	Jack B Kelley Inc	27
Arnco Transportation Inc	75	Kenan Advantage Group Inc	3
Atlantic Holding Corp of Virginia	55	Langer Transport Corporation	40
Baltimore Tank Lines Inc	69	Linden Bulk Transportation Co Inc	30
Barnett Transportation Inc	68	Liquid Transport Corp	12
Bass Transportation Co Inc	67	Howard Lisk Inc	60
BJJ Company LLC	71	M C Tank Transport Inc	73
Blue Flash Express	49	T J Marquart & Sons Inc	81
Bork Transport of Illinois	56	Martin Transport Inc	31
D M Bowman Inc	72	McKenzie Tank Lines Inc	19
Buesing Bulk Transport Inc	70	McKinley Trucking Co Inc	63
Bulk Transportation	44	L W Miller Diversified Inc	86
Bulkmatic Transport Co	7	Mission Petroleum Carriers Inc	18
CLI Transport LLP	45	Mystic Tank Lines Corp	22
Coal City Cob Co Inc	52	J P Noonan Transportation Inc	32
Coastal Transport Co Inc	20	Penn Tank Lines Inc	28
Crossett Inc	61	Quality Distribution Inc	1
CTL Distribution Inc	25	Reis Trucking Inc	84
Dewey Corp	11	Ruan Transportation Management Systems	15
Distribution Technologies Inc	13	Schilli Bulk Carrier Group	33
Dixon Bros Inc	62	Schneider National Bulk Carriers Inc	6
J P Donmoyer Inc	53	Service Transport Co	39
Double Eagle Transportation Corp	64	Herbert R Shipley Inc	90
DTI Associates LLC	82	Slay Transportation Co Inc	14
Dupré Transport LLC	23	Superior Bulk Logistics Inc	4
Eagle Transport Corp	26	Suttles Truck Leasing	17
Enterprise Transportation Co	8	Switzer Tank Lines Inc	92
Evans Dedicated Systems Inc	47	Tankstar USA Inc	10
Herman R Ewell Inc	41	Terpening Trucking Co Inc	74
Fleet Transit Inc	66	Texas TransEastern Inc	54
Food Express Inc	46	Tidewater Transit Co Inc	37
Foodliner Inc	24	Transport Service Co	16
Gary New Trucking Inc	94	TransWood Carriers	21
Georgia Tank Lines LLC	88	Trimac Transportation Services	2
Gless Bros Inc	59	Underwood & Weld Co Inc	77
Goodman Tank Lines Inc	83	Usher Transport Inc	42
Groendyke Transport Inc	5	Valley Spreader	93
R J Guerrero Inc	65	Cliff Viessman Inc	38
R O Harrell Inc	79	Wallis Oil Company	87
Highway Transport Inc	34	Wayne Transports Inc	36
Hillman Companies	50	A J Weigand Inc	80
Horizon Tank Lines	78	Wynne Transport Service Inc	43
Iowa Tanklines Inc	51		
J&M Tank Lines Inc	48		
Jacobson Transport Inc	76		
Jar Transnational Transport	91		