

Terpening Trucking Benefits from Forming Trailer Services Company



Taking advantage of new business opportunities has enabled Terpening Trucking Company to remain competitive in New York State. Founded in 1916, Terpening is now in its third generation of family management. In addition to the trucking company, the Terpenings operate a trailer sales and service business. Agway rig is pictured at the fuel island where fuel is sold to outside carriers.

WHEN Terpening Trucking started repairing its own petroleum tanks in 1977, no one would have guessed that it eventually would operate what is believed to be the first ASME-certified tank trailer fabrication and repair facility in New York State. However, Terpening's Utility/Tri Tank Corp did just that, receiving its ASME "R" and "U" stamps in December 1987.

A Survivor

Terpening management's decision to pursue ASME certification in anticipation of major changes in the Department of Transportation's regulations governing cargo tanks reflects the kind of decision-making that has enabled Terpening Trucking to be a survivor in a tough operating market.

Terpening has continued to grow as a family-operated tank truck business in the central New York State area where many other carriers have either been sold to larger carriers or gone out of business.

One key to Terpening's success has been to expand its services while remaining in the transportation field. The business was founded in 1916 when Charles Terpening began hauling cans of milk to New York City. In the early 1930s, Terpening began using insulated milk tank trailers to haul milk. The company also used an insulated van trailer to haul five-gallon containers of frozen cream packed in dry ice to the city, then hauled sugar back to dairies in the Syracuse area.

During the late 1930s, after the

dairy cooperatives began to control milk transportation, Charles Terpening and his son, George, switched to bulk transportation of petroleum products. Today, Charles Terpening's grandsons, Richard, Charles, and George Jr, run the business, sometimes with the help of their father, George, who is retired after many years as head of the company. Richard serves as chairman of the board of the family companies, Charles Terpening as president of Terpening Trucking, and George Jr as president of Utility/Tri Tank.

Saw a Need

Terpening Trucking began repairing its own petroleum tank trailers because it could not find what it considered a reliable source of repairs in the Syr-

acuse area. It was not satisfied with the quality of repairs or the length of time required to get trailers back from existing area repair facilities. Soon after it started doing its own tank trailer repair work, Terpening was asked by other common carriers and oil marketers to service their trailers. This led to the formation of Tri Tank Trailer Corp in 1978.

The success of the tank trailer repair business led the Terpenings into new tank trailer sales, first with Polar Tank Trailer, and since 1980 with The Heil Company. Oil marketers who relied on Tri Tank for repairs began asking advice on specifying and ordering new tank trailers, explains George Terpening Jr. The brothers saw a new business opportunity and pursued it.

Originally, they sold only petroleum and pneumatic trailers for Heil, but now they represent Heil's full line of tank trailers. To balance the somewhat seasonal nature of new tank trailer sales, the Terpenings took on other lines, including Utility Trailer's refrigerated and flatbed trailers in 1981. That led to the current name of Utility/Tri Tank. The company also is a distributor for Boston Steel & Manufacturing tank trucks, Clement Industries dump trailers, and Wabash National van trailers.

Because of the growth of their trucking and repair operations, the Terpenings built a large new facility on a 24-acre site in suburban Syracuse in 1984. In addition to office space and

a 6,000-sq-ft over-the-counter parts department, the 140-ft by 110-ft facility has 10 large service bays and a paint booth. One portion of the service area is dedicated to Terpening equipment and is staffed by Terpening mechanics. The rest of the facility is used by Utility/Tri Tank.

Productive Fleet

Terpening Trucking Company's fleet includes 34 tank trailers, 27 company tractors, and seven owner-operator tractors. Equipment is based in Syracuse, Binghamton, and Rochester, New York. The Terpenings expected their trucking company to generate some \$3.8 million in revenues during 1988. Approximately 70% of the revenue comes from hauling gasoline and aviation fuel. The balance comes from transporting other petroleum and petrochemical products.

Although Terpening Trucking holds New York intrastate and 48-state contract carrier authority, most of its revenue is from traffic handled within 50 miles of Syracuse. Profits result from achieving maximum utilization of the fleet. Several factors help Terpening achieve that productivity while providing what Curt Stiles, vice-president of trucking operations, calls "fussy service."

One of Terpening's best decisions, made 12 years ago, was to install two-way radios in all of its trucks, says Stiles. The radios allow the dispatcher to make instant contact with a driver if a customer requires an emergency

delivery, and enable the drivers to contact dispatch without having to look for a phone.

Terpening's ability to respond quickly is essential to its success in gasoline transportation, says Stiles. "In this market, you either take the load or lose it," he says. "You have to provide consistent service or the next thing you know the customer will begin operating his own trucks." Terpening Trucking actually considers private trucking a bigger potential competitor than other common carriers.

One of Terpening's tractors is equipped with a cellular telephone as well as a two-way radio. The tractor and a meter-equipped tank trailer are used to make deliveries to several state agencies under a contract with New York State. Deliveries range from filling drums to large storage tanks. The driver uses the cellular phone while enroute to the customer location to request that cars be moved from the point of delivery.

Balanced Business

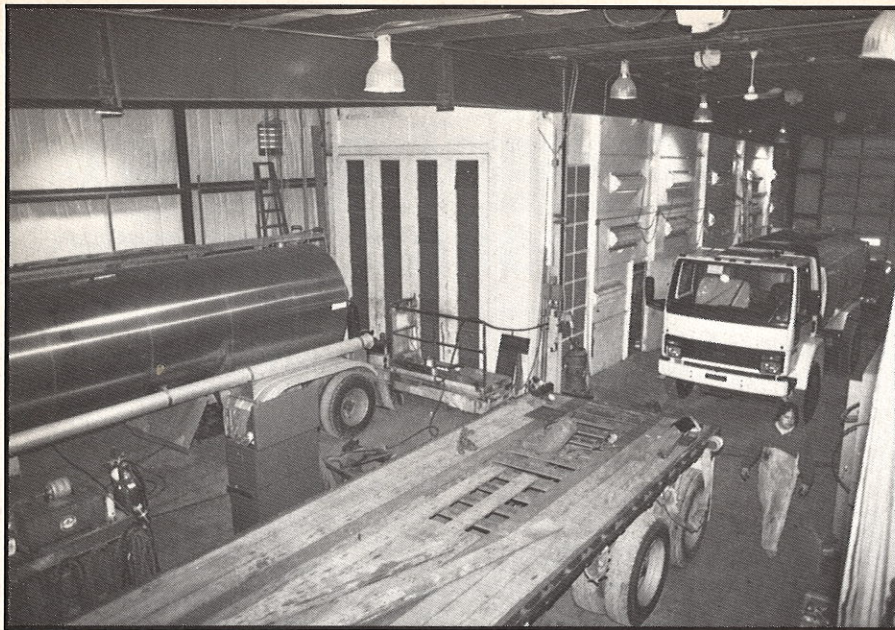
Terpening's petroleum fleet is busy throughout the year. During the summer, tourist traffic increases the demand for gasoline, and Syracuse's infamous cold weather boosts fuel oil transportation during the long winter season. The demand for aviation fuel remains constant year-round.

Terpening's fleet is large enough to meet the petroleum shippers' demands with few hitches. The fleet includes both four- and five-compartment trailers. All tanks are specified with compartments sized in 500-gallon increments. This makes ordering easier for customers and dispatchers, says Charles Terpening. Most trailers have either 8,500-gallon or 9,000-gallon capacities. While Terpening does operate in some areas that do not require bottom-loading, all trailers are equipped for bottom-loading and overfill protection. The fleet has been converted to EBW's Starship overfill protection system. Most of Terpening's petroleum trailers were supplied by The Heil Company or Fruehauf.

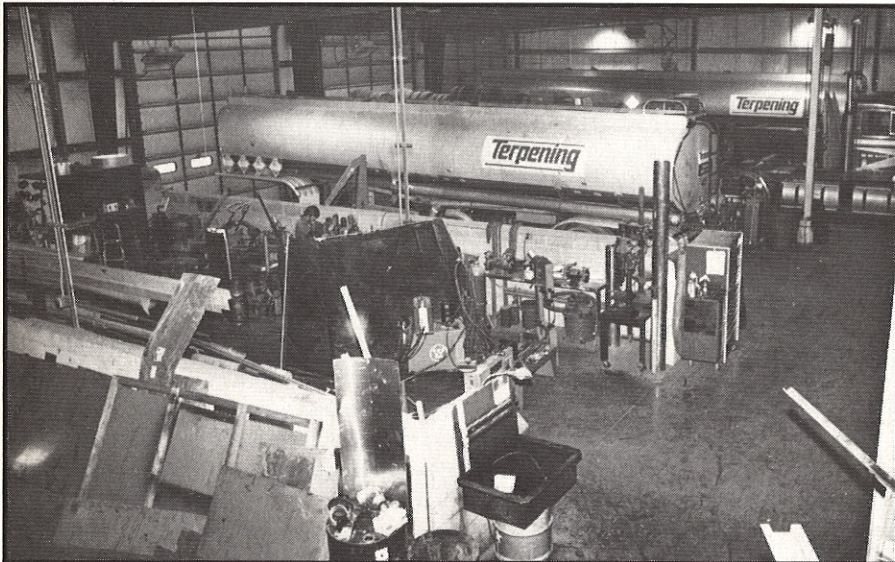
Richard Terpening cites the carrier's experienced driver force as another factor in the company's success. The drivers know their equipment, know the customers, and know the area, he says. Good communications exist between the drivers and management, he says. Perhaps that is because all of the



Terpening Trucking expanded into petrochemical transportation in 1983, and now has 48-state contract carrier authority. Most of the petrochemical traffic it handles with five stainless steel trailers is between New York and New Jersey. Tractors in the petrochemical operations are equipped with sleepers. Terpening operates Kenworth conventional tractors with Caterpillar engines.



Terpening started its trailer repair business in 1977. Today, Utility/Tri Tank sells and repairs trailers of all types. New baffles are being installed in stainless tank at left, while fuel oil truck tank is mounted on a new chassis next to the shop's paint booth.



Terpening Trucking has its own mechanics who perform preventive maintenance and make minor repairs on tractors and trailers in the 10-bay Syracuse NY shop. Equipment is serviced every 12 days. Major trailer work is performed by Utility/Tri Tank in the same shop.



Terpening Trucking and Utility/Tri Tank are located on a 24-acre site off I-90 and I-690 in Syracuse NY. The companies share the 140-ft by 110-ft building constructed in 1984. About 70% of Terpening Trucking's revenues come from local transportation of gasoline and aviation fuel.

Terpening Trucking . . .

Terpening brothers, as well as others in management, have driving experience.

Chemical Business

The Terpenings' interest in new opportunities led to expansion of the trucking business into chemicals transportation in 1983. At the request of a customer, Terpening Trucking began hauling chemicals from New Jersey into the Syracuse area. That business was a success, and Terpening now has five MC307 trailers in chemical service. Three of the trailers are multi-compartmented and insulated, while the other two are double-conical, non-insulated units. Bar-Bel Fabricating has been the primary chemical tank supplier.

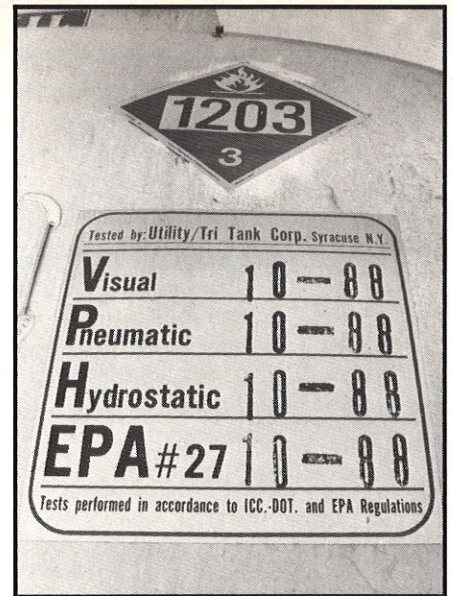
Terpening has grown in the chemicals area because it meets the special needs of smaller shippers who prefer to work with a locally domiciled carrier, says Curt Stiles.

One of Terpening's operational advantages is that most of its fleet returns to the Syracuse terminal every night. Equipment can be scheduled easily for regular preventive maintenance, and repairs can be performed and equipment put back into service quickly. Terpening is equipped to perform almost any tractor work, including major component rebuilding. However, it does send out some major engine work. All trailer preventive maintenance and minor repairs are performed by Terpening mechanics. Any major work is "farmed out" across the shop to Utility/Tri Tank.

Because so much of the fleet is involved in local operations, equipment
(Continued on page 58)



Utility/Tri Tank is a distributor for The Heil Company and Boston Steel Tank Company, as well as for manufacturers of other types of trailers. Terpening MC306 trailers are equipped with EBW's Starship overfill protection systems.



Terpening's tank trailers are clearly marked with dates of required tests.

Terpening Trucking . . .

is scheduled for regular preventive maintenance on the basis of time rather than mileage. Tractors are brought into the shop for servicing every 12 days. Oil and filters are changed every 12,000 miles on Caterpillar-equipped tractors, and every 25,000 miles on tractors with Detroit Diesel engines.

The Terpening fleet includes tractors that were purchased new, and used tractors that were built similar to the company's new tractor specifica-

tions. Current specifications call for a Kenworth conventional tractor with a 425-hp Caterpillar 3406 engine, Eaton 14609B transmission, and Rockwell rear-end and front axle. Bridgestone is the primary tire supplier. Roper three-inch pumps are installed on all tractors. With its fully equipped shop and access to the paint booth, Terpening has been successful in bringing good used equipment into conformance with its standards.

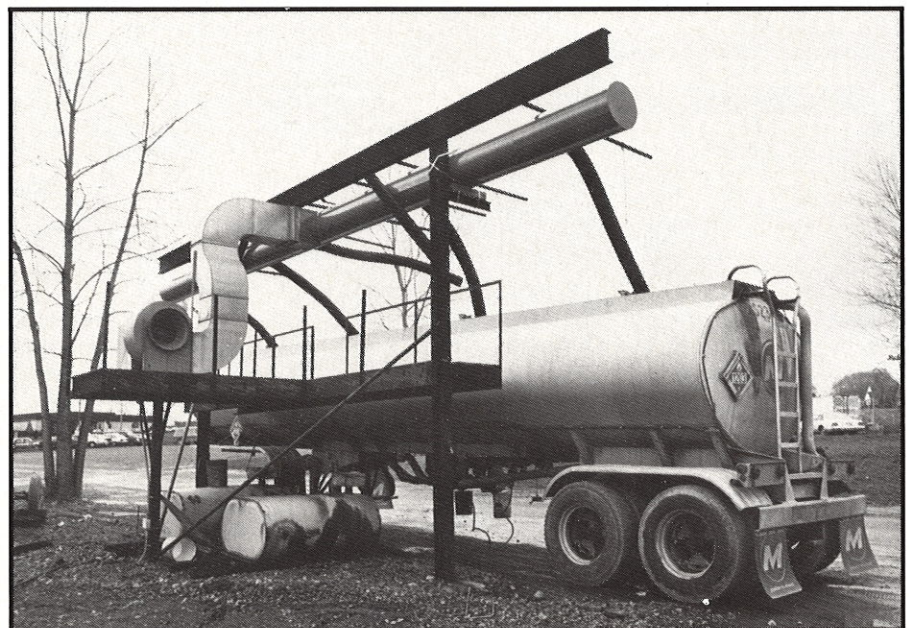
George Terpening Jr says Utility/Tri

Tank Corp decided to become an ASME-certified shop because it felt that DOT would require making more cargo tank repairs in ASME-certified shops in the future. Rules proposed in DOT's HM-183, 183A, the major rewrite of cargo tank regulations, contain such requirements. Terpening says his company's willingness to make the effort in advance of implementation of the rules reflects its commitment to the tank truck industry.

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All tractors are equipped with Roper three-inch product pumps.



Gasoline trailer is purged with forced air for one hour before being brought into shop. Mechanic will check the tank for fumes with a sniffer before bringing it into the shop, then with a second sniffer before beginning work.



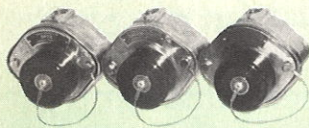
Management team includes George Terpening, retired president of Terpening Trucking (seated) and (from left) Curt Stiles, vice-president of Terpening Trucking; Gary Fruscello, vice-president of Utility/Tri Tank; Richard Terpening, chairman of the board; and George Terpening Jr, president of Utility/Tri Tank. Not pictured is Charles Terpening, president of Terpening Trucking.

Terpening Trucking . . .

Utility/Tri Tank became qualified for both the "R" stamp, and the "U" stamp, so it is authorized to perform both ASME fabrication and repairs. The company is certified through Hartford Steam Boiler Agency. While ASME repair jobs require more paperwork and inspections than non-ASME repairs, George Terpening says the same quality of materials and welding is used in all repair work his company performs.

The Terpening family enterprise has survived by adapting to changes in the trucking industry for over 70 years. The Terpening brothers won't say where they may further expand their business, but there is still room on their 24 acres for whatever they might have in mind. □

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Dispatchers John Morath and Pete Wingerter operate central dispatch for Terpening's 34-trailer fleet. All tractors are equipped with two-way radios that help keep dispatchers and drivers in close contact.



Pete Dimmler and George Terpening Jr worked together to help Utility/Tri Tank receive its ASME "U" and "R" stamps in December 1987. The company can perform both ASME-certified tank fabrication and repairs.