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Transportation National Group

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Introduction

Tom Li was running late. Quickly checking his watch, he entered the hotel banquet room. When he looked up, he was taken aback by the scene before him.

The brightly lit room had a dank smell and was littered with dirty coffee cups and scraps of paper. Taped to the walls were dozens of flow charts, showing in detail the elements of Transportation National Group's (TNG) proposed new operational design. It seemed that everything from routine maintenance to the process for making morning coffee was documented on a mass of tangled diagrams that lined the room. Seated in the center of it all was a weary-looking group of TNG managers, dressed in jeans and T-shirts. Hovering over them were Eric Boxma and Sandra Caukins, two principals from IDX Associates, a consulting house specializing in business process reengineering.

"Tom! Glad you made it." Caukins looked up, apparently relieved now that the burden of keeping up the group's enthusiasm was momentarily lifted from her shoulders. "The team was just joking that perhaps our big-time transportation expert couldn't find the hotel. Looks like you passed the client's first test!"

Li let out a nervous laugh. He had indeed missed a few turns on the way to the hotel, but thought that he'd best keep this little fact to himself now that he was surrounded by a bunch of hard-nosed trucking managers.

"Let me introduce you to the team," continued Caukins. Li shook hands as Caukins talked:

> This is Bob Owens, president and CEO of TNG. Carl Betts here is CFO. Carl's our chief numbers guy. Karen Walsh is one of our hot-shot, up-and-coming branch managers. She has 18 years of branch experience and keeps us honest

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about life in the field. Next is Joe Reisman, COO. If you have questions about operations, ask Joe. He knows everything there is to know about how TNG runs.

Boxma now stepped forward. "Hi, Tom. Glad to finally meet you in person." Boxma had initially contacted Li about participating in TNG's project. "I'll explain everything when you arrive," he had said to Li hurriedly the night before. Li was still waiting for an explanation.

Boxma turned to the group:

> Tom works for a division of IDX. He began his career as a research engineer at IBM and then received an MBA from Columbia. He started out in our transportation planning group shortly after getting his MBA. For the past five years Tom has been heavily involved in our airline operations practice. He is an expert on yield management. You know, what airlines do when they fiddle with prices and all that. From what I hear, this yield management thing is a big deal in the airlines. I thought Tom could provide some interesting input into TNG's visioning process.
>
> Tom, why don't you go ahead and explain what you guys have been up to with the airlines. Then we can go around the table and fill you in on where we're headed. Gang, I really think there is a huge potential here to make this yield management stuff work at TNG.

Li glanced briefly around the room. He was used to dealing with airline managers. Yield management was nearly a religion in the airline industry; no serious airline would consider operating without it. But this situation was different. TNG was a trailer-leasing operation run by trucking executives, a nitty-gritty industrial services business with absolutely no history of using yield management.

Boxma had mentioned the night before that this reengineering project was a great opportunity for Li to apply yield management ideas outside the airline industry—"To unlock the hidden value in TNG's business," as Boxma had put it. It all sounded good enough. Still, Li was unsure. To start with, he knew nothing about the equipment-leasing business. Also, yield management was a completely untested concept in this industry. Would it work in a business like this? If so, exactly how? From what little Li knew from talking to Boxma, TNG's business already seemed a lot different than the airline business. And what benefit, if any, might yield management provide? These questions floated through Li's mind as he stood to address to the group.

Company Background

TNG was a wholly owned equipment-leasing subsidiary of a large financial services conglomerate. TNG owned and serviced leases on a fleet of 78,000 semitrailers.[1] It operated 120 branch offices scattered throughout the United States, Canada, and Mexico. Its headquarters were located on the outskirts of Philadelphia.

Founded in 1956, TNG had established itself over the years as the market leader in providing semitrailer leases in North America. By 1997 it had a market share of over 35%. TNG's nearest rival, Excel, had a market share of 22%. The remaining 43% of the market was highly fragmented, consisting of a large number of small, locally owned and operated firms.

TNG prided itself on having a modern fleet of equipment, the most extensive branch network in the industry, and unique value-added services (see Exhibit 2). Though equipment leasing was largely a commodity business, with customers shopping primarily for price, TNG felt its quality and convenience gave it a competitive advantage over its smaller rivals.

Trailer Leasing

Trailer leasing worked essentially like an industrial version of car renting. Shippers or their agents took delivery of equipment and filled out paper work at a local branch office of a leasing company. Rates were typically quoted on a per-day basis, and in most cases there were no mileage charges. Optional insurance was available as well. Shippers used the equipment and then returned it, either to the issuing branch or—in the case of a one-way lease—to one of the other branches in the leasing company's network.[2] The duration of leases ranged from one day to over a year. At TNG the average lease was for 9.6 weeks. There were typically lower daily rates for long-term leases than for short-term leases.

Trailer leasing had grown in popularity in North America since the mid-1980s. By using leased equipment, shippers were able to increase the flexibility of their logistics operations and reduce the need for large capital expenditures. In particular, leased trailers were essential for agricultural producers and manufacturers with highly seasonal freight flows (see Exhibit 3).

Trailer leasing was a highly capital-intensive business. An average trailer cost about $80,000. Trailers equipped with special equipment, like refrigeration units, cost significantly more. In total, TNG's fleet alone represented an investment of well over $9 billion. Operating costs to service the fleet were relatively small compared to the capital cost of equipment.

The Trailer-Leasing Market

The leased-trailer market in 1997 was highly diverse. TNG's customers ranged from small local proprietorships to large multinational corporations. Heavy users of leased trailers included agricultural producers, consumer goods distributors, forest products companies, and both truckload and less-than-truckload trucking companies. Some customers—agricultural producers and distributors, for example—required leases of two to four months to cover peak-period shipping and storage needs. Others leased for only a day or two to cover short-term shortages in their own fleet.

Demand also varied geographically and seasonally. For example, the large apple harvest in western Washington State during the fall season generated a huge demand for trailers in the Yakima branch in October and November. During those months, growers and distributors scrambled to harvest their crops and transport them to fresh markets or cold storage

facilities. In contrast, summer and winter demand at the Yakima branch was significantly lower.

Due to the highly seasonal nature of demand at many locations, market lease rates tended to vary over time. For example, average rates at the Yakima branch during peak apple harvest season were often 50%–80% higher than the average rates in February. At the same time, TNG had little control over local spot rates. Unlike the customers in a consumer market, TNG's clients were professional buyers who were used to bidding one vendor against the other to obtain the lowest possible price. It was not uncommon for a customer to confront a branch manager with a lower rate from a competing leasing company and demand a discount from TNG. In such situations, a branch manager had little choice but to match a competitor's rates. As a result, TNG was essentially a price taker in most of its local markets.

Branch Operations

Leasing-company branches served as storage yards, customer service centers, and maintenance facilities for their local markets. At TNG, local branch managers had considerable autonomy. For example, TNG branch managers had significant responsibility for staffing, customer relations, and both the local pricing and availability of leased equipment.

Most of a branch's operating costs were fixed, though there were some variable costs involved in servicing leases as well as cleaning and repairing returned equipment. Exhibit 4 provides a breakdown of costs for a typical branch.

Branch managers reported to one of six regional managers. These regional managers, in turn, reported to COO Reisman. Regional managers were responsible for general administration and annual budgeting for their branches. They coordinated lease rates and reallocation of equipment within their regions. They also negotiated among themselves to correct any long-term imbalances in equipment that arose due to major one-way seasonal flows.

Pricing and Allocation Decisions

Rates at TNG were set based on the type of equipment leased; the duration, branch location, and the time of year of the lease; and whether the lease was one way or round trip. Annual contract rates were also negotiated with national shippers who did a large volume of business with TNG. As described above, rates were quite variable, both geographically and over time.

As Walsh noted:

> This is a cut-throat, competitive business. There is an Excel yard less than a mile away from my branch. The guys in headquarters like to think that the TNG brand commands a premium, but if you ask me, most customers think of us as TNG-Excel. It's all a blur in their minds. Price is really what drives

them. Branch managers have to have the flexibility to respond to local conditions.

CEO Owens offered his view on TNG's pricing decisions:

> Our local markets are tough, Karen's absolutely right about that. We compete against large integrated providers like Excel, but also against local "Mom-and-Pops." Some customers care only about price. That's why we empower our branch managers to do what it takes to stay competitive locally.
>
> But we have long-term contract accounts with national shippers as well. These large firms evaluate us on total cost. Given our large network and superior service, we often win their business, even though we don't have the lowest rates. We have a national accounts group at headquarters that is responsible for negotiating these big national deals. This is a line of business the little guys can only dream about.

While pricing was something TNG had little control over, some branch managers would occasionally opt not to write certain leases. For example, during a peak season a branch might require a minimum leasing period of 30 days. As with pricing, decisions about minimum or maximum lease duration were made by local branch managers. Some managers used these types of restrictions more than others did.

One-way leases were more difficult to manage because they involved one branch losing a piece of equipment and another branch gaining it. The desirability of this net change depended on the local market conditions at each location. If the originating branch had a yard full of trailers and the receiving branch was sold out, the decision was easy. In other cases, branch managers negotiated with their regional manager for a credit or a replacement/relief of equipment at some future date. As Reisman noted, "Reallocation of equipment has always been a sore point among the regional managers. The way they handle it is really more of an art than a science, but they seem to get the job done."

Data Collection

TNG maintained a variety of data at the branch, regional, and company-wide levels for operational planning and financial control. Data on individual leases were keyed into a computer system and stored for the current fiscal quarter. Every quarter, these lease data were used to produce summary managerial accounting measures for each branch. Data for closed leases (equipment that had been returned) were deleted from the system after six months.

The quarterly reports contained branch-level measures of the average lease rate, the average lease duration, average operating cost per lease, and return on investment (ROI) measures. Aggregate revenue and cost data were also compiled for use in standard financial accounting reports. Branch quarterly data was maintained for five years, and all aggregate, company-wide accounting data was permanently archived.

ROI Measures

Among the most important measures that TNG managers monitored was return on investment (ROI) data. Individual leases were evaluated by comparing the stream of daily lease revenues to the capital cost of the equipment being leased; that information was used to compute an ROI number. For example, a $25 net revenue for a per-day lease on an $80,000 trailer yields an ROI of (365 days/yr.) x ($25/day)/$80,000 = 11.4%. These ROI numbers were used both on an operational level to evaluate individual lease rates and as key indicators of overall branch performance. "If a branch manager has too many single-digit ROI leases during his quarterly review, his days at TNG are numbered," remarked Walsh. She added, "At my branch, I try to maintain discipline; I rarely let a lease go out the door with an ROI of less than 10%."

CFO Betts described the culture and rational behind TNG's intense focus on ROI:

> What you have to understand is that TNG is a small division of a much larger financial services conglomerate. Our parent owns consumer credit card debt, real estate loans, commercial loans, and other industrial equipment leasing operations. To them, we are just another asset category. If we don't get a competitive ROI on our equipment, then our parent will allocate their capital elsewhere. If we want to grow this business and secure an adequate share of the capital budget, we have to keep our ROI numbers up.

Tom Li

Li finished his presentation, and the follow-up discussion with the group was winding down. He had gone through his standard overview of how airlines implement yield management: the segmenting of leisure and business travelers, the advance purchase and Saturday-night stay restrictions, the multitude of fare classes offered for each flight, how airlines limit capacity for fare classes based on demand forecasts and optimization, overbooking, etc. As he talked, he noticed that Owens looked intrigued at times. Others nodded approvingly at certain points as well, and the follow-up discussion was lively.

At the same time, Li had this nagging feeling that while the overall objective of yield management cut to the heart of TNG's business, the details of what he was describing about airlines were disturbingly different in important ways. At one point Reisman remarked, "We don't have advance reservations in our business, you know; our customers just phone up when they want equipment and expect us to deliver." Owens expressed a similar doubt about whether there were any parallels to the leisure and business segments in airlines: "Our customers are more similar than airline passengers. They are all very price conscious." And the fact that lease rates were so homogeneous and competitive worried Li. It didn't seem reasonable to suggest multiple rate classes for the same lease in TNG's type of environment. Or did it? And if differential rates weren't possible, did yield management make any sense for TNG at all?

Li asked if he could see a sample of lease data from a representative branch. He wanted to get some idea of what a typical profile of leases looked like over a year. Betts said that his group had done a recent demand study at the Yakima branch and that he could provide the necessary summary data to Li. (See Exhibit 5.)

Boxma and Caukins looked pleased. "Based on what we've heard, I think we need to move ahead and incorporate yield management into TNG's new operations design," Boxma boomed confidently. "Right," added Caukins. "We're fleshing out TNG's endpoint design here, and we need to make sure that the processes and rules are in place to make yield management an integral part of the design. Tom, what's your group's availability going forward?"

Reisman, who had been conspicuously quite during most of the discussion, interrupted:

> Whoa…hold on a minute! I've been sitting here politely for the last couple of hours, but I have to say my piece.
>
> Bob, this stuff makes me nervous. Are our customers going to stand for us jacking up our rates just because we have them over a barrel? In fact, this whole damn redesign project makes me nervous! Why are we putting ourselves through this? I don't see Excel ripping out the guts of their business. Why should we? I mean, we have an 11% ROI business going here. Things are fine. I think we should just leave well enough alone.

The room was silent for a long time. Everyone's eyes were on Owens. He took a deep breath and spoke. "Joe's got a point. Eric, Sandra, you've got to do some more thinking about this whole idea. We're talking about huge risks here for TNG, with concepts nobody has tried in our business—not to mention your fees. We need a clearer idea of what this would entail, and we have to be able to justify the risks to our corporate parent and to ourselves."

Caukins slouched back in her seat, "Sure, Bob. Of course," Boxma nodded. There was another long pause. Boxma broke the awkward silence. "I'll tell you what, Bob. We'll put together some kind of proposal on this and get it to you as soon as possible." He then turned to Li. "Tom, why don't you meet me back at the hotel after dinner?"

Exhibits

Exhibit 1

Semitrailers

Exhibit 2

Why RENT from TNG? (TNG Marketing Literature)

- Flexible programs – rent trailers when and where you need them
- Rent one day, one week, one month or longer. One way – arrange a pre-approved drop-off within TNG's 120 branch network
- Largest, most varied trailer fleet available:
    - Vans
    - Double vans
    - Refrigerated vans
    - Flatbeds, lowbeds & extendibles
    - Space vans
    - Storage vans
    - Chassis
- 120 locations always nearby
- Better conditioned equipment:
    - Constantly adding new, state-of-the-art trailers
    - Continual preventative maintenance
    - 30-point pre-release inspection performed on every trailer before it leaves a TNG yard
    - Quality-built equipment with various specifications to handle the toughest conditions
- Value-added services
    - Emergency breakdown service, TNG Line
    - Mobile emergency service available
    - Vehicle Protection Plan covers accidental damage, fire, or theft without the paperwork and inconvenience of traditional insurance programs
    - Driver training program provides a series of educational materials for professional truck drivers on how to lead a healthier, more stress-free life-style on the road and off

Exhibit 3

Key Advantages of Trailer Leasing

- Cover seasonal or peak periods
- Improve operational and financial flexibility
- Re-align fleet imbalances
- Substitute your out-of-service equipment
- Avoid equipment obsolescence
- Experiment with equipment types and configurations
- Reduce overhead
- Protect yourself against market uncertainty
- Free up capital

Exhibit 4

Operating Data for a Typical Branch

YAKIMA WASHINGTON BRANCH – 1997 OPERATING RESULTS (X $1,000)		
Lease Revenue	$ 4,763	100.0%
Occupancy	$ 150	3.1%
Salary Labor	$ 165	3.5%
Hourly Labor	$ 83	1.7%
Gross Profit	**$ 4,365**	**91.6%**

MISCELLANEOUS DATA	
Number of Trailers	470
Leases/Trailer/Yr.	6.63
Revenue/Trailer/Yr.	$9,339

Exhibit 5

1997 Lease Data for Yakima Branch

Fleet Size 470
Initial Inv. 119.0
Total Rev $ 4,714
(x$1000)

Decisions made by TNG in 1997

Due to return based on decisions prior to w eek ending 1/5/97

		Start of WK		1-WK				4-WK				8-WK				16-WK			
Week End	WK#	#Inv.		$/Day	Demd	Accpt	Ret.	$/Day	Demd.	Accpt.	Ret.	$/Day	Demd.	Accpt.	Ret.	$/Day	Demd.	Accpt.	Ret.
1/5/1997	1	119.0		CLOSED FOR HOLIDAY															
1/12/1997	2	161.0	37.0	$ 26.00	9	9	2.0	$ 23.40	10	10	17.0	$ 22.10	10	10	12.0	$ 20.80	8	8	11
1/19/1997	3	172.0	39.0	$ 29.00	15	15	9.0	$ 26.10	3	3	11.0	$ 24.65	8	8	16.0	$ 23.20	13	13	12
1/26/1997	4	192.0	40.0	$ 30.50	11	11	15.0	$ 27.45	7	7	17.0	$ 25.93	7	7	12.0	$ 24.40	15	15	15
2/2/1997	5	211.0	46.0	$ 27.50	9	9	11.0	$ 24.75	10	10	10.0	$ 23.38	8	8	21.0	$ 22.00	19	19	17
2/9/1997	6	208.0	42.0	$ 29.00	13	13	9.0	$ 26.10	6	6	10.0	$ 24.65	6	6	9.0	$ 23.20	17	17	15
2/16/1997	7	204.0	54.0	$ 27.50	9	9	13.0	$ 24.75	11	11	3.0	$ 23.38	12	12	10.0	$ 22.00	22	22	12
2/23/1997	8	194.0	62.0	$ 27.50	13	13	9.0	$ 24.75	13	13	7.0	$ 23.38	10	10	7.0	$ 22.00	26	26	21
3/2/1997	9	172.0	51.0	$ 29.00	6	6	13.0	$ 26.10	14	14	10.0	$ 24.65	18	18	3.0	$ 23.20	13	13	14
3/9/1997	10	150.0	80.0	$ 35.00	22	22	6.0	$ 31.50	18	18	6.0	$ 29.75	22	22	10.0	$ 28.00	18	18	7
3/16/1997	11	120.0	82.0	$ 35.00	24	24	22.0	$ 31.50	14	14	11.0	$ 29.75	24	24	8.0	$ 28.00	20	20	9
3/23/1997	12	94.0	77.0	$ 36.50	26	26	24.0	$ 32.85	25	25	13.0	$ 31.03	19	19	7.0	$ 29.20	7	7	12
3/30/1997	13	80.0	78.0	$ 35.00	27	27	26.0	$ 31.50	17	17	14.0	$ 29.75	19	19	8.0	$ 28.00	15	15	15
4/6/1997	14	62.0	62.0	$ 35.00	28	24	27.0	$ 31.50	19	19	18.0	$ 29.75	13	10	6.0	$ 28.00	11	9	9
4/13/1997	15	66.0	66.0	$ 41.00	28	23	24.0	$ 36.90	12	12	14.0	$ 34.85	15	15	12.0	$ 32.80	17	16	16
4/20/1997	16	68.0	68.0	$ 42.50	36	14	23.0	$ 38.25	27	26	25.0	$ 36.13	24	22	10.0	$ 34.00	7	6	10
4/27/1997	17	58.0	58.0	$ 45.50	27	20	14.0	$ 40.95	17	16	17.0	$ 38.68	16	14	18.0	$ 36.40	11	8	9
5/4/1997	18	69.0	69.0	$ 47.00	34	19	20.0	$ 42.30	21	18	19.0	$ 39.95	22	19	22.0	$ 37.60	15	13	8
5/11/1997	19	68.0	68.0	$ 44.00	31	23	19.0	$ 39.60	22	22	12.0	$ 37.40	9	8	24.0	$ 35.20	17	15	13
5/18/1997	20	83.0	83.0	$ 45.50	36	23	23.0	$ 40.95	30	29	26.0	$ 38.68	22	22	19.0	$ 36.40	10	9	15
5/25/1997	21	77.0	74.0	$ 42.50	32	32	23.0	$ 38.25	24	24	16.0	$ 36.13	8	8	19.0	$ 34.00	10	10	19
6/1/1997	22	80.0	80.0	$ 41.00	34	26	32.0	$ 36.90	23	22	18.0	$ 34.85	14	12	10.0	$ 32.80	22	20	17
6/8/1997	23	85.0	76.0	$ 41.00	26	26	26.0	$ 36.90	23	23	22.0	$ 34.85	15	15	15.0	$ 32.80	12	12	22
6/15/1997	24	112.0	71.0	$ 35.00	30	30	26.0	$ 31.50	12	12	29.0	$ 29.75	14	14	22.0	$ 28.00	15	15	26
6/22/1997	25	122.0	70.0	$ 35.00	23	23	30.0	$ 31.50	20	20	24.0	$ 29.75	15	15	14.0	$ 28.00	12	12	13
6/29/1997	26	134.0	57.0	$ 30.50	10	10	23.0	$ 27.45	12	12	22.0	$ 25.93	9	9	19.0	$ 24.40	26	26	18
7/6/1997	27	138.0	65.0	$ 29.00	16	16	10.0	$ 26.10	15	15	23.0	$ 24.65	6	6	8.0	$ 23.20	28	28	20
7/13/1997	28	130.0	61.0	$ 32.00	21	21	16.0	$ 28.80	12	12	12.0	$ 27.20	11	11	22.0	$ 25.60	17	17	7
7/20/1997	29	133.0	73.0	$ 35.00	19	19	21.0	$ 31.50	21	21	20.0	$ 29.75	13	13	8.0	$ 28.00	20	20	15
7/27/1997	30	112.0	64.0	$ 35.00	21	21	19.0	$ 31.50	16	16	12.0	$ 29.75	15	15	12.0	$ 28.00	12	12	9
8/3/1997	31	115.0	59.0	$ 35.00	16	16	21.0	$ 31.50	14	14	15.0	$ 29.75	15	15	15.0	$ 28.00	14	14	16
8/10/1997	32	104.0	71.0	$ 32.00	17	17	16.0	$ 28.80	17	17	12.0	$ 27.20	12	12	14.0	$ 25.60	25	25	6
8/17/1997	33	94.0	80.0	$ 36.50	24	24	17.0	$ 32.85	15	15	21.0	$ 31.03	22	22	15.0	$ 29.20	19	19	8
8/24/1997	34	76.0	76.0	$ 35.00	20	13	24.0	$ 31.50	23	20	16.0	$ 29.75	18	17	9.0	$ 28.00	28	26	13
8/31/1997	35	48.0	48.0	$ 32.00	21	7	13.0	$ 28.80	12	11	14.0	$ 27.20	21	20	6.0	$ 25.60	11	10	15
9/7/1997	36	44.0	44.0	$ 39.50	22	0	7.0	$ 35.55	24	0	17.0	$ 33.58	25	23	11.0	$ 31.60	24	21	9
9/14/1997	37	38.0	38.0	$ 42.50	33	0	0.0	$ 38.25	26	2	15.0	$ 36.13	21	19	13.0	$ 34.00	17	17	10
9/21/1997	38	55.0	55.0	$ 47.00	39	0	0.0	$ 42.30	25	15	20.0	$ 39.95	31	30	15.0	$ 37.60	12	10	20
9/28/1997	39	38.0	38.0	$ 47.00	35	0	0.0	$ 42.30	32	11	11.0	$ 39.95	17	15	15.0	$ 37.60	15	12	12
10/5/1997	40	27.0	27.0	$ 50.00	42	0	0.0	$ 45.00	21	5	0.0	$ 42.50	12	11	12.0	$ 40.00	12	11	15
10/12/1997	41	36.0	36.0	$ 51.50	57	0	0.0	$ 46.35	41	14	2.0	$ 43.78	9	8	22.0	$ 41.20	16	14	12
10/19/1997	42	58.0	58.0	$ 60.50	55	5	0.0	$ 54.45	29	27	15.0	$ 51.43	18	16	17.0	$ 48.40	12	10	26
10/26/1997	43	64.0	64.0	$ 57.50	47	19	5.0	$ 51.75	27	27	11.0	$ 48.88	10	7	20.0	$ 46.00	12	11	28
11/2/1997	44	64.0	64.0	$ 57.50	50	30	19.0	$ 51.75	23	17	5.0	$ 48.88	23	10	23.0	$ 46.00	10	7	17
11/9/1997	45	83.0	66.0	$ 47.00	46	33	30.0	$ 42.30	18	17	14.0	$ 39.95	11	10	19.0	$ 37.60	9	6	20
11/16/1997	46	119.0	89.0	$ 47.00	42	42	33.0	$ 42.30	22	22	27.0	$ 39.95	9	9	30.0	$ 37.60	16	16	12
11/23/1997	47	128.0	61.0	$ 38.00	30	30	42.0	$ 34.20	10	10	27.0	$ 32.30	15	15	15.0	$ 30.40	6	6	14
11/30/1997	48	150.0	73.0	$ 36.50	24	24	30.0	$ 32.85	15	15	17.0	$ 31.03	15	15	11.0	$ 29.20	19	19	25
12/7/1997	49	145.0	69.0	$ 35.00	27	27	24.0	$ 31.50	16	16	17.0	$ 29.75	17	17	8.0	$ 28.00	9	9	19
12/14/1997	50	167.0	58.0	$ 35.00	16	16	27.0	$ 31.50	15	15	22.0	$ 29.75	14	14	16.0	$ 28.00	13	13	26
12/21/1997	51	152.0	54.0	$ 35.00	20	20	16.0	$ 31.50	19	19	10.0	$ 29.75	7	7	7.0	$ 28.00	8	8	10
12/28/1997	52	98.0	0.0	CLOSED FOR HOLIDAY															
					1319	877			918	776			746	703			762	725	

BY GARRETT J. VAN RYZIN*

Endnotes

[1] A semitrailer is the rear, cargo-carrying part of a typical tractor-trailer truck (see Exhibit 1). Trailers are often used as containers for freight during various stages of shipping. They also serve as portable warehouses for freight waiting to be shipped or unloaded.
[2] Shippers were required to specify if they wanted a one-way lease when they originated the lease. One-way rates were generally higher than round-trip leases. About 31% of leases at TNG were one-way.