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**OUR MISSION:** To promote closer relationships through networking, building mutual understanding among members and stimulating education in transportation, warehousing, logistics, and supply chain management.

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## Thursday, August 24th

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<b>Tracy Baker</b> ITC President J&J Transportation tbaker@jjtran.com	317-771-8480
<b>Mandy Schaumberg</b> ITC Vice President Encore Sotheby's International Realty mandy.schaumberg@encoresothebysrealty.com	317-508-3443
<b>Jan Peel (retired)</b> Secretary/Treasurer jpeel83719@aol.com	317-357-5760
<b>Nancy Jarial</b> ITC Editor TKO Graphix njarial@tkographix.com	317-730-1636
<b>Steven Groth</b> Ex-Officio Bose McKinney & Evans LLP sgroth@boselaw.com	317-684-5115
<b>Patrick Coffey</b> Marvin Johnson pcoffey@mjai.com	800-457-5255
<b>T.J. Cunningham</b> cunninghamjr.timothy@gmail.com	317-352-0306
<b>Vince Hillan</b> Extra Point Logistics vhillan@extrapoint.biz	317-791-6080
<b>Jeff Mills</b> TF Logistics jeff@tfi-logistics.com	317-805-1060
<b>Brad Salyer</b> Star Leasing Company brad.salyer@starleasing.com	317-733-4550
<b>Allie Williams</b> Star Leasing Company allie.williams@starleasing.com	317-331-0812

### Legal Advisor:

<b>Steven Groth</b> Bose McKinney & Evans LLP sgroth@boselaw.com	317-684-5115
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ITC News is the official publication of the Indianapolis Transportation Club. Please submit questions, comments and articles for consideration to the editor:

**Nancy Jarial, TKO Graphix**  
2751 Stafford Rd., Plainfield, IN 46168  
phone: 317-730-1636 | njarial@tkographix.com



## 2017 ITC EVENTS



**Thursday, August 24, 2017**  
American Legion (Holt Rd)  
[REGISTER HERE](#)



**Wednesday November 8, 2017**  
Skyline Club

REGISTRATION IS NOT OPEN YET.

## ANNOUNCEMENTS:



**Now Accepting  
Scholarship  
Applications!**

For over 30 years, the Indianapolis Transportation Club has provided scholarship opportunities supported by our valued individual and corporate members. All students enrolled in college pursuing a logistics/supply chain related career and/or the child or grandchild of a current ITC Member are encouraged to apply!

Do you know a student that qualifies for consideration of an ITC Scholarship? Please tell them to apply, but hurry the **deadline for ITC Scholarship applications is September 30, 2017.**

To learn more or apply for a scholarship, visit [www.indytrafficclub.org](http://www.indytrafficclub.org)

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# INDIANAPOLIS TRANSPORTATION CLUB GOLF OUTING

Thanks to everyone that joined us for this year's ITC Golf Outing!



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# Interested in Being on the ITC Board? Now is Your Chance to Get Plugged In...

## ITC is now accepting nominations for the ITC Board of Directors

We are looking for men and women to serve on the Board of Directors in 2018. Here are some Q&A to common questions about being an ITC board member.

### What are the duties of a board member?

- You must attend 1 board meeting a month. Meetings typically last an hour to hour and a half.
- You will be expected to share your talents and ideas to help plan and attend ITC events.
- Approve all contracts and decisions about the Club.
- Admit or reject applications for new memberships.

### How long does a board member serve?

- Two years starting in January 2018

### Who can run for election to the board?

- If you have been an ITC member for at least one year, you are eligible to run for the Board.

### Why should I consider running?

- Great networking opportunities, camaraderie, and help support the future of the logistics industry by raising money through ITC events for the ITC Scholarship Fund. Scholarships are awarded yearly.

This is your chance to get involved, meet new people in the industry and make a difference in our club!

### Still Interested?

[Click here to fill out an online form](#)

We encourage you to fill out an online form today expressing your interest in running. This information will be passed to the nominating committee.



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## Can Amazon's Purchase of Whole Foods Make Grocery Delivery Affordable?

Reprinted from [www.trucks.com](http://www.trucks.com) | Carly Schaffner | July 18, 2017

Amazon.com's purchase of upscale grocer Whole Foods Market Inc. could be the first step toward making fresh food and grocery delivery affordable.

Whether or not the online marketplace is successful depends on its ability to leverage inbound produce logistics, one of the hardest codes to crack in the shipping industry.

"Food delivery by nature is an extremely low-margin, logistically complex business, especially given the perishable nature of the items," said Natan Reddy, an analyst at CB Insights. "It might take a company like Amazon with extremely vast resources and economies of scale to be able to solve this puzzle."

While Amazon has yet to conquer the grocery sector, its ability to disrupt is well established. The company built the pillars of e-commerce, rapid delivery and free shipping, and in the process altered consumer shopping patterns.

"Look at the network of distribution centers and fulfillment centers they have created in relatively short order to gain perspective on what this great, transformative company can accomplish," said John Larkin, a logistics analyst at Stifel Financial Corp.

But that's been with packaged goods such as books, apparel and home goods. Fresh produce logistics has largely defied the e-commerce revolution. Most prior attempts at food delivery have failed.

HomeGrocer.com – an upstart from Bellevue, Wash. – was one of the first on the online supermarket scene. It launched in 1997, offering consumers selection and prices comparable to traditional grocers. The company invested heavily in its website, top-quality product, distribution centers and delivery fleets. The dot-com crash in 2000 prevented the company from raising enough capital and it eventually went under because it could not maintain its overhead.

HomeGrocer was eventually swallowed by Amazon, which was unable to make a go of the business. It now stands as a reminder for Amazon of the challenge of fresh food delivery.

Grocery delivery startups must set high prices to cover the expense of the delivery business, Reddy said. This makes it difficult to expand the customer-base beyond wealthier consumers or those in certain circumstances who might be willing to pay more for the convenience of grocery delivery, he said.

"It hasn't quite reached the point where people are willing to pay that higher premium on a mass scale," Reddy said. "The business model needs a fundamental shift to truly compete with in-store grocery prices."

Tackling the perishable supply chain is key to solving that equation.

"This is a \$40 billion market but it's very sophisticated and complicated with  
(Continued)

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respect to transportation,” said Tom Finkbiner, co-founder of refrigerated intermodal carrier, Tiger Cool Express.

It’s tricky to manage the storage and home delivery of various types of fresh foods, all with different shelf lives, he said. Leaf vegetables or berries must move through the industry’s supply chain to the destination within 15 days. Longer shelf life items, such as tree fruits and grapes, will last 15 to 30 days. Some foods are easier to handle. Potatoes, onions and carrots can be held in dry storage and are not as time sensitive.

This is complicated by the distance fresh food travels before it can be even staged for delivery, Finkbiner said.

Consumers, for example, expect to buy tomatoes 365 days of the year. Grocers in Chicago, Boston and New York source their tomatoes from Florida, Mexico and California, which have different peak produce seasons.

Florida services these regions during the first few months of the year and then the volume shifts to Mexico. In the early to late summer, California provides tomatoes and then the business goes back to Florida in the early winter.

The remainder of the year, the fruit travels from even further distances.

Keeping up with the nonstop pace is expensive.

Shorter-shelf life items like berries and leafy greens can cost retailers up to \$1,000 a day in spoilage, Finkbiner said.

The trucking industry will soon face another wrinkle that could throw all retailers of fresh food for a loop.

Federal regulations that dictate the use of electronic logging devices, or ELDs, which track the time truckers spend on the road to ensure they don’t surpass legal limits, go into effect in December. The mandate could complicate how time-sensitive loads of perishable goods will be shipped long distances.

There will only be “so many options” for carriers to consider, Larkin said.

Team expedited shipping, which is one truckload with two drivers capable of running 22 hours per day, is one solution, but driver teams are difficult to “find, train, create and retain,” he said.

Other options include “using the nation’s high service intermodal network originally designed for UPS, and domestic airfreight,” Larkin said. “Airfreight is very expensive. That leaves expedited, premium intermodal service as a likely bigger piece of the puzzle.”

Amazon may be less affected by such headwinds, however.

“With access to low cost capital and a long leash provided by the investment community, those who downplay Amazon and all its creative options may find themselves on the outside looking in,” Larkin said.

The deal also gives Amazon more room to play in the grocery segment.

“There’s a lot that Amazon can do with the Whole Foods acquisition,” said Cathy Roberson, head analyst for consulting firm Logistics Trends and Insights.

Whole Foods could become a good outlet to introduce Amazon’s private label brands – maybe replacing the 365 label – and this could compete

(Continued)

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against German discount grocers Aldi and Lidl that primarily sell their own brands and are entering the U.S. market, Roberson said.

“Private labels also are a big thing,” she said.

Whole Foods – whose customers tend to be Amazon customers – also will provide the online retail giant a built-in network with additional distribution space, which will bolster its fledgling Amazon Fresh grocery delivery subscription service, Roberson said.

Amazon Fresh is a grocery solution for members of Amazon Prime, who pay \$10.99 per month – or \$99 per year – for free two-day delivery of everything marked under the Prime category. Amazon has toyed with pricing for Amazon Fresh, but last year it settled on \$14.99 per month with a \$9 delivery fee that users can sidestep with a minimum purchase of \$40.

It’s not a silver bullet. Amazon Fresh also is limited to specific metropolitan markets such as Los Angeles, San Francisco, San Diego, New York City, Philadelphia, Boston, Chicago and Dallas.

Additionally, not all varieties of fresh produce – particularly in the organic category – are available for delivery during the same window as other goods. That’s because shipping organic products is a harder process to sort out for growers, carriers and retailers.

Since most organic produce and ethnic produce are grown on farms too small to generate a truckload of freight, multi-stop truckloads are needed, which require more time. And greater expertise in handling the load causes additional delays, Finkbiner said.

The Amazon and Whole Foods deal could potentially accelerate the already growing demand for ethnic and organic produce, Larkin said.

Annual sales of organic products in the U.S. grew 13.1 percent between July 2015 and 2016, according to Nielsen, a consumer trend research firm.

Yet for sales of both conventional and organic foods, Amazon is heading into a thicket of competitors. Wal-Mart Stores, Inc. has invested significantly in a proprietary sourcing and logistics model for fresh produce, he said.

The company’s 100-door fresh produce consolidation center in Colton, Calif., receives inbound produce from the fields of the California Central Valley, and from there, truckloads of fruits and vegetables are assembled and moved daily to its 41 refrigerated, regional distribution centers.

“But this network only functions well due to Walmart’s leading overall volume position in the grocery and fresh produce markets,” Larkin said.

Walmart was the number one retailer in 2017, a spot the company has held for “decades,” according to the National Retail Federation.

“However, if any competitor tries to replicate or surpass the Walmart network, it could be the combination of Amazon and Whole Foods,” Larkin said.

No matter how fast, or how successfully Amazon moves into home delivery of fresh food, its acquisition of Whole Foods will shake up the grocery business.

“All of this activity is great for us the consumer,” Roberson said. “Competition will drive down costs and force stores like Kroger and Publix to step up their efforts even more.”

Source: <https://www.trucks.com/2017/07/18/amazon-whole-foods-delivery-affordable/>



## Career Connection - New Job Posting

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**Job Title:** Assistant Transportation Manager

**Position Overview:**

The Assistant Transportation Manager is responsible for helping to plan, direct, and oversee all transportation functions and to ensure deliveries are performed safely, on time, and in accordance with DOT regulations. This person will coordinate closely with our customers, vendors, and sales representatives to obtain information, identify needs, and investigate and resolve problems. Additionally, this person will be challenged to help improve efficiencies, eliminate deficiencies, and continuously seek to improve our service to our customers and vendors. The Assistant Transportation Manager will be required to maintain and improve CISCO's professionalism, as well as, increase our reputation for superior customer service.

[See full job listing here](#)

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## Jasper Engines awarded for outreach to students

*Reprinted from: duboiscountyherald.com | July 11, 2017*

JASPER — The state's advanced manufacturing and logistics initiative, Conexus Indiana, has honored Jasper Engines & Transmissions with the 2017 Conexus Indiana Touchstone Award.

The award recognizes the company's commitment to the innovative Hire Tech program and its contributions to the future of Hoosier students as they prepare for a challenging and successful future in the advanced manufacturing and logistics industry.

Jasper Engines is one of 252 Conexus Indiana A+ Partners, companies that work closely with their local high schools to bring advanced manufacturing and logistics awareness, learning opportunities, and experience to the classroom. The company earned this year's Touchstone Award for its comprehensive outreach efforts to schools and students, and its commitment to training and hiring Hire Tech students.

Since Hire Tech was introduced in 2012, students have completed almost 18,000 college credit hours valued at \$2.4 million. Hire Tech students also have earned more than 8,000 industry credentials. Hire Tech is offered at 205 schools and has been delivered to more than 7,000 students statewide.

Through the program, Jasper Engines has partnered with schools in five southern Indiana Counties, engaging students through workplace simulations, facility tours and innovative hands-on projects. The company also regularly engages Conexus interns through work experiences in the summer and throughout the year.

Source: <https://duboiscountyherald.com/b/jasper-engines-awarded-for-outreach-to-students>

## Logistics company targets Lebanon for 1,160 jobs

Reprinted from: [www.ibj.com](http://www.ibj.com) | July 10, 2017 | IBJ Staff

One of the country's fastest-growing transportation and logistics companies is making plans to open a massive distribution center northwest of Indianapolis that could employ 1,160 workers.

The Lebanon City Council on Monday is slated to consider tax incentives for XPO Logistics Supply Chain Inc., which wants to take over an existing 1.2 million square-foot warehouse on a 49-acre site at 135 S. Mount Zion Road, just southwest of Interstate 65.

The building was vacated at the end of 2014 by Pearson Education Ltd., which used it as a book distribution center.

According to resolutions filed with the Lebanon council, Piedmont, North Carolina-based XPO plans to spend \$30.8 million to equip the center with logistics distribution and information technology systems, including conveyers, racking, scanners, computers and software.

Work could begin as early as August and be completed by the end of 2018, documents say.

The estimated 1,160 employees are expected to make an aggregate annual salary of \$46.9 million, or an average of \$37,275 each. The documents did not say how much XPO planned to spend to lease the building, which was built in 1997 and 2001. Officials estimate the assessed value of the building will be about \$43.2 million once improvements are made.

Planning officials noted that the building's owner, who wasn't named, has had difficulty finding somebody to buy or lease the facility since Pearson moved out.

XPO Logistics Supply Chain Inc. is a subsidiary of Greenwich, Connecticut-based XPO Logistics Inc., a public company that more than doubled revenue in 2016, to \$15 billion, placing it No. 191 on the Fortune 500 list of America's largest companies. The company specializes in delivering big, bulky items ordered online.

The company says it operates in 34 countries, with over 89,000 employees and 1,431 locations. It conducts an average of 150,000 shipments daily.

Lebanon council members will consider two tax-incentive contracts: a 10-year real property tax deduction on the building and a 10-year personal property tax deduction on the new equipment.

The first tax break will save the building owner 10 percent on real property taxes each year. The other will save XPO more than 50 percent on personal property taxes over the 10-year period. The documents do not include actual financial estimates on the tax breaks.

Source: <https://www.ibj.com/articles/64511-logistics-company-targets-lebanon-for-1160-jobs?>

## Connecting Students to Manufacturing, Logistics Experience

Reprinted from: [insideindianabusiness.com](http://insideindianabusiness.com) | June 23, 2017 | By Dan McGowan, Senior Writer/Reporter

The two-day kick-off of a statewide program that exposes high school students to careers in advanced manufacturing and logistics continues Friday at several Hoosier companies. The Conexus Indiana Interns initiative involves paid, six week summer internships. Participating companies include Rolls-Royce, Allison Transmission Holdings Inc. (NYSE: ALSN) and Merchandise Warehousing Co.

Conexus Indiana says 280 students are enrolled in this year's session. Since its launch, nearly 600 have taken part. The statewide organization says the program is the largest of its kind in Indiana involving the state's largest industry sector. In all, more than 100 companies have hosted interns through the initiative.

Conexus Indiana Interns also involves summits for career coaching, interpersonal-skills development and relationship building throughout the summer. Conexus says the vast majority of participants who complete the program -- 80 percent -- are more likely to pursue an advanced manufacturing and logistics career and 98 percent of companies involved say they intend to continue hosting interns.

Source: <http://www.insideindianabusiness.com/story/35733671/connecting-students-to-manufacturing-logistics-experience>