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DeCarolis begins \$4 million upgrade of its fleet

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DeCarolis Truck Rental Inc. was founded more than 65 years ago—with just one truck—as a means of transportation for migrant workers. Today, the rental and leasing company has 200 employees with 3,000 vehicles at six locations in Upstate New York.

Yet it also has plenty of competition. So, the firm is in the midst of a \$4 million fleet upgrade, Chairman Paul DeCarolis said.

“It’s like anything else,” he explained. “The reason to continue to have the upgrade is so that you can keep your fleet modernized and give the latest technology.”

Modernization also helps DeCarolis’ customers attract and retain drivers, he said, because the company can customize vehicles according to clients’ specifications.

The fleet upgrade is happening in phases. The company is roughly halfway through the process, and DeCarolis expects the upgrade will be completed in the next few months.

“And then it starts all over again,” DeCarolis said. “It never stops.”

The company offers short-term rental and long-term leasing of all types of commercial vehicles—from the smallest vans to the largest heavy-duty tractors and double trailers, he said.

The firm is replacing older equipment as well as adding vehicles to its fleet, which includes additions to its refrigerated van offerings, a growth area for DeCarolis.

There are a number of reasons for upgrades within the trucking industry, said William Joyce, president and CEO of the New York State Motor Truck Association. Among them are vehicle performance and environmental issues.

The need to reduce emissions plays a factor in truck improvements, he noted.

“Ten trucks now don’t make as much emissions as one truck 10 years ago,” Joyce added. “The standards keep going up on them.”

On-board diagnostics also have improved over the years, and trucking companies

have to stay up-to-date with new technology in order to compete, Joyce said.

“It’s very competitive and has stayed very competitive,” he added.

The state Department of Transportation estimates there are 1,500 to 2,000 for-hire trucking companies based in New York.

Commercial vehicles carry nearly 92 percent of all freight in New York and account for some 71 percent of the value of all goods moved throughout the state, the DOT reports.

Within the truck rental and leasing industry, DeCarolis’ competition includes private, regional firms, as well as public companies such as Ryder System Inc. and Penske Truck Leasing.

Ryder, with two locations in the Rochester area, operates a fleet of more than 135,000 vehicles nationwide. Penske’s worldwide operations have some 206,000 vehicles. The company operates five locations in this area.

DeCarolis Truck Rental also competes for business with larger trucking companies, as well as with vendors who operate their own fleets, DeCarolis said.

“The vendors that used to support us are our competitors now,” he added. “Competition is out there; there’s no question about that.”

Deregulation, coupled with high taxes and fees, has been tough on the industry, Joyce said. The high cost of doing business in New York has had a huge impact on trucking in the state, he added.

“We don’t have any of the top 300 carriers in New York anymore,” Joyce said. “They don’t call New York home. The headquarters are gone.”

He said one of the fees that hurt the trucking industry is the ton-mile tax imposed on truckers. A ton-mile is a reflection of the weight of a shipment and the distance it is hauled. In 2003, more than \$112 million was paid in New York in ton-mile fees, according to the Federal Highway Administration.

DeCarolis said his company has been affected by the high cost of doing business in New York.

“We’ve watched a lot of changes with

customers who have downsized or customers who have left the state for many reasons,” he said. “And (it’s) mainly because of the cost of doing business in this state. It makes it very difficult for customers to be competitive with other states.”

But he added that changes within his industry have kept the business exciting.

“We’re just in an environment of change,” DeCarolis said. “We have to continually change or we’ll be left behind. It’s certainly been exciting over the last three or four years.”

Technological advances will continue to drive the trucking industry, Joyce said.

Down the road the industry likely will see more use of disc brakes, for example, which will improve stopping distance for truckers. But, as with many technological advances, manufacturers and technicians face the issue of how to marry new equipment with legacy equipment, he said.

DeCarolis will continue to rent and lease some of its older equipment and also offer new, updated vehicles. Some of the older equipment will be sold at retail, DeCarolis said, while some will be wholesaled.

In response to increased competition and a focus on customers’ needs, the firm recently expanded its heavy-duty parts division, which sells equipment to companies who own their own vehicles.

The company’s heavy-duty parts division specializes in parts for trucks and trailers, truck equipment and accessories, and shop equipment and tools, DeCarolis said. The division was moved to a new warehouse and retail facility at the corner of Emerson and Colfax streets, within the DeCarolis compound.

With locations in Rochester, Henrietta, Geneva, Syracuse and Buffalo, the company will continue to develop its heavy-duty parts division as well as add to its fleet of vehicles and focus on growth areas such as refrigerated vehicles, DeCarolis said.

“The expansion of the fleet really had to do with expanding with the times,” he said. “It’s essential to maintaining a competitive edge.”

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