

BULK INTERMODAL DIRECTORIES

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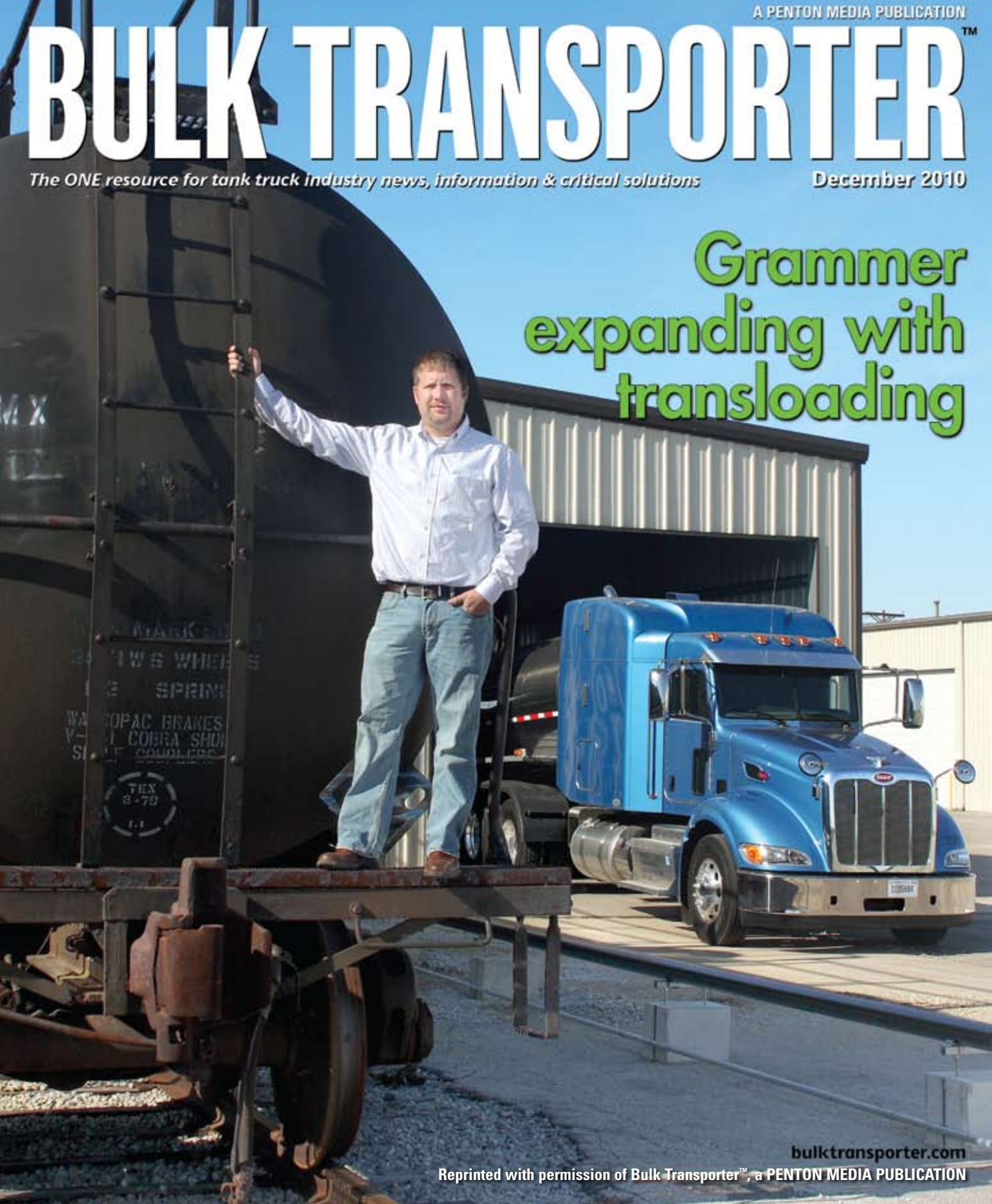
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December 2010

Grammer
expanding with
transloading



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Clear vision

Grammer Industries sees new opportunities for transloading

By Charles E Wilson

CHANGING distribution patterns for products such as agricultural chemicals are bringing new transloading opportunities. Companies with the right locations and services are reaping a solid success.

One such company is Grammer Industries Inc, which is based in Grammer, Indiana. A tank truck carrier hauling agricultural chemicals and other products, the company recently began offering transload services from two subsidiary locations in the Midwest.

"We see all kinds of opportunities for the transloading sector, and it helps us get more use out of existing assets" says Charles "Shorty" Whittington, president of Grammer Industries Inc. "The transportation industry today is all about efficiency and utilization, and intermodal activities like transloading are an ideal fit.

"We had existing facilities that were relatively easy to modify for transloading operations, and they are in very good locations. We are very cost-effective within a 50-mile radius of our facilities. Our primary focus is on farming areas in the Midwest that are inland from the Ohio River and beyond the Great Lakes.

"We're benefiting from a major shift in distribution patterns for agricultural products, such as fertilizer and other chemicals. More of these products are being imported and must be moved from ports along the East Coast and Gulf Coast to the Midwest for distribution to farmers. Going forward, we're looking for niche locations in other parts of the Midwest and market-specific products."

While the recently announced transload offerings are new for Grammer Industries, the tank truck carrier is not new to transloading. The company ran a CSX Bulk Intermodal Distribution Services (BIDS) facility in Lafayette, Indiana, for 20 years in the 1980s and 1990s.

"It was profitable, but we didn't have enough time to devote to it at that point," Shorty Whittington says. "We handled liquid and dry fertilizer at the facility. We sold the operation because we wanted to concentrate on transportation. The changing distribution patterns for ag products convinced us that it was time to take a second look."

John S Whittington, Shorty's son and vice-president of Grammer Industries, adds that both of the new transload sites have the flexibility to provide a wide range of customer services and can handle a variety of liquid and dry bulk products. In addition, the company's background as a tank truck carrier made it possible to create trucking- and driver-friendly facilities.

"The two transload locations we opened definitely were laid out with drivers in mind," he says. "We know it's important to be able to load a truck as quickly as possible, and drivers appreciate being out of the weather during loading operations. We know flexible loading hours also are important.

"Our facilities are truck friendly and make it easy for vehicles to access the loading racks, which are completely enclosed to protect drivers and facility workers from bad weather. Drivers have plenty of open space for maneuvering tractor-trailer rigs, and there is ample parking.

"The transload facilities also should appeal to agricultural product shippers, because both locations are convenient for distribution to local farms. These facilities are right in the heart of



John Whittington stands on the platform of one of several tankcars purchased for biodiesel storage at Integrity Biofuels, a Grammer Industries subsidiary. The Integrity Biofuels location in Morristown IN is one of two facilities the carrier has upgraded to include transloading services.

the Midwestern farming region."

The two Grammer Industries transload locations are in Morristown, Indiana, and Van Wert, Ohio. In operation as Grammer Industries divisions for a number of years, both facilities are rail- and truck-served, and both have above-ground storage tankage and plenty of railcar capacity. Both are open to other trucking companies, and operating hours are flexible.

Agricultural products

Grammer Industries will focus on agricultural products with the transload operation, but it won't rule out other products. In addition to anhydrous ammonia, the facilities also are handling soybean oil/biodiesel, soda ash, feed-grade phosphates, and 32% liquid nitrogen fertilizers.

"We're in discussions with shippers for various liquid and dry bulk products that could be transloaded and

stored at our facilities," John Whittington says. "We have some opportunities to handle windmill systems, and there has been interest in transloading steel and scrap metal at our locations."

Grammer Industries acquired what became the first of its new transload facilities in 2001. Now named Van Wert Terminal LLC, the anhydrous ammonia storage facility was purchased from Koch Industries. Agricultural grade anhydrous ammonia was stored in a seven million gallon tank. The purchase included a 4,000-foot rail siding served by the Chicago, Fort Wayne, and Eastern (CF&E) short line railroad.

In 2006, the storage tank was converted to general liquid bulk service for low-vapor-pressure products. Soybean oil currently is stored in the tank. Rail-to-truck transloading of anhydrous ammonia also started in 2006.

"We have plenty of room at the Van Wert location for



At Morristown IN, product transfer to and from rail tankcars and tank trailers is performed in a covered area that provides plenty of protection from the weather.



This two-bay enclosed loading rack was a recent upgrade for the Van Wert OH transload terminal. The enclosure provides a safer and more comfortable work area during bad weather.



Work is underway on a second storage tank at the Morrystown IN transload facility. Additional space is available for two more storage tanks at this time.



A subsidiary of Grammer Industries, Integrity Biofuels has a capacity to produce 10 million gallons of biodiesel a year from soybean oil. The Morrystown IN transload facility operates under the Integrity Biofuels name and shares space and resources with the plant.

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more aboveground storage tanks," John Whittington says. "We'll probably add more tankage in the spring."

Recent upgrades at Van Wert Terminal include an enclosed truck loading rack outfitted with an OPW loading arm and coupling. The facility has both truck and rail weigh scales. In addition to MP Pump liquid product pumps, Grammer Industries has plans to install conveyor equipment for dry bulk materials. Gates and Goodyear product hoses are supplied by Hart Industries.

Biodiesel plant

The Morrystown transload operation shares space with Integrity Biofuels, a biodiesel processor that Grammer Industries launched in 2005. The biodiesel plant has an annual potential output of five million gallons.

"We still believe biodiesel has a future even without the federal subsidy, but the market slowed down significantly over the past year," Shorty Whittington says. "Adding the transloading service will help keep our best employees working."

The 30-car rail siding and truck and rail loading rack were initially built to serve the biodiesel plant. The facility is served by a CSX Corporation Inc mainline. "We couldn't have a better location for working with CSX," Shorty Whittington says. "They do switches twice a day near our location, which helps ensure very good service."

Transload equipment includes liquid pumps from MP Pumps and Blackmer, OPW loading arm and coupling, Murray Equipment Inc control boxes, Endress+Hauser coriolis meter for precise product measurements, and Goodyear and Thermoid product hoses from Hart Industries.

One 1.5-million-gallon above-ground storage tank has been completed and is ready for service, and a second tank is under construction. Space is available for two more tanks.

Forty-feet tall and 80-ft in diameter, the first tank features bolted construction and a welded floor. The tank was installed on concrete ring wall foun-



John Whittington [left] stands inside the 1.5-million-gallon storage tank at the Morrystown IN transload facility while construction was still underway earlier this year. Grammer Industries' initial foray into storage tank operations started in 2001 with the purchase of the Van Wert OH facility. The seven-million-gallon tank [above] was already being used to store anhydrous ammonia.

ation. Surrounding the tank is a substantial clay dike for spill containment.

Grammer fleet

While the Morrystown and Van Wert transload locations are open to other carriers, Grammer Industries has significant trucking assets of its own. The Grammer Industries fleet includes 120 tractors (60 of them company trucks) and 208 tank trailers. The carrier runs one of the largest MC331 anhydrous ammonia/LP-gas trailer fleets in the industry.



Grammer Industries runs one of the largest MC331 fleets in the trucking industry, and uses them to haul anhydrous ammonia and propane. Also part of the fleet are MC312 and DOT412 trailers that are used for nitric acid and other corrosive cargoes.

Also part of the fleet are DOT412 and MC312 tankers used to haul nitric acid.

Another 20 tractors and 30 tank trailers are available through Vickery Transportation Inc, a Grammer Industries subsidiary. Vickery Transportation specializes in hauling hazardous wastes.

Grammer Industries was launched in 1968 as a provider of grain and dry fertilizers for industrial, agricultural, and retail suppliers. In the decade since, the company grew into one of the country's leading carriers of anhydrous am-



In addition to administrative duties, Karlene Corle has experience moving railcars at the Van Wert transload site with this restored 1949 GE 44-ton switch engine.



Workers at the Morrystown site use this Trackmobile unit to reposition rail tankcars at the facility.

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monia and, to a lesser extent, LP-gas. The company's reach extends from Nebraska to Eastern Canada and from Indiana down through Cincinnati, Ohio, and into Arkansas.

The move into anhydrous ammonia started in 1977. Through 1986, most of Grammer Industries' 15-unit rolling stock was being leased from fertilizer companies. That changed in 1986 when the major fertilizer manufacturers came to the decision to do away with their trailer fleets. Swooping in, Grammer Industries bought a 25-trailer fleet in 1986, then 25 more trailers in 1987, and hit the mother lode when it scooped up a 105-trailer fleet from Agrico in 1988. Virtually overnight, Grammer Industries had gone from a bit player in anhydrous ammonia hauling to a major force

with a fleet that numbered more than 150 trailers.

The size of the fleet also allowed the carrier to expand the types of products that it could haul and handle. While hauling anhydrous ammonia—both in its C grade and Met grade forms—was still its stock and trade, Grammer Industries also began hauling LPG, carbon dioxide, nitric acid, liquid and dry fertilizer, and bulk-liquid corrosive hazardous waste. This earned the carrier a license from the Environmental Protection Agency (EPA) and a reputation as a reliable and safe hauler of hazardous materials, thanks to its "Satisfactory" DOT rating and "Excellent" SafeStat rating.

"We understand the industry, know how the equipment works, experiment with a lot of things, and stick our toes in the water to see if

something works better or smarter, and will help improve our business," Shorty Whittington says.

Strong partner

While acquiring the MC331 trailers, one thing began to stick out for Shorty Whittington: the units that worked best all seemed to have been manufactured by Mississippi Tank Company (MTC) in Hattiesburg, Mississippi.

"When we started paying attention to the equipment we were acquiring, it became evident that Mississippi Trailer was the best out there," Shorty Whittington says. "With the quality of the used equipment, it became apparent that we needed to be a partner with MTC."

So, in 1991, a new partnership was born when Grammer Industries purchased its first new MTC anhydrous ammonia trailer. To say that the partnership has grown and flourished in the ensuing two decades would be an understatement—since buying that first MTC trailer, Grammer has purchased 250 more new trailers from the company, including 70 in 2009, with an additional 40 on the drawing board for 2010.

"We really work these trailers," Shorty Whittington says. "We know the industry we serve, we know what works, and we know what doesn't. Our newest MC331 trailers have a 10,500-gallon capacity, which means we can haul maximum loads."

While the relationship between Grammer Industries and Mississippi Tank has stood the test of time, the



Rail tankcars can be loaded and unloaded at the Van Wert terminal. The loading racks provide access to railcars on both sections of track at the terminal.



Grammer Industries has its own truck scale at the Van Wert transload location.

two companies also have benefited from the reliability of the pumps that are used on all of the Grammer Industries trailers. Those pumps come from Blackmer, Grand Rapids, Michigan.

Specifically, the trailers are specified with Blackmer's TLGLF4A sliding vane pumps. Most of the MC331 trailers in the Grammer Industries fleet are in dual service, going back and forth from hauling anhydrous ammonia to propane, and Blackmer makes a good service pump for that, according to Shorty Whittington.

For acid trailers, Grammer Industries buys primarily Brenner 5,000-gallon baffled tankers with Girard pressure-relief vents. All of the new tank trailers in the fleet are being ordered with Ridewell's air-suspension system and aluminum disc wheels. The fleet runs Continental and Michelin tires.

Tractor fleet

The power side of the fleet is made up of primarily Peterbilt tractors. However, the carrier did purchase

10 Volvo VNL 630 sleeper units that were placed in service in the Vickery Transportation operation. "Volvo builds an excellent product, and I felt it was important to support their company because of all they do to support the American Trucking Associations and trucking as a whole," Shorty Whittington says.

Two of the Volvos have Volvo D13 engines and the I-Shift automatic transmission. The remainder of the tractors in the order was specified with Cummins ISX engines and Eaton Fuller 13-speed manual transmissions.

The newest Peterbilts in the fleet are Model 386 sleepers and Model 384

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John Whittington holds the OPW loading arm with the OPW bottom-loading coupler at the Morristown transload site.



Murray Equipment Inc supplied the control boxes for the loading racks at the transload sites.

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daycabs. Grammer Industries chose Cummins ISX engines for the sleeper units and Cummins ISMs for the daycabs. All of the new Petes have the Eaton Fuller manual transmission.

All of the tractors purchased in 2010 were specified with Bendix air disc brakes and roll stability and Doran tire air-pressure monitoring systems. "We also invested nearly a half million dollars in fleet tracking technology this year," Shorty Whittington says.

A new low-profile hydraulic power system from Paragon Tank Truck

Equipment is being specified on some of the new tractors. "We use tractor-mounted hydraulics to power product pumps and compressors on our tractors and some trailers," says John Whittington. "Frame rail space is now at a premium due to all of the new engine emission hardware, which means we need the sort of compact system that Paragon developed. The whole system takes up just 22 inches on the frame rail."

Industry perspective

Trying new products, testing new ideas, exploring new markets has always been part of the management

Pink trailers join "Fuel for Hope"

ONE OF Charles "Shorty" Whittington's guiding tenets is, "If you give, you get." That guiding principle recently played out in a special way when Grammer Industries Inc and Mississippi Tank Company teamed up on a couple of bright pink MC331 trailers.

Building these LP-gas transport trailers was the brainstorm of Scott McKeand, Grammer Industries fleet maintenance manager, and Joey Runnels, Mississippi Tank Company (MTC) sales representative. They thought it would be a great idea to build a pink LP-gas trailer to promote breast-cancer awareness.

Numerous breast-cancer-awareness propane bobtails have been created over the past several years, but McKeand and Runnels didn't think any full-size trailers were on the roads. So, they approached their companies with the idea and got an enthusiastic thumbs-up for the project.

"We wanted to step up to the plate and do something to give back," Runnels says. "Scott was the guy who pushed it; he's the customer. This is the first pink trailer MTC has done, and I think it's the first pink trailer anyone has done."

The final decision was to build two trailers, one of which Grammer Industries put into service, and the other that was sold to PAPCO Inc, Virginia Beach, Virginia, for use in its New Jersey market. Co-sponsors for the Grammer Industries trailer include Alcoa, Base Engineering, Betts, Blackmer, CMC Tank Truck, Continental, Fisher Valve, Haldex, Ridewell, and U-Tech.

Partnering with Grammer Industries and MTC on the pink trailers is the American Breast Cancer Foundation (ABCF) with a portion of the sales from the propane that is pumped through the trailer going to ABCF's "Fuel for Hope" campaign, which provides financial grants for a variety of diagnostic and support services, including screening



Scott McKeand and Charles "Shorty" Whittington stand in front of the 10,500-gallon pink LP-gas trailer that was built for Grammer Industries Inc by Mississippi Tank Co.

and diagnostic mammograms, ultra-sounds and emergency biopsies, wigs, medications, travel assistance and mastectomy bras.

The trailers received a grand unveiling at the National Propane Gas Association's Southeast Convention and International Expo in Atlanta, Georgia, in April.

"Grammer Industries, with the blessing of Shorty Whittington, and Mississippi Tank, with the blessing of Danny Miller, were behind us 100%," said McKeand. "There are also a lot of other people who have wanted to join us in this 'Fuel for Hope' program, and we're extremely grateful."

process at Grammer Industries. In the process, Shorty Whittington has been able to acquire a unique perspective on the industry and where it might be headed.

During his tour as 2008-2009 American Trucking Associations chairman, Shorty Whittington had an opportunity to give 53 speeches

in 44 states in 2009. His presentation, titled "The Road Ahead in a Dysfunctional Environment," was designed to present a realistic overall look at the state of the industry and what needs to be done to ensure its prosperity in the coming years—as well as how Grammer Industries fits into the equation.

"I think it's safe to say the rich are gonna get richer and the poor are gonna get poorer; a good business will get much better and a mediocre business will go downhill," he says. "We always want to do our very best at whatever we try. We want to keep an open mind for new ideas."

"We tightened our belt during the

recent recession and worked harder. For the first time ever we're looking at weight, looking at fuel mileage, really looking at the durability of the equipment. In our world, it's about service, it's about safety, and it's about utilization. If we stay pointed in the right direction on these issues, we'll be in good shape."



An electrically powered pump from MP Pump Inc is used to transfer product to and from the storage tank at the Morristown site.



An Endress+Hauser coriolis meter is used for precise metering of transload cargoes at the Morristown location.



Electrically powered pumps from MP Pumps Inc are used to transfer product at the Grammer Industries transload sites.



Grammer Industries specifies Base Engineering's shutdown system on MC331 trailers. Blackmer pumps also are standard equipment on the trailers.