

Renewable Energy Industry Freight Transportation Survey

Executive Summary

The wind energy market sector of the renewable energy industry poses unique challenges to both motor carriers and shippers alike. The specialized and purpose-built trailers that are used to haul overdimensional wind cargo are significantly more expensive to purchase than conventional equipment. A carrier may have difficulties operating its fleet efficiently due to empty miles, permit routing, and dwell time at origin / destination. Coupled with unpredictable demand as a result of the boom-and-bust cycle in the US market, motor carriers face frustrating capital investment decisions.

Transportation costs can represent up to 20% of the cost of a wind turbine. With the price of oil significantly down from its July 2008 peak, tough conditions in the capital markets, and numerous giveaways for cap-and-trade in the Waxman-Markey bill; shippers are aggressively looking for ways to reduce transportation costs and drive inefficiency out of the supply chain. Shippers expect damage free on time deliveries and are seeking cost effective motor carriers with the right mix of equipment and available capacity to meet strict project schedules.

With this in mind Allyn International Services, Inc. conducted a freight transportation survey in conjunction with PowerAdvocate in the second quarter of 2009. The survey, which included input from transportation procurement executives and logistics managers, focuses on satisfaction levels with carrier performance in key service categories including Commercial, Operational, Customer Service & IT, and Capacity.

Profile of Respondents

The survey was distributed to logistics executives at prominent companies active in the wind energy market. The survey response rate was over 35%. Companies that participated ranged in size from less than US \$24M to over US \$14B in annual revenue. A diverse cross section of companies was surveyed, including wind turbine generator equipment manufacturers, developers, and utility companies.

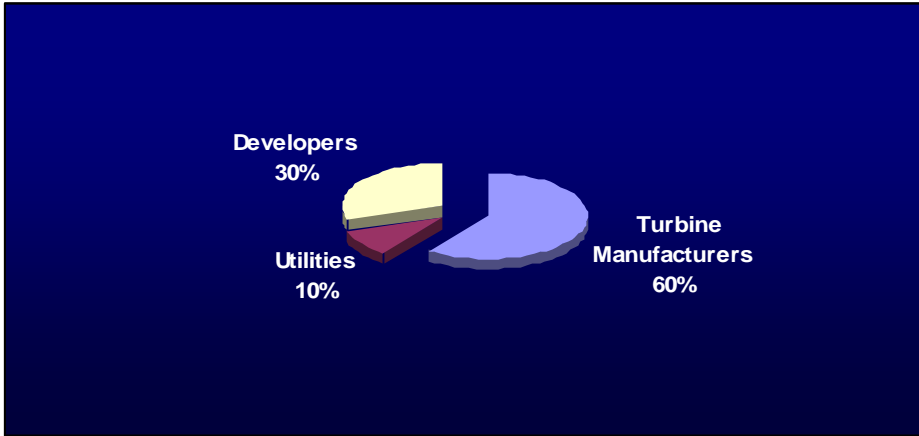


Figure 1, Source: Allyn International / PowerAdvocate, 2009 Freight Transportation Survey

US DOT Motor Carriers

The freight transportation survey asked participants to rate performance of the following carriers:

ADMIRAL MERCHANTS MOTOR FREIGHT INC	FITZLEY INC
AMERICAN TRANSPORT INC	HEAVY TRANSPORT COMPANY
ATS SPECIALIZED INC	J K HACKL TRANSPORTATION SERVICES INC
CENTURION HEAVY HAUL INC	LANDSTAR CARRIER SERVICES INC
CIRCLE V SPECIALIZED INC	LONE STAR TRANSPORTATION LLC
COMBINED TRANSPORT INC	MAMMOET USA INC
DAILY EXPRESS INC	SYCAMORE SPECIALIZED CARRIERS INC
DALLAS MAVIS	SYSTEM TRANSPORT INC
DYSART TRUCKING INC	TRINITY LOGISTICS GROUP INC
ENERGY TRANSPORTATION INC	UNIVERSAL AM-CAN LTD

Figure 2, Source: Allyn International / PowerAdvocate, 2009 Freight Transportation Survey

Overall Survey Results

The survey questions were divided into key service categories including Commercial, Operational, Customer Service & IT, and Capacity. The survey used a Likert-type (a/k/a strength of agreement) scale for questions 1 through 13 ranging from Strongly Agree to Strongly Disagree.

In addition, we asked the participants which service they valued most highly when selecting a motor carrier and to what degree their current service providers were able to proactively meet their needs. We will review in more detail the individual service category results after providing the overall category results and carrier performance in figures 3 & 4.

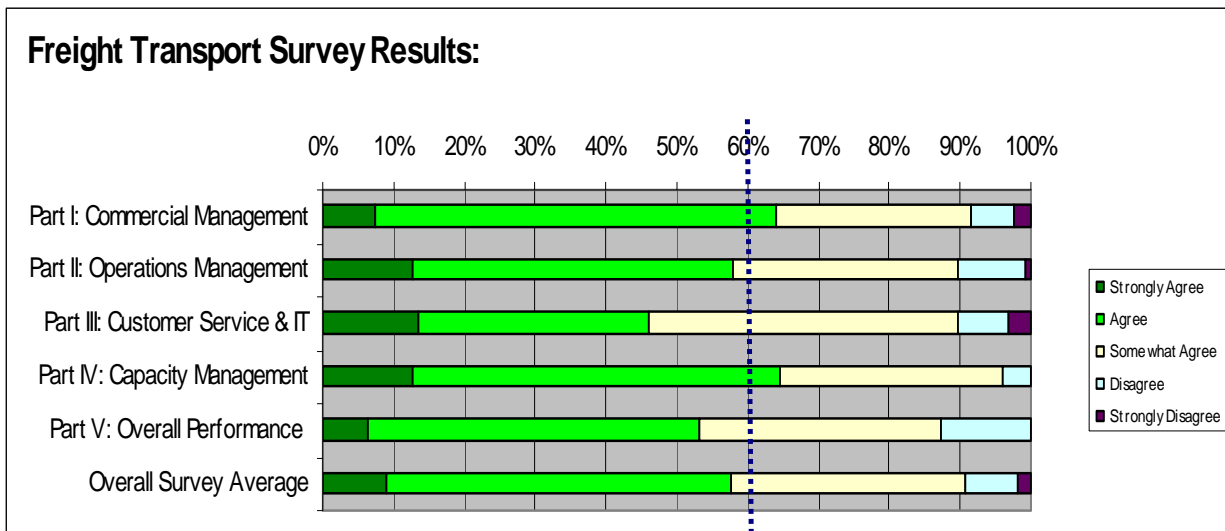


Figure 3, Source: Allyn International / PowerAdvocate, 2009 Freight Transportation Survey

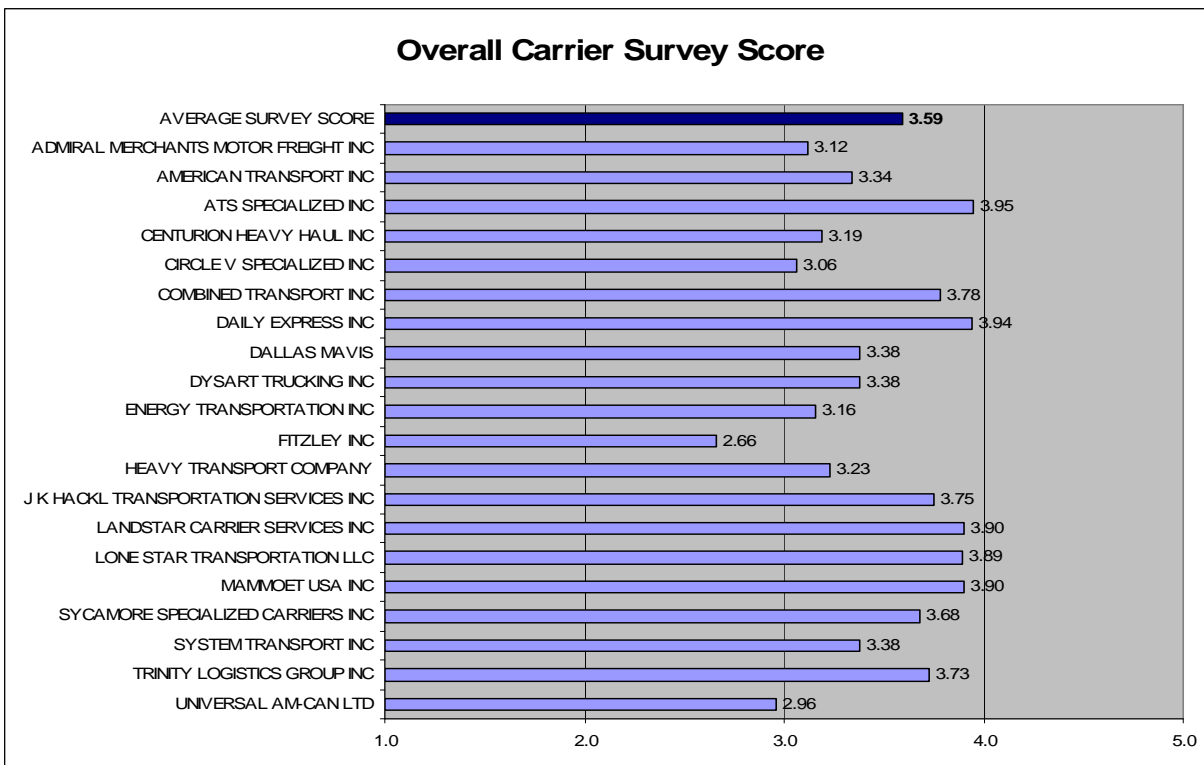


Figure 4, Source: Allyn International / PowerAdvocate, 2009 Freight Transportation Survey

I. Commercial Management Survey Results

The survey questions in this category measured the carrier's ability to effectively manage the commercial aspects of the business such as efficient processing of freight invoices and providing adequate cargo insurance. More importantly, this category measured the success of carriers delivering quality services at a level that the respondents believed to be at a reasonable market price. Figure 5 shows the average percentage response rate for the individual questions and the overall category as scored by the survey respondents; whereas Figure 6 shows average performance scores at the individual carrier level, as well as the overall average for the group in this category.

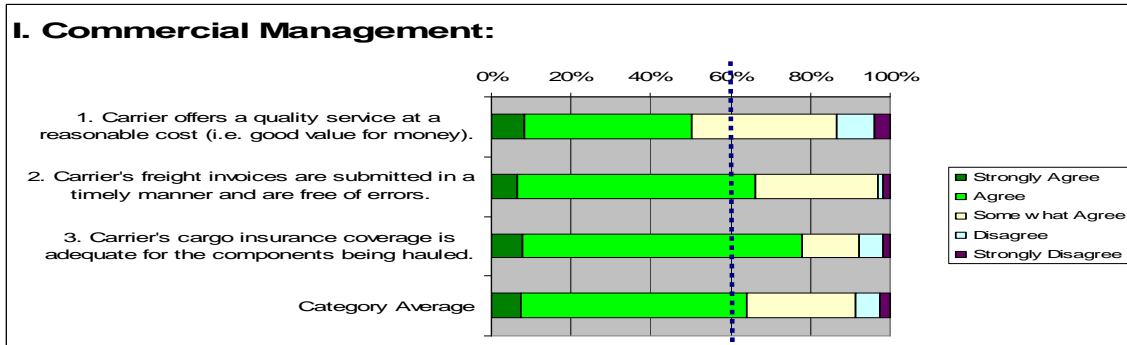


Figure 5, Source: Allyn International / PowerAdvocate, 2009 Freight Transportation Survey

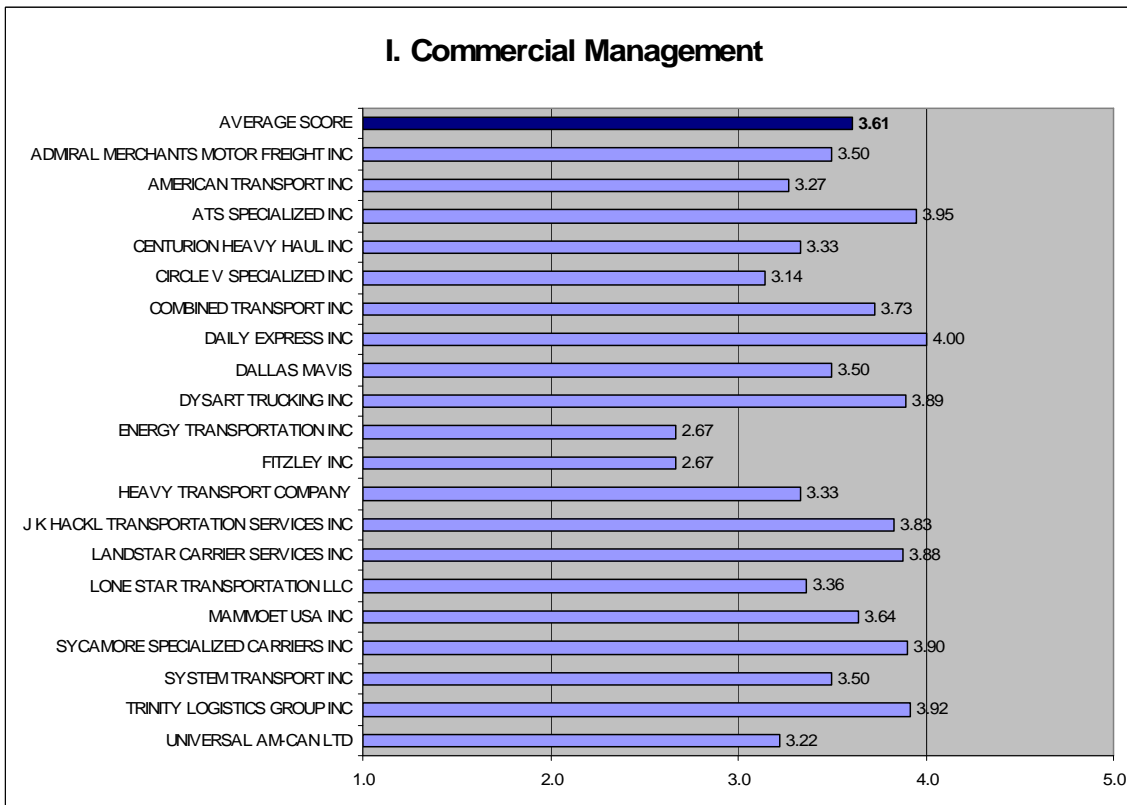


Figure 6, Source: Allyn International / PowerAdvocate, 2009 Freight Transportation Survey

II. Operations Management Survey Results

The survey questions in this category measured the carrier's operational effectiveness such as making scheduled pick ups and deliveries on time, maintaining an adequate safety program, and using experienced drivers to ensure cargo is handled with reasonable care. Figure 7 shows the average percentage response rate for the individual questions and the overall category as scored by the survey respondents; whereas Figure 8 shows average performance scores at the individual carrier level, as well as the overall average for the group in this category.

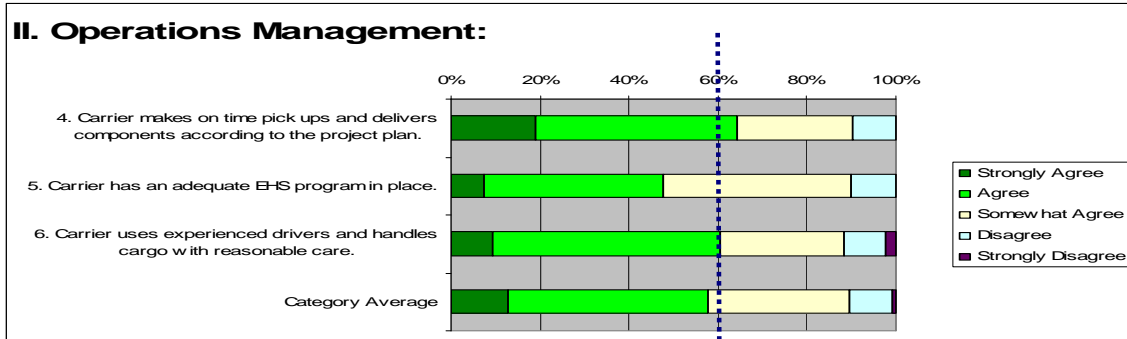


Figure 7, Source: Allyn International / PowerAdvocate, 2009 Freight Transportation Survey

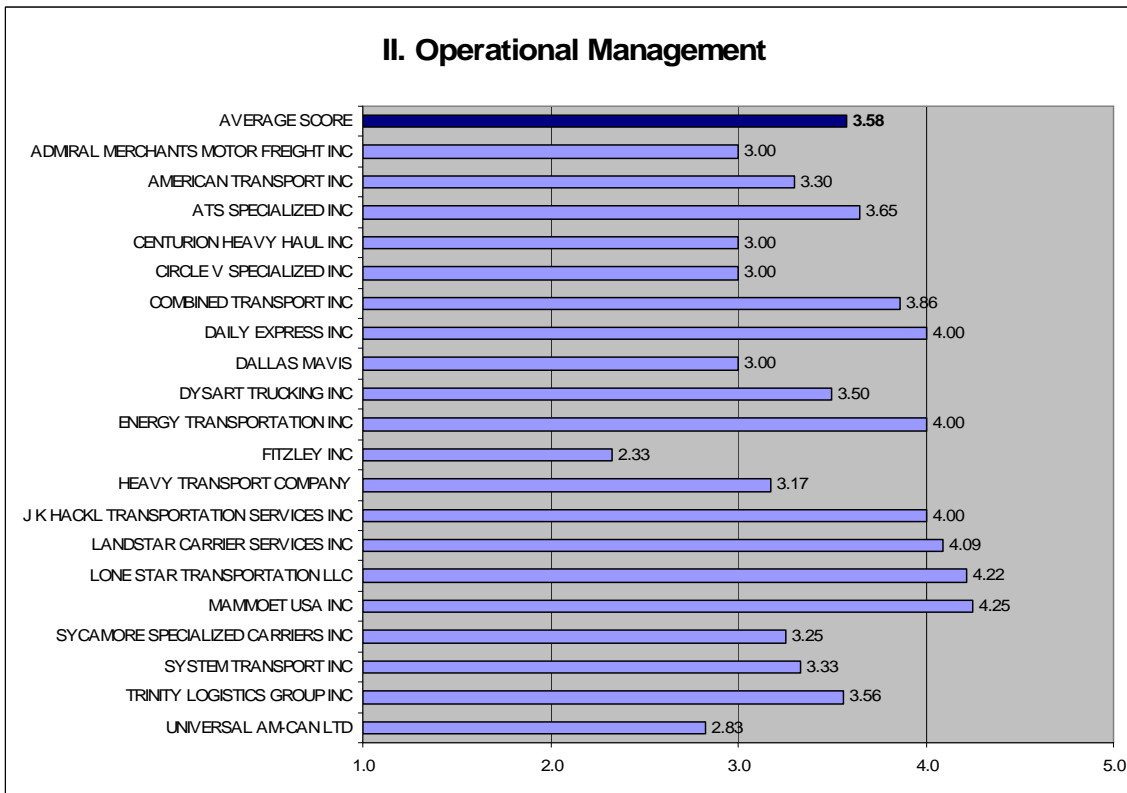


Figure 8, Source: Allyn International / PowerAdvocate, 2009 Freight Transportation Survey

III. Customer Service & IT

The survey questions in this category measured the carrier's ability to meet customer service levels and information technology expectations such as conducting business in a professional manner, effectively using EDI, providing real time shipment visibility, and providing systems integration. Figure 9 shows the average percentage response rate for the individual questions and the overall category as scored by the survey respondents; whereas Figure 10 shows average performance scores at the individual carrier level, as well as the overall average for the group in this category.

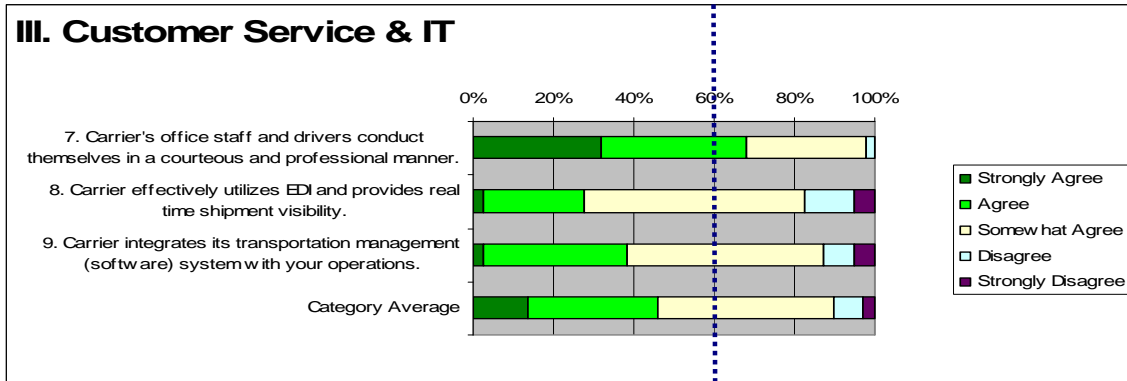


Figure 9, Source: Allyn International / PowerAdvocate, 2009 Freight Transportation Survey

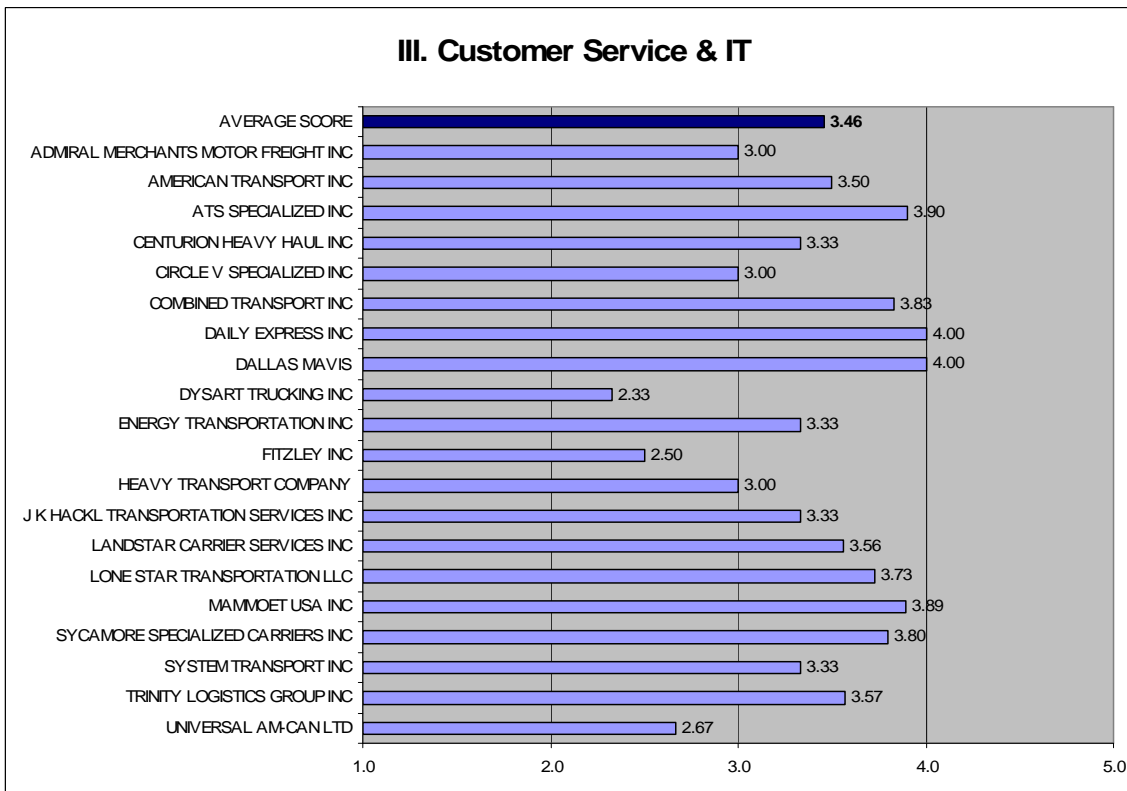


Figure 10, Source: Allyn International / PowerAdvocate, 2009 Freight Transportation Survey

IV. Capacity Management Survey Results

The survey questions in this category measured the carrier's ability to effectively manage equipment capacity and processes such as maintaining adequate equipment, ensuring equipment is suitable for cargo, and obtaining permits in a timely manner to support project delivery plans. Figure 11 shows the average percentage response rate for the individual questions and the overall category as scored by the survey respondents; whereas Figure 12 shows average performance scores at the individual carrier level, as well as the overall average for the group in this category.

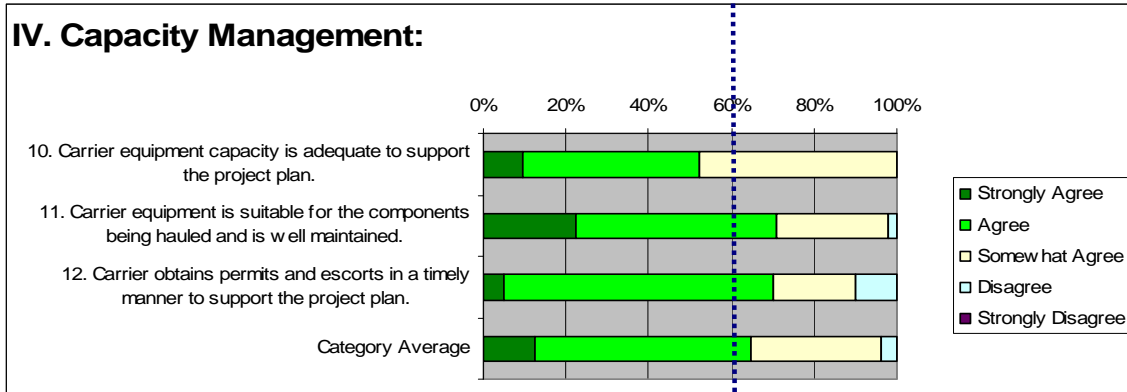


Figure 11, Source: Allyn International / PowerAdvocate, 2009 Freight Transportation Survey

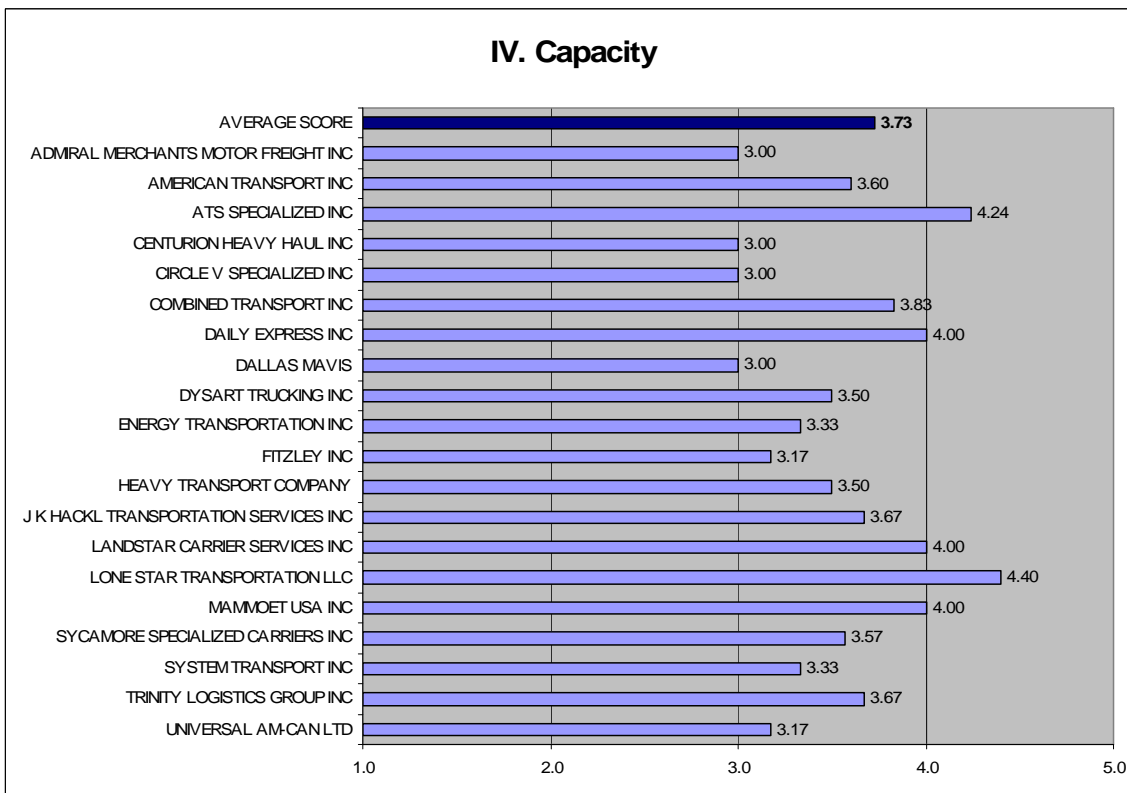


Figure 12, Source: Allyn International / PowerAdvocate, 2009 Freight Transportation Survey

V. Overall Performance Survey Results

The survey questions in this category measured the ability of carriers to proactively meet survey respondents' needs and the service that the respondents valued most when selecting a motor carrier. Figure 13 shows the percentage response rate for carriers proactively managing issues and recommending solutions; whereas Figure 14 shows performance scores at the individual carrier level, as well as the overall average for the carriers.

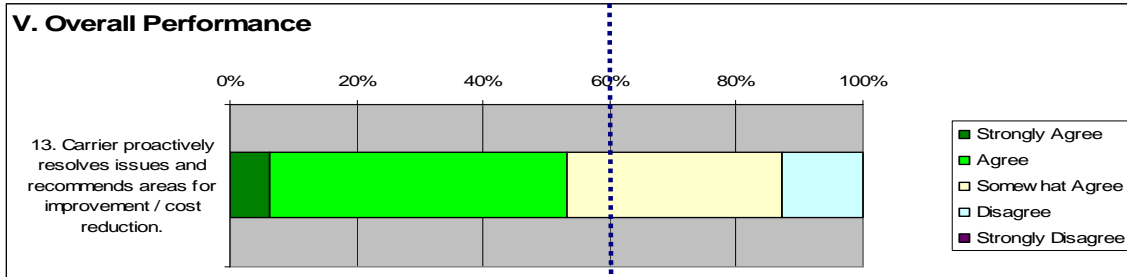


Figure 13, Source: Allyn International / PowerAdvocate, 2009 Freight Transportation Survey

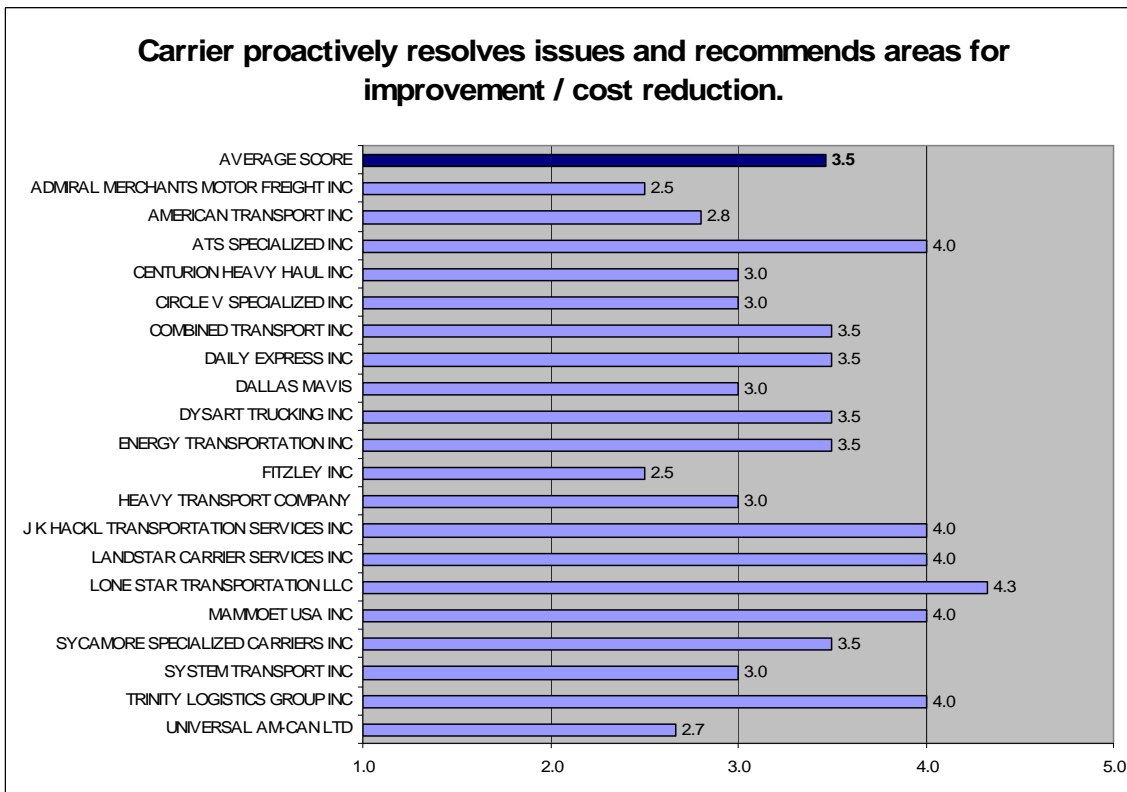


Figure 14, Source: Allyn International / PowerAdvocate, 2009 Freight Transportation Survey

Figure 15 shows the average percentage response rate on what survey respondents valued most when selecting a carrier; whereas Figure 16 shows the percentage response rates at the individual carrier levels.

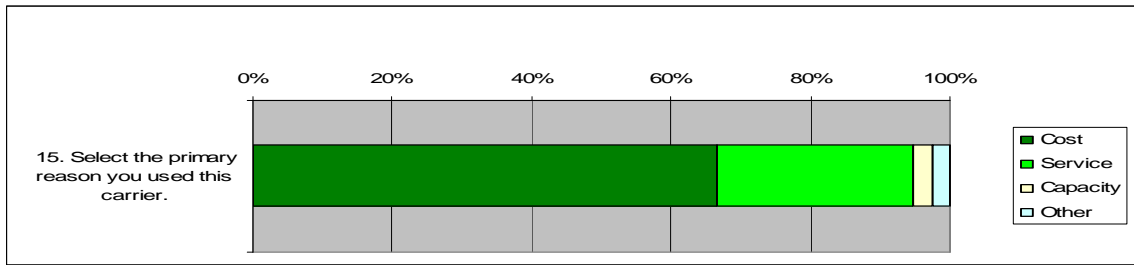


Figure 15, Source: Allyn International / PowerAdvocate, 2009 Freight Transportation Survey

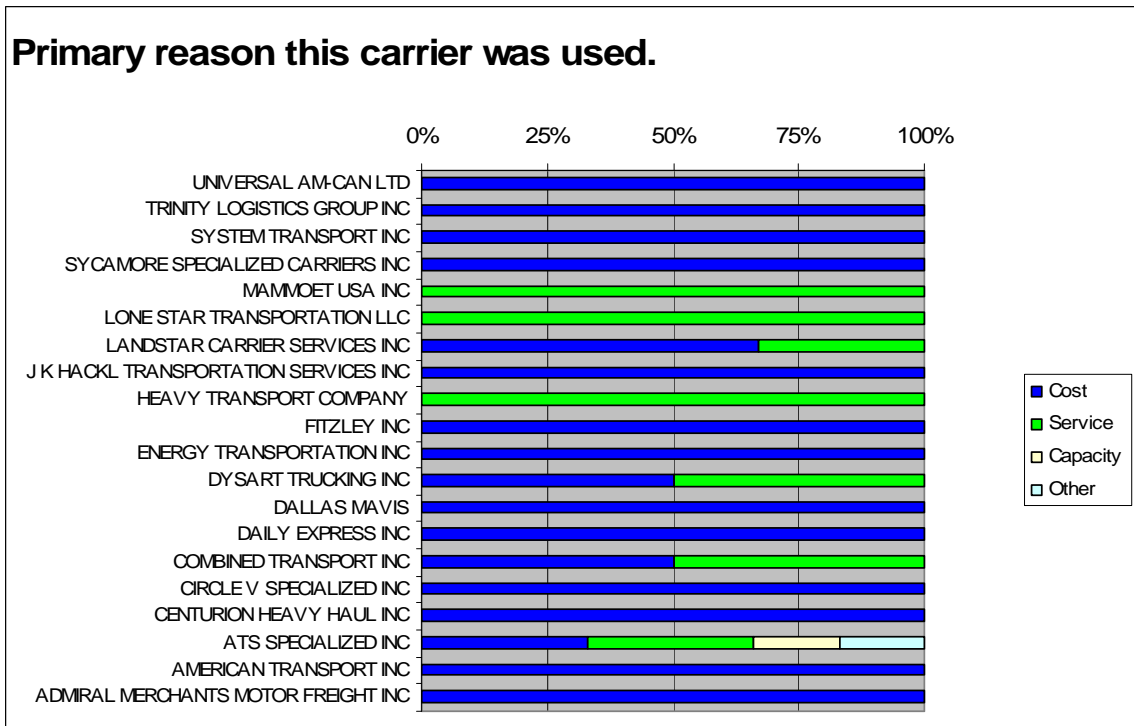


Figure 16, Source: Allyn International / PowerAdvocate, 2009 Freight Transportation Survey

Closing Remarks

We hope that these survey results will benefit those participants that are interested in benchmarking their motor carriers against the industry. We will discuss the results of this survey in greater detail, along with our conclusions, in a white paper to be released in Q3 2009. At a minimum, the white paper will seek to address which service elements are most valued by the industry and whether or not carrier performance is meeting expectations.