

ABA Committee Reports

Focused Discussion: Bakery Tray and Dolly Loss \$60 - \$100 Million

As part of the ABA Board of Directors meeting Mike Florio, ABA Federal and State Government Relations Manager, briefed the Board on ABA's efforts to address the loss and theft of returnable bakery trays and dollies.


In addition to Mr. Florio's report, Ms. Sanders provided the history of past industry efforts such as COMBAT (Control Of Missing Baskets and Trays) and BATTLE (Bakers Against Tray Theft and Lost Equipment).

In February, ABA surveyed ABA members on tray and dolly loss to establish a baseline of data and to gauge the extent of the problem. Mr. Florio stated that one-third of ABA baker members responded to the survey and over 75 percent of them rated tray loss as a high priority for their companies.

The ABA survey concluded that the baking industry suffers an annual loss of between \$60-100 million in lost or stolen trays and dollies. An average baking company spends an estimated \$500,000 a year on replacement trays alone.

Although there are various theories and presumptions about where and why trays are disappearing, Mr. Florio suggested that loss occurs in three equally distinct areas – inadequate industry tracking and control, misuse and neglect by customers and theft (usually sold to plastic re-grinders).

Mr. Florio stated that the ABA Fleet & Distribution Committee would hold a half-day forum on tray and dolly loss and theft on April 12 in Chicago, Illinois. Baking representatives, tray manufacturers, asset management experts and representatives from the dairy industry (who face a similar problem with their crates) will be in attendance at this meeting to work together on broad solutions to address and mitigate this costly issue.

ABA Board members were very engaged in the discussion and looked forward to reviewing the work and suggestions of the ABA Fleet & Distribution Committee that will oversee this issue as it proceeds forward. In particular, the Board felt that the manufacturers of plastic trays need to be at the table and to work with bakers to implement the latest loss prevention technologies and to only purchase from reputable plastic suppliers.  *More info. on the Web!*

Renewed Focus on Logistics and Distribution Technology for Fleet & Distribution Committee




Mike Florio, ABA State & Federal Government Relations Manager

ABA Federal and State Government Relations Manager Mike Florio briefed the ABA Board of Directors on several important issues. The Fleet & Distribution Committee refocused its efforts early this year and will not only cover the traditional fleet and transportation issues, but will have an increased focus on logistics and distribution technology.

The Hours of Service (HOS) regulations that have undergone almost continuous change over the past five years may once again be revised pending the outcome of a federal court case. ABA has had informal discussions with other interested parties and may revive the HOS Transportation Coalition should the regulations again be subject to a federal rulemaking.

Mr. Florio reported that ABA worked closely with the Federal Motor Carrier Safety Administration (FMCSA) on the issue of electronic onboard recorders (EOBRs). FMCSA is offering regulatory relief to companies that choose to voluntarily utilize EOBR technology in their fleets. Additionally, ABA will be submitting comments on April 18, 2007, on FMCSA's proposal on possibly extending the 14-hour workday and splitting the sleeper berth with EOBR documented rest breaks.

Mr. Florio stated that among the other issues the Committee plans to address this year are alternative energy and fuels, logistics technology, supply chain management and driver shortages.

Additionally, Mr. Florio discussed the state level activities impacting the baking industry. Thus far, over 21 states have introduced legislation seeking to prohibit or restrict the use of trans fat in foods. ABA recently issued a policy statement regarding the use of trans fat that advocates for an extended time frame for companies to transition to alternative oils. Mr. Florio also expects to see increased scrutiny on the school lunch program and a move by several states to pass legislation limiting frivolous obesity lawsuits.  *More info. on the web!*