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To: Committee on Natural Resources, energy & Commerce Committee

Re: Skyrocketing Energy Costs are Hurting Americans

From: Tim Kordula-- Administrator/Instructor Karl's Transport Commercial driver CDL Training School and Karl's Transport Inc.

Committee Members,

I am here today to give you the facts and the impacts of the fast rising and troubling fuel costs affecting our companies and the transportation industry.

As a 28-year veteran in the transportation industry, I have never in my career or life for that matter have seen costs for fuel at this level or rise this fast. Our fleet fuel costs in May of 2021 were \$436,236 now in 2022 we are at an astonishing \$941,786.00. For the month of June, we expect to surpass \$1.2 million dollars. We do pass on a fuel surcharge to our customers. This is a benefit to carriers like ours with a customer base. Carriers that do not have contracted rates with customers, that pay the fuel surcharge WILL NOT SURVIVE. 109,340 new trucking companies entered the market in 2021, I highly doubt they all have contracted rates with customers.

What does this do? In simple terms it drives up consumer prices!

From our end, we as a company reinvest. We were in the process of building a new office and shop. This would have alleviated the space issue we have and allowed us to create more employment opportunities within our City, County and State. This project has been put on hold indefinitely due to the rising building costs which have doubled in the past year.

New truck and trailer costs and the availability of parts have skyrocketed to the point where we will hold off on the normal trade cycle.

Tire prices have soared, we run an extremely safe fleet and our fleet safety rating reflects that. Now we need to pay more for safety?? We will, because... We will never sacrifice the safety of our drivers ...EVER!!

Cost to operate Refrigerated trailers, not only in fuel but to actually get the refrigerated units for the trailers.

For our CDL School, Industry wide, we are over 80,000 drivers short. We will not shortcut our training. However, we have had to increase the tuition of our CDL classes significantly, this has affected grant funding because of caps on these grants, we have added charges to the

students such as a fuel surcharge, having them pay for the DOT physical and other costs not normally pushed to the students. This to cover these rising costs. The cost for students to drive back and forth to class, some with no immediate income because they are attending class 8 hours a day. This in turn can make it harder for students to attend, crushing the dreams of some! And costing employers the valuable CDL holder.

We have employees that drive a significant number of miles daily to and from work that have to curtail certain activities so they have the money to pay the fuel bill or switch off cars throughout the week to try and save on gas.

The continued rising costs of fuel and the rise in inflation will continue to be detrimental to our industry and that of others.

Big Oil needs to re-evaluate their record profits margins, increase domestic production, The proposed "GAS TAX HOLIDAY" will be costly to our Country. We rely on this tax for our infrastructure and those jobs associated. "State Gas Tax Holidays" would have the same result.

I thank the members of this committee and look forward to answering any questions you may have.

Respectfully submitted,

**Tim Kordula
Administrator/Instructor
Karl's Transport Commercial Driver CDL Training School**