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Members of the Pennsylvania State House Republican Policy Committee,

I am Bill Ward, President and CEO of Ward Transport and Logistics and on behalf of our 1,700 strong Ward teammates, we welcome you to our corporate office. This company was started 95 years ago by my great-grandfather, William W. Ward. We grew from his one truck to over 700 trucks serving 13 states from 24 locations. We provide primarily less-than-truckload and other logistic services. In Pennsylvania specially, we employ approximately 750 individuals.

Due to the manner we purchase our fuel and our industry's ability to pass it on the customer and ultimately the end consumer, rising fuel costs do not affect us as much. Where we see it the most I can categorize into three main areas.

1. Rising cost of the goods we consume from everything to cleaning products, facility maintenance, trucks, trailers, tires, electricity and forklifts to name a few. Essentially, the tools we need to keep America and Pennsylvania moving are getting more expensive. This cuts into our margins and makes outstanding benefits and wage increase to all employees more of a challenge.
2. I can see the impact on our employees. We pride ourselves in paying family sustaining wages that are competitive in our industry. Recently, in my discussions with employees you can see the financial strain on their lives due to rising cost of gasoline, heating fuel and general inflation of goods. What this leads to is employees demanding higher wages from their employer to offset those increases. It also contributes to higher turnover, as employees think that they could make more money elsewhere or take on a second job. Our average onboarding cost for a new driver with recruiting, HR work and training is about \$7,000. Keeping drivers in our trucks can be expensive in high turnover times. This puts further financial strain on our business.
3. The impact to the consumer. As you know, the rising cost of energy cuts into the consumer's spending ability. Much of our business is being picked up and delivered to SMB type businesses that provide products to end consumers. For example, Walmart is a big account for us. We have seen no recent growth in shipment count and when we ask them, they say that their business is relatively flat, which is why there demand for additional product is as well. We are seeing this across many customers in all different business segments.

These are a few examples of how rising costs of energy and goods that come behind them is causing Pennsylvania to be stagnant and the great citizens of our Commonwealth to fall behind.

This concludes my testimony and I will take questions.

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