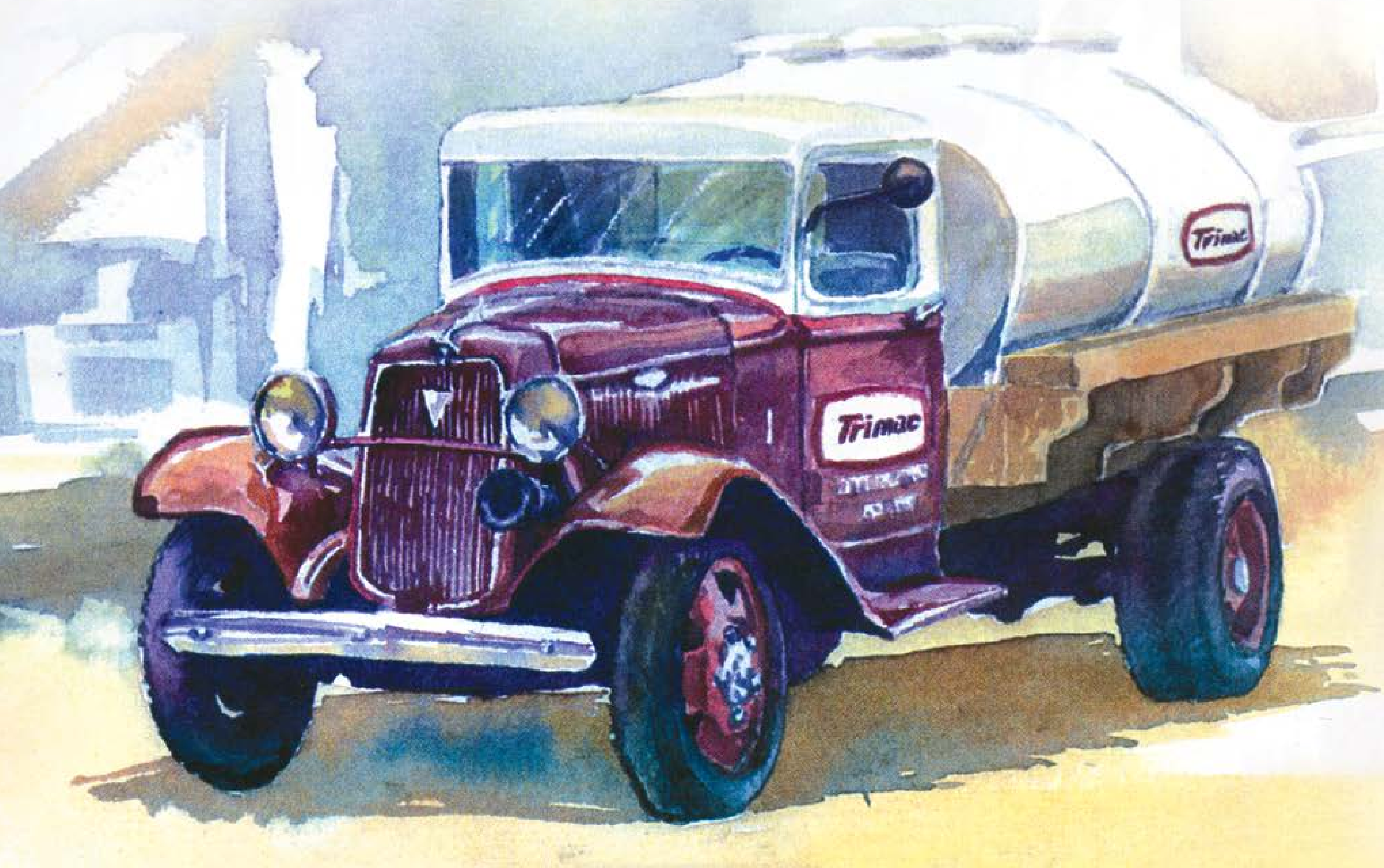
75 YEARS OF SERVICE WITH SAFETY

THE HISTORY OF TRIMAC



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EST. IN MOOSE JAW, SASKATCHEWAN 75 1945 - 2020 Trimac

75 Years of Service with Safety

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Front cover: The painting was completed in September 2007 by Gena LaCoste, a well-known artist (https://genalacoste.com) residing in Medicine Hat, Alberta. The truck is a 1934 Ford restored by Trimac in advance of its 50th anniversary in 1996. It is on display in the Western Development Museum in Moose Jaw, Saskatchewan.

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Dedication

We dedicate this book to all the past and present employees who have contributed so much to the growth and success of Trimac over the past 75 years. Their values have formed and strengthened the culture that has enabled Trimac not only to survive but also to flourish.

Since the writing of the 50th anniversary book, J. R. McCaig has passed away but has left an enduring legacy that has touched the entire McCaig family and Trimac employees alike. We dedicate this book in his honour.

– Maurice W. McCaig and Jeffrey J. McCaig

J. R. "Bud" McCaig

1929–2005

J. W. "Jack" McCaig	Stella McCaig	Roger McCaig	Jeanne (McCaig) Palmer
1905–1981	1909–1997	1933–1976	1931–1961

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Foreword


Maurice McCaig

Trimac Transportation dates its origins back to 1928 when 23-year-old Jack McCaig started a cartage business in Moose Jaw, Saskatchewan. This book is the history of that company and of three generations of the McCaig family, who founded it, led it, and owned the controlling interest in the company and its successors through all these years.

On the threshold of the Great Depression, during the transition in Western Canada from horse-drawn delivery wagons to trucks, my father, J. W. "Jack" McCaig, lived the transition. He purchased a team of horses and a three-ton wagon to haul coal and gravel in Moose Jaw. His goal was to save up the money to buy a second-hand truck. In the spring of 1930, he used his earnings to make a $50 down payment on a $500 truck and formed McCaig Cartage.

Jack McCaig was a visionary and a renaissance man of broad interests. He looked past the Depression to a rural economy based on the farm tractor, a tool that few farmers could afford in the lean years. Those tractors would need gasoline, and my father foresaw, accurately, that after the hard times there would be a ready business in bulk hauling petroleum from oil refineries such as the British-American Oil refinery in Moose Jaw to gasoline distributors in every town and village in rural Western Canada. He also correctly anticipated that the 210,000 miles of dirt tracks on the road allowances created by the land survey of Saskatchewan would eventually be improved, gravelled or paved, and extended. Someone would do the road construction and haul the gravel. Jack diversified into that business. In 1941, at the age of 36, he put that vision on hold to enlist in the army as the Second World War expanded to include a Pacific front. He became a transport officer and trained men in mountainous driving and vehicle maintenance in difficult conditions in northern British Columbia.

After the Second World War, Jack returned to Moose Jaw to pick up where he had left off. He found a partner, accountant Al Cameron, who worked for the B/A Oil refinery in Moose Jaw. Together they incorporated MACCAM Transport Ltd., the predecessor company of Trimac, whose 75th anniversary this book celebrates. Together Jack and Al proceeded to parlay Jack's bulk-hauling foresights into a successful business. This was the creation of what has become one of the largest bulk trucking companies in North America, Trimac Transportation Ltd.

The hallmark of my father's working relationships with customers, employees, partners, and his sons was trust. Jack earned trust by trusting others, and what set him apart was his wisdom in knowing who to trust. MACCAM's drivers thought of themselves as the "knights of the road" who put a premium on safety and were trained to be courteous to customers, to other drivers on the road, and to each other. They believed in "safe, courteous service," and practised it daily in all their relationships. Trucking is more than just hauling goods; it is maintaining good relationships between the company, its drivers, and its customers.

Jack McCaig had three sons including me, and one daughter, Jeanne. My brother John Robert "Bud" was the eldest. In 1947, at the age of 16, he joined MACCAM, first as a driver who owned his own trucks, then as a dispatcher, general manager, and eventually the successor to our father as the head of the family business. I started as a truck driver in 1954 when my mother, Stella, gave up trying to keep me in school, and I have been involved in the company operations, executive management, and the family's ownership of the business ever since.

Trimac was an exciting and exacting place to work and attracted some of the brightest and best business minds in North America from many industries, not just trucking; but trucking and safe, courteous service to shippers and receivers has been the heart and soul of the company from its earliest days and still is.

Working for Trimac has been the defining experience of my life. That Trimac is still a McCaig family-owned business has given me immense pride and satisfaction. Trimac is a company that has always looked forward and has seen further ahead. It has devoted its human, financial, and technical resources to being a leader.

I believe that the road ahead will bring even more changes to the trucking industry, including autonomous vehicles, alternative fuels, and yet more computerization of our business processes. But it will still need the same courteous service with safety that has been McCaig Cartage and Trimac's hallmark for 90 years. Now, as Trimac celebrates its 75th anniversary and the McCaigs approach our centennial decade in the transportation business, our enterprise has reached outside the family for a new chief executive officer, Matt Faure, our first non-family CEO. He and his leadership team are bringing a fresh perspective and energy that I hope will see Trimac celebrate another 100 years since my grandfather invested in the sweat of hauling coal and gravel by the ton to earn the capital he invested in the McCaig family's first truck.

This book is the historical record of Trimac and the McCaig family in the truck transportation business, which started in Moose Jaw, Saskatchewan, and spread throughout Western Canada and North America. Many people have contributed to the company's success and to this book's record of it—more than I can thank in this short foreword. We have recognized the contributions of many, including my co-collaborators, in the acknowledgments section. Finally, I would like to thank my entire family for their support and contributions to the production of this book and, more significantly, to the story it tells including, and especially, the family enterprise known as Trimac Transportation.

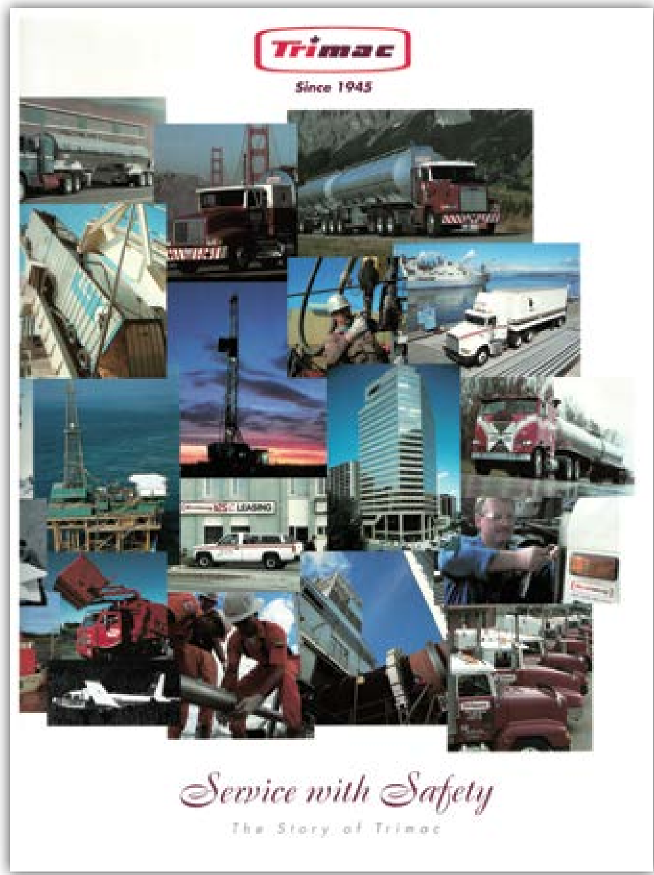
Maurice McCaig
Director

Acknowledgements

Recording the history of Trimac on the occasion of its 75th anniversary relies heavily on the Trimac 50th anniversary book entitled *Service with Safety: The Story of Trimac.* In particular, Norma Ramage and Sue Miller led more than 200 employees, retirees, volunteers, and suppliers to complete the project.

Trimac's 75th anniversary book, *75 Years of Service with Safety: The History of Trimac*, owes its existence to a team of mostly volunteers assembled by its leader, Maurice McCaig, the last of the second generation of McCaigs.

Frank Dabbs, an accomplished author, started the project with a framework or outline of the book. He researched the media, the Trimac archives, and interviewed many of the present and former employees of Trimac. He also delved into the archives of the Glenbow Museum and the Trimac files in storage, many of which were lost in Trimac's move to its present location. Frank also taught the rest of the team some of the basics of writing a history book and helped to identify the main themes that evolved through the three generations.



Maurice enlisted the support of two retired Trimac executives, Barry Davy and Bob Algar, to join the team and to tell the history of Trimac as a tribute to Bud McCaig. Jeff McCaig was able to capture many of the activities and challenges that would otherwise have been missed. Jeff's current executive assistant, Kristen Kozlowicz, helped with many of the administrative details. Mary Ann Kozlowicz, also a Trimac alumni, joined the team in the difficult task of assembling the numerous photos in a form that could be efficiently handled in the design and publishing phases.

There were so many others who were critical in sharing their memories and their input as well as volunteering some of their own memorabilia. They included Ann McCaig, Andrew Zaleski, Terry Owen, Ken Stephenson, Tony Vanden Brink, Steve Mulherin, Matt Faure, Jim D'Alessio, Ev Rivait, Dave McIlmoyl, Norm Kennedy, Janet Topic, Ken Arthur, Melody Daze, Marcel Pouliot, Craig Bourgeois, Bill Marchbank,

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Bob Beach, Marilyn McCaig, Scott Calver, Lance Hagler, and Chuck Wilson (recently retired editor of *Bulk Transporter*).

But the core team that finalized the manuscript and pictures had no experience completing the task of publishing a book. Jeremy Drought, of Last Impressions Publishing, helped get things underway and put us in touch with resources and offered his advice. Donovan Bergman, of Friesens, was an invaluable addition to the team. Charlene Dobmeier of Kingsley Publishing Services managed the editorial and production processes; ABL Imaging assisted with scanning; Dean Pickup designed the interior and cover; and JoAnne Burek created the index.

Barry Davy deserves our special thanks. He volunteered more than 1,700 hours of his time to this project. He was a contributing author, oversaw the editing, and secured and organized all the photographs. Without Barry's total commitment, this book would not have been completed. We owe him our sincere appreciation.

List of Abbreviations

ABC: Alliance of Bulktruck Carriers
ABJHI: Alberta Bone and Joint Health Institute
AMA: American Trucking Associations
ATRI: American Transportation Research Institute
ARCNAV: Arctic Navigation and Transportation Ltd.
ATB: Alberta Treasury Branches
AZETEC: Alberta Zero Emission Truck Electrification Collaboration
B/A: British-American Oil
BOTP: Branch Operations Training Program
BVRS: Bow Valley Resource Services
CAWST: Centre for Affordable Water and Sanitation Technology
CEO: chief executive officer
CFO: chief financial officer
CIL: Canadian Industries Ltd.
CMA: certified management accountant
CNR or CN: Canadian National Railway
COO: chief operating officer
CPET: Canadian Pacific Express & Transport Ltd.
CPR or CP: Canadian Pacific Railway
CRA: Canada Revenue Agency
CSEC: Calgary Sports and Entertainment Corporation
CTA: Canadian Trucking Association, later the Canadian Trucking Alliance
DSI: Initial DSI Transports Inc.
EPC: engineering, procurement, and construction
FOX: Field Operations Excellence
FSS: Field Support Systems
HFCE: hydrogen fuel cell electric
ICC: Interstate Commerce Commission
IPO: initial public offering
JIARG: Joint Injury and Arthritis Research Group
KPI: key performance indicator
LTI: Liquid Transporters Inc.
NDA: non-disclosure agreement
NEP: National Energy Program
NRT: Northern Resource Trucking
NTCS: National Tank Cleaning Services
NTS: National Tank Services
NTTC: National Tank Truck Carriers
OIS: Oil and Industry Suppliers
OPCO: operating company
POC: Proof of Concept
PTS: Provincial Training School (Red Deer, AB)
QA: Quality Assurance
QSTL: Quality Service Tank Lines
SMTA: Saskatchewan Motor Transport Association, later the Saskatchewan Trucking Association (STA)
TBTI: Trimac Bulk Transportation Inc.
TCS: Trimac Consulting Services
TELI: Trimac Equipment Leasing Inc.
THL: Trimac Holdings Ltd.
TIS: Trimac Information Services
TLC: Trimac Learning Centre
TLI: Trimac Logistics Inc.
TMSLP: Trimac Management Services LP
TOFC: trailer on flatcar
TSX: Toronto Stock Exchange
TTSEI: Trimac Transportation Services Eastern Inc.
TTI: Trimac Transporation Inc.
TTL: Trimac Transportation Ltd.
TTS: Trimac Transportation System
TTSI: Trimac Transportation Services Inc.
TTSWI: Trimac Transportation Services Western Inc.
UTI: Universal Transport Inc.
VP: vice president
VR: virtual reality
WBI: Westburne Industries
WHI: Western Highway Institute

Part One

"the hallmark of my father's
working relationships
with customers,
employees, partners,
and his sons was trust."

–Maurice McCaig

Chapter 1

The Founder

In the beginning, in 1928, a 23-year-old Saskatchewan farmer bought a team of horses and a delivery wagon to haul furnace coal in winter and road gravel in summer. For two years, J. W. "Jack" McCaig set aside some of his cartage earnings to buy a truck and start a trucking company.

In 1930 he made a $50 down payment on a second-hand Ford truck for $500 to replace the horses and wagon. He used the truck to haul 100-pound cans of fresh milk from farms along a route from Regina Beach to Regina creameries. His purpose was to challenge the railway monopoly over commercial transportation on the prairies by giving farmers a choice between rail and truck cartage for fresh milk. He called his first business the Regina Beach Transfer Company.

The spark of Jack's idea for a milk carriage service had come on a morning when his petite mother, Ann, struggled but was unable to lift her milk can, which weighed more than she, onto a rail car as two hulking rail employees laughed at her and did not offer to help. She had to pour her milk on the railway station ground that day and returned home with the tale that inspired a Western Canadian transportation revolution.

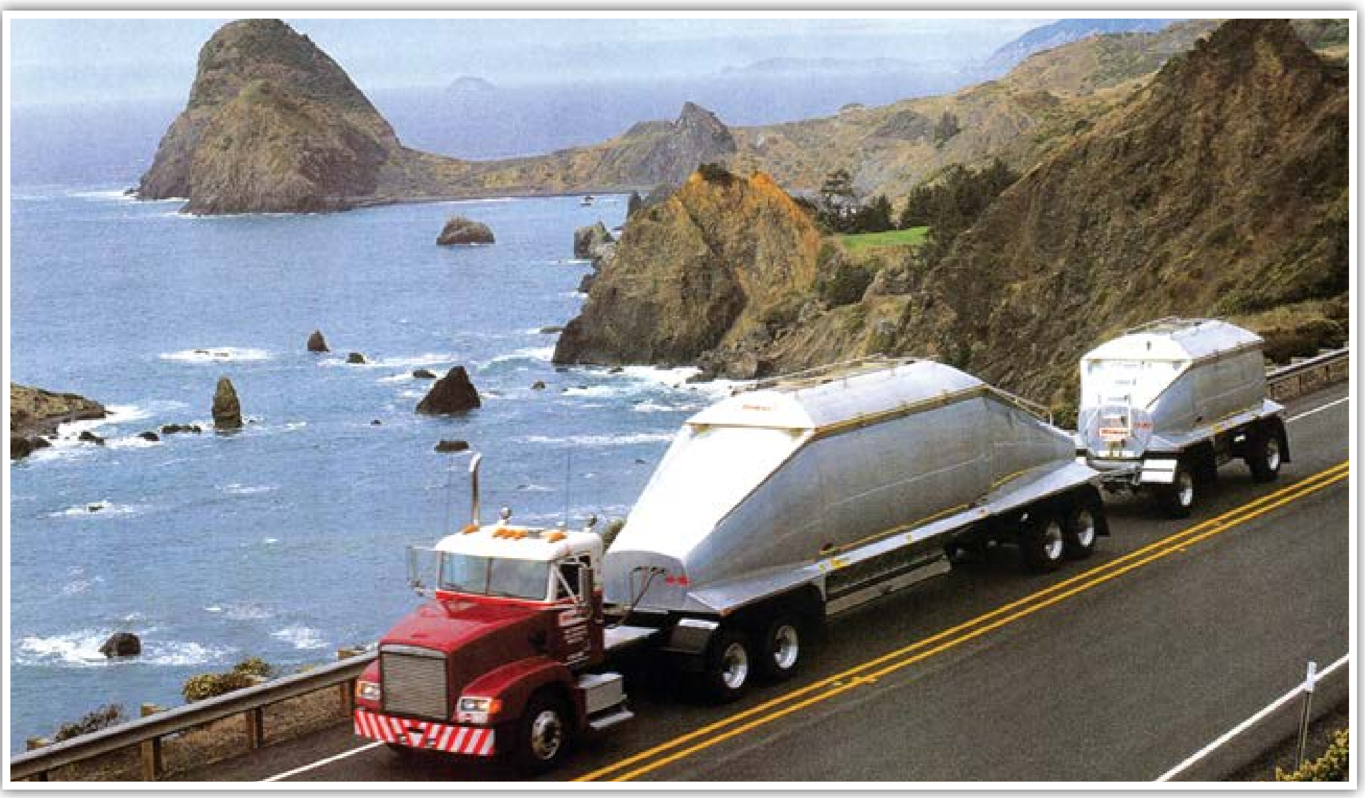
Somewhere on the continent, during every hour of the day, Trimac tractor trailer rigs are on the road. They are hauling petroleum or wood chips or chemicals or cement or distilled alcohol or any other one of the scores of bulk commodities that drivers, dispatchers, operations managers, mechanics, and wash rack technicians work as a team to deliver each year. Around the calendar and around the clock at one of the approximately 100 branch yards, its drivers are doing pre-trip and post-trip inspections or writing up driver vehicle inspection reports. After their runs, wash rack technicians are cleaning out a tank that needs to be reloaded. Mechanics are inspecting and, where necessary, replacing parts or doing other safety repairs needed before a truck can go on the road.

Early every morning in every time zone on the continent, a kitchen light is burning as a driver prepares to leave home. When the driver arrives at the terminal, he conducts and documents his pre-trip safety inspection, ensuring his cab is properly equipped and clean, his tires are in good repair, properly installed and inflated, all lights are functioning well, and the windshield wipers and window washing fluid are working.

Somewhere, every afternoon and evening, Trimac drivers are coming safely home after driving the regulated hours of service. Trimac has made another day of steady progress toward the 160 million miles (an average of 438 thousand miles a day) and the multitudes of deliveries it makes each year and the target of $1 billion in sales.

The trucks that Trimac's men and women drive and the bulk trailers behind the drivers have the best up-to-date equipment, technology, and accessories available. Onboard computer systems keep the driver's log, record all driving

A Trimac rig on the road hauling nickle ore.



and non-driving events, and communicate this information electronically by cell phone or satellite to the dispatcher and the operations manager. In-cab cameras protect drivers by recording the true facts of events and incidents.

Whenever Trimac drivers are on the road they are maintaining safe distances, safe speeds, and lane departure safety. To ensure a zero-defect delivery they are taking the time to check that they are delivering the right quantity of the right product into the right tank or silo and at the right time using the right safety procedures with no contaminations or spills. Trimac's drivers live by the code that safety is a part of every decision, that safety is personal, and that they will have the courage to intervene if they see someone else jeopardizing the safety of anyone else, including themselves. They work safely in order to go home safely after every shift.

It isn't a glamorous life. It is a competitive and frugal business that measures its costs in pennies and has a modest profit margin in the single digits. It is also an underpinning of 21st century North American bulk transportation. Trimac transports commodities including food stuffs, fuel, chemicals, cement, wood chips, mining ores, and industrial gases that are the basic building blocks of the economy in good times and bad. Trimac thrives because it strives to be of service to its customers, and because its treatment of drivers, its safety practices, and its adoption of changing technologies lead the industry.

Following the Great War of 1914 to 1918, trucks driving on mud and gravel roads took their place on the prairies beside horse-drawn wagons and the railroads as essential transportation vehicles. Trucks came into their own as military transport during the war as faster than horses and capable of longer distances and larger loads. By the 1920s, every small prairie town was served by at least one truck cartage business. Typically, these were "mom-and-pop" small businesses. The husband did the driving and the wife did the paperwork. If the business expanded, the sons became drivers, too. A brother or cousin was recruited to operate the terminal when one became necessary. It was similar to the management of a family farm. All members of the family were expected to work and when help was needed, hired men were taken on.

John "Jack" Waters McCaig was born in 1905 in the village of Thornhill, Scotland, on the road between Dumfries and Glasgow. In 1910 the family left Thornhill, where McCaigs had lived for generations, and moved to Prestwick on the Firth of Clyde, where Jack, his older brother, William, and younger sister, Jessie, went to school.

Their father, John, worked as the aide to the chief of staff in a veterinary college. In the Great War he joined the British veterinary corps and went to the Western Front to take care of caisson horses. Following the war he stayed in France for six months after the armistice as a member of a unit that cared for and ultimately euthanized thousands of redundant military horses and mules to feed the hungry in the chaos of post-war Europe.

During the war, four Canadian soldiers from Saskatchewan on leave had visited the McCaig home in Prestwick. Two of Jack's aunts, sisters of his mother, Ann (neé Waters), had emigrated to the Canadian prairies to take work as domestics. Once there, they married. The Saskatchewan soldiers' stories of pioneer agrarian life entranced the McCaigs. In 1919, within a month of John McCaig's discharge, the family sailed to Canada.

John McCaig intended to pursue a veterinary career and enrolled at the agricultural college in Guelph, Ontario, to obtain veterinary qualifications. However, he was a rebel. When he went to his first class, the instructor was a youthful man of about 30 years of age. "What does he know about it?" McCaig asked himself. He walked out of the class and the course and took his family by rail to Ogema, Saskatchewan, where one of Ann's sisters had settled, to take a soldier's allotment farm. His piece of land grew stones and gophers and not much else, so after a year he established a modest business as a horse trader, supplying farmers unlicensed veterinary services and supplementing his income by hiring out as an occasional labourer. He never owned a truck or car. Ann was a weaver who carded and spun her wool and won ribbons for her weavings at Buffalo Days, the annual Regina summer fair, and also at the Brussels World's Fair.

Stella McCaig and her animals in later years.

Jack never went to school in Canada. After working for one disappointing harvest on his father's farm, he left home to earn his living where he could find a job. He was 15 years old. He worked as a hired hand on a neighbouring farm, taking care of the livestock through the winter when the farmer went to Ontario for the season. In the spring he set out for an itinerant life moving from one labouring job to another.

"We weren't handicapped by having to decide what we wanted to do with our lives; we had to take what work was available because we wanted to eat," he recalled. He was, variously, a lumberjack in northern Saskatchewan and a miner in British Columbia. He worked on crews building roads and harvesting wheat. He lived frugally and saved his money until, in 1925, at the age of 20, he went to work on a farm owned by Zachary Cook and his wife, Flourence, 20 miles from Moose Jaw, Saskatchewan, and eventually married one of Zach's daughters, Stella May Cook. The farm produced good crops, especially in the summers of 1927 and 1928, but farming wasn't enough. Jack was enthralled with trucks, which he had learned to drive at one of his jobs.

On one occasion, a farmer he worked for faced a three-day delay for railway delivery of a part when a piece of farm machinery broke down. "It's 15 miles to town," Jack said to him. "I can get into your Model T Ford, drive to town for the part, be back by midnight and we can have that machine ready to work in the morning." The railway tracks were not as flexible and ubiquitous as the small network of gravel roads that was spreading out across the prairies.

The Canadian Pacific Railway held the farmers as captives to a type of feudal system that controlled the transportation of the wheat crop, the shipment of farm machinery from Central Canada, and the smaller deliveries of equipment and produce. Jack thought they cared little about efficiency or customer service. "I was always just absolutely appalled by the railway's inefficiency and complete lack of interest in the customer," he said.

Jack and Stella moved into Moose Jaw in 1928, and Jack established his first cartage business with a horse and wagon. Jack learned three lessons in these early years: 1) Listen to the customers. They are telling you what services they need. 2) Be flexible and modify your equipment so that you can meet customer needs. 3) You will never be a good boss unless you are a good worker. Jack applied those three lessons in his trucking businesses, and they became signatures of his operations and rank with safety and the good treatment of drivers as the basis of Trimac's culture.

In the spring of 1930, he bought his first Model A Ford truck. The truck had a top speed of 25 miles per hour on a paved road, but there were none of those in Saskatchewan until 1936. Jack's truck had a flatbed to which he could add sides if needed. He constructed his own semi-trailer. He planned to establish a freight

McCaig Cartage "coal run" drivers. *From left:* Alex Shostal, Hymie Overn, Jack McCaig, c. 1940.

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route from Moose Jaw to Regina, but a competitor beat him to it. It was rare for Jack, and later his sons, not to seize an opportunity ahead of others, but in this case losing that route led him to a more lucrative future.

McCaig Cartage won the southern Saskatchewan contract to move warehouse sheds for British American Oil. Jack McCaig's ingenuity resulted in the first transportation of a building by truck in Saskatchewan.

Jack launched McCaig Cartage in 1932 at the outset of the Great Depression. He believed the bad times could not last forever. Meanwhile, he found work for his trucks. The Dirty Thirties were not the first hard times that his trucking businesses weathered. He learned that in bad times, people still needed essential commodities that had to be transported. The margins might be thin and the competition stiff, but the McCaigs have always weathered the storms with hard work and a focus on customer service.

When Jack sold his milk-hauling business, he purchased two more trucks, all at 10 per cent down and the balance on credit. His bread and butter in the Depression was hauling coal in the winter for the furnaces of the homes and businesses around Moose Jaw. He found it hard to make money hauling for 50 cents per ton. He said that in a good day a truck could transport 25 tons. He took the business to keep his drivers working and paid them 45 per cent of the earnings, a munificent $5.60 in take-home pay. In summer, McCaig Cartage hauled gravel for road building financed by the Saskatchewan government to keep men at work.

The oil companies became both a new source of revenue and of technical challenges that allowed McCaig Cartage to stand out from its competitors.

Petroleum suppliers had relied on the railways to ship gasoline from refineries to local communities. The CPR had allowed the companies to build their local storage tanks and warehouses beside the tracks. When the oil companies were making the transition from rail to trucks to distribute gasoline, they wore out their welcome by hiring tank trucks to move their gasoline and were ordered to remove their structures from railway land. Jack stepped up to solve the problem they faced of moving the tanks and warehouses to new locations. Conventional trucking solutions for transporting the buildings were cumbersome, time consuming, and costly.

Jack showed the British American Oil refinery (B/A) and Imperial Oil how to move the buildings by jacking them up, lowering the semi-trailer, and backing it under the building. He lowered the building onto the trailer and—slowly and safely—drove it to the new location. The first move took a week. After three weeks of practice it took McCaig's crew a day to relocate the building with time left over to move to the next location. Jack bought a camping trailer for his crew of three to sleep in and cooked meals for them so they could stay on the road. Over three years he moved most of B/A's warehouses and half of Imperial's—150 buildings in total at a charge to oil companies of $100 per building. Part of that total came when a competitor who had won the contract to move the buildings in the north of the province gave up in frustration, and Jack, who had been contracted to move buildings in the south, took over the north, too. The irony was that Jack had developed his technique of loading and hauling the warehouses by watching the competition's cumbersome hauling process.

Meanwhile, Jack also solved the problem of moving the 21-foot-high petroleum storage tanks from the railway property to the new terminals. The oil companies wanted to hire him to load the 12-foot diameter tanks on railcars to be moved. He offered to sidestep the railway and give his customers a less expensive option. He strengthened his semi-trailer with trusses. Then he roped up the tanks, lifted them onto the semi, secured them, and drove them to their new location. Usually, when he unloaded the tanks, he hired local boys at 25 cents per hour. He showed them how to use ropes to safely drag the tank off the semi and pull it upright on its final location. He moved 300 tanks for his clients.

It is noteworthy that operations to move 150 warehouses and 300 oil storage tanks resulted in zero injuries and no significant damage to his customers' buildings, tanks, and trucks other than minor scratches and dents. From the start, operating safely has been the foundation of the McCaigs' corporate culture.

Jack McCaig also used the trips moving the structures to start backhauling. He was empowered as a bailiff to repossess tractors from farmers unable to keep

Jack's home-built, semi-trailer flatbed was also used to move Imperial Oil and British American Oil petroleum storage tanks to remote locations in Saskatchewan.

up their payments, returning them to the dealer. He also backhauled loads of lumber from the small sawmills that dotted the northern Saskatchewan landscape.

When he analyzed his success with the oil companies, he concluded they would outlast the Depression and, when hard times were over, farmers would resume the conversion from horses to tractors. Prairie farms were a minimum of 640 acres, the size of the original homestead. Even a family with several sons to share the work faced a challenge to seed and harvest the farm with horse-drawn equipment. Tractors represented an opportunity to make farm work more efficient. After the Depression, tractors would need fuel. The gasoline tanks he was moving would need to be filled. Although McCaig Cartage didn't haul bulk gasoline deliveries during the Depression, Jack was ready to compete for the business when the economics of farming improved.

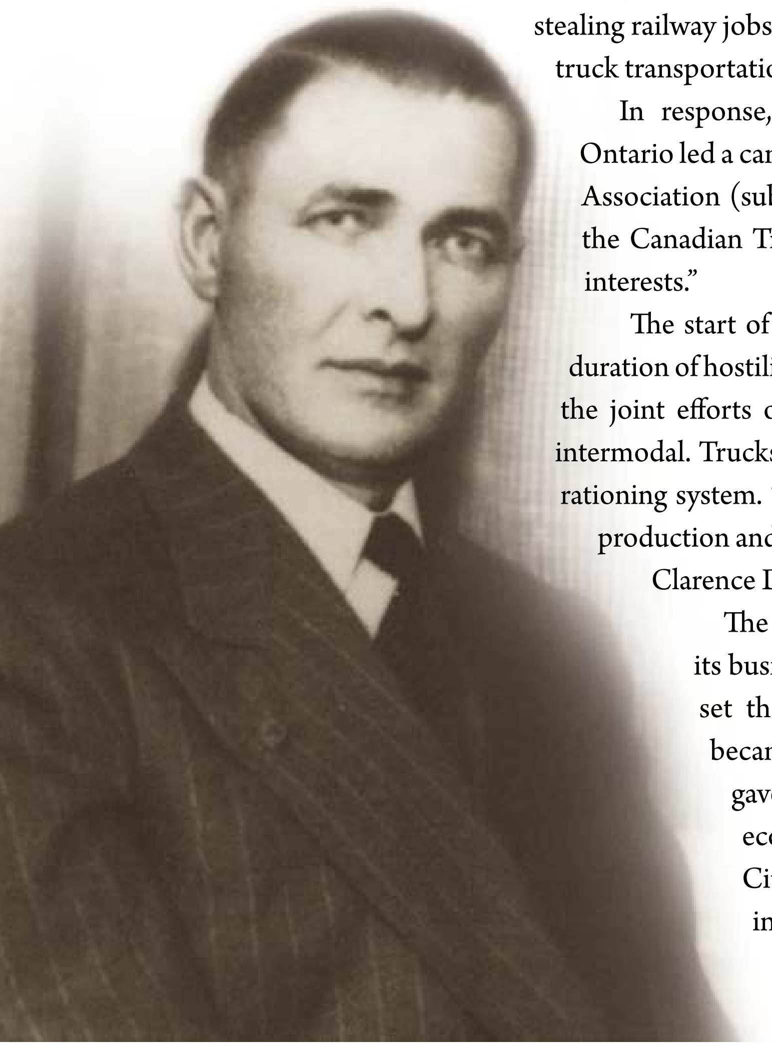
Jack's company gravelled the drives of farmers who stored his gravel equipment in the winter at no charge. It was good, cheap marketing. One of his deals was to become the superintendent of gravel operations for Bond Construction, a road builder based in Ontario, for four years. He never saw a company representative. Bond paid its bills promptly. He received a box of cigars from Joe Bond at Christmas and a phone call in the spring when Bond wanted him to start work.

Meanwhile, the Canadian Pacific Railway (CPR) and Canadian National

Railway (CN) companies attempted to use their inside track into the federal government to limit the growth of the trucking industry and the threat they felt it imposed on rail transport. Their lobbyists in Ottawa claimed Depression-era losses of millions of dollars each year were the result of inroads that trucks were making into the transportation business. It wasn't the case—yet. Trucking was not at this time the significant hauler that it would become. The railway companies lobbied to limit truck deliveries to within 50 miles of rail lines, making trucks ancillary collectors and distributors of goods for the railways.

A 1931 Royal Commission on Transport recommended the 50-mile limit. Commissioner Sir Lyman Duff counterbalanced this recommendation by finding that regulation of the trucking sector was in provincial jurisdiction, cutting the federal government out of the action and giving trucking some protection. The railways responded with a public relations campaign alleging that truckers were stealing railway jobs, and railway unions led boycotts of businesses that used truck transportation.

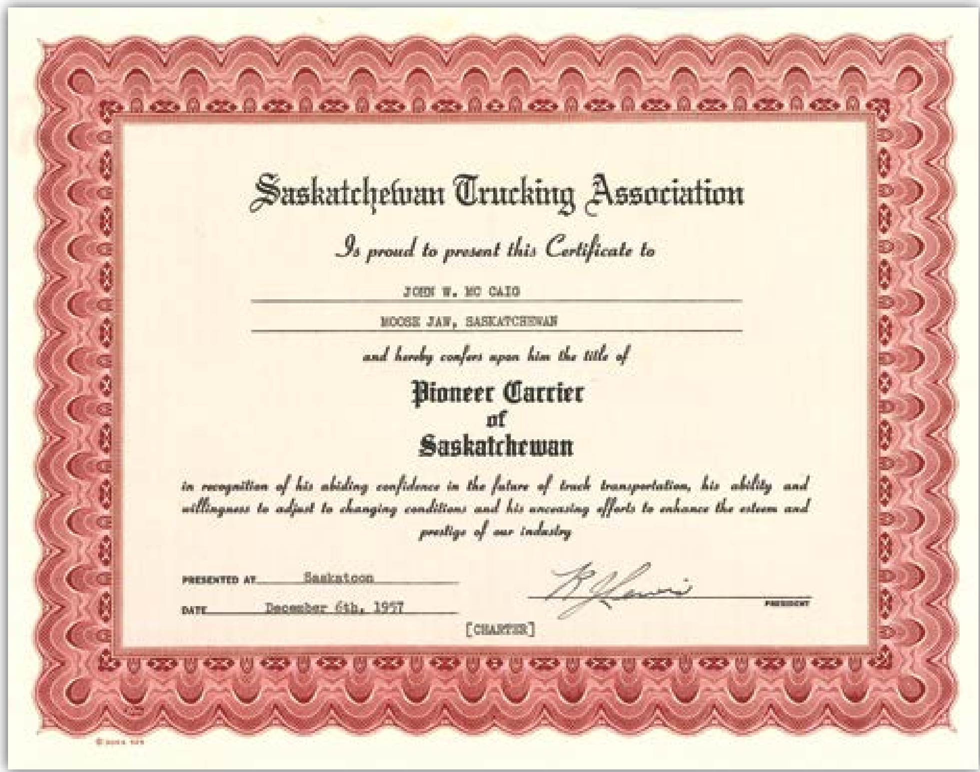
Jack's early business principles established patterns for the future that would prove to be very successful.



In response, in 1936, the Automotive Transport Association of Ontario led a campaign to form the Canadian Automotive Transportation Association (subsequently the Canadian Trucking Association and now the Canadian Trucking Alliance) to speak "with one strong voice in its interests."

The start of the war ended the rail-versus-truck competition for the duration of hostilities because the urgencies of defence production required the joint efforts of the transportation system. War production was truly intermodal. Trucks also were assured of gasoline supplies that bypassed the rationing system. The federal cabinet minister responsible for the wartime production and the control of the economy under the War Measures Act, Clarence Decatur Howe, said, "railways can't do the whole job."

The spat had several consequences for the McCaig family and its business. The actions of governments during the Depression set the framework for the post-war regulatory system. Jack became a leader in trucking politics. His political abilities gave him a central role in Moose Jaw's and Saskatchewan's economic development as a member of the Moose Jaw City Council. Jack and his eldest son, Bud, became active in trucking and regulatory politics. In the 1990s, Bud was in Premier Ralph Klein's kitchen cabinet and led the reform of Alberta public health care administration for



Saskatchewan Trucking Association

Is proud to present this Certificate to

JOHN W. MC CAIG

MOOSE JAW, SASKATCHEWAN

and hereby confers upon him the title of

Pioneer Carrier
of
Saskatchewan

in recognition of his abiding confidence in the future of truck transportation, his ability and willingness to adjust to changing conditions and his unceasing efforts to enhance the esteem and prestige of our industry

PRESENTED AT Saskatoon

DATE December 6th, 1957

[CHARTER]

PRESIDENT

John W. "Jack" McCaig's Pioneer Carrier of Saskatchewan certificate, 1957.

the premier. The third-generation McCaig leader, Jeff, also immersed himself in regulatory affairs as president of the Western Highway Institute (WHI) in San Francisco, chair of the National Tank Truck Carriers (NTTC) in Washington, DC, and an executive member of the American Trucking Associations (ATA).

Jack's business vision, during the first 10 years of his trucking career in the 1930s, was that truck transportation could free prairie farmers from the indifferent monopoly of the railways. This vision had been established by the time he enlisted in the army in 1941.

Jack was present at the beginning of a Western Canadian transportation revolution and gave his share of leadership to a new transportation era. He entered the trucking business when improvements in truck engines and rural roads were accounting for an increase in the North American registered truck fleet from 10,000 vehicles to 350,000. Before the Second World War, the volume of freight handled by truck was less than 5 per cent and railways were moving 95 per cent. When he formed MACCAM in 1945, 85 per cent of freight in Western Canada was hauled by rail and the balance by truck or horse-drawn wagons. In 1995, 70 per cent of freight moved on trucks, 25 per cent by rail, and 5 per cent by air.

Chapter 2

MACCAM

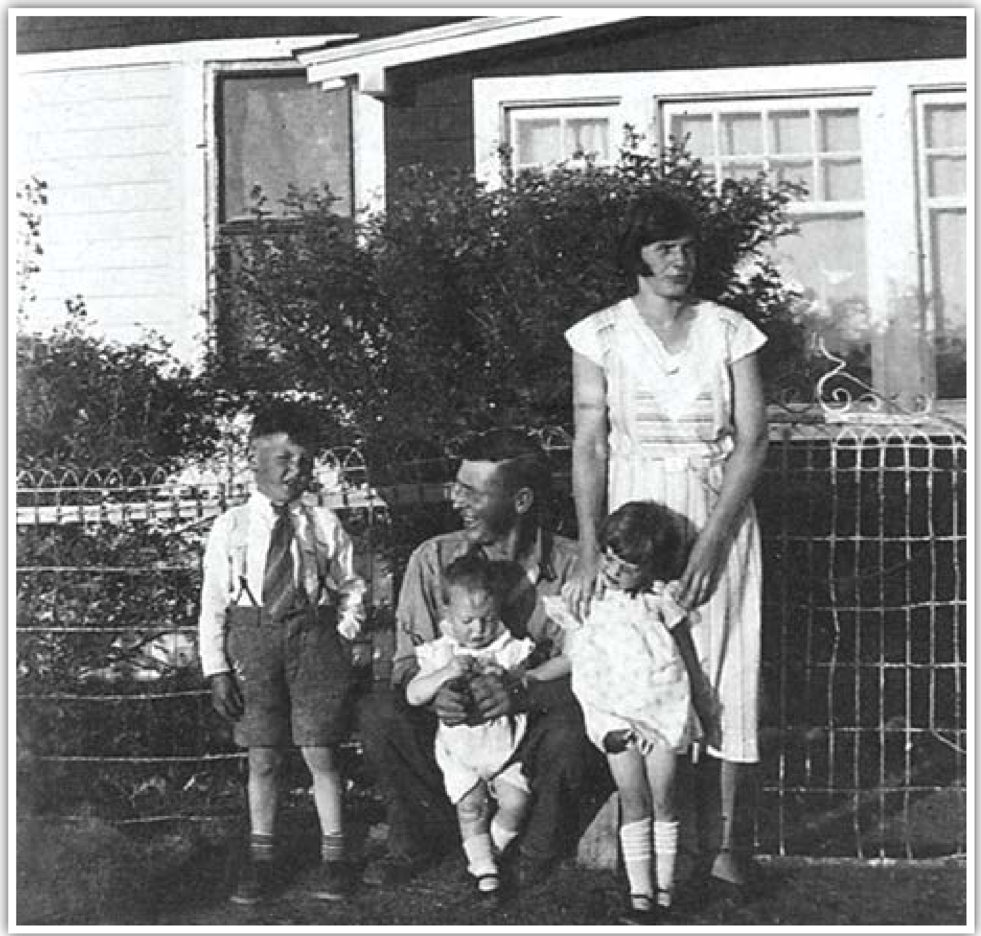
MACCAM Transport, created by Jack McCaig in 1945, became the template for the McCaig family company to the present day because of its operational and financial success. Even in the financially lean years of 1952 and 1953, the model worked. The fundamentals of the McCaig corporate paradigm were: family owned, exceptionally strong partners and affiliates; talented leaders and managers; and professional drivers, mechanics, accountants, clerks, and administrative assistants thoughtfully selected to meet the highest standards and to be the backbone of the operation. A McCaig hallmark became that it's better business—in terms of courteous service, safety, and cost—to have a truck stand idle than to hire a driver who doesn't measure up. Jack, and later his son Bud, were always the senior partner by the strength of their vision, leadership, and investment. MACCAM, and subsequently Trimac, were built by the McCaigs with strong partners, men like Al Cameron, Max Trimble, Charles Cranmer, and Tom Clowe, and with gifted senior executives such as Tony Vanden Brink, Art Coyston, and Andrew Zaleski.

The early consolidations—through acquisitions, mergers, or partnerships—were with similar family businesses run by owners with compatible values during the expansion of the Canadian trucking industry from small family-operated enterprises to large companies in the years after the Second World War. A pyramid of success for trucking companies started up after the war, and MACCAM moved to the top.

Jack's military experience, commanding a 127-vehicle training unit and teaching soldiers how to drive, maintain, and repair military trucks in mountainous conditions, gave him insight into conducting his peacetime job as the head of MACCAM Transport. His military operation in Prince Rupert, British Columbia, was more than 10 times the size of his company back in Moose Jaw. He saw that his strengths were leading men and maintaining machines. His weaknesses were in administration, bookkeeping, and paperwork. In a company of carefully spent pennies, and that was a price-taker in relation to its customers, his weaknesses could undermine his chances of success. He made a promise to himself to stick to his strengths and find a partner who was good at what he was not.

In Jack's absence on active service, his wife, Stella, had kept McCaig Cartage functioning. To be sure, from 1941 to 1944 the company was a shadow of its peacetime operation. The family lived on Connaught Avenue on the north edge of Moose Jaw, on a lot that included their home and the garage for the cartage business.

Private Jack McCaig, 1941.



The McCaigs outside their new home on Connaught Avenue in Moose Jaw, Saskatchewan, c. 1934.

McCaig family Christmas.

With the aid of a skeleton staff of drivers who were too old, or otherwise ineligible, for military service, Stella and her employees kept the wheels turning, maintaining and repairing the company's three trucks and delivering for a handful of customers.

Her son Maurice, who was four years old when his father joined the army, remembers with relish the wartime hustle and bustle of activity in the garage and the yard. Stella's initiative kept the business active. She also imparted a sense of responsibility beyond their years to the boys because of their dad's absence. Their impatience to become professional drivers motivated Bud and Maurice to spend hours in truck cabs with drivers, and to drive before they were teenagers. It fed Roger's young dreams of a career away from trucking but still on wheels.

Jack was discharged from the army after the soldiers he had trained departed to take part in the invasion of Italy in September 1943. In early 1944, he returned to Moose Jaw to resume trucking, reviving McCaig Cartage to take advantage of post-war economic growth on the prairies. Jack expected to return to hauling petroleum products from Saskatchewan's refineries to farm communities, where the tractor would become a basic farm tool once gasoline was no longer rationed. Saskatchewan's post-war economic development would need cement, lumber, and coal. His trucks could haul those. Farm production from milk to grain to

Bud with one of his first trucks, a 1948 Mercury.

cattle would require hauling to creameries, rail heads, and abattoirs and from these processors to markets.

Jack and McCaig Cartage entered a period of transition from wartime to peacetime. He took the business out of the semi-hibernation that Stella had operated. He moved the three trucks from the garage next to the McCaig home to the Speedway Garage, a former motorcycle shop on Manitoba Street. The attractive attribute of the garage was a maintenance bay long enough to park and service a truck. McCaig Cartage's main business was to do petroleum hauls for the British American Oil refinery (B/A) in Moose Jaw. Jack also restarted its regular pre-war coal run. He accepted any cargo that a customer needed to ship. He lived by the mantra that the customers knew what they needed, and his job was to provide it.

Jack did not have to look far afield for a partner. His search ended across Manitoba Street from the McCaig Cartage terminal in the offices of his largest customer in Moose Jaw, the B/A refinery. Al Cameron, a chartered accountant, was sales supervisor at the refinery and in this capacity had regular contact with McCaig Cartage after the war when McCaig started petroleum hauling.

MACCAM Transport's first home was the old Speedway Garage on Manitoba Street.

MACCAM Transport LTD.
PETROLEUM AND BULK COMMODITIES

In 1945 MACCAM Transport expanded to a new truck terminal at 546 Manitoba Street.

In 1945 Jack McCaig took on a partner, Al Cameron *(right)*, and MACAAM Transport was born.

The two men came to an agreement to work together and formed MACCAM Transport Ltd. The name was formed from the first syllable of each of their names, and Jack said it was a good name for a trucking company, "because it read the same coming and going." Jack thought Al was a "damn good accountant." Cameron established rigorous accounting and financial management practices that started MACCAM's, and later Trimac's, humorous reputation as an accounting firm that needed something to account for, so they chose trucking.

Jack also hired three full-time drivers, Alf Holt, Alex Shostal, and Frank King. He took on returning war veterans to conduct maintenance and repair of the trucks and the adaptation of trailers to new cargoes and to accommodate the increasing gross vehicle weights that provincial and federal regulations were permitting.

Foremost among these men was Norm Light, who was hired as a mechanic. Light was a Royal Canadian Air Force aircraft mechanic and had not done truck maintenance until he joined MACCAM. In fact, Norm had never been under the hood of a truck. However, he knew engines and had a gift for caring for them. He brought military rigour to MACCAM's maintenance and repair operations and established the most demanding routines and practices of MACCAM's peer group of companies. Light didn't punch a time clock. He serviced a truck coming off the road in the middle of the night, if need be. MACCAM's small operation, centralized in a single garage and terminal, meant Light talked directly to drivers and mechanics to work out problems on the spot.

MACCAM's drivers were expected to do basic maintenance and keep their trucks clean.

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MACCAM operated one of the first tank truck semi-trailers in Western Canada, built by Westeel in Winnipeg, c. 1947.

He was an innovator and thrived in the culture of initiative that Jack established. One of the Norm Light legends is that when gross vehicle weights were increased by 15,000 pounds without much advance notice, Light and welder Harold Booth built a bigger tank trailer by welding the tanks from two smaller trailers together to create a single bigger petroleum tanker to take advantage of the new regulation.

Trimac has developed a reputation over the decades of being a fast follower for new equipment and technologies, letting others take the risks and make the mistakes of being first out of the gate. It is instructive to observe when, as in the case of Light's bigger tanker, the company is first. For example, the company was first to persuade customers to give MACCAM drivers the keys to their storage facilities so that deliveries could be made at night when the customers' employees were off duty. This led to the key lock system common today for trucking deliveries and truck refuelling.

Norm Light, MACCAM's service manager, was a pioneer in the industry. Many of his innovations remain legend at Trimac today.

MACCAM developed a practice of reducing vehicle or tare weights (the weight of the vehicle without a load) to increase the size of the payload governed by gross vehicle weight regulations. A pound gone from the weight of the truck was a pound added to the money-making cargo. Norm Light became the tyrant of vehicle weight, eliminating any part he deemed unnecessary. These included anything decorative, struts under the trailer, passenger seats in the cabs, and running boards, which he replaced with a single narrow footstep welded to a pipe that attached to the cab below the driver's door. His air force fighter and bomber experience helped with the ruthless weight reduction. In the fighting air force, lives depended on jettisoning unnecessary weight to increase ammunition and bomb capacity, and to make the plane more fuel efficient. At MACCAM, it was a question of moving pennies from cost ledgers to income statements. "We were

By 1955 MACCAM Transport was the foremost petroleum transporter in Saskatchewan.

MACCAM Construction boomed in 1953 when Jack won a major contract to gravel Highway 6 from Regina to the US border.

blessed to have many good people like Norm over the years," Maurice recounts. "It is a credit to Dad. He hired wisely and left the men alone to do what they did well."

Gross vehicle weight was the least of MACCAM's regulatory problems. Cutting closer to the bone was the competition between the railways and the trucking industry that heated up in the 1950s. There was, to be sure, competition among the trucking firms, especially in MACCAM's core business of petroleum hauling from the B/A refinery in Moose Jaw. MACCAM had become the foremost shipper of gasoline in Saskatchewan. It owned about 15 trucks and leased another 15. Its 3,000 gallon semi-trailers travelled an average of 60,000 miles per year to make annual deliveries of 16 million gallons in 6,400 trips. Three competitors nipped at MACCAM's heels for the gasoline cargoes. In Moose Jaw, Willms Transport and Trail Transport, and, in Regina, Jack Kearns took their share of loads from B/A. The CPR was also becoming more competitive, seeking contracts from the refinery and other freight sources if the destination was on the rail line.

However, truckers had a sense of camaraderie that crossed competitive boundaries and developed because they shared the same hardships of the road, and the same regulatory difficulties. In the 1950s, they also shared the brunt of a railway anti-trucking campaign. The railways in those years regarded their lines, especially in Western Canada, as akin to a monopoly. They were slow to recognize the competitive threat of trucking but, when they did, they reacted. They conducted the fight on political grounds, where they had an advantage because elected officials, in large part due to successful lobbying, regarded the railways' interests as the national interest.

In 1949 the Turgeon Royal Commission on Railways held hearings to which the railways and the railway unions gave vigorous anti-trucking briefs and oral evidence. The unions were especially vitriolic, presenting truckers as men snatching bread from the mouths of railway men's children. The railways asked for punitive restrictions on the trucking industry. They wanted the government to ban trucking between points along rail line routes. They asked for a regulatory limit of 100 miles to truck hauls. And they demanded that governments impose large increases to highway user taxes. In short, the railway interests wanted the truckers out of business.

In 1948 Jack McCaig's leadership in developing the trucking industry in Saskatchewan had been acknowledged by the trucking fraternity when they elected him president of the Saskatchewan Motor Transport Association, a post he occupied until 1952 when he was elected president of the Canadian Automotive Transportation Association. Jack brought the same vision and leadership to politics that he did to trucking, which was fortunate for the trucking industry because he jumped into the deep end of the pool to guide the Saskatchewan industry through the railway wars.

By 1950 the railways were confident that in time they could crush the truckers. Then came the railway strike in August. After months of being unable to settle a contract with their employers, the railway unions joined forces to issue strike threats and finally walked off the job en masse and across Canada on the morning of August 22.

Top: The MACCAM Transport men of the 1950s were a close-knit group who were dedicated to the growth of the company. *Back row, left to right:* Jim Franks, Ray Rookes, Leo Siebel, Bill Fuhr, Eldon Josephson, Bill Wiebe, Earl Ambrose, Dick Lutz, Glen Presley, Allan Falke, Charlie Kober, Red Hodgson, Matt Steiner, Alf Holt, and Bill Morgan. *Front row, left to right:* Norm Baird, Jim Bretton, Len Reiman, Walt Bushko, Maurice McCaig, Ty Pagen, Gord Kidder, Ed Peacock, Gerry Tumbach, Albert Miller, Wes Baiton, John Stewart, and Gordon McCaig.

Bottom: In 1996, many of the same men gathered for a MACCAM reunion in Moose Jaw. *Left to right:* Abe Wiens, Ozzie Slobodian, Lloyd Austin, Walt Bushko. Matt Steiner, Fred Evans, Gord McCaig, Dick Lutz, Maurice McCaig, Bud McCaig, Jim Anderson, Earl Ambrose, Vince Aitken, Gord Teasdale, Red Hodgson, George Baiton, Gerry Tumbach, and Jim Franks.

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With its primary transportation system immobilized, the nation faced paralysis. Food shortages in the cities looked to be the first impact of the rail strike. Truckers filled the breach. By working non-stop, they averted the economic dislocation that had been feared, especially preventing food shortages. The truckers demonstrated they were capable of hauling large volumes of freight over long distances.

At MACCAM, the strike required the drivers to work the longest hours they had ever known. They hauled product for B/A from Calgary, Alberta, as well as Moose Jaw. MACCAM didn't make a windfall profit during the strike; it wasn't in Jack's nature to take advantage of his customers. He cemented the reputation of his drivers for reliability and willingness to do whatever it took to meet the customers' needs.

The railway unions were vilified because the Korean War was underway and their work stoppage threatened the shipment of war supplies to the battle. On Tuesday, August 29, Prime Minister Louis St. Laurent brought the Maintenance of Railway Operation Act before Parliament. This was back-to-work legislation,

Jack McCaig *(left)* and Bud at the MACCAM office in Moose Jaw, Saskatchewan, during the 1950s.

the first such bill in Canadian political history. On Wednesday, August 30, after quick passage through the House of Commons and Senate, the bill received royal assent. By the following Monday, September 4, ironically the annual Labour Day holiday, rail service had been restored.

The trucking industry received the thanks of a grateful nation for its effort during the strike. The conservative *Toronto Telegram* editorialized that "a good many citizens have recalled ironically within the last few strike-bound days, the railways have earnestly pursued a ship-by-rail campaign. Such appeals do not rhyme at all well with the word 'strike.' The trucking associations have rendered excellent service in the crisis and have done much to prevent a greater breakdown in the country's operation. For this, their good work will be remembered in their favour, in the event of any further pressure being put on the government to unduly restrict or hamper automotive transportation."


Certificate of Merit

This is to Certify

that J. R. McCaig,

of River Park, Moose Jaw, Saskatchewan,

has operated a commercial vehicle safely during the period January 1, 1947, to December 31, 1947, and is entitled to wear the badge of merit awarded by this Society to safe drivers.

Saskatchewan Motor Transport Accident Prevention Society

this 15th day of March 48

President

Secretary-Treasurer

J. R. "Bud" McCaig's Saskatchewan Motor Transport Accident Prevention Society Certificate of Merit.

Although the rail strike proved to be brief, it was also MACCAM's introduction to trucking new cars from the auto-manufacturing plants in Windsor, Ontario, to dealers in Western Canada. With Jack's penchant for innovation, he and Al Cameron, who already sold automobiles through MACCAM Motors, a Mercury Lincoln dealership, established Dominion Auto Carriers to carry out the first over-the-road delivery of cars built in Eastern Canada and delivered to Western Canada.

Blocked from further efforts to lobby for legislation that restricted competition from truckers, the railways went into direct competition with the trucking companies. In 1952 the CPR and CN offered a new trailer-on-flatcar (TOFC) service. The railways picked up loads on their own trucks, drove the trailers onto flatcars, and hauled them to their destination. In 1957 they extended the TOFC service to other carriers' trailers. This piggyback precursor to intermodal shipping was fair, if ruthless, and Jack, as president of the trucking associations, was unable to do anything for his members. However, between 1947 and 1952, trucks had increased their yearly intercity freight loads by 65.7 million tons while the railways only gained 9.5 million tons, so the TOFC was an annoyance more than a threat.

The next competitive action by the railways was more effective and hurt the petroleum hauling business, MACCAM in particular. The railways initiated a new rate system called "Agreed Charges." In exchange for a much lower freight rate, a shipper committed a fixed percentage of his total traffic to the railroads. Bulk petroleum hauling, MACCAM's main business, was at the top of the railways' target list.

Jack and Bud, now the general manager of MACCAM, travelled to Ottawa with a delegation of Western Canadian trucking firms to make the case that Agreed Charges were being selectively applied only to shippers that the railways wanted to lure away from trucks. This, argued the truckers, was unfair. The truckers' lobby was to no avail because the good health of the railways was of greater concern in Ottawa than the troubles of the truckers. In 1950 the Agreed Charges applied to 1.4 per cent of shipping contracts held by the CPR and CN. In 1957 the Agreed Charges covered 12.5 per cent of the railway contracts.

On the heels of the battle with the railways, B/A temporarily closed the Moose Jaw refinery to install a new catalytic converter, and MACCAM was asked to haul from Alberta refineries in Edmonton and Calgary in order to service Saskatchewan. Bud reorganized operations, moving half of the company's fleet to Hanna, Alberta, to haul petroleum from refineries in Calgary, and half of the fleet to Battleford, Saskatchewan, to deliver from B/A's refinery in Edmonton to service stations in Alberta and Saskatchewan. MACCAM maintained its footing as Saskatchewan's major petroleum transporter, but at some cost to the drivers who spent months away from home, living four to a room in small hotels and driving round trips of up to 800 miles, two or three times the length of their routes from Moose Jaw.

The alternative routes the trucks took to meet MACCAM's delivery commitments were so primitive and rough that they became a company legend. Improvising to keep MACCAM's petroleum bulk hauling business intact and thriving, Bud learned vital lessons about trucking operations in Alberta that would become invaluable when the company expanded in the 1960s.

Bud innovated with the same lively business imagination that he used to improvise. He stepped up back-hauling operations with trailers designed to take one product out to rural Saskatchewan, usually petroleum, and another back to Regina and Moose Jaw. With Norm Light doing the heavy lifting for him, Bud directed the continuous initiative to lighten trailer weight and increase payloads. He led MACCAM teams to the United States to study innovations in trucking and bring them back to Canada. Light modified equipment to meet rapidly growing load limits.

There was a major change in management in 1955, when Jack and Al Cameron dissolved their partnership. Al told Jack that with Bud's success as a general manager, MACCAM no longer offered him the challenges and opportunities that attracted him to the company 10 years previously. Al cashed out of the company and took the Mercury Lincoln dealership that he and Jack agreed upon as part of Al's compensation for a decade in the partnership.

As the decade closed, MACCAM moved into a 12-acre, 10,000-square-foot, purpose-built terminal and head office on the north side of Moose Jaw. The buildings were located on Highway 1, later to become the Trans-Canada Highway. It served as a base for the fleet of 80 company-owned tankers with room to expand to 100. It had a service station for refuelling and five maintenance bays.

With Jack's vision and Bud's improvisation in the mid-1950s, MACCAM not only survived adversity but also prospered. The McCaigs practised what they preached to their men. In *Sign Posts to Success*, MACCAM's drivers' manual, Bud had written: "The watchword of the trucking industry is CHANGE, and the policies of our company must expand to meet new situations." The McCaigs and MACCAM were ready for the changes that the 1960s would bring.

In 1959 MACCAM's new 10,000-square-foot facility opened at the junction of Highways 1 and 2 in Moose Jaw. In 1996, when the company celebrated its 50th anniversary, it re-purchased the building, which was then used for Trimac's joint venture with Rathwell Transportation.

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Chapter 3

The Sons

Most of the trucking companies that sprung up in Western Canada in the first half of the 20th century were family businesses. Trimac, and its legacy companies—Regina Beach Transfer Company, McCaig Cartage, and MACCAM Transport—were created by Jack McCaig for and with his family. Stella kept the company alive during Jack's military service in the war with three trucks and a garage within shouting distance of her kitchen in Moose Jaw. Jack's business purpose was to create a flexible, affordable alternative to railway transport for the farming and small business community of southwestern Saskatchewan by taking advantage of the mass production of trucks and the advent of systematic road building to keep pace with the growth of agriculture.

From left: Jeanne, Stella, Bud, Roger, and Maurice *(front)*.

When Jack returned from his Second World War military service of training army drivers and mechanics for the invasion of Italy, he recruited his sons, Bud, Roger, and Maurice, born between 1929 and 1938, into the operation as drivers and odd jobs men around the garage. In 1945, when Jack and his partner, Al Cameron, incorporated MACCAM Transport, there was never a

Jack, Bud, and Roger.

By 1954 all of Jack McCaig's sons were involved in the business. *Standing, left to right:* Roger, Maurice, and Bud.

question that MACCAM was a family company. For 10 years there were two families, the McCaigs and the Camerons. The sons of both fathers were hired on. By the time Al and Jack parted company in 1955, Al taking the MACCAM Mercury Lincoln dealership and Jack keeping MACCAM Transport, Bud, Roger, and Maurice had become integral to the business success of the McCaig family.

From their earliest years the McCaig sons, like their father, were avid drivers, living for the moment when the rubber hit the road. Bud and Maurice drove trucks in their father's businesses as soon as their feet could reach the pedals and they could see over the dashboard. Jack and the Moose Jaw chief of police contrived to give the boys drivers' licences before they reached the legal age by agreeing to the fiction that they were older than their birth certificates read.

Roger was not as enthusiastic about trucking as Bud and Maurice, but he spent his summers hauling gravel for MACCAM Construction. His consuming passion was to start a Redi-Mix concrete operation.

The three boys also inherited the values and principles that were the bedrock of Jack's business practices and success: courtesy, safety, customer focus, fair and kind treatment of drivers and people in general, and innovation in equipment and service. They also had Jack's commitment to family and business.

Jack never imagined that his boys would do anything else other than work for the family company. Looking back after he retired, he regretted that he did not bring his daughter, Jeanne, into the business. In Western Canadian family trucking companies, as on farming homesteads, women of the family had tasks and responsibilities in the daily activities.

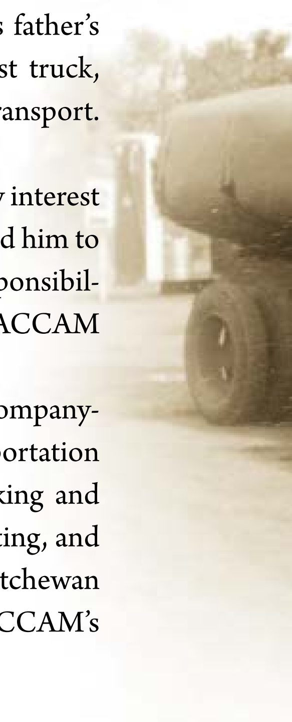
In 1960, when Jack was first diagnosed with cancer during an appendix operation, he created a holding company for the family's businesses and named it Trimac Ltd. for his three sons, turning the business over to the second generation of McCaigs.

Jack retired in 1962 at 57 years of age because his doctors could only promise a 50/50 chance of surviving cancer. The ownership and management of Trimac stayed in the family in a well-organized transition.

Jack said he got the best 50 part of the medical prognosis because he lived 20 more years. He gained the status of an elder statesman of Canadian trucking and pursued public volunteer activities and private interests. He was an active Chamber of Commerce member, founding director of the Saskatchewan Economic Development Corporation in 1963, and chair of the Saskatchewan Diamond Jubilee and Centennial Corporation in 1965. Jeff McCaig, his grandson, said Jack was "a kind of renaissance man with an amazing range and breadth of hobbies and interests."

His three sons were as different from each other as chalk and cheese. Bud, the eldest, inherited his father's business leadership. Jack, a traditional family man, groomed his first-born son to head the company after he retired. Roger and Maurice never doubted the wisdom of that decision.

In 1944 Bud left school during grade 11, at age 16, and joined his father's trucking business. Bud used his savings from odd jobs to buy his first truck, which he eventually owned and ran as a contractor to MACCAM Transport. MACCAM's business rapidly expanded.



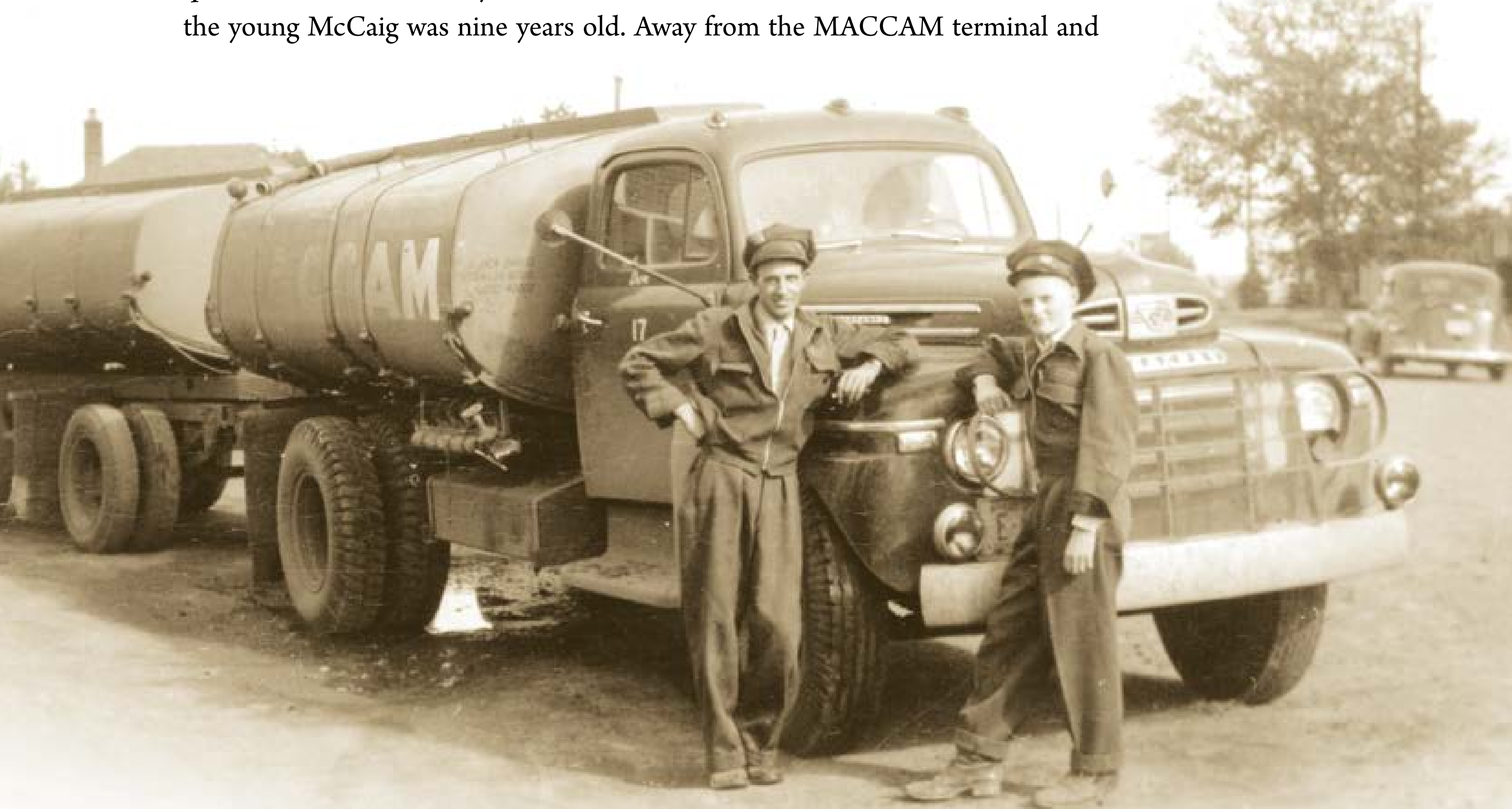
In 1950 Jack bought Bud's trucks in exchange for a 20 per cent equity interest in MACCAM and, quietly pleased with Bud's business abilities, promoted him to operations manager and later general manager. As Bud took over the responsibility for trucking operations, Jack turned his attention to running the MACCAM Construction road gravelling business.

By 1949, under Bud's able direction, MACCAM Transport had 15 company-owned trucks and 15 more driver-owners—the biggest petroleum transportation fleet in Saskatchewan. With Jack and Bud running MACCAM's trucking and construction operations; Al Cameron doing the administration, accounting, and overseeing the MACCAM Mercury Lincoln dealership; and the Saskatchewan economy undergoing post-war growth, these were the golden days of MACCAM's business. The apex came in 1950 during the brief national railway strike when trucking companies stepped in and kept the rest of the economy from seizing up due to the loss of rail transport. Jack, as president of the Saskatchewan Motor Transport Association, played a leadership role by counselling his peers through the strike and raising the profile of trucking with governments.

With his father as his teacher, Bud had his first lesson in high level politics when he and Jack travelled to Ottawa to lobby against the Agreed Charges rate system. Later in his life, Bud honed his skills with people in the public arena and with public policy. He became active in Alberta political life and in the Canadian and North American trucking industry.

MACCAM hauled petroleum and asphalt to destinations in Saskatchewan, Alberta, and Manitoba. Petroleum customers included British American Oil Company, Royalite Hi-Way, Western Oil Company, and North Star Oil Ltd. Jack oversaw MACCAM's business and financial policies, but Bud did the detailed work for this growing operation.

Maurice grew up around the McCaig Cartage and MACCAM garages and terminals. He enjoyed riding with the drivers on their short trips. Stella and Roger did their best to rein him in, but his determination to be a truck driver and his quiet stubbornness usually won out. Maurice first drove with Fred Evans when the young McCaig was nine years old. Away from the MACCAM terminal and



Maurice *(right)* and driver Dave Peat. Maurice began driving his own truck for MACCAM Construction at age 14. At 16, he was a full-time driver with MACCAM Transport.

the surveillance of Maurice's family, Fred let the youngster take the wheel when the truck was not loaded.

Fred did a regular run hauling petroleum from Moose Jaw to Saskatoon that required a 4 a.m. start. He rose at 3 a.m. to have breakfast and get to the terminal to inspect his vehicle and get it loaded across the road at the refinery. On Friday nights, Stella gave Maurice permission to stay overnight at the Evans' house and get up with Fred to make the trip.

Maurice also drove with his cousin Gordy McCaig, who lived with Jack and Stella in Moose Jaw, making it easier for Maurice to sneak out on Fridays and Saturdays to accompany Gordy in his truck. Maurice was very close to his older brother Roger, who kept an eye on him and helped their long-suffering mother find him when he disappeared, usually on board a MACCAM truck.

Maurice got his driver's licence at 14. In 1954, at age 15, he had his first summer job with MACCAM hauling asphalt from a Royalite refinery at Coleville, Saskatchewan, for 200 miles to the stretch of Highway 1 between Gull Lake and Maple Creek that was being repaved.

At the end of the summer, Bud wanted him to go back to school. Maurice didn't see the point as he was no longer interested in school. When Bud dug in his heels and refused to assign Maurice work in September, he went to the oilfields at Midale, Saskatchewan, and hauled crude oil for a lease operator.

The newly created Trimac Transportation included H. M. Trimble & Sons, MACCAM, Oil and Industry Suppliers, Westland Carriers, and Municipal Tank Lines.

Officially, Maurice was hired as a MACCAM driver on July 1, 1954. In October, Bud capitulated and assigned Maurice a truck again. Unofficially, he had been doing chores around the MACCAM and McCaig Cartage trucks in Moose Jaw for 10 years before he went on the payroll. When Jack returned from military service in 1944, his youngest son, just seven years old, was already helping his mother keep the McCaig Cartage garage tidy and helping the mechanics and drivers as they worked on their trucks and trailers.

Bud sent his youngest brother to where he was most needed. Maurice hauled gravel for road building, petroleum, and cement to

Saskatchewan potash mines for Redi-Mix. He learned the business side of trucking, first under the tutelage of his father, who promoted him from driver to dispatcher, then from Bud, who made him general manager and vice president of MACCAM when Trimac, Trimble, and MACCAM were part of the Trimac Transportation System, including Oil and Industry Suppliers, Westland Carriers, and Municipal Tank Lines during the mid- to late 1960s.

In 1969 Maurice was appointed the president of Trimac Transportation and served until 1984. He served one more term as president from 2009 to 2011.

Along with his brother Roger, Maurice became interested in race cars and racing. The two acquired cars and started to compete. Maurice stayed in the background, whereas Roger made racing his principle occupation when he sold his interest in Redi-Mix and used some of his money to build a Can-Am racing team.

Long after Roger died, Maurice resumed racing vintage cars until 2017 and still owns cars and competes in some historic events, although he has a driver he enters in some Vintage Formula One events.

For 60 years from the creation of MACCAM Transport in 1945 to his retirement in 2015, Maurice was trained to be and then positioned as a key figure in the McCaig family company. He remains active as president of Mo-Mac Investments, which manages his Trimac interests and investments, and as the lead director of Trimac.

Maurice raced Roger's McLaren at Sonoma, California, in 2015. He and Nicole are waiting anxiously while the start was delayed. Maurice finished second.

Maurice's Wolf F1 won at Monterey, California, in 2014 with his driver, Ed Lawson, at the wheel. Nicole is proudly holding the 1st place trophy.

Roger became involved with the ready-mix concrete business and started Redi-Mix Ltd.

As the last survivor of the McCaig second generation, and as a Trimac field operations and business executive, Maurice is the only remaining person who was present at the creation. He has for 70 years witnessed every important decision and for 60 years has been a participant in every phase of Trimac's corporate life.

Roger was the quiet, thoughtful middle son, a reader interested in the history of art. Two of his children, Roxanne and John, are now in the art gallery business. Roger was the buffer between Bud and Maurice when they differed and the glue that held the three sons together. The McCaig sons complemented each other, but Roger was closest to his "little brother" Maurice, who followed him into race car driving.

Roger was the only one of Jack's sons not enamoured with trucking. He was also the only son to pursue post-secondary education. He was attending Gonzaga University, a Jesuit school in Spokane, Washington, when Jack insisted he come home to the family business. Money was the issue. Jack thought that the cost to keep Roger in school was money that could be better spent.

In 1951, when Roger was 19, he went to work at MACCAM Construction. "You will learn more running a business than reading those books," Jack told his second son. The company crushed gravel and used it to surface rural highways on contract with the province. Jack ran it until Roger took over.

"I didn't know anything about gravel crushing or running companies," Roger later said. But he learned quickly under Jack's tutelage, establishing their relationship with Roger as the entrepreneur and executive and Jack as mentor, investor, and adviser. Roger had the McCaig knack for business and vision. He was a creative, imaginative entrepreneur. At MACCAM Construction he learned about construction and saw opportunities in it far beyond gravel.

In 1954 Roger persuaded the family to invest with him to create Redi-Mix Concrete. In a very short time, he earned a reputation as the best independent concrete executive in Saskatchewan, and he built an exceptionally successful company. It provided concrete for the building of small dams, airfields, and bridges. Redi-Mix's stellar accomplishment under Roger's leadership was to

Roger and Ann with John and Roxanne *(left)*. Jane McCaig as a toddler *(inset)*.

provide concrete for the construction of six of Saskatchewan's seven potash mines.

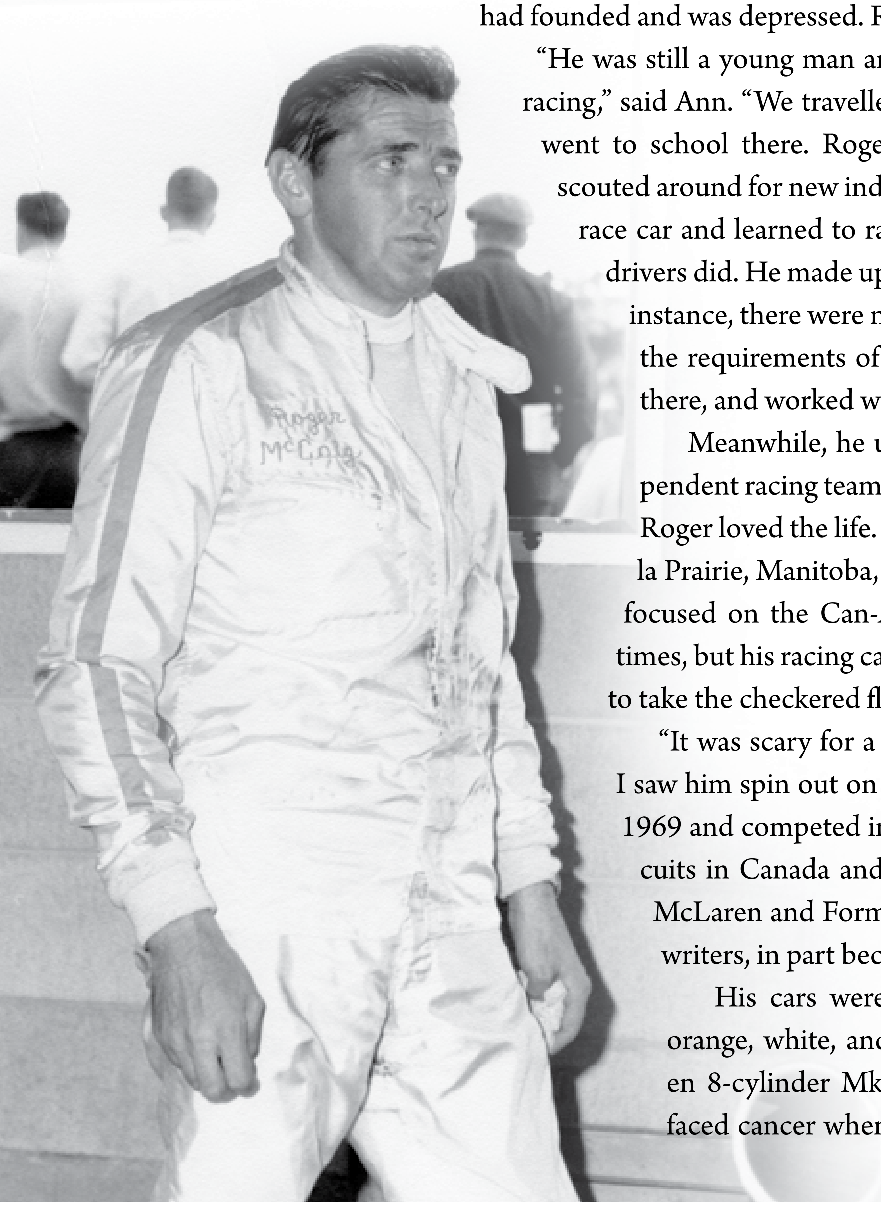
In 1962 Roger married a former Miss Saskatchewan Roughrider, Ann Schnell. Ann was a schoolteacher from a Tisdale, Saskatchewan, family of modest means. She lived in Calgary and taught at Western Canada high school before she married Roger. She vividly remembers her first visit to Jack and Stella's home in Moose Jaw. "I was in awe. They had a swimming pool, and all those cars. They were so successful."

"We were married in 1962, when Roger was 29, and we went on our honeymoon to Waskesiu Lake in Prince Albert National Park," Ann recalled. "Roger got a phone call from Ken Stephenson, his senior operations executive, about a problem Redi-Mix had encountered pouring concrete at the Moose Jaw airport. He went home early, three or four days into the honeymoon, to help solve the problem. I spent most of the honeymoon back in my home in nearby Tisdale. I thought, what a write-off this honeymoon is because I am back in Tisdale looking at wedding presents and my new husband is in Moose Jaw. That was the beginning of our life together."

However, Roger was more intensely involved with his family than the other McCaig men. "He had a different work ethic. The trucking day begins at dawn, and Bud and Maurice put in the early hours, but after our first child, Roxanne, was born, Roger was so enamoured with the baby that he stayed home in the morning to spend time with her," said Ann. "He wouldn't go to work until 11 o'clock because Roxanne wanted to watch the Friendly Giant and two other television stories. Roger wouldn't go in until he had watched these three programs with her. He worked longer hours at night, but he worked to his own schedule and not a schedule that Bud and Maurice agreed with."

The sale of 50 per cent of Redi-Mix in 1960 provided a portion of the cash to buy H. M. Trimble & Sons, an Alberta trucking firm three times the size of Trimac. When the rest of Redi-Mix was sold in 1962 Roger used part of his share of the proceeds to back his car-racing career.

Roger McCaig, pictured here c. 1965, left the family businesses in 1965 at the age of 32 to become a race car driver on the Can-Am Circuit. He died of cancer in 1976.



Roger started racing in his late thirties, a comparatively mature age for drivers. After he sold his stake in Redi-Mix, Ann recalled that he missed the company he had founded and was depressed. Racing filled the hollow void in his life.

"He was still a young man and needed to do something in business beside racing," said Ann. "We travelled. We lived in Hawaii for a time and Roxanne went to school there. Roger sat on the Trimac Board of Directors and scouted around for new industrial opportunities. He purchased a McLaren race car and learned to race. He didn't have as much seat time as other drivers did. He made up for it through rigorous training," Ann said. For instance, there were no fitness trainers in Western Canada who knew the requirements of racing, so Roger went to Toronto to a trainer there, and worked with him for three months.

Meanwhile, he used his business acumen to establish an independent racing team to race with him. It took time and patience, but Roger loved the life. He won for the first time at the track in Portage la Prairie, Manitoba, and several times in other races. His ambitions focused on the Can-Am circuit. He finished in the money several times, but his racing career was too short to ever have the opportunity to take the checkered flag in a major race.

"It was scary for a young wife," Ann said. "I fainted the first time I saw him spin out on the racetrack." He became a full-time driver in 1969 and competed in the Can-Am and Continental 5000 series circuits in Canada and the United States. He owned a succession of McLaren and Formula 5000 cars. He became popular with sports writers, in part because his age set him apart from other drivers.

His cars were always numbered 55, and his colours were orange, white, and black. He drove a Lotus 23C, and a McLaren 8-cylinder Mk 6B, an M8C, and then an M8F. In 1969 he faced cancer when surgeons removed a tumour from his kidney.

The operation interrupted his racing career for several weeks, and several races. He drove again in the 1970 season.

Ann said, "We moved to Calgary in 1970. We loved the skiing and the people, but Roger didn't really fit in with the Trimac culture. He wasn't fitting in with the work ethic and was not comfortable with his place in the Trimac world." In 1971 Trimac bought the car and truck-leasing company that became Rentway, headquartered in Toronto. Ann and Roger were going to move to Toronto to be involved with Rentway. They went there several times to look at houses.

"We planned to move in January 1972 after letting Roxanne finish school. Roger had been going to the cancer clinic and doctors after his kidney cancer but was doing well. However, he thought in order to move to Toronto he should get his medical file in order. He went to a doctor in Calgary and did all the tests and, sure enough, in November 1971, when he was 38, they found a lump in his lung."

The tumour was very small and the surgeons removed it successfully. His doctors felt he was going to be okay, but because it had metastasized it started him on a five-year journey of the cancer clinics in North America.

Ann and Roger never left Calgary. He resumed racing but the final years of his life were difficult. The cancer had spread to the brain. Doctors in Montreal offered to operate but warned him that even if the operation succeeded, his mobility, movement, and speech would be compromised and his life extended for only six months. He said no. That was in September 1976. He was to come home from the hospital for Christmas Eve, but he passed away in the afternoon that day. He was only 43.

In 1997 Roger was posthumously inducted into the Canadian Motor Sports Hall of Fame.

Chapter 4

MACCAM becomes Trimac 1960–1969

The post-war competition in Western Canada between the trucking firms and the railroads for freight, especially the bulk hauling of petroleum, intensified after truckers capitalized on the rail strike in the 1950s to raise the profile of trucking as an essential commercial service. After Ottawa proved itself indifferent to the truckers' case that the railways were being unfairly monopolistic, Western Canadian truckers regrouped using relationships and trust they had established in the trucking associations.

The associations were forums at which the industry maintained its institutional memory and celebrated overcoming the odds of rough roads and rugged frontier to create a lasting place in the economy. They provided members with information about advances in trucks and trailers and were occasions to share best practices. They also allowed the companies to speak with one voice to the three levels of government—municipal, provincial, and federal—advocating for more and better road construction and presenting their side on rates, licensing, gross vehicle weight, and seasonal road restriction regulations. Association meetings were great opportunities to have meals together and enjoy fellowship with people who had a similar view of the world shaped by common work experiences, common challenges, and common trials and tribulations.

Jack McCaig was a leader in the Saskatchewan and later the Canadian associations. He encouraged his sons Bud and Maurice to participate in association affairs. He supported Moose Jaw trucker Les Skingle, the founding president of the Saskatchewan Motor Transportation Association, who held the position from 1937 to 1947. When Skingle stepped down, Jack moved into the post for the next four years. The relationship the two men built to represent trucking to governments demonstrated vividly that it was possible to compete for customers in a small market but to cooperate on public policy issues.

In 1960 Jack McCaig *(left)* and Max Trimble agreed to the purchase of H. M. Trimble & Sons by MACCAM Transport, thus starting a decade of aggressive expansion by MACCAM and the McCaig holding company, Trimac.

Through the trucking associations, Jack and Bud met Max Trimble, whose company, H. M. Trimble & Sons, was the leading petroleum hauler in Alberta, and Hugh Tuckwell, founder of Oil and Industry Suppliers (OIS) of Winnipeg, the biggest petroleum bulk hauler in Manitoba. Since MACCAM's main business was also bulk petroleum hauling, these businessmen had strong cooperative relationships built through their membership in trucking associations.

The three men decided the way to take on the railways was to sidestep them. They teamed up to ask their respective prairie provincial governments for positive measures, such as increasing gross vehicle weights. The governments responded promptly, and the allowable payloads went up very quickly by as much as 20,000 pounds.

The three firms improved their fleets by renovating existing equipment and introducing innovations like aluminum tanks to reduce vehicle weights and increase payloads. These actions matched the opportunity that the governments had given them by increasing gross vehicle weight allowances.

MACCAM, H. M. Trimble & Sons, and OIS, along with their trucking associations, made a united pitch to the shippers on the convenience and flexibility, its unbroken record of labour stability, and trucking's ability to tailor service to customers rather than expecting customers to meet the "one size fits all" specifications of rail transport.

To win the battle, the trucking firms had to cut their profit margins, in some periods to nothing. The bitter fight lasted for most of the decade. However, by 1959 the truckers won a permanent place in bulk hauling. The important decisions

Bud McCaig moved to Calgary in 1961 with his family to head the MACCAM/ Trimble operations from the new company headquarters in southeast Calgary.

The McCaig children *(from left)* Jeff, Melanie, and JoAnn, c. 1964.

were those made by shippers who split their transport between trucking and rail. They effectively made the all-or-nothing decision to decline the railways' Agreed Charges. The truckers declared themselves winners and their profit margins began to improve. However, victory came only after a long and financially bloody struggle with the railways.

Bud McCaig, now the general manager of MACCAM, was just 30 years old in 1960. His father, Jack, was letting go of more decisions, and Bud had established his reputation as an innovative, imaginative businessman who put customers first and took care of the safety and well-being of his drivers. However, Max Trimble was 58 and disillusioned by the fight with the railways. He didn't think his business would survive the onslaught by the railways, and by the time the truckers carved a permanent niche in Western Canadian commercial transportation, Max had lost his enthusiasm for the business. His brother and partner, Lee Trimble, had retired at the end of 1955. They had no sons or daughters or other family members to carry on the business.

In 1960 the Trimble fleet included 70 company-owned tractor and trailer units and about 30 more leased units.

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In 1960 a British-based company offered to buy Max's business. He visited Jack and Bud in Moose Jaw and, because of their close relationship, offered to sell H. M. Trimble & Sons to MACCAM if the McCaigs could match the British offer. Raising the money to buy a competitor almost twice your size was not easy; but the McCaigs managed to do it, and the deal was completed in the fall of that year.

The acquisition of the Trimble shares transformed MACCAM from a small regional bulk hauler to one of the largest Canadian bulk trucking operations. The Trimble acquisition was pivotal, but it took 10 years of hard work and planning to achieve the potential created when the companies were combined.

Bud McCaig and Bill Hardstaff *(right)* during the heyday of the 1960s.

Immediately after the acquisition, Bud moved to Trimble's offices in southeast Calgary to run the new company. Jim Arden became the general manager of Trimble, and Bill Hardstaff was named assistant general manager. Bob MacDonald became an operations manager based in Edmonton. Reg Crone, a MACCAM accountant from Moose Jaw, transferred to Calgary to oversee accounting and finance. This management team directed the merged company. During the first two years of the MACCAM-Trimble merger, Jack stepped back from the day-to-day operations of the company to let this new generation of managers run the business. This was in line with his management style: hire good people and get out of their way. Bill and Bud had similar business personalities, trusted one another implicitly, and became a strong team guiding the ambitions of the company.

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Andy Piche started with Trimble in 1960 as a dispatcher and became a successful Canadian Western Division VP at Trimac until his retirement in the late 1990s.

The trucking business demands long hours and family time is at a premium. Jack and Stella's home in a park-like setting on the southeast side of Moose Jaw became the hub of the family time they did manage to create. On Friday evenings, there was an open dinner invitation for the sons at Jack and Stella's home. Even that event was not mandatory, as often one or more of the boys were on the road. Jack would listen to what his sons were doing, and make comments, but he did not judge, dictate to his boys, or try to impose his will. He made a hard and fast practice of never criticizing anyone, his sons included, in the presence of someone else. Correction always took place in private. He was content to give advice and, as they achieved competence, let his sons decide. Maurice remembers that his father would express bemusement when he and the boys disagreed. "Why would you want to do that?" he would ask. Then he'd listen to the answer but keep his own counsel. "He never said, 'I told you so' when things didn't work out as planned," said Maurice. Not that Bud, Roger, or Maurice had many plans that didn't work out.

Trimble and MACCAM retained their operating names, and it became a Trimac practice to continue the operations of an acquired company in that company's name. Some of the deals were company share acquisitions; some were asset purchases. But the newcomer kept its uniform and logo as well as its name, its customers, and its drivers.

After the Trimble acquisition, Bud courted new clients and new products to haul. Hardstaff and Arden were delighted, because they had failed to interest Max in diversifying the business. The first major step was into the bulk hauling of dry cement. MACCAM had been in this business since 1955 because of Roger McCaig's success in making Redi-Mix Concrete a leading Saskatchewan concrete producer.

In the 1960s, there was a construction boom in Western Canada of mines, roads, airfields, dams, and major commercial buildings. Bud assigned Bill Hardstaff to sell cement bulk hauling to clients in that market in Alberta and British Columbia.

Long-time driver Howard Neal with a new pneumatic cement trailer.

Hardstaff's first big deal was to win an enormous contract from Lafarge Cement and Ocean Cement (now Lehigh Cement) to deliver cement from the railhead at Fort St. John in northern British Columbia to the Bennett Dam site near Portage Mountain on the Peace River.

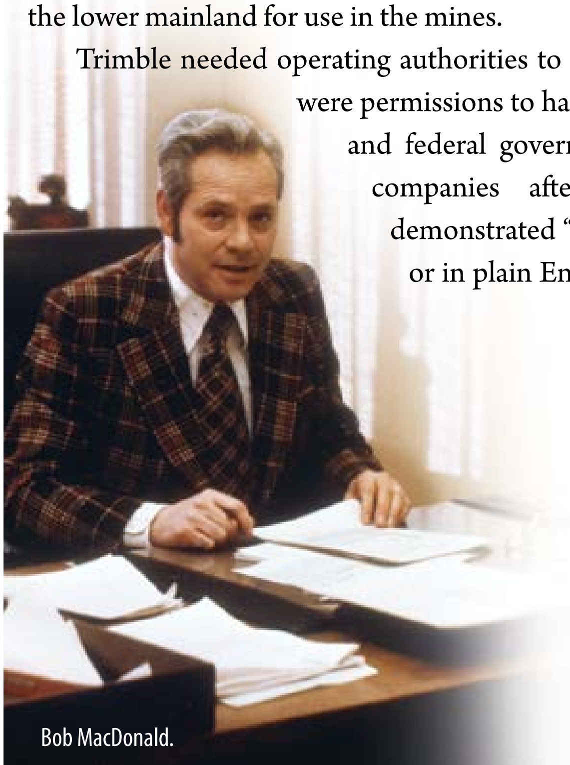
When the Trans-Canada Highway through Rogers Pass opened in 1962, Bill and Bud persuaded the cement producers to use trucking instead of rail transport through the pass from the cement plant at Exshaw near Canmore, Alberta, to construction sites in eastern British Columbia. The switch to trucks meant 24-hour delivery as compared to a week by rail. Trimble acquired a new technology: pneumatic tankers to ship dry bulk cement that replaced shipping by cumbersome one-at-a-time bags.

The success of the pneumatic dry bulk trailer technology resulted in two new Trimac companies that Bud incorporated to handle the volume of new business in British Columbia. Westland Carriers Ltd. served Lafarge Cement, and Columbia Bulk Carriers Ltd. also had a single customer, Ocean Cement. The companies hauled shipments from British Columbia's lower mainland as well as from Alberta.

Trimble's operations manager, Bob MacDonald, also launched wet/dry hauling in British Columbia with a new trailer design. The dry haul, carried in one section of the trailer, was mineral concentrates bound for the Port of Vancouver. The back haul was petroleum loaded into a second trailer compartment at refineries in the lower mainland for use in the mines.

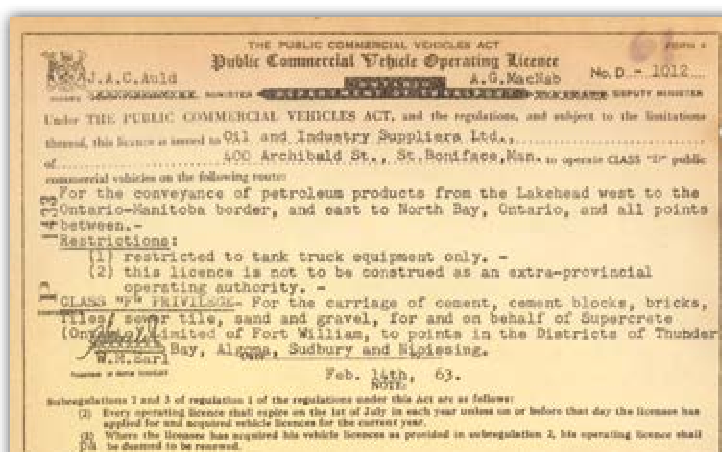
Trimble needed operating authorities to haul liquids. Operating authorities were permissions to haul specific commodities. Provincial and federal governments granted these to trucking companies after the companies satisfactorily demonstrated "public necessity and convenience," or in plain English, the need and their capability

Jim Arden.



Bob MacDonald.

Oil and Industry Suppliers had existing operating authorities to haul in various regions of eastern and central Canada and parts of the United States.



THE PUBLIC COMMERCIAL VEHICLES ACT

Public Commercial Vehicle Operating Licence

No. D - 1012

J.A.C.Auld — MINISTER — ONTARIO — A.G.MacNab — DEPUTY MINISTER

Under THE PUBLIC COMMERCIAL VEHICLES ACT, and the regulations, and subject to the limitations thereof, this licence is issued to Oil and Industry Suppliers Ltd., of 400 Archibald St., St.Boniface,Man. to operate CLASS "F" public commercial vehicles on the following route:

For the conveyance of petroleum products from the Lakehead west to the Ontario-Manitoba border, and east to North Bay, Ontario, and all points between.-

Restrictions:

(1) restricted to tank truck equipment only. -

(2) this licence is not to be construed as an extra-provincial operating authority. -

CLASS "F" PRIVILEGE- For the carriage of cement, cement blocks, bricks, tiles, sewer tile, sand and gravel, for and on behalf of Supercrete (Ontario) Limited of Fort William, to points in the Districts of Thunder Bay, Algoma, Sudbury and Nipissing.

W.M.Earl

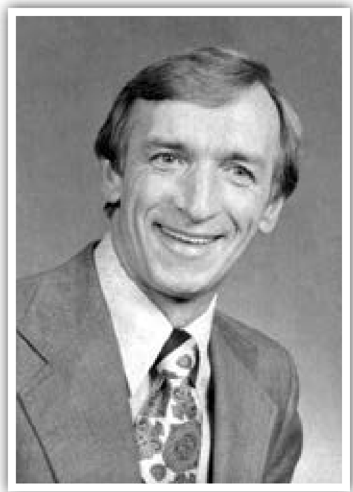
Feb. 14th, 63.

NOTE:

Subregulations 2 and 3 of regulation 1 of the regulations under this Act are as follows:

(2) Every operating licence shall expire on the 1st of July in each year unless on or before that day the licensee has applied for and acquired vehicle licences for the current year.

(3) Where the licensee has acquired his vehicle licences as provided in subregulation 2, his operating licence shall be deemed to be renewed.



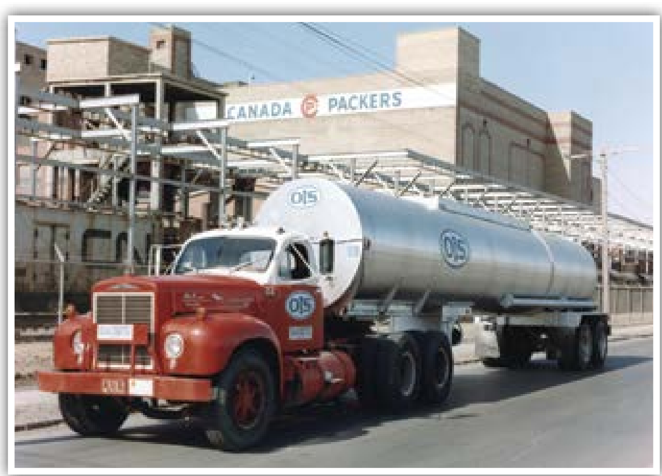
Art Coyston.

to transport specific items. They decided to get the operating authorities to haul liquids by purchasing a company that already had them. Bud had a good relationship, built in the political furour with the railways, with Hugh Tuckwell, who owned OIS of Winnipeg. Tuckwell got into trucking when he identified a demand to ship petroleum from North Dakota to bulk plant operators in Manitoba. Like Max Trimble, Tuckwell was worn out by the competitive fight against Agreed Charges and financially distressed by fleet maintenance costs. He was a willing seller to Trimac, and the deal between the Trimac holding company and Tuckwell closed in 1964. Trimac gained trucking authorities to ship from Ontario to British Columbia and to and from the United States. Probably one of the main benefits of the OIS acquisition was the access to markets in Manitoba and Ontario. The other was Art Coyston, an experienced operations manager who eventually became Trimac's top operations executive.

In 1967, again to get operating authorities in Ontario, Trimac purchased Municipal Tank Lines to build a stronger base east of the Manitoba border. Immediately, Trimac began to aggressively apply for, and get, more operating authorities in Ontario. Following the Municipal Tank Lines purchase, Trimble bought Mercury Tanklines in 1968. Mercury carried distilled alcohol from Calgary to Cincinnati, Ohio, and then went empty to Kentucky for a load of bourbon for Ontario. From Ontario, it picked up gin for British Columbia, and then took Canadian rye to California, where it loaded grape pulp for wineries in Western Canada. Bulk hauling of alcohol was a new and soon long-standing product line for Trimac.

At the same time that it acquired Municipal Tank Lines and Mercury Tanklines, Trimac was pursuing American authorities. The United States' process started at a hearing of the Interstate Commerce Commission (ICC) in Great Falls, Montana, to which Trimac flew major shippers to support its public necessity and convenience argument. In late 1968, the ICC gave Trimble an operating authority to enter 27 American states, one of the largest authorities the commission had ever granted a foreign company.

OIS petroleum truck, c. 1963.



Trimac had momentum and was looking for the next acquisition. "We had energy. Nothing was too big or too impossible," recalled in-house lawyer Murrey Dubinsky.

In 1968 Bud McCaig rebranded the company by creating Trimac Transportation System (TTS), owned

In 1967 Municipal Tank Lines of Ontario was added to the Trimac group *(left)*. Mercury Tanklines was acquired in 1968 *(right)*.

by Trimac Ltd. The purpose of TTS was to go beyond trucking to providing full-service transportation systems for its customers. TTS became the parent company and included MACCAM Transport, H. M. Trimble, OIS, Westland Carriers, and Municipal Tank Lines. In due course, Mercury Tanklines came into the fold. At the same time, Trimac launched a new logo that, with some modifications over the years, is still emblazoned on Trimac's trucks, business cards, stationery, signage, and publications.

Trimac's penchant for innovation extended to the introduction of data processing for all aspects of its business, including receivables and payables in accounting and maintenance records. The objective of the data analysis was planning and cost control to maximize the modest profits of a low-margin business.

Trimac earned a North American reputation in the industry for its computer-based accounting system. Initially, Trimac's early computers required time-consuming punch cards and collators. In 1969 Trimac acquired and installed an advanced IBM Model 360-20 computer. It was the best business computer on the prairies. The Trimac Data Processing division did the systems management and data processing for the TTS companies as a piece of total transportation services for customers. Trimac also took advantage of its excess capacity to launch a computer consulting business to create systems management and data processing for other companies.

Trimac Transportation Systems was registered on May 3, 1968. Bud McCaig displays the new company logo.

Trimac made two more trucking acquisitions in Western Canada in 1969. Adby Transport in Edmonton,

Adby Transport was founded in 1935 and acquired by Trimac in 1969, Pictured here is an Adby Transport truck, 1967.

founded in 1932 by Frank Adby and his wife, Lorna; and J. Kearns Transport in Regina, founded in 1939 by Jack Kearns.

Like Jack McCaig and McCaig Cartage, these were family-run pioneer prairie trucking companies, making a living by the wits of their owner-operators driving for long hours on bad roads while wives kept the ledgers and answered the phones.

Frank Adby was laid off by CN at the onset of the Depression. He bought a 1929 half-ton Chevrolet truck and hauled any load that he was paid for, including farm manure. In 1935 he traded up to a 1933 two-ton Chevrolet and started to haul gravel. By 1937 Adby had three trucks hauling coal in winter and gravel in the summer.

When Trimac acquired the business, Adby Transport Ltd. had 90 trucks; 125 trailers; operations in Saskatchewan, Alberta, and British Columbia; branches in Edmonton, Calgary, and Grande Prairie in Alberta and Chetwynd in British Columbia; and $4 million in annual revenues. A prairie entrepreneur, Frank Adby also had a demolition business and a ranch where he raised prize Shorthorn bulls.

Jack Kearns was a competitor of Jack McCaig's MACCAM. He started with one truck, a 350-gallon capacity Chevrolet, to haul petroleum. In three years, he made enough money to buy a second truck. He expanded into hauling bagged cement in 1956 when Saskatchewan Cement opened a plant in Regina, and later added chemicals, lumber, building products, and packaged petroleum, such as cans of motor oil, to his cargo list. When Trimac purchased J. Kearns, it had 130 trailers and transported mostly cement and petroleum throughout Western Canada and the northern United States.

Trimac had grown 10-fold during the 1960s. It was Canada's largest highway bulk hauler and seventh largest in North America. It held the broadest single-carrier liquid and dry bulk transportation authorities from provincial, state, and federal governments.

Trimac had graduated from a small regional carrier to a total transportation business. It designed and developed new bulk hauling trailers that were lighter and larger to squeeze more profit from higher allowable gross vehicle weights and backhauling. It innovated intermodal transportation that linked trucks, railways, barges, and pipelines. Trimac also participated in constructing small-inch pipelines and explored ownership of air transportation. It offered volume storage and distribution of bulk goods. As a consultant it managed sulphur transportation to ocean export ports for 23 Alberta producers who extracted commercial quality sulphur from Western Canada natural gas.

The gas producers had been stockpiling the sulphur for years in enormous gleaming yellow blocks beside gas plants across Alberta. These useless blocks—hundreds of feet long and high—became familiar features in the rural Alberta landscape in the 1950s and 1960s, a by-product of the oil and gas boom of that period. Playing a part in finding an economic use for the sulphur by exporting it to pulp and paper mills in British Columbia and to manufacturers around the globe helped to anchor Trimac in the prairie commercial transportation system.

TTS had the momentum to go forward into the 1970s to become a major player in bulk hauling in Canada and the western United States. It needed capital, but if that hurdle could be jumped, the limit to its growth and diversification was only the limit of Bud McCaig and his team's imagination. In 1969 no one outside Trimac, and few at the top, could imagine what the company would become by 1980, and the circuitous route it would follow to achieve its potential.

Lorne Pomeroy came to Trimac from Adby Transport.

Trimac acquired J. Kearns Transport in 1969.

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Chapter 5

Regulation and Deregulation

Trucking companies in North America have an ambivalent relationship with trucking regulations and regulators. The negative side of the relationship is that business executives don't like what Andrew Zaleski, a senior executive and the president of Trimac Transportation from 1986 to 2001, called "the encumbrances of government." Trucking regulation adds operating costs that the companies otherwise might not wish to incur.

The positive side is that safe trucking on public highways is essential to a healthy economy, giving truckers and governments common interests and objectives. Regulations that are fair, practical, and create certainty are a necessary condition of investment and growth. Regulation of the trucking industry protects the travelling public, the shippers, the drivers, and the carriers. It also ensures that the government receives its share of transportation revenues. In the mixed public and private economy of North America, regulation is also intended to encourage competition.

Canadian trucking is regulated and inspected by the federal and provincial governments and compliance is complex. However, integration of roles, responsibilities, and rules has developed over decades so that the companies know the rules, stay within them, and carry on business profitably. The steady stream of international trucking between Canada and the United States, in which Trimac is a major player due to its integrated Canadian and US trucking operations, adds more complexity to compliance, particularly with homeland security regulations that the United States adopted after 9/11.

The birth of Saskatchewan's trucking regulations coincided with Jack McCaig's entry into the province's transport business in 1928. The province first issued vehicle licences under the 1928 Public Vehicles Act and set licence fees. There were fewer than 100 trucks operating in the province and virtually no paved roads. Initially, the regulation of trucking did not extend past issuing licences and collecting licence revenues.

Trimac truck in New York City prior to 9/11.

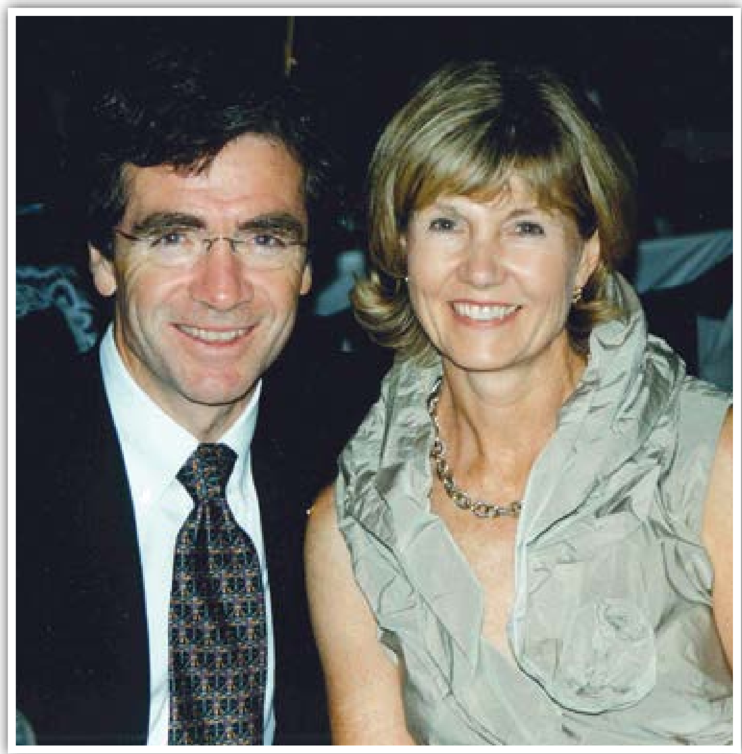
Government oversight of trucking also protected public safety. The provincial government set the operating conditions and regulations for trucking, including speed limits, road vehicle weights, vehicle dimensions, vehicle inspections, securement of loads, vehicle licensing, and mandated safety equipment. They also set driver qualifications and fuel taxes.

Saskatchewan's government followed the example of other Canadian provinces that had better developed highway systems and economies. The government began to issue authorities for trucks to operate on Saskatchewan roads and highways. This measure created a level playing field by protecting the market for emerging provincial trucking companies and collecting a fair share of licence fees from extra-provincial companies who operated on Saskatchewan roads. The support and influence of the provincial government also played an important role in settling the dispute with the railways when they sought to limit trucking competition.

Jack's first serious revenues were earned by hauling gravel for the Saskatchewan Department of Highways' growing network of roads. The work entailed provincial gravel contracts, and McCaig Cartage delivered gravel to the road-building contractors. This gave Jack his early lessons in the important relationship between trucking and the government and the value of maintaining positive relations between business competitors, the Department of Highways, and the provincial cabinet. Impelled by business logic, Jack became a contractor who bid on government jobs for crushing and spreading gravel.

The Great Depression halted road building on the prairies. When it resumed after 1937, there were just 2,534 miles of road in Saskatchewan, and only 132 miles were paved. In a farsighted move, the emerging network of trucking companies, made up mostly of family operations, banded together to form the Saskatchewan Motor Transport Association (SMTA). Twenty years later it was renamed the Saskatchewan Trucking Association (STA). The principal purpose of the association was to lobby the government on regulations that affected trucks and trucking.

Each Canadian province had its own trucking association. British Columbia's was founded in 1913 and Ontario's was formed in 1926. Alberta truckers organized in 1930, the Manitoba association began in 1932, and the SMTA started in 1937. The slower development of prairie settlement and construction of the road network accounted for the later dates. As it acquired more trucking companies, Trimac became a member of all of them and of the national Canadian Trucking Association (CTA) formed in 1937. With the many changes occurring in government regulations in the 1980s and 1990s, the CTA was transformed into the Canadian Trucking Alliance with a renewed vision and mandate that encouraged more provincial association involvement.



Jeff and Marilyn McCaig attending a trucking industry function.

Industry associations became Trimac's forum for building relationships and trust between the owners of the companies. Jack was the president from 1948 to 1952 of the SMTA. From 1952 to 1953, he was president of the CTA.

In their turn, Jack's son Bud and grandson Jeff, as well as senior officers like Andrew Zaleski, were leading figures in North American trucking associations. The McCaigs preferred to lead not follow, especially on something as important as regulation. As a matter of principle, they took their fair share of the tasks and responsibilities of association matters.

In the trucking associations, the carriers learned how to compete and at the same time take care of common interests. The associations also provided a single voice to governments to allow trucking companies to weigh in on regulatory issues and influence government rules to maintain public safety; ensure orderly commerce; and integrate regulations across provincial, national, and international borders.

The end of the Second World War changed Canadian trucking and created new opportunities for growth and prosperity in Saskatchewan. Jack created MACCAM Transport to adapt his business to new circumstances. He devoted his efforts for 10 years to increasing his share of bulk hauling, particularly the tanker truckloads of petroleum. He also trained his sons to provide the leadership that would keep the company in the family. One of the basic McCaig principles was to carefully review each business opportunity that presented itself. The McCaigs didn't just want to succeed, they wanted to be the best.

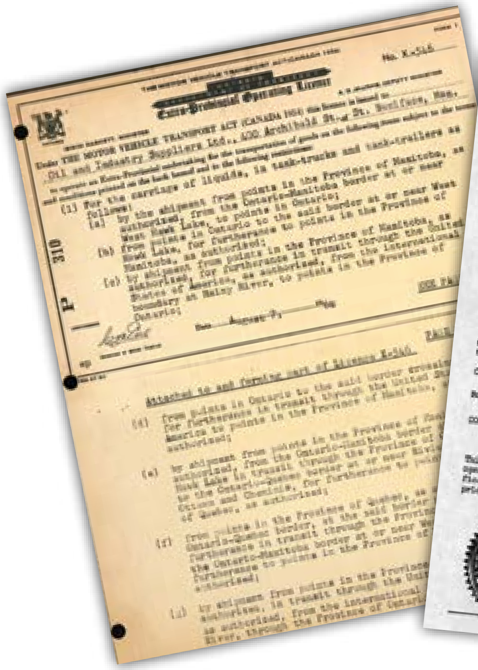
Fending off the railways, who wanted the government to regulate trucking as a service for the railways, required the concerted efforts of the trucking associations as well as the leading companies. In the 1950s, this focused on setting rates for railway freight.

By 1960 freight and bulk trucking had earned their place in the economy as part of a transportation infrastructure that included railways, pipelines, air freight, as well as ships on the ocean coasts, Great Lakes, big rivers (like the Mississippi, Missouri, Mackenzie), and St. Lawrence. This also included the jointly built Canada-US St. Lawrence Seaway.

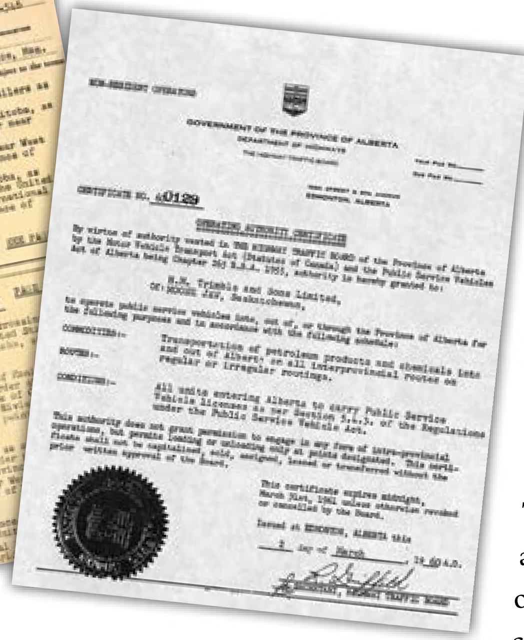
In the decade following the war, Canada's federal trucking regulatory system developed after a 1954 Privy Council decision giving jurisdiction to the federal government when a truck journey crossed provincial or international boundaries. Jurisdiction was delegated back to the provinces provided they apply its laws equally to intra-provincial and extra-provincial traffic. Federal regulations were developed under the Motor Vehicle Transport Act, the National Transportation Act, and the Lord's Day Act.

The provinces regulated transport through their own laws. In British Columbia, the Motor Carrier Commission administered the Motor Carrier Act. In Alberta, the Motor Transport Board administered the Motor Transport Act. Saskatchewan's Highway Transport Board administered the Vehicles Act. Manitoba had a Highway Traffic Board responsible for the Highway Traffic Act. In Ontario, the Highway Transport Board administered the Public Commercial Vehicles Act and the Highway Transport Board Act. Adding to the regulatory complexity, provinces regulated employment and labour relation standards for trucking companies engaged solely in intra-provincial trucking, while inter-provincial truckers located in the same province were subject to differing federal regulations.

In time, this system became burdensome. There was always a reason to make regulations more complex. Provinces revised rules occasionally to make them more efficient. As long as the regulators did not mess with the rates companies charged, the system was bearable when the provinces argued they were the protectors of



Extra-Provincial Operating Licence



GOVERNMENT OF THE PROVINCE OF ALBERTA

CERTIFICATE NO. 40129

OPERATING AUTHORITY CERTIFICATE

Trimac's decision to acquire OIS capitalized on the operating authorities and thus further expanded the business *(left)*. H. M. Trimble & Sons operating authority certificate *(right)*.

public and driver safety. It was the federal government who interfered with private rate setting to the dismay of trucking companies.

With its bulk hauling business, which now included wood chips and other cargoes besides petroleum, Trimac was growing by expansion. Its first major acquisition, H. M. Trimble & Sons in 1960, was made at the invitation of the owner, Max Trimble, but relied for its success on a regulatory tool called provincial operating authority certificates. These certificates permitted Trimble's trucks to carry specified commodities on specified routes in and out of Alberta and within British Columbia. Operating authorities became the heart of Trimac's acquisition strategy.

Operating authorities were jealously guarded by provincial trucking firms and the provincial governments as a means to protect domestic trucking companies that were usually small, family-owned companies without the capital resources needed to defend themselves from big outside intruders. Trimac benefitted from the protection of this regulatory system in Saskatchewan, where it had operating authorities.

To get an operating certificate, a company from outside a province acquired the company who already had it. The Trimble acquisition had as its first step a joint venture with MACCAM that gave MACCAM Trimble's operating authorities. These authorities were later assumed by Trimac.

Acquiring companies with operating authorities in British Columbia (Westland Carriers), Manitoba (Oil & Industry Suppliers), and Ontario (Municipal Tank Lines and Mercury Tanklines) and the formation in 1968 of Trimac Transportation System as a joint venture of Trimble, MACCAM, Oil & Industry Suppliers, Westland, Municipal Tank Lines, and Mercury Tanklines put Trimac's operating authorities in Ontario, Manitoba, Saskatchewan, Alberta, and British Columbia under one roof, proving up acquisitions as the efficient and effective way for Trimac to expand.

Motor carrier regulations also allowed for collective ratemaking whereby carriers joined together in tariff bureaus on a regional or traffic lane basis. These tariff bureaus revised rates almost annually to reflect carrier cost increases that were universally passed on to shippers. While carriers became very focused on their costs, there was little focus on efficiency and rate reductions.

In addition, there were cumbersome and inefficient international barriers to smooth flow of freight. Interline terminals became prevalent and created extra handling costs and delays that affected international trucking.

In 1980 Trimac began to expand into the United States, as President Jimmy Carter was completing trucking deregulation. The debate over federal regulation of trucking and trucking rates had been on the US national political agenda for 10 years, and sweeping reduction in price controls, entry controls, and collective vendor price had taken place in the 1970s under presidents Richard Nixon, Gerald Ford, and Jimmy Carter. In 1980, at the end of his term in office, Carter signed the Motor Carrier Regulatory Reform and Modernization Act.

At the bill-signing ceremony, Carter said, "This is historic legislation. It will remove 45 years of excessive and inflationary Government restrictions and red tape. It will have a powerful anti-inflationary effect, reducing consumer costs by as much as $8 billion each year. And by ending wasteful practices, it will conserve annually hundreds of millions of gallons of precious fuel. All the citizens of our nation will benefit from this legislation. Consumers will benefit because almost every product we purchase has been shipped by truck, and outmoded regulations have inflated the prices that each one of us must pay. The shippers who use trucking will benefit as new service and price options appear. Labor will benefit from increased job opportunities."

In Canada, federal trucking deregulation was undertaken and completed very quickly in 1987 and 1988 during the Conservative government of Brian Mulroney. In the run up, the Minister of Transport said in September 1984 that the government, in cooperation with provincial governments, would "proceed towards the establishment of a uniform and scaled-down regulatory framework for the trucking industry."

In February 1985, the Council of Transportation Ministers agreed on changes related to entry, elimination of rate regulations, exemption of commodities from economic regulation, and streamlining the application process. In July 1985 a federal discussion paper, *Freedom to Move*, stated the principles underlying regulatory reform of transport. These proposals were later embodied in an Act Respecting Motor Vehicle Transport by Extra-Provincial Undertakings and an Act Respecting National Transportation.

The basic reforms relating to economic regulation introduced in the Motor

Dennis Vincent.

Vehicle Transport Act, 1987, included ceasing rate regulation and tariff bureaus. This action gave the truckers complete control over the rates they charged. A major impact of deregulation was that customers demanded rate reductions, making 1988 a challenging year for trucking companies. The impact on Trimac's business was slight compared to that of the conventional less-than-truckload and truckload freight carriers in the rest of Canada, and Trimac also felt less impact because its oil and gas production, oil drilling, and waste management investments were producing healthy profits. Trimac had the benefit of being a successful conglomerate.

Other changes with deregulation included the standardization and significant increase in weights and dimensions through the Roads & Transportation Association of Canada. New trailer configurations improved productivity, and Trimac took advantage of these changes and invested heavily to meet customer efficiency through improved payloads, faster loading and unloading times, and increased equipment and driver utility. The company was well-positioned to capitalize on these regulatory changes because of its focus on bulk trucking, which had fewer, but larger customers with term contracts, in contrast to most of the less-than-truckload and truckload carriers.

In the long run, Trimac, as one of Canada's largest carriers, benefitted more financially than did smaller companies. Andrew Zaleski spent significant time on regulatory issues with the support of senior Trimac personnel like Dennis Vincent. Vincent was a respected industry leader and served as president of the Alberta Trucking Association from 1983 to 1984 and later chaired the CTA in the 1980s. Deregulation in Canada and the United States and the North American Free Trade Agreement increased cross-border shipping significantly, even after the impact of 9/11 is measured.

Deregulation has been replaced as a policy issue by four major concerns: the need for North American regulatory harmonization, rising and unstable fuel costs and carbon taxation, the rising cost of border crossing, and the implementation of on-board (in-cab) technology.

As a company with 90 years of experience and memory (including those of its predecessor companies), Trimac has the competitive advantage of having lived through the entire history of North American trucking regulatory experience.

Chapter 6

Service with Safety

Trimac's motto, dating back to its merger with Trimble, has been "Service with Safety." It was derived from years of operating its driver-first corporate culture. The Safety Policy has been expanded under present leadership to include: "I make safety a part of every decision. I make safety personal. I have the courage to intervene (when I see an unsafe situation)."

The company's leadership thinks that Trimac can always improve in safety. Trimac submits its safety results each year to the National Tank Truck Carriers (NTTC) and is consistently in the top three bulk carriers in the high mileage category in North America. In 2002, in 2007, and again in 2019, Trimac won the coveted Heil Outstanding Performance Trophy for all carriers in the NTTC. The win was even more significant because carriers in the highest mileage bracket rarely win the award. That is a good indication that safety is the company's top priority.

Safety records need to be monitored all the time. With driver shortages, there have been times when Trimac could not find enough qualified drivers, both from an experience and safety point of view. At times, the company could have 40 or 50 trucks parked because it was not satisfied with available applicants.

From left: Jeff McCaig, Bernie Higgins, and Terry Owen receiving NTTC's Heil Outstanding Performance Trophy in 2002.

Norm Kennedy *(left)* and Len Comtois *(centre)* accept the Canadian Petroleum Products Institute 2006 Safety Award from Ted Stoner.

Safety has been a core value from the beginning of McCaig Cartage. It did not have the prominence in training in the early years because there were no formal training programs as such. But Jack McCaig told his drivers that "their first responsibility was the safe operation of their vehicle." The drivers were a tight-knit group, working together in the shop and in the yard. They helped each other operate safely by passing on information about weather and road conditions, such as flooding, bridge outages, or vast stretches of mud. Roads on the prairies before the 1950s were mostly gravel and impassable in winter. In the early years, trucks were sometimes left on the side of the road when they were snowbound. Better to recover a truck and cargo in the spring than damage it or have the driver hurt in an attempt to move it on.

Safe product handling or product stewardship is a central part of the Trimac business model because the company's truck accidents can cause cargo spills. These spills can be very expensive to clean up and these costs come off the bottom line. Trucking margins are modest enough and don't withstand the costs of serious accidents.

Environmental protection is a key issue today. Thirty or forty years ago, if a truck rolled and you had diesel in the ditch, you could light it and burn it off, and that was the end of it. Now the clean-up costs can be substantial, particularly with some of the dangerous chemical and petroleum cargoes that Trimac hauls.

Jack kept close watch on drivers and driving. There were many accounts from drivers in the first three decades of the company of Jack and Stella driving the highways until they saw a company truck. Every driver knew Jack's car by sight, so when it passed the truck and Jack or Stella waved, the driver pulled in at the next café and had a meal with the boss and his wife. Occasions like this strengthened Jack's bond with the drivers, and he learned first-hand about the safety of his operation.

Maurice, who had the key operations oversight and spent countless days on the road with drivers, has been at the heart of driver safety. He chaired the Health, Safety, Security, and Environment Committee of the board of directors for many years. He continues to monitor this aspect of Trimac's operation at the board level.

"The key," he says, "is a fact finding after the incident to gather all the facts and determine what caused each accident. Findings from accidents are shared across the operation. We learn something from every accident and that makes the operations safer." Good management, he says, means never being satisfied with safety results. The goal is zero accidents and zero injuries. Trimac does not achieve that but is in comparatively good shape within the industry. Making the drivers, equipment, and operation safer is a continuous process and Maurice is very proud of the safety personnel Trimac has hired and developed to support the growth and compliance of the company. Barry Davy, Marcel Pouliot, Len Comtois, Ken Arthur, Lance Hagler, and many experienced safety managers have contributed to a very safety-conscious culture at Trimac and within the trucking industry. After Davy's retirement in 2011, Maurice asked him to review the entire safety management system to form the terms of reference for the Trimac Board's revised Health, Safety, Security, and Environment Committee.

Maurice, as a young boy, recalls the death of one of the MACCAM drivers in a truck accident. His father took him to the scene of the crash, and he remembers how stricken Jack was by the loss of one of his friends, and of having to break the news to the man's newly widowed wife. The experience marked Maurice for life. Trimac is a family company and the loss of an employee is a personal matter, and he has shared that value across the company.

From the start of his transportation business, Jack preferred to be slow and safe when delivering his goods rather than have men hurt and equipment and cargoes damaged. Moving the first British American Oil company warehouse from railway property to company land took a week as Jack and his men learned how to do it safely and without damage. The next 149 buildings were each moved in a day.

Damage to equipment or facilities may not have the impact that the injury or death of an employee does, but each accident is thoroughly investigated. It is the death of an employee that is most keenly felt by other drivers, managers, and the senior executive. A fatality brings the impact to an entirely new level. When a

Spartanburg Branch 348 received the 2018 Maurice McCaig North American Safety Award.

driver dies in an accident, the family must deal with a sudden tragedy. Others at Trimac also face a personal loss.

Shawn Paul Elkin was 30 years old when, on August 14, 1996, his truck crashed through a bridge rail on the Trans-Canada Highway. The bridge spans the Springhill irrigation canal in the Eastern Irrigation District west of Brooks, Alberta. The vehicle and its cargo tank, carrying gasoline, vaulted over the canal and smashed into the irrigation waterways' east dyke.

Elkin died in the accident and 58,000 litres of gasoline spilled into the canal. However, it was some time before his tractor and trailer were spotted because the impact point was not visible to passing traffic. The delay compounded the grief felt by Trimac personnel. Elkin lived in Cochrane, Alberta, west of Calgary, with his wife, Anneke Nan, and two children, Jessica and Mark. He drove out of Branch 11 in the Calgary east end district of Ogden, and had been a promising young driver, eager to achieve a high level of service and reliability. He was the same way with his family—eager to meet his paternal responsibilities. His work schedule had become irregular, as he accepted the assignments that he was given.

The results of the internal company fact-finding determined that, "physical aspects at the scene indicate driver fatigue was involved. The unit drifted right for approximately 100 feet, straddled the guard rail for another 100 feet (before plunging off the road). The accident happened at 3:15 a.m., about two hours into his shift. The truck was travelling the speed limit of 100 km/hour. (There was) clear visibility and a dry highway. (The truck was) on cruise control and (there were) no steering or braking maneuvers prior to the accident. Elkin had fallen asleep at the wheel." The fact-finding determined that, "the direct cause of the accident was driver fatigue; Shawn's personal sleep schedule and work schedule did not appear to be regular" and that "irregular hours of work" had been at the root of Elkin's fatigue.

Andrew Zaleski, president of Trimac Transportation, in a letter dated September 2 to Calgary Branch 11 personnel, wrote, "We pride ourselves on our close family ties, but this closeness also makes such a loss all the more tragic." Trimac colleagues raised $14,317 for the children. On Elkin's brass grave marker in St. Andrew's Cemetery in Cochrane, the epitaph reads, "No night can darken the sunlight of your memory." After Elkin's death, Anneke faced the darkness of terminal cancer. She died in 1999, three years after her husband.

The impacts of a fatality can also involve the death of a third party. On October 1, 1998, 18-year-old Lindsay Alison Thomas, an emerging concert singer who had graduated from high school the previous spring, was driving from her home in Fairbanks, Alaska, to New York City to study music.

North of Lake Superior near the small town of Upsala, she suddenly veered into the oncoming lane. A police investigation revealed she likely had taken her eyes off the road as she changed CDs in her small vehicle's audio system. Trimac Bulk Systems driver William Cecil Ramsbottom was in the oncoming lane, closing in on Lindsay's car. He attempted to apply his air brakes and swerve off the road but didn't have enough time to respond.

He saw the car disappear below his hood and thought he would run over it, but the car collided at an angle to his front bumper and wheel. He called on his CB radio for help and scrambled out of his cab to force Lindsay's battered car door open. When he felt for her pulse and couldn't find one, he began an effort to extract her and give the first aid for which he was trained. He looked forward and saw that Lindsay's car engine was on fire. He grabbed the fire extinguisher from his truck, called again for help on his CB, and then attempted to control the blaze.

By the time help arrived, first from a fellow Trimac driver and then from the Upsala Volunteer Fire Department, the car was ablaze, and Ramsbottom's truck cab was starting to burn. It was too late to extract Lindsay, and William had to be physically restrained from further rescue efforts that would have endangered his life because of the blaze.

The fire destroyed the car and the truck and Lindsay's body could not be removed until the fire was extinguished.

The big hearts of Trimac's people kicked in immediately.

One Trimac driver accompanied Ramsbottom by ambulance to the hospital, where it was determined that his only physical injury was a bruise from his seatbelt that occurred when he braked the truck in the collision. After the hospital visit, Trimac people rendered weeks and months of personal support and assistance to him to help him deal with the emotional injuries and scars.

During rescue attempts, Lindsay's teddy bear was knocked out of her car. Region Safety Manager Doug Cettina recovered it at the scene. He had it cleaned and gave it to Lindsay's parents.

A 27-minute video entitled "In a Heartbeat" was produced with the support and involvement of Trimac personnel and emergency responders. In the introduction to the video, Doug Cettina says it tells the story of the fatal crash and the aftermath. "It speaks to the importance of diligence and attention to detail in every aspect of the trucking industry. Had our Trimac driver been at fault this fatality would have been even harder for him to live with. For every driver it shows the horror that can result from fatigue, driving error, or a split second of inattention. For all of us, it serves as a reminder of how precious life is and how quickly it slips away."

The Trimac Learning Center in Bayport, TX, celebrates with its 100th class under Tom Shepherd's leadership, 2010. *Back row, left to right:* Chris Slaydon, Jack Dixon, Clint Moore, Juan Marroquin, William Hagler, Renee Pierce-Hagler, Julia Radovcich, and Francisco Cruz. *Front row, left to right:* John Spencer, Robert Jackson, Tracy Harris, Tom Shepherd, and David Sloan.

The video was shown to all Trimac board members, to all personnel at head office, and in all branches. Copies were presented and distributed free of charge to industry associations, carriers, and customers.

Safety is a system-wide concern covering maintenance, training, and incentives. Trimac's trucks and trailers have been updated over the years with the regular innovations in equipment that enhance safety, some of which the company has created. In recent years, in-cab equipment automatically records incidents and operating data such as speed and braking that protects the drivers in case of charges or lawsuits when the other driver is at fault in an accident.

The pre-trip and post-trip inspections of the tractor and trailer that the drivers perform at the beginning and end of each shift focus on two things. First, is the operating condition of the equipment so that damages and flaws are corrected immediately. The longer a piece of faulty equipment is unattended, the more expensive it is to repair and the more damage it can cause in an on-road failure. Second, the focus on training and safety are linked to ensure the drivers are properly trained to handle the product and the equipment. Over the years, there were various ways of training, depending on the branch manager and the geographic area and regulatory jurisdiction.

Alberta Motor Transport Association names Ken Arthur Alberta Safety Person of 2011.

In the mid- to late 1990s, Safety Manager Ken Arthur played a part in starting a Trimac-centralized training program in Canada. A test program took place in Sherwood Park, Alberta, for the drivers in the Western Division from Winnipeg west. All new drivers in that division were required to take part in a five-day training program that covered topics ranging from transportation of dangerous goods, Workplace Hazardous Materials Information System, hours of service regulations, back care, Trimac history, injury and incident reporting, vehicle inspection, and many others.

An almost immediate decline in personal injury frequency rates occurred, which led to further development of the program and expanding the training to include everyone in the company, not just the drivers.

The US division of Trimac then started its Trimac Learning Center (TLC) program to include all drivers from across the United States. At the time, the

Trimac US Branch 22 in Calvert City, KY, wins the J. R. "Bud" McCaig Safety Award for 2009.

Sarnia Branch 252 wins the J. R. "Bud" McCaig Safety Award for 2008.

training took place in Bayport, Texas, with Tom Shepherd leading the program.

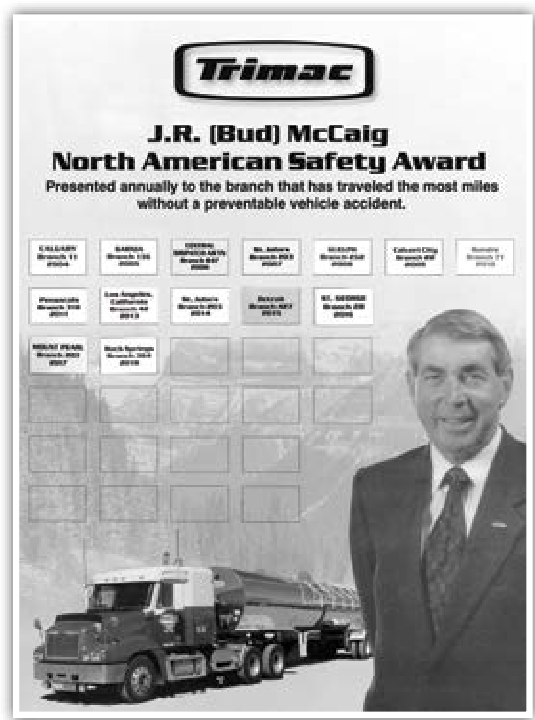
In 2010 Trimac's Ken Arthur and Julie Rutledge from Ontario took part in the US TLC training program in Bayport and returned to develop a Canadian version, with Learning Centres at the time located in Oakville and Calgary.

The program has evolved significantly over the years with Arthur taking on the role of Learning and Development for North America, managing all of the Learning Centres located in Calgary, Mississauga, Houston, and Atlanta.

Safety at Trimac has always been the first consideration for anyone employed or managing an employee. The results have paid off, as witnessed by the long list of industry safety awards and the number of customers who choose Trimac because of its comparably impressive safety performance in the industry. Trimac is not satisfied with just being a leader in the transportation industry, but wants to be a safety leader in any industry.

Trimac has long had individual safety awards for drivers and shop personnel based on no preventable vehicle accidents for drivers and no personal injuries for shop workers. Team safety awards include the coveted President's awards, which date back to 1977 in Canada and 1993 in the United States. They have evolved over time, and, in 2005, the J. R. "Bud" McCaig North American Safety award was created to recognize the single branch that was the best of the best.

J. R. "Bud" McCaig North American Safety Award plaque.



Bill Roop, company driver *(left)*, and Lance Hagler, director Safety Services & Security *(middle)*, with the 2019 Heil Trophy. *(Right)* Bob Beach, VP Safety & Risk Management.

In 2017 Trimac introduced the Maurice McCaig Safety award to recognize the branch with zero injuries and the most hours worked.

The current head of safety, Bob Beach, recalls there was an opportunity to take the next step in 2017 when the company experienced a significant explosion and property loss in Mt. Pearl, Newfoundland. Rather than consider this incident a "one off," it became an opportunity to re-examine the safety culture and reset it to world class standards—the same standards used in the nuclear and airline industries. With the help of an occupational psychologist, Trimac was able to set the safety processes to achieve a significantly better result.

There are now three main pillars in the company's safety culture. They bear an amazing similarity to the foundational principals of safety that Jack began teaching so many years ago.

1) Empower employees to look for problems that could become safety issues if left unattended, and provide a system for reporting them to management so they are resolved in a quick and efficient manner.

2) Insist on intensive investigation of fact findings for incidents so the company can get at the root cause and prevent the same event from happening again.

3) Complete an inventory of each task employees are required to complete, do a hazard assessment of each task, develop a standard operating procedure (SOP) with the employees who perform the tasks, create training materials that train to the SOP's, and have an effective method of determining whether the employees understand the training for the task.

The safety journey continues.

Chapter 7

Knights of the Road

In a sprawling North America-wide company of approximately 3,500 people, 5,000 trailers of all descriptions, and 2,500 tractors, employees more readily think of themselves as members of a branch than as one among thousands. Trimac, to them, is the branch they work from—with its team of drivers, administrators, and often shop and wash rack technicians. These people bring Trimac and its affiliated companies to life at the local level.

Drivers may spend most of the day or night in trucks delivering cargoes, but many start and finish their working hours checking over tractor and trailer equipment at their branch. There are approximately 100 separate branch locations across the continent, including 71 bulk trucking branches, 14 bulk plus logistics branches, and five energy branches, plus 42 National Tank Services branches located in many of the trucking branches.

The typical branch is housed in a building beside a highway or major road and near customer facilities such as refineries, chemical plants, cement plants, or sawmills. The building may include shop bays where tractors and trailers can be inspected and repaired, wash racks for cleaning equipment, fuel pumps, and parking for rows of trailers and tractors. There is room surrounding the building for the drivers' pre- and post-trip safety and operating inspections of tractors and trailers.

Inside the building, there are offices for the administrative staff and workspace for the drivers to complete their paperwork. There is a room for safety and other business meetings and usually a lunchroom. There are also bulletin boards with postings and notices that drivers read and heed. Each branch tends to be a specialized facility for the products its drivers haul.

The branch is also a vital customer touch point. The dispatchers and the support personnel act on customer service issues, on equipment and other requirements, and on any paperwork discrepancies. The drivers delivering cargoes and the branch staff who organize the work are the leading edge of Trimac's sales force.

The branch is the living organism generating the revenues that are the purpose of the company. Its spirit is never more clear than at the annual long service and safety awards functions when senior management spend the evening with drivers and branch staff and their spouses. The competitive spirit of the branch is on display as the branch celebrates its safety results for the year and compares them to the other branches. The camaraderie is demonstrated when the long service awards are given out.

The foundation of Trimac Transportation's branches was laid by Jack McCaig and his tight-knit group of men at MACCAM when they created the safe practices, customer focus, and innovative service that are Trimac's values.

In the Depression, Jack put his men first. When there was no work in the winters and families of truckers went hungry, he kept his men on the payroll, paying a minimum $40 each week—enough for a family to have groceries and necessities. The men had to work. They all put in a five-day week at the garage. They repaired their trucks and trailers, built new equipment for the coming season, and kept the shop clean and orderly. Other trucking company owners asked Jack if he was crazy to do this when he could hang on to his money. After all, he and Stella had a growing family to feed. Jack replied that if he took care of his drivers and mechanics, they would take care of the company. This wisdom outlived Jack and continues to permeate Trimac's business.

Robin Crites, company driver at the Dundas, ON, branch, is recognized for his 45 years of service and with zero preventable accidents, 2020.

It may have begun at McCaig Cartage, but by the time MACCAM began operations, Jack called his drivers the "Knights of the Road." He used the title with MACCAM drivers to convey that trucking was

Road Knights are recognized in both Canada and the United States.

more than just sitting in a cab driving their large vehicle. It was a description of their relationships with other drivers, the customers receiving cargoes, and other users of the roads. MACCAM drivers were encouraged to assist motorists stopped on the shoulder and offer help if it was needed. The company paid the driver a small amount for his courtesy.

Truckers adopted the name Knights of the Road to invest the job with purpose and pride. The Ontario Trucking Association calls its ambassadors Knights of the Road. An informal group of American truckers is promoting Knights of the Highway as an image to restore respect to the drivers of commercial trucks in the United States.

At first glance, driving a truck seems like a good blue-collar career choice in Canada and the United States with relatively good pay levels, but this has eroded in the last two to three decades. Recruitment lags behind retirement, and pay is one of the top issues that drivers cite when asked about their concerns. It is not so much the amount they make but the long hours of work, the complexity of record-keeping, and the split between paid (driving) and unpaid loading and unloading time, as well as compensation for out-of-pocket expenses. Drivers are concerned about the transparency of the system and the predictability of their take-home pay. Job stability attracts men and women from other trades where layoffs are common. In recent years, the trucking industry has seen younger individuals seriously considering the

Mike Paolozzi, Branch 52, Port Colborne, ON.

Wayne Simpson, Branch 336, Heavy Oil, ON.

TRUCK WEST

April 2010 Volume 21, Issue 4

Delivering daily news to Canada's trucking industry at www.trucknews.com

Vision 2030

Future of Trucking Symposium offers a glance ahead

Just like one of the guys

Alberta driver-trainer proves trucking can be 'women's work'

Irene Friesen, a Trimac Calgary-based driver trainer, is highlighted in an in-depth article in *Truck West's* April 2010 issue.

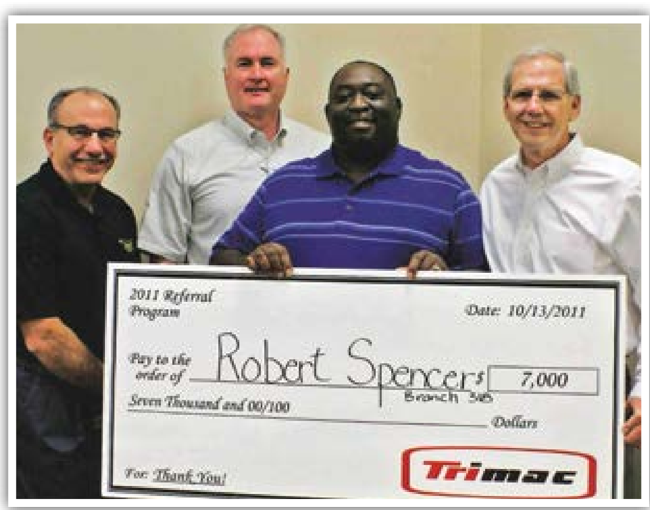
trucking industry as their first and only career. However, older drivers are handing in their keys sooner.

Finding qualified drivers who meet or exceed Trimac's stringent requirements has always been a challenge. All licensed tractor trailer drivers in Canada and the United States are required to meet minimum standards. Trimac's hiring standards for drivers are higher than these minimums. The company has formal documentation in its Operating Standards and Drivers manual, as well as Product Stewardship manuals for products that drivers carry.

The availability of drivers varies by branch, but by 2000 driver shortages became a crisis in almost all locations. To make matters worse, it had grown to be a problem across the entire trucking industry. It was so acute that it became Trimac's top operational priority in both Canada and the United States. It was a Trimac Transportation policy to leave a truck parked rather than hire an unqualified driver or one with a questionable record. This shortage of drivers was also affecting Trimac's customers.

This problem was handled with the same skill, determination, and due diligence as was a project planning the future operation strategy for Trimac's acquisitions. Barry Urbani chaired a Canadian team of managers and Jason Platt led a US team that brought together all field resources and developed solutions at the branch level. The operating heads made this a system-wide priority to ensure timely implementation of these solutions: Ev Rivait, VP Eastern Canada division, and Rick Reynolds, VP Western Canada division, focused on many of their problem areas and yielded significant improvements. Their efforts covered a wide range of actions, including partnerships with driving schools, adding key support staff to enhance the drivers' work life, and supporting the conversion of company drivers to independent contractors where that made sense.

US driver referral program rewards drivers. *Left to right:* Jim D'Alessio, Bill Marchbank, Robert Spencer, and Tom Connard.



In 2004 Tom Connard's arrival as VP of US Chemical Operations put the initiatives into overdrive and positive results followed in that country. Actions included adding recruitment specialists, providing driver referral bonuses, creating and streamlining on-line recruiting processes, and developing a North

American-wide advertising program. When Rivait and Reynolds retired, Glenn Sherman and Norm Kennedy took over further enhancement of these efforts in Eastern and Western Canada.

An executive reorganization in February 2008 resulted in Barry Davy, senior VP of Field Support Services, being asked to bring these driver recruitment and retention initiatives together on a North American basis to identify best practices, implement process improvements, and identify performance metrics.

"Joyride" all business for TTS manager

Last February, Joy Aadland, Regional Accounts Manager for TTS in Saskatoon, had to attend a driver retention task force meeting at head office in Calgary. She usually makes the trip by car, but this time she decided on a more unusual method. "I thought I would hitchhike my way on Trimac trucks," explains Joy.

"It was a great opportunity to talk one-on-one to the drivers and ask them what we could do to make this the perfect trucking line that nobody wants to leave. I got some valuable information to take to the meeting."

The following is Joy's first-hand account of her interesting — but somewhat roundabout — "joy ride" from Saskatoon to Calgary.

My journey started early when I met Ed Fleming at 2:45 a.m. and travelled with him to Regina in his 1992 Freightliner pulling an empty CN Intermodal trailer.

In Regina, I transferred to a 1990 Freightliner with driver Ozzie Slobodian who has driven for Trimac for over 30 years. Ozzie and I headed for Estevan in southern Saskatchewan with a load of limestone. Keeping with tradition, we stopped at a truck stop in Weyburn for

roll when I arrived in Moose Jaw. Andy was en-route to Medicine Hat where he was loading CO_2 for transport to Edmonton.

We arrived in Medicine Hat about 10 p.m. — a 19 hour day for me! I had been in five trucks from three branches hauling four different commod-ities, but my trip wasn't

buy lunch for my chauffeur Roy and for two other Trimac drivers loading at the plant.

I think someone must have got on the radio with the news that Joy was buying, because when I arrived at the service station restaurant, there were several Trimac trucks on the tarmac and a whole lot of grinning Trimac drivers holding out their lunch bills! And I thought travelling by truck instead of plane would be cheaper!

I completed my trip by air which was much faster, but I missed the hum of the road, the

"In 19 hours, I had been in five trucks from three branches hauling four different commodities, but my trip wasn't over yet."

Joy Aadland, regional accounts manager for Saskatchewan, takes the ultimate driver ride-a-long in five Trimac trucks in one day to attend a driver retention task force meeting in Calgary. She starts her trip with driver Ed Fleming in his 1992 Freightliner pulling an empty CN Intermodal trailer.

In 2010 Trimac's Canadian president and COO, Ed Malysa, saw that, despite all these initiatives and increasingly competitive compensation, Trimac was still unable to hire the qualified drivers it needed at the pace it needed them. Malysa became a principal player in the Canadian Trucking Alliance's Blue Ribbon Task Force on the Driver Shortage. The task force found that the shortage affected companies in every province. The workforce was diminishing as was the quality of drivers. However, it noted that their welfare is at the core of the industry's success and they deserve greater respect.

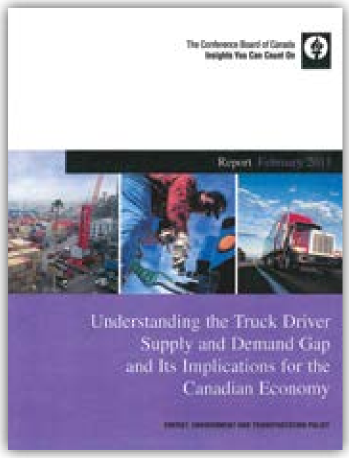
The task force recommended that compensation be competitive with or better than alternative employment and more transparent. Drivers should be paid for all the work they do and earn enough to cover all reasonable out-of-pocket expenses incurred while on the road for extended periods.

Lifestyle issues have to be resolved to make the occupation more attractive. Drivers should be able to plan their lives and predict or anticipate their time away from work. Driver wellness should be a top priority for employers and, with the rise in cargo theft while on the road, increased security should also be a priority.

A minimum standard of entry-level, apprenticeship or apprenticeship-like truck driver training should be mandatory. As well, truck driving should be considered a skilled trade and be recognized as such by the various levels and branches of government and standards councils. In addition, there should be a program of mandatory ongoing training and/or recertification throughout a driver's career.

In 2013 a Conference Board of Canada study found that a quarter of trucking firms suffered from a shortage of drivers. The Conference Board observed that the 2006 census reported the average age of truckers was much higher than the average age for the entire labour force. As a result of aging driver demographics and growing demand for trucking services, the for-hire trucking industry could expect to face a driver shortage of nearly 25,000 drivers in Canada by 2020 in a business-as-usual scenario.

While the trucking industry's productivity performance has been strong, it faces significant challenges in maintaining these gains in the future. Sensitivity analysis conducted for this study suggested that if the improvement in labour productivity is lower, the gap could exceed 33,000 drivers. This will affect the fortunes of the trucking industry and will also hinder its customers' ability to do business and, ultimately, increase the price of goods for consumers.



The Conference Board of Canada February 2013 report examined driver supply and demand.

Malysa took one of the Blue Ribbon Task Force's main themes—that carriers should first look internally to fix problems within their control—and put it to work across Trimac's Canadian operations, addressing compensation, lifestyle, and workplace relationships. Management addressed driver concerns raised by the task force by setting up driver councils and other communications processes to resolve issues. In this way, managers had a method of staying on top of the issues and being more proactive in their resolution.

Some problems, like how drivers are treated by a company's customers (shippers and consignees), are out of the control of the trucking industry. To address this, Malysa sent copies of the Blue Ribbon Task Force report and the Conference Board of Canada study on the driver shortage to his customer base to engage them in reducing driver downtime. He believed politicians would be interested in solutions, too, such as a minimum standard of entry-level, apprenticeship-like truck driver training, and skill certification. To show legislators what drivers do for up to 70 hours a week Malysa arranged ride-alongs for the politicians in big trucks with full loads in heavy highway traffic.

Despite these and many other initiatives by Trimac and other carriers, by trucking industry associations, and by government, the industry continues to suffer from a shortage of skilled drivers today. Like safety, driver shortages have become a challenge the industry will need to focus on for the foreseeable future.

Most of the hundreds of millions of miles driven annually by the more than 3.3 million truckers in Canada and the US are accident and incident free. Trucking companies, including Trimac, and their drivers know their reputation doesn't just depend on what they do, but how they do it.

Part Two

"Trimac is more than just a trucking company."

–Bud McCaig

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Chapter 8

The First Transformation: The Making of a Conglomerate

CEO Bud McCaig and Trimac's senior management team understood that the profit margins of a well-run trucking and transportation operation, while reliable, would always be modest. They saw broader financial opportunities for the company as a conglomerate, maintaining transportation and trucking as its core business. In his early years as MACCAM's operations manager and then general manager, Bud's sense of opportunity, combined with his father's enjoyment of doing business with "good people in well-run companies," propelled the McCaigs' endless hunt for opportunities.

After buying H. M. Trimble & Sons, and completing the purchase of five more small trucking companies, Trimac's business development team looked to broaden the scope of the company's operations. The primary objective was to increase profitability by acquiring and developing additional enterprises. Deal-making became a core competency of the company.

In the late 1960s, conglomerates were doing well raising capital in public markets. The sale of equity would provide acquisition financing if Trimac used that capital to grow its business.

There was an understandable conservative reluctance for a family-owned company founded in a small prairie town to take the risks of being publicly traded. As a public company, Trimac would face a high level of public disclosure, intense scrutiny, the judgement of strangers, and some loss of control. These matters were debated internally by the McCaigs and Trimac's management team. Higher profit margins also meant higher risk. A Trimac conglomerate would have its revenues, cash flow, and profits exposed to economic and geopolitical forces it didn't control. Trimac knew how to manage the ups and downs that affected trucking but not the cycles of other businesses. However, in order to grow and expand, Trimac needed capital. Its flurry of acquisitions in the past eight years had depleted its resources. The prudent thing to do was to seek equity investment from the public markets and spend the capital wisely to bring profitability to the company and the shareholders.

John Scrymgeour *(left)* of Commonwealth Petroleum Services and Bud McCaig joined their companies and took them public in 1969.

John Alexander Scrymgeour was one of the friends Bud made in the business community after he and his family moved to Calgary in April 1961. Scrymgeour had controlled and run Commonwealth Petroleum Services Ltd. since 1959, and the two were of the same generation of young businessmen who owned the companies they ran and were relative newcomers to Alberta's booming economy. Commonwealth had a colourful past, even by the wildcatting standards of the Alberta oil patch. It had been controlled by Reginald Reeve, a retired New York tugboat captain, and had been built from Turner Valley oilfield drilling contractors and service companies. Scrymgeour and his partner, Bill Atkinson, had served together in the Canadian Navy in the Second World War and started in the petroleum industry at Home Oil when they returned from service.

The two men left Home Oil in 1958 to form a partnership and built up Commonwealth Petroleum in a series of acquisitions over a 10-year period until Atkinson died in 1968 at the relatively young age of 47. At a personal level, Scrymgeour's close friendship with Bud filled the gap in John's life after Atkinson died.

The petroleum industry in Alberta in those years was dominated by multinational producers run by well-compensated executives who made money through their success but did not have the same personal stake in their companies as did company owners like Scrymgeour and McCaig. The two young men formed a strong relationship and had similar peers, like Ron Southern who headed ATCO, and Doc Seaman who headed Bow Valley Industries, both family companies.

Commonwealth was Canada's largest oilfield drilling contractor with 65 rigs and operations in the Arctic Islands, Alaska's North Slope, Australia, and Indonesia as well as Western Canada. Commonwealth also owned Dominion Oilfield Supply Ltd. and Westburne Petroleum & Minerals. The oil company owned production in Saskatchewan and Alberta, mineral prospects west of Hudson's Bay in the Northwest Territories, and an interest in PanArctic Oils, which was proving up extensive natural gas reserves in the Arctic Islands. Scrymgeour also controlled Montreal-based United Westburne Industries, Canada's largest wholesale distributor of plumbing and heating supplies that had grown through the merger of a series of companies across Canada.

In 1968 Bud and John opened a conversation about joining their companies to take advantage of their common strengths, which included talented people, proven business acumen, and financial strength. In 1969 they formed United Westburne International Industries with three divisions: Trimac, Commonwealth, and United Westburne. McCaig became the president of the new company and Scrymgeour was the chair. The merger was followed by a public offering of one million common shares.

The financial market was not interested in the share issue. The North American economy was languishing and conglomerates held diminishing appeal to investors. The stock market had turned bearish. McCaig and Scrymgeour agreed that the merger and the share issue were not going to raise the capital either party needed. Trimac's outside counsel, Jim Palmer of the firm Burnett Duckworth, had a remedy. He found a case of a merged company that was allowed by the courts to revert to its pre-merger condition by having the merged assets returned to the original shareholders.

Bud and John had many conversations. They agreed to undo the merger and did so amicably by January 1971. The two remained good friends who often lunched with one another at the Petroleum Club in Calgary and undertook other projects together including the development of a vacation property in Barbados.

Bud gained valuable insights into the limits of the public equity markets through the Trimac-Westburne transactions, but he wanted to expand Trimac's operations beyond trucking and transportation and still needed the capital it had failed to raise.

With the help of Richardson Securities in Winnipeg, Trimac organized the

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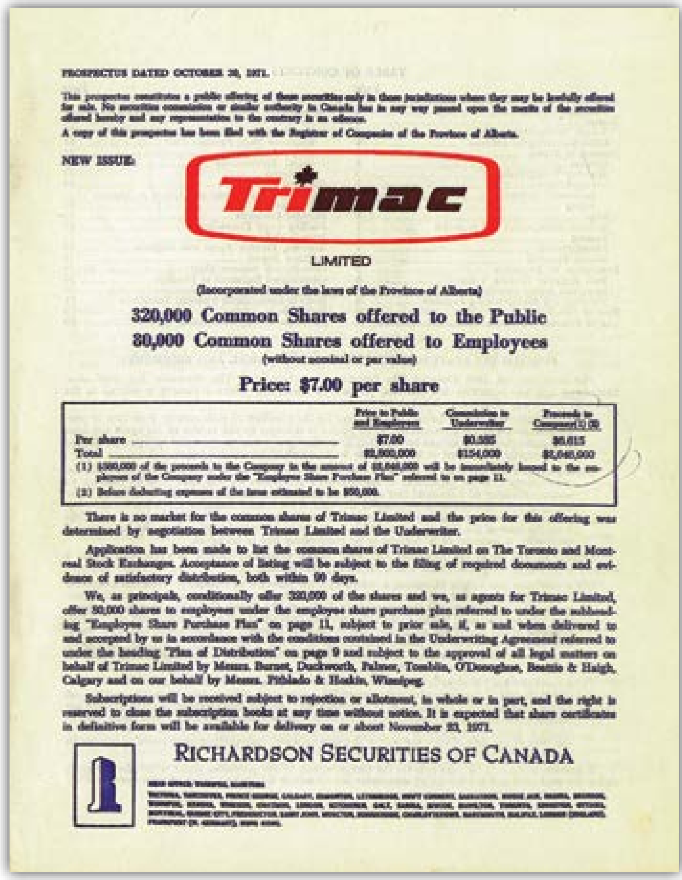
public issue of 400,000 common shares at a price of $7 per share. Trimac reserved 80,000 shares for its employees, and Richardson distributed the remaining 320,000 to the public. The issue took place in November 1971 and raised $2.8 million before commissions and expenses.

The decision to become a public company yielded significant intangible benefits as well as the $2.8 million in proceeds from the initial share issue. It permitted the company, whose core values were service and safety and a commitment to innovate, to address opportunities adjacent to and beyond the bulk trucking industry in which it had its initial success. The McCaig family maintained control of the company, and the core values continued to guide its affairs. The driver- and customer-based culture of safety and service that Jack created was indelibly imprinted on the company, along with the watchword of change that informed Trimac's search for profitable opportunities. The public issue and its timing had a highly positive impact on all aspects of the personality and growth of the company, as the coming years would reveal.



PROSPECTUS DATED OCTOBER 28, 1971.

This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale. No securities commission or similar authority in Canada has in any way passed upon the merits of the securities offered hereby and any representation to the contrary is an offence.

A copy of this prospectus has been filed with the Registrar of Companies of the Province of Alberta.

NEW ISSUE:

Trimac

LIMITED

(Incorporated under the laws of the Province of Alberta)

320,000 Common Shares offered to the Public

80,000 Common Shares offered to Employees

(without nominal or par value)

Price: $7.00 per share

	Price to Public and Employees	Commission to Underwriter	Proceeds to Company(1)(2)
Per share	$7.00	$0.385	$6.615
Total	$2,800,000	$154,000	$2,646,000

(1) $560,000 of the proceeds to the Company in the amount of $2,646,000 will be immediately loaned to the employees of the Company under the "Employee Share Purchase Plan" referred to on page 11.

(2) Before deducting expenses of the issue estimated to be $50,000.

There is no market for the common shares of Trimac Limited and the price for this offering was determined by negotiation between Trimac Limited and the Underwriter.

Application has been made to list the common shares of Trimac Limited on The Toronto and Montreal Stock Exchanges. Acceptance of listing will be subject to the filing of required documents and evidence of satisfactory distribution, both within 90 days.

We, as principals, conditionally offer 320,000 of the shares and we, as agents for Trimac Limited, offer 80,000 shares to employees under the employee share purchase plan referred to under the subheading "Employee Share Purchase Plan" on page 11, subject to prior sale, if, as and when delivered to and accepted by us in accordance with the conditions contained in the Underwriting Agreement referred to under the heading "Plan of Distribution" on page 9 and subject to the approval of all legal matters on behalf of Trimac Limited by Messrs. Burnet, Duckworth, Palmer, Tomblin, O'Donoghue, Beattie & Haigh, Calgary and on our behalf by Messrs. Pitblado & Hoskin, Winnipeg.

Subscriptions will be received subject to rejection or allotment, in whole or in part, and the right is reserved to close the subscription books at any time without notice. It is expected that share certificates in definitive form will be available for delivery on or about November 23, 1971.

RICHARDSON SECURITIES OF CANADA

On September 15, 1971, Trimac went public, with an initial public offering of 400,000 common shares.

Meanwhile, during the long months of the Westburne initiative and the $2.8-million common share issue, Trimac continued to make acquisitions in new lines of business. In the autumn of 1970, Trimac purchased Willock Truck Equipment, a custom designer and builder of specialty trailers, with plants in Vancouver, British Columbia, and Oakville, Ontario. Willock had what Trimac considered to be very capable management, and the new acquisition brought an important piece of the total transportation formula to its new owner. In the first year of Trimac's ownership a buoyant economy and more aggressive sales increased Willock's profits. Trimac then purchased a second manufacturer, S. J. Thompson Truck Equipment Ltd., in Alberta.

However, the manufacture and sale of truck and trailer equipment did not become a long-term investment for Trimac. Soaring costs, skilled manpower shortages, and production and pricing inefficiencies led to a substantial financial loss for the division. Although a North American shortage of transportation equipment should have created sales opportunities, Trimac continued to have unfavourable results and spun off the manufacturing companies, selling the last one, S. J. Thompson, in 1976.

The McCaigs did not make many mistakes. From early in his business career, Jack learned to be quick to admit an error. When he lost a Moose Jaw to Regina freight route to a competitor soon after he purchased his first truck, he responded with a service that picked up milk and fresh produce at farm gates and delivered his loads to creameries and wholesalers in the city. The optimism that allowed him not to be dissuaded, but rather to learn from a mistake, became a signature McCaig business principle. It enabled Bud to rectify a situation quickly when he had setbacks such as Westburne and equipment manufacturing. He knew how to cut his losses and move on.

In another strategic transportation initiative Trimac formed a subsidiary called Trimac Marine Terminals. In 1971 it had an option on land and was preparing to construct a $15-million, multi-commodity bulk terminal at Roberts Bank, a Pacific super-port south of Vancouver. Roberts Bank was designed as a rail-to-ship and truck-to-ship terminal for, among other exports, bulk metallurgical coal loading on ships to Japan. In 1971 Trimac negotiated with the National Harbours Board and Roberts Bank developers for terminaling of sulphur from Trimac-managed unit trains, moving two million tons of sulphur a year from Alberta to Vancouver for export.

Roberts Bank became bogged down in politics and regulatory approvals, so Trimac backed off. However, the sulphur management project succeeded, and cost Bud one of his ablest executives, Bill Hardstaff. Bill came to Trimac with the Trimble acquisition and Bud assigned him to show customers how to reduce their sulphur transportation costs. He introduced unit trains that saved the 24 sour-gas producers millions of dollars. In 1976 the sulphur owners decided to establish an integrated company, Sultrans, to manage sulphur from production to shipment and delivery to the end users. The sulphur producers asked Hardstaff to be the first president of the new company, a company that he had created.

Hardstaff's last assignment from Bud was to assist with a company called Rentway that experienced financial difficulty after being acquired in April 1971. Trimac purchased Shaw Truck Limo and Leasing from the owners of the Shaw GMC Trucks dealership in Calgary. Renamed Rentway, the leasing company had operations in Ontario and Alberta. Its core business was leasing light- and medium-duty trucks to other companies. It had a rental fleet of about 1,000 vehicles. Rentway fit with Bud's objective of building a transportation services company. "Rentway and Trimac were both about trucks. Some of our customers needed their own fleet of smaller trucks, and Rentway enabled us to offer that service," he said.

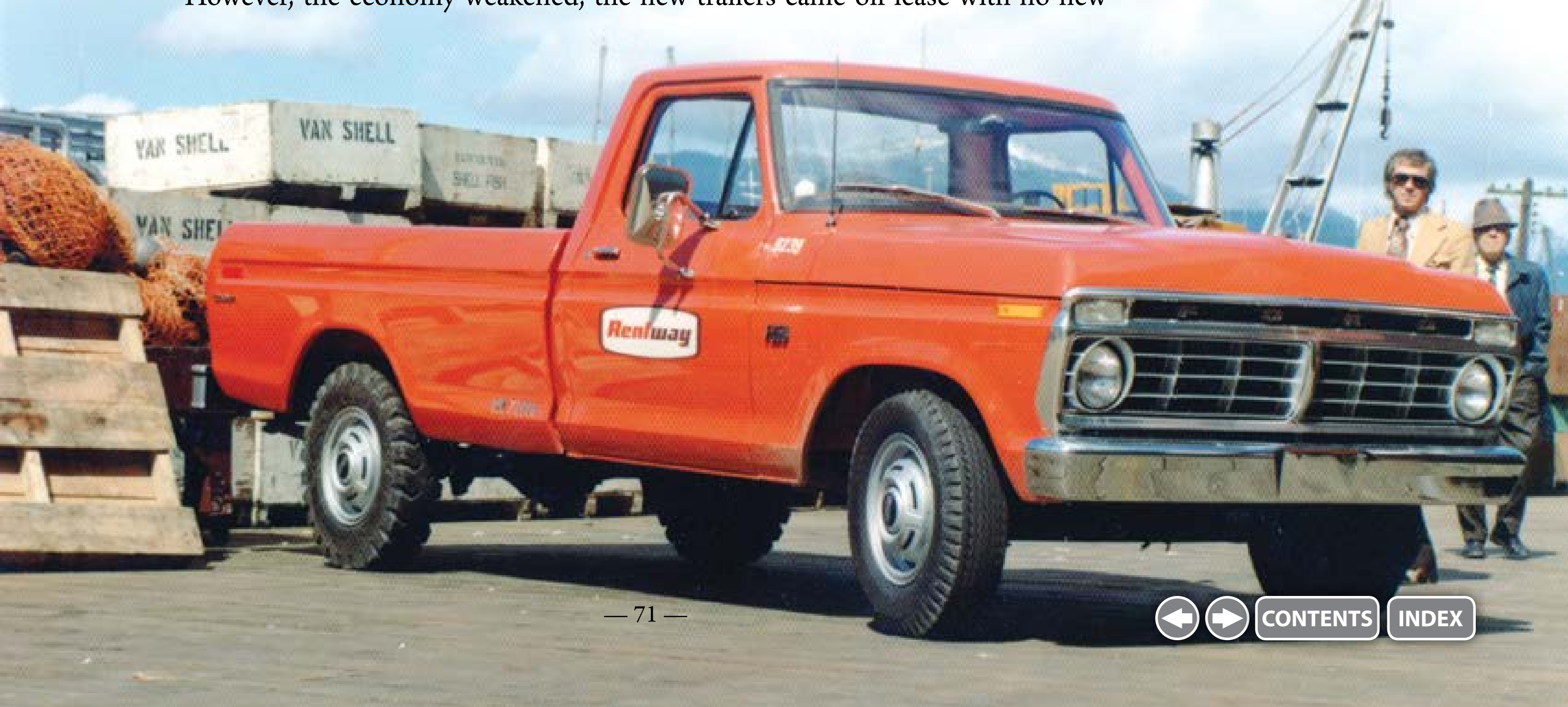
Trimac's purchase of the leasing company was paid for with cash and shares. Once in the Trimac conglomerate, Rentway was reorganized into a national fleet of commercial and industrial customers and thrived on major projects such as coal mines, oil and gas development, and pipeline and highway construction. The company leased a full range of automotive equipment to its corporate clients, from automobiles and light and four-wheel drive trucks to tractors and trailers and heavy equipment, such as graders and bulldozers. It eventually gave its clients a full-service solution to leased-equipment needs by offering financing as well as maintenance. Trimac created Transport Acceptance Corporation Ltd. to offer the financial services that complemented and supplemented rentals, especially for clients who needed fleets and who annually rotated the trucks and equipment they leased.

With new management, Rentway became a more lucrative company. The purchase price was contingent on a minimum earnings threshold, and that was exceeded by 25 per cent. In the first year of Trimac's ownership, annual revenues increased from \$1.8 million to \$2.8 million. Its share of Trimac's revenues increased from 8.7 per cent in 1972 to 10 per cent in 1973.

Trimac's ownership facilitated Rentway's expansion. Within 18 months, it had a 2,500-vehicle fleet and branches in Vancouver, Kamloops, Calgary, Winnipeg, Scarborough, Rexdale, Clarkston, Windsor, and Montreal. Rentway arranged vehicle maintenance at Trimac facilities and subsequently its own shops.

Then Rentway stumbled. It had purchased a fleet of tandem axle van trailers to meet the demand fuelled by anticipated economic growth in Canada. However, the economy weakened, the new trailers came off lease with no new

Rentway's expansion came from renting trucks to Alberta's burgeoning oil industry.



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Rentway's entry into the trailer rental business was an unsuccessful venture.

lessees, and Rentway lost $800,000 in 1974. "We thought the world had come to an end," Bud McCaig said. Trimac was still too small to take that size of a financial hit without jeopardizing its future. Over the Christmas season of 1974, Bud dispatched Hardstaff to take over Rentway and fix the problem with the assistance of an exceptional Trimac Transportation executive named Joe Sauvé. There was a discussion about shutting down Rentway that lasted the proverbial five minutes. Then Hardstaff and Sauvé spent six months closing branches, selling equipment, such as the trailers that had caused the problem, and, painfully, terminating staff. The result was a leaner Rentway focused on full-service leasing and project rentals. Sauvé was appointed its president to oversee the changes that he and Hardstaff had brought about. Hardstaff moved on to become the first president of Sultrans.

As well as becoming a public company and purchasing Rentway, 1971 was a transformational year for Trimac because it entered the waste management business, one of Bud's longstanding ambitions, described more fully in chapter 10.

The economic development of Canada's north had been a Western Canadian business dream since the Second World War, with the development of the Norman Wells oil fields on the Mackenzie River and the Canol oil pipeline from the oilfields to a temporary refinery in Whitehorse, Yukon. The fuel oil from the refinery was shipped to the Alaska coast. Financed by the Pentagon to supply the US Navy in the Pacific, the Canol Project inspired a generation of young Western Canadian entrepreneurs.

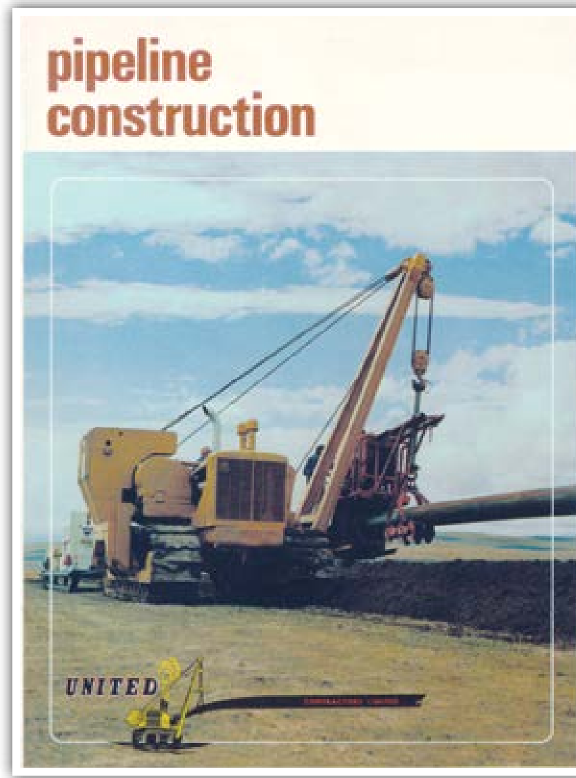
Since the Canol Project, Edmonton had become the gateway to the north. Its airfield serviced northern mineral prospecting and resource exploration. In the 1958 federal election campaign, Saskatchewan Member of Parliament and Prime Minister John Diefenbaker articulated a Northern Vision in a famous campaign speech given in Winnipeg. "I see a new Canada—a Canada of the North," he

There were high hopes in the mid-1970s for plenty of pipeline work in Canada's North.

said. "We intend to carry out the legislative program of Arctic research, to develop Arctic routes, to develop those vast hidden resources the last few years have revealed."

Calgary-based Imperial Oil had discovered the Norman Wells oil fields. Companies based in that city were drilling exploration wells in the Arctic Islands, the Mackenzie River Delta, and the Beaufort Sea. Bud had his first exposure to what he called "the Northern Vision" as a partner with Westburne Industries, which owned Commonwealth Petroleum. Commonwealth had a drilling rig under contract with the PanArctic Oils consortium and was also developing a northern drilling rig that used a Twin Otter aircraft—the relatively small workhorse of Arctic exploration flight. Ease of portability became an issue after Texaco had to abandon a rig on an exploration drilling site because it was more expensive to transport it than to replace it.

Trimac's vision was to provide the transportation that a vastly extended northern network would require. Bud wanted to position Trimac as the "go-to" transportation services company, offering intermodal transport to link barges and the trucking network that would develop when the "roads to resources" promised by politicians were actually built.



In 1972 Trimac acquired United Contractors, which specialized in building small- and medium-diameter pipelines throughout Western Canada.

Pipeline Construction, United Contractors Ltd., 1972.

Trimac began by acquiring United Contractors Ltd., a small- and medium-diameter pipeline construction company that built oilfield and gas-field gathering and transmission systems. United installed field and terminal storage facilities, pumps, compressors, and meter stations. It also constructed high-pressure transportation systems for liquefied petroleum gases and crude oil.

United provided Trimac with immediate revenues from contracts in the western provinces, Ontario, and the northern tier American states. The acquisition's long-term purpose was to turn United into a major Arctic pipeline and production-facilities contractor when the natural gas fields of the Mackenzie Delta and Beaufort Sea reached the development stage. United could readily extend its operations to the Northwest Territories because Trimac was already active in transportation and construction projects on the Mackenzie River and in the shallow waters of Mackenzie Delta and Beaufort seacoast.

In 1973 Trimac and Rivtow Straits Ltd. of Vancouver had established a joint venture called Arctic Navigation and Transportation Ltd. (ARCNAV) and hired

Ken Stephenson, a Redi-Mix executive, to be its president. ARCNAV would run the tugs, barges, and related marine equipment operating on the Mackenzie River.

ARCNAV fabricated several river transportation barges and two tugs in Vancouver. "We knocked down the barges and tugs and shipped them to Hay River at the southern end of the Mackenzie River," Stephenson said, "and we put them together there and took them downriver."

Several major oil companies had oil and gas exploration programs near the mouth of the Mackenzie River, creating a demand for transportation of construction materials and equipment. Building drilling platforms, both on and offshore, had unique challenges in the Arctic. Permafrost had to be protected from melting during construction of drill pads and drilling operations by adding thick layers of sand and gravel. Protecting drilling rigs from the relentless movement of sea ice posed engineering and construction challenges. ARCNAV's barges and tugs were kept busy, but Stephenson was in search of a landmark opportunity.

ARCNAV was a joint venture with Rivtow Straits to link barges into the trucking network.

That opportunity arrived when Sun Oil Company offered him a contract to supply sand and gravel to build two drilling islands in the shallow waters of the Beaufort Sea. Stephenson invented a sandbag machine, built by ex-pipeliner Jim Watt, that could fill 16 bags a minute. ARCNAV built the sandbag machine in Calgary. "We hauled the machine to Yellowknife by truck and took it into Inuvik by Hercules aircraft," said Stephenson. "Then we hauled it by ice road to Ya-Ya Island in the delta where there was a supply of sand and gravel. I hired 16 Inuit to operate it. The idea was simple and involved the rotation of three bags—put one on, fill one, take one off." The crew put the sandbags into gabions, loaded the gabions on a barge, and hauled them out to the ocean. "We put them through the ice and then took out the ice in the middle and filled it up with dredged sand to build the drilling platform."

Sun Oil drilled the UNARK L-24 on one island and the PELLY B-35 on the second. Both wells were dry holes. Stephenson recalls, "Sun Oil wanted us to make the bags at a hard dollar amount, not cost plus, which was how most Arctic oil exploration contracts worked. I said $5 per bag, and we made 300,000 bags during 1974. Sun Oil complained, and for customer relations, we charged $2 per bag for the second island. We made $800,000 on the islands." From January to November 1974, ARCNAV built two islands and shipped 16,000 tons of freight down the Mackenzie River.

But exploration in the western Arctic ground to an unexpected halt in 1977 when the Berger Commission of Inquiry into a pipeline from the Mackenzie Delta to markets in southern Canada recommended a moratorium on development to allow for further study of environmental and First Nations' matters. ARCNAV sold its equipment and operations to a competitor, and Trimac shuttered its Northern Vision.

Left to right: George McLennahan, Lionel King, Jack McCaig, Bud McCaig, and Ken Stephenson.

The anger and disillusionment of oil and gas exploration companies that had spent hundreds of millions on risky exploration ventures was intense. There was a fitful revival of activity during the National Energy Program (NEP) in the early 1980s when the government of Canada paid Canadian-owned companies lavish incentives for exploration in the north. But the NEP excluded the deep pockets of American-owned companies and was not particularly credible to Canadian companies.

Oil and gas exploration in the Canadian Arctic "was a great white waste of time," said Imperial Oil Chair and Chief Executive Officer William Osborne Twaits. He spoke for the entire petroleum sector, including service companies like ARCNAV.

Trimac's growth as a conglomerate capitalized on many of Trimac's strengths in transportation, but it also leveraged the strong management talent, leadership, foresight, and risk-taking that Bud exercised and that he instilled in his team. Some ventures were opportunistic and based on nimble decision-making and execution, and most (but not all of them) were successful because the company continued to be guided by its core values of service, safety, innovation, and responsiveness to customer needs.

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Chapter 9

The Oil Patch 1968–1997

In 1971 the Organization of Petroleum Exporting Countries, or OPEC, nations, who owned the majority of the world's crude oil reserves, raised prices to capture what they considered to be their share of petroleum's value. This geopolitical event resulted in a world-wide spike in the price for crude oil. In spite of the federal government's attempt to isolate the Canadian economy from world prices, Alberta had an oil boom exceeding the Golden Decade that had followed the discovery of billions of barrels of oil in the province after the war.

In Alberta, the newly elected premier, Peter Lougheed, watched these events unfold and coined the phrase, "think like an owner." In Western Canada, the Crown owned the lion's share of the natural resources underlying the western provinces and Lougheed thought that although the title to Alberta's oil, natural gas, and coal was registered in the name of the "Crown," it was really owned by the people of Alberta. His first move, thinking like an owner, was to capture the value of Alberta's oil for its owners and to raise oil and gas royalties—the rent companies paid to produce petroleum resources.

The province collected royalties in kind, that is with a share of production. Lougheed's second move was to create the Alberta Petroleum Marketing Commission to market the Crown's royalty share of production. Wayne Minion was appointed the head of the commission. Minion was a brilliant executive raised in Lethbridge, Alberta, by a single mother. Before Lougheed hired him, he had worked for BC Hydro and in Brazil for Brascan. Minion had the skills and intellect to understand the new global oil market, and the sale of Alberta oil thrived.

Minion was one of a handful of men in Lougheed's inner circle who encouraged his resource thinking and supported him as he managed the province's resources like an owner. Lougheed created the hallmark Heritage Trust Fund, coped with federal meddling and the National Energy Program, and kept the oil patch on a survival path through the turbulence of the mid-1970s to the mid-1980s. He was Bud McCaig's kind of guy and, introduced through the oil patch connection, the two men became friends.

Bud had a ringside seat to the boom and the euphoria it generated among the men who prospered in the boom. The Calgary Petroleum Club became the gathering place for these executives and, through his involvement at the club and other executive associations like the Young Presidents Organization and community service organizations like Junior Achievement, Bud saw many opportunities to grow his new conglomerate. These opportunities included invitations to sit on the boards of rapidly growing companies who were benefitting from the boom.

One of the boards he joined, on John Scrymgeour's urging, was Kenting Ltd., a drilling company run by a CEO named Tony Vanden Brink. Tony was one of the mature and level-headed executives who were keeping the exploding oil patch on an even keel.

Bud saw a direct line of sight from Trimac's bulk hauling to Kenting's place in oil exploration. Kenting was the foremost opportunity that Bud could seize to turn Trimac into a well-rounded conglomerate, with trucking and oilfield service businesses at the heart of its portfolio.

Kenting began as a small, Ontario-based, charter aerial-survey company created after the Second World War. The company's clients required aerial geophysics and aerial photography for map-making.

Kenting was initially an air transport company with a fleet of fixed-wing aircraft performing charter work.

Kenting Aviation was a diversified full-service company. Pictured here is a Kenting Aviation Bell Twin Huey helicopter.

Airborne geophysical surveys detect and measure the geochemistry of the earth: conductivity, magnetic susceptibility, rock density, and radioactivity. This data is used to make geophysical maps that provide insight into an area's geology by illuminating features and characteristics not apparent on geological maps. The data is used for energy, geothermal and mineral exploration, and groundwater monitoring.

Kenting flew aircraft from Cessna 180s to Boeing B-17Gs and included three Cansos and a fleet of helicopters. The company called its planes "flying geophysical laboratories." One Canso, usually used on geophysical surveys, conducted an Antarctic photographic survey.

Kenting Aviation was headquartered in Ottawa and operated two Second World War-era B-17 heavy bombers for photographic surveys of Canada's Arctic islands from bases at The Pas, Manitoba, and Thule, Greenland.

Kenting's aerial photo survey of the Canadian Arctic was initially meant to take six years, but, due to the crew's tireless effort, the job was completed in three. Over more than a decade of survey operations, Kenting's pilots flew from the top of the world to the bottom—photographing areas of Antarctica, France, Thailand, and Papua New Guinea.

Although Kenting was founded on geophysical exploration, the information it generated was used in part to identify drilling targets, so there was a logic to expand Kenting from a pure geophysical company to include oilfield drilling rigs.

Kenting founder Doug Kendall saw Kenting's future in Western Canada. In the late 1960s, he created six divisions for Kenting including oilwell drilling, mining exploration, mineral exploration, air transport and survey, oilfield and pipeline construction, and offshore drilling. In 1967 he took the company public to raise money for expansion.

The lasting success was Kenting Oilwell Drilling, which had incorporated Big Indian Drilling, a land seismic survey and mining company; Kenting Offshore, which was building a rig to drill shallow gas wells in Lake Erie; and a shallow-well drilling operation that had acquired Petrolia Drilling with nine rigs and President Tony Vanden Brink. Petrolia had merged with Kenting Aviation in 1967 to take advantage of the aviation company's public listing.

Vanden Brink was the Dutch-born son of a tentmaker, coal dealer, and clandestine smuggler, Bernardus Vanden Brink. The oldest of 13 siblings, Tony grew up in the small eastern Netherlands town of Enschede. On the recommendation of his teacher at the Christian Reformed Church school, he was sent to high school instead of the usual trade school. Tony and his family survived the German invasion of Holland and were liberated by Canadian and English troops on April 1, 1945.

In the Netherlands, Tony received only a Grade 10 formal education, an academic status approximately equivalent to that of Jack, Bud, and Maurice McCaig. Tony often joked throughout his career about being just a "dike runner" and entitled his biography *From Dumb Corner to Corner Office.* Later in his life, over a family dinner, he told his adult children that he would have been more successful in business if he had a better education. They were, to put it simply, incredulous.

After the war, Tony enlisted in the Dutch Marine Corps, and in 1945 was sent with 20,000 other marines to Jakarta in Indonesia. Dutch companies in Indonesia had developed rice, tea, spices, and, most lucratively, crude oil discovered by Royal Dutch Shell in 1880.

The impossible task that the Dutch Marine Corps undertook was to regain Dutch possession of the Netherlands' former colony. The Indonesians did not want the Dutch. After the war, the era of European colonialism ended. In 1949 Tony returned to the Netherlands and was discharged.

Tony's father had resolved to emigrate to Canada, the nation whose soldiers had liberated Enschede. He had sent Tony's brother Jake on ahead to scout out the land. Tony decided to go with his father, leaving behind the factory job that offered no opportunity.

Tony, his father, and two brothers (Max and Casey) landed in Halifax and boarded an immigrant train to Alberta, arriving in the middle of a very cold winter. His mother, Jacoba, and his nine other siblings followed them, and they were reunited in 1950 in Rocky Mountain House.

Tony's first job in Canada was as a student male attendant at the Provincial Training School (PTS) in Red Deer, caring for mentally handicapped men. He took night classes at Red Deer Composite High School to upgrade his education.

He met his future wife, Kay Robinette, at the PTS where she was a nurse in training. They married in Red Deer in July 1953.

Tony Vanden Brink in 1950.

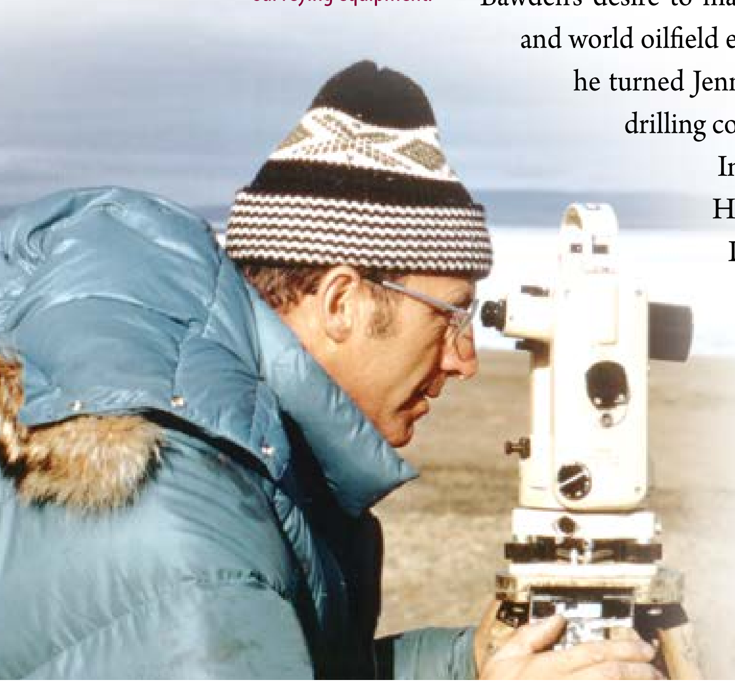
In 1950, after a year at PTS, Tony found his career in oilfield drilling. He hired on as a rig hand with Seaman Drilling in southern Alberta. He then moved to Arrow Drilling followed by a move to Trident Drilling. At each new company, Tony was assigned additional responsibility. He learned the drilling business from the drill floor up—and down. He was a leader and had a reputation for being smart, shrewd, and good-humoured.

Tony worked at Trident from 1952 to 1959, most of those years as a tool push, essentially the rig manager. In 1958 Peter Bawden Drilling acquired Trident Drilling and Tony was promoted to field superintendent. Bawden was a legend in the Canadian oil patch, whose visionary achievements included Arctic and offshore drilling. His company was the largest privately owned drilling-rig company in the world. Tony could have spent the rest of his career with Bawden, but for a phone call he received one day from a man named Ken Jennings, the New Mexico-based absentee owner of what Tony thought of as the worst drilling company in the patch. Jennings had heard high praise of Vanden Brink, and several people told Jennings that Tony was just the man he needed.

Jennings wanted to hire Vanden Brink, but Tony refused because the company was poorly run and was losing money due to its bad management. Jennings agreed and said he wanted Tony to fix it. Jennings offered him a handsome salary plus 10 per cent of its cash flow. Tony said yes.

Peter Bawden tried to change Tony's mind with a counter-offer premised on Bawden's desire to make his company the best in the world, and included training and world oilfield experience. However, Tony "stayed quit." In less than four years, he turned Jennings Drilling around and decided it was time to start his own drilling company.

In 1964 Tony and an Oklahoma engineer named Lawrence Herrington offered to buy three drilling rigs from Petrolia Drilling and from Hunter Drilling, which also had three rigs. Tony and Lawrence had to come up with $750,000 for the rigs and had only $50,000. They needed a guarantor to lend the balance, and they persuaded Doc Seaman to sign the loan agreements with the six rigs as collateral. Seaman and his two brothers, BJ and Don, were on their way to a very successful business with an international drilling company, Bow Valley Industries, so if the deal with Vanden Brink fell apart, the Seaman brothers would get six more drilling rigs. Tony and Lawrence paid off the loan in 28 months.


Tony Vanden Brink using surveying equipment.

Downtown Calgary was an exciting place during the boom years of the Alberta oil industry.

Petrolia made a great deal of money and eventually wanted to gain access to substantial capital investment so, in 1967, the company merged with Kenting Aviation, which was listed on the Toronto Stock Exchange. "This gives us (Petrolia) the means to raise money," Tony explained at the time.

In the mid-1970s, Kenting board member John Scrymgeour owned a 40 per cent interest in the company and wanted to dispose of it. He had two other Kenting board members who were candidates for a deal, Ron Southern and John's close friend and former business partner Bud McCaig. Southern, chief executive officer of ATCO, waited several years to get into the drilling business by purchasing Thomson Drilling and building it into Akita Drilling.

In 1977 there was no apparent reason why Trimac, by then a large North American trucking and transportation company, would acquire Kenting, an independent Canadian oilfield drilling contractor. They were in different businesses. However, Bud had been focused on Trimac's construction and heavy equipment opportunities in northern pipelines for Trimac's pipeline division. When it was apparent they would be delayed, he looked around for profitable use of the capital Trimac had set aside for northern pipelines.

Bud bought Scrymgeour's 40 per cent interest in Kenting. He then purchased the outstanding 60 per cent of the company, on the condition that Tony Vanden

Tony Vanden Brink and Bud McCaig, 1982.

Brink would remain as Kenting's president under a five-year contract that paid him a premium for his shares with an incentive for good performance.

Bud told Tony he had "dreamt up a new deal" for Trimac. "You come to work as president and I will be the chairman and CEO. You look after everything to do with oil and gas, drilling, and anything to do with the oilfield business, and I will look after the transportation business. We will jointly plan the strategies the company should follow."

In an interview with petroleum historian Aubrey Kerr after Tony's retirement, Bud recalled, "Tony is probably the most capable businessman and leader I have ever had the good fortune to be associated with. We not only worked together; I have always considered we were really partners in everything we did. His word is his bond, and he is absolutely straightforward in everything he does."

At the peak of the oil boom, Trimac was more an energy company than a trucking and transportation enterprise, at least by the numbers if not in its culture. By segment, energy enterprises contributed more than 60 per cent of revenue and nearly 80 per cent of operating income. Transportation, by comparison, accounted for almost 40 per cent of revenue and 20 per cent of operating income. Trimac had broken the $300-million mark in revenue and the $25-million mark in net earnings.

The Trimac group of energy companies included Kenting and Texas-based Cactus Drilling, which they acquired in 1980. These two companies had 76 North American land drilling rigs and seven offshore in the Texas Gulf. Trimac's huge investment in Cactus was influenced by American national policy when Jimmy Carter and Ronald Reagan were the US presidents, from 1977 to 1989. The United States wanted a secure supply of oil that they could control, so the federal government encouraged domestic exploration and production.

In 1980 Trimac purchased the Cactus Drilling group based in Dallas, TX. Cactus offshore drilling platform *(bottom left)*. Cactus had its strongest base of operations in West Texas and eastern New Mexico. Pictured *(right)* is a Cactus drilling site.

When Trimac formed Tripet Resources in 1977 to manage its oil and gas investments it became one of the company's most lucrative ventures.

Trimac's new corporate office, Trimac House, at Fifth Avenue SW in Calgary opened in 1983.

Trimac's direct investment in oil and gas exploration and production began in November 1977 with the formation of Tripet Resources, run by Frank Vetsch and Peter Strack. Tripet participated as the operating partner of a joint venture with General Distributors (Gendis Inc.). The joint venture had modest success for five years with a $6 million-a-year drilling budget.

Then, in 1983, Tripet discovered the prolific Spirit River Halfway natural gas and natural gas liquids field in north-central Alberta. This find was a "company maker." The discovery led Trimac and Gendis to merge Tripet with Chauvco Resources in 1987. Chauvco was a public company with a talented young founding president named Guy Turcotte. Trimac obtained 29 per cent of Chauvco's equity in the deal.

Through the 1980s and 1990s, Trimac was what Bud referred to as a "cumulation company"—a North American conglomerate of transportation, drilling, vehicle leasing, waste management, and other enterprises. It was a vision he conceived of, instilled in his management team, and pursued with the energy and enthusiasm required to make it happen, as the following chapters will relate.

Chapter 10

Capturing Opportunities Around the Core Business

One of Bud McCaig's business maxims was: "Trimac is more than just a trucking company." Bud made his first attempt to diversify the company when he and John Scrymgeour tried to merge Trimac with Westburne Industries in 1969. The equity markets didn't like the resulting conglomerate, so Bud and John "unmerged" it in 1971. Diversification was the right idea, but this was the wrong combination and the wrong time.

The Westburne experience gave Bud a lasting preference for a mixture of business revenue streams, particularly as a hedge against the up and down cycles of cash flows from individual businesses. However, he needed his own source of money for diversification. In 1971 he took Trimac public with a $28-million common share offering. The Winnipeg brokerage of James Richardson and Sons handled the issue. Bud chose them because Richardson was a family company able to give the McCaigs sound and knowledgeable advice on a family business with public shareholders.

With a treasury to make acquisitions, Bud surrounded himself with executives and managers capable of pursuing diversity, spotting opportunities, and considering proposals brought to them. They created a fast-paced and freewheeling atmosphere of due diligence deal-making. Diversification became a Trimac corporate capability when successful conglomerates were popular with the equity markets. The company built its business excellence on three pillars: bulk trucking, energy services, and vehicle leasing.

Since Jack founded MACCAM, the McCaigs had been fleet-footed, decisive leaders. They were quick to connect what they were doing today with a new business for tomorrow. Jack created a family business that has lasted for 90 years. Roger formed Redi-Mix after research into the construction industry and the opportunity for efficiencies that it presented. Maurice fashioned a world-class trucking safety system from values learned as a kid hanging around drivers and mechanics who all wanted to go home in one piece at the end of the day.

Bud created an entrepreneurial environment in order to build something more than a trucking company, and he needed a capable brain trust to do it. Establishing a successful learning environment had its irony because Jack did not return to school after the family emigrated to Canada when he was just 15 years old. Bud only had a high school education. Jack pulled Roger from college because he felt his son could learn more useful things in business, and Maurice quit the company until Bud relented on forcing him to finish high school. Nevertheless, there were few Western Canadian companies where an executive or a manager could learn more, and learn it faster, than at Trimac.

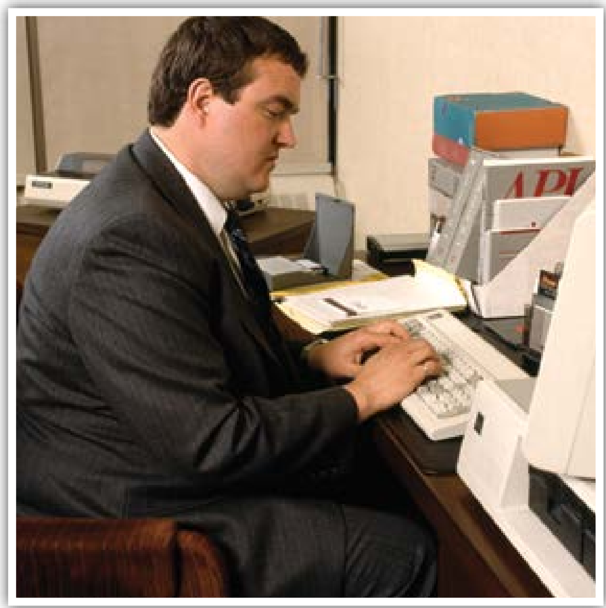
The flurry of merger and acquisition proposals that Trimac considered and accepted, or rejected, and the desire to have the best available tools created many opportunities that were off the beaten path. Some of them led to permanent businesses.

The Westburne merger put Trimac in the major leagues of the new field of information technology by giving it a data processing group called WBI (for Westburne Industries), renamed MBI after the demerger by flipping the W upside down. Later the service was called Trimac Information Services (TIS). In 1986 Trimac purchased a Model 204 mainframe database management system. There was enough unused computer capacity that TIS ran a small but profitable consulting business by leasing computer time to other non-trucking businesses and teaching them how to use it.

Trimac Consulting Services

Trimac established a consulting company in 1972 to sell transportation knowledge accumulated over 30 years. Trimac Consulting Services (TCS) had a small staff and used Trimac's in-house transportation specialists to complete projects by matching skills with project requirements. TCS started with assignments from several provincial and federal government departments. It then built an international portfolio in countries from Saudi Arabia to Thailand.

In Ecuador, TCS reorganized the country's entire trucking sector. In Colombia, it created railway-trucking intermodal service for the state-owned



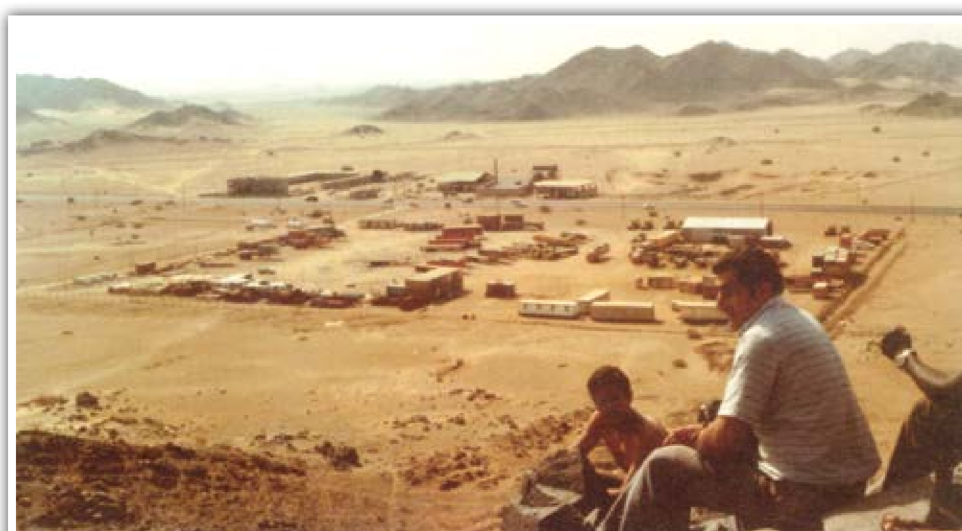
Lloyd Ash, Trimac Consulting.

National Railway Company as part of a business plan to diversify it from hauling coal from a mining complex, prior to privatizing it. The Colombians hired TCS to take this on because they recognized that in North America, Trimac had become experienced and accustomed to operating transportation services in multiple jurisdictions and would understand the ramifications of improving rail service to increase its value before selling it to private operators.

TCS helped the government of Thailand design a truck terminal on the outskirts of Bangkok. It helped the Tanzanian government create the safest, most reliable, and most efficient national road freight sector in Africa's sub-Sahara. A TCS team of Canadians was called in to reorganize Bangladesh's transportation infrastructure as a key part in rebuilding the economy. In Bangladesh, and the other countries where it aided transportation projects, Trimac put Canada's best foot forward.

One of TCS's most challenging contracts was to build 25 schools in Saudi Arabia in a joint venture with a company owned by the Saudi royal family. Trimac was to truck building materials from the port of Jedda to the schools' locations. The company had to buy the trucks, organize the off-loading of materials in the port, determine the trucking routes, and purchase and maintain the transportation equipment.

Negotiating the joint venture stalled on a Trimac demand that, in the event of civil unrest in the Kingdom, Trimac would be bought out of the joint



Andy Caruana overlooking the camp in Saudi Arabia.

venture and Canadian personnel would get safe passage out of the country. Maurice McCaig, then the vice president of Trimac Ltd., negotiated the joint venture with Prince Faisal in the city of Riyadh. When they could not come to terms, they agreed that the prince would provide the money and Trimac would provide the expertise.

Maurice McCaig *(left)* and Andy Caruana in Saudi Arabia. Andy was involved in purchasing and maintaining the equipment and hiring drivers for the project.

Interestingly, Trimac was able to buy 30 tractors built for Ryder System for a job in Iran that had not gone ahead. Then the project faced delays during Ramadan, the holiest month in the Muslim religious calendar, because Saudi construction labourers could not work until the Ramadan fast was over. So, Maurice and his number two man, Andy Caruana, built the first structure, a pre-fabricated shop for the road camp.

They then had to find drivers for the trucks and hired Korean drivers from a construction company. The drivers needed training to Trimac standards and had to be dispatched, but none of the drivers spoke fluent English. However, Trimac's men found ways to bridge the language gap. To complete the project, Trimac sold its interest and obligations to a venerable British shipping line, the Peninsular and Oriental Steam Navigation Company.

TCS didn't make much money on the Saudi project and learned rather dramatically the difficulties of doing business in a country where language, culture and customs, and business practices differed widely from familiar Canadian ways. In due course, Trimac wrapped up its consulting business in order to concentrate on diversification in North America.

CalFab

In 1968, two American companies, Atlantic Richfield and Humble Oil, discovered the largest oilfield in the United States in Prudhoe Bay on the Alaska North Slope. An oil terminal was built in the southern Alaska fishing port of Valdez on Prince William Sound as well as an 800-mile pipeline to ship oil from Prudhoe Bay to Valdez. Construction of the Alyeska Pipeline, also known as the Trans Alaska Pipeline, took place from 1975 to 1977.

To protect permafrost from melting and to allow caribou herds to migrate unimpeded, the pipeline was laid above the ground on H-shaped braces that resembled football goalposts. Trimac's pipeline and Arctic transportation boss, Ken Stephenson, came up with a design for a steel bracket that would secure the pipeline to the braces. He went to California to pitch the idea to Bechtel, the San Francisco-based engineering giant that was managing the project. Bechtel liked the idea, so Trimac created CalFab in 1974 to do the detailed design of the product and a custom assembly line to manufacture the brackets. CalFab made the shortlist of proposals despite the strong lineup of large and experienced competitors.

Work on the pipeline in Alaska was proceeding rapidly, so Bechtel sent inspectors to Calgary to examine Trimac's construction facility. The problem was there was no plant to inspect, at least not yet. Stephenson rented a suitable empty industrial building and took the Bechtel people to it. "CalFab will build the pipeline brackets here," he told his guests. In spite of Ken's trepidation that he couldn't show off a fancy plant, the Bechtel delegation was impressed with the design details and the proposed assembly line, which yielded significant production efficiencies and would cut production time and cost per bracket. CalFab got the contract. Stephenson purchased equipment and supplies and hired a small group of upstanding mangers that included John Arbuthnot, Jim Watt, and Keith Sullivan. They were able to hire and train good welders to undertake the work.

The crew made approximately 85,000 of the brackets. CalFab completed the work in January 1976, 10 months after Alyeska Pipeline construction began, and on time for the erection of the braces that carry the pipeline above ground, and 14 months before the final weld on pipeline construction.

The Cat Arm Project

Trimac prides itself on its ability to create and innovate in response to what its customers need. In 1983 Trimac secured a contract from McNamara Wimpey, a heavy construction partnership engaged by Newfoundland and Labrador Power to build the 217-megawatt Cat Arm hydroelectric dam and power plant.

Trimac's contract was to haul 900,000 metric tons of impervious fill from a gravel pit to the dam and power plant construction site at White Bay on Great Northern Peninsula of Newfoundland. The length of the haul was 45 kilometres over very rough roads and across narrow, hair-raising bridges.

The biggest impediment wasn't the 900,000-ton size of the job or the road conditions, but that Trimac didn't have a presence in Newfoundland and the all-important operating authority to work there. So, Trimac Transportation's president, Andrew Zaleski, bought a truck. Just one truck for a job that needed dozens. However, the truck had a Newfoundland operating authority. That was all Trimac needed to assemble its fleet. The project eventually used 55 tractor-trailers, 35 Trimac drivers, and 65 local hires for the company's first project, which had started from nothing. It took two May-to-October seasons that tested the limits of the equipment because of the hilly roads, and of the men because of the isolation of 21 straight days of work and a week off each month. They also coped with miserable days of heavy rain and snow. The Cat Arm hauling project was a financial and operating success. It also introduced the company to the business of hauling projects, particularly for the mining industry.

Not since Jack hauled gravel for road-building in Saskatchewan prior to the Second World War and in the early MACCAM years had Trimac, or its predecessor companies, attempted comparable work. In the early days, Jack owned some of the gravel pits and this business experience led to Roger's success with Redi-Mix.

Northern Resource Trucking

Seldom, if ever, has Trimac's business innovation and creativity led to greater success than with the creation of Northern Resource Trucking (NRT). In 1986 the Lac La Ronge Indian Band, part of the Woodland Cree linguistic and cultural group, asked Trimac to partner with it in a trucking joint venture to serve the emerging uranium-mining industry in northwest Saskatchewan. Lac La Ronge Chief Myles Venne approached Trimac Transportation's regional manager Rick Reynolds

Ken McCallum *(in truck)* and Gerald Heimbecker with an NRT truck near Saskatoon, 1986. The formation of NRT with joint venture partner, the La Ronge Indian Band of northern Saskatchewan, was one of the most unique endeavours ever undertaken by Trimac.

NRT transported ore from a huge uranium deposit operated by the Key Lake Mining Company.

because of Trimac's and the McCaig family's 60-year track record as a Saskatchewan family trucking company.

Reynolds embraced the partnership and its foremost objective of training and developing aboriginals in a business that they owned. The Lac La Ronge Indian Band already had the Kitsaki Development Corporation as its business development arm and renamed it as Kitsaki Management Ltd. Trimac took 49 per cent ownership and Kitsaki Management Ltd. held 51 per cent. Trimac funded the enterprise for two years until federal funding agencies came through with Kitsaki Management's share of the capital.

The first customers were the Key Lake Mining Corporation, owners of the Key Lake uranium mine, and Cogema Resources Ltd.'s Cluff Lake mine and mill. Cogema later became Areva Resources and is now Orano Resources, which owns the mill at McClean Lake and a portion of the mine at McArthur River. Cameco owns and operates mines at McArthur River, Key Lake, and Rabbit Lake.

For 15 years, NRT's co-founder and president, Rick Reynolds, ensured that the company fulfilled its mining customers' need for a north-south trucking service. Trimac kept NRT separate even though Reynolds was then Trimac's vice president of Marketing & Sales and later the division vice president for Western Canada and the western United States at the same time. Roger Olyowsky was the first general

Left to right: Rick Reynolds, Walter Keys, and Chief Harry Cook at an NRT press conference, early 1980s.

manager in a dedicated role until his retirement in 2005. Dave McIlmoyl, who was with Kitsaki Management, joined NRT as vice president in 1998 and is now its president.

Maurice McCaig paid a visit to the NRT ice road crew. *Left to right:* Lloyd Dreidger, Gerald Breland, Russell Roberts (CEO Kitsaki Management), Jean Kipp, Maurice McCaig, Dale Peacock, Chad Gunderson, Leo Gaudet, Dave McIlmoyl, and Greg Kruger *(in truck)*.

In 1995, during Reynold's tenure as its president, NRT restructured when five Dene First Nations, three Cree First Nations, and three Metis communities became a part of the joint venture. Trimac's stake was diluted to 29 per cent to make room for the new partners.

NRT now has several hundred trucks and trailers and hauls dry bulk, propane, petroleum, sulphur, and chemicals as well as yellowcake from the uranium mines. It is a fully developed, mature trucking company, and its drivers can be on the road 24/7 covering the immense distances to northern mine sites and hauling yellowcake consumables such as dry or liquid bulk commodities, including fuel, machinery, and over-dimensional loads for the mines.

One of the reasons for NRT's progress was that successive chiefs supported it. Even though Chief Myles Venne started NRT, cooperation continued under subsequent chiefs. Harry Cook, chief for 18 years after Myles Venne, was a strong supporter of NRT and served on the Cameco board. His niece, Tammy Cook-Searson, is also an ardent advocate for economic development and supports NRT as the current chief. The Lac La Ronge Indian Band chief has historically been the chair of the NRT board. Other band members, like Russell Roberts, current CEO of Kitsaki Management Ltd. Partnership, provided solid support to NRT, too. Roberts sits on the NRT board and was instrumental in negotiating a "life of mine" contract for NRT with Cameco Corporation. Backing from the Lac La Ronge Indian band's political and economic development leaders has been important to NRT's continued success over the years.

NRT has trained many northern Saskatchewan residents to become first-rate drivers. The mining industry relies on NRT for safe transportation service in some of the most demanding driving conditions on earth. More recently, NRT has been affected by the slowdown in the global uranium market, but it has been able to diversify and expand geographically in order to manage the cycles in the uranium mining industry.

Dave McIlmoyl, president of NRT, was selected as the 2014 inductee into the Saskatchewan Transportation Hall of Fame.

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Tricil

In 1971 Trimac continued down the path of diversification and entered the waste management business. While there was a direct link to trucking as waste was added to the company's cargoes, Bud wanted to take on the management of waste to boost profitability.

Trimac incorporated Dominion Waste Management Ltd. and purchased the assets and business of Dominion Disposal Services, a small dry-waste collection company in Edmonton. Dominion Waste Management provided Trimac with the opportunity to bid against other private companies in a former municipal government area of responsibility. Collection of residential, commercial, and industrial waste was an ideal service for private enterprise: it required a steady stream of capital for new equipment and technology as well as know-how for collection and transportation to disposal sites, which lined up well with Trimac's other transportation services.

Two small acquisitions extended Dominion Waste Management's geographical reach. In 1972 Trimac bought Lohner Canada Ltd., which had waste management collection and landfill businesses in Ontario and upstate New York. Several months later, the purchase of Clean City Disposal Ltd. in Saskatchewan got the company into commercial dry waste in Moose Jaw and Regina.

Bud saw beyond collection and transportation of waste to ownership of the processing facilities for both dry and liquid waste. Trimac was not squeamish about hazardous wastes. The company had developed considerable experience in the safe loading, trucking, and unloading of bulk quantities of dangerous and hazardous liquids and dry bulk. It had also accumulated a great deal of knowledge about the safe handling of large quantities of environmentally sensitive materials and the costs, management, compliance, and liability issues accompanying such responsibility. Dry residential and commercial waste disposal became the entry point to a larger business opportunity—the transportation and disposal of hazardous wastes.

Trimac merged its solid waste management operations with Canadian Industries Ltd.'s (CIL) liquid waste management. The merger was accomplished through a 50-50 joint venture proposed in 1973 by CIL after it acquired Goodfellow, a group of Ontario and Quebec liquid-waste disposal companies. CIL proposed that it and Trimac combine their waste management operations. The new company was called Tricil Waste Management.

In addition to the dry solid waste services that Dominion Waste contributed, Tricil provided liquid waste collection and disposal for organic and inorganic industrial liquid wastes. Tricil had high-temperature incinerators in Montreal, Toronto, and Sarnia that complied with federal and provincial air and water environmental regulations. Its market was in the Central Canadian industrial heartland. Tricil's earnings were dependable and consistent, and the joint venture had an excellent environmental compliance reputation.

Trimac and CIL began a joint venture in 1973 called Tricil Waste Management, with 50 per cent owned by each partner.

In the first four years of its operations as a Trimac division, Dominion Waste Management poured all of its profits into re-equipping its current operations and the costs of start-ups to expand its future revenues. Until the Tricil joint venture, the waste management division did not contribute significantly to Trimac earnings.

By the late 1970s, waste management was a financially stable, major contributor to Trimac's profitability, though not the largest earner in the group. However, the company was a leader in waste management research and development and had significant growth prospects. This dovetailed with Bud's plans to make waste management and environmental services a core Trimac business. These plans were derailed by the downturn in the North American oilfield services market in the early 1980s. Described in more detail in later chapters of this book, the downturn was so severe that it caused Trimac to make the painful decision in 1986 to sell its 50 per cent interest in Tricil to shore up its balance sheet in the face of ongoing losses in the drilling business.

The Tricil joint venture had a buyout clause should either party wish to sell; initially CIL's parent, a British chemical giant, wasn't sure if it wanted to stay in the environmental business in Canada. Trimac was not in a position to go it alone by exercising its right to buy CIL's 50 per cent interest. So, instead, Trimac negotiated a deal with a competitor, Laidlaw Inc., to lend Trimac the cash for the CIL buyout on the understanding that Trimac would then sell 100 per cent of Tricil to Laidlaw. Unfortunately, CIL took exception to this arrangement, and Trimac found itself in the middle of protracted litigation between these two much larger companies. The matter was ultimately resolved in Trimac's favour in 1989, when CIL and Trimac agreed to sell the entire business in return for a much higher amount from Laidlaw.

After 20 years in the business, a major partnership with CIL, and half a dozen acquisitions, waste management no longer generated significant revenue and profit for the Trimac conglomerate; especially when compared to major bulk hauling, energy services, and truck leasing and rental revenues. Waste management now ranked with information technology, pipelines, and Arctic ventures as a secondary business. Despite this, Trimac's management team liked the waste management business and were eager to get back into it when the opportunity presented itself. It wasn't long in coming.

BOVAR

While the Tricil case was being argued in court, Trimac took a number of other steps to strengthen its balance sheet and put itself in a position to continue to grow its core businesses. In 1988 it terminated its direct involvement in the business of airborne surveys and mapping by swapping cash and the assets of Kenting Earth Sciences for shares of Intera Technologies Corporation of Calgary. The following year, it sold Kenting Projects Ltd. (a non-strategic subsidiary of Kenting Drilling) and authorized the sale of Trimac House, its corporate headquarters, becoming a tenant in the building instead of the landlord. When the Tricil case was settled in the spring of 1989, Trimac was able to refocus on growing its core businesses. The BOVAR opportunity presented itself later that year.

Trimac's interest in BOVAR grew with heightened interest in environmental businesses.

BOVAR Inc. was the newly reorganized Bow Valley Resource Services Ltd., (BVRS), a subsidiary of Bow Valley Industries and a long-time participant in the oilfield services industry in Canada and a competitor to Kenting. BVRS had expanded into the offshore drilling business on the east coast of Canada just before the downturn in the industry in the early 1980s. The significant debt incurred to build three semi-submersible drilling platforms had forced BVRS to restructure itself at the direction of its creditors, the largest being the Royal Bank of Canada. The creditors required BVRS to sell its still profitable (but barely) land-based drilling divisions, Hi-Tower and Sedco in Canada and Apollo in the United States, and reorganize itself as an environmental services company—

the business its remaining division operated in. In return, the creditors would exchange their debt for equity in the reorganized entity.

Sedco's shallow drilling rigs were attractive to Kenting because they complemented the company's deeper rigs. As well, the Hi-Tower rigs complemented Kenting's existing fleet. Notwithstanding Kenting's interest, and despite the drilling industry experiencing its lowest ebb, the creditors drove a hard bargain. Negotiations dragged on through the remaining months of 1989. Trimac finally broke through the logjam when it offered to buy the bank's equity interest in the reorganized entity. In addition, Trimac would acquire the drilling rigs and related assets directly from the newly named BOVAR. The transaction closed on New Year's Eve. Trimac became BOVAR's major shareholder with 46 per cent of its common shares and $10 million in preferred shares.

BOVAR was attractive to Trimac for two reasons. First, BOVAR had significant tax losses that were valuable to Trimac in sheltering the gain from the sale of Tricil. Second, it offered a chance to return to the environmental business, which the company had been forced to abandon with its decision to sell Tricil.

BOVAR had three main divisions in 1990. The largest and most profitable was Chem-Security (Alberta) Ltd., a partner with the Alberta government in the Alberta special waste treatment facility at Swan Hills, which incinerated and sequestered the hazardous wastes that other facilities could not. BOVAR also had an environmental consulting division and Western Research, which manufactured and sold air monitoring and emission control equipment worldwide.

Two years later, Trimac acquired Canadian Waste Management and used it as the platform to create TriWaste Environmental Services, separate from BOVAR. The new company served the needs of smaller waste generators such as photo labs, dry cleaners, and service stations in Western Canada and the state of Washington. It grew rapidly in its first four years, expanding into recycling used antifreeze and solvents.

TriWaste was formed to handle waste from small generators such as photo labs, dry cleaners, and service stations.

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BOVAR's Swan Hills plant incinerates hazardous waste.

However, it never reached the level of profitability to justify the risks associated with the business, and the decision to sell the company was made in 1996.

A similar fate awaited the Swan Hills Treatment Centre. The idea for a facility that could treat the most dangerous industrial and resource sector chemical wastes was proposed by the Alberta government in the early 1980s as an economic diversification initiative. In 1984 Chem-Security and the Alberta government signed a joint venture agreement to design and build the treatment centre near the western foothills community of Swan Hills.

The Swan Hills Treatment Centre, opened in 1987, was the only facility in Canada able to incinerate, separate, and stabilize the most hazardous wastes, such as PCBs and some oilfield, refining, and petrochemical plant wastes. When Trimac acquired it as part of the BOVAR acquisition, it was financially dependent on government subsidies. It had been overbuilt for the available market and was underutilized. Demand was dependent on government regulation and enforcement. It never generated sufficient cash flow to be viable on its own during its first decade of operation.

Trimac executives recognized that the creation of the Swan Hills Treatment Centre was a political decision made by the Alberta government. The province's industries have a significant environmental liability from hazardous wastes. There is a cost associated with getting rid of them safely, but the downturn in the oil industry in the 1980s made the political liability of imposing these costs on the industry too great.

In spite of leading technologies to handle a wide variety of wastes, the plant remained financially challenged. In 2000, BOVAR exercised an option in the joint venture agreement to return the Swan Hills Treatment Centre back to the Government of Alberta. Trimac was out of the waste management business once again.

Bantrel

Bantrel was another joint venture outside Trimac's core businesses of trucking, oilfield services, and truck leasing. Initiated in the early 1980s, Bantrel was formed by Trimac and the global engineering, procurement, and construction (EPC) company Bechtel, based in San Francisco, to pursue opportunities in the east coast offshore oil and gas development business. These opportunities were created by the federal government's National Energy Program (NEP) in 1980, which, among other things, introduced incentives for exploration and development on Canada Lands (lands the federal government held the mineral rights to, as opposed to private lands and lands where the provinces held the mineral rights). The incentives were only available to companies based in Canada and with majority Canadian ownership. So Bechtel couldn't bid on these projects on its own. It needed Canadian partners. Trimac and its partially owned subsidiary Banister Pipelines signed up. Two smaller companies, both based in Atlantic Canada, rounded out the partnership.

On November 1, 1983, Bantrel opened its doors in downtown Calgary. The new company's initial mandate was to pursue mega-projects in Atlantic Canada and the Canadian Arctic. Two years later Bechtel officially transitioned its oilsands portfolio to Bantrel. Although it did not win a significant amount of work in Canada's offshore east coast or the Canadian Arctic activity during the five-year duration of the NEP, Bantrel continued to pursue oilsands and other opportunities in Western Canada and was successful in obtaining project awards—predominantly expansion and feasibility studies—from companies such as BP Canada, Husky Energy, Petro-Canada, Imperial Oil, Suncor Energy, and Syncrude. Over the balance of the decade, the studies evolved into front-end engineering and design work and then into full EPC management awards in the 1990s. Bechtel and Trimac bought out the other shareholders in 1992, and Bantrel opened offices in Edmonton and Toronto. Its mandate expanded beyond oil, gas, and chemicals to include mines and metals, infrastructure, and power industries.

Bantrel eventually grew into one of the largest and most respected engineering, procurement, and construction companies in Canada employing more than 6,000 people at its peak. Trimac's ownership interest in Bantrel was transferred to members of the McCaig family in 2000 as part of the reorganization required to take the company private that year. Jeff McCaig is the current chair of Bantrel's board of directors.

Chapter 11

Growth and Development of North American Trucking

During the 1960s and 1970s, the growth of Trimac's trucking business was constrained by the international boundary between Canada and the United States. In 1968 the company applied to the US Interstate Commerce Commission (ICC) for authority to haul commodities on trips to and from the United States, but not within that country (defined in trucking regulations as "cabotage"). Prior to this application, Trimac had limited operating authorities to cross-border destinations such as Seattle, Washington; Fairbanks, Alaska; and Fargo, North Dakota. In the application, Trimac asked for permission to haul bulk commodities across the border from the Great Lakes to the Pacific into 27 states west of the Ohio River Valley.

Trimac faced a lengthy, costly, and contentious ICC hearing held at its own expense in Great Falls, Montana. The application was opposed by the US trucking industry and the railroads. However, late in 1968, the ICC granted Trimac authority to make truck shipments between the two countries west of the Mississippi River.

As Bud McCaig evaluated Trimac's growth opportunities in the huge US market he also worked on being a national bulk carrier across Canada. His objective: "Anything that could be poured, shovelled, or scooped could be bulk-hauled by converting from bags, barrels, or containers to bulk tanks or trailers pulled by trucks." The 1967 acquisition of Municipal Tank Lines in Ontario gave Trimac an entry into Ontario bulk hauling and was a half-step into the United

States, as Trimac now had equipment that could travel into the eastern states.

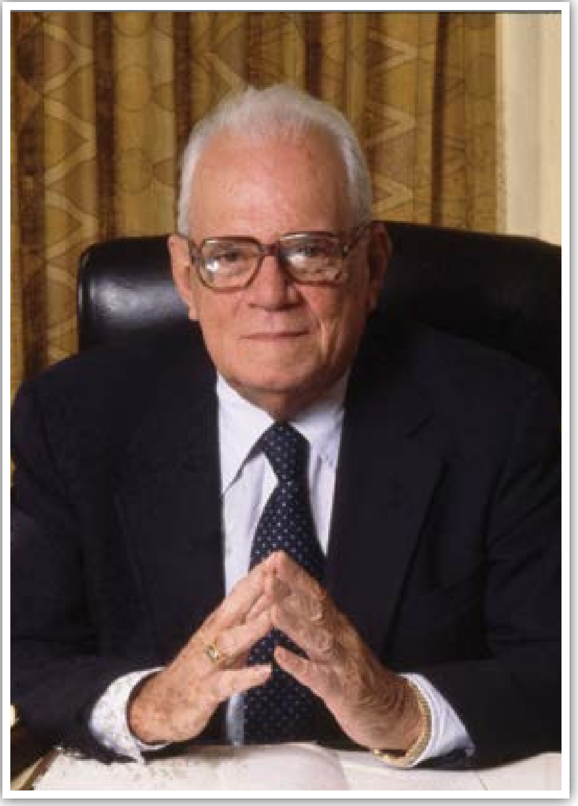
In 1968 Trimac purchased Mercury Tanklines, which hauled pure alcohol from Calgary to Cincinnati, Ohio, to be blended and aged as bourbon. Mercury then back-hauled distilled whiskey, bourbon, wine, gin, rye, and grape pulp for Canadian wineries. Mercury Tanklines became a business metaphor for the continental reach that Trimac desired.

For 10 years, Trimac's US growth had been confined to cross-border hauling by its Canadian-owned equipment. The company renewed its efforts to have the ICC grant authorities to extend existing routes. If granted, Trimac's many applications added up to access to most of the continental United States. American truckers saw Trimac's big picture and resisted.

So Trimac went shopping for American companies. It preferred a medium-sized business with concentrated ownership, preferably held by the founder. Bud also wanted a company with a good reputation for well-treated and loyal employees. In most important ways, he was looking to acquire an American version of H. M. Trimble & Sons.

Liquid Transporters Inc. (LTI), based in Louisville, Kentucky, and founded in 1949 by Charles Cranmer—who owned the controlling interest in the firm—fit that description. Cranmer wanted to retire but also wanted to sell the company to a buyer who would keep it intact and be a good employer. In most important ways, Cranmer wanted a buyer like Trimac.

Charles Cranmer founded Liquid Transporters in 1949.



LTI had opposed Trimac at the ICC hearings in Great Falls, Montana, when Trimac applied for US operating authorities. However, Charles and Bud had an ability to leave business disputes at the office and had become friends. Both men were members of the National Tank Truck Carriers Inc. (NTTC), and it was through meetings of the association that their business relationship matured.

Charlie Cranmer started in the trucking business in 1935 as sales manager with the Cleveland-based White Motor Company, which made automobiles, trucks, buses, and farm tractors. He recognized that tank trucks were a coming opportunity, so he started LTI in 1949 with more ambition than money. His first job was hauling asphalt for Ashland Oil, taking its business away from the railroads. Asphalt and petroleum hauling became LTI's businesses.

The acquisition of Liquid Transporters brought 470 people, 460 power units, 820 trailers, and 11 US terminals into Trimac Transportation.

Trimac acquires Liquid Transporters. *Left to right:* Bruce Kraemer, Ed Estill, Michael Bragagnolo, Chris Elsey, and Mark Halcomb.

Like Jack, Charlie always paid his employees before he paid himself. He even created a pension plan for his drivers, which was rare in the bulk hauling business. In 1952 one of his trucks was in a million-dollar accident when its load spilled into a creek, caught fire, and burned homes on the riverbank as the fire floated downstream. Charlie had just a $25,000 insurance policy but he paid every claim, even though it took 15 years.

In 1969 Cranmer did a public share issue for LTI but held on to the majority interest. He expanded into hauling dry loads like cement. Cranmer, who developed severe emphysema, wanted to retire. None of his children were interested in taking over, so he was receptive when Bud offered to buy the company in 1978. At the time, LTI was enmeshed in a legal fight stemming from a 1978 propane explosion that occurred when the company was helping to unload a train derailment. Two of Cranmer's employees were among the 18 people who died in the incident.

Trimac closed the deal to buy LTI in September 1980. The Canadian company acquired 460 trucks, 820 trailers, and 11 terminals with a staff of 470 people and soon established a major presence in the American bulk hauling market.

Cranmer died a year later, mourned as a compassionate, competent employer. He was 71 years old. His passing came within a few months of Jack McCaig's death.

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Both were milestones for Trimac and LTI and marked the changing of the guard.

Pleased with the success of the LTI acquisition, Trimac next went after a dry bulk hauler in Texas. Quality Service Tank Lines (QSTL) was created by entrepreneur Tom Clowe. In 1977 Clowe acquired the dry bulk hauling assets and business of Robertson Tank Lines, a Houston-based, mom-and-pop pioneer in the bulk trucking business. DSI Transports of Houston purchased the liquid bulk hauling side of the Robertson business and ironically, in 2000, Trimac acquired DSI, which put the two parts of the original Robertson back under common ownership again.

Tom Clowe, 1981.

Clowe built QSTL into an 11-terminal dry bulk carrier, hauling mainly cement and lime for customers across Texas and some neighbouring states. The enterprise did well in the 1980's real estate and construction boom fuelled by petroleum.

However, oil and gas energy was, and still is, a cyclical business and when the Texas oil boom slowed down Clowe knew he needed deeper financial pockets if he wanted to continue expanding QSTL. In April 1982 he sold the company to Trimac, which had the financial resources to support the business. Clowe stayed on as president and became a vital leader of Trimac's US team, assisting not just with QSTL's affairs but advising on other American deals.

After the LTI and QSTL acquisitions, Trimac was a full-fledged North American bulk trucking company with its corporate feet firmly planted on both sides of the international boundary.

Andrew Zaleski joined Trimac Transportation System (TTS) in October 1982 as vice president and general manager of Trimac's Canadian trucking operations. He had accumulated 24 years of experience as a manufacturing executive in several companies based in Ontario. They included Canadian Admiral and its subsidiary Beach Appliances as well as White Farm Products, a subsidiary of its US parent company, White Motor Corporation.

Suddenly and unexpectedly, two months after Zaleski was hired, his boss, Art Coyston, passed away. Zaleski replaced him as executive vice president of TTS in 1984. When Maurice McCaig stepped down as TTS president in 1986, Zaleski became president.

Zaleski now led the company's growth in Canada and the United States. US bulk transportation operations presented the biggest challenge, and Zaleski had to find ways to overcome a slump in revenues. He did not have Art Coyston's or Maurice McCaig's years of experience in bulk trucking so the new president set about learning the basics.

When Zaleski settled in at Trimac in the early 1980s, he concluded that marketing was not the company's core strength. It excelled at customer relations and

Left to right: Paul Cooke, Lorne Pomeroy, Andrew Zaleski, Mike Davey, and Bob Algar.

customer service, but trucking had been partially regulated and the rates were prescribed, so if you had the equipment and the operating authority, customers came to you. Zaleski saw this as a golden opportunity to expand Trimac's horizons and he emphasized "zippering" of relationships with Trimac's major accounts throughout his entire career.

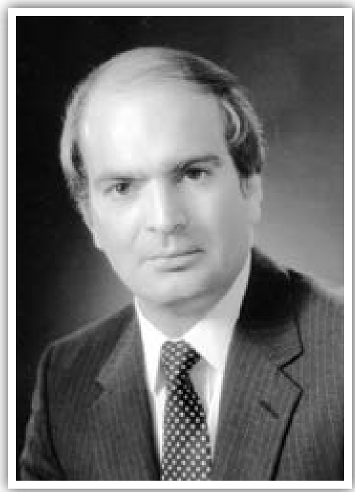
Andrew's direct reports included: Lorne Pomeroy, VP of Finance and Corporate Services; Murray Jackson, VP of Marketing and Sales; Bob Algar, VP of Personnel and Industrial Relations; Paul Cooke, VP of Safety and Maintenance; Andy Piche, VP Western Canada; Barry Bembridge, VP Eastern Canada; and Mike Bragagnolo, VP United States.

In 1984 Trimac Transportation Inc. (TTI) became the parent company of all of the US trucking operations. Mike Bragagnolo brought in Chris Elsey from Trimac Canada to assist in establishing consistent practices and training management personnel. Operationally, TTI split into Trimac Transportation Services Western Inc. (TTSWI) and Trimac Transportation Services Eastern Inc. (TTSEI). A small operation in Hayward, California, was quickly acquired by TTSWI. This was the initial attempt to develop the Trimac brand in the regional markets served by its US subsidiaries. Trimac did not take this position for granted: it was only in tough competitive battles that the company earned the respect and allegiance of its customers and employees and grew its revenues.

Barry Bembridge.

Zaleski's initial focus was on cost controls, with leadership by experienced accounting and finance executives Lorne Pomeroy and Norm Kennedy. They had developed a strong team that included Ed Malysa, Jim West, Barry Urbani, Paul Gagnon, John Henderson, Kim Keller, Darrell Dueck, Pat Slabosz, Dave Zimmerman, and many more. The team ensured the timely collection and analysis of revenues, costs, and profitability by physical branch and by customer.

Costs were separated into variable costs, which could be controlled by the branch; and fixed costs associated with shared services, which were stringently controlled centrally and allocated to the branches. It was imperative that revenues, costs, and profits were available in a timely and accurate fashion for each branch so that managers could be accountable for their results. Zaleski believed in a decentralized operating model with head office supporting the branches that had the most contact with Trimac's customers and workforce.



Mike Bragagnolo, 1989.

This change also required a reorganization of operating units to accommodate organic growth and new acquisitions. Branches were grouped into regions and regions into divisions that included Western Canada, Eastern Canada, and the United States. Regions were not merely geographical but also reflected product lines, and in some cases the employee relations structure. The entire TTS executive team reviewed operations results quarterly by going to each division and meeting with the senior management team. A comprehensive annual business plan was prepared each fall for the upcoming year, starting at the branch level and rolling up to regions, divisions, and total system.

In 1984 Zaleski and Algar introduced annual strategic planning meetings including all direct reports and formalized analysis of any areas that affected growth and financial performance. He and his team articulated clear vision and mission statements, as well as strategic objectives, for the first time. They also

Standing, left to right: Fern Forget and Lorne Pomeroy. *Sitting, left to right:* Bob MacDonald, Karl Wahl, and Art Coyston.

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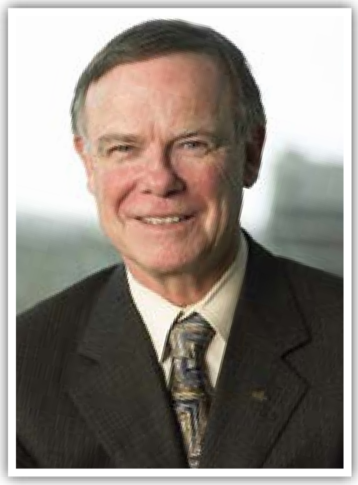
Paul Cooke and his Quality Assurance facilitators meet at Trimac House in Calgary, September 1991.

reduced overheads by approximately $2 million. These meetings were enlarged to include more of the field and head office senior managers and became a critical forum for improved communication, process improvements, and integrating new acquisitions.

Marketing and sales leadership for system-wide initiatives remained at head office but director-level personnel in the three divisions reported to their division-operating vice presidents.

Zaleski's heads of marketing and sales included Murray Jackson, Mike Davey, followed by Rick Reynolds, and then Jim D'Alessio. Trimac had a large number of major accounts, and Reynolds and a team of division staff worked closely with them to develop single-source partnerships that extended over multiple-year contracts serviced by dedicated branches.

Paul Cooke introduced quality assurance (QA) in 1989, bringing Trimac closer to many customers who had similar management systems. Internally, he organized QA facilitators in all regions and departments and began to document and simplify major work processes.


Barry Davy.

Barry Davy joined Trimac in early 1992 as VP Quality Assurance and assumed system-wide responsibility for quality, safety, maintenance, environment, operations development, and trailer design. Quality initiatives evolved over the next decade to include customer/supplier partnerships and major cost reductions through a wide range of process improvement initiatives.

Trimac was the first transportation company in Canada to achieve the coveted ISO-9002 quality accreditation with the certification of its two Sarnia branches in 1995. While this required the involvement and commitment of many Eastern Division personnel, Grant Bryck was responsible for expanding the initiative to include certification of its Oakville tank-cleaning facility in 1996 and the Trimac-managed CN CargoFlo transload in Concord, Ontario, in 1995. Trimac received recognition from many customers for its quality programs and performance, and was acknowledged in surveys such as Quest for Quality, initiated by *Distribution* magazine.

Branch Operations Training Program's first graduating class wave their Calgary White Hats. The hats are a time-honoured symbol of the city's hospitality. *Back row, left to right:* Clarence Moore, Matt McCoy, Tom Benson, Toney Bomar, Jim Plecker, Brian Murray, Dave Paul, Bill Turnbull, and Bill Weaver. *Front row, left to right:* Sandy James, Walter Willms, Bob Beach, Rob Seymour, Bob Hissett, Carol Clark.

Human resources became critical in this phase of Trimac's growth. Bob Algar helped Trimac balance and diversify a labour relations strategy that included union and non-union branches, employee associations, and both company employees and independent contractors. When Algar moved up to the parent company, Trimac Ltd., Kim Miller succeeded him.

Labour relations focused on operating companies at the branch level and being close to the employees and contractors. Trimac set up pension and benefit programs before many of its competitors. Formal individual annual performance management was introduced with an emphasis on key performance indicators and goal setting. Extensive training of managers included the Branch Operations Training Program (BOTP), headed by Willie Hamel. BOTP required that all field managers come to head office for consistent training on Trimac operating procedures. All business processes were to be formalized and then process improvement initiatives, including cost savings, were incorporated in the annual business plans.

Trimac was a leader in information technology within the trucking industry. In

Willie Hamel *(left)* and Andrew Zaleski open TTS's Training Centre, 1995.

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Ted Barnicoat, Trimac Information Services.

the late 1980s and early 1990s, Trimac's MBI Data Services provided computer systems to Trimac companies and also to external clients. It had an M204 mainframe and an AS400 from the LTI acquisition. Cliff Nesselbeck provided early leadership and subsequently Gord McDonald, who reported to Trimac Corporate. McDonald was succeeded by Bill Moskwa and then Ted Barnicoat when Trimac Information Services (TIS) was reporting to Andrew Zaleski but still servicing other Trimac companies.

Under Barnicoat, TIS helped support Trimac's acquisition strategies in accounting, human resources, operations, maintenance, marketing and sales, risk and insurance services, properties, and legal. TIS adapted off-the-shelf programs and also developed custom applications in-house. TIS led the preparation for Y2K contingency plans between 1998 and 2000. Janet Topic succeeded Barnicoat and assembled a strong team of leaders that included Kevin Decelles, Barry Reese, and Perry Shivak, then Zeba Askar and Jon Dizon.

TIS facilitated a major change in operations in 1996 with the introduction of Field Support Systems (FSS) spearheaded by Topic, then the applications development manager and eventually the senior VP of Corporate Services and chief information officer before her retirement in 2020. More than just a computer software upgrade, FSS became the focus for much of the process improvements and cost savings under Field Operations Excellence (FOX) led by Rick Reynolds and Topic and supported by a team of operations people, including Al Kobie, Fred Klapp, Joy Aadland, Bob Thompson, and numerous others.

Acquisitions became one of Trimac's core competencies and included the participation of all members of the TTS executive and key staff. Lorne Pomeroy coordinated the formal process that documented all project plans for the due diligence and future operating strategy. One year after the completion of an acquisition Trimac conducted a "make good" report of the results.

Other critical operational areas of expertise that fostered Trimac's rapid growth were maintenance and tank cleaning (wash racks). Trimac had unique equipment-maintenance requirements and strong compliance regulations. The Equipment Standards Committee brought together head office and field personnel that initially included Andy Caruana, George Scott, Dave Richardson, and John Green from field maintenance; Doug Rutter from purchasing; and Andy Mulvey and Colin Hughes from trailer design. Later members included Bill Januszewski, Harv Rober, Garry Peacock, and many others. The team developed and implemented consistent best-maintenance practices, ensured adequate training, reduced costs, and dealt with compliance issues. They received high accolades from industry suppliers, compliance regulators, and the bulk trucking industry associations.

Wash racks were even more critical, especially for internal tank cleaning. Trimac's tank-cleaning operations enabled it to capture major customers with dedicated and custom-designed facilities. Internal expertise was limited at first with Ron Hall being assisted by outside consultants. But additional personnel—e.g., Travis O'Banion, Kim Barthlow, Paul Craig, Andrew Kaziak, and Trevor Tiffany—were able to deal with the designing of new facilities, the modifying of existing facilities and processes, the improving of cost effectiveness, safety, and the enhancement of environmental compliance.

Janet Topic.

Maintenance and wash rack expertise were essential for carrying out the due diligence and onboarding of new acquisitions and eventually formed the basis for National Tank Services, which extended Trimac's maintenance and tank cleaning operations to include third-party commercial work.

In 1988 Zaleski made his first large deal acquiring another carrier in the United States. His target was an asphalt, cement, and chemical carrier that hauled products similar to Trimac's other bulk cargoes. With the Canada/US Free Trade agreement pending, Zaleski planned to take advantage of the freer market.

To meet these objectives, Trimac acquired Universal Transport Inc. (UTI), headquartered in Rapid City, South Dakota, and its subsidiary Les Calkins Trucking of Lodi, California; and Johnson Fuel Liners Inc. of Newcastle, Wyoming. With the takeovers, Trimac took on 11 branches in South Dakota, California, Colorado, Wyoming, and Nebraska. Universal operated 100 tractors from terminals in Rapid City, Chamberlain, and Spearfish, South Dakota; Fort Collins, Colorado; and Salt Lake City, Utah. Les Calkins operated 80 tractors. Its main terminal was in Lodi, with a satellite facility in Fernley, Nevada.

Combined, they hauled cement, coal, lime, woodchips, petroleum, and aggregates. Trimac kept their existing managements and made no changes to operations. There were significant synergies as a result of operating efficiencies and reduced overheads that improved margins at the outset. The acquisitions expanded Trimac's trucking operations into geographic areas where it previously had limited services.

A major expansion of the products Trimac hauled, its revenues, and its geographical coverage followed. Trimac purchased Ryder Bulk Transportation Services operating in Alabama, Indiana, South Carolina, Texas, Louisiana, and New Jersey in 1990. The deal resulted in a 25 per cent increase in US trucking revenues. Ryder was renamed Trimac Bulk Transportation Inc. (TBTI).

But the United States was not the only growth area. In August 1990, Trimac announced it had purchased CP Bulk Systems, owned by Canadian Pacific Express & Transport Ltd. (CPET). Negotiations were prolonged, and at times discouraging, and were sustained only because Andrew Zaleski saw both the importance of Trimac taking this step and the economic value of CP Bulk Systems. Absorbing the company's 215 tractors, 400 trailers, and 16 terminals in six Canadian provinces and one in Washington State made Trimac the largest bulk carrier in North America. Trimac absorbed CPET's fuel hauling into its Trimac Transportation System and the woodchip hauling was consolidated with Trimac's existing woodchip business. It created separate operating entities in Ontario, Alberta, and British Columbia to integrate and manage the business.

The opportunity came about as the North American trucking industry went through a major shakedown triggered by deregulation coinciding with a recession.

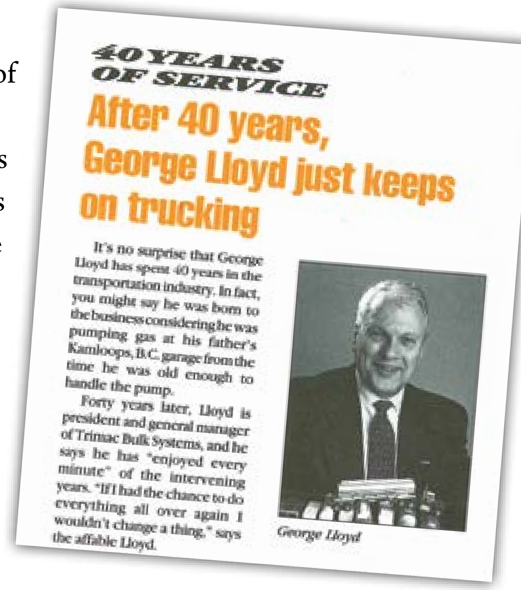
Trimac Bulk Systems woodchip B-Train on the tipper.

In Canada, CPET sold CP Bulk Systems as part of the divestiture of some of CP's trucking interests.

Trimac created Trimac Bulk Systems to ensure that the company's bulk hauling would be diversified. Taking over CP's woodchip hauls made Trimac the largest woodchip carrier in North America at the time. Trimac started with five woodchip branches in northern Ontario and northern British Columbia and doubled that number in five years, steadily increasing revenues each year.

Trimac also gained some top management skills and leadership when it acquired CP Bulk Systems. Its president, George Lloyd, was a legend in Western Canadian trucking when he came to Trimac to run Trimac Bulk Systems. He had been in trucking since graduating from high school in Kamloops, British Columbia, in 1951 and was hired by CP Transport to unload freight from train cars to trucks. He spent his career before Trimac with CP and had set up the bulk hauling division in 1971, growing its revenues from $4 million to over $40 million by the Trimac takeover. He brought the entire complement of CP's employees with him to Trimac.

Andrew Zaleski was given free reign and made acquisitions virtually every year. In three of many small, opportunistic acquisitions, the company strengthened its petroleum hauling capabilities in Ontario and Quebec by the 1993 purchases of Provmar Contract Logistics, Petroleum Distribution Resources, and Queensway, all in Ontario. Trimac also acquired Pacific Trucking in Seattle, Washington.


40 YEARS OF SERVICE

After 40 years, George Lloyd just keeps on trucking

It's no surprise that George Lloyd has spent 40 years in the transportation industry. In fact, you might say he was born to the business considering he was pumping gas at his father's Kamloops, B.C. garage from the time he was old enough to handle the pump.

Forty years later, Lloyd is president and general manager of Trimac Bulk Systems, and he says he has "enjoyed every minute" of the intervening years. "If I had the chance to do everything all over again I wouldn't change a thing," says the affable Lloyd.

George Lloyd

George Lloyd receives 40-year-long service award. *Interline*, April 1992.

Left to right: Bob Algar, VP Human Resources; Jerry Jackson, VP Finance and CEO.; Terry Owen, general counsel and corporate secretary; Andrew Zaleski, VP Trimac and president Trimac Transportation; Stephen Mulherin, VP Corporate Development & Associated Companies; Ron Waye, president, Rentway; and Art Dumont, VP Trimac and president, Kenting Energy Services, c. 1994.

In 1995 management of Trimac's US operations was consolidated into one company, Trimac Transportation Inc. (TTI). Bernie Higgins became the vice president and general manager with Chris Elsey as the vice president of Operations, both located at the US head office in Louisville, Kentucky.

The 1996 acquisition of Bartlett Transport Ltd., a food grade carrier in Port Colborne, Ontario, represented product diversification, as did the purchase of AB Slag, an end-dump operation purchased in Hamilton in the same year.

In 1997 Trimac moved into Atlantic Canada when it acquired Provost Maritimes operations, which included Coastal Bulk Transport Ltd., Brunswick Bulk Transport Ltd., Quinnsway Transport Ltd., and Brunswick Bulk USA.

The next step was to expand trucking into Mexico. Trimac had engaged in US-Mexican cross-border operations since 1993 with an interline agreement with Intermex, a Mexican tank truck carrier based in Cuautitlan Izcalli, Mexico. Under the agreement, Intermex interlined Trimac trailers from the United States and delivered them across the Mexican border. In 1999 TTI expanded its operations between the United States and Mexico by acquiring an 80 per cent interest in Amer-Liquid Transport of Brownsville, Texas. Trimac had a Mexican operating agreement with Transportes Intermex S.A. de C.V., which retained a 20 per cent interest in Amer-Liquid. Trimac acquired the remaining 20 per cent of Amer-Liquid in 2002 and remains to this day the only truly North American bulk transportation provider with direct single-carrier service from Canada and the United States to and from Mexico.

In 1998 and 1999, there was significant rate pressure on bulk carriers in the United States. As a result, Trimac moved away from dedicated hauling to more system freight hauling at lower rates. The key operating objective was to increase loaded miles—which could not be done in isolation. Trimac led a unique pooling agreement with Groendyke Transport, Manfredi Motor Transit, Miller Transportation, Superior Carriers, and Central Transport. Called the Alliance of Bulktruck Carriers (ABC), its objective was to pool one-way loads to maximize loaded miles and improve driver and equipment utility. Trimac Logistics also secured a six-month consulting contract to support the initiative. It soon became apparent that some members did not have the needed computer system capabilities and were unable to meet the high standards set for membership. ABC disbanded after several years but, on the positive side, Trimac now had a higher profile and increased familiarity with some of the bulk carrier and customer issues.

In November 1998, TTI and Harris Transportation combined their petroleum hauling businesses in the Pacific Northwest states of Oregon and Washington in a

50/50 partnership under the well-known Harris name. Trimac's business, based in Seattle and managed by Bob Audette, had been struggling due to its small size. Harris's business was based in Portland and had a long and successful history but was also relatively small. Together they formed a stronger base for serving customers throughout the region and for future growth.


Harris unit at the Portland, OR, petroleum terminal.

Trimac was represented on the initial Harris Board of Managers by Bob Algar, VP Corporate Development of Trimac Corporation, and Stu Axelrod, VP Operations of Trimac US. Axelrod was succeeded by Steve Bates, VP of Dry Bulk & Mining Services Trimac US, and finally by Bill Marchbank, VP Operations for all Trimac US business. Harris was well managed by Brian Harris, president, and Jan Frost, VP Finance & Administration. The combined business was successful from the very beginning in capturing economies of scale and cooperation with support from key people in Trimac's Houston headquarters, including Craig Bourgeois, CFO for the United States, and from the TMSLP group in Calgary.

Harris grew quickly to hold the largest share in the Pacific Northwest petroleum market for close to 12 years. In 2007 the company expanded into Colorado with the purchase of Trimac's petroleum operation in Commerce City, including 15 drivers, 7 staff and shop personnel, along with 14 tractors and 17 trailers. The nearby oil industry was starting to boom, and eventually it became impossible to compete with the oil patch for drivers to serve the traditional retail fuel service from Commerce City. Harris also started an operation in Arizona at the request of customers, but there were insufficient volumes to sustain it. Harris was sold on attractive terms in 2015.

In early 1999, Trimac was the successful bidder to re-open the former Phillips Environmental tank-cleaning facility in Mississauga, Ontario. The plan included capital expenditures for building upgrades and new equipment in a facility leased from Liquid Cargo Lines. It opened in late 1999 as National Tank Cleaning Services (NTCS), offering a full range of cleaning services to commercial customers. The business grew under Trevor Tiffany's leadership to become Trimac's most efficient and profitable wash rack by most performance metrics.

Bob Algar *(right)* and Andrew Zaleski in the driver's seat with DSI locomotive engineer.

Small acquisitions in 1999 in Atlantic Canada included Sullivan Bros. Fuels in northeastern Nova Scotia and Cape Breton; Roadmaster, a container chassis carrier in Halifax; and Gateway Fuels Ltd. in Yarmouth, which expanded Trimac's hold in Nova Scotia; and J & L Trucking in Saskatchewan. V. A. Ross in central New Brunswick was acquired in 2000. All were tactical purchases in existing markets.

Andy Piche, Trimac's Western Canada VP, retired in 1999 after a long and successful career, and Rick Reynolds succeeded him. Jim D'Alessio was brought in from outside Trimac to take over the VP Marketing and Business Development position. He was the first American to become a member of the Trimac head office executive team with North American responsibility, although the executive team did have Americans heading the US operating divisions.

The new millennium began with the January 18, 2000, acquisition of Initial DSI Transports Inc. (DSI) from United Transport America, Inc., a subsidiary of Rentokil Initial plc, a UK company. DSI, headquartered in Houston, Texas, served chemical manufacturers and distributors of liquid chemical, petroleum, and dry bulk products. At the time of its purchase, DSI was the fourth-largest bulk carrier in North America with revenues of approximately US$ 150 million in 1999. It had a fleet of 900 tractors and 1,350 trailers and 34 terminals spread across the entire southern United States. Trimac's due diligence of DSI was unique: it was very quick and had many restrictions that limited Trimac's review to a restricted "data room" and only very limited access to its people, facilities, and customers.

Andrew Zaleski stepped down as president of Trimac Transportation in March 2001. During his tenure, revenues grew from about $100 million to more than $700 million. He prided himself on the strength, experience, and loyalty of his management team.

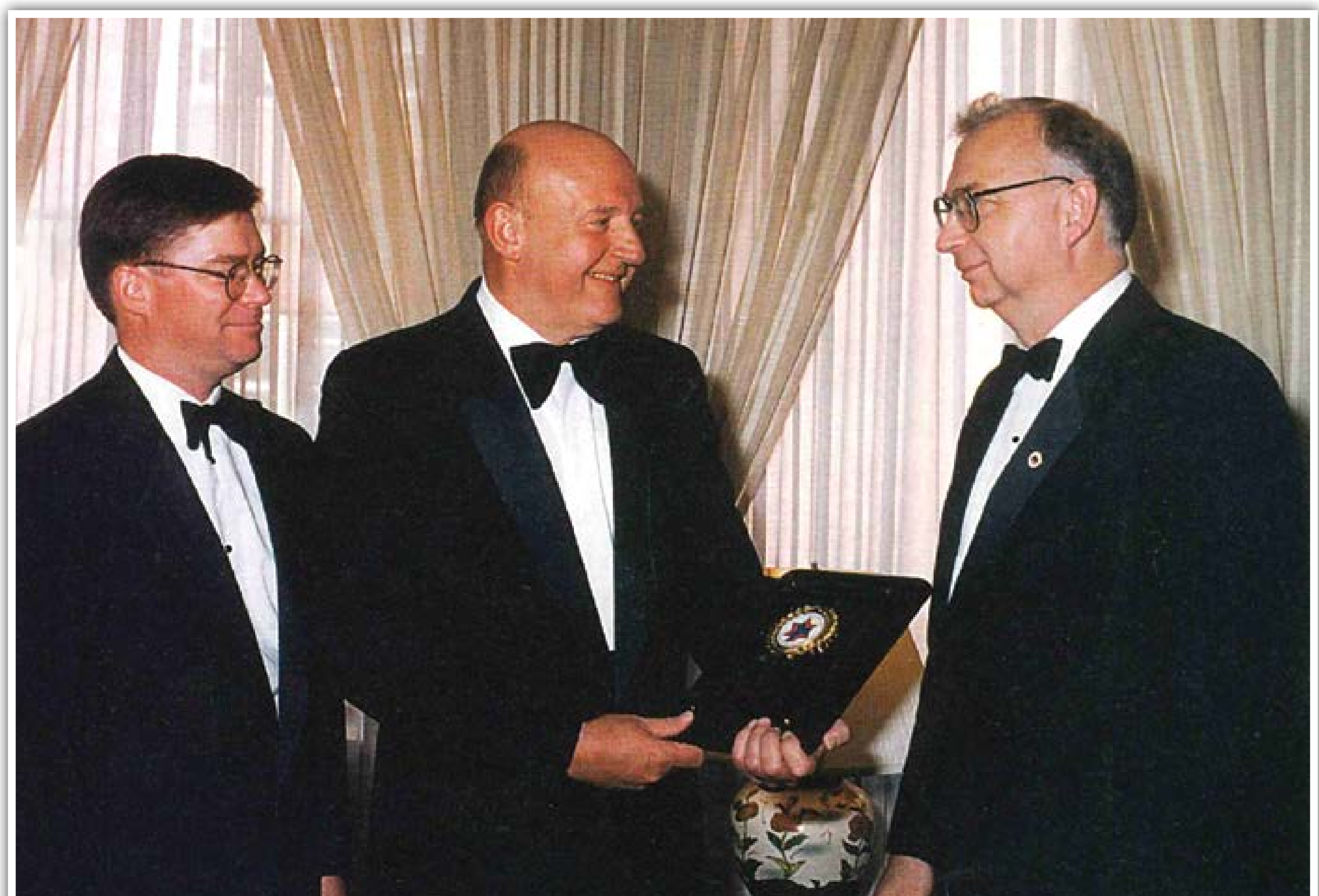
Zaleski's legacy went well beyond Trimac. He was active in the Canadian Trucking Alliance and the National Tank Truck Carriers in the United States. He founded and chaired the Canadian Conference of Highway Bulk Transporters group within the Canadian Trucking Alliance. He was the National Tank Truck Carriers' chair for 1996 to 1997 and a member of the board of the Coalition to

Renew Canada's Infrastructure and the North American Transportation Alliance. He endorsed the active participation of his executive team in trucking and related industry associations. In 1999 the Canadian government's National Transportation Week organization recognized Zaleski as its Transportation Person of the Year. In 2001 he also received the CTA/Trailmobile Service to Industry award.

After Zaleski's retirement, he joined Trimac's board of directors and served for 15 years. During that time, he also took on turnaround projects in Cage Logistics and Orbus Pharma, two Trimac-owned companies.

Over the period from 1970 to privatization in 2000, Trimac had grown to become a force in bulk trucking throughout North America, serving customers in a wide range of industries from coast to coast. The successful growth was achieved by building a strong management group with highly effective leadership, capitalizing on the application of the latest technology, and a relentless pursuit of process improvement that drove down costs while achieving economies of scale.

Andrew Zaleski *(centre)* is awarded Canada's Transportation Person of the Year in 1999.



Chapter 12

Bud McCaig's legacy

When Bud McCaig arrived in Calgary in 1960 to manage the merged Trimble and MACCAM operations, what struck him most about this small prairie city—population 240,000 in the formative years of the first Alberta oil boom—were its endless opportunities. He had spent the early part of his business career in Saskatchewan where the opportunities were fewer and farther between. So, he learned to pursue those opportunities aggressively. What eventually set him apart from his peer group was his ability to discern which opportunities to seize; and he was not reluctant to sell those that did not prove up.

In 1962, when Jack retired to take care of his health, Bud also became the head of Trimac Ltd. He was one of the transplanted Saskatchewan oil and gas leaders in Calgary that included Gerry Maier at Hudson's Bay Oil and Gas, and later TransCanada PipeLines; Doc Seaman, founder of Bow Valley Industries; and Scotty Cameron of PanAlberta Gas.

Bud was not a political partisan, but, like other business leaders, he was drawn into the orbit of provincial Progressive Conservative leader Peter Lougheed's gravitational force after he became leader of the party in 1965. Lougheed had earned his business spurs working for Fred Mannix, the construction magnate, and business leaders were at ease with him. Bud was a quiet supporter of Lougheed's rise to power in 1971 as the first Conservative premier of Alberta, ending the Social Credit's 37 years in power.

Bud McCaig was the first chairman of the Calgary Health Trust, serving from 1995 to 2005. He was recognized posthumously in 2014 as one of the trust's first Honorary Patrons.

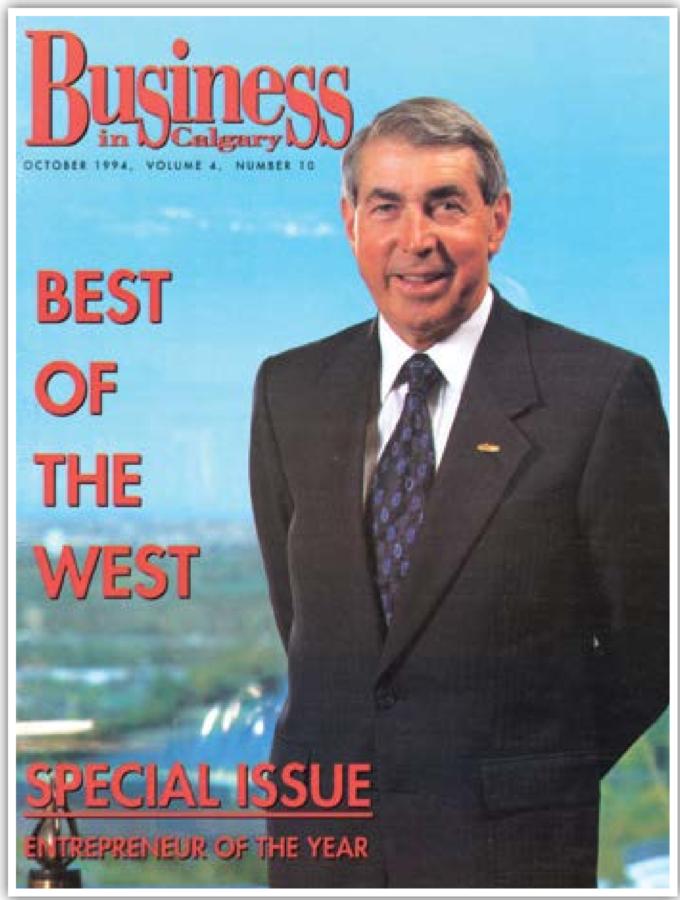
Throughout the four decades following 1960, Bud pursued his vision of Trimac becoming a leading North American bulk carrier. At various times, the company was also a major waste hauler, truck fleet lessor, and oil and gas drilling contractor in a conglomerate that made more than three dozen acquisitions, including a score of trucking firms in Canada and the United States.

By 2005, 45 years after Bud's move to Calgary, Trimac was the largest Canadian bulk trucking business and one of the top three in the United States, with operations from coast to coast. Trimac's transportation and logistics businesses served every major industry and bulk commodity in North America. Trimac hauled more products to more places for more customers than any other organization in the continent's bulk trucking industry.

Bud built a successful multi-generational business over his 60-year career at Trimac. His list of accomplishments in business and the community is remarkable. More memorable were his kindness, humanity, and his ability to bring out the best in others.

At the heart of Bud's success was a set of values and principles handed down from his parents: excellence; hard work; care for his employees; open and personal relationships with customers, suppliers, and competitors; and participating in the well-being of his industry through industry associations and giving back to the community. These values guided Bud's decisions and were reflected in his hallmark commitment to the people who worked for Trimac, the communities in which he lived and worked, and to the McCaig family.

Like his father, Bud was hard working and entrepreneurial. He believed strongly in being an industry leader and setting an example for others. Bud also applied his values to his philanthropy and volunteer activities. He felt that if something was worth doing, it was worth doing well, and he was never deterred by the personal sacrifices required to realize the dreams of the many community enterprises he served.



Bud received many honours over the years, including the Canadian Master Entrepreneur of the Year award in 1994.

A key focus of Bud's contribution to the community was in healthcare. He envisioned Calgary leading the world in the delivery of healthcare services and medical research. He was chair of the board of the Foothills Hospital Foundation from 1991 to 1994 and vice chair of the Foothills Hospital Board of Management. He was a driving force behind the development and successful completion of Partners in Health, the $50-million capital campaign for healthcare research, equipment, and services.

At the request of Alberta Premier Ralph Klein, Bud was appointed chair of the Calgary Regional Health Authority in 1994 and took on the job of restructuring Calgary's healthcare system. He also helped create the Calgary Health Trust as the fundraising arm of the new regional healthcare system and served as its first chair.

This participation in Alberta's healthcare system and the involvement of another Calgary Flames owner, Harley Hotchkiss, in medical brain research, encouraged Bud to start a world-class centre for bone and joint health research and treatment.

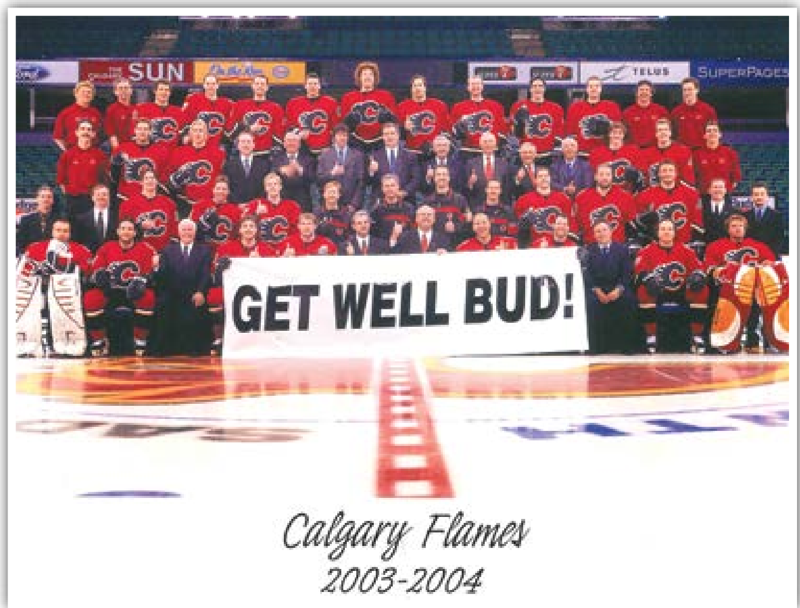
Over the years, Bud was recognized for his many accomplishments. He received the Canadian Master Entrepreneur of the Year award in 1994 from the Canadian Automotive Transport associations. He was inducted into the Saskatchewan Oil & Gas Industry Hall of Fame, received the Distinguished Citizen award from Mount Royal College, and the Paul Harris Fellowship award from Rotary International. In 1998 he received an honorary Doctor of Laws degree from the University of Calgary. In the same year, he received the Distinguished Business Leader award from the Haskayne School of Business and the Calgary Chamber of Commerce. In 1999 he became a member of the Order of Canada. In 2002 he received the Queen's Jubilee award. In 2004 he was one of three inaugural inductees in the Calgary Business Hall of Fame. He was also inducted into the Canadian Petroleum Hall of Fame and Alberta Champions. Bud served on the boards of numerous companies including the Royal Bank of Canada, Bannister Inc., Bantrel Inc., Brookfield Properties Corporation, Cameco Corporation, Nova Corporation, and Western Lakota Energy Services Inc.

The McCaig family at Bud's posthumous induction into the Alberta Field of Fame at Spruce Meadows in Calgary.

Bud receives an honorary Doctor of Laws degree from the University of Calgary in 1998 with his family in attendance. *Left to right:* Marilyn McCaig, Jeff McCaig, Roxanne McCaig, John McCaig, Penelope Scott-McCaig, Ann McCaig, Jane McCaig, JoAnn McCaig, Richard Waller, and Melanie McCaig.

In addition to his interests in business, healthcare, and medicine, Bud was also an avid hockey fan. He became one of the owners of the Calgary Flames in 1984 when the Calgary Flames ownership expanded to raise the cash to buy out two of the original owners. Doc Seaman and Harley Hotchkiss asked Bud to join the ownership group. He was thrilled with the invitation. He became part of the like-minded owners who saw their ownership as community service as much as a business endeavour. Bud found it particularly satisfying in 2004 when the team came within one goal of winning the Stanley Cup. His wife, Ann, recalls that the Flames suffered through several losing seasons, but the owners and their wives went to every home game when they were in the city and always had a great time together.

While Bud enjoyed great success in all aspects of his life, he stayed attached to his roots and maintained a spirit of humility, kindness, and integrity that endeared him to everyone who had the privilege of knowing him. Bud had a unique ability to unite people around a vision and to see it through to completion. Leading by



The Calgary Flames Hockey Club sends get-well wishes to Bud from the entire team as he recovers from cancer, February 2004.

example won him the respect and admiration of all who worked with him and served with him.

Bud had a calm, diplomatic management style. He had inherited from his father the knack of correcting mistakes without attacking the person who made them. And he left business conflicts at work.

He was legendary for leaving vigorous business debates behind in the board room when the directors and senior executives met for drinks and dinner. And his colleagues could count on one hand the number of people with whom he had irreconcilable business differences. “Business is business.”

Bud’s reputation as a successful contributor to the Calgary business community, a familiar figure at the lunch hour in the Petroleum Club, and a leader in philanthropic enterprises landmarked him as a senior leader in Calgary’s public-spirited business inner circle. Author Peter C. Newman wrote, “Bud is a staunchly loyal Lougheed advisor with real power but a pleasant, laid-back manner.”

In his personal life, he was an avid golfer, and men liked to play with him. He wanted to win, and often did, but he was also fair, sportsmanlike, and genuinely pleased if his competitors played well, complimenting them on good shots. In the golf season, Saturday was reserved for golfing. He brought home a briefcase of work for Sunday evenings, but on Saturdays he could be found teeing off with friends and associates at the Calgary Golf and Country Club. Tony Vanden Brink was often in Bud’s foursomes and remembers that he continued to golf even when afflicted with arthritis.

Bud’s great disappointment in life was his lack of formal education after not completing high school. His father did not encourage his three sons to take post-secondary education. When Roger began college, Jack did not understand the impulse that a young college student has in a freshman year. Rather than being patient and waiting for his son to settle down, Jack hauled him home to work as a gravel truck driver and manager-in-training. He was pleased when Roger proposed to start up and run Redi-Mix and felt he would learn more there than in school.

Over the years, Bud worked with men who had the opportunity to study accounting, engineering, and commerce, and his son Jeff had an outstanding academic career. Bud came to feel that university had been a missed opportunity for him in spite of having completed executive programs at the Banff School of Advanced Management and Harvard. When he retired as CEO of Trimac, he briefly considered enrolling in a university and pursuing an advanced degree. However, he quickly got caught up in the numerous community service initiatives he was already involved in, and it became apparent that was where he contributed most. Comfortable that the business was in good hands, he pursued these initiatives with even greater zeal.

Family Christmas in Barbados and summer at Premier Lake in the Rocky Mountains became the two most important family times, when Bud could devote himself to his children and family and to being the proud grandfather of nine grandchildren. Saturday morning outings with them became the highlight of his week.

An old-fashioned, Saskatchewan-style summer sports day that started as a celebration of his birthday, and later Father's Day, became the quintessential extended family event. It even grew to include some of the Calgary Flames hockey players. Hot dogs and ice cream organized by Ann and egg-n-spoon and three-legged races supervised by Bud became *de rigueur* events at these picnics.

Bud McCaig's second career was an endeavour from which he never earned a dime although he invested millions in it. From 1986 to his death in 2005, he organized and spearheaded raising tens of millions of dollars from private sources—including from his own means—for arthritis, bone, and joint patient-focused research, creating a world-leading collaboration of medicine, engineering, and biochemistry in Calgary and extending to Edmonton.

The McCaig Institute for Bone and Joint Health started because Bud suffered from advanced rheumatic autoimmune disease. In the months before he went for medical help, he asked the tolerance of his golfing partners because at the end of a swing, his club would sometimes fly out of his hands. Bud was an uncomplaining man and endured the pain far too long. However, in 1986, he was diagnosed by rheumatologist Dr. Marvin Fritzler and needed urgent surgery on his badly deteriorated hands, wrists, and knees. Orthopedic surgeon Dr. Bob McMurty operated on his hands and wrists and a colleague of his, Dr. Cy Frank, operated on his knees.

As a student, Frank had been a promising baseball player until he suffered a career-ending torn knee ligament. Surgery was recommended, but when he did his homework, he found there were insufficient studies to back up the recommendation. With the guidance and advice of an engineering professor, he

The McCaig men established an all-time record when the fourth member of the family graduated from the Banff School of Management. Pictured at a ceremony in 1965: *(far left)* Roger McCaig, Class of 1970; *(fourth from left)* Jack McCaig, Class of 1957; *(second from right)* Maurice McCaig, Class of 1965; (far right) Bud McCaig, Class of 1956.

did his own study, which found that neither the cast he wore for six weeks, nor the surgery, would aid his recovery. This was the beginning of a 40-year career as a world-leading orthopedic surgeon, researcher, teacher, administrator, innovator, visionary, and public health policy advocate.

Bud and Cy developed a close personal relationship that had a profound impact on the McCaig Centre as a thriving multidisciplinary group with more than 100 bright young staff and faculty that has launched scores of medical, engineering, and public service careers.

The concept of a multidisciplinary research collaboration on bone and joint health started in 1978 when Cy, then a resident at Calgary Foothills Hospital, was introduced to civil engineer Nigel Shrive, who had just joined the faculty at the University of Calgary. Cy had designed a device to test ligament strength for his resident research project. He and Shrive borrowed lab space at the university and built it for just $433.

Cy, Nigel, and cellular biologist Dave Hart created a Musculoskeletal Research Group, a team of scientists and medical clinicians that grew into the Joint Injury and Arthritis Research Group (JIARG). One of the group was rheumatologist Marvin Fritzler, who had been treating Bud's arthritis for two years.

The Frank-Fritzler-McCaig medical relationship led to conversations during which Bud learned that JIARG had outgrown its quarters. Bud seized the opportunity to help the group grow by raising the money it needed to realize its potential. Bud wanted to ensure that other sufferers from rheumatoid arthritis benefitted from the best research into the disease and the remedies for its devastating physical impacts.

Bud shared the vision of Cy Frank, Marvin Fritzler, and the University of Calgary's Dean of Medicine, Mo Watanabe, for a multidisciplinary research facility. In 1989, with another successful Calgary oil man and philanthropist, Dick Haskayne, Bud spearheaded the creation of the Orthopedic and Arthritis Research Foundation with a successful $4.5-million fundraising campaign to build a new facility for a collaboration of medicine, science, engineering, kinesiology, and nursing on bench research and clinical work with patients.

Bud flipping pancakes for the Trimac Calgary Stampede breakfast.

The 10,000-square-foot facility was renamed the McCaig Centre for Joint Injury and Arthritis in March 1992. At the opening ceremony, Bud said, "(the centre) will make a difference in unlocking the causes of arthritis and improving treatments … (with) the capacity to mobilize and improve the quality of life for thousands of people. I am a living example of this."

Bud continued this involvement for the rest of his life, always in the background and always ensuring that discoveries were used in patient care. The centre kept Alberta in the lead in Canada in bone and joint research. Bud also stepped up when more funds were needed. In 1997 his Partners in Health campaign raised $4.5 million to finance professorships and lecture series.

A torrent of research publications, external partnerships, technology transfers, new private sector companies to utilize the research, and the creation of hundreds of careers for post-graduate students who worked in the centre were just some of the measurable results of the work done at the McCaig Centre.

In 2005 Ann and Bud went to Barbados for a lengthy Christmas break. Bud had been in poor health that winter, but his sudden death on January 11 was as devastating to family, colleagues, and friends as it was unexpected. He was just 75 years old. A standing-room-only gathering of people from all walks of life—testimony to the many facets of the community touched by Bud—attended his funeral on January 20 at Calgary's First Alliance Church in Calgary.

The shock and grief across Trimac was felt in the corporate office and in the branches across the continent. The future, briefly,

McCaig's $10-million Transformational Gift to the McCaig Institute for Bone and Joint Health. *Left to right:* Steven Boyd, Jeff McCaig, JoAnn McCaig, Melanie McCaig, Maurice McCaig, and Elizabeth Cannon.

seemed unimaginable, because Bud's name had become synonymous with Trimac's. The challenge to carry on the legacy in the company and community fell on the shoulders of his son Jeff, his brother Maurice, and Bud's wife, Ann. However, Bud had built the company to last and to have a position in the community that the family could step into at any time.

Bud's sudden passing was also a blow to the McCaig Centre. With characteristic foresight, Bud had made a $10-million bequest in 2004 to the University of Calgary for bone and joint research that enabled the formation of the Alberta Bone and Joint Health Institute (ABJHI) to take over the centre. The McCaig Centre and ABJHI work together, with the former conducting research and the latter implementing changes recommended to improve patient care. Ann remained deeply involved for a decade as chair of the Strategic Advisory Board.

When Jeff's mother, Anne, passed away, Jeff and his sisters, JoAnn and Melanie; Jeff's wife, Marilyn; along with Maurice and his wife, Nicole, made a $10-million transformational gift to the ABJHI through a McCaig Institute Foundation that they created in memory of Anne to provide a secure source of operating funds to support essential work of the administration of the centre. Marilyn assumed the chair of the Strategic Advisory Board and became a member of its executive committee.

More than 15 years after his passing, Bud McCaig's place in the history of North American trucking, Canadian business, and of Calgary and his birthplace of Moose Jaw, Saskatchewan, is still remembered and memorialized.

Part Three

"My grandfather believed that if you hire good people you should stand aside and let them do their job. It was a principle he lived out every day and one that we have continued to follow at Trimac."

–Jeff McCaig

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Chapter 13

The Third Generation

Jeffrey James "Jeff" McCaig joined Trimac in 1983, the first member of his generation to work for the company his grandfather started and that his father spent his career developing into a publicly traded industrial services conglomerate. For Jeff it was the start of a second career. He began his professional career in the practice of law. He knew early in his educational life that he didn't want to join the family business, at least not right out of university. His grandfather and father started their business careers as drivers. However, Jeff had an academic bent and an entrepreneurial instinct that took him in a different direction.

Jeff was born into a large extended family in a small prairie city with a wonderful sense of community. From an early age, he understood his good fortune and was thankful for it. While he was growing up, Bud was a strict and demanding father, which made Jeff value independence. He didn't think he would find the independence he was looking for at Trimac this early in his working life.

His first job experience in the business came in 1967 when he was 16 years old. He spent the summer at Trimac's branch office in Moose Jaw, run at the time by his uncle Maurice, whom Jeff lived with while in Moose Jaw. He was assigned to be assistant dispatcher. The next summer he worked in a Kenworth truck manufacturing plant in Burnaby, British Columbia.

After graduating from Western Canada High School in Calgary in 1969, Jeff attended the Canadian Junior College in Lausanne, Switzerland, where he boarded with a Swiss family, learned to speak French, and graduated with the equivalent of Ontario Grade 13.

He then went to Harvard and earned an Arts and Science Baccalaureate and wrote his thesis. He graduated with distinction. Subsequently, he took his law degree at Osgoode Hall at Toronto's York University and graduated in 1976. He was 24 years old.

Jeff returned to Calgary and articled at the law firm of MacKimmie Matthews. The firm was large enough to expose him to a range of legal competencies. After being admitted to the bar, he stayed to practise corporate, finance, and securities law. In 1980 he realized that he wanted more flexibility. That same day, a small client he had invested in, Laredo Drilling, was making an offer to buy a drilling rig in California. MacKimmie Matthews had a team working on the closing of a major financing for a big investment firm client. Jeff simply did not have time to do both. He had to choose. The law firm had been good to him; if he stayed with them, he had a promising career path. However, after six great years, he left MacKimmie Matthews to establish his own independent law firm. This allowed him to continue practising law but also to invest in his clients' businesses. He enjoyed the freedom of picking his own clients and sharing in their successes and challenges. Laredo Drilling, for instance, grew to eight drilling rigs before Jeff and his partners sold it.

Jeff takes a break from work to indulge his passion for mountain climbing in the Canadian Rockies, August 2004.

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Jeff McCaig joined Trimac as an assistant vice president in 1983.

In 1982 Bud became seriously ill, to the point that he was hospitalized and started to think about who would replace him and what would happen to Trimac after he was gone. He had always hoped that the leadership could pass within the family and the company could remain under family control.

So, in Bud's hospital room began the first of many conversations between Jeff and Bud about the future of Trimac. Bud eventually persuaded Jeff to come to work for the company. He said he was "absolutely overjoyed" when his son agreed to sell his law practice and venture enterprise and join the family firm. They also agreed that Jeff would start his career at Trimac by going back to school, but this time it would be business school.

In the summer of 1983, the same summer that Jeff and Marilyn married, Bud hired him as Trimac's assistant vice president of Planning and Corporate Development, a position that allowed him to learn Trimac's business while also qualifying him for consideration in the company's succession planning. Jeff was just 32 years old but had already earned his reputation and success as a corporate lawyer and as a businessman and entrepreneur. Notwithstanding these accomplishments, a key part of the bargain for Jeff was the opportunity to return to school. He wanted to equip himself for executive responsibility by strengthening his grasp of business from an academic perspective as well.

Jeff is disciplined and cerebral and values the role of formal education in preparing for professional commitments. Bud understood and supported this. Although he had started his business career at MACCAM without finishing high school, he came to appreciate the value of education early in his working career and took advantage of opportunities to acquire more.

Father and son made a deal. Jeff would go back to school in a business program, then come to work for Trimac. Bud had taken short certificate programs at the Banff School of Management and Harvard Business School and thought that Jeff would do the same, and only be away for a couple of months.

After doing his due diligence, Jeff settled on the 11-month advanced management program for experienced executives at the prestigious Sloan Graduate School of Business Management at Stanford University in California. The course of studies he undertook had a venerable history. The program started in 1930 at the Massachusetts Institute of Technology's Sloan School of Management. Later, it expanded to the Stanford Graduate School of Business in California.

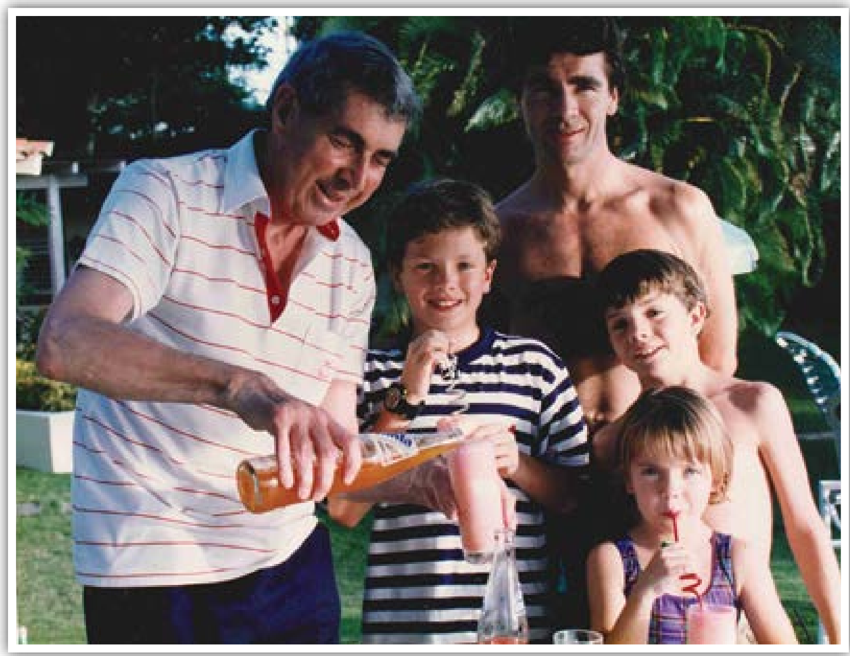
Jeff's grandfather Jack McCaig believed in hiring good people and letting them do their best work. *Left to right, back row:* Paul Cooke, Dick Glass, Ken Stephenson, Norm Light, Gordie McCaig, Bill Hardstaff, Murrey Dubinsky, Art Coyston. *Front row:* Lionel King, Jack McCaig, Maurice McCaig, and Roger McCaig at Jack's retirement in 1962.

Jeff completed the program, earned a Master of Science in Management degree, and returned to Trimac in 1984. By that time, Bud had recovered from his illness and was able to continue as CEO until he retired from that role in 1994 and Jeff succeeded him as CEO.

During that period Jeff and Bud worked closely together—a very productive 10 years that Jeff would later describe on the occasion of Bud's retirement as the best 10 years of his career. Likewise, Bud commented in his retirement acceptance speech that Jeff's marriage to Marilyn and their three wonderful children were at least partly responsible for the sense of accomplishment those 10 years had brought. Bud became the company's first 50-year employee in 1995 and was presented with a large totem pole commissioned for the occasion from Tony Hunt Sr, a renowned First Nations carver. Bud remained the chair of Trimac until his death in 2005.

The year in which Jeff was at Stanford and the early years of his tenure at Trimac were some of the most challenging in the company's history. In 1983 Trimac had its one and only operating loss because of the collapse of North American oil and

Jeff presents his father, Bud, with a 50-year-long service pin in 1996.



Bud making orange soda floats with Jeff, Robb, Scott, and Christy.

gas drilling at the same time that the US trucking operations were struggling to make money.

It became what Jeff described later as a "trial by fire" as the concepts and theory he had learned in the classroom were put to the test. Thankfully, Jeff had the support of his dad as well as other significant mentors, including, and especially, Tony Vanden Brink.

Jeff had first met Tony in 1977 when Trimac acquired Kenting. At that time Jeff was a young associate at MacKimmie Matthews, so his interaction with Tony was limited, but he knew that the Kenting deal wasn't just another acquisition. Bud had such great respect for Tony that he made it a condition of the deal that Tony stay on as president of Kenting under a five-year management contract. That contract blossomed into a business partnership and a lifelong personal friendship.

So when Bud asked that Jeff assist Tony with a turnaround project in Texas, Jeff was thrilled. Turnaround project doesn't adequately describe the challenge the company was facing in Texas. Trimac had acquired Cactus in 1980 for $140 million at the height of the boom in the oil and gas industry. It was the largest acquisition in the company's history. Four years later, the year Jeff joined the company, Trimac wrote down its investment in Cactus to zero, representing the largest loss in the company's history.

Jeff recalls that the 1980s were tough on everyone at Trimac: "My dad once described it as an elevator ride from the penthouse to the basement with no stops in between." So grim were those days that Trimac's very survival depended on restructuring the debt incurred to acquire Cactus and consolidating its operations to restore profitability. There was a lot riding on Tony and Jeff as they headed off to Dallas, where Cactus had its head office. Once there, they sold off its offshore division, based in Louisiana, and then closed the head office in Dallas and consolidated the management functions into the operations located in Midland, Texas.

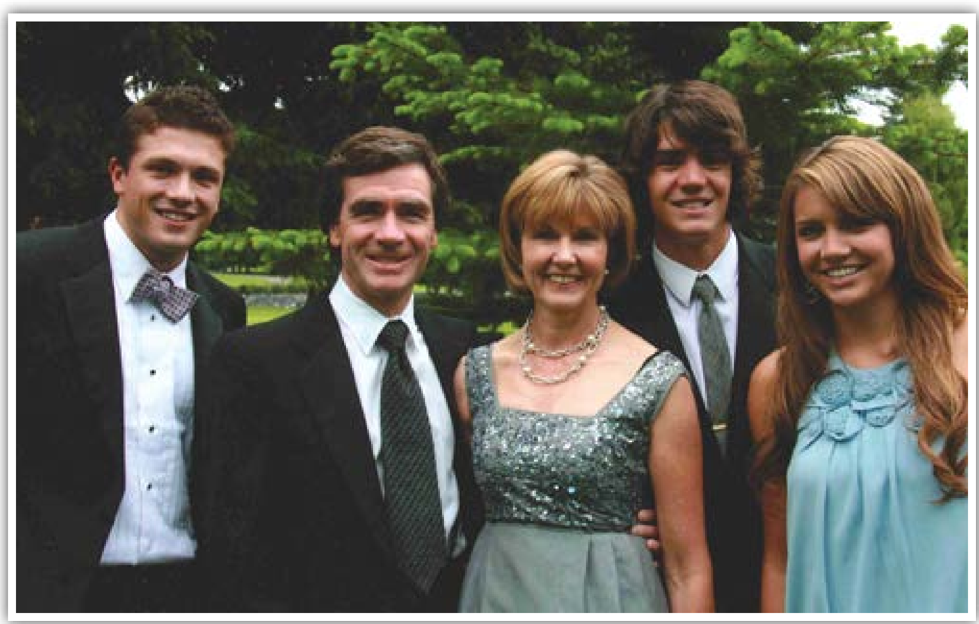
Almost immediately Jeff developed his own deep respect for Tony. The stakes were very high, and so was the pressure; these were the perfect conditions for a young start-up executive like Jeff to learn from a seasoned leader like Tony. There were many difficult decisions, and even more difficult conversations, and through it all Tony was consistently ethical and astute. He was guided by a set of strong values and an unwavering concern for the well-being of others. It was Tony's character and business acumen that made for a successful resolution of these issues.

Tony had been serving as the interim president of Cactus and, as he and Jeff began to see some light at the end of the proverbial tunnel, Tony turned his attention to finding his replacement. He was eager to get back to his family in Calgary and his full-time job as the president of Trimac.

At that time Jeff decided to apply for the job as the head of Cactus, assuming he had a significant advantage having participated in the turnaround. Much to his surprise, Tony had other plans and convinced a young Art Dumont to leave Bawden Drilling to take on the role.

It turned out to be the right decision. Years later, when Tony retired, Art became the president of Kenting. This confirmed Tony's foresight in recognizing Art's potential. "Tony was always at least 10 steps ahead of others with a clear picture of where he was headed," says Jeff. "I learned the value of mission and a lot more from him during our time in Texas."

Once back in Calgary, Jeff and Tony found themselves working together again. This time it was a transaction involving an oil and gas subsidiary of Trimac called Tripet. Jeff was asked to do an analysis and recommend a way forward. Of course, after having learned a lot in Texas, he was eager to get to work. The first step was



Left to right: Robb, Jeff, Marilyn, Scott, and Christy McCaig.

a meeting with Tripet's management team headed by Frank Vetsch, a long-time associate of Tony's. Unfortunately, that meeting did not go well for young Jeff.

Tony took him aside immediately after the meeting and in his no-nonsense, yet diplomatic way told Jeff that he needed to work on his people skills. He suggested Jeff take the Dale Carnegie course on how to win friends and influence people. It was a humbling experience but one that Jeff deeply values to this day. "Tony's push in the right direction helped me to become a better listener and learn the benefits of seeking to understand issues from the perspective of others."

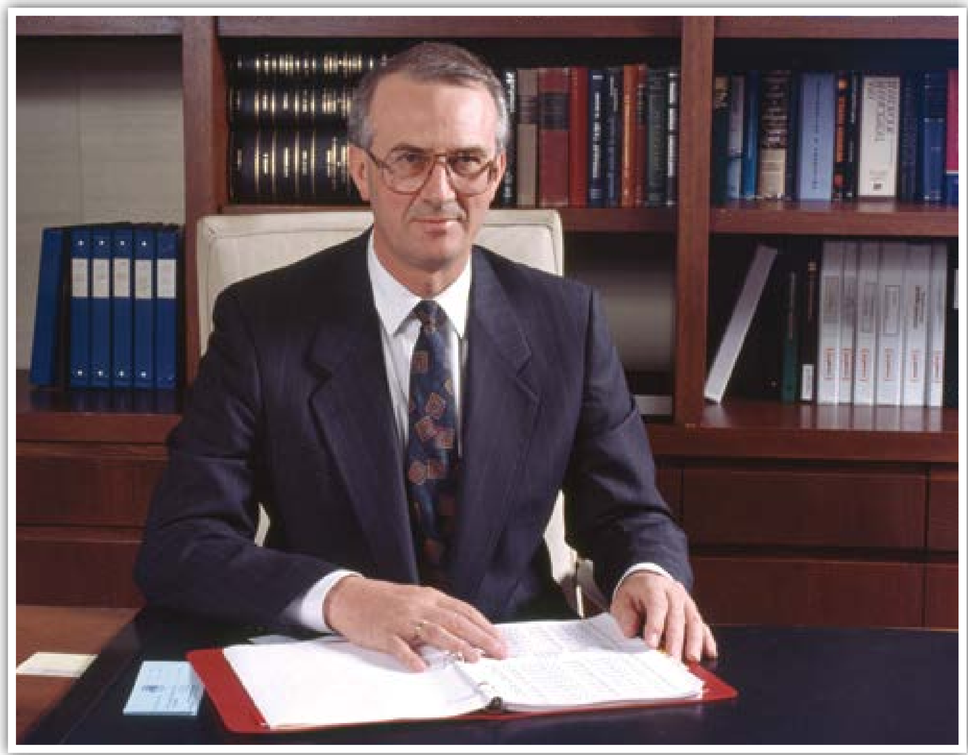
For Jeff, working with Tony was like earning a "second MBA." It was a real-life, trial-by-fire experience that supplemented all of the head knowledge Jeff had accumulated to equip him as a leader. "Tony was an outstanding and exceptional individual and business leader and no one—not even my own father—played a bigger role in my business life, as an example, an inspiration, and a mentor."

Jeff continued to work with Tony until he retired in 1988 and Jeff succeeded him as president of Trimac. It was a formative time in Jeff's life and the relationship with Tony had a profound impact on the development of his leadership skills. Jeff was fortunate also to work with other outstanding business leaders, including the leaders of all three of Trimac's wholly owned operating businesses: Andrew Zaleski at Trimac Transportation, Art Dumont at Kenting Drilling, and John Grainger and then Ron Waye at Rentway.

Jeff's early days as a Trimac Corporation executive coincided with the appointment of Andrew Zaleski as president of Trimac Transportation. Jeff and Andrew had very different backgrounds and very different personalities, but they became a formidable team. Andrew's track record and accomplishments as the president of Trimac Transportation, as detailed in chapter 11, speak for themselves, and Jeff developed a special bond with Andrew.

Andrew was a larger-than-life personality who commanded the attention of those around him. He developed a management team that would follow him anywhere. One of his most compelling qualities was that he honestly believed anything was possible and no objective was unreachable. He set a high standard for himself and his team for service, safety, and the bottom line. He rewarded the achievers and made those who didn't achieve "available to the industry." He developed relationships with his key customers based on trust and reliability.

When Jeff's leadership skills were assessed by third parties during this part of his career, they would often recommend that he become more assertive, comfortable with conflict, and direct in his communication. Andrew was that kind of leader, and Jeff learned those and many other aspects of leadership from him.



Art Dumont, a Saskatchewan-born and -trained engineer, was head of Cactus Drilling and later Kenting.

Jeff met Art Dumont when Art was hired to run Cactus in 1984. The two men worked together extensively when Art moved back to Calgary to head up Kenting Drilling. Like Jeff, Art was born in Saskatchewan and the two men shared a strong foundation rooted in the values of that prairie upbringing. Art stayed in Saskatchewan to go to university and obtained his degree from the University of Saskatchewan. He was an engineer's engineer. Like Tony, he knew the business from the ground up, having worked as a roughneck on the platform of the drilling rig to serving in various senior executive positions with major drilling contractors around the world. What made Art different from Tony is that he had a formal engineering education and excelled at solving technical problems and explaining technical engineering in layman's terms. Jeff learned much from Art, and together they expanded Kenting's operations into the United States, Argentina, and Oman.

When Jeff arrived at Trimac's headquarters in Calgary in 1984, Rentway was run by Joe Sauvé. Joe retired later that year and was succeeded by John Grainger, his second in command. John came into his new role with a plan to launch Rentway on a more aggressive path, and Jeff was eager to help. Up to that point, most of Rentway's revenues came from short-term rentals to the oilfield in Western Canada. The oilfield was in a slump in the 1980s, so the plan focused on large private fleets in Eastern Canada and longer term, full-service lease contracts. By the decade's end, the company had 17 branches across Canada and one in the United States, and revenues of $47 million. Rentway was firmly established as one of Trimac's three core businesses.

The 1980s and early 1990s were an exciting period in Trimac's history that offered many other learning experiences along the way. Opportunities for diversification beyond trucking and drilling abounded, and Trimac was high on the list of potential acquisitors, partners, and investors. Trimac's excellent reputation and the McCaigs' relationships in the business community led to financial advisors, investment bankers, and others approaching the company. The opportunities were wide ranging and included construction, engineering, pipelines, waste management, short line railways, port development, material handling, logistics, and consulting. Jeff set out to assemble a team that could focus on these opportunities outside of the existing businesses as well as add value to the current wholly owned operating businesses. He brought in people like Steve Mulherin and Jerry Jackson to add discipline to long-term planning and the financial analysis of current opportunities.

Most of the prospective new deals came to Mulherin's desk as vice president of Corporate Development and many resulted in Trimac taking a minority interest in what were referred to as affiliated companies.

Being a former banker, Steve knew how to assess businesses and how to value them. The problem was that there were so many possibilities, so much so that Steve became known for coming up with a "deal du jour." The team began to wonder if he ever ran into a business he didn't like!

Mulherin and other Trimac corporate staff worked alongside Jeff to add value to the affiliates both through participation on various boards and by working together on projects and transactions. The affiliated companies during this period included BOVAR, Banister Continental, Bantrel Engineering Inc., Chauvco, Computalog, Alliance Pipeline, Fort Chicago, Intera Information Technology, and Richer Systems. With few exceptions the investments in affiliates were highly successful in creating substantial value for shareholders. Trimac's future looked more promising than ever and, under Jeff's growing leadership, a dynamic team of young business executives was moving into position to lead the charge for the next season of corporate growth and development.

Chapter 14

Building a New Team

Jeff was appointed Trimac Corporation's president in 1988, when Tony Vanden Brink retired, and thus began the third generation of McCaig leadership in the trucking enterprise. Jeff was just 37 years old, not much older than Bud had been when Jack sent him to Calgary in 1960 to make something of the H. M. Trimble & Sons acquisition.

As Jeff got settled into his new position, he continued to hone his own leadership style. While he continued some McCaig practices, Jeff was different in that he was more thorough than the first and second generations of the McCaigs, not leaving the details to others when he could roll up his sleeves and do it himself.

He also began to develop his own vision for the future. The way Jeff saw it, Trimac had started with MACCAM as a pure trucking business. With the Kenting purchase it entered a second phase of growth as a conglomerate—more than just a trucking company. He joined the company at the beginning of the third phase in its life. It was time to more actively manage its businesses so that they added value and, when they couldn't add value, to sell those assets and use the proceeds elsewhere. He would carve out a role for himself in growing the company by managing the details. It meant long hours; travel across the continent; and building a team of operating, financial, legal, and tax professionals who would complement each other's strengths and balance any weaknesses. Their job would be, in a simple phrase, to create value for the shareholders. He wanted to take advantage of Trimac's history, foundation, and flexibility to survive and thrive in a changing world.

Jeff with climbing partner Albi Sole.

Jeff brought a sense of obligation into his leadership. He was a McCaig, and that meant he was committed to the family tradition of treating people well and giving them the benefit of the doubt. As a young man, he had made a list of eight values he would follow in his private life, his career, and his leadership responsibilities. The first four were independence, initiative, integrity, and industry expressed as a strong work ethic. The second four were faith in terms of his Christian spirituality, his family, and his friends and the larger community. The last value was physical fitness, a discipline his family would say he pursues somewhat obsessively.

Creating value for shareholders became embedded in all strategic decision-making throughout Jeff's leadership and the focus of off-site annual strategic planning sessions for the executive team. In the 1990s, Jeff added Terry Owen to his corporate team as well as Bob Algar and Rob Kennedy. All worked closely with him on many financial transactions and acquisitions.

Several transactions stand out in particular for Steve Mulherin, including the decision to sell Kenting Earth Sciences, based in Ottawa. "We had done all the work and decided to sell the business," Mulherin recalls. "It was agreed that Jeff and I would go to Ottawa and tell the staff. I remember being in a meeting room with 125 people about to tell them they were going to lose their jobs unless they went to work for this other company, and, even then, there was no guarantee they would keep their jobs. We had it all planned on paper, but we were not prepared for the human side of the equation and what the deal meant to these people. It was a huge realization, and from that time on it was incredibly important to Jeff that people were taken care of when deals were made. Thankfully, in this case, it turned out to be better for the employees than we expected, but the lesson was still learned. It was an awakening for both of us that you don't make those kinds of decisions lightly."

Among the most transformative and profitable deals during Mulherin's time was the purchase of Bow Valley Resource Services. Bow Valley was in bankruptcy and Steve counselled Bud to offer $33 million for the drilling rig side of the business even though the bank wanted $85 million. The bank eventually accepted the lower offer and Trimac was able to double the size of its drilling business at the bottom of the industry's cycle.

Another memorable deal was the purchase of Computalog. Trimac had put in an offer of $4 million but Jeff, Jerry, and Steve were not feeling very positive about it. Bud actually sat them down and told them, "Sometimes I have to pull back on the throttle on a deal but with this one I have to push you a little bit." It was a good thing he did as that deal resulted in $32 million in profits for Trimac.

Mulherin had a very unique perspective on the relationship between Bud and Jeff and often marvelled at their similarities and their differences. He recalls that while the two men were diverse in their business interests, they shared an insatiable desire to look for new opportunities and acquisitions that would be good for the family business. Steve wondered sometimes if the deals and acquisitions were overshadowing the trucking business, but he was always encouraged by the employment created and the overall positive impacts to the economy.

Mulherin helped to build a foundation for Trimac's ongoing and future success by working so closely with Bud and Jeff. He believes the experience had a dramatic impact on his life and his future career in business. He was also inspired by Bud's deep humility. "You would never find Bud tooting his own horn. He was always heaping accolades on others rather than drawing attention to himself."

Steve noted that Jeff had his own unique style and approach to business. "Jeff is incredibly well educated and brought a sense of discipline, strategy, and analysis

Left to right: Ron Waye, Jeff McCaig, Andrew Zaleski, Terry Owen, and Bob Algar.

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to the business that has produced tremendous positive results for the company and the McCaig family. To this day he outworks everyone."

In 1994 another young executive joined the Trimac team. At 33 years of age, Terry Owen was a partner at the Macleod Dixon law firm, specializing in corporate finance and mergers and acquisitions law. Owen recalls that a search firm retained by Trimac approached him to fill the general counsel position that opened up when Frank Bailey went over to BOVAR. "At the start of the very long interview process," recalls Owen, "I had no intention of leaving Macleod Dixon. But after spending a bunch of time with Bud and Jeff and learning more about Trimac, I became intrigued by the opportunity."

Terry adds, "I had tremendous role models and mentors at Trimac, starting of course with Bud, Maurice, and Jeff in addition to board members like Tony Vanden Brink, Doc Seaman, Jack Macleod, Rhys Eyton, and Hal Wyatt to name a few. I also had a front row seat to observe and learn from the leadership styles of the business unit: presidents Andrew Zaleski (Trimac Transportation), Art Dumont (Kenting Drilling), and Ron Waye (Rentway). And I had 'seasoned' VP's like Bob Algar and Barry Davy who kept a watchful eye on my growth and development and over time became close confidants."

Owen reported to Jeff for his entire 14-year career at Trimac. He went from general counsel to chief financial officer to executive vice president to president over the first 10 years at the company. In 2005 he became president and CEO of the Canadian bulk trucking and North American logistics business owned by the Trimac Income Fund. "It was a pleasure to work with and learn from Jeff.

Trimac Executive Committee offsite at Emerald Lake, BC, 1994. *Back row:* Terry Owen, Art Dumont, Jerry Jackson, Bob Algar, and Steve Mulherin. *Front row:* Bud McCaig, Jeff McCaig, Ron Waye, Andrew Zaleski, and Peter Barnard.

His work ethic and humility, coupled with his disciplined approach to problem solving and attention to detail, are second to none," claims Terry.

Looking back on his days at Trimac Terry has this to say: "The single most important leadership lesson I learned at Trimac came from Bud, Maurice, and Jeff. It is that leadership is not about you, but rather it's about everyone else. I am very grateful for the tremendous personal development opportunities I was given at Trimac and for the opportunity to work with so many talented people who cared so much about the success of Trimac."

Trimac Executive Committee offsite at Lake O'Hara, 1991. *Back row:* Art Dumont and Steve Mulherin. *Middle row:* guide, second guide, Gord Campbell, Bob Algar, Jerry Jackson. *Front row:* Andrew Zaleski, Jeff McCaig, and Ron Waye.

Like his father, Jeff quickly earned a reputation for humility. "He's got no ego," says Terry. "He is very successful in his own right quite apart from the whole McCaig thing, but you'd never know it from him. The big thing for managers is knowing what your strengths and weaknesses are. None of us are good at everything. Jeff has always known that and knew how to assess the strengths and weaknesses of others and thereby build a team of people with complementary skills."

One of the most important skills Jeff brought to Trimac was his proficiency in due diligence—the standard of care for a financial and operating investigation that a reasonable business or person takes before entering into an agreement or contract with another party, such as a corporate acquisition. Jeff could do the numbers better than most, but he was especially astute in evaluating the people on the other side of the deal who, in the case of an acquisition, might become Trimac people. The people around him respected his appetite for detail. One member of the team, Jerry Jackson, confided, "It is maybe theoretically possible to give Jeff too much information, but I've never hit the limit."

Jeff is a distance runner. He excels at individual sports and prefers to run or climb mountains while other executives, like his father, golfed. Terry remembers the many times he and Jeff had meetings while running: "We would leave the office at noon, go for a six- or seven-kilometre run and be back at our desks at

1 p.m. Jeff had run for 40 years and doesn't need to stretch and doesn't seem to sweat. We'd be riding up in the elevator after we finished running, and the sweat was just pouring off me. I'd change into a suit, but I still hadn't cooled down yet; but Jeff would be as cool as a cucumber for the next meeting. We had many good meetings on those runs."

When Jeff assumed the presidency, he knew that Trimac's core business of trucking and related third-party logistics was very competitive and had modest profit margins. So financial and operating discipline and identifying and pursuing competitive advantage were paramount to success.

He also knew that he had to recruit leading-edge professionals in disciplines such as strategic planning, finance, law, human resources, and management information systems. To raise capital, Trimac had to show it could add value to its businesses because it had built itself to succeed in a very competitive business environment. It couldn't lose focus for a minute.

One of Jeff's first initiatives at Trimac was to strengthen the company's balance sheet by selling its 50 per cent interest in Tricil Waste Management. The sale process became protracted and ultimately required a lawsuit to determine the successful buyer: Trimac's original partner, CIL of Montreal, or Hamilton-based Laidlaw. Once the case was finally settled, in 1989, and Trimac received the proceeds of the sale, it was in a position to start investing again in its core businesses.

Jeff as torchbearer for Calgary during 2010 Winter Olympics held in Vancouver and area.

The first purchase was BOVAR Inc., which had three drilling divisions that complemented Kenting's drilling fleet capabilities. BOVAR also had a waste management and environmental division comprising three companies: 1) Western Research manufactured and sold air monitoring equipment, 2) BOVAR Environmental did consulting work, and 3) Chem-Security was a partner with the Alberta government in the Swan Hills Treatment Centre.

In due course, Trimac divested these waste management assets on the way to becoming a pure trucking company; but waste management revenues contributed to the success of the company during its "conglomerate" years. During the peak years as a conglomerate, Trimac was the 193rd company on the *Financial Post's* list of the largest public companies in Canada, with \$687 million in revenues, \$42 million in net income, and 5,700 employees. Those revenues represent over \$1 billion in today's dollars.

Jeff very quickly became a much sought-after corporate director. He served on the board of a large number of junior oil and gas enterprises, oilfield services, and mining companies, including 17 years on the board of PotashCorp before it merged with Agrium to become Nutrien. Jeff also became involved in the financial services sector, serving on the board of Standard Life—at the time, the fourth-largest insurance company in Canada.

Since joining the Trimac team, Jeff has played an important leadership role in the North American transportation industry through his participation in various trucking associations as well as his involvement and advocacy within the oil and gas sector.

Of course, Jeff's contributions at this level have resulted in direct benefits to Trimac and to the development of his own career, yet his motivation has always been to follow in the footsteps of his grandfather and his father—both great pioneers in the trucking industry. For three generations, McCaig family members have been instrumental in developing strong national and international trucking associations for the purposes of sharing best practices, promoting cooperation and communication, and advocating for favourable and progressive regulations.

Jeff on the cover of *Business in Calgary*, August 2015.

Jeff would say he learned from the best and well remembers attending Western Highway Institute (WHI) meetings with his dad when he was a young boy. Not surprisingly, WHI was the first industry association Jeff joined and, after being an active member for more than a decade, he then served as the WHI board chair for several years during very challenging times.

Trimac became a strong supporter of the WHI efforts to improve productivity and efficiency and to increase consistency in the trucking industry between individual states throughout the United States. WHI also became the target of a merger with the American Transportation Research Institute (ATRI), a part of the American Trucking Associations (ATA). At that time Jeff moved over to the ATRI Board of Directors and served on its executive committee for several years.

Another opportunity Jeff had as a young executive at Trimac was becoming

Jeff takes over as chair of the NTTC board mid-year 2009.

a member of the Young Presidents' Organization (YPO). YPO was founded in 1950 to help young leaders develop their leadership skills through ongoing education and idea exchange. This was done through small group forums, local chapter meetings, and national and international universities. It was a valuable experience for Jeff, and he credits YPO for helping him develop the skills and insights he would need for the challenges to come.

When Jeff moved to Houston, he became involved in the ATA Board and the National Tank Truck Carriers, serving on its executive for two years and as chair from 2009 to 2010. He led the development of a strategic plan for the association, while also developing a strong consensus across the industry on truck productivity through increased weights and dimensions.

While Canada's regulatory environment is very progressive, especially with regard to vehicle weights and lengths, trucking companies in the United States have long been challenged by a much more complex, even restrictive, environment. Jeff's efforts to help the association think more strategically led to stronger and more effective lobbying as well as other steps forward in overcoming the natural resistance of the railroads and the various levels of government. "It's something we just have to keep working away at," says Jeff, noting that lobbying for better and more favourable roads and regulations has always been part of Trimac's corporate culture.

Indeed, for three generations, involvement in the industry has been a trademark of the McCaig family style of leadership. It is something that is encouraged at all levels of the company. What's more, active community involvement through philanthropy and volunteerism has been a very important part of the company's corporate values.

The McCaigs have a track record for leading by example and, as one of the owners of the Calgary Sports and Entertainment Corporation (CSEC), Jeff is very involved in the Calgary Flames Hockey Club as well as the other sports franchises owned by CSEC: the Calgary Hitmen, the Calgary Roughnecks, the Calgary Stampeders Football Club, and the California-based Stockton Heat—a farm team for the Flames.

Jeff has served as the board chair for the Calgary Flames Foundation since 2007. Every year, the Flames Foundation supports numerous and very significant charitable organizations and projects in the Calgary community with a focus on education, health, wellness, and community-based sports programs. Since the inception of the foundation it has contributed over $40 million to a variety of Calgary-based charities including over $2 million dollars to the COVID-19 community support program during the 2020 global pandemic.

As well, Jeff is on the board of directors and the audit committee of the Centre for Affordable Water and Sanitation Technology (CAWST). CAWST is a Canadian charity and licensed engineering firm that provides technical training and expertise in safe drinking water and sanitation in some of the poorest and most remote parts of the world.

Jeff also serves as chair and director of Bantrel Co., as former chair and current director of MEG Energy, and the former chair and current director of Grayhawk Investment Strategies Inc.

Jeff believes that to succeed in business you have to show up every day and work hard. You also have to understand your strengths and weaknesses so you can respond to the challenges and opportunities that come your way. He would tell you the present offers more opportunities than ever to innovate and transform the world of business through disruptive digital technologies and adapting to climate change. He remains firmly committed to addressing those challenges and capturing those opportunities for Trimac.

Jeff *(lower right)* with Trimac Calgary Flames supporters.

Chapter 15

Trimac in the Equity Markets 1996–2000

The year was 1996 and Trimac had just completed its 50th year as an operating company and its 25th year as a public company. Jeff had taken the reins from Bud as CEO, and Bud took the opportunity to celebrate these milestones by organizing a series of events and recognitions over the course of that year, including the publication of a book entitled *Service with Safety: The Story of Trimac.* Financially, the company's revenues continued to grow year over year and its earnings remained strong.

It seemed things could not be better. However, dark clouds were forming on the horizon, and it soon became clear that the company's ability to make it to its next big anniversary was in jeopardy. Trimac faced a very different set of challenges than it ever had in its first 50 years—challenges that would ultimately require the company to transform itself from a conglomerate back to a pure operating business. A transformation of that nature is difficult, if not impossible, to undertake as a public company whose shares are traded on a stock exchange. It was unlikely that the McCaig family could maintain its control of the business through that process.

Changes in the capital markets, and more specifically the public equity markets, defined the issue. The stock market had become increasingly institutionalized, and conglomerates (multi-business, public companies) had lost favour with institutional investors who preferred to make their own portfolio decisions as opposed to investing in a company that was already a collection of different businesses. At any given time, conglomerates like Trimac could trade at a discount to their constituent parts. Trimac shares were underperforming the transportation index when energy service companies were out of favour and vice versa in other parts of the cycle.

What's more, the McCaig family percentage ownership of Trimac had declined over time and represented less than one-quarter of the shares outstanding. Current and former members of the management team owned another 4 or 5 per cent. The rest, more than two-thirds of the shares, were owned by outside investors.

The other change in the capital markets was the advent from the United States of the catalyst or activist investor. Activist investors are individual or institutional investors who buy enough of a stake in a company to influence its future strategy, including, potentially, the breakup and sale of the company or its constituent parts. Their ultimate goal in doing this is to achieve a higher rate of return in a shorter period of time. Activist investors attempt to affect change in an organization by directly appealing to, or putting pressure on, the company's board of directors. Another tactic used by activist investors is encouraging a hostile takeover bid for the company.

Left to right: Bud, Maurice, and Jeff McCaig at the opening of the Trimac History Centre, September 1996.

Trimac was clearly in a very vulnerable position, and, while these changes were roiling the capital markets, there were also developments in the regulatory environment that contributed to the gathering storm. Specifically, the role of the board as the representative of the owners was under increased scrutiny. This matter has been debated for literally hundreds of years, essentially as long as there have been joint stock companies. However, starting in the early 1990s, and following pioneering developments in the United Kingdom, Canadian regulatory bodies began to circulate statements of sound corporate governance principles.

After a number of high-profile corporate failures, the Toronto Stock Exchange (TSX) convened the Committee on Corporate Governance in Canada to address the role of directors in those cases. In 1994 the committee released the Dey Report entitled, *Where Were the Directors?* It set out 14 best-practice guidelines for corporate boards. Among other things, the guidelines called for a majority of independent directors and for separating the roles of chair and CEO. The guidelines

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were voluntary, but as a condition of being listed on the TSX, companies had to report annually on whether or not they were adhering to these guidelines and, if not, why not.

Where was Trimac in relation to these developments concerning corporate governance? Fortunately, the integrity and diligence of Trimac's board and management structure was an area of great strength. In many ways, the company was ahead of the times. For example, the same year the Dey Report was released Bud had stepped down from the full-time CEO role and become the non-executive chair. Jeff had succeeded him as CEO, effectively anticipating the recommendation in the report to separate the two roles. Similarly, with regard to independence at that time, a majority of the board was independent of the McCaig family and the management team. The fact is the McCaigs had always appreciated the value of having strong outside directors on the board throughout the history of the company, whether public or private. Moreover, the McCaigs' reputation for integrity and the value placed on corporate governance attracted many industry leaders to Trimac's board, including CEO's and top executives from banking, oilfield services, trucking, airlines, oil and gas, and chemical industries. These directors, together with the McCaigs, brought their acumen and experience to the task of overseeing operations of the base businesses and the development and execution of business strategy.

From 1972 to today, Trimac has had the benefit of more than 20 industry leaders who have served on the board; 10 of those individuals served for more than a decade. The longest-serving outside director to date is Rhys Eyton, who served for 26 of the 41 years Trimac was a public company. A list of Trimac's outside or independent directors is set out in the appendix to this book.

Of particular note, Trimac's longest-serving director overall is Maurice McCaig, who was on the initial Trimac Ltd. Board when that parent company was established and went public in 1971. As of 2020 Maurice continued to serve as a member of Trimac's board. Throughout his years of faithful service, Maurice has been known and respected for his objectivity and his depth of understanding of the operational aspects of Trimac. While Bud inherited his father's love for the business, Maurice inherited his dad's passion for trucks as well as his very genuine care and concern for the drivers and frontline employees—attributes that have made Maurice an outstanding board member and a role model within the company.

In the words of Trimac board member and former employee Steve Mulherin, "Maurice is the conscience of the company. He wants the employees to be safe and happy. He comes at the business from the ground up and not the top down."

All of these factors weighed heavily on the minds of Jeff and his management team as they began the process of re-envisioning the future of Trimac. The evolving preference in the capital markets for pure play businesses, which focus exclusively on a particular product or service, meant choosing a core business and divesting non-core businesses. The criteria for selecting what was core, and what was not, were not as straightforward as it might appear with hindsight. Nor were the size and scope of the markets that the company could compete in and sustain a competitive advantage. And a re-imagined vision for the company was only the start of the strategic planning exercise. Once a clear and compelling vision for the future was developed, the company needed to think through the strategy that would take Trimac from where it was at that time to where it would be in the future. That required a realistic assessment of its internal strengths and weaknesses and a comprehensive review of the opportunities and threats in the external environment. The final step in the process would be convincing the board of directors to approve the plan pursuant to the increasingly stringent standards of being in the best interests of the company and all of its stakeholders. The more radical the departure from the existing strategy, the more difficult that would be. The board's role in this process loomed large.

The challenge was to transform the company into something that would appeal to the public equity markets, while not becoming a target of activist investors.

It was clear to Jeff and his management team that it was in the long-term best interests of the company and its stakeholders that the transition from a publicly traded conglomerate back to a pure trucking business be thoughtfully planned and carefully executed by the internal management team—a process that could take years. Activist investors think in terms of months, and they would try to convince the board otherwise.

It fell to Jeff to convince the rest of the management team of what needed to be done. Terry Owen was an early convert and, through their combined efforts, Jeff and Terry gradually convinced the others to support the plan, even though there was no guarantee of a successful outcome, or that it wouldn't negatively impact their jobs and livelihoods.

The work of re-envisioning the company was hard, and very disruptive to the regular flow of business. It was hard, in part, because Trimac had a 25-year track record of successfully creating value for its shareholders as a conglomerate. The McCaigs had a reputation for credibility and transparency. This, and a history of creating long-term value, had kept Trimac's shareholder relationships amicable for the most part.

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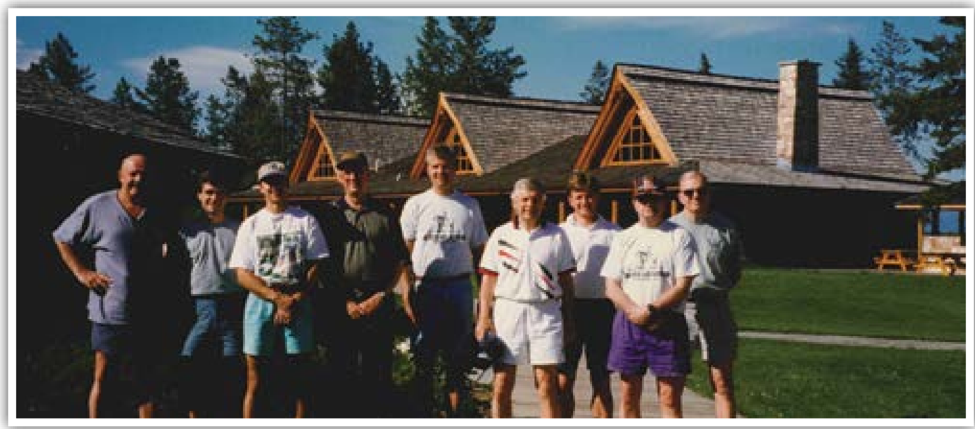
Executive outing. *Back row, left to right:* Frank Bailey, Peter Barnard, Bud McCaig, Andrew Zaleski, Art Dumont, David Thompson, and Bob Algar. *Front row, left to right:* Joe Will, Steve Mulherin, Jeff McCaig, Gord Campbell, and John Grainger.

The decision to focus on trucking and divest the non-trucking businesses was taken over the course of several years in the late 1990s at off-site strategic planning sessions facilitated by outside consultants—one in particular was the late Peter Barnard**.** With degrees from Queens, Cambridge, and Harvard Universities, Peter was brilliant. He was also selfless in his pursuit to put others first, to see the greater good, and to help companies develop strategies to realize their visions. As one of Canada's top management consultants, Peter had a unique ability to help corporate leaders be realistic about their strengths and weaknesses, while also thinking strategically about opportunities, threats, and the need for improvement. "Peter was instrumental in fashioning the whole strategy," says Jeff. "We couldn't have done it on our own. We needed him to push us."

The strategy to accomplish that goal was developed in those off-site meetings. It was anchored in the belief that it was in the best interests of Trimac and its shareholders that the company transform itself from a multi-business conglomerate into a more-focused transportation services company. The first major step in this direction was taken in early 1996 with the decision to "spin-out" Kenting Energy Services from Trimac and create two separate public companies. The separation of the transportation and energy services businesses was much favoured by the public markets at the time and would create substantial value for shareholders. In order to do this in a tax-effective manner, the major transactions team began to work on a Canada Revenue Agency (CRA) tax ruling for what is known as a "butterfly" transaction. The complicated nature of a butterfly transaction took almost a full year of work by Trimac's accountants, tax experts, and lawyers in order to get a favourable tax ruling.

Trimac Executive Committee offsite meeting at Ghost River Crossing, Alberta, June 1997. *Left to right:* Peter Barnard, Jeff McCaig, Ron Waye, Terry Owen, Andrew Zaleski, and Bob Algar.



Trimac Executive Committee offsite meeting at Three Bar Ranch, AB, 1996. *Left to right:* Andrew Zaleski, Jeff McCaig, Terry Owen, Art Dumont, Jerry Jackson, Peter Barnard, Steve Mulherin, Ron Waye, and Bob Algar.

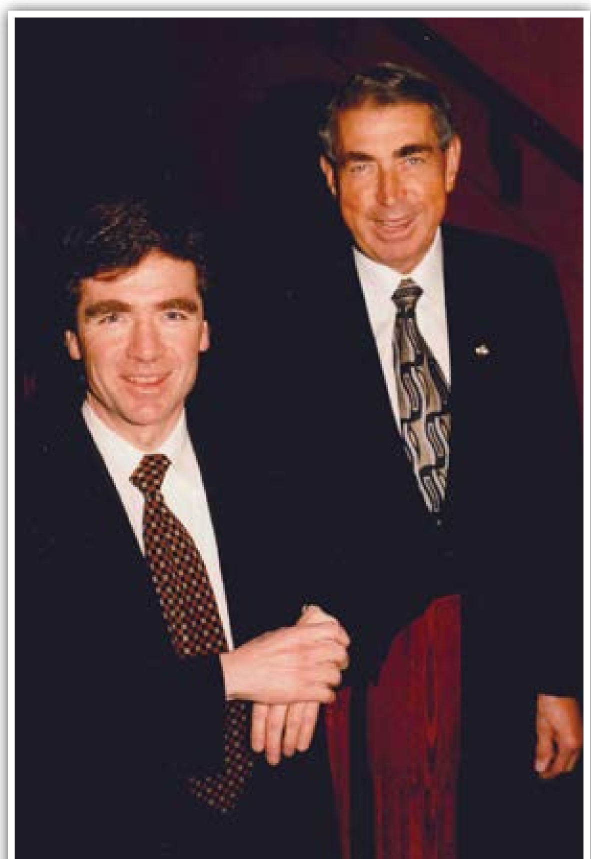
In the fall of 1996, TMI-FW, a private Texas "activist" investment company owned by the Bass Brothers announced the acquisition of 10 per cent of Trimac's common stock. Shortly after this announcement, TMI-FW's representatives travelled to Calgary to visit with Trimac's senior management team. At the meeting they said all of the "right" things, like how impressed they were with Trimac and its businesses and the outstanding reputation of the McCaig family. They ended the meeting by asking if management had thought about separating the drilling business from the rest of Trimac. Of course, Trimac management could not tell them that such a plan was well underway and just required an acceptable tax ruling.

Management was well aware of the reputation of the Bass Brothers as catalyst investors. Over the course of a few more meetings during the next two months, TMI-FW started to bare its teeth, thereby revealing its intentions to take matters into its own hands. The investment company still had no idea that Trimac was only a few weeks away from having the necessary tax ruling in order to announce the spin-out of Kenting.

Meanwhile, the Trimac team, along with lawyers from Macleod Dixon, continued to work feverishly on the spin-out transaction. The CRA had raised a few last-minute issues about a week before the upcoming Trimac Board meeting being held to approve the transaction. Representatives of Felesky Flynn, Trimac's tax advisors, had flown to Ottawa to meet with the CRA and try to resolve the issues. By the day before the board meeting, Felesky Flynn had resolved all but one matter and suggested it would be helpful if Terry Owen (then VP General Counsel) joined them so the CRA could hear directly from Trimac management on this particular issue. Terry and the Felesky Flynn lawyers met with senior representatives of CRA and the issue was resolved. One day later, the Trimac Board approved the transaction.

The spin-out of Kenting Energy Services was completed on February 1, 1997. Macleod Dixon had made special arrangements for the Corporate Registry office to stay open on a Saturday (the day after the transaction closed) to process the documents that would create the new Kenting drilling company. It was to begin trading on the Toronto Stock Exchange the following week. The management team went home on Saturday thinking they had completed a significant step in the transformation of the business and that Trimac and Kenting could now proceed with developing their own strategies to create value for their shareholders as independent public companies. However, that was not to be. On Sunday night Jeff received a telephone call from the president of a competitor in the energy services business. The purpose of the call was to advise Jeff that his company, Precision Drilling, would be launching an unsolicited bid for Kenting on Monday morning at $9 per share.

Jeff and Bud preparing for the Special Meeting of Shareholders, January 30, 1997.



The call did not come as a complete surprise to Jeff or the rest of the management team when he informed them later that night. Separating Trimac into two separate public companies—one focused on transportation and one focused on energy services—eliminated most of the risk of being the target of an activist investor, but it inevitably increased the risk of a strategic acquirer looking to consolidate in their own industry.

The Kenting management launched into defence mode the next day. The initial bid was only open for 35 days. The new president of Kenting, Tim Swinton, responded to the bid in a press release describing it as opportunistic and inadequate and advising that the company was preparing a Directors' Circular recommending shareholders do not tender to the bid. He also announced that Kenting was in the process of acquiring a division of Lynx Energy Services Corporation for cash and shares of the company. Before the expiry of the initial bid, Precision responded by amending its bid to take into account the value of the acquisition and included the shares to be issued for that acquisition, effectively increasing the value of the initial offer. The amended offer also extended the time the bid would be open.

After a series of negotiations with Kenting management and the McCaig family, who were the largest shareholders of both Trimac and Kenting, an agreement was reached, and

Precision Drilling acquired Kenting. The transaction closed on June 2, 1997.

The spin-out of Kenting created tremendous value for Trimac shareholders. The market capitalization of the company increased from a low of $450 million on March 15,1996, to $790 million the day prior to the closing of the reorganization, representing a $340-million increase. It also provided valuable lessons in terms of how to prepare for and defend against unsolicited or hostile takeover bids.

Trimac now had two core transportation businesses: bulk trucking (Trimac Transportation) and truck fleet management (Rentway), along with a handful of non-strategic investment interests. The plan was to continue to patiently sell non-core assets over time in a manner that would create the greatest amount of value for shareholders.

In the aftermath of the Bass Brothers "near miss" hostile bid and the timely spin-out of Kenting, it was readily apparent to Jeff and Terry, who were both former merger and acquisition lawyers, that with only a 23 per cent McCaig family share position, Trimac would continue to be vulnerable to hostile bids.

To allow Trimac to control its own destiny and maximize the proceeds from the sale of non-core assets, the McCaig family would have to increase its ownership to at least 33 per cent. This would create an effective "blocking position" to a hostile bidder's ability to acquire 100 per cent of the company.

The buy-back of shares by Trimac was a way to offer liquidity to shareholders with a shorter investment horizon, while increasing the percentage ownership of remaining shareholders, like the McCaig family, who had a longer-term investment perspective. Share buy-backs could be done through small amounts of share purchases via a "normal course issuer bid" or through the purchase of a more significant number of shares through what is called a "substantial issuer bid."

Over the balance of 1997 and the first half of 1998, Trimac monetized $88 million of non-core investments. The majority of this money was used to make a substantial issuer bid resulting in the purchase for cancellation of $65 million of shares in August 1998. Trimac also purchased another $10 million of shares in 1998 through its normal course issuer bid. As a result of these share purchases, by the end of 1998 the McCaig family share position had increased to about 28 per cent—better, but still short of a blocking position. Something more was needed.

Rentway had continued to grow during the 1990s and, at this point, had become the largest truck-leasing and rental company in Canada. Ron Waye had taken over from John Grainger as Rentway's president. He had built a team of outstanding people with the attitude, "we can take anyone on and win." They had pulled ahead of their competitors and had maximized the growth of the business in Canada. They began to look to the United States for acquisitions and other new business opportunities.

However, the truck-leasing business is very capital intensive and, as a result, Rentway had accumulated several hundred million dollars of debt. A leasing company is more like a financial company and uses leverage in order to produce an acceptable return on equity. Expanding the business in Canada and entering the US market would require making an acquisition in the United States and taking on even more debt. And, as a wholly owned subsidiary, that debt would be consolidated onto the Trimac balance sheet.

Trimac management spent a lot of time in 1999 working with Ron Waye and the Rentway team on a potential large acquisition of a truck-leasing and rental business based in New York. By late 1999, it was not possible to negotiate a reasonable price for this business. As Jeff would reflect, "Sometimes the best deals are the ones you don't do!" Expanding Rentway with a major US acquisition would have changed Trimac's strategy and its ability to preserve and grow the core trucking business.

Once Trimac concluded that growing the leasing business in the United States would be difficult, Bud, Maurice, Jeff, and Terry returned to the idea of privatizing the company. They recognized that the sale of Rentway could provide the funds to take Trimac private, so management began investigating the option of selling Rentway.

Again, and again not surprisingly, another activist investor, Enterprise Capital Management, saw the same opportunity and announced the acquisition of 10 per cent of Trimac's shares. It was "game-on" once more.

Enterprise Capital was headed by Toronto financiers, so Jeff and Terry (now Trimac's CFO) travelled to Toronto to meet with Enterprise. Terry recalls, "From the second we stepped into Enterprise's ostentatious offices, it was apparent that these guys did not share Bud and Jeff's long-term approach to value creation."

In order to solicit a hostile bid for Trimac, Enterprise Capital had made the rounds to all of the potential strategic buyers of Trimac, including the Apollo group, which was the backer of US-based Quality Carriers, one of Trimac's largest competitors. Enterprise also visited with Trimac's major institutional shareholders to enlist their support for a hostile bid. At the same time, Jeff and Terry made their rounds to all of these people to make clear the intentions of both Trimac and the McCaig family to take the business back to its trucking roots in a patient, methodical manner that would be in the best interests of all shareholders. It was a hard sell. Most of these investors seemed to prefer more immediate gratification.

In 1999 Trimac management sold another $32 million of non-core investments, and by mid-2000 an additional $35 million had been monetized, allowing Trimac to complete a $58-million substantial issuer bid. The McCaig family share ownership was now over 30 per cent, meaning it could block a hostile bid for 100 per cent of the company. This gave Trimac the ability to re-focus on opportunities in the trucking business and more specifically in the United States, where there were more opportunities for rapid growth in the company.

The most significant growth opportunity before Trimac at the time was the potential purchase of a competitor called Initial DSI Transports Inc. (DSI), a subsidiary of Rentokil Initial plc, a UK company. After a difficult series of on-again, off-again negotiations, Trimac closed the acquisition of DSI on January 18, 2000. The purchase was financed partly with the proceeds of the Banister divestiture and partly with debt. Having established sufficient scale in its core trucking business, Trimac could now consider selling Rentway, its only other wholly owned business, and use the proceeds to complete the privatization of the company.

The Rentway sale took place in the summer of 2000 with Newcrest serving as financial advisors. Bob Algar (VP Corporate Development) and Rob Kennedy (VP General Counsel) did an outstanding job in leading the auction process.

Bud, Jeff, and Terry flew to Toronto to meet with Trilon Financial (now Brookfield) to arrange a substantial standby credit facility to finance the privatization of the company in case Rentway could not be sold before Enterprise launched a hostile bid. However, Rentway was sold in time and Trimac did not have to draw on this facility. Penske Truck Leasing bought Rentway in September 2000 for $105 million.

While the Rentway sale process was going on, Jeff and Terry also went looking for the right privatization partner. After a couple of months of discussions with various private equity groups, the private equity arm of the Ontario Teachers' Pension Plan became the preferred partner. With the sale of Rentway completed and the standby facility terminated, negotiations with Ontario Teachers' began in earnest.

CHAPTER 16

GOING PRIVATE WITH ONTARIO TEACHERS' 2001–2005

With the acquisition of DSI and the sale of Rentway to Penske, Trimac Transportation was now the largest pure North American tank truck and dry bulk carrier by revenues according to the top 100 ranking in *Bulk Transporter* magazine. The journey to the top of this list was the result of strategic acquisitions, internal growth, and selling off the non-trucking components of the business.

The divestitures undertaken at this time included investments in publicly traded companies, such as BOVAR, Fort Chicago (formerly Chauvco), Intermap (formerly Kenting Earth Sciences), Newalta, Pioneer, and BFC Construction, and minority interests in several private companies, including Bantrel Inc., Cage Logistics, and Richer Systems Group. A lot had been accomplished in a short time and the value of the company's shares were trading higher than they were before the new strategy was announced to the public. The market was signalling its approval.

However, the journey back to being a pure trucking company was not easy for anyone at Trimac; it was even more challenging because of the emotional attachment that comes after 50 years of successful growth through acquisitions. Ultimately, it was the threat of another hostile takeover bid that focused everyone's attention on the way forward.

Trimac still had a large activist shareholder who saw opportunity in forcing a sale or merger of the company if not to one of its competitors, then to a large private equity fund. If the company resisted these overtures by taking itself private, they would gain by being able to sell their shares at a premium to the current trading price.

As Maurice McCaig reflected, "This was a very intense time in Trimac's history, but Jeff and his team brought a sense of stability and focus. They really kept the company going through a critical period."

The decision to take the company private was not made lightly or quickly. Once again, the laws and regulations governing privatizations were a significant and complicating factor.

The privatization of a company like Trimac whose shares are traded on a public stock exchange is a highly regulated process. Curiously, the history of these regulations goes back to the late 1800s to what was known as the era of the "robber barons."

Robber barons is a pejorative term that refers to a group of American industrialists and financiers who made fortunes by monopolizing huge swaths of the American economy, such as railroads, steel, oil, and sugar, in the late 1800s and early 1900s. They did this by forming trusts that allowed them to minimize competition but caused quality to deteriorate and prices to go through the roof.

The government responded by passing a series of "anti-trust" acts starting with the Sherman Act in 1890. These regulations outlawed agreements between companies that would limit competition. This was followed by the Clayton Act (1914), which allowed the government to stop mergers that would stifle competition, and the Federal Trade Commission Act (1914), which gave the government the authority to investigate and regulate other practices that could limit competition.

These government regulations led to a period of growth and prosperity in the United States characterized by increased public interest and participation in the stock markets. However, it eventually became a case of too much of a good thing. Share prices reached unsustainably high levels and were a major catalyst to the Wall Street Crash of 1929. Over four days in October of that year, the market declined 25 per cent and then continued trending down over the next three years, bottoming out in 1932 at 20 per cent of its pre-crash high. This wiped out many small investors and ushered in the Great Depression.

Again, the government stepped in by passing a series of laws collectively referred to as the "Blue Sky" laws starting with the Securities Act of 1933, which prescribed rules for the initial sale of securities. The Securities Exchange Act of 1934 followed and set out the regulatory framework for the secondary markets. The assumption underlying these new laws was that "widows and orphans" investing their savings in the stock market needed to be protected from the robber barons.

This regulatory framework evolved over decades to protect the integrity of the markets in the United States as well as small or minority investors. Canada developed similar laws, though its legislation fell under provincial jurisdiction rather than the federal government.

In Canada, the provincial securities regulators operated independently but over time started to cooperate and ultimately formed an association called the Canadian Securities Administrators. This association establishes policies called "National Instruments" and are consistent across the country. The National Instrument regulating going-private transactions in Canada is 61-101. If Trimac wanted to go back to private ownership by the McCaig family, it would have to carefully comply with 61-101. Jeff and Terry, with their backgrounds in securities law and regulation, understood both the history and the current regulatory environment. They knew the odds of a successful privatization were not high.

While the laws and regulations had been modernized over the decades, the underlying assumption was still that outside investors, large and small, needed to be protected from "insiders" whose "superior knowledge" and information about the company would give them an unfair advantage when selling to or buying back shares from the public. As a result, companies selling shares to the public for the first time as an "initial public offering," or IPO, are required to file a prospectus with the regulators describing the shares being offered in great detail and "full, true, and plain" disclosure of the affairs and prospects of the company.

Similarly, companies buying shares back from the public had to file a prospectus-like document with the regulators setting out the price and terms at which the company was offering to buy back their shares, as well as a valuation of the company's shares by an independent valuator. Once approved by the regulators, the proposal was submitted to a meeting of the shareholders for their consent. At this meeting, the inside shareholders (those not selling their shares) are not allowed to vote. The offer must be approved by a majority of the shareholders whose shares the company is offering to buy.

As Jeff would say, this was a very steep mountain to climb, with a high degree of difficulty, and he helped his team to appreciate the magnitude of the challenge ahead. The institutional shareholders who Trimac would be negotiating with had the benefit of the regulations that were biased in their favour. Moreover, these institutional shareholders were significantly larger than Trimac, far better financed, and more experienced. It was a David and Goliath situation, but Jeff challenged his team to move forward with a determination to work hard, work smart, and work together to make a compelling case for privatization.

The first consideration for a company considering a go-private transaction is how to finance it. Trimac had a strong balance sheet at that point and could afford to take on some additional debt, but not enough to finance the entire amount required to take the company private. It would take about $60 million, so a partner from outside of the company was required.

There was a large and active private equity market in the United States and some of Canada's largest institutional investors had started to allocate a small percentage of their portfolio to this higher-risk, higher-expected return segment of the market. Jeff and Terry made the rounds to visit four or five of these institutions. Some were not interested, while others offered terms that were "unattractive" with hurdle rates so high that even a well-run trucking business could not hope to achieve them. They were getting discouraged by the time they met with the Ontario Teachers' Pension Plan Board private equity group. Jeff and Terry made their pitch to Mark MacDonald and Joe Prosperi. Mark and Joe held their cards close to their chests, and Jeff and Terry left the meeting without a good sense of whether they had succeeded in generating interest. However, within a few days, Mark called back and said they were prepared to sit down to work out a deal.

The next challenge was to determine a price per share at which the outside shareholders (particularly Enterprise and the other institutional investors they had organized) would be willing to sell and Ontario Teachers' would be willing to invest.

Adding to the challenge of striking this delicate balance was the regulation that prohibited selective disclosure of material information. Material information is defined in securities law as information that, if generally known, would affect the share price. The fact that Trimac was contemplating making an offer to its public shareholders to go private was clearly material information.

The only way around this rule was to enter into a non-disclosure agreement (NDA), which allows the company to disclose material information to a potential counter party in order to negotiate a transaction. The company receiving the information would have to agree not to disclose the information to anyone else and not to trade their shares until the information was disclosed to the public or was no longer material.

Ontario Teachers' were willing to sign an NDA because at that point they did not own any shares. Enterprise was not willing to sign because they did not want to constrain their ability to sell their shares or buy more if the opportunity arose. As a result, the determination of the price per share that would be offered to the public was done internally with no input from outside shareholders.

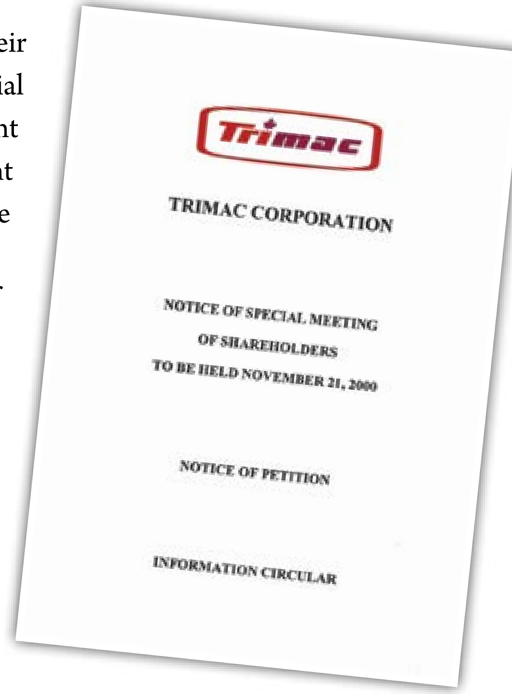
The regulations required the company to retain an independent third-party advisor to prepare a valuation to be included in the Offering Circular. The valuation produced a range of values, and the company had to pick a price that satisfied both the Ontario Teachers' and the institutional shareholders. If the price was too low the company would then be "in play," especially if the share price fell back to its pre-offer level or lower, or, even worse, someone else offered a higher price to acquire the company. A legacy of three generations of family ownership of the business could be at risk.

An independent committee of the Trimac Board was appointed. It consisted of Art Sawchuck (chair), Rhys Eyton, and Jack Macleod. Assisted by RBC investment bankers, their task was to review the offer, oversee the valuation being done by RBC, and make recommendations to shareholders not involved in the privatization. It made for some very awkward moments for a group of people used to operating by consensus. The process essentially forced the board into two camps. The independent directors had to move to one side of a negotiating table to focus on what would be best for the outside shareholders, instead of working as a team with the inside directors (the McCaigs and management) in the interests of all the shareholders.

After some very hard bargaining, and soul-searching, a price of $9.50 was determined and the method of proceeding was agreed upon. The company would enter into an Arrangement Agreement with the McCaig family shareholders whereby the family would own all the shares of the company and the public shareholders would be entitled to $9.50 per Trimac share formerly owned by them. In order to become effective, the arrangement had to be submitted to a Special Meeting of Shareholders at which two-thirds of the votes cast at the meeting by all shareholders, and two-thirds of the votes cast at the meeting by all shareholders other than the McCaig family, voted in favour of the arrangement.

This last requirement, sometimes referred to as a "majority of the minority" test, was a high hurdle. Two-thirds of all the shareholders whose shares would be acquired pursuant to the arrangement to privatize the company had to vote in favour of the plan. None of the shares owned by the McCaig family or anyone affiliated with them could be counted in determining whether or not this second required majority had been met. Notice of the Special Meeting of Shareholders along with an Information Circular, the Arrangement Agreement, and the Fairness Opinion were sent to all shareholders on October 16, 2000. The regulations required that shareholders be given 35 days notice of the meeting.

At first, very few shares were tendered to the offer. That was not entirely surprising as the institutional shareholders needed time to do their own analysis and attempt to solicit higher bids from other potential acquirors. Still, it was a very uncomfortable time for the management team, especially since the regulations did not allow management to meet with outside shareholders while the offer was open. The Information Circular had to speak for itself.


Trimac

TRIMAC CORPORATION

NOTICE OF SPECIAL MEETING
OF SHAREHOLDERS
TO BE HELD NOVEMBER 21, 2000

NOTICE OF PETITION

INFORMATION CIRCULAR

All of the hard work paid off when the requisite majorities of shareholders approved the arrangement at the Special Meeting on November 21. The privatization of Trimac was completed on November 23, 2000. Following this, the company closed its financing with Ontario Teachers' with the result that the McCaig family now owned 78 per cent of Trimac's shares and Ontario Teachers' Pension Plan owned the balance.

Ontario Teachers' proved to be an excellent privatization partner. They became Trimac's only outside shareholder, and Mark MacDonald joined the board as their representative. The structure of the \$60-million Ontario Teachers' financing was a combination of \$30 million in equity and \$30 million of mezzanine debt with a warrant to acquire additional equity. The debt was subordinated to the senior secured bank debt that the company already had in place. As a result, it was expensive debt and put a premium on finding a way to pay it back as quickly as possible. As well, while the Ontario Teachers' investment horizon was longer than the activist investor, it was not as long as the McCaig family's investment horizon. That difference would have to be reconciled sometime in the future, but, for the shorter term, it was a partnership that worked well for all involved.

The Trimac management team returned to running and growing the trucking business. For the next several years, Trimac was able to focus on this aspect without the distractions and challenges associated with being a public company.

The trucking business Jack McCaig founded in 1928 had been transformed over 50 years by his son Bud McCaig into a multi-national conglomerate. Now, under Jeff McCaig's leadership, Trimac had undergone a second major transformation. It took a tremendous amount of hard work to return the company to its roots as a privately owned transportation-focused enterprise; but, in many ways, the work had only just begun. Thankfully, the team in place was up to the task. "My grandfather believed that if you hire good people you should stand aside and let them do their job," says Jeff. "It was a principle he lived out every day and one that we have continued to follow at Trimac."

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DSI personnel from Bayport, TX, terminal join the Trimac family.

As of January 2001, Trimac had not completed the integration of the DSI acquisition, but most of the accounting, administrative, and operating processes were integrated into Trimac's systems within the first few months of the year. By the end of the second quarter, and after a once-more thorough review of the customers, personnel, equipment, and facilities, the decision was made to merge DSI with the existing US Chemical division under the leadership of Bernie Higgins.

In May 2001, all of Trimac underwent a significant reorganization. Jeff had now been with Trimac for 17 years and held the positions of president and CEO of the parent company, Trimac Corporation. With the exclusive focus on trucking, the parent company's management structure was no longer required and was dismantled.

Jeff succeeded Andrew Zaleski as the president and CEO of Trimac Transportation. Terry Owen became executive VP of Trimac Transportation and reporting to him were Norm Kennedy, VP and controller; Rob Kennedy, VP, general counsel; and Ed Malysa, VP Finance. Ev Rivait was promoted to senior VP responsible for both Eastern Canada and the US Chemical divisions. Rick Reynolds became senior VP responsible for Western Canada and the US Dry Bulk and Mining Services division. This was a unique and almost unprecedented "north-south" realignment that followed and was focused on customers and commodities rather than national boundaries.

Norm Kennedy, Western Canada VP, 2003.

Lorne Pomeroy, Kim Miller, Ted Barnicoat, Barry Davy, and Jim D'Alessio were the other executives reporting to Jeff on a North American basis. Bernie Higgins, VP US Chemicals, and Glenn Sherman, promoted to Eastern Division VP, reported to Ev Rivait. Steve Bates became general manager of the Dry Bulk division reporting to Reynolds. John Jackson, who had joined Trimac as part of the DSI acquisition, became VP and general manager of Trimac Logistics Inc. (TLI). TLI had consolidated all of Trimac's non-asset-based logistics services and expanded in 1999 with the addition of Cort Dondero and his staff through the purchase of his company, Service & Administrative Institute, located in Jacksonville, Florida.

Trimac US then reorganized its entire US operations under one business unit in 2001 and moved its US corporate offices from Louisville, Kentucky, to Houston, Texas, relocating several key departments and personnel with this consolidation. More widespread changes to improve profitability occurred in the United States with the assistance of Canadian executives including Glenn Sherman, Ev Rivait, and Willie Hamel. Soon after the major reorganizations in 2001, Reynolds chose to retire in early 2002, although he stayed involved in Northern Resource Trucking on a part-time basis for a number of years. Terry Owen took over Reynolds' responsibilities in Western Canada and the US Dry Bulk and Mining division, in addition to his aforementioned direct reports. These changes were made possible with an experienced group of managers (Tim Dalton, Rick McBride, Steve Bates, and Jean Kipp) reporting directly to him. Norm Kennedy was subsequently appointed VP Western Canada division in February 2005.

Bulk Plus Logistics launched as a stand-alone third-party logistics company in 2002 with Glenn Sherman as president.

During this time, the US operations were struggling with changes affecting some of their largest and best customers: over-capacity in the chemical hauling business led to rate-cutting; the aftermath of the tragic 9/11 terrorist attacks negatively affected all business—especially cross-border truck transportation; and fuel prices skyrocketed and fuel surcharges had to be added to recover the significant cost increase for both company trucks and independent contractors. This made it more challenging to get rate increases to cover other cost elements in customer contracts.

Trimac continued its expansion in the United States and, in December 2002, closed a deal to purchase Ellsworth Motor Freight Lines, an Oklahoma-based liquid and dry bulk carrier that filled a geographical void and offered complementary products not currently covered by Trimac. Ellsworth had 10 terminals in the US south-central and midwest regions as well as 190 company drivers and independent contractors, 500 trailers, and 90 company tractors. Trimac integrated Ellsworth's assets and operations into the Petroleum, Dry Bulk, and Mining Services division.

Over the next several years, Trimac US rebranded all of the separate operating companies to create a single Trimac presence and brand that had more recognition with customers and employees. Jim D'Alessio helped everyone appreciate that changing the Trimac logo was an important part of rebranding Trimac as a true North American entity.

With a North American mindset and marketing approach established, Trimac entered into an arrangement with a sales and leadership professional company called PeopleWorks and in particular its founder and owner, Bob Flynn. Over the next 15 plus


Ev Rivait


Terry Owen

Ev Rivait is promoted to senior VP responsible for Eastern Canada and the US Chemical Divisions, 2001, and Terry Owen becomes executive VP responsible for Legal, Accounting, and Finance, and then adds Western Canada and Western US on the retirement of Rick Reynolds in 2002.

Trimac strategic planning offsite at Premier Lake, BC, June 2005. *Back row:* Jeff McCaig, Bob Algar, Ed Malysa, Rob Kennedy, Marcel Pouliot, Dave Gatti, and Glenn Sherman. *Front row:* Willie Hamel, Norm Kennedy, Janet Topic, Jean Kipp, Maurice McCaig, Barry Davy, and Terry Owen.

years, Flynn was instrumental in helping Trimac become a "customer centric" company with a good understanding of the connectivity between customer and service provider and zippering that relationship. In other words, there are multiple points of contact between the service provider (Trimac) and its customers, and there is great benefit from promoting strong relationships at all levels. Bob also helped to evolve Trimac's implementation and development as the preferred place to work.

One additional marketing initiative Trimac undertook in 2000 was the establishment of the Associate program to compete mostly in the US market with the Quality Carriers' Affiliate model—basically a variation on franchising. The ability for Trimac to establish Associates in various markets became another arrow in its quiver to compete for acquisitions.

In the end, this program was only marginally successful, but the original Associate, L. D. McCloud, based in Grand Prairie, Texas, is still a valued member of the Trimac family as is one other Associate—the Bennet family, who operate their terminal in Lake Charles, Louisiana.

During this time of reorganization and new business development, Jeff moved to Houston to help focus on the turnaround of the US chemicals business. Terry Owen became president in 2004, and Tom Connard came on as US Chemical vice president. By the end of the year, Tom was put in charge of all US operations, reporting to Jeff.

After four years of working together to grow the North American bulk trucking business, Ontario Teachers' began to look for liquidity in their investment. Since Trimac was eager to repay the mezzanine debt as soon as possible, and the structure of the agreement with Ontario Teachers' made purchasing their shares straightforward, one option was to go public again. A second option was to take on more debt to allow the company to buy back their shares. Once again, developments in the capital markets ultimately determined the company's direction.

Chapter 17

An Income Trust 2006–2010

Income trusts had their origins as a tax-effective way to distribute the cash flow from real estate (real estate investment trusts, or REITs) and then from mature oil and gas properties (royalty income trusts). By 2004 they had become a popular vehicle for any company that had regular cash flow, such as the regular income from trucking companies. What made the income trusts popular is that the profits of the business were not taxed at the entity level. Cash flows were distributed before tax, and the unit holders were responsible to pay the tax on the profits they received.

This was particularly attractive for non-taxable entities, like pension funds, which are not taxable at the entity level, either. Their income was taxable only when it was paid out to individual pensioners and then by the pensioners not by the pension fund. Ontario Teachers' is a pension fund and understood this structure very well. Trimac's Canadian business, with its dependable earnings stream, was well suited to the income trust structure. For example, if Trimac's shares were valued at $6 or $7 as a taxable limited liability company, those same shares could be worth as much as $10 or $11 if the business was transformed into an income trust. The valuation "bump" from converting to an income trust was very attractive, and it provided an opportunity for the Ontario Teachers' Pension Plan to sell its equity in Trimac at a price that met or even exceeded its return expectation when it made the original investment. From Trimac's perspective, it was an opportunity to replace one large shareholder with

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Glenn Sherman and his wife, Suzette, cut the cake at a celebration of Glenn's retirement, Burlington, ON. Sherman held a number of diverse roles over his 24-year career with Trimac, including senior VP at Trimac Income Fund.

multiple smaller shareholders, even if it was at the expense of those shares being publicly traded again.

In light of these benefits, the leadership team decided to turn Trimac's Canadian trucking business and North American logistics business into an income trust. The team, composed of Jeff McCaig, Terry Owen, Ed Malysa, Bob Algar, and Rob Kennedy, worked tirelessly to develop and implement the conversion, which required a very complicated reorganization of Trimac. Advisors included Macleod Dixon as legal counsel and PricewaterhouseCoopers (PwC) as tax advisors. Although the Canadian side of the business could be structured into an income trust under Canadian tax rules, the US part of the business could not. So, the business was split, and a new organization called Trimac Management Services LP (TMSLP) emerged to provide accounting, legal, IT, and other corporate services to the income trust in Canada and to the US trucking business, which would remain privately owned by the McCaig family. The Trimac Income Fund completed its initial public offering on the Toronto Stock Exchange in February of 2005, about a month after Bud McCaig's passing.

Jeff McCaig became the chair of the income fund. He relied on the support and expertise of Terry Owen as president and CEO and Ed Malysa as CFO. Maurice McCaig recalls, "With the sudden and unexpected loss of Bud, this was a traumatic season and a very difficult period for our senior management team. Jeff kept the business moving forward. He handled everything amazingly well."

The McCaigs owned 55 per cent of the $191-million income fund. The fund issued the balance of the $10 trust units, worth $86 million, to the public. Proceeds from the initial public offering (IPO) were applied to acquiring the Ontario Teachers' Pension Plan's equity stake for $36.6 million and also to repay the $35-million mezzanine debt.

Looking back on the reorganization, Owen says, "The reorganization was extremely complicated, particularly with respect to the various types of 'tracking shares' that had to be created to accomplish various objectives. Ron Gratton of PwC did the tax work, and he was amazing, as was the Macleod Dixon team led by Andy Love. Ed, Bob, and Rob worked tirelessly to put all of the pieces in place and, as always, Jeff was involved in every detail. In fact, at closing on the eve of the public offering there was a mistake in one of the 'share ratio adjustment calculations,' and Jeff was the only one who noticed it."

The trust had an initial yield of 8.75 per cent, based on distributable cash flow of 87.5 cents a unit annually. The Canadian trucking business and the North American logistics business had strong results in 2005 with pre-tax earnings growing by $4.4 million to $15.4 million. The annual distribution per unit was increased to 92 cents. Earnings before taxes further increased to $17.9 million in 2006, representing a 63 per cent increase since the inception of the trust. In the first few months of trading, the per share price hit a high of just over $12.

Notwithstanding this initial success in the capital markets, there were also risks and downsides to the income trust structure. The first issue that came to light was, in order to remain non-taxable at the entity level, all the profits from the business had to be paid out to the unit holders every year. Profits could not be retained to grow the business or make acquisitions.

If the company wanted to grow, it would have to issue additional units through the capital markets. However, capital markets were not always open for additional issues. On top of this uncertainty, issuing additional units could reduce value for existing unit holders if the new acquisition did not immediately generate the same level of profit as the existing business. This was not unusual in most acquisitions.

As well, splitting the business into two separate entities with very different capital structures had profound implications on Trimac's strategy. Once again the management team had to adapt quickly and develop two separate strategies for the two separate businesses. The Canadian business organized as an income trust had to focus on free cash flow and maximizing distributions to its unit holders. As noted earlier, the profits of the business were not taxed at the entity level. As long as they were paid out to the unit holders they were only taxed once in the hands of the unit holders. Also, the units traded more like a debt instrument. Assuming a steady interest rate environment, the higher the distribution, the higher the value of the unit. That is not to say the market would not welcome growth in the business but not at the expense of distributions.

The US business was organized as a taxable entity. The profits of the business were taxed at the entity level, but if they were paid out they were taxed again in the hands of the shareholders as dividend income. Consequently, the US business strategy was to retain as much profit as possible and plough those profits back into the business in order to grow.

A pivotal planning session held in Estes Park, Colorado, in August 2006 resulted in a focused US strategy to restructure financing with US-based banks, increase borrowing capacity, re-purchase the minority shares held by the Ontario Teachers' Pension Plan, and grow organically and through acquisition. The latter focus was aimed at more dry bulk hauling to diversify the product mix and reduce the reliance on chemicals.

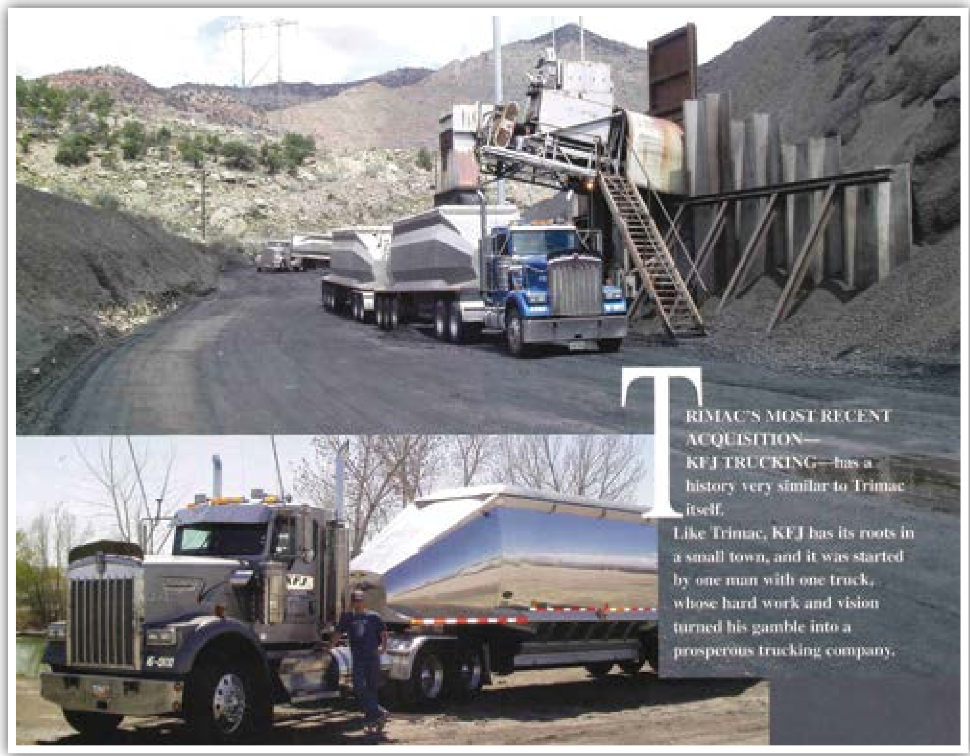
Trimac US also grew the non-trucking segments of its business. After almost a year of pre-planning led by Travis O'Banion, Trimac set up a new wholly owned subsidiary, National Tank Services (NTS), to offer commercial maintenance and wash rack services to Trimac and third-party customers. It required more than just new signage. There was new training of personnel in a customized course (Its Up To Me), installing of scheduling and invoicing software, and NTS adopted many of the best practices of Trimac's existing NTCS wash rack in Mississauga, Ontario. It started with only eight Trimac locations in the United States and has grown to more than 40 sites throughout North America as Trimac added new branches and purchased existing wash rack facilities.

Not long after the completion of the Canadian IPO, Jeff expressed concern to Terry: "This income trust phenomenon is starting to spread like crazy in this country. I am not sure this vehicle is going to be sustainable over the long term, and we have contorted our North American-wide trucking business to accommodate this structure."

Income trusts had emerged as a political issue during the Canadian federal election campaign in the winter of 2005, but Finance Minister Jim Flaherty promised they would not be touched. The minority Conservative government was re-elected on January 23, 2006, as the income trust snowball was gaining momentum.

By the fall of 2006, companies worth $70 billion were planning conversions and the federal Department of Finance saw that the country's tax base was under siege. Two very large companies, TELUS and BCE, announced conversion plans and it appeared that the major banks were poised to do the same. "Left unchecked, such corporate decisions would result in billions of dollars in lost revenue for the federal government to invest in the priorities of Canadians," Flaherty warned.

In the budget submitted to Parliament on October 31, 2006, the finance minister imposed a tax of 30 per cent on distributions from Canadian income trusts,

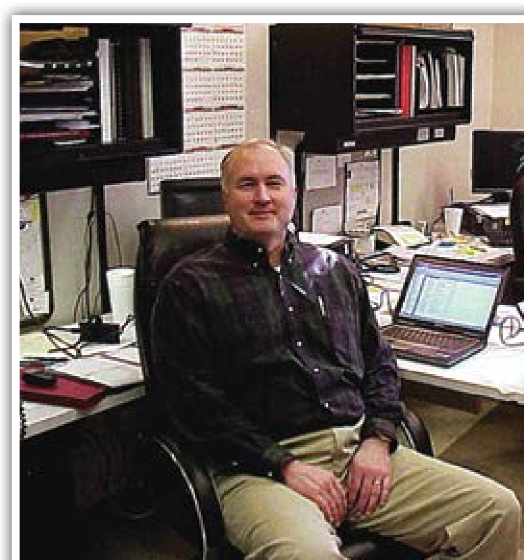


Trimac acquires KFJ Trucking in Cleveland, UT.

effective January 2011. It was called the "Halloween Massacre." This dramatic change in tax rules effectively spelled the end for most income trusts.

Income Trust unit holders' values decreased dramatically across the board virtually overnight, including Trimac Income Fund's units, which decreased from around $10 to about $7.30.

Bill Marchbank, a former captain and military helicopter pilot in the US army, joins Trimac US as VP Eastern Division, 2007.



Jeff and his team had the foresight to see the change coming, and they began to make adjustments to their business strategy, including new acquisitions that made sense for Trimac.

On April 2, 2007, Trimac US purchased KFJ Trucking, based in Cleveland, Utah, acquiring the assets of a transportation company focused on coal transport and some acid hauling. The acquisition strengthened Trimac's coal-hauling business and created growth opportunities for the company. KFJ Trucking operated 33 power units and 40 trailer sets and had revenues of more than $13 million in 2006. Most of the 58 drivers and office personnel employed by KFJ became Trimac employees. Unfortunately, the coal mine closed after a tragic underground collapse. The remaining acid business was sold to a regional carrier, and the equipment was redeployed elsewhere.

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In 2007 Trimac US also acquired Logistics Express (Logex) of Orange, California, the largest independent industrial gas carrier in the United States. It specialized in hauling liquefied industrial gases such as oxygen, nitrogen, liquid natural gas, and argon. The major industrial gas producers had their own specialized private fleets, and Logex had 500 drivers (40 were independent contractors), 222 tractors, 63 trailers, and 27 terminals in 17 states. Revenues were approximately US$ 85 million in 2006. In this acquisition, Trimac acquired considerable management expertise in the industrial gas market with the retention of Tom Rule, Randy Tumbarello, Gordon Terrel, Mike Kiehl, and many others.

In addition, Trimac Canada purchased Alberta-based Logistics Express Inc., a liquefied industrial gases carrier. Its fleet included 15 trailers, 31 independent contractors, and three terminals with annual revenues of approximately $6 million.

Management team of Trimac Income Fund Canada 2007. *Back to front and left to right:* Norm Kennedy, Janet Topic, Willie Hamel, Glenn Sherman, Marcel Pouliot, Jean Kipp, Dave Gatti, Ed Malysa, Jeff McCaig, Rob Kennedy, and Barry Davy.

When Terry Owen stepped down as president and CEO of the Canadian business on December 31, 2007, Jeff assumed Terry's responsibilities in addition to being chairman, president, and CEO of Trimac US and Trimac Management Services LP. Ed Malysa, who had started his career as a clerk in the accounting department 30 years earlier, became executive vice president and COO, and Tom Connard was promoted to president and COO of Trimac US.

In 2008 the most significant downturn in economic activity since the Great Depression of the 1930s devasted global financial markets. The Great Recession, as it became known, began when the US housing market went from boom to bust, and large amounts of mortgage-backed securities and derivatives lost significant value. It lasted for about two years, and during that time banks stopped lending and liquidity dried up. This created significant financial stress on companies with highly levered balance sheets. One such company was StarTrans Inc. of Holly Hill, South Carolina. StarTrans

Jeff McCaig announces major management changes in early 2008.

was a hauler of dry bulk products, including cement and lime. It operated in a 20-state area east of the Mississippi River through a network of terminals in nine states. StarTrans fit Trimac's long-term strategy of product-line diversification, including the dry bulk segment east of the Mississippi. It was teetering on the edge of bankruptcy, and Trimac wanted to acquire it as a going concern. i.e., a business that is operating and making a profit. A bankruptcy process would have seen the assets dispersed, customer relationships lost, and StarTrans' employees lose their jobs. However, Trimac's US lender at the time was not willing to lend, despite Trimac's strong balance sheet. Negotiations dragged on and StarTrans took the first step in the bankruptcy process. Jeff's solution was to acquire the company himself with the intention of selling it to Trimac when its lenders were again willing to lend, and that is exactly what happened. In 2009 Trimac Transportation formed

Trimac's acquisition of StarTrans was a strategic relationship with benefits to both parties. The Trimac Dry Bulk Group senior management team *(left to right)* Vic Thompson, VP Operations, Bob Williamson, VP Marketing and Business Development, Dave Shamblin, CFO.

Trimac US senior management is reorganized along product lines. *Left to right:* Bill Marchbank, VP, US Operations; Steve Bates, GM, Dry Bulk; Tom Rule, GM, Industrial Gas; David Perry, GM, Chemicals.

a new operating entity, Trimac Dry Bulk Group Inc., which bought the business from Jeff. Most of the 400 employees of StarTrans were kept on and Trimac operated the acquired business from the Holly Hill headquarters serving the original customers.

Canamera Carriers of Yorkton, SK, joins Trimac. *Left to right:* Kyle Soke, Sara-Lynn Soke, Shirley Soke, Greg Soke, and Tyson Soke.

Other opportunities, including one in Canada, became available during this period. In late 2008, Trimac Canada purchased Canamera Carriers, a bulk hauling and warehousing company based in Yorkton, Saskatchewan. The deal included an airport hangar used for storing fertilizer that allowed Canamera to maximize loaded miles. Owner Greg Soke and almost all of his staff, including his family members, stayed on at Canamera, which specialized in fertilizer, agriculture products, and road salt in Saskatchewan, Alberta, and Manitoba. The deal included 19 tractors and 24 trailers and was in keeping with Trimac's diversification strategy to expand services in fertilizer and agriculture products and enlarge the company's footprint in the Saskatchewan market.

In 2010, as the deadline in the Canadian tax legislation for the tax effective conversion of income trusts to taxable corporations loomed, management looked to once again transform Trimac into a privately owned trucking business.

Chapter 18

Final Steps in the Second Transformation 2011–2015

By the end of 2010, Trimac Transportation Services was ready to convert itself from an income trust back to a corporate structure. The conversion of Trimac Income Fund from a trust structure to a corporation by way of arrangement under the Alberta Business Corporations Act was approved at a Special Meeting of voting security holders held on December 10, 2010, and became effective on January 1, 2011. Units of the fund were exchanged for dividend-paying Class A Common Shares of a new corporation, Trimac Transportation Ltd. (TTL), on a one-for-one basis.

One more milestone on the road back from a multi-business, publicly traded corporation to a privately owned, focused transportation company had been accomplished. One more significant milestone remained.

The Canadian trucking business and North American logistics business remained a public company for five and a half more years, with the US trucking business continuing to operate separately as a privately owned entity. Because of the differential ownership of the two businesses—public in Canada and private in the United States—Trimac Management Services (TMSLP) continued to support both businesses with shared services.

In 2010 Rob Kennedy and Norm Kennedy retired, and Barry Davy followed in 2011, after the three had long and distinguished careers with Trimac. Most of the senior executive succession was accomplished internally and with some redistribution of responsibilities.

Trimac Canada presents first Model Branch awards to Sundre, AB, and Nanaimo, BC, for 2010. *Left to right:* Ed Malysa, Carol Clark, Randy Molitor, and Jeff McCaig.

Midway through 2011, TTL purchased Benson Tank Lines. Benson transported liquid chemicals and acids primarily out of the Vancouver area to Washington state and Alberta. The purchase included about 60 trailers and 35 power units. Ed Malysa praised Benson's business as being well managed for 40 years and as complementary to Trimac. The acquisition followed Trimac's strategic objective to expand market share within its core product lines.

In 2012 TTL acquired a majority interest of the parent company of Fortress Transport Inc. At the time of the purchase, Fortress was based in Guelph, Ontario, and provided bulk transportation services throughout Central Canada and the United States, with a focus on hazardous and non-hazardous transportation of liquids and chemicals. The acquisition brought 54 tractors and 130 trailers into the Trimac fleet.

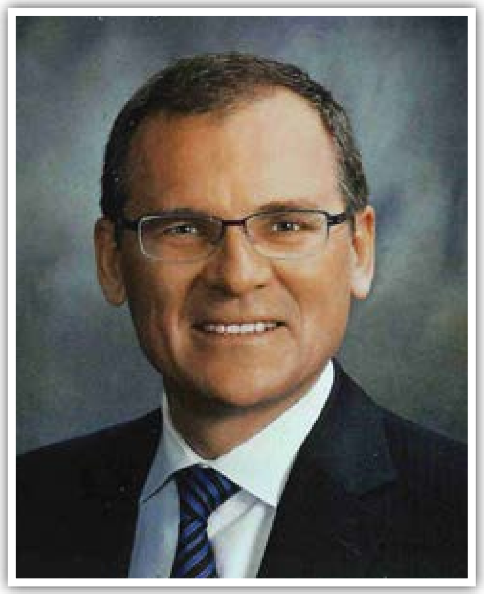
A few weeks later, TTL completed the acquisition of all shares of Liquid Cargo Lines Ltd. Liquid Cargo Lines was based in Mississauga, Ontario, and since 1953 provided specialized bulk transportation deliveries throughout Ontario, Quebec, and the United States, with a focus on chemicals and asphalt. The assets included 42 trailers, 22 company-owned power units, plus eight owner-operator units. Also included was a 13-acre property in Mississauga, Ontario, where Trimac-owned National Tank Services was operating a commercial tank-wash facility pursuant

Specially designed trailers are used to haul ore from the Waneta, BC, transload to the Teck refinery in Trail, BC.

to a lease with Liquid Cargo Lines. The Mississauga property also included mechanical shops and administrative offices. The property was strategically located to facilitate Trimac's growth in a key geographic market.

The last deal made while Ed Malysa was president and COO was the agreement to purchase Transport Rollex Ltée from Groupe Robert Inc., headquartered in Boucherville, Quebec. The deal involved eight power units and 22 trailers and the assignment of a transportation agreement for the hauling of bulk liquid emulsions originating from a chemical plant in Quebec to various points in Canada and the United States. Transport Rollex's annual revenues were approximately $3 million, but it was an expansion of Trimac's operations into Quebec that prompted this decision.

Ed Malysa, president and chief operating officer of Trimac Transportation Ltd., 2013.



From 2010 to 2015, Trimac and its subsidiaries in Canada, the United States, and Mexico had made an additional half-dozen small "tuck-under" acquisitions in pursuit of its growth goals. Trimac's revenues and profits in 2015 had recovered to the peak the company had achieved in its last full year as a conglomerate. In other words, the growth in the trucking business had replaced all of the divested, non-trucking businesses.

Working alongside Jeff at this time was his son Robb McCaig. After pursuing his own career in finance and investment banking for several years, Robb joined Trimac at the end of 2012 as a financial analyst. A highlight of Robb's previous career was working in the finance department of Tim Horton's, where he had the opportunity for a look behind the scenes within a major Canadian success story.

The time had come for Robb to become part of his own family's success story. At 28 years of age, Robb was following in his father's footsteps by joining the family business. Robb was a great student and quickly began to understand the business, so much so that father and son could be found passionately discussing the future of the company for hours at a time.

Trimac had become a premium service provider at a premium price; but the business had been commoditized, and the market dynamics had changed. Both Jeff and Robb agreed that customers were more interested in the lowest price than they were in the reputation of the service provider. That being said, it was not easy to imagine doing business any other way. "Thinking differently about the business was a big paradigm shift for a company that was all about reputation," says Robb.

This was a very important season in the lives of both father and son. Robb deeply valued the time with his dad, learning the business and talking together about the possibilities going forward. For Jeff, it had been a long time since anyone had so effectively challenged his thinking about business strategy. "Given my tenure and ownership in the company, it was hard for others to challenge me, but Robb had no difficulty with it intellectually or emotionally," says Jeff. "We had some long and difficult conversations, but we literally rewrote the business strategy for the company from the ground up."

Robb soon became Trimac's director of North American Strategy and faced his own challenges when thinking of himself as a leader, noting, "I came to Trimac believing that leadership was an innate quality, either you have it, like my Grandpa Bud did, or you don't."

Through his own experiences at Trimac, including an intensive course with the Global Institute of Leadership Development, Robb began to appreciate that leadership can be learned. As he was finding his place as a leader in the family business, Robb contributed significantly to the process of returning the company to its core business.

Tom Connard receives the ATA's Blue Jacket award in 2011.

At the end of 2015, the old order was changing at Trimac. Jeff McCaig was retiring as CEO but remaining as chair. The board was looking inside and outside the company, and outside the McCaig family, for fresh leadership. Tom Connard was retiring as US president and COO and joining the Trimac Canada Board as a director. Ed Malysa, as president and COO of Trimac Canada, was a candidate for the role, but the board decided to conduct a broader search and was pleasantly surprised by the quantity and quality of external candidates. After an exhaustive process the position was offered to an external candidate, Mathieu "Matt" Faure.

Matt was a 43-year-old business executive, lawyer, and CMA who had been around transportation and trucking since he was 14 years old. He became the first person from outside the family to assume the position of president and CEO of Trimac. Before transferring the CEO responsibilities to Matt and assuming the role of chair, Jeff had some unfinished business to complete—and that was the privatization of the Canadian trucking business. Jeff believed it made sense to reintegrate the Canadian and US bulk trucking businesses along with TMSLP, which could only be accomplished if the Canadian company were privatized.

Scott Calver, vice president and CFO.

In late 2015, Scott Calver, vice president and CFO, led a review of potential sources of financing for privatizing and found that Alberta Treasury Branches (ATB) was prepared to consider leading a banking syndicate to provide full debt financing for buying back all of the publicly held shares.

Following extensive analysis, it was decided to pursue this opportunity without retaining an investment banker. In early March 2016, a working group took on the ambitious goal of preparing to announce the intent to privatize before the required annual general meeting in May. At the same time, it was completing the complex privatization process, including shareholder and court approval, for June 30, 2016. The group included Jeff McCaig; Scott Calver; Amanda Sutton, vice president and general counsel; Robb McCaig; Mary Ann Kozlowicz, corporate secretary; and Bob Algar, project manager. Kevin Johnson of Norton Rose provided outside legal support.

An independent committee of the TTL Board, consisting of Gerry Romanzin and Steve Mulherin, was to review the proposal, obtain an independent valuation of the company, and make recommendations to shareholders. Scott was instrumental in obtaining an agreement with the largest minority shareholder, whose support was critical to a successful outcome. The process concluded with shareholder approval of privatization on June 28, 2016, at $6.25 a share.

The Court of Queen's Bench of Alberta approved the transaction on June 29, 2016, and the shares were delisted from the Toronto Stock Exchange at the close of business July 6, 2016. The Canadian bulk trucking and North American logistics businesses were back under the same roof as the US bulk trucking business and, as such, under common senior management. A new era of leadership was emerging at Trimac, beginning in the CEO's office, but also within the McCaig family. "Trucking isn't a sexy business, it's not glamorous … but it is absolutely interesting," reflects Robb, who envisions an exciting future for the company that has been in his family for three generations.

Chapter 19

A New Era in Management

The McCaigs have been involved in the growth of this company since Jack McCaig started hauling milk in his second-hand Ford truck in 1930. *From left:* Jack's grandson Jeff and sons Maurice and Bud.

The year 2016 began with a momentous change for Trimac: the appointment of a new CEO from outside the McCaig family. Matt Faure was an up-and-coming transportation executive who came to Trimac after 10 years with Canadian Pacific Railway. Matt started at CP as a manager of Marketing and Sales, was promoted first to general manager of Market Development and Logistics, and then to vice president of Intermodal Services. Essentially, he rose from working on the frontlines at CP to becoming a vice president in a short five years. He credits a good amount of his success to the mentors in his life who offered help, guidance, and encouragement.

In addition to his background in transportation, Matt possesses a strong entrepreneurial spirit, proven business instincts, and an impressive education in law and commerce. These qualities, and others, combine to make him a perfect fit with the Trimac culture, specifically the values that have shaped and inspired the McCaig family business since its inception.

Matt grew up in Terrebonne, north of

Montreal, and was deeply influenced by the example of his parents, who were hardworking, successful, and entrepreneurial. His father owned a magazine distribution company, and his mother was an editor and owned a bookstore.

A burning desire for a scooter at a very young age sparked Matt's interest in "transportation." Matt was so motivated that he took on a large paper route to achieve his goal. He quickly showed himself to be reliable and conscientious, and his father gave him an opportunity to work with one of his trucking vendors, Transport J. Paquin Ltd.

The opportunity came with increased earnings but also more responsibility, including showing up for work at 4 a.m. every day. Long before his classmates were even awake, young Matt would be washing, inspecting, and starting as many as 12 distribution trucks. Most mornings he would be alone on the lot, which meant he had to be resourceful when he encountered a problem or challenge, such as on those bitterly cold Quebec winter mornings when the diesel fuel and oil moved like molasses because it had frozen overnight.

Matt obtained his driver's licence when he was 16 years old and began to make short, local deliveries, although technically he was not legally licensed to operate the delivery trucks. As an efficient and competent driver, Matt earned more opportunities, including filling in for drivers who didn't show up for work. Soon he was taking trucks into Montreal where, on two occasions, a police officer pulled him over and detained him until the dispatcher could send a legally qualified driver to pick up the truck.

During this time, Matt and his younger brother left home and moved to Montreal where he continued to work and attend school. Within two years Matt was driving across the border to Burlington, Vermont, on the eastern shore of Lake Champlain to pick up newspapers and take them back to Montreal for distribution.

Matt then began to work as a dispatcher and also took on the responsibility of running a warehouse while attending university and taking care of his brother.

As he studied law at McGill University, Matt was also developing strong entrepreneurial, management, and business leadership skills. By the time he graduated with his law degree, Matt had decided he was far more interested in working at Transport Paquin than he was in practising law.

Matt is an extrovert who loves people. He is also curious by nature and possesses a deep thirst for knowledge. He decided to continue his education with a focus on business and attended Hautes Études Commerciales (HEC), at the Université de Montréal, the premier French-language university for management education and research. He went on to earn his Bachelor of Commerce degree and his MBA.

Matt Faure, Trimac's president and CEO.

Meanwhile, Matt was also learning a lot about business from the day-to-day operations at Paquin. He noted that while 40 per cent of its business was from Montreal to New York, the company was dispatching truckers from New Jersey to drive the route. Matt and his colleagues decided to dispatch from New York. He agreed to go to there to set up and manage the business, including buying trucks and hiring drivers.

Business thrived because Matt was doing less-than-truckload, cross-border, next-day delivery from New York to Montreal and had no competition. However, in the aftermath of the 9/11 tragedy, the cross-border trucking business came to a complete standstill. For 18 months all the trucks were parked, the drivers were idle, and the company stumbled from payroll to payroll until it had an opportunity to sell to a family-owned trucking firm, Groupe Robert, in the spring of 2003.

After the sale, Claude Robert hired Matt as the company's director of restructuring to address problems in Groupe Robert's expanding distribution network that reached from Boucherville and Saint-Bruno, Quebec, into Ontario, and also served the eastern US border states. Groupe Robert had become a major player in Central Canadian trucking, especially in food transport, and had growth and development issues to resolve. Matt moved to Ontario, and in 18 months he reorganized the operation, closing three distribution facilities and building a new facility in Mississauga. He also hired a fresh team and set up a new business model. Matt was instrumental in helping Groupe Robert to become profitable once again in Ontario.

Claude then sent Matt back to Quebec to solve a problem with a string of acquisitions that were in disarray. Matt went to work immediately, cutting some operations, selling others, and generally putting the house in order. At that point, Claude had another problem he wanted Matt to solve, but Matt knew it was time to move on to pursue new career opportunities.

At 30 years old, Matt had built an impressive resume that included his law degree, B. Comm., an MBA, and 15 years of hands-on experience with trucking, distribution, and business reorganization in Quebec, Ontario, and New York. He also had a very supportive mentor by the name of Mark Fagan, who was a close friend of Fred Green, the incoming CEO of CP. Mark wanted to introduce Matt to Fred, so he set up a meeting at the Toronto airport one day when Fred was en route to Calgary. At that meeting, which was also attended by Rob Ritchie, CP's exiting CEO, Fred got directly to the point and asked Matt, "Why should we hire you?"

Matt responded immediately by admitting that while he didn't know anything about railways, he did know a lot about transportation, serving customers, and building a strong business. It definitely helped the relationship that Fred was originally from Chateauguay, Quebec, and respected what he called the "francophone brand of entrepreneur." Matt was interviewed by about 20 CP executives, and no one shared Fred's interest in hiring him. The general consensus was that Matt should start at the bottom and work his way up, which he was very willing to do. However, Tim Boyce invited Matt to work for him as a marketing manager doing frontline sales for CP's Intermodal Services. In 2008 Matt arrived in Calgary as the director of Marketing and Sales for the $1-billion business of shipping bulk cargoes—coal, fertilizer, sulphur, and potash.

At this point, Matt ran into the biggest setback in his career—China temporarily stopped ordering Canadian potash. The potash business cratered from three trains a day to three a month as the fertilizer market slumped. CP's bulk cargo sales fell from $1 billion to $50 million. It was a financial meltdown, and Matt was in the eye of the storm. He talked to his customers every day. He went from being relatively unknown to being the manager constantly in front of the executive team relaying what customers were telling him about their businesses. Matt would often bear the brunt of his frustrated colleagues, who would complain, "Thanks for killing the business, Matt."

Thankfully, the crisis was temporary. In 2010 the demand for bulk hauling soared and Matt's career began rising again. CP was reorganizing, and Matt was promoted to general manager, Market Development and Canadian Pacific Logistics, and, at 33 years of age, he became the youngest general manager in the railway. He was given a new portfolio of everything except point-to-point cargo deliveries. By this time, he had also completed his certified management accountant designation and served as a Strategic Leadership program monitor for the CMA. Matt's executive studies also include a Cornell University Executive Leadership program and Harvard University's High Potential Leadership certificate. Further, Matt successfully completed Singularity University's Executive Disruption program and achieved the University of Toronto Rotman School of Management's Institute of Corporate Directors (ICD) Designation.

Matt's career was soaring at this point, but then came another unexpected challenge. The CEO who had hired him, Fred Green, was swept aside in a bitter proxy fight for control of CP, led by hedge fund raider Bill Ackman. E. Hunter Harrison arrived as the new CEO of CP. Harrison had served as the CEO of Illinois Central Gulf Railroad and Canadian National Railway and had turned their financial results around.

When Harrison became CEO of CP, he was a crusty, 68-year-old, Memphis-seasoned railway boss who had started his career as a train oiler. Investors thought of him as a fixer and a disrupter. Sure enough, the veteran railway man engineered a turnaround at CP with job cuts and a shakeup of internal values and practices. He accomplished what the investors wanted—efficiencies and financial results—but his critics thought he was harming the railway.

Soon enough a clash came between Harrison, the veteran railway man, and Matt, the young, educated businessman. After he put Matt through a few "tests," he appointed him as the vice president of Intermodal Services.

It had taken Matt only five years to be promoted up the chain of command from a direct sales position to a vice president, and, while he ruffled a lot of feathers by his quick trip to the top, he also proved his abilities.

At that point, Intermodal was not doing very well, but under Harrison's guidance, margins improved by 20 points from 20 per cent to 40 per cent. Matt's leadership also produced very positive results. Yet, by 2015, Matt knew he had reached another turning point in his career. It came in the form of some very

A Trimac truck with Calgary skyline in background.

exciting news: his wife was pregnant. As Intermodal's vice president, Matt did a lot of travelling and was away from home more than 260 nights a year, not exactly a healthy schedule for a family man.

At the same time, Matt knew he wasn't going to be Harrison's successor. Matt was already reporting to Keith Creel, Harrison's protégé and the man slated to be the railway's next CEO. What's more, Matt clashed with Creel over the training of senior people to qualify them to operate trains in the event of a strike. When Matt refused to let weekend train operations interfere with the regular jobs of his people, he and Creel locked horns, and they parted ways.

Matt left the railway on June 1, 2015, after 10 years with the company. Six weeks later his daughter was born. Interestingly, that summer, Heather Lawson, a headhunter for the Toronto-based firm of Conroy Ross, approached Matt about the position of CEO at Trimac. Jeff McCaig had reached his 65th birthday and was retiring as the CEO. Trimac was searching for his successor. Matt told Heather he was taking some time for his family and his new daughter; the good news was that Trimac was not in a hurry.

Matt was aware of Trimac's track record of success and the longevity of the business, and he was impressed. His first meeting with Jeff and Maurice was in the Calgary Westin hotel. The second meeting was in Trimac's headquarters in north-east Calgary when Matt was introduced to Trimac's executive team as a candidate for the CEO position.

It was a moment in history for Matt, who recalls, "Everything I saw was about family business and how that created a culture of building the business with the longer-term objective in mind. In our conversations, I heard Maurice and Jeff saying they wanted to continue to build the business for the next 75 years, and that excited me."

Trimac and Matt Faure reached an agreement in August. On January 1, 2016, Matt started work as Trimac's first president and CEO who was not a McCaig. To help oversee the transition, Jeff became the company chair, and the two men stepped forward together into the next chapter of Trimac's unfolding story.

Chapter 20

Succession and Transition

One of the things that has always set the McCaigs and Trimac apart is their foresight about the future of trucking and transportation. A second characteristic key to their success is a unique ability to find partners and executives with similar corporate values. As such, the McCaig vision goes beyond being forward-looking to include a fulsome understanding of what is possible when the highest standard in safe and efficient operations is combined with an unwavering commitment to customer satisfaction. At the heart of the vision and mission of the company is an entrepreneurial spirit that embraces innovations in technology, while also ensuring employees are equipped and empowered to realize their very best personal outcome. These values are reflected in the pace and structure of every deal Trimac undertakes as well as in the administration of corporate resources.

Ryan Collinge, VP Sales.

When it came time for Jeff McCaig to retire as CEO, these values set the tone for finding his replacement and for the transition to the incoming CEO. Executive succession, especially in family businesses, is fraught with challenges. In this case, there was the added complexity of Trimac bringing in a CEO from outside the family. "This was a very big step for us," reflects Jeff. "Many companies do not do this well and then have to live with the consequences. If done poorly, this process can destroy a company, even one with a long history like Trimac. We were very motivated to do everything we could to ensure a successful handoff from myself to Matt."

With that in mind, Jeff and the senior management team worked closely with Matt to develop a thoughtful and comprehensive transition plan. One of the key strategies was to make the transition as quickly and efficiently as possible. The change was largely implemented over six months. During that time, Jeff and Matt worked closely together on various shared and individual responsibilities.

Matt hit the ground running when he started in January 2016 by assisting Jeff with the last remaining step in the privatization of Trimac. This involved the Canadian entity, Trimac Transportation Services, which had been a separate public company since 2005—almost six years as an income trust and five as a corporation. The goal was to privatize Trimac Transportation Services so that it could be integrated with the US company, Trimac Equipment Leasing Inc., as well as the shared services group, Trimac Management Services. Both were private companies owned by Trimac Holdings Ltd.

Dan Carpenter, VP Marketing.

The McCaig family, through Trimac Holdings, controlled 61 per cent of the Trimac Transportation Ltd. shares outstanding. The TTL Board concluded that buying back the publicly held shares was in the best interests of all shareholders and the future of the business. The Alberta Treasury Branches led a syndicate of lenders to finance the transaction. It was completed on July 6, 2016.

As this process was unfolding, Jeff also took on the job of rethinking and restructuring the corporate governance model for the newly privatized and integrated business, eliminating outside board directors at the operating company level and creating a board with outside directors at the parent company level, Trimac Holdings. This process to streamline governance involved the input of board members as well as outside experts. The result was a smaller board with the majority of its members independent of management and the McCaig family. All of the independent directors agreed to be compensated in the form of Trimac shares as opposed to cash retainers.

Matt introduced one-on-one "Chats with Matt" and is seen here chatting with Ken Arthur about the Trimac Learning Centre.

As well, Jeff's priorities included the design of a brand new, long-term, equity-based incentive plan for the senior executive team. One of Jeff's main objectives was to ensure that the interests of management team members and owners were closely aligned. Public companies can rely on the market to provide a valuation of shares as well as liquidity, but for a private company with a CEO who was not a family member, Jeff had to be creative. As he said, "In order to realize the desired alignment, we had to figure out a way for Matt and the senior management teams to have equity in the business and an incentive to increase the value of that equity." Throughout this time, Jeff was also transferring the bulk of his responsibilities as CEO to Matt and that meant spending a lot of time together, including visiting terminals and meeting with customers, bankers, and other large suppliers.

Matt, who is a personable and approachable leader, visited over 40 locations and met with literally hundreds of drivers, branch managers, and customers. As he listened to their stories and asked them to tell him what they did, he learned about the business and his respect for the McCaig family heritage grew. "I saw immediately how large of a personality Bud had and how much people loved him," Matt recalls. "Everywhere I went on Trimac business I met someone who had a positive Bud McCaig story."

The process also helped Matt with some of his incoming responsibilities, including the elimination of non-compensatory business and reducing the size of the fleet. The overall goal was to improve utilization and return on capital by reinvigorating the capital planning and approval process. Matt's previous experience at CP was invaluable in retooling Trimac for future success. He also took on the task of creating and communicating a five-year plan for going forward that included strategies to grow the business. The five pillars of Matt's strategy were: safety, operational excellence, capital discipline, autonomy, and accountability. Matt remembers presenting his plan to the boards of both the private and public companies: "They were eager to hear what I had to say, and they received it very well. The truth is, I didn't have anything earth shattering. I didn't have anything new. I just crystalized what people were already thinking."

Trimac was now officially in the midst of the largest corporate change in its history, which included the final steps to privatize the company, the transition to a new CEO who was not a family member, and a significant reorganization for the future—all taking place within six months.

For many within the Trimac family of businesses, these changes represented a huge culture shock and a steep learning curve. As well, the necessary reorganization created new roles and eliminated a number of existing senior positions. New people were being hired, including some who Matt had worked with previously, and some long-time employees left Trimac. While this was a challenging process, both Jeff and Matt saw it as an important time of renewal to help improve the company's resilience and ensure that Trimac thrived over the long term.

More changes came as Matt worked on reducing the size of the fleet and streamlining the capital within the company. The sale of old equipment reduced substantially the company's inventory. This, and other initiatives to eliminate waste across the company, had a direct and positive impact on Trimac's profits. Frozen capital turned into spendable cash. Matt also sought out efficiencies in capital spending and brought a new level of discipline to help guide positive and responsible decision-making at all levels.

Matt initiated the use of key metrics to assess and measure operational efficiency within the company. For example, Trimac only knew if it had made money in a financial period a few weeks after the period ended. Matt saw an opportunity to report results faster and in a more meaningful way.

As Trimac retooled its US business to get back to profitability, Matt visited unprofitable US branches and, working with local staff, brainstormed ways the branch could cut costs or make money. The company kept track of the success or failure of each measure and invested in information technology so that every piece of hardware and software was used in the best possible way.

There were many difficult and challenging decisions to make throughout this time. Matt benefitted from the support and guidance of Jeff and Maurice. He also had a talented executive team working alongside of him. Matt credits much of the success to shared values. "I found that we see the world in the same light. When there is a decision to make, we use the same criteria, and most of the time, we agree on the path forward. That makes it a lot easier. What should have taken much longer went faster because I felt confident if I made a decision that Jeff would agree. I think he felt the same way."

As the baton of leadership gradually passed to Matt, he continued to focus on operational excellence, cadence, productivity improvement, simplifying every aspect of corporate activity, and developing the abilities and skills of Trimac's people. Over the course of the next four years, he worked hard to strengthen the company's foundation so that he could accomplish what was perhaps his biggest objective when hired as Trimac's CEO: growing the business.

The first major step in this direction occurred on January 22, 2019, when Trimac lifted its corporate head above the parapet to announce the purchase of B&B/Bess Tank Lines. This was a family-owned bulk transportation company with 110 tractors and 240 trailers operating in Quebec, Ontario, and Alberta. The company kept its name and logo and Ben Rouillard, president and CEO, continued to oversee daily operations.

The deal expanded, complemented, and supplemented Trimac's trucking, maintenance, and rail transloading. Trimac would benefit from B&B's strong and positive network of customers, branches, and drivers in Quebec and the

Ben Rouillard *(left)* being welcomed to Trimac by Matt Faure with the B & B Bess acquisition in 2019.

opportunity to expand; and B&B would benefit from Trimac's extensive network across North America and the additional resources required to accelerate its growth.

As a francophone born, raised, and educated in Quebec, Matt saw a cultural fit between the two companies, with safety and service as core values. B&B has a loyal customer base—the result of strong leadership, an unmatched service level, and a commitment to excellence.

For its part, B&B/Bess Tank Lines, with a 43-year history as a family business, saw itself as similar to Trimac and the McCaig family. Its management was confident that employees and customers would receive the same service and integrity under Trimac's leadership.

Three months later, in April 2019, Trimac expanded its bulk transportation services by purchasing Gibson Energy's Alberta-based petroleum trucking business, the largest acquisition since Trimac acquired DSI in the United States 19 years earlier. The acquisition included petroleum trucking assets—trucks, trailers, tanks, and branches—and a Trimac affiliate-purchased property in Edmonton containing a field office and shop.

Gibson has had a commanding presence in Western Canada since it was founded in 1953 as Gibson Petroleum Marketing Company, one of the first midstream companies in Canada to move and market crude oil. It has been hauling heavy crude oil using its private fleet since 1969. When Trimac bought Gibson, it hauled crude oil, condensate, LPG, propane, sulphur, asphalt, and petroleum coke.

Trimac now provides transportation to Gibson Energy through a long-term exclusive agreement and will take on its commercial trucking contracts, equipment, and 160 employees. The addition of Gibson's Canadian trucking business to Trimac's large portfolio of North American transportation businesses is a perfect example of how Trimac continues to diversify and expand business into new markets as part of its strategic plan for the future.

When Matt submitted his five-point plan to the Trimac Board in 2016, he prepared a 2020 strategic vision map laying out the main steps to execute his plan.

Trimac acquires Gibson Energy Inc.'s Canadian trucking operations in 2019.

He expanded the business vision to include service with safety at lower cost. He projected revenue, operating income growth, and improvement in the operating ratio from 2016 to 2020. Matt's ambitious goals included growth to $1 billion in revenues and substantial improvement in operating income. While revenues fell off in 2017 due to the shedding of unprofitable business, later that year and in 2018 and 2019, Trimac logged record earnings on flat revenues by being more efficient. In 2019 Trimac also completed an initiative called Velocity, intended to speed up decision-making, optimize the network, and use technology to centralize and make better decisions. This initiative created three service centres—in Edmonton, Toronto, and Houston—and all of Trimac's operations throughout North America were centrally coordinated. At the time, no one could have predicted how significant these changes would become when Trimac had to weather a coming storm.

Jeff's son Robb played an important role in this part of the reorganization. Robb had been working on the front lines of the family business as an operations manager in Langley, British Columbia. He had the opportunity to work directly with drivers and even "turn the wrenches on a diesel engine!" It was something his uncle Maurice had always encouraged him to do, and Robb was grateful for the experience. But he was also excited about helping with the reorganization, so he packed his bags and moved to Houston to set up the new centre that would become the hub of the company's US dispatch services. "We had 35 dispatch centres across the United States, and they were all centralized into Houston," recalls Robb.

Robb McCaig *(left)* receiving his five-year-service award from his branch manager Besnik Gasi in Langley, BC.

Within three years, a strong team was in place, revenue was up, and the model was proven. The timing of these changes could not have been better. "We had this all completed by the end of 2019," recalls Matt, "and then, when COVID-19 happened in early 2020, we were able to transition seamlessly from working from our offices to working from home. We were already dispatching at a distance, and we were already using the technology."

While business dropped by 30 per cent in just a few days, the company remained profitable. It helped that the balance sheet was in a good place and a considerable amount of restructuring had been completed. From Robb's perspective, Trimac fared better than most companies in handling the impact of COVID-19. In addition to the resilience of the staff and being prepared from a technological standpoint, Robb credits Matt for his foresight, noting that in the early days of taking the reins as CEO Matt had insisted on creating a disaster preparedness plan. "I did not take it very seriously; I wasn't thinking pandemic. But, as it turns out, that was a lot of forward thinking," says Robb.

In reflecting on how Trimac responded to the COVID-19 situation, Maurice McCaig has this to say: "Thanks in large measure to Jeff's leadership, Trimac has a great management team that was put to the test during the earliest days of the pandemic. Matt and many of our Trimac people spent a lot of time and effort to get set up to dispatch and keep track of hundreds of trucks with everyone working from home. The success of their efforts is evidence that we are well positioned for the future."

For Matt, the conditions created by COVID-19 forced Trimac, and its customers and employees, to start thinking differently. That shift had a very positive effect on the culture of the company. Ideas that would have been dismissed as highly unlikely prior to COVID-19 are now embraced with an attitude of "let's try it!"

The rapid transition from Jeff to Matt stands in sharp contrast with the longer, more organic transition that occurred between Jeff and his father, Bud, earlier in the company's history and the previous transition from Jack to Bud. Yet every change in the top leadership at Trimac has been successful, including the latest one.

Jeff attributes much of the success in this transition to the pioneering work of Bob Algar, which started in the late 1980s. "During his time at Trimac, Bob introduced several key human resource practices within the company, including succession planning across all of our business units. While we obviously knew it was important at the time, we had no idea how significant Bob's work would be down the road," says Jeff. The work Bob and others undertook years earlier put in place the foundation and organizational culture needed for such a radical change.

Board member and former employee Steve Mulherin is very positive about the change and the plan in place for the future. "Going forward I think the trucking business will continue to get better under Matt and his strong management team. They are as impressive as I have ever seen in business."

With the duties of CEO smoothly transferred to Matt, Jeff continues as chair, helping to chart the company's future, especially in the area of how new technologies, in particular disruptive technology, will affect and even transform the transportation industry. As Robb likes to say, "The company is ripe for disruption!"

Positioned for the Next Transformation

It took 25 years to transform Trimac into a private company with a focus on its core business of trucking and transportation. In many ways this transformation defined Jeff McCaig's career as chair of Trimac. He likens the journey of privatization to climbing a mountain: it took planning, a team committed to the goal, and the courage to move forward at points of high exposure to loss, including threats of hostile takeovers and the untimely loss of Trimac's legendary leader J. R. "Bud" McCaig.

Bill Marchbank, COO, presents Northwest Area Manager Shannon Rigg with the 2019 Extra Mile Award.

Yet, although challenging, the last 25 years have also been a highly successful period for Trimac. Many significant and memorable accomplishments have come about during the second-largest transformation in the company's history. One of the greatest legacies continues to be the positive impact on morale, business efficiency, and service delivery model.

Values such as humility, integrity, a hard-work ethic, commitment to the community, and an entrepreneurial spirit are built into the DNA of Trimac's culture. These characteristics have defined Trimac for over 75 years and will continue to do so.

Trimac also prides itself on providing an inclusive environment for all of its employees. *Women in Trucking* magazine, which has become a voice for women in the industry, named Trimac "a top company for women to work in transportation" for the third time since the award was created in 2018. There are several key features that distinguish recipients: a corporate culture that fosters gender diversity, competitive compensation and benefits, flexible hours and work requirements, professional development opportunities, and career advancement opportunities.

Kara Gillespie, VP People and Culture.

"The fact that this recognition comes from a grass-roots nomination and voting process means a lot to us at Trimac," says Kara Gillespie, VP People and Culture. "We appreciate being acknowledged for providing an inclusive environment and the flexibility for women to build long and rewarding careers with us. We know there is an untapped pool of future employees that we are eager to welcome into our Trimac Family."

As an employer, Trimac has a reputation for maintaining cost controls, while also ensuring employee wages and benefits and a sense of job security. Through the rigours of privatization, Trimac has become even more efficient and effective as an employer and a provider of transportation services.

Women in Trucking magazine named Trimac a top company for women to work at in transportation.

The Trimac team is flexible, adaptive, and open to learning. They have a proven ability to embrace change and are energized by the advent of innovative, new technologies that will revolutionize traditional ways of working to improve customer service.

Innovation has been part of the McCaig family's approach to business since 1928, when Jack McCaig started in the prairie trucking business. Jack saw an opportunity and launched Regina Beach Transfer Company to haul milk and other freight from Moose Jaw to Regina, Saskatchewan.

Today, his new business venture would easily be described as a disruptive innovation. Jack innovated to create a new transportation market and value network that disrupted the existing railway network. He used two new technologies—mass-produced trucks and an emerging network of upgraded prairie roads—to disrupt the stranglehold the Canadian Pacific Railway and the Canadian National Railway had on transportation services to farmers, petroleum producers, and sawmills. Now that's innovation in action!

Jack's company became McCaig Cartage when a competitor also started a milk run. Jack expanded his petroleum and gravel bulk hauling businesses and became the go-to carrier for one-stop transportation needs, such as moving buildings and large petroleum tanks. In 1945 Jack partnered with accountant Al Cameron and launched MACCAM Transport Ltd. Trimac was formed as a

Left to right: nephew, Gordon McCaig; Jack McCaig and sons Maurice, Roger, and Bud at Jack's retirement celebration, 1962.

holding company and named for Jack's sons, Bud, Roger, and Maurice, who Jack expected would purchase the business at the time of his retirement.

Other innovations emerged as the years passed and the company grew. MACCAM service manager Norm Light used his experience as an aircraft mechanic during the Second World War to make tractor trailers lighter by streamlining the number of parts and increasing their payloads. Along with Bud, Norm worked with trailer manufacturers to introduce lightweight aluminum trailers to bulk hauling.

Later, Trimac would pioneer key stop access in Canada so drivers could access customers' bulk plants and fuelling facilities in order to load, unload, and refuel even when the facility operators were off shift. Long before continuous improvement was a business cliché, it was a daily operating practice at Trimac and its legacy companies. In 1952, when Bud was the general manager of MACCAM Transport, he published a driver's manual in which he wrote: "The watchword of the trucking industry is CHANGE and the policies of our company must expand to meet new situations."

Bud saw changes or new ways of doing things as a catalyst to improve customer service. It was Bud's vision for the future, his contagious can-do attitude, and what grandson Robb McCaig describes as the force of his personality, that inspired the transformation of the small Saskatchewan trucking company into

Bud, grandson Robb, and son Jeff pose with the Trimac Historic 1934 Ford truck, 1996.

one of North America's leading transportation services companies. "Trimac was built on the force of my grandfather's personality and the desire people had to work with him and for him," says Robb. "He built a conglomerate that created prosperity for many people."

Trimac was a huge success as a public company by the time Bud's son, Jeff, became involved in the business. However, the landscape was changing rapidly, for a number of reasons, and conglomerates were falling out of fashion in the financial markets. Jeff knew the company's long-term future was at risk. It was time for a new business strategy to address regulatory and economic changes and to make room for rapidly developing technological advances.

Left to right: Bud, Jeff, and Maurice open Trimac's History Centre as part of the 50th Anniversary celebrations in 1996.

Reflecting on his early days at Trimac, Jeff says, "You don't know where the push is going to come from … it can be technology or the economy or unexpected world or personal events. In our history as a family enterprise, we have seen them all and learned that to continue the upward trajectory to the top you need to be prepared, trained, and ready to do what you need to do, including balancing many factors at the same time."

That is exactly what Jeff did, initially working in tandem with his father and his uncle Maurice McCaig. They developed an aggressive yet thoughtful strategy to return the company to its roots as a private, family-held business and immediately began to take steps in that direction.

Bud's unexpected death was a serious blow to the family and the company's morale, but by that time Jeff was well established in the role as CEO, and he and Maurice were able to bring stability to the family as well as the company. "Very few companies, and a lot fewer in the transportation sector, have survived as long as we have and also prospered as we have," says Maurice. One of the keys to Trimac's success over 75 years has been the ability to hire and develop good people and, like his grandfather and his father, Jeff excelled in this area. According to Maurice: "Jeff developed an impressive management team, some developed from inside the company and others hired from the outside."

Jeff and his team went on to lead the company through a transformation from conglomerate to a pure operating transportation business and, ultimately, privatization. It was a journey that required tremendous patience and perseverance. Along the way, Jeff also kept a close eye on how things were developing in the technology arena. "We stayed connected with what was happening in Silicon Valley. It was exciting and we knew there were some big changes coming to the transportation industry overall and that Trimac had to be prepared."

With the privatization of the company well underway, Jeff devoted more of his time and energy to considering the longer-term future of Trimac, including the development of a digital strategy. Critical to those plans was the hiring of a new CEO to provide leadership to the newly transformed business. In January 2016 Matt Faure became the CEO of Trimac and undertook a dramatic renewal and reorganization of the company. Matt set many ambitious targets, among them, reaching $1 billion in annual revenues and attaining major improvements in operating income—while still maintaining the company's long-held commitment to service with safety at the lowest possible cost.

Marcel Pouliot test driving a Kenworth tractor with the new Eaton transmission, pulling a trailer on the 16 degree high bank track at the Nashville SuperSpeedway in Tennessee.

The goal of the Trimac management team during this period of change was to ensure that the company continued to grow and maintain a dominant position in the North American bulk trucking market. Jeff also wanted Trimac to lead the way in digital innovation in transportation. He knew that, handled right, innovative technologies would create new efficiencies and better customer service as well as address mounting environmental concerns.

Trimac created an executive position to work on implementing these changes. In 2017 Marcel Pouliot was appointed the new vice president of Safety and Fleet Innovation and led "Trimac Innovation." The initiatives pioneered by Marcel and his team would help Trimac advance strategic partnerships with the government, academia, and the business community.

Trimac also benefitted from the expertise and vision of Trevor Adey, who worked as the vice president of Digital and provided a direct link between Trimac and the ground-breaking work being championed by digital firms in Silicon Valley. One of the many new approaches Adey introduced at Trimac was the idea of working on Proof of Concept projects (POC's) with high tech, start-up companies and partnering to test those concepts within Trimac. This approach has obvious benefits for the start-up companies who are challenged by their early investors to attain "minimum viable traction" as quickly as possible—software and related services that work in the real world and have demonstrated market acceptance. At the same time, POC's help Trimac to assess the value and impact of the newest and most advanced technologies prior to incorporating them into the company's business model and operations.

Some of the areas where Trimac has conducted POC's include predictive maintenance and platform technologies that more efficiently match variable demand with existing capacity. Of particular note, a POC with the company Preteckt involved testing a new technology that used artificial intelligence to gather data from 600 sensors within a truck. The intent of this process is to anticipate and identify future maintenance needs.

The POC resulted in a second POC with a large Class 8 truck manufacturer that has embraced this new technology and is negotiating with Preteckt to incorporate it on all new trucks. "For us, this is a great example of the strategic and practical benefits that come when larger companies work with smaller tech companies to test and prove new ideas in a practical way. It is also a good example of the kind of leadership Trimac is providing to the industry," comments Adey.

Trimac has also been leading the way in the use of Virtual Reality (VR) training for product handling. As a POC, Trimac engaged a VR developer to load the engineering drawings of a single-compartment, insulated chemical trailer into virtual reality. The trailer in the Trimac VR demo is exactly like the real one, down to every bolt and valve.

In VR, the user wears a headset and hand-held controllers to see and move around in a digital environment. The appeal of VR training is that it can replicate product-handling activities done in real life in a completely safe and secured digital environment. It can also recreate dangerous training situations so drivers can be well prepared for real-life situations.

Autonomous vehicle technology was another area that Trimac began to explore in 2018 by purchasing its first tractors equipped with a "level 2" autonomous driving system. A Trimac driver can select a lane of travel and desired cruising speed, activate the autonomous cruise control level 2 system, and let the system operate the truck.

Pouliot remembers the first time he rode in a level 2 prototype tractor on an Interstate highway through a very busy city. "The truck maintained its lane," he said, "adjusted the speed to traffic conditions, including stop-and-go traffic and yielded for merging traffic, and all the test driver had to do was touch the steering wheel every 20 seconds to tell the system he was still there. When we were done, the driver, who test drives different trucks all day long, told me he was less stressed and less tired at the end of the day when driving the level 2 truck. That is when I realized the true benefit of that technology for our drivers."

In addition to leading the way with VR employee training and state-of-the-art equipment, Trimac has a reputation for responsible fuel consumption. Since 2004 Trimac has been a SmartWay Partner, a collaborative effort designed to help businesses reduce fuel costs, while transporting goods in the cleanest, most efficient way possible. Originally launched by the United States Environmental Protection Agency in 2004, SmartWay has been administered in Canada by Natural Resources Canada since 2012.

Every day, Trimac team members take actions to decrease fuel consumption through safe and economical driving habits: proper fleet maintenance to reduce rolling resistance; efficient dispatching to reduce empty miles; and the selection of fuel-efficient tractors, trailers, and ancillary equipment.

As well, the trucks Trimac buys today generate much lower emissions than they did just a few years ago. That is one of the reasons Trimac has shortened its replacement cycle for power units. "We are better off buying new trucks with the right specs using all of the newest technology," Pouliot says, referring to 2019 model-year trucks being 12.5 per cent more fuel-efficient than their equivalent

2016 model from the same brand.

That being said, Trimac knows electric drive systems will eventually replace the internal combustion engine. In 2018 Trimac tested a Class 8 hybrid tractor, where the rear drive axle was replaced by an electric drive that provides an additional 1,500-foot pound of torque when it kicks in. This electric drive system assists on starts and hill climbing, and recharges the battery during deceleration or downhill, requiring less effort and fuel from the diesel engine.

Trimac participates in the Alberta Zero Emissions Truck Electrification Collaboration (AZETEC) established in 2019.

In 2019 Trimac was also at the forefront of innovation with the AZETEC project. AZETEC, which stands for Alberta Zero Emission Truck Electrification Collaboration, is a $15-million project, with 50 per cent funded by Emission Reduction Alberta. Its goal is to design, build, and operate two hydrogen fuel cell electric (HFCE) class 8 tractors. Current HFCE truck projects are being developed for 80,000-pound applications in sunny and warm markets like California. AZETEC is a unique project because the tough Alberta winter and greater weights will provide a real-life testing environment. The hydrogen cell mixes the stored hydrogen on the truck with the oxygen in the air to produce electricity and water. It is basically a chemical generator mounted on the truck used to power the electric drive system with zero tailpipe emissions. These electric trucks will use 220 pounds of hydrogen to drive the same distance travelled today with 100 gallons of diesel, without any CO_2 emissions.

It is clear that future technologies and innovation will go a long way to address issues such as increased fuel efficiency, enhanced truck operation, and preventative maintenance. As well, the increased use of intelligent software platforms and advanced communication networks will continue to transform the transportation industry. From streamlining the movement of goods to realigning the payment process to enhancing vehicle maintenance protocols, these technologies have the potential to dramatically increase efficiency, performance, safety, and profit margins.

Change will continue to be the watchword of the industry and of Trimac, just as Bud McCaig predicted in 1952, and change at an increasingly rapid rate, making collaboration and communication among all key stakeholders increasingly vital. Trimac has responded to this need by hosting bi-annual innovation summits in

Trimac with representatives from Husky Energy, Suncor Energy, Lehigh Cement, BASF, Argos USA, and CF Industries at the Fall 2019 Innovation Summit at Cavallo Point near San Francisco, CA.

Silicon Valley. Launched in 2018, these meetings bring customers and suppliers together with leaders in technology to share ideas, expertise, and visions for the future, while also showcasing some of the most exciting, emerging new technologies. These innovation summits have allowed Trimac to work with key customers such as Dow and BASF Corporation, who share a strong desire to see innovation in their supply chains and distribution channels and for the industry to move forward with a spirit of collaboration and creativity.

With CEO Matt Faure at the helm and many up-and-coming new leaders within the company, including Robb McCaig, Trimac will continue to lead the discussion about the future of transportation and technology. "We are well positioned to thrive even in the face of more economic challenges, and that's because of the leadership of the board and the family. Most companies, especially family businesses, tend to be more conservative and cautious in these kinds of conditions," comments Matt, adding that going forward Trimac will remain committed to maintaining the best cost structure, the best balance sheet, and an attitude of continuous improvement. "This is part of Trimac's track record of success and longevity. You don't grow a business from nothing to the size Trimac is today without having a knack for making the right investments and seizing opportunities," says Matt. These qualities will continue to be part of Trimac's culture going forward.

Through two major transformations, economic hardships, more than one world crisis, and even unexpected personal tragedies, Trimac has stayed the course for more than 75 years and continued to climb to new heights driven by a passion to serve customers, grow the economy, and contribute to a higher quality of life for current and future generations.

All of which raises the question: what is next? The reality is that the transportation industry, like most sectors of the economy, is at the precipice of a technological revolution where, fuelled by the pandemic of 2020, innovation trends are accelerating rapidly. As new, even disruptive technologies continue to emerge they will bring a certain amount of instability and uncertainty to the transportation industry along with significant regulatory and ethical questions that will require answers. Whether it's the safe use of autonomous vehicles or concerns regarding environmental issues, or changing regulations, the team at Trimac will continue to pursue answers that make sense and help inform the way forward.

Matt Faure and Trevor Adey accept the Plug & Play Accelerator Corporate Innovation award at the 2019 Fall Summit.

As he looks forward to the opportunities and uncertainties of the future, Jeff once again draws on his mountain-climbing experience and very specifically those climbs that involve navigating the highest and most difficult ridges. "There is great risk involved when you are climbing at those heights," says Jeff, explaining that he has had his own near-fatal experiences while climbing in those conditions. What saved his life was that he was prepared, ready, and equipped to handle the unexpected, including that he was using what is known as the short roping technique. The idea is that when two or three climbers are navigating a sharp ridge with high exposure on both sides, they tie themselves together at short intervals and, in the event that one climber falls off the ridge, the other climber will jump in the opposite direction to offset the fall and allow the climbers to regain the ridge so they can continue with the climb. It succeeds because the climbers are tied together and working as a team.

Jeff's climbing experience has helped him appreciate that navigating the challenges of the coming digital revolution is going to require the same level of preparedness and teamwork in order to be successful. "To continue climbing higher we should anticipate developments that could knock us off our line of ascent and specifically new technologies that have the potential to transform the industry entirely. We will need to react, regain our balance, and then reinvent ourselves to continue moving forward."

Robb shares his dad's optimism and is equally positive about the company's future. In September 2020, Robb was appointed to the new position of Trimac's Director Financial Analysis. "I'm really excited to be part of this team. It's a great privilege to be able to work for a family business. It certainly comes with a lot of pressure and responsibility, but it's a great blessing to have the opportunity to contribute to something larger than yourself."

In 1996, Jack McCaig was inducted into the Saskatchewan Transportation Hall of Fame. On hand for the posthumous ceremony were family members *(left to right)* Marilyn and Jeff McCaig (grandson), Bud McCaig (son), Maurice (son), and Nicole McCaig.

With a strong team and a shared commitment, Trimac is prepared to continue building on the success of the last 75 years. "When I think of my father, and my uncles and my grandfather," says Jeff, "I am humbled by what they accomplished, but more than that I am humbled to be part of a story that began with the courage to pursue an innovative idea that had the potential to help communities be stronger and better. That's still our story at Trimac, and I am grateful for those who have joined us on the journey. By continuing to work as a team that is prepared, trained, and ready to react quickly, Trimac will ascend the next mountain together, pressing on to new heights of innovation, safety, and service delivery."

McCaig family reunion, August 2018, in Moose Jaw, SK, "home of the RCAF Snowbirds" and "Mac the Moose." *(Left to right)* Jake Magee, Sarah MacLean, Al Magee, Melanie McCaig, Joseph Magee, John Magee, Robb McCaig, Jeff McCaig, Marilyn McCaig, Scott McCaig, Darline Marshall, Donnie Ferguson, Anthony Waller, Emma Waller, Rich Waller, Jane McCaig, Ann McCaig, Ann-Frances McCaig, Roxanne McCaig, Braydon Bartko, Virginia Bartko holding Theodore Bartko, Roger McCaig holding Oliver Bartko, Franklin Baines, Stella McCaig, JoAnn McCaig, Tess McCaig, John McCaig, Mark McCaig, Nicole McCaig, Maurice McCaig, Mike McCaig, Jillian McCaig, Zack Klee holding Kennedy Klee, Dayna Klee, Khloe Klee, Bill Elliot, Dawne Clark, Charlotte Clark, and Terry Clark.

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History of Trimac's Board of Directors

J.R. McCaig
1971-2005

R. Crone
1971-1972

W.J. Hardstaff
1971-1976

M. Dubinsky
1971-2005

M.W. McCaig
1971-present

R.W. McCaig
1971-1976

R.D. Southern
1972-1977

F.N. Hughes
1973-1979

A. Vanden Brink
1976-1997

D.A. McIntosh
1977-1988

D.D.C. McGeachy
1977-1993

F.M. Late
1980-1981

D.K. Jackson
1981-1986

R.T. Eyton
1984-2000
2005-2013

H.A. Hampson
1987-1997

H.E. Wyatt
1988-1998

D.K. Seaman
1989-1997

J.J. McCaig
1990-present

J.M. MacLeod
1993-2000

T.J. Owen
1995-2007

A.B. Zaleski
1997-2016

A.R. Sawchuk
1998-2000

T.L. Hardeman
1998-2000

J.M.A. MacDonald
2000-2005

P.J. Ringo
2002-present

M.J. Patava
2005-2016

G.A. Romanzin
2005-2016

G.F. Baker
2007-present

S.W.C. Mulherin
2013-present

T. Connard
2016

R. Waller
2017-present

Trimac Milestones

- **2020** Trimac Transportation celebrated its 75th anniversary.
- **2019** Trimac Transportation acquired Gibson Energy Transportation Ltd.
- **2019** Trimac Transportation acquired B&B/Bess Tank Lines.
- **2019** Trimac won the NTTC Heil Outstanding Performance trophy for the third time.
- **2016** Trimac Transportation was privatized.
- **2015** Trimac Transportation sold interest in Harris Transportation.
- **2015** Trimac acquired the assets of Transport Rollex Ltée in Boucherville, QC.
- **2014** For the fourth year in a row, Trimac was recognized as one of 20 companies across North America awarded the 2014 Best Fleets to Drive For by the Truckload Carriers Association.
- **2013** New Dawson Creek, BC, facility opened.
- **2013** Trimac became a Responsible Care® Partner in Canada. Along with Trimac's US operations, which are a long-standing Responsible Care® partner, Trimac is the only North America-wide carrier to be a Responsible Care® member.
- **2013** For the third year in a row, Trimac was recognized as one of the Best Fleets to Drive For.
- **2012** Trimac US purchased two tank-wash facilities from Fleet Operations Inc. in Charlotte, NC, and Duncan, SC.
- **2012** Trimac Canada purchased Liquid Cargo Lines based in Mississauga, ON.
- **2012** Trimac Canada purchased interest in Fortress Transport Inc.
- **2012** Trimac purchased interest in Northern Resource Trucking.
- **2011** Trimac US purchased Trimac Dry Bulk Group from Trimac Holdings.
- **2011** Trimac Canada acquisition of Benson Tank Lines completed.
- **2010** Trimac Canada purchased GH Transport Ltd. located in Calgary, AB.
- **2009** Trimac Holdings purchased StarTrans Inc. based in Holly Hill, SC.
- **2009** Trimac Canada purchased L&C Construction Ltd. located in Pasadena, NL.
- **2009** Trimac Canada purchased Climar Ventures Ltd. based in Saskatoon, SK.
- **2008** Trimac Canada purchased Canamera Carriers based in Yorkton, SK.
- **2007** Trimac won the NTTC Heil Outstanding Performance trophy for the second time.
- **2007** Trimac Canada purchased Fergusson Transport based in Belleville, ON.
- **2007** Trimac Canada purchased Logistics Express located in Edmonton, AB.
- **2007** Trimac US purchased Logistics Express based in Orange, CA.
- **2007** Trimac US repurchased all outstanding shares from the equity investor Ontario Teachers' Pension Plan.
- **2007** Trimac Canada purchased Ken Angeli Trucking based in Kamloops, BC.
- **2007** Trimac USA purchased KFJ Trucking based in Cleveland, UT.
- **2006** Trimac reorganized US operations under one business unit titled Trimac USA.
- **2006** Trimac Canada purchased Jeff Brett Enterprises based in Dundas, ON.

- **2005** Trimac Canada purchased Energy Transportation Inc. from Superior Propane.
- **2005** Reorganization into Canadian and US operating entities.
- **2005** Formation of the Trimac Income Fund.
- **2004** Trimac sold Cage Transportation Ltd.
- **2002** Trimac won the NTTC Heil Outstanding Performance trophy.
- **2002** Name of the logistics company changed to Bulk Plus Logistics.
- **2002** Trimac purchased Ellsworth Motor Freight, Tulsa, OK.
- **2001** Combined Chemical division and DSI Transports into one division, US Chemicals.
- **2000** After nearly 30 years of being a public company, Trimac was privatized.
- **2000** Rentway sold to Penske Truck Leasing.
- **2000** Purchase of DSI Transports Inc. based in Houston, TX.
- **2000** V. A. Ross acquired in New Brunswick.
- **1999** Purchase of Amer-Liquid Transport completed to expand servicing with Mexico.
- **1999** Startup of National Tank Cleaning Services in Mississauga, ON.
- **1999** Trimac entered the oilfield transportation business with the purchase of Cage Logistics Inc. of Taber, AB.
- **1998** Trimac Logistics purchased Service & Administrative Institute Consulting based in Ponte Vedra Beach, FL.
- **1998** Trimac and Harris Transportation merged their operations in the Pacific Northeast under the Harris name.
- **1997** Trimac purchased Coastal Bulk Transport Ltd., Brunswick Bulk Transport Ltd., Quinnsway Bulk Transport Ltd., Brunswick Bulk USA, L & R Transport Ltd., and Richardson Transport Ltd.
- **1997** Kenting Energy Services spun out in February allowing Trimac Ltd. to focus on the growth of its core transportation businesses.
- **1996** Purchase of Bartlett Transport Ltd., A. B. Slag, and Rathwell Transportation Inc. completed.
- **1994** Trimac became the first transportation company certified to the ISO-9002 -1994 quality standard.
- **1993** Purchase of Pacific Trucking of Seattle, WA, completed.
- **1990** The purchase of CP Bulk Systems made Trimac Transportation the number one bulk carrier in North America.
- **1990** Acquisition of Alabama-based Ryder Bulk Transportation Services completed and renamed Trimac Bulk Transportation Inc.
- **1989** Trimac acquired BOVAR Inc. as well as BOVAR's three drilling companies, Hi-Tower, Sedco, and Apollo Drilling.
- **1988** Universal Transport Inc., of South Dakota and its subsidiary, Les Calkins Trucking of California, added to Trimac's US operations. Trimac also acquired Johnston's Fuel Liners of Newcastle, WY.
- **1987** Trimac sold its 50 per cent share of Tricil to Laidlaw.
- **1986** Trimac Transportation, in partnership with Saskatchewan's Lac La Ronge Indian band, created Northern Resource Trucking.
- **1982** Purchase of Quality Service Tank Lines of San Antonio, TX, completed.
- **1981** Trimac acquired North Star Transportation of Saskatoon, SK.
- **1980** Energy services expanded into the United States with Trimac's acquisition of the Cactus group of drilling companies.
- **1980** The trucking operations expanded south of the border with the purchase of Liquid Transporters Inc. of Louisville, KY.

- **1978** Trimac invested in the exploration for, and development of, oil and gas reserves with the formation of Tripet Resources.
- **1976** Trimac expanded into the energy services, purchasing a 48 per cent interest in drilling contractor Kenting Ltd.; the remainder of the company was acquired in 1977.
- **1974** CalFab Industries formed to manufacture brackets for the Alyeska Pipeline project.
- **1973** Trimac and Canadian Industries Ltd. of Montreal merged their waste disposal business as Tricil.
- **1973** Trimac formed Arctic Navigation Transport (ARCNAV).
- **1972** Trimac Consulting Services formed to offer transportation expertise to domestic and international clients.
- **1971** Trimac acquired Rentway, a Calgary-based truck-rental and leasing company. Rentway operated branches in Edmonton and Calgary, AB, and in Toronto, ON.
- **1971** Trimac purchased Dominion Waste Management.
- **1971** In November, Trimac Ltd. became a public company with the issuance of 400,000 common shares.
- **1970** MBI Data Services, an information systems group, formed to serve the information technology needs of the Trimac Group of companies.
- **1969** Trimac merged with Commonwealth Petroleum Services Ltd. and formed Westburne Industries Ltd. The merger was amicably dissolved in 1971.
- **1969** Trimac acquired Adby Transport Company of Edmonton, AB, and J. Kearns Transport of Regina, SK.
- **1968** Trimac received Interstate Commerce Commission authority to operate between Canada and the United States.
- **1968** The various trucking companies began operating under the name Trimac Transportation System.
- **1967** Trimac purchased Municipal Tank Lines Ltd. of Ontario and Mercury Tanklines of Ontario.
- **1964** Trimac purchased Winnipeg-based Oil and Industry Suppliers Ltd.
- **1962** After experiencing health problems, Jack McCaig decided to retire.
- **1960** Trimac purchased Calgary-based H. M. Trimble & Sons, an established trucking company with operations in Alberta and British Columbia. Bud McCaig became president of Trimble and moved to Calgary to manage the expanded trucking operations.
- **1960** A new holding company, Trimac Ltd., was formed and named for the three McCaig sons, Bud, Roger, and Maurice.
- **1955** Jack McCaig and Al Cameron dissolved their partnership.
- **1955** MACCAM relocated to a new and expanded terminal at the intersection of Hwys. 1 and 2 in Moose Jaw, SK.
- **1954** Jack McCaig and his three sons established a new company, Redi-Mix Concrete Ltd. The company opened plants in Moose Jaw, Regina, and Saskatoon, SK, during the next five years.
- **1945** Jack McCaig and his partner, Al Cameron, established MACCAM Transport in Moose Jaw, SK, and opened a new terminal at 546 Manitoba Street.
- **1932** Jack McCaig launched McCaig Cartage.
- **1930** Jack McCaig started his first truck run as Regina Beach Transfer Company.

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Photographs appear in **bold**.

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75 Years of Service with Safety: The History of Trimac celebrates the people who have made this company what it is today. Trimac is committed to building on the success of the last 75 years.

"It is amazing that we have reached this milestone, and I know that my grandfather and father would be very proud of their legacy. Tens of thousands of people have connected through Trimac over the last 75 years, and each one has added to the fabric of our culture. I hope that Trimac has also assisted them in achieving their goals in their own personal journey."

– Jeff McCaig

From the Foreword:

Working for Trimac has been the defining experience of my life. That Trimac is still a McCaig family-owned business has given me immense pride and satisfaction. Trimac is a company that has always looked forward and seen farther ahead. It has devoted its human, financial, and technical skills to being a leader.

This book is the history of that company and of three generations of the McCaig family, who founded it, led it, and owned the controlling interest in the company and its successors through all the years.

– Maurice McCaig