



COMMERCIAL FLEET TIRE DIGEST

*The authoritative guide to reducing commercial tire expenditures from
Pressure Systems International,
the manufacturer of the Meritor Tire Inflation System by PSI™*

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How Can You Mitigate the Soaring Price of Tires?

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Prices for tires have gone up anywhere from 15% and 35% since early 2009 depending on specific tire manufacturer. The reasons are varied: rubber shortages, increased worldwide demand for tires and of course, the price of oil which is spiking (again).

A typical radial 295/75R22.5 low profile radial tire weighs about 120 pounds comprised of about forty different components, ten or more rubber compounds, several different types of steel, and even some fabric. Natural rubber and compounds that contain many ingredients that are oil based make up most of the materials that go into truck tires.

Since the summer of 2009, natural rubber prices have escalated well over 200%. This material is a key ingredient in truck tires because it generates low heat buildup compared to synthetic rubbers. Shortages are being caused by flooding in Indonesia that has significantly damaged rubber producing trees. And, countries like Thailand have cut back on rubber plantations deciding instead to grow oil palm trees. Floods and droughts both spell disaster for rubber plantations.

At the same time that less rubber is being produced, the worldwide automotive and trucking sectors are back in a major growth mode. Countries like China and India are purchasing as many radial tires as they can find in the market, including both passenger and truck tires. And now,

with the continued turmoil in the Middle East, oil continues to climb in price increasing the cost dramatically of all those oil-based raw materials.

All these issues have combined to radically increase the cost of tires for fleets, large and small and especially for owner/operators – so what can you do to offset this drain on your finances?

Making the investment in fuel efficient tires can certainly make a positive impact. A lot of fleets are reluctant to purchase these fuel efficient tires because of the higher initial purchase price. But, if you can increase your vehicle fuel economy even 1%, the return on investment is well under twelve months. It is well documented that these fuel efficient tires do make a positive difference in the amount of fuel consumed. Of course, you can purchase the highest rated fuel efficient tire on the planet, but if you do not keep the proper air pressure in the tire all the time, you will totally lose any benefit when it comes to fuel savings. As we've discussed before, an under-inflated tire will have a longer tire footprint with more rubber on the road surface increasing the tire rolling resistance and adversely affecting tire fuel economy. A tire that should be running at 100 psi but has lost air and is running at 70 psi will have 18% more rubber contacting the road surface (longer tire footprint) and can reduce fuel economy by almost 3%. Oil prices not only affect the cost of tires but certainly increases your fuel costs... So that 3% can have a huge impact on your bottom line.

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Q&A PSI ANSWERS YOUR QUESTIONS

Q: I was considering the use of retreads on my steer axle for those vehicles that are in local pickup and delivery service. Is this legal and safe?

A: Retreads are permitted by law to run on any axle position (including steer) except for the steer axle of a school bus application. Today's retreads are very safe and reliable. That is why over 90% of fleets retread their tires.