



**Tire Technology -
 Automatic Tire
 Inflation**

Company Profile

Headquarters Location
 Tontitown, Arkansas

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Number of Employees:
 2,700

Strategy Category:
 Tire Technology

Number of Trailers:
 4,000

Number of Power Units:
 1,800



P.A.M. Transport

P.A.M. Transport (P.A.M.) was established in 1980 and is a wholly-owned subsidiary of P.A.M. Transportation Services, Inc. The company operates 1,800 tractors and 4,000 trailers primarily in the 38 easternmost United States, the Provinces of Ontario and Quebec, and in Mexico. P.A.M. is an irregular route common and contract carrier specializing in just-in-time service to the automotive, manufacturing, and retail industries.

For P.A.M. Transport, tires represent the number two non-payroll cost (behind fuel) and the number one maintenance cost. In an effort to improve reliability and performance, while also reducing costs associated with tire maintenance and purchases, P.A.M. chose to evaluate the performance of automatic tire inflation systems (ATIS). The company tested a number of units for one full year on tractor-trailer combinations using four different trailer types, and the results showed an average cost savings of 69.9 percent over tractor-trailer combinations not equipped with ATIS. Based on these results, the company chose to include ATIS in specifications for all new trailers. Currently, approximately 3,000 of the company's trailers are equipped with ATIS.

The benefits experienced by P.A.M. as a result of moving to ATIS usage are substantial and varied. Contributing to the average cost advantage of 69.9 % with the use of ATIS were the following:

- **Reduced maintenance cost** - Proper inflation meant reduced wear and longer tire life. The company also found that the reduced wear resulted in the ability to produce more retreadable casings.
- **Reduction in tire failures** - P.A.M. found that roadside tire failures have been substantially reduced, resulting in more on-time deliveries to customers and reduced costs associated with service calls and tire replacement. If there is a failure though, in many cases the ATIS can provide sufficient inflation to get the vehicle to a shop for service, rather than requiring a roadside service call.

Other Benefits include -

- **Improved fuel economy** - Properly inflated tires have reduced fuel consumption.
- **Increased trailer resale value** - Because ATIS have long useful lives, P.A.M. believes that they will increase the value of the trailer when it is offered for resale.

