

C.W. Johnson Xpress Shuts Down

Friday, August 22, 2008

C.W. Johnson Xpress shut down operations on Friday, weighed down by \$8.3 million in debt, higher fuel prices and a lack of support for its innovative driver training program.

The Louisville, Ky.-based carrier had borrowed money for trucks and equipment and established a line of credit with Branch Banking & Trust in early 2007. By February of this year, according to a federal lawsuit, the firm began defaulting and owed \$8.3 million.

High fuel prices were a contributing factor. But a more important element was a lack of government and community support for the company's innovative driver training program, said Charlie Johnson, the company's owner and chief executive, at a news conference.

Johnson recruited former criminals and other at-risk people and trained them to drive trucks. Initially, the state supported the program, but when that money ran out and federal money was not forthcoming, Johnson paid the \$6,000 per student training cost himself. He spent \$4 million of his own money on the project.

Local businesses did not support the project, which Johnson said was meant to "attack the problem of deteriorating inner-city neighborhoods." It became difficult to find work for the recently trained drivers, Johnson said. His own company couldn't keep them on without the support of local businesses to hire Johnson Xpress to haul freight.

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