TRUCKING TODAY

MARS Event

Barry Pottle
Second Vice Chairman, American Trucking Associations

July 11, 2017

TRUCKING SNAPSHOT

- 7.3 Million Strong
- 1 out of 16 People in US work in Trucking
- 3.5 Million Professional Truck Drivers
- Drove 279.1 Billion Miles – Double 25 Years Ago
- 97.3% of all Motor Carriers have 20 Trucks or Less
- 90.8% of all Motor Carriers have 6 Trucks or Less

As of May 20, 2017

TRUCKING SNAPSHOT

- Hauled 10.48 Billion Tons of Freight in 2015 - or 70.1 Percent of Total U.S Freight
- Astounding $726.4 Billion Industry
- Representing 81.5 Percent of the Nation's Freight Bill (2014)

As of May 20, 2017

TRUCKING PAYS FAIR SHARE

- $39.9 billion in federal and state highway taxes
- 12.1 percent of vehicles on the road
- $18.4 billion in federal highway-user taxes
- $21.6 billion in state highway-user taxes
- 53.4 billion gallons of diesel
- $147.2 billion in 2014 – Diesel Fuel Bill

As of May 20, 2017

TRUCKING & RAIL = PARTNERS

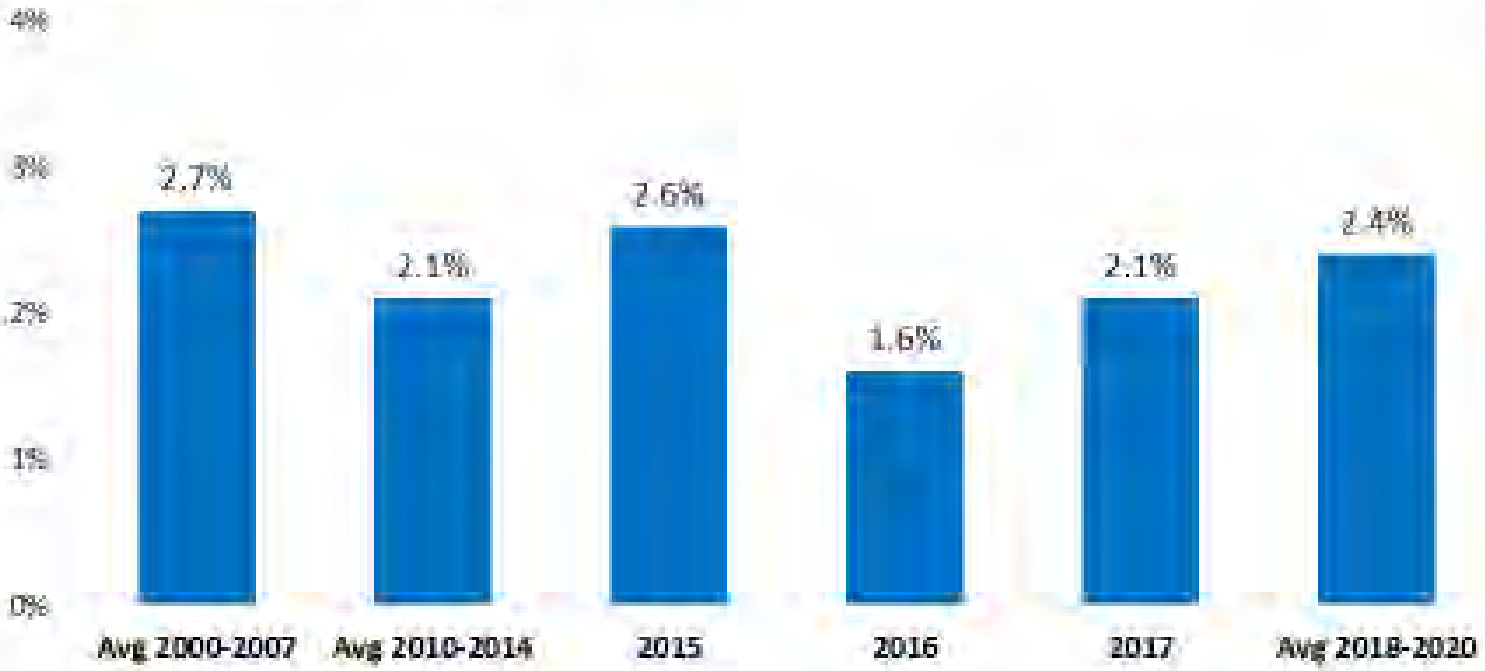
TRUCKING TRENDS

- Last year the industry suffered with soft volumes and too many trucks.

- Truck freight will pick up moderately in 2017.
- Fleets are finally slowing equipment growth, which will also help in 2017.

- BOTTOM LINE: Slight acceleration in freight activity, coupled with supply constraints, will help but not until the second half of the year and into 2018.

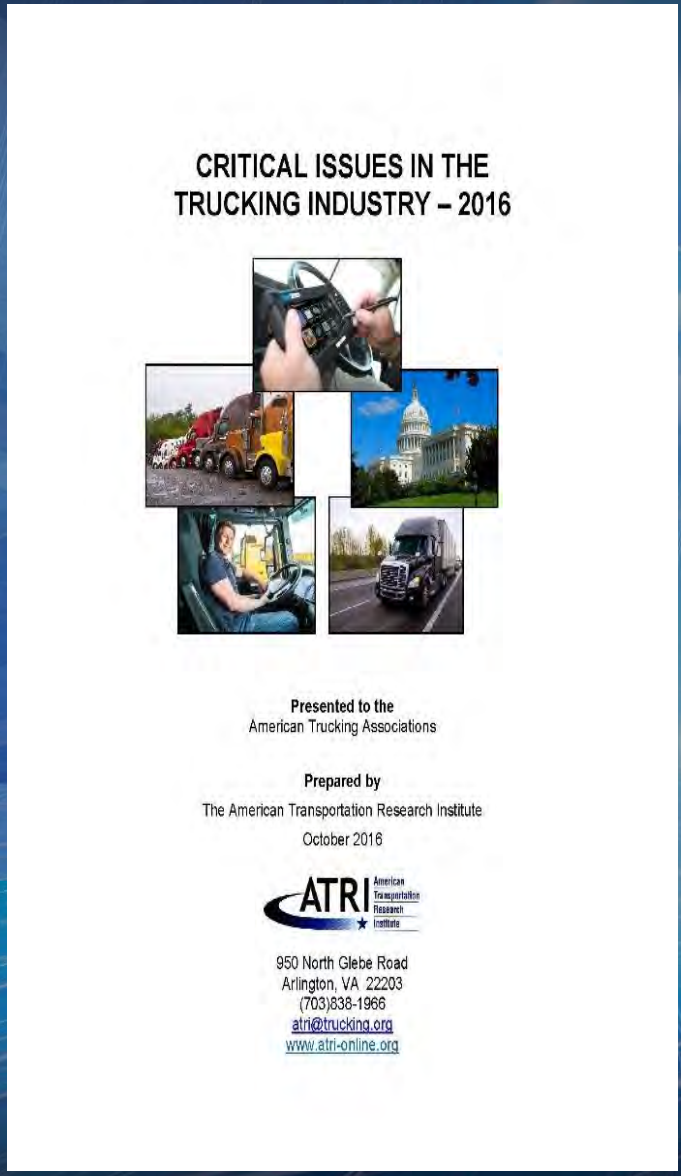
Real Gross Domestic Product Growth



Sources: BEA & ATA

2016 TOP INDUSTRY ISSUES

1. ELD Mandate
2. Hours-of-Service
3. Cumulative Economic Impact of Trucking Regulations
4. Truck Parking
5. Economy
6. CSA
7. Driver Shortage
8. Driver Retention
9. Transportation Infrastructure/ Congestion/ Funding
10. Driver Distraction


CRITICAL ISSUES IN THE TRUCKING INDUSTRY – 2016

Presented to the
American Trucking Associations

Prepared by
The American Transportation Research Institute
October 2016

ATRI American Transportation Research Institute

950 North Glebe Road
Arlington, VA 22203
(703)838-1966
atri@trucking.org
www.atri-online.org

Top Issues Drivers vs. Carriers

Commercial Drivers

1. ELD Mandate
2. Hours-of-Service
3. Truck Parking
4. Cumulative Economic Impact of Trucking Regulations
5. Economy
6. CSA
7. Driver Retention
8. Sleep Apnea Rulemaking
9. FMCSA Mission
10. Driver Health/Wellness

Motor Carrier Execs

1. Driver Shortage
2. ELD Mandate
3. Cumulative Economic Impact of Trucking Regulations
4. Economy
5. Hours-of-Service
6. Driver Retention
7. CSA
8. Transportation Infrastructure/ Congestion/ Funding
9. Federal Preemption of State Regulation of Interstate Trucking (F4A)
10. Driver Distraction

ATA VICTORIES 2016 & 2017 HIGHLIGHTS:

- ✓ HOS Permanent Restart Fix
- ✓ National Clearinghouse for Drug & Alcohol
- ✓ ATA Filed Comments on Speed Limiter Proposal
- ✓ Overtime Rule Blocked
- ✓ New York Thruway Decision – Use Highway Trust Fund $ for Highways & Bridges
- ✓ Use of TWIC Card to Enter Military Bases
- ✓ FMCSA Determined CDL Domicile Issue

ATA STRATEGIC PRIORITIES FOR 2017
ATA Active Role

- Federal Preemption of State Regulation of Interstate Trucking (F4A)
- Transportation Infrastructure Funding
- Federal Tax Reform
- Regulatory Reform
- Key Executive Branch Roles
- Trade
- Autonomous Vehicles
- Protecting the Independent Contractor

ATA STRATEGIC PRIORITIES FOR 2017

Possible Congressional Action

- Driver Shortage
- Labor Issues
- Truck Parking
- Split Sleeper Berth
- Redundant Background Checks
- Driver Distraction
- Safety Technology
- Tort Reform
- ELD Implementation & Education

ATA STRATEGIC PRIORITIES FOR 2017
On ATA Radar

Other:

- CSA Measures
- Sleep Apnea
- Drug & Alcohol Clearinghouse
  – *tracking rulemaking*
- National Employer
  Notification System
- Expanding FMCSA Mission

INFRASTRUCTURE FUNDING TASK FORCE

President Trump's 10 Year - $1 Trillion Funding Plan

ATA Setting the Agenda & Finding Solutions

TRUCKING TELLS ITS STORY
AT THE WHITE HOUSE
VOLVO

ATA

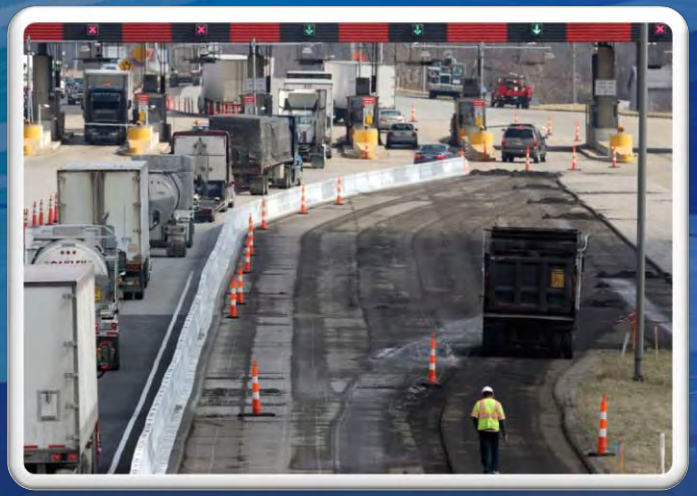
ATA WHITE HOUSE VIDEO

COST OF UNDERINVESTMENT

- Congestion on U.S. National Highway System cost the trucking industry $63.4 Billion in 2015

- Lost productivity due to congestion= 996 million hours
  - Equates to 362,243 commercial drivers sitting idle for entire year

COST OF UNDERINVESTMENT



- A motorist loses on average $523 annually - $112 billion nationally - in vehicle repair costs due to unmaintained roads (pot holes)
- 15,000 people are killed and nearly one million people are injured when vehicles run off the road and crash.
- 88% of National Highway System (NHS) congestion occurs on just 18% of the network and can be solved by eliminating major bottlenecks

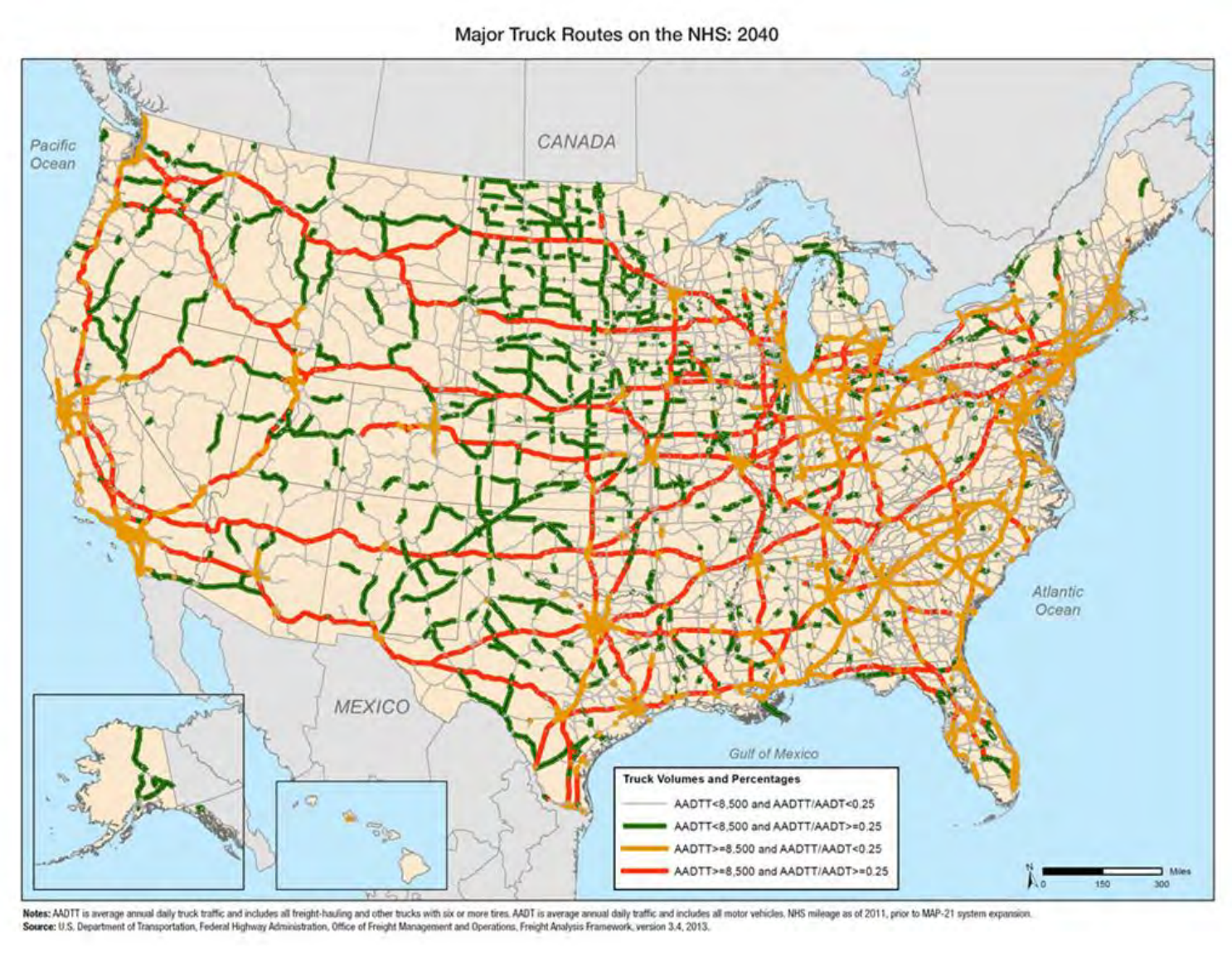
Source: ATRI

2016 Top 10 Freight Bottlenecks

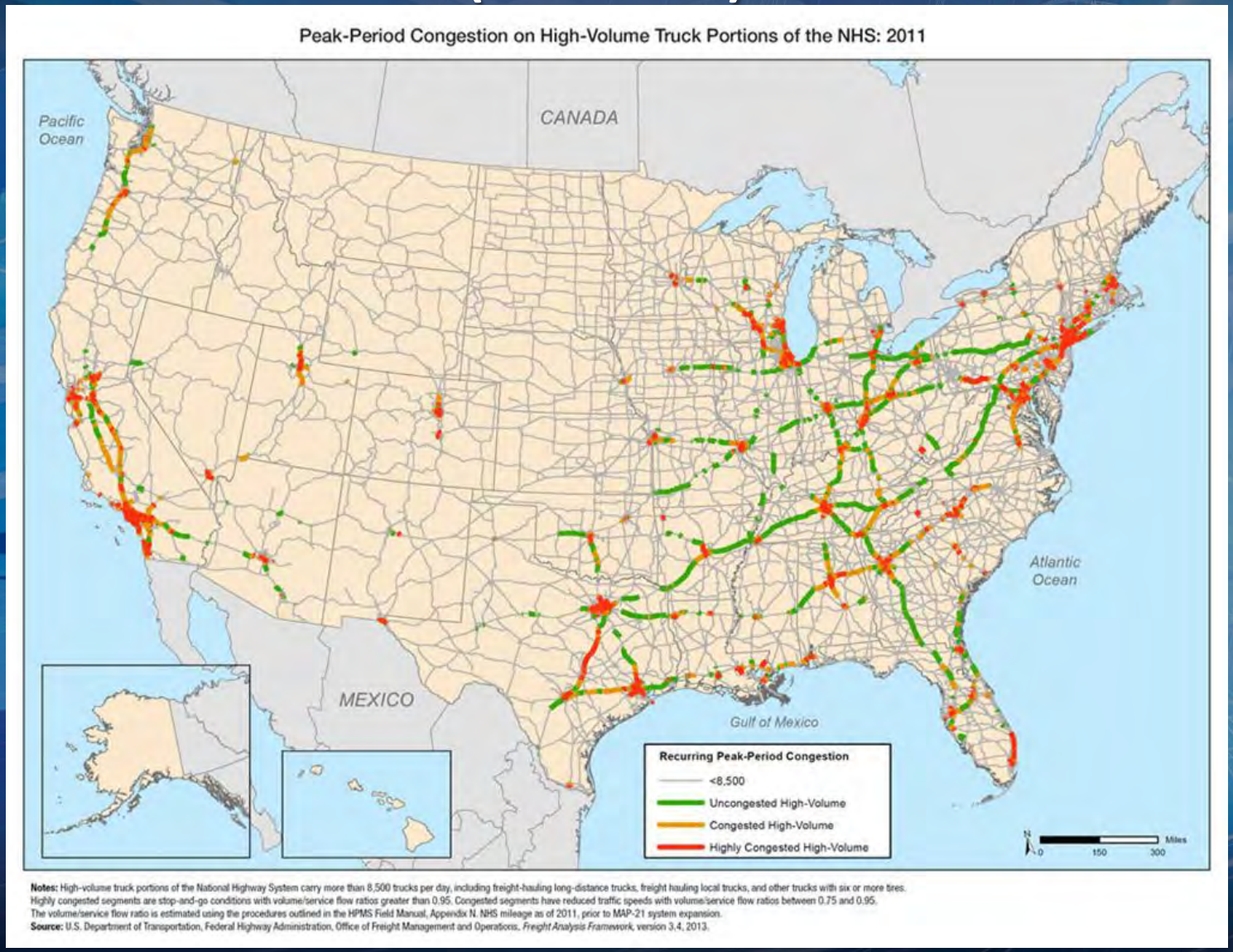
Rank	Location	Average Speed	2015 Rank	Change
1	Atlanta, GA: I-285 at I-85 (North)	38	1	0
2	Fort Lee, NJ: I-95 at SR 4	35	3	Up 1
3	Chicago, IL: I-290 at I-90/I-94	27	2	Down 1
4	Louisville, KY: I-65 at I-64/I-71	39	4	0
5	Cincinnati, OH: I-71 at I-75	46	7	Up 2
6	Los Angeles, CA: SR 60 at SR 57	45	9	Up 3
7	Auburn, WA: SR 18 at SR 167	45	18	Up 10
8	Houston, TX: I-45 at US 59	36	5	0
9	Atlanta, GA: I-75 at I-285 (North)	44	12	Up 3
10	Seattle, WA: I-5 at I-90	35	14	Up 4

MAJOR TRUCK ROUTES TODAY (Red Lines)

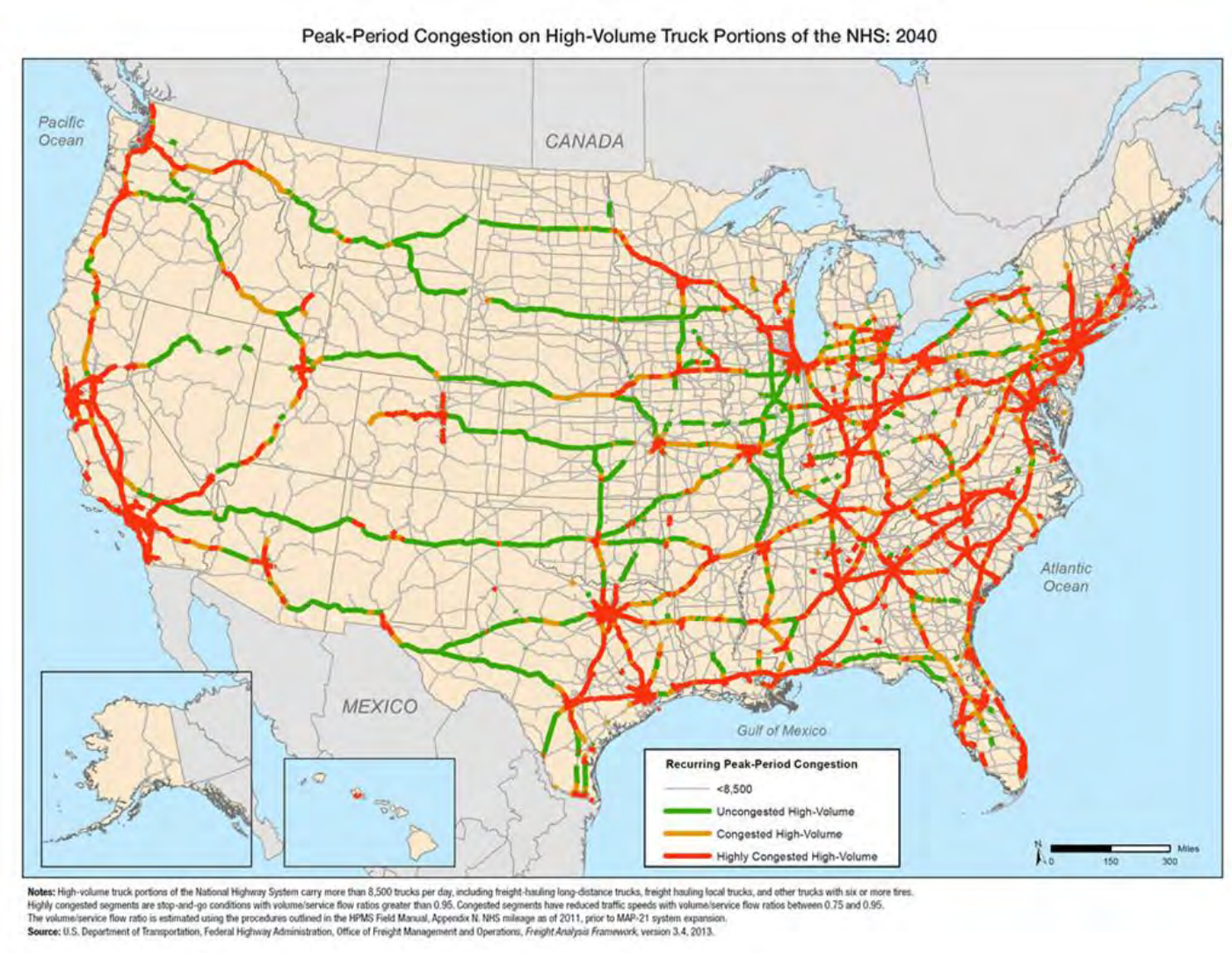
MAJOR TRUCK ROUTES IN 2040 (Red Lines)



PEAK PERIOD CONGESTION ON HIGH-VOLUME TRUCK PORTIONS ON NHS 2011 (Red Lines)



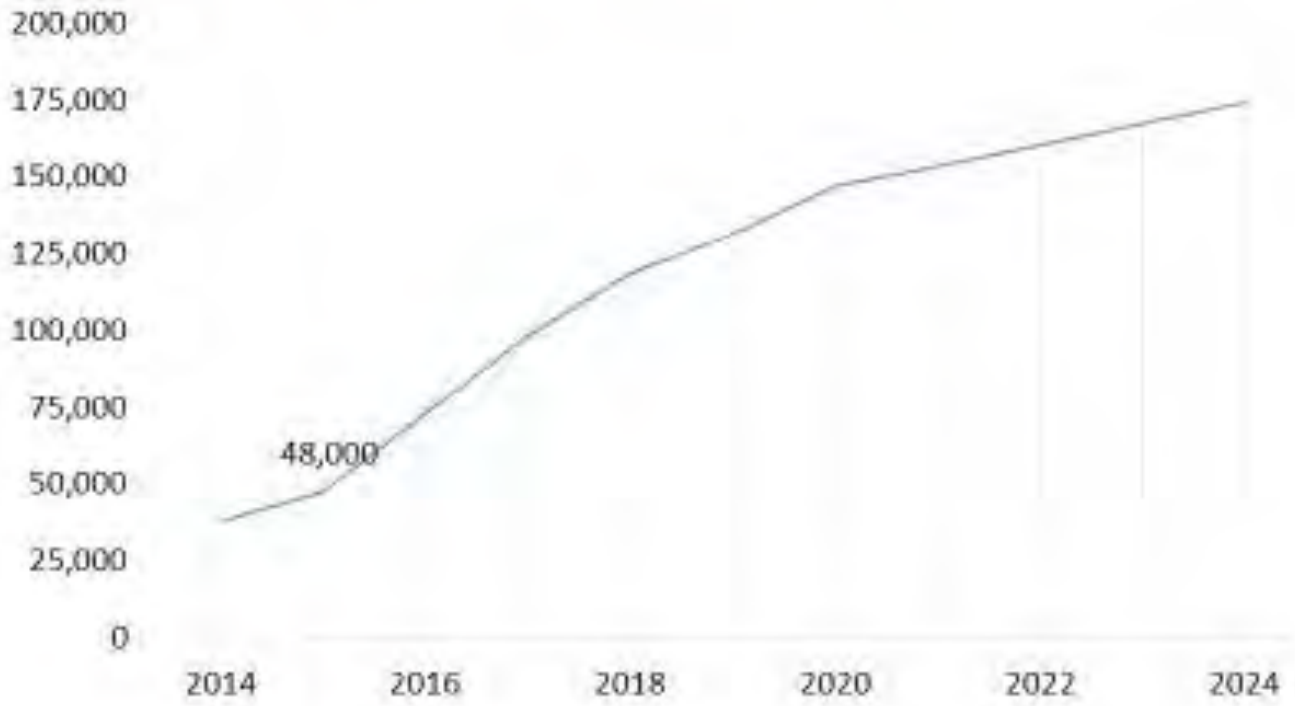
PEAK PERIOD CONGESTION ON HIGH-VOLUME TRUCK PORTIONS ON NHS 2040 (Red Lines)



Today’s Driver Market

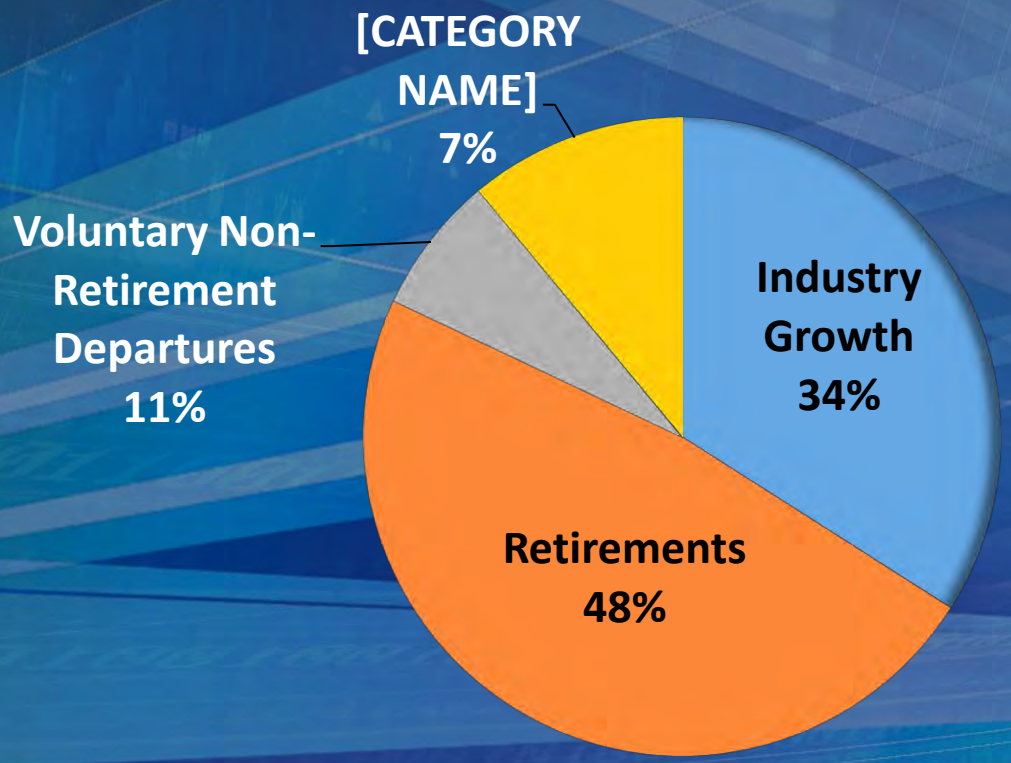
Truck Driver Shortage

Does not account for future regulations or "quality" issues.



Source: ATA's Truck Driver Shortage Analysis 2015

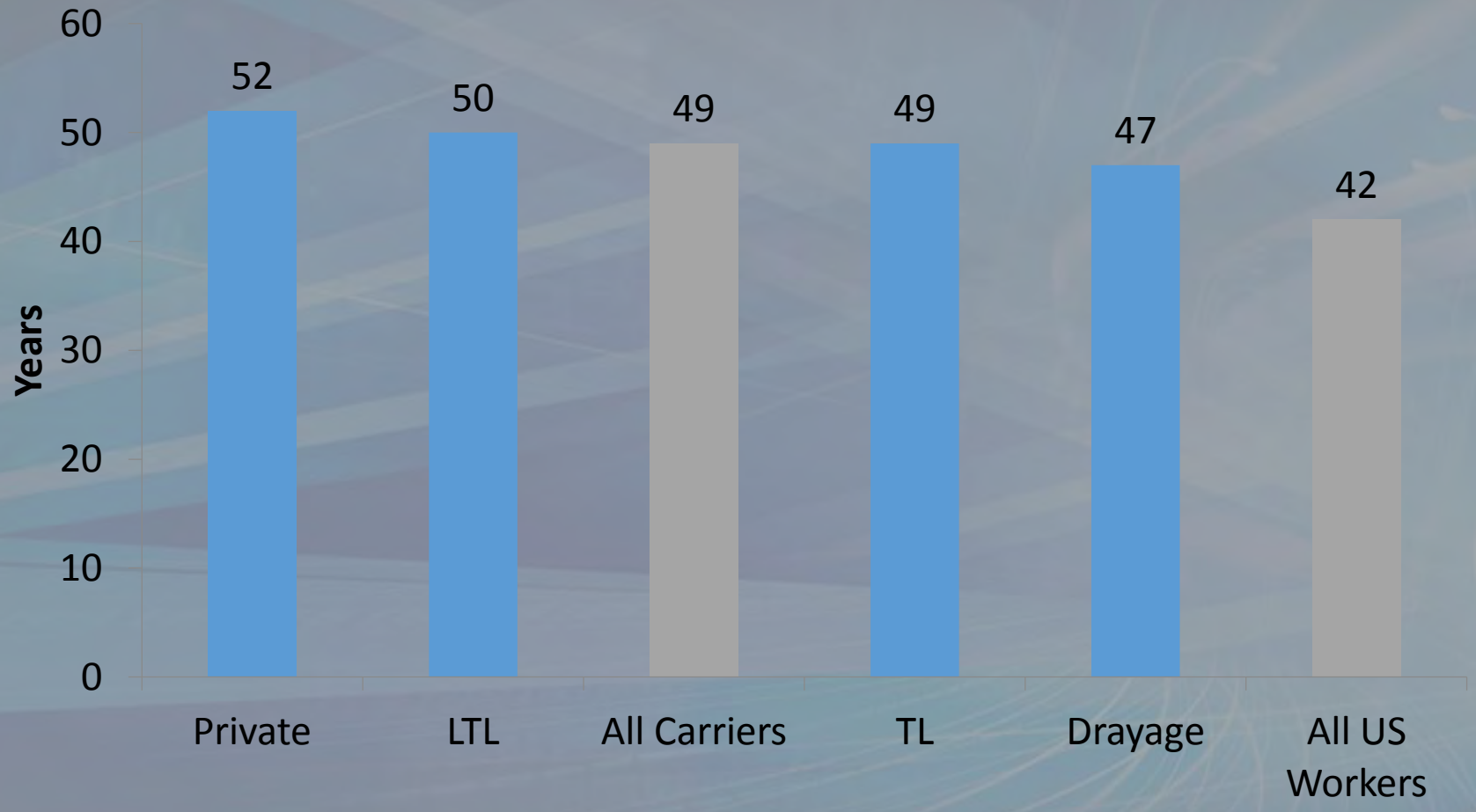
Average Number of New Drivers Needed Per Year Over the Next 10 Years: *89,000*



Most new drivers to the industry start in the for-hire truckload sector. These drivers tend to make $35,000 to $38,000 in their first year and move up to $45,000 or more within a few years. Benefits are very good, including health insurance, paid time off, and 401(k) matches.

Source: ATA Benchmarking Guide for Driver Recruitment & Retention

MEDIAN EMPLOYEE DRIVER AGE



DRIVER SHORTAGE

- Work with state and federal authorities to consider a graduated CDL program to safely attract new and younger drivers;
- Research and quantify successful recruitment strategies for commercial drivers;
- Work with the Department of Labor to formalize a national truck driver recruitment program

DRIVER SHORTAGE: SOLUTIONS/MARKET REACTIONS

- Pay Increases
- Lower Interstate Driving Age/Graduated CDL
- More at-Home Time (where possible)
- Improved Driver Image (www.truckingmovesamerica.com)
- Former Military (Hiring Our Heroes Initiative)
- Better treatment by the entire supply chain
- Immigration? Unlikely and Mexican carriers are no solution
- Fix congestion/infrastructure

AUTONOMOUS VEHICLES

- TRUCKING IS AT THE TABLE – ATA ON DOT ADVISORY BOARD
- NHTSA ISSUED FIRST FEDERAL GUIDELINES
- STATES ARE LOOKING AT LEGISLATION
- DRIVER ASSISTED NOT DRIVERLESS FOR CMV'S
- COLLISION WARNING, STABLILITY CONTROL, LANE DEPARTURE ALREADY HAPPENING
- IMPROVED SAFETY AND EFFICIENCY, REDUCED FUEL BURN

CYBERSECURITY AND TRUCKING

- TRUCK OEM'S WORK INDIVIDUALLY WITH SUPPLIER FOR SECURITY
- AUTO MANUFACTURERS ESTABLISHED INFORMATION SHARING & ANALYSIS CENTER TO SHARE INFO ON CYBER-THREATS – ASKED TRUCK OEMS'S TO JOIN FORCES
- ATA AND TMC DEVELOPING RECOMMENDED PRACTICES AND INVESTIGATING OPTIONS FOR SHARING CYBER-THREAT DATA

THE DELIVERY

THANK YOU!

bpottle@trucking.org