

Modal Perspectives on Freight Supply Chains and Economic Competitiveness

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A Few Trucking Challenges Impacting US Competitiveness

- 1. Lack of highway infrastructure investment**
- 2. Labor availability**
- 3. Lack of vehicle size & weight productivity**

The Problem:

The lack of highway infrastructure investment has led to an increase in congestion, costing the trucking industry, and thus the economy, billions annually.

Some Facts:

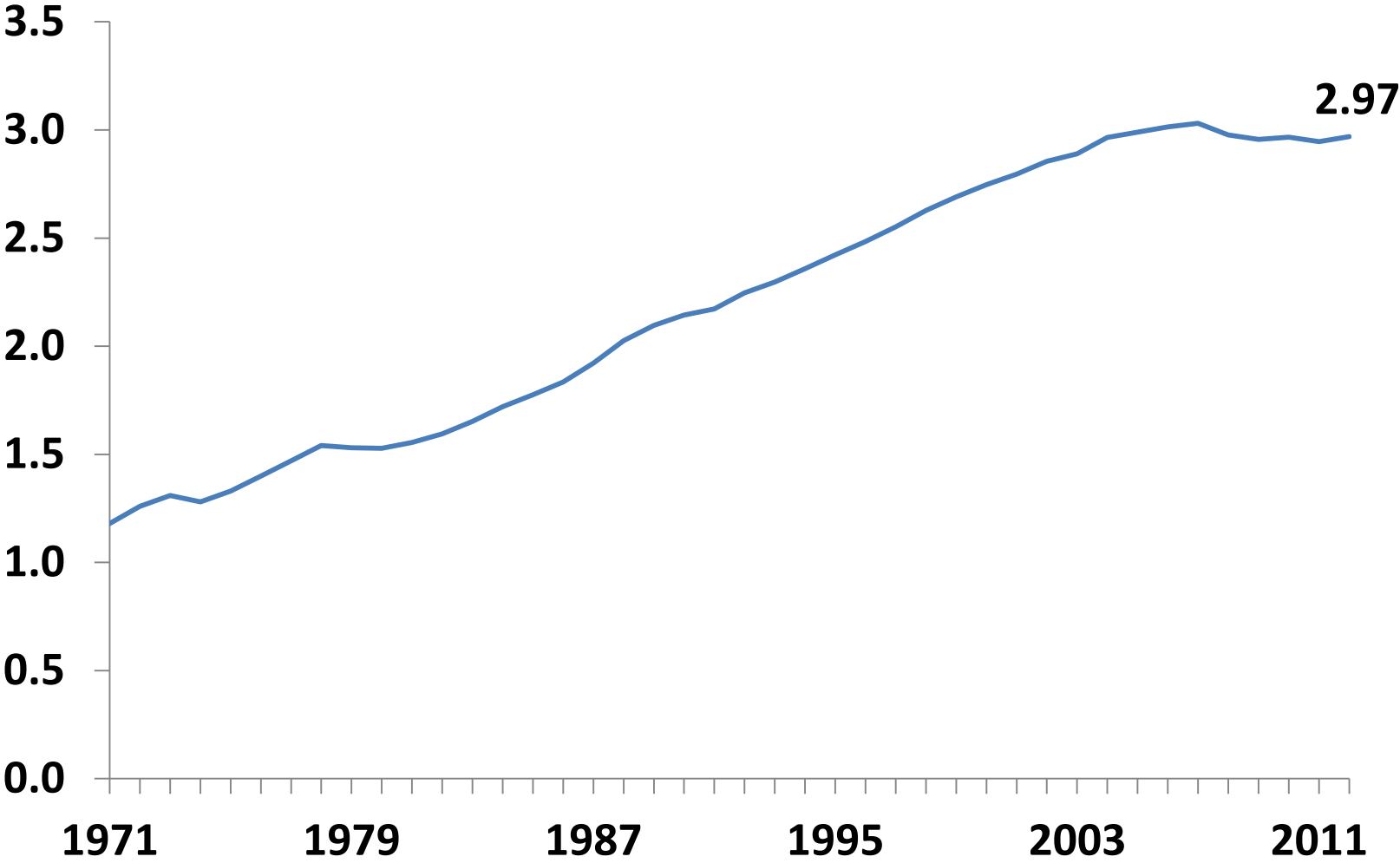
- In 2013, the trucking industry was delayed in traffic 141 million hours, equating to over 50,000 drivers sitting idle for a working year.
- **These delays cost the industry over \$9.2 billion in 2013.**
- 89% of these costs were on 12% of interstate highway system mileage.

Highway Trust Fund

Long-Term

- Cumulative shortfalls of \$92 billion for highway account, \$34 billion for transit account by the end of 2023
- Need to invest \$10 billion - \$16 billion more on average over next 6 years to address maintenance and congestion
- Passenger vehicle CAFÉ standard to 54.5 mpg by 2025 – 21% erosion of fuel tax revenue by 2040
- Inflation reduces buying power: since gas tax was last raised in 1993
 - 38% purchasing power loss by 2013
 - 52% purchasing power loss by 2024

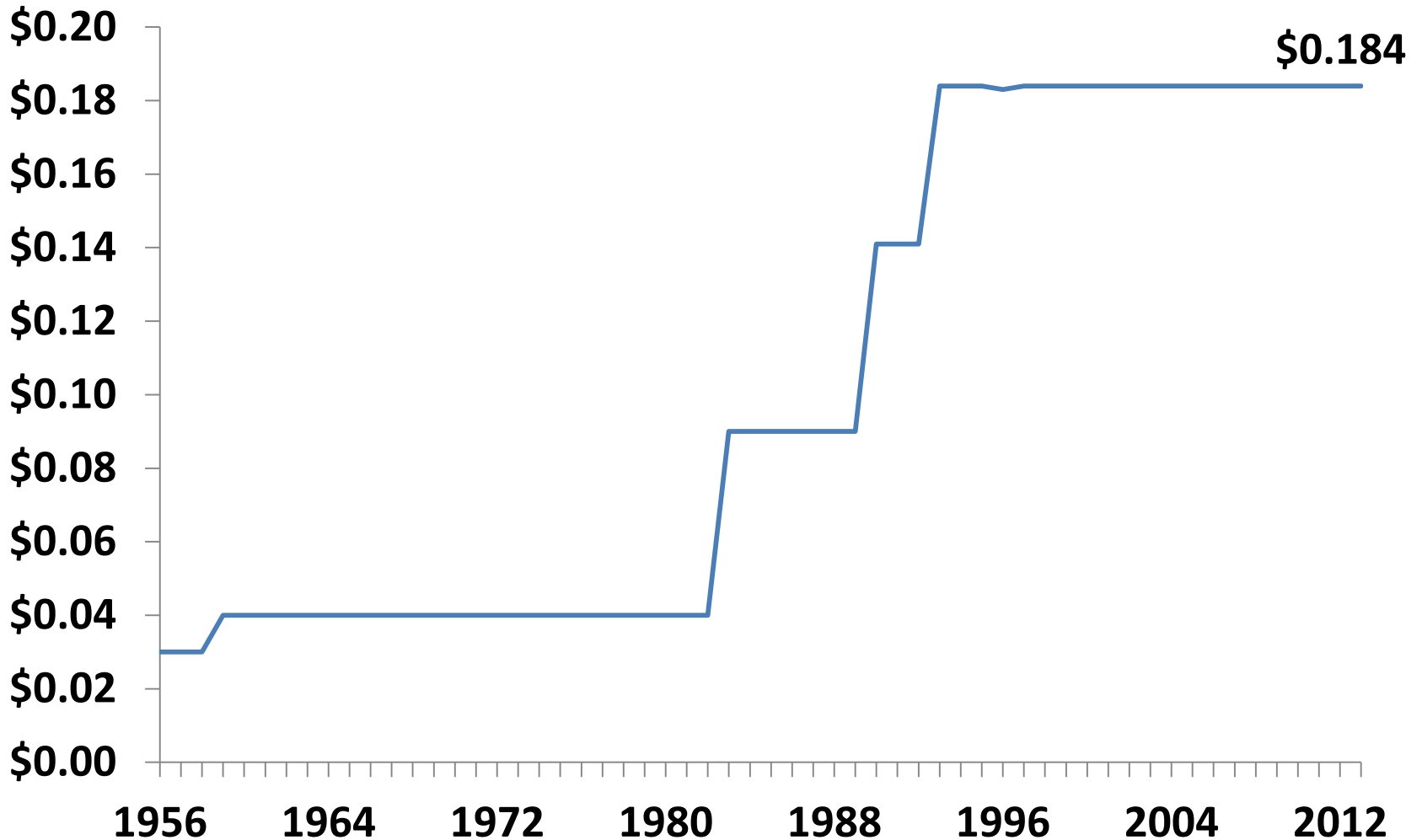
Trillion Vehicle Miles Travelled



Source: Federal Highway Administration



Gasoline Tax per Gallon



Source: Federal Highway Administration



Potential Research:

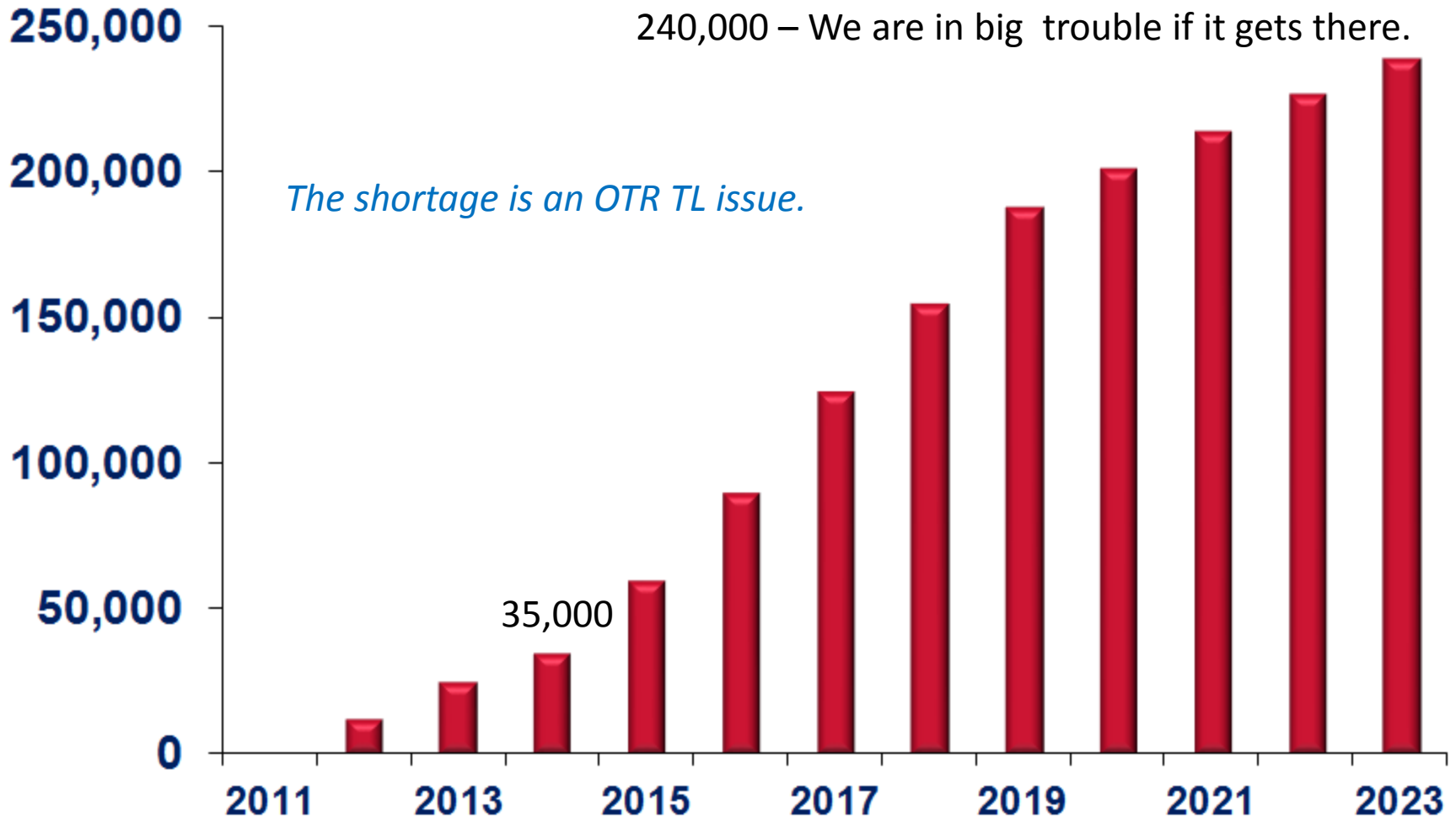
- **We need to have a better understanding of the impacts of congestion on the total supply chain, not just trucking or the motoring public.**

The Problem:

The truck industry isn't attracting enough new people to the industry each year. At the same time, driver productivity has been reduced by the changing supply chain and government regulations.

DRIVER SHORTAGE

At current trends, the shortage could balloon to 240,000 – We are in big trouble if it gets there.

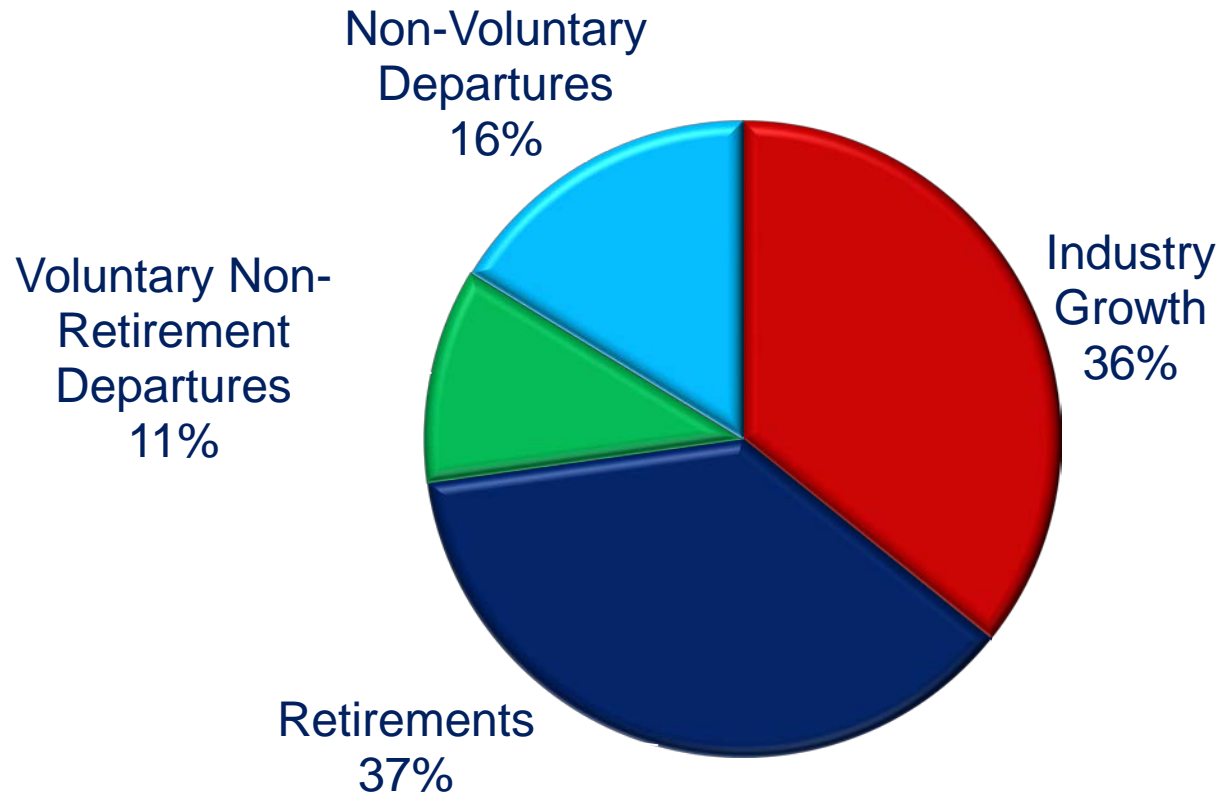


Source: ATA's Economics Department



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Average Number of New Drivers Needed Per Year Over the Next 10 Years: 96,178

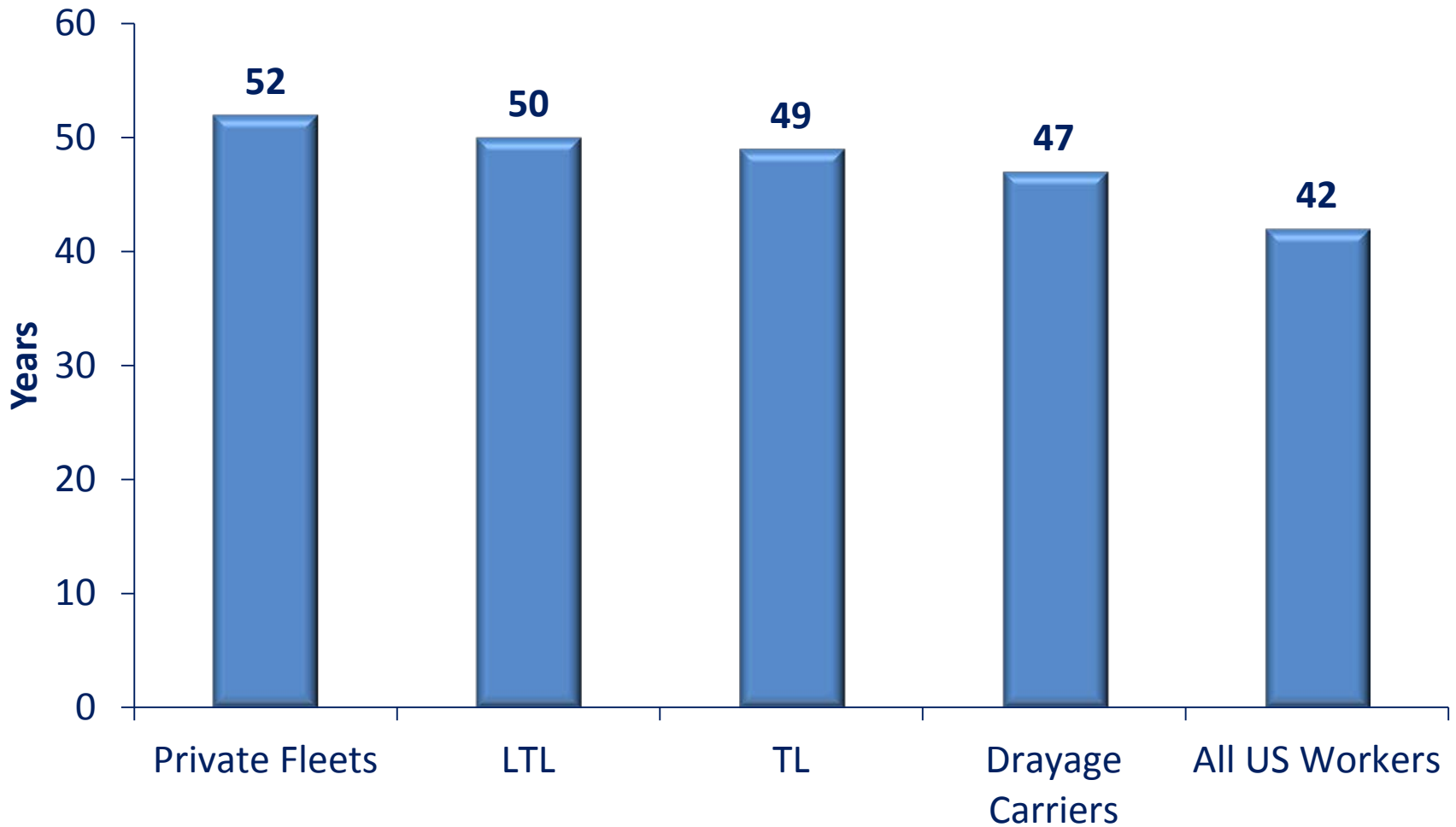


Source: *ATA Benchmarking Guide for Driver Recruitment & Retention*



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Median Employee Driver Age

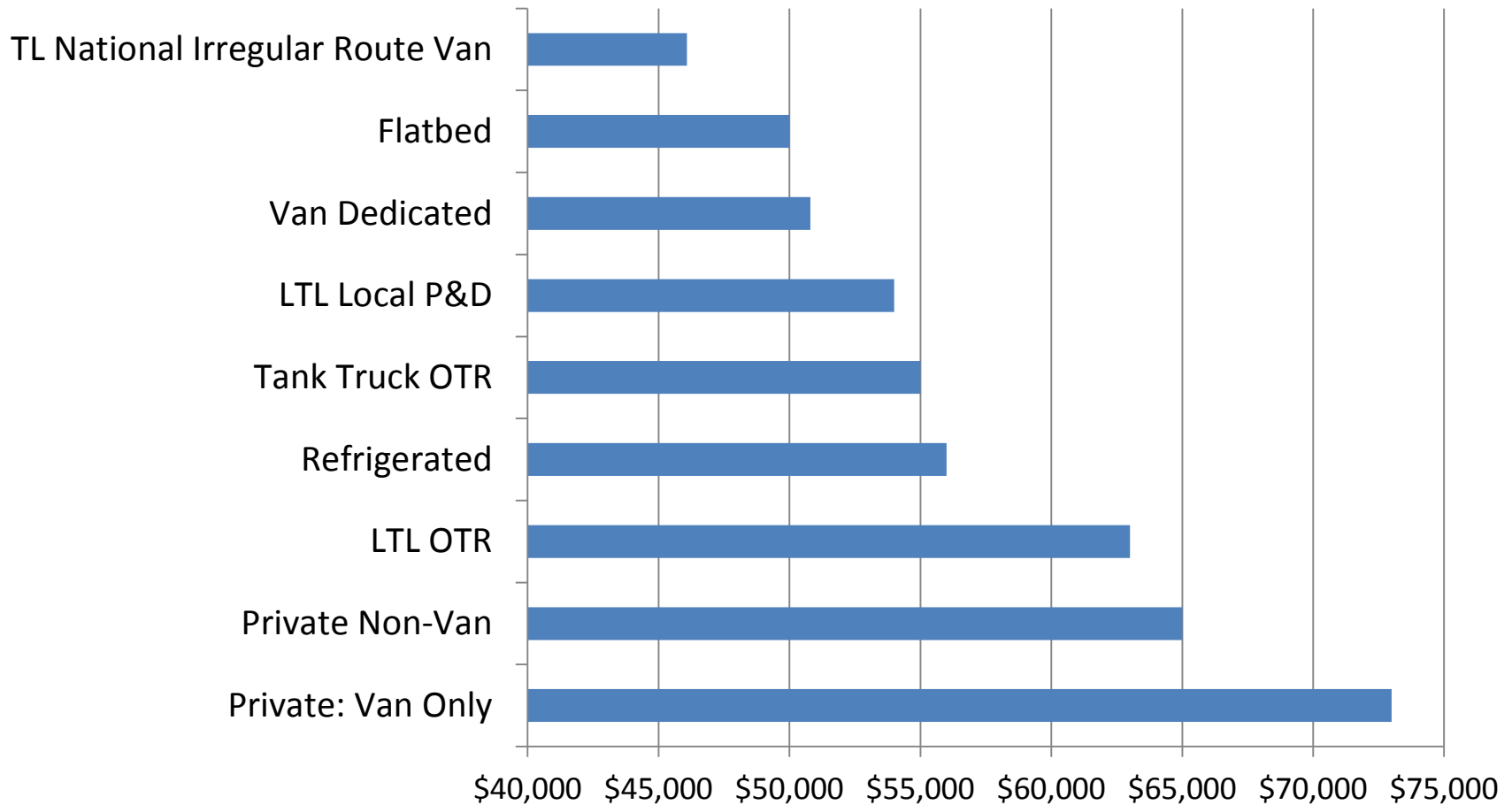


Sources: ATA's Driver Compensation Study 2014 and US Census Bureau



Annual Employee Driver Compensation

2013 Median Pay Including Incentives and Bonuses

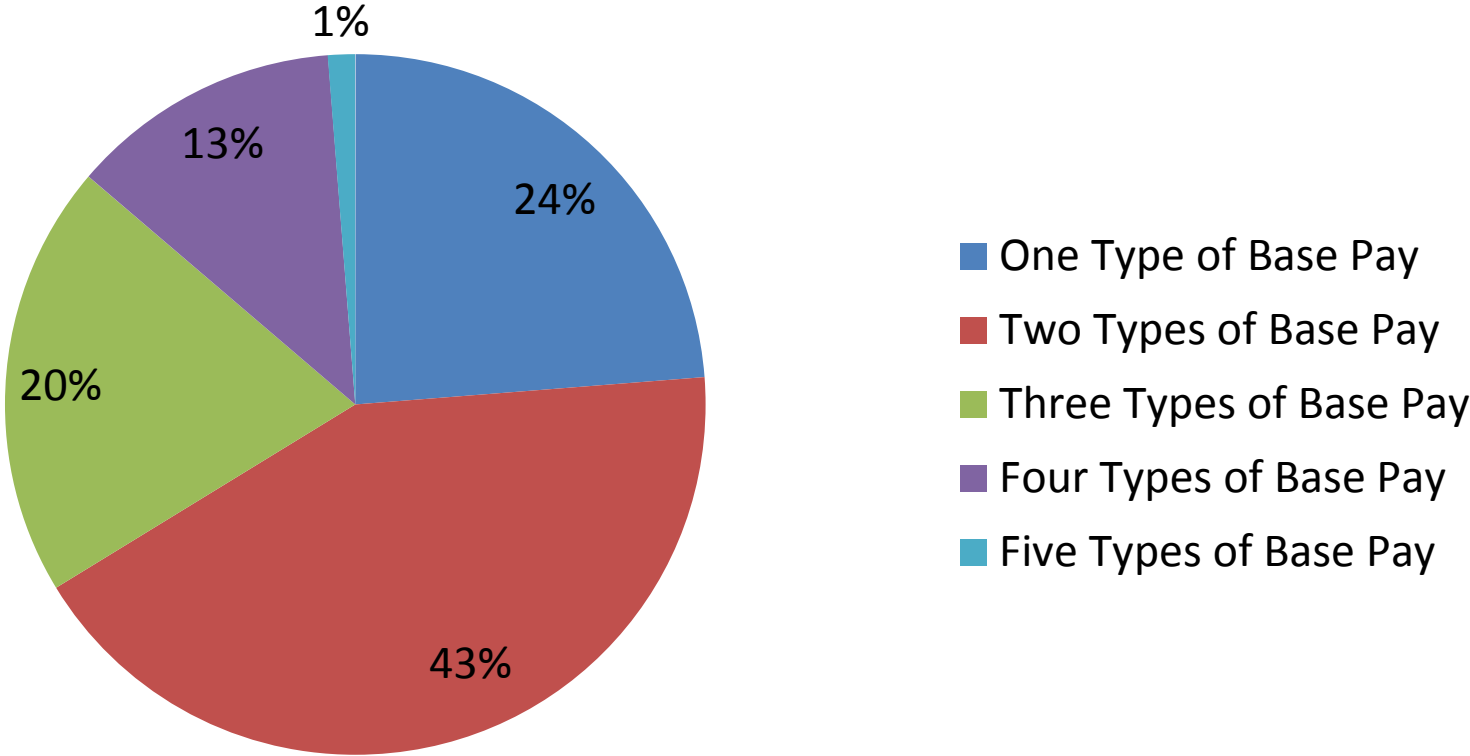


Source: ATA Driver Compensation Study 2014



Carriers Utilize Multiple Base Pay Packages

76% of companies pay drivers two or more ways

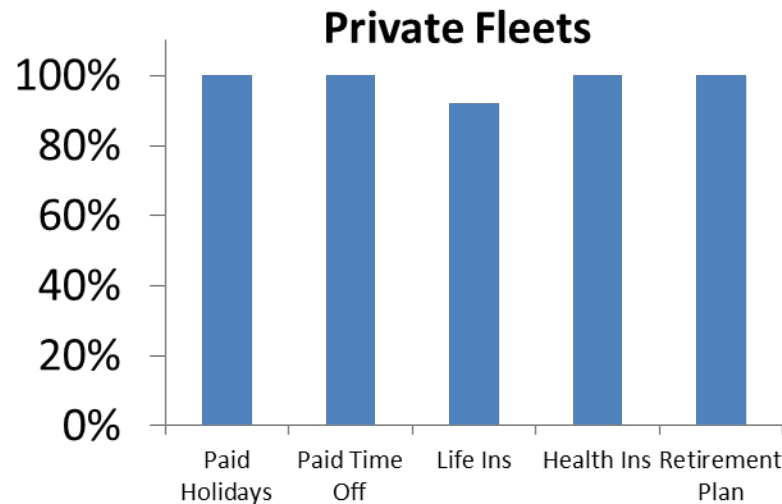
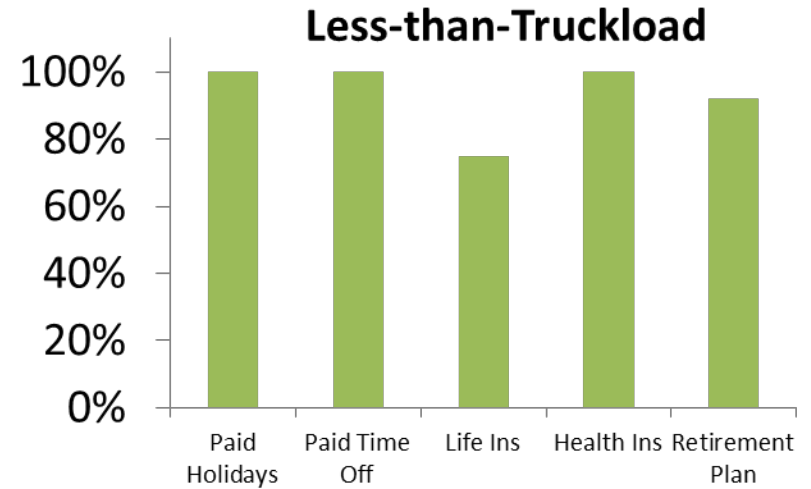
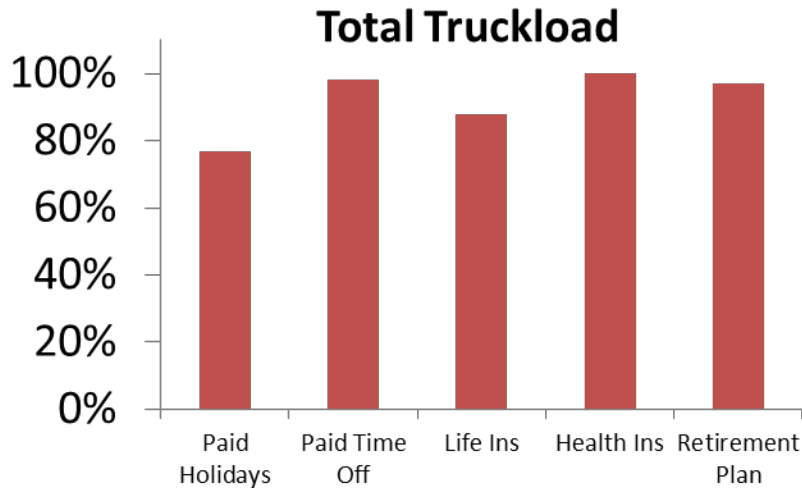


Source: ATA Driver Compensation Study 2014



Carriers Offer Many Benefits to Employee Drivers

(Percent offering the benefit)



All Data Includes
Employee Drivers Only



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Other Driver Issues:

- **Judicial and/or legislative efforts to reclassify independent contractors as employees.**
- **Regulations that decrease productivity and/or constrain the driver supply.**
 - **Sleep apnea testing (some unwilling to submit to testing and treatment)**
 - **Mandatory ELD use (some unwilling to use)**
 - **HOS restrictions (decrease in productivity)**

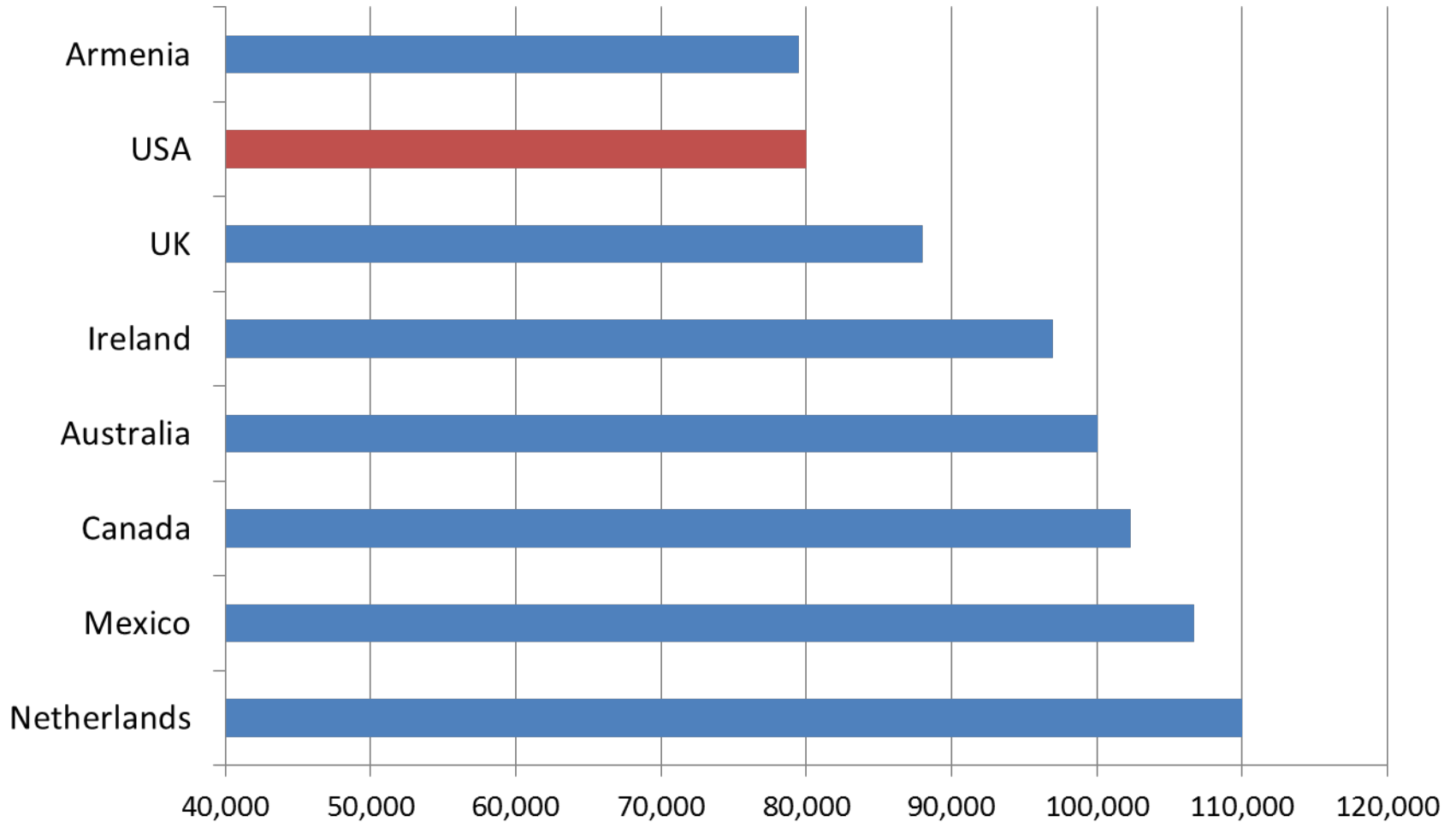
Potential Research:

- **We need to better understand how younger drivers can be safely employed to meet the mutual interests of increasing driver demand and reducing employment.**
 - **Specifically, with proper training, monitoring and restrictions, could drivers under the age of 21 be allowed to operate in interstate commerce?**

The Problem:

The trucking industry's productivity has been limited federally by a lack of increase in truck size and weight nationally since 1982.

Max GVW Comparisons (Pounds)



Sources: UMTRI, International Transport Forum



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Potential Benefits:

- **Environmental**
 - Lower fuel burn
 - Lower emissions
- **Economic**
 - Beneficial to shippers with high transportation costs as a percent of the value of the good (e.g., ag, steel, fuel, paper)

Potential Research:

- **Better understanding of bridge impacts**
- **Need a continuing effort to collect crash and VMT data by configuration**

Thanks!

www.trucking.org

www.atri-online.org