



Economic and Critical Issues for the Trucking Industry: Future Challenges

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WSTA

Thursday, May 19th

Representing Con-way, Inc.

Con-way Today

- **\$5.0 Billion Industry Leader in Freight Transportation and Logistics**
- **Con-way Freight**
- **Con-way Truckload**
- **Menlo Worldwide Logistics**

- **30,000 employees worldwide**
- **Over 500 operating locations**
- **11,500 trucks, 35,000 trailers, 20 million sq ft warehouse space globally**
- **150,000 customer pickups and deliveries daily in North America**
- **Nearly one billion miles annually moving freight on USA highways**
- **Consuming 150 million gallons of diesel fuel annually**

Trucking / Intermodal Statistics

- **Over 500,000 trucking companies in the US**
 - 97% have fewer than 20 trucks
 - Contribute 40% to HTF – Run 13% of the miles
- **70% of all goods (by weight) in the US move by truck**
 - 83% by value
 - 97% of consumer goods
- **Future modal shares are expected to stay fairly constant**
 - Over 80% of US communities are served only by truck
 - Shipments traveling >500 miles only 13.4% of the truck freight market
 - JIT inventory practices

A Framework to Remember - Today and for Future

- **Economic growth cannot be decoupled from the growth of transport.**
- **There is a direct relationship between transport and population.**
- **Transport capacity constraints will result in economic constraints.**

When did Highways & Trucking become so Politically Incorrect? Or, does this signal, opportunity?

Underlying issues that existed during our freight capacity “crisis” are unchanged - Plus

- **Changes in Congress**
- **No Tax Increase Pledge**
- **No Earmarks**
- **Tea Party Influence**
- **State Responsibility**
- **Jobs / Economy**

Major Transport Capacity Constraints

- **Physical infrastructure constraints**
 - Congestion and other bottlenecks
- **Workforce constraints**
 - Driver availability
 - Changing demographics
- **Security Constraints**
 - Borders, ports, airports
 - Credentialing
 - HazMat regulations
- **Policy Constraints**
 - Truck size and weight
 - Hours of Service
 - Route restrictions / Speed
 - Environmental / Air quality regulations

DC Transportation Update – Funding / Infrastructure

- **Status of the Highway Trust Fund – It is broken!**
 - **Transit split**
 - **Funding / User Fees**
 - **Earmark Ban**
 - **Quest for more money**
 - **VMT study**
 - **Truck only fuel tax**
 - **Expanded tolling**
 - **Infrastructure Bank**

DC Transportation Update - continued

- **Productivity**
 - 97,000 on 6 axles
 - Lift the freeze and return authority to states
 - Auto haulers 10%
 - Twin 33' Doubles
- **Truckers' Hours of Service Rules**
 - EOBR's
 - Detention Rules
- **Streamline EIS process**
- **Increased focus on National Network**

DC Transportation Update - continued

- **Climate Change / Energy Cost**
 - Fine particles (the next asbestos?)
 - HD Truck Fuel Economy Standards
 - Alternative / Renewable Fuels

- **Ports**
 - Clean Ports
 - TWIC
 - Independent Contractor

- **Mexican Trucking Issue**

- **Security Sensitive HM List**

DC Transportation Update - continued

- **ATA Safety Priorities**
 - **Drug and Alcohol Clearing House**
 - **National Employer Notification System**
 - **Speed Governors**
 - **Crash Worthiness**
 - **Tax Incentives for Safety Equipment**
 - **New Carrier Training**
 - **Wet Lines**
 - **OSHA Overlap**
 - **Equitable Enforcement**
- **Quest for Modal Shift (High Speed Rail)**
- **Livability**

What exactly is, 'livability'?



Tension surrounding livability

- Rural vs. urban perspective
- Focus is on “active” transportation and transit
 - Requires close proximity / high density
 - Mixed use zoning by definition
 - Highly dependent on government leadership
 - Auto usage is discouraged – facilities are shared
 - Mobility may be curtailed
 - Freight transport needs are often ignored
- No shared meaning or clearly defined and measurable policy outcomes

Incompatibility with Trucks

- **Physical constraints**
 - Traffic calming
 - Roundabouts
 - Tree lined boulevards
 - Tight turns, narrow roadways (old layouts)
 - Limited access / route restrictions
- **Policy constraints**
 - Time of day restrictions
 - Modal shift goals
 - Reduced VMT goals
 - Failure to understand the role of freight in a community
 - Land use

Why does it matter?

- **Freight in all modes will increase (26% by 2020) with resulting capacity constraints**
- **Energy prices and sustainability concerns will increase.**
- **Rates will increase. Delays will occur. Economy will be affected.**
- **Supply chain disruptions will result in “near sourcing”**
- **Feds, States, and Communities will rediscover that freight and freight infrastructure are the underpinnings of economic development.**

Trucking Productivity on the Interstate System has Been Frozen Since 1991

- **17 States have grandfathered exemptions allowing LCV's**
- **Dramatic changes over the two decades since the freeze:**
 - **Truck technology / Driver training and credentialing**
 - **Demographics / Congestion**
 - **Highway network**
 - **Manufacturing base / International competition**
 - **Energy costs / Sustainability needs**
- **The US is an outlier compared to much of the industrialized world**

Future State – What we Face

- **Did I mention that freight in all modes will increase (26% by 2020)**
- **Rates will increase. Delays will occur. Economy will be affected.**
- **Feds, States, Ports, and Communities will rediscover that freight and freight infrastructure are the underpinnings for economic development.**
- **Energy and sustainability concerns will increase.**
- **States are being asked to do more with less.**

Other items to watch

- **Corporate tax reform**
- **Labor (NLRB) decisions**
- **OSHA and Ergonomics 2.0**
- **Energy Policy**
 - **Nat Gas Act**
 - **Canadian Pipeline**
- **Budget Process**

Indisputable truth #1

**Economic growth cannot
be decoupled from the
growth of transport.**

Indisputable truth #2

**If you are not at the table,
you are on the menu.**

Indisputable truth #3

**Coalitions are necessary
to get big issues handled
in DC.**



Indisputable truth #4

**The Squeaky Wheel
Theory
is Alive and Well in
Washington.**

Indisputable truth #5

**You don't need to play dirty
to be successful in
Washington,
but you do need to be able
to mix it up.**



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Indisputable truth #6

**Constituents Still Carry
More Weight in Washington
than Lobbyists and
Special Interests.**

You are someone's constituent!

- **Call / write / email your State and Federal representative about issues important to you and your business.**
- **Participate in WSTA's call on State Capitals or Washington D.C.**
- **Let WSTA know where you have a relationship with an elected official.**
- **Support WSTA.**

Discussion

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