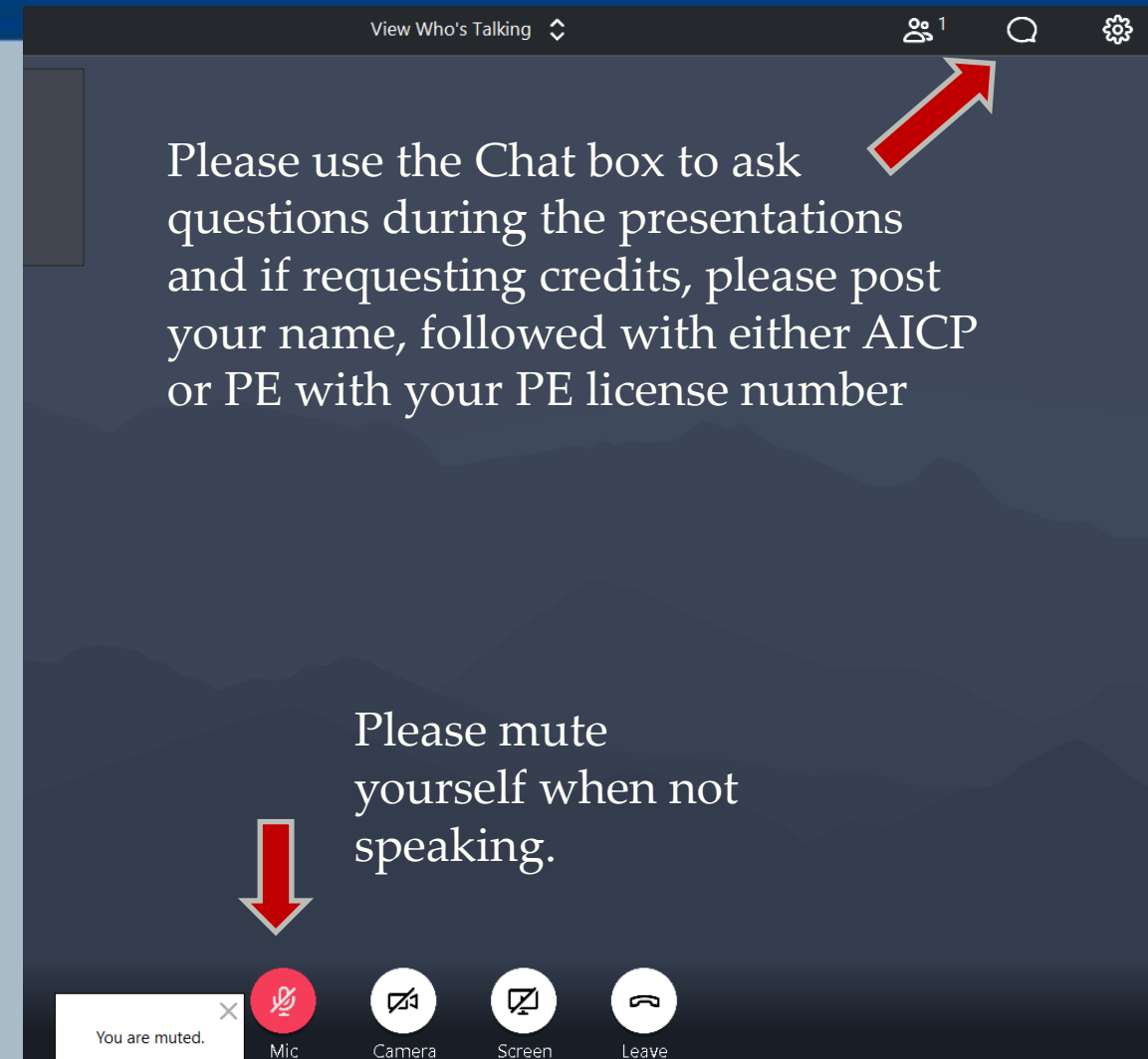






# June 14 Freight Initiatives Committee Agenda






- Roll Call of Members
- Approval of Minutes
- Update on NJTPA Freight Division Activities
- 2021 Trucking Industry Update
- Two-Minute Reports on Freight Activities from Committee Members
- Next Meeting: August 16, 2021 – Effective Urban Freight Movement Practices
- Adjournment



View Who's Talking   1  

Please use the Chat box to ask questions during the presentations and if requesting credits, please post your name, followed with either AICP or PE with your PE license number

Please mute yourself when not speaking.

You are muted.   Mic  Camera  Screen  Leave

A screenshot of a Zoom meeting interface. At the top, it shows 'View Who's Talking' with a dropdown arrow, a participants icon with '1', a chat icon, and a settings icon. A red arrow points from the chat icon to the text: 'Please use the Chat box to ask questions during the presentations and if requesting credits, please post your name, followed with either AICP or PE with your PE license number'. Below this, another red arrow points to the 'You are muted.' notification box, which contains a close icon and a microphone icon labeled 'Mic'. To the right of the notification are icons for 'Camera', 'Screen', and 'Leave'.

# NJTPA Freight Division Update

- FY 2021 Freight Concept Development Program
  - Berkshire Valley Road Truck Circulation Project in Roxbury, Morris County
  - Port Reading Secondary South Main Street Grade Crossing Elimination Project in Bound Brook, Somerset County

*For more information:*

*<https://njtpa.org/2021FCDP.aspx>*



# Emergency Truck Parking Initiative

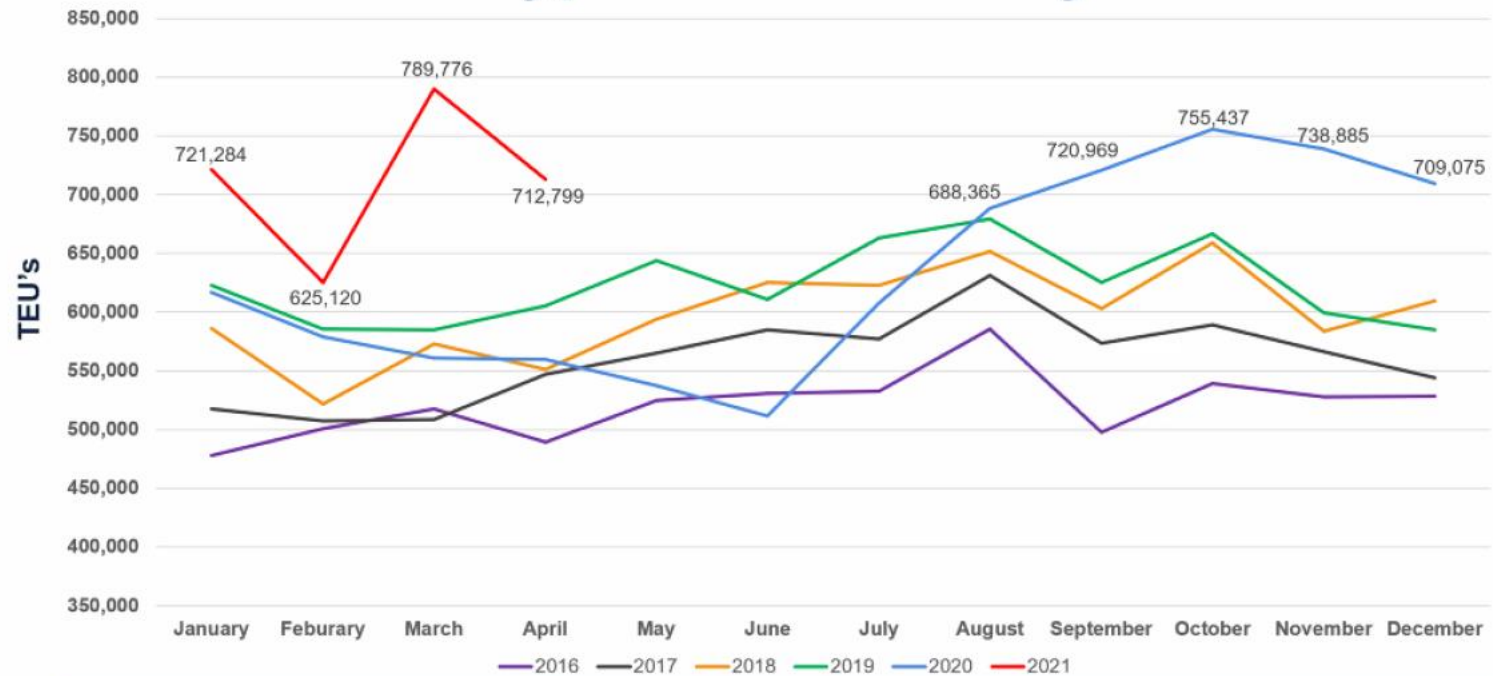
- Held meeting jointly with TRANSCOM in April
  - Roadway operators, state police and agencies, MAP Forum members and other public sector stakeholders
  - Effective practices
  - Site criteria and considerations
- Assisting TRANSCOM on GIS Mapping of potential sites



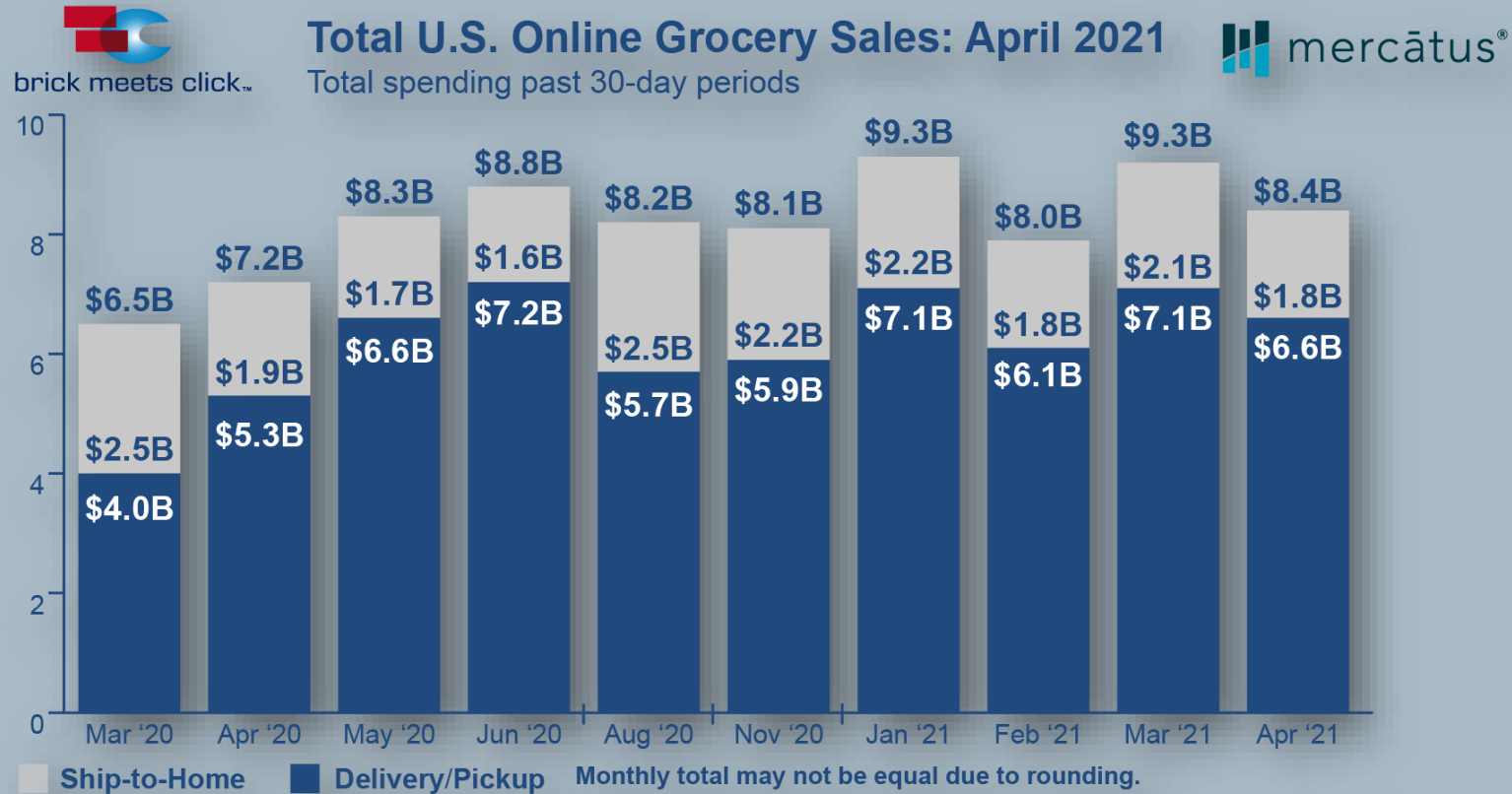
Source: [https://www.pennlive.com/news/2016/02/pa\\_turnpike\\_says\\_series\\_of\\_acc.html](https://www.pennlive.com/news/2016/02/pa_turnpike_says_series_of_acc.html)

# Regional Freight Update

## Atypical Seasonality



# Regional Freight Update



**Delivery** includes first- and third-party providers (e.g. Amazon Fresh, Albertsons, FreshDirect, Instacart, Shipt)

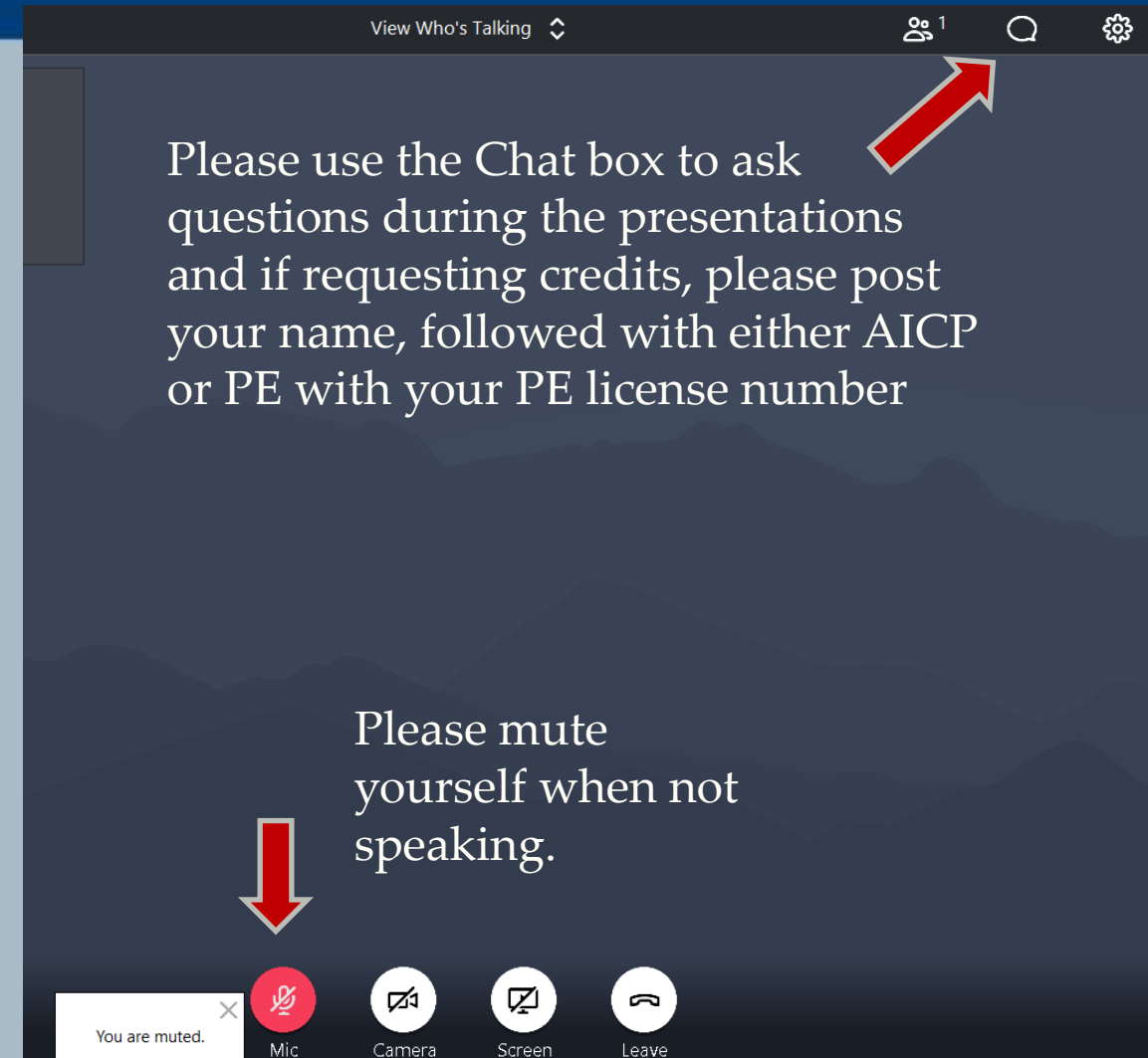
**Pickup** includes in-store, curbside, lockers, and drive up





**Ship-to-Home** includes common (e.g. FedEx, UPS, USPS) and other parcel couriers

**Sources:** Brick Meets Click/Mercatus Grocery Shopping Survey, Apr 2021; Brick Meets Click Grocery Survey Mar, Feb, Jan 2021; Nov, Aug, Jun, May, Apr and Mar 2020

# June Freight Initiatives Committee Presentations and Discussion






- **American Trucking Associations (ATA)**, Bob Costello, Chief Economist, ATA
- **American Transportation Research Institute (ATRI)**, Dan Murray, Senior Vice President, ATRI
- **Owner-Operator Independent Drivers Association (OOIDA)**, Thomas Weakley, Director of Operations, OOIDA Foundation



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# Truck Driver Update



**Bob Costello**

Chief Economist & Senior Vice President of International  
Trade Policy & Cross-Border Operations  
American Trucking Associations  
bcostello@trucking.org  
@ATAEconBob

*June 14, 2021*

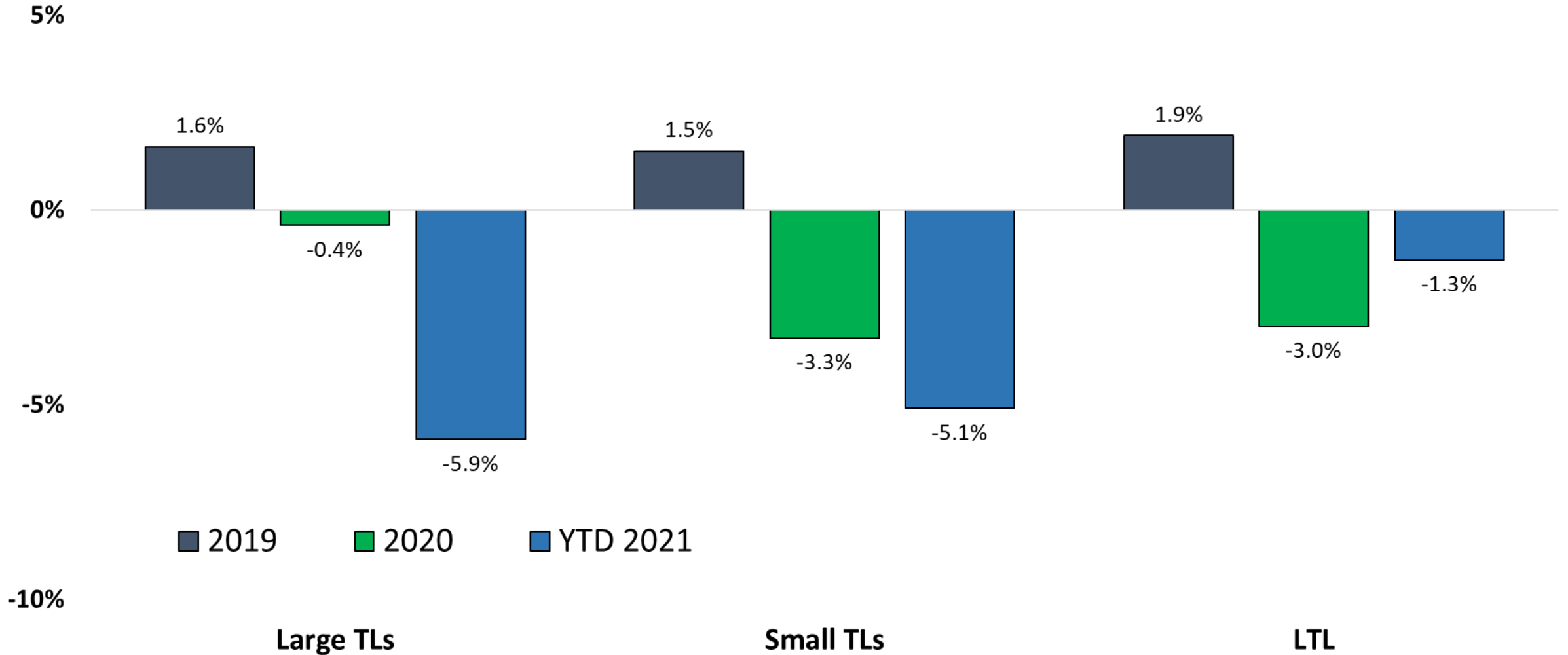
# Market Summary

- **Contract freight is generally good**
  - **More e-commerce and strong retail generally**
  - **Home construction is solid**
  - **Manufacturing is accelerating**
- **Spot market loads have surged as contract carriers can't haul all the freight coming to them.**
- **Contract rates are increasing and spot market rates have surged.**
- **All of this should cause motor carriers to increase their tractor and driver counts to take advantage of the strong market.**



# For-Hire Carrier Power Unit Fleet Trends

## Year-over-Year Percent Change



Source: ATA's *Trucking Activity Report*  
Data includes company tractors and independent contractor equipment

Large fleets have at least \$30 million in annual revenues.

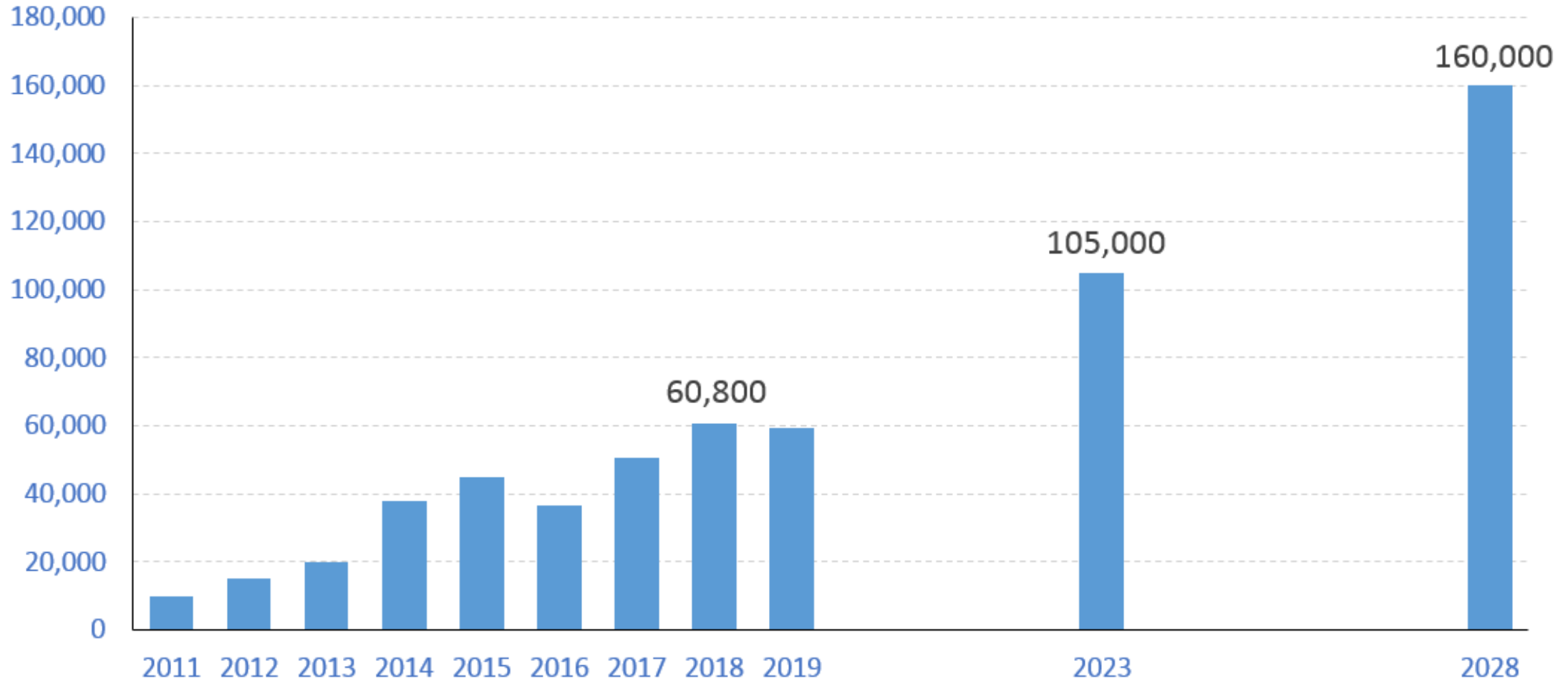


# Truck Driver Shortage

Industry supply is tight and the driver shortage bad for many reasons

- A. Structural causes remain (demographics & lifestyle)
  - B. But there are now cyclical trends exacerbating the shortage, including:
    - a) Drug & Alcohol Clearing House is reducing driver counts
      - As of May 1
        - 57,510 drivers are in prohibited status with at least 1 violation, with 43,614 of those not starting the return to duty process.
    - b) Pipeline of new drivers is likely less (perhaps much less) – schools and DMVs limitations.
    - c) Some drivers left industry temporarily or permanently due to the pandemic.
- Bottom line: Drivers have left the industry and we have not added enough new drivers. It will take a while to dig out of this supply hole and driver pay will continue to go up as a result.

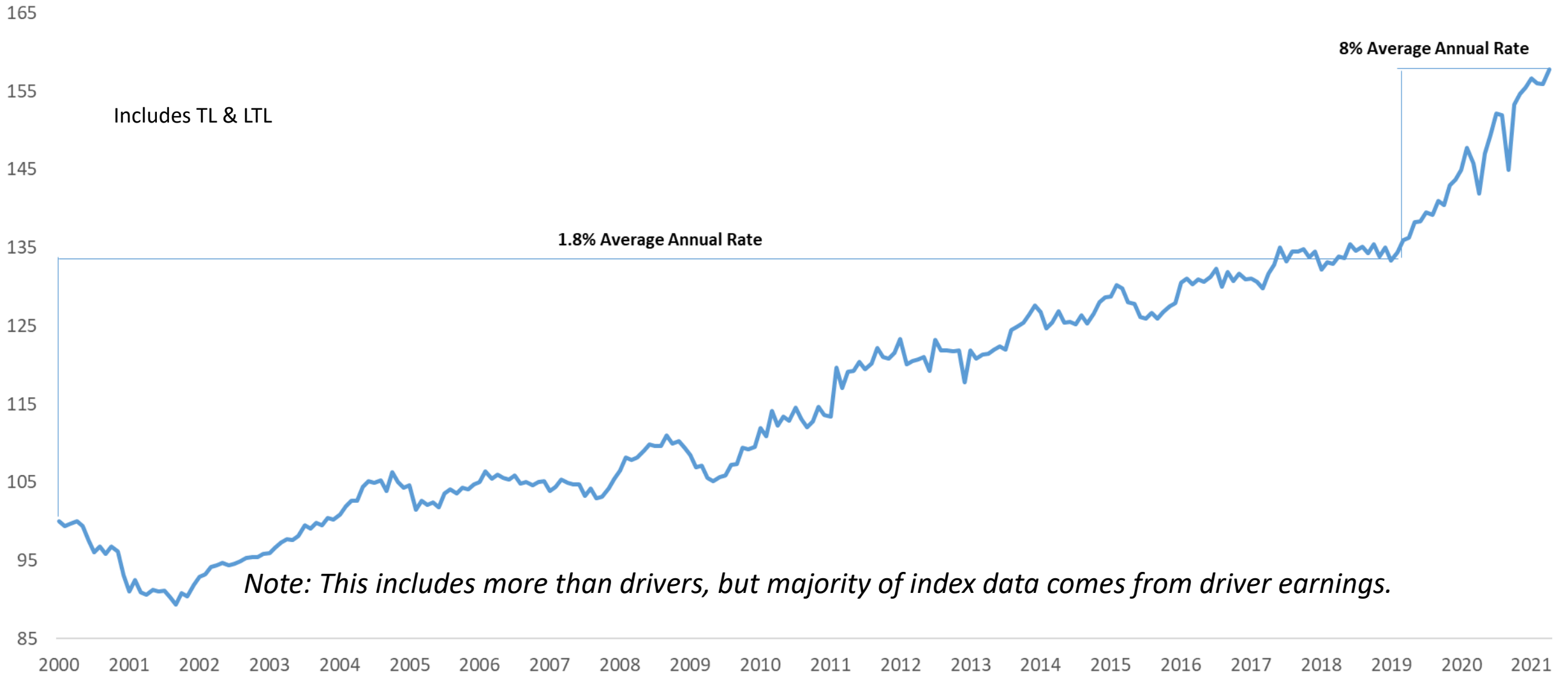
# Driver Shortage



Source: ATA's Truck Driver Shortage Analysis 2018

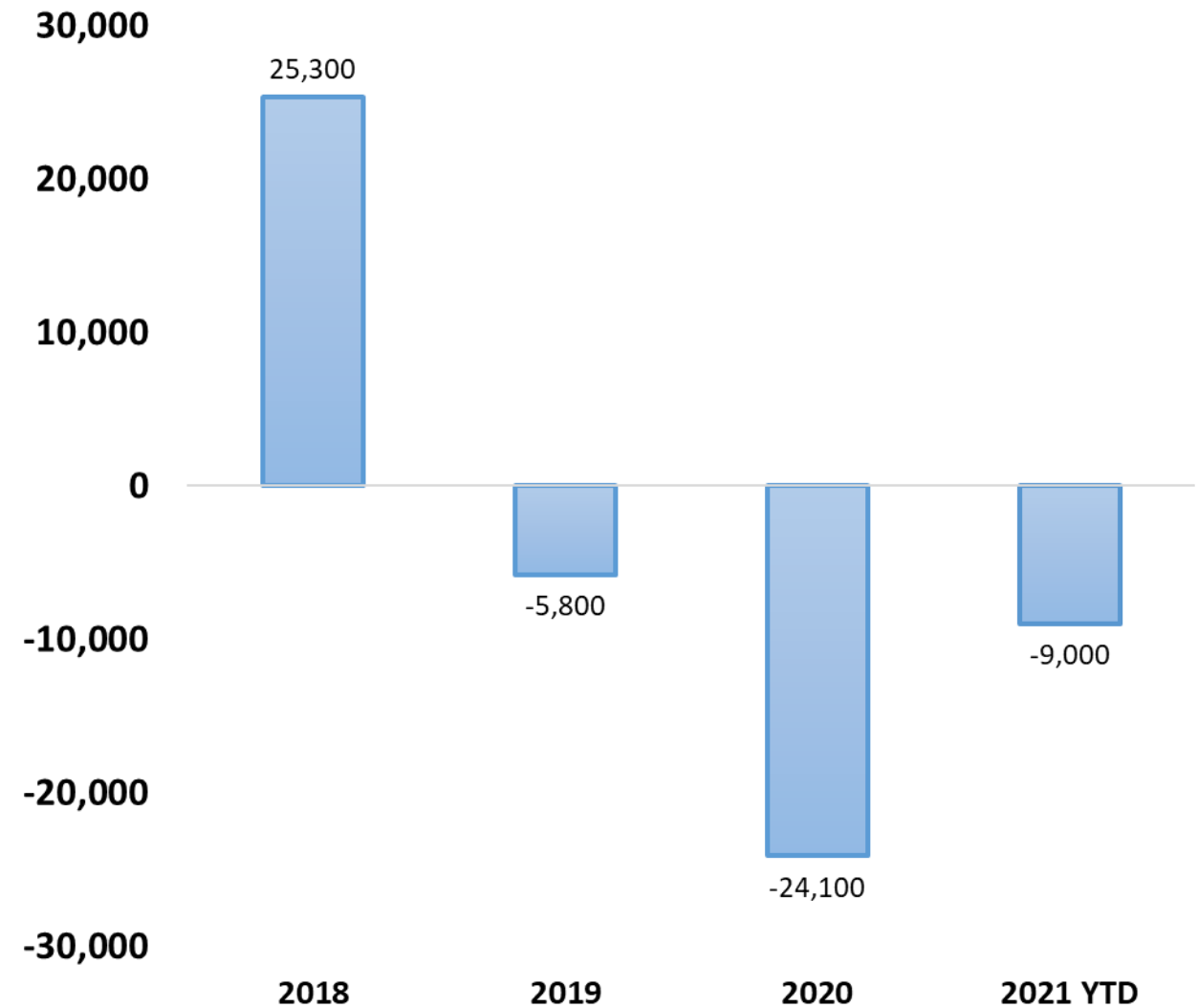
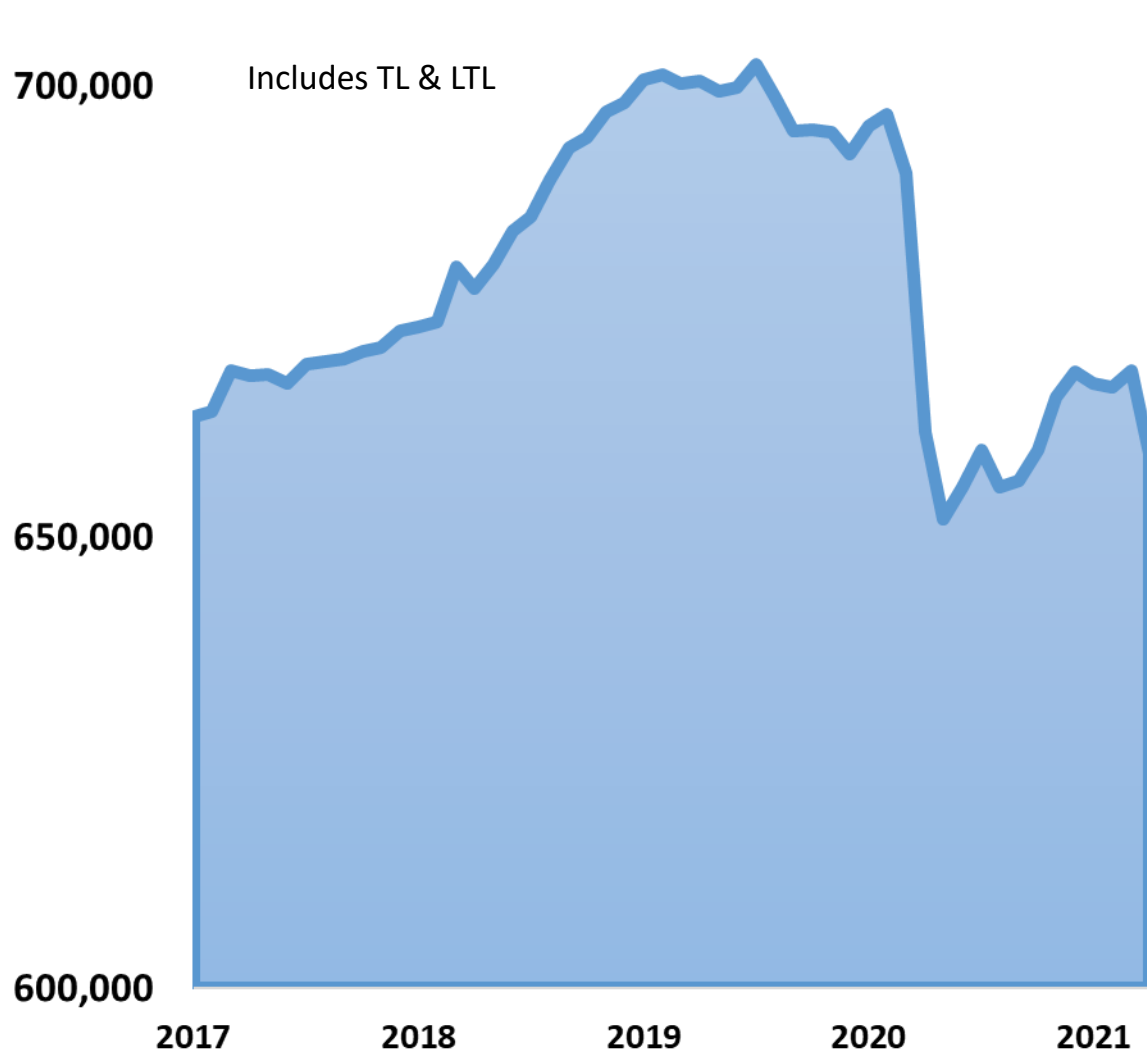
<https://www.trucking.org/article/ATA-Releases-Updated-Driver-Shortage-Report-and-Forecast>

# Index of Average Weekly Earnings for Production & Nonsupervisory Occupations in Long-Distance General Freight Trucking (January 2000 = 100)



# For-Hire, General Freight Long-Haul Trucking Employment – Non-Supervisory and Production Occupations Only

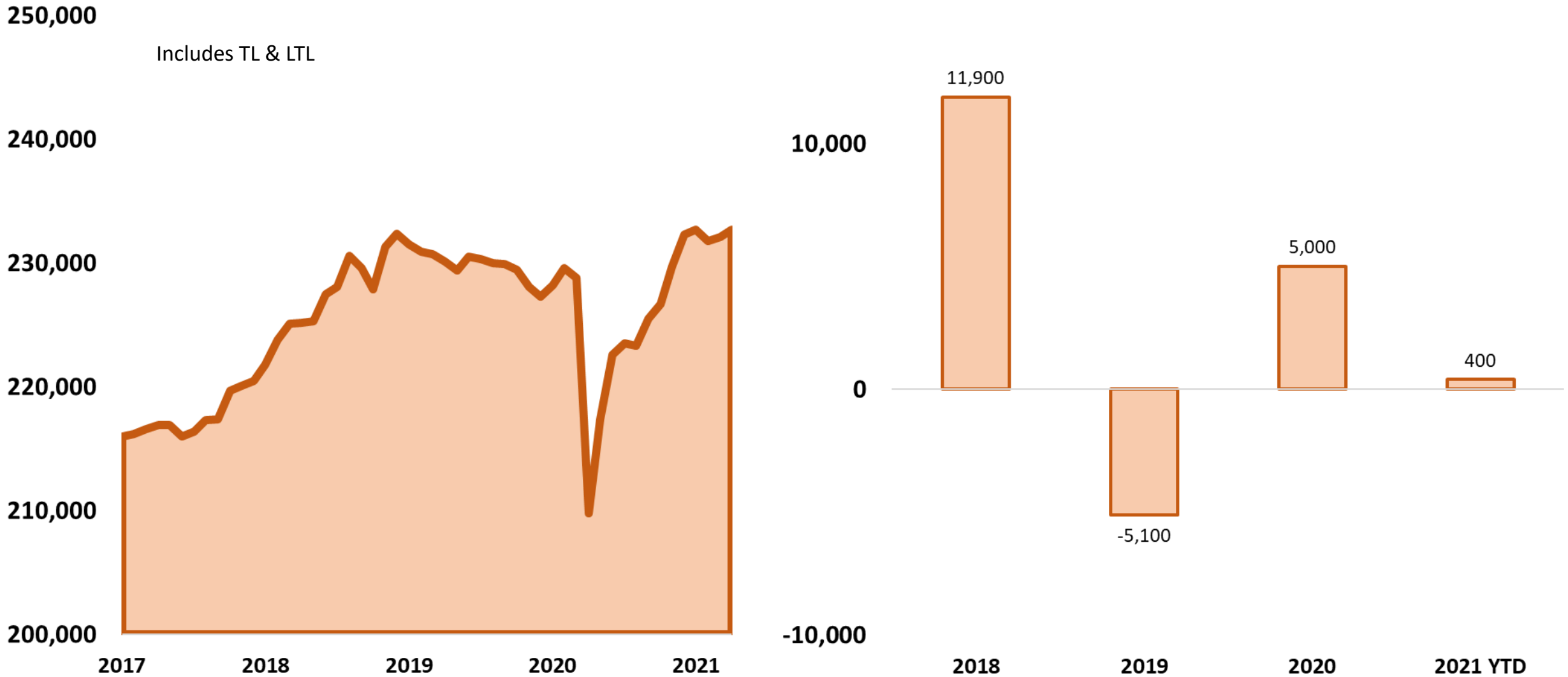
*(Includes more than drivers, but drivers are the vast majority of this category)*



Source: Department of Labor

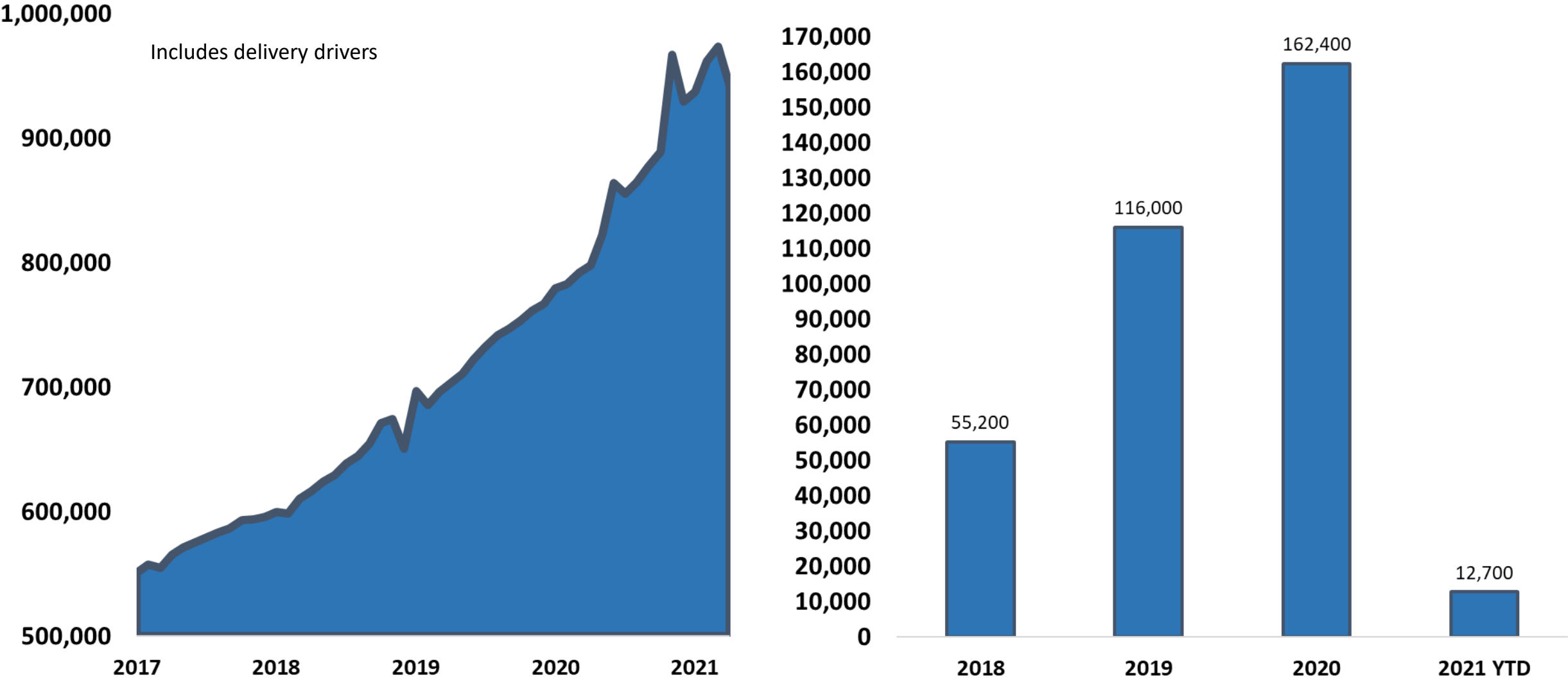
# For-Hire, General Freight Local Trucking Employment – Non-Supervisory and Production Occupations Only

*(Includes more than drivers, but drivers are the vast majority of this category)*



Source: Department of Labor

# Couriers and Messengers Industry Employment – Non-Supervisory and Production Occupations Only



Source: Department of Labor

# Truck Driver Shortage Solutions

There are many causes of the shortage, so no one solution will solve it

- A. Pay & benefits
- B. DRIVE Safe Act
- C. Better treatment of drivers by the entire supply chain
  - i. This includes shippers
    - a) Bathrooms and parking
    - b) Respect
    - c) Turn around drivers as fast as possible
- D. Make a more appealing job for females



# Top Industry Issues

**Dan Murray**  
**SVP**

**American Transportation Research Institute**

# Board of Directors

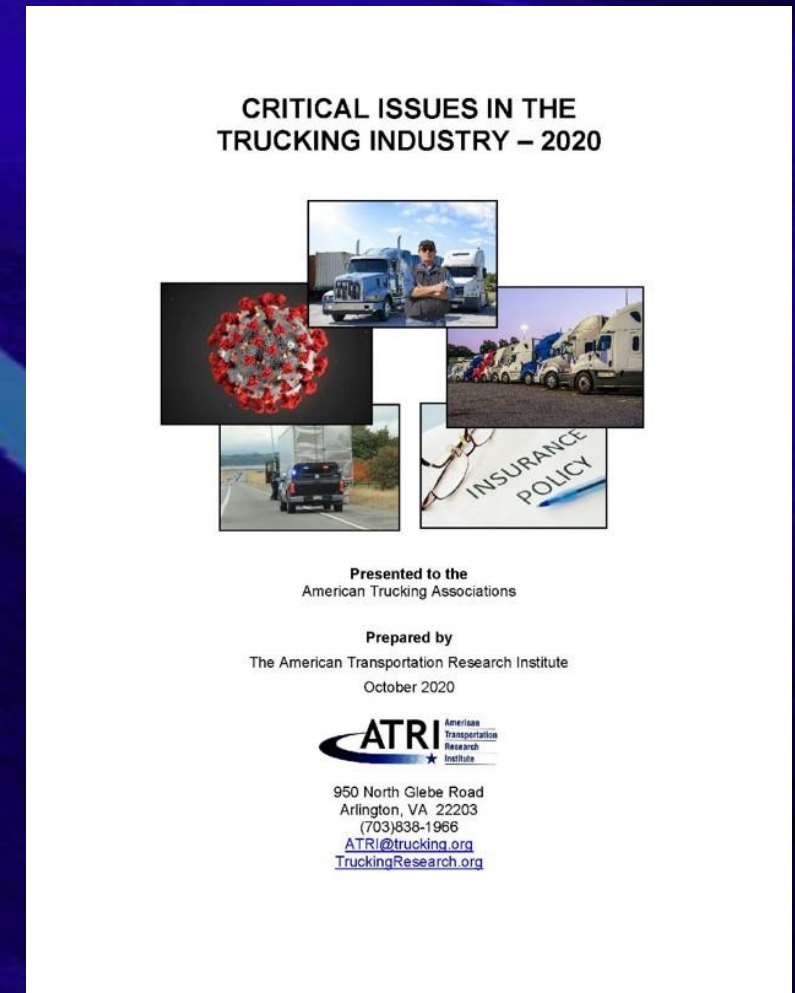


# Research Advisory Committee



# 2020 Top Industry Issues

1. Driver Shortage (1)
2. Driver Compensation (3)
3. Truck Parking (5)
4. Compliance, Safety, Accountability (8)
5. Insurance Cost / Availability (#3 in 2005)
6. Driver Retention (6)
7. Tort Reform (#8 in 2011)
8. Economy (10)
9. Detention / Delay (4)
10. Hours-of-Service (2)



# 2020 Top Industry Issues

## Commercial Drivers

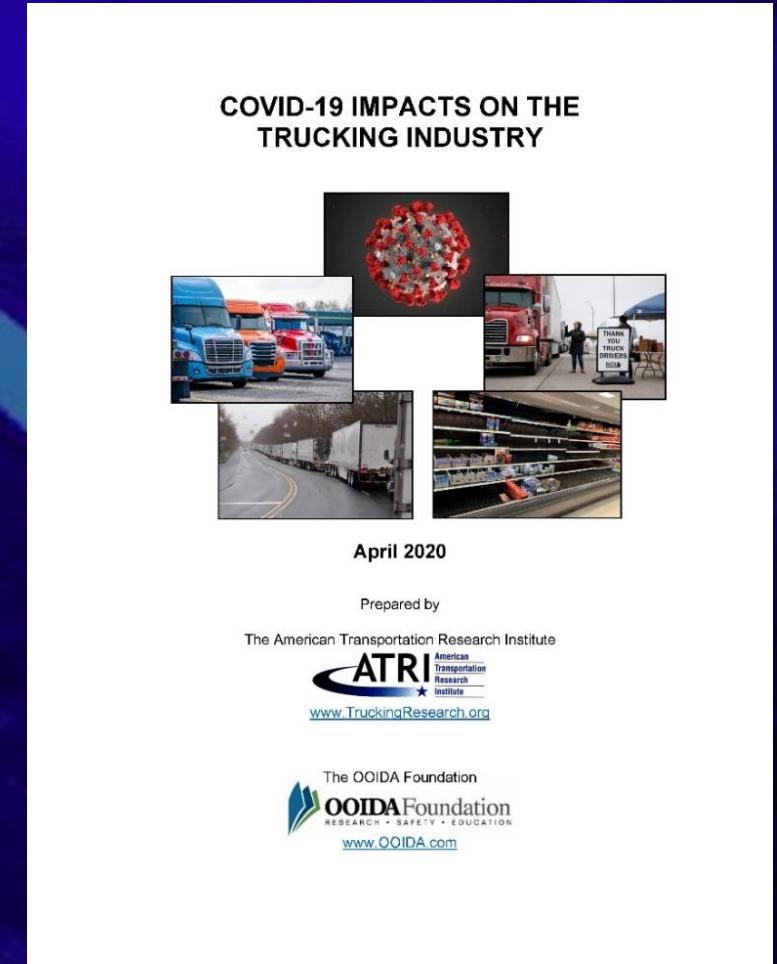
1. Truck Parking
2. Driver Compensation
3. Detention / Delay
4. Hours-of-Service
5. Driver Training Standards
6. Automated Truck Technology
7. CSA
8. Driver Health & Wellness
9. Speed Limiters
10. ELD Mandate

## Motor Carriers

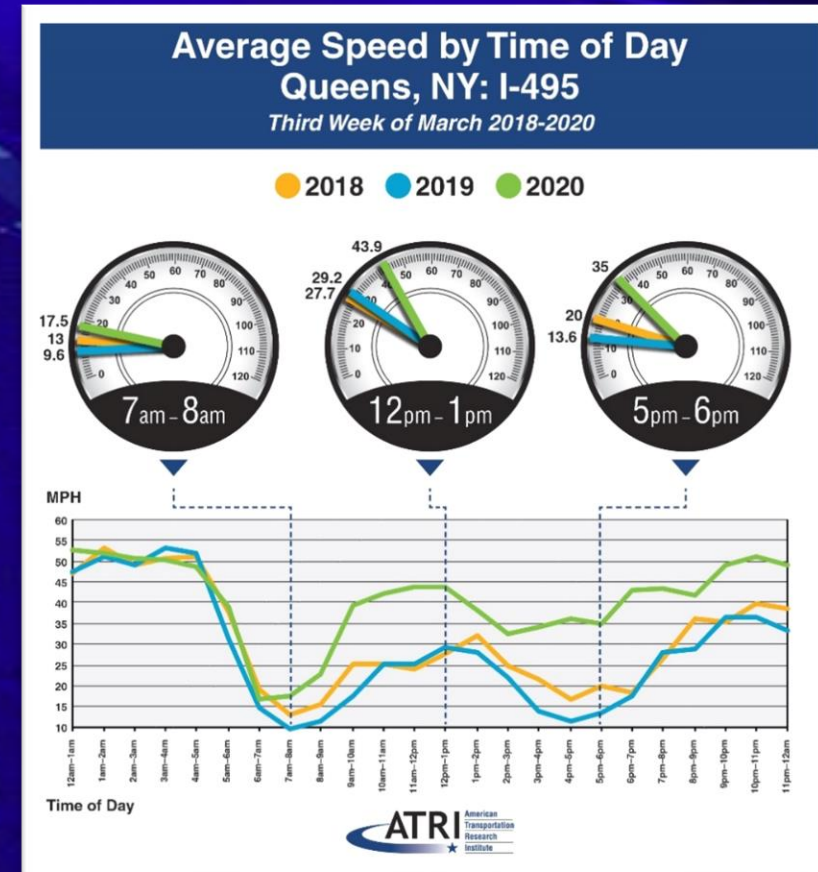
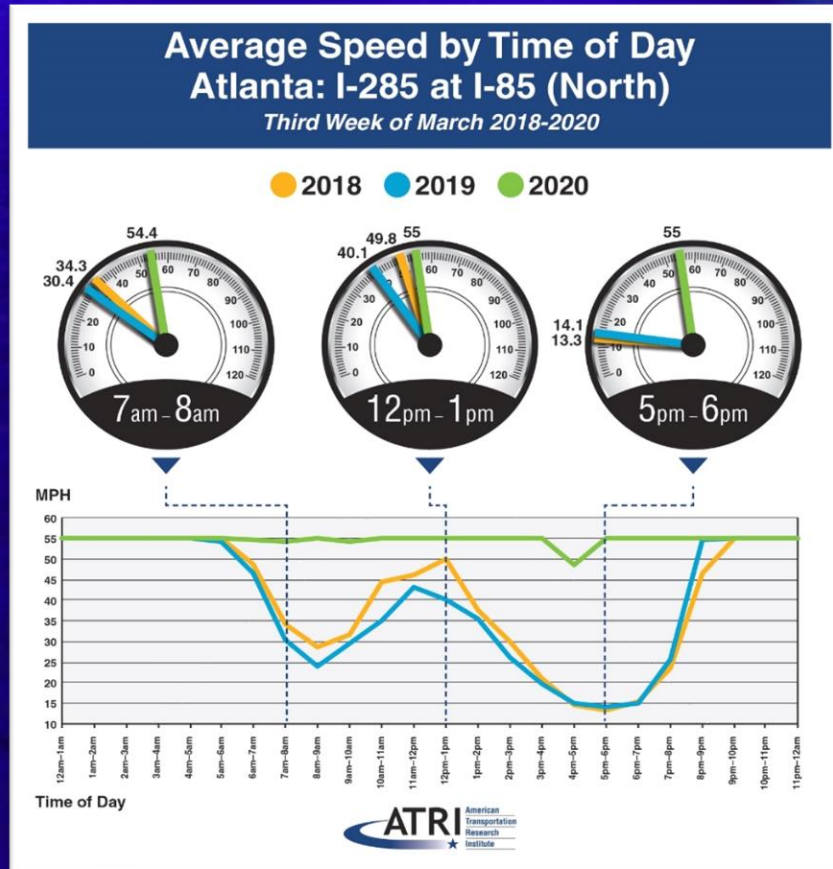
1. Driver Shortage
2. Driver Retention
3. CSA
4. Insurance Cost / Availability
5. Tort Reform
6. Economy
7. Transportation Infrastructure / Congestion / Funding
8. Driver Distraction
9. Detention / Delay
10. Hours-of-Service

# COVID-19 Impacts

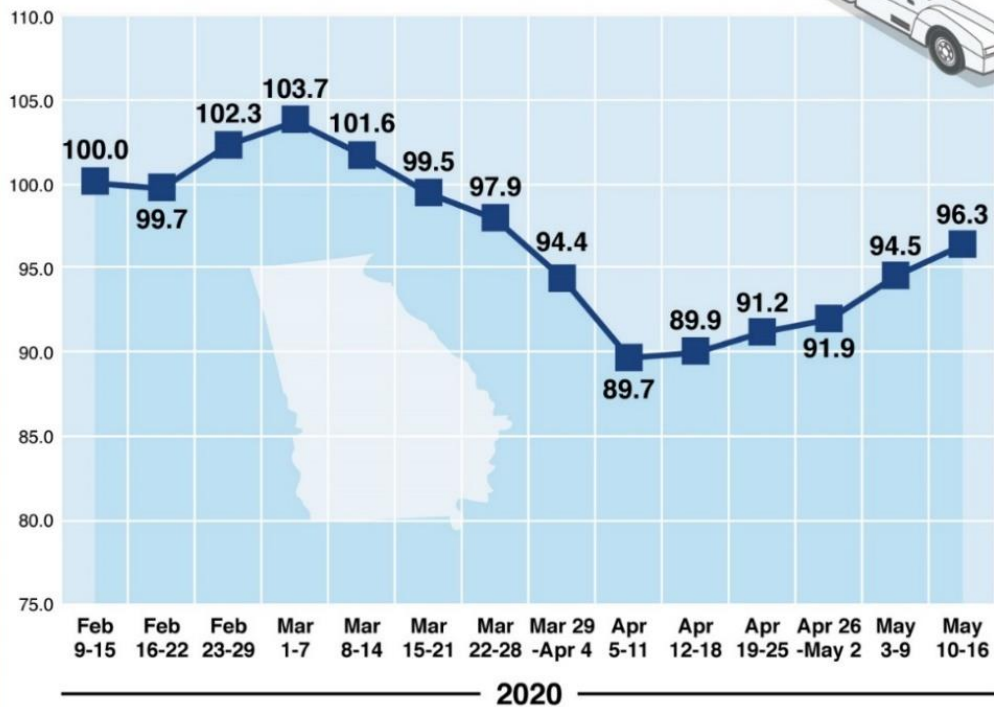
- **Joint survey with OOIDA Foundation**
- **5,000+ respondents over 2 weeks**
  - ◆ **77% drivers**
  - ◆ **68.6% fleets fewer than 50 trucks**
  - ◆ **65.5.% TL**



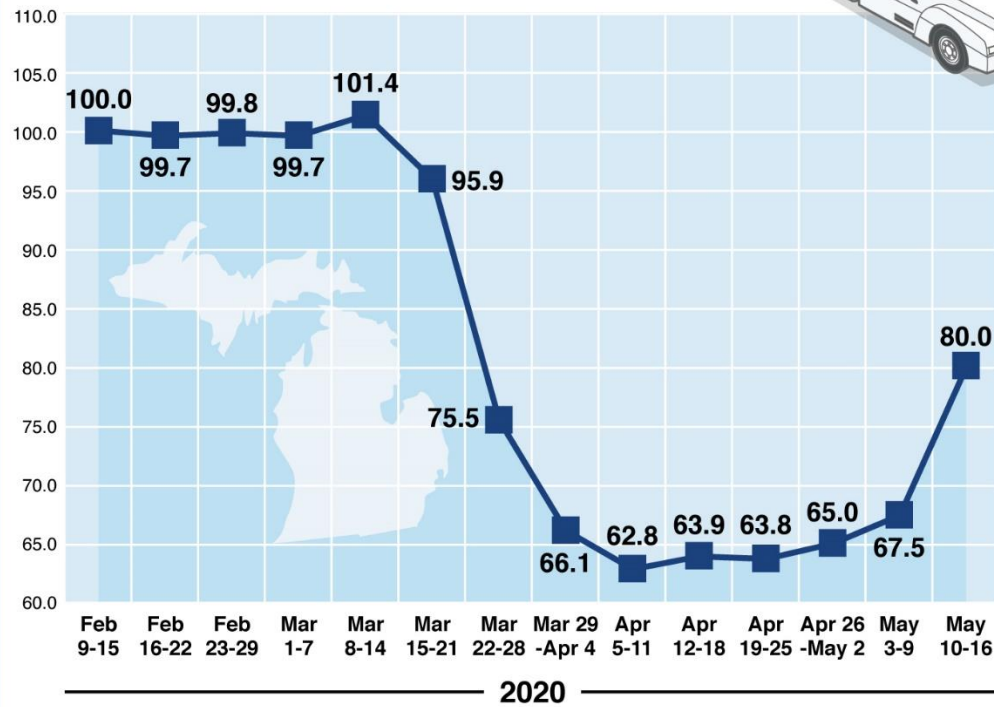
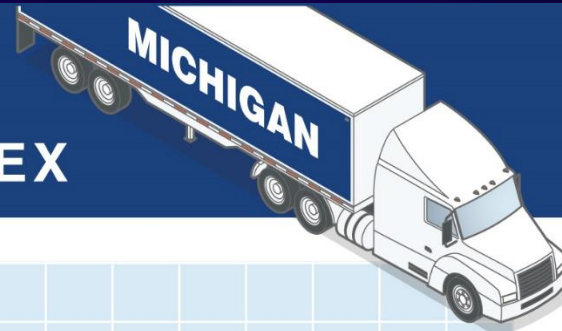
# Congestion Down during COVID



# TRUCK ACTIVITY INDEX

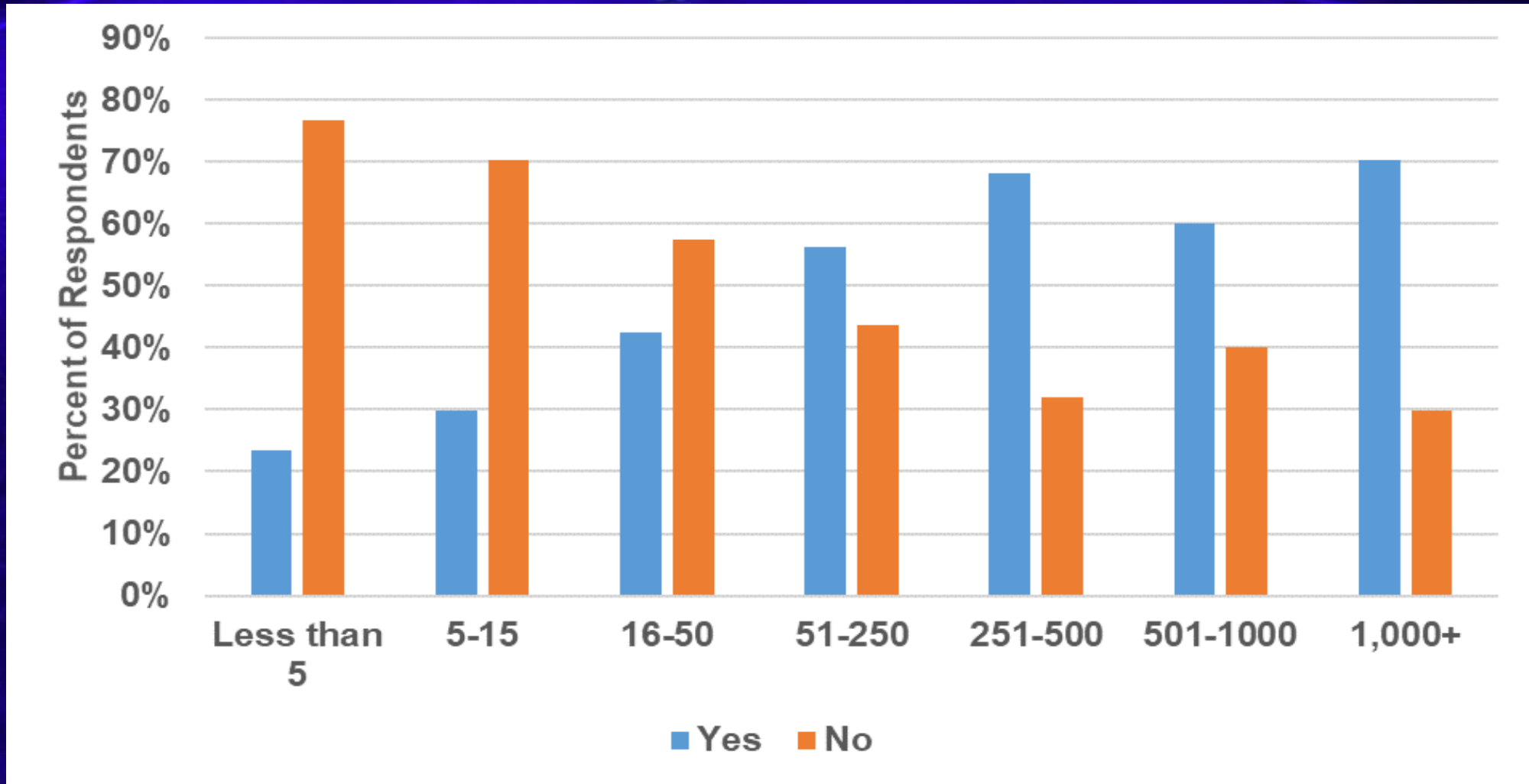


# TRUCK ACTIVITY INDEX

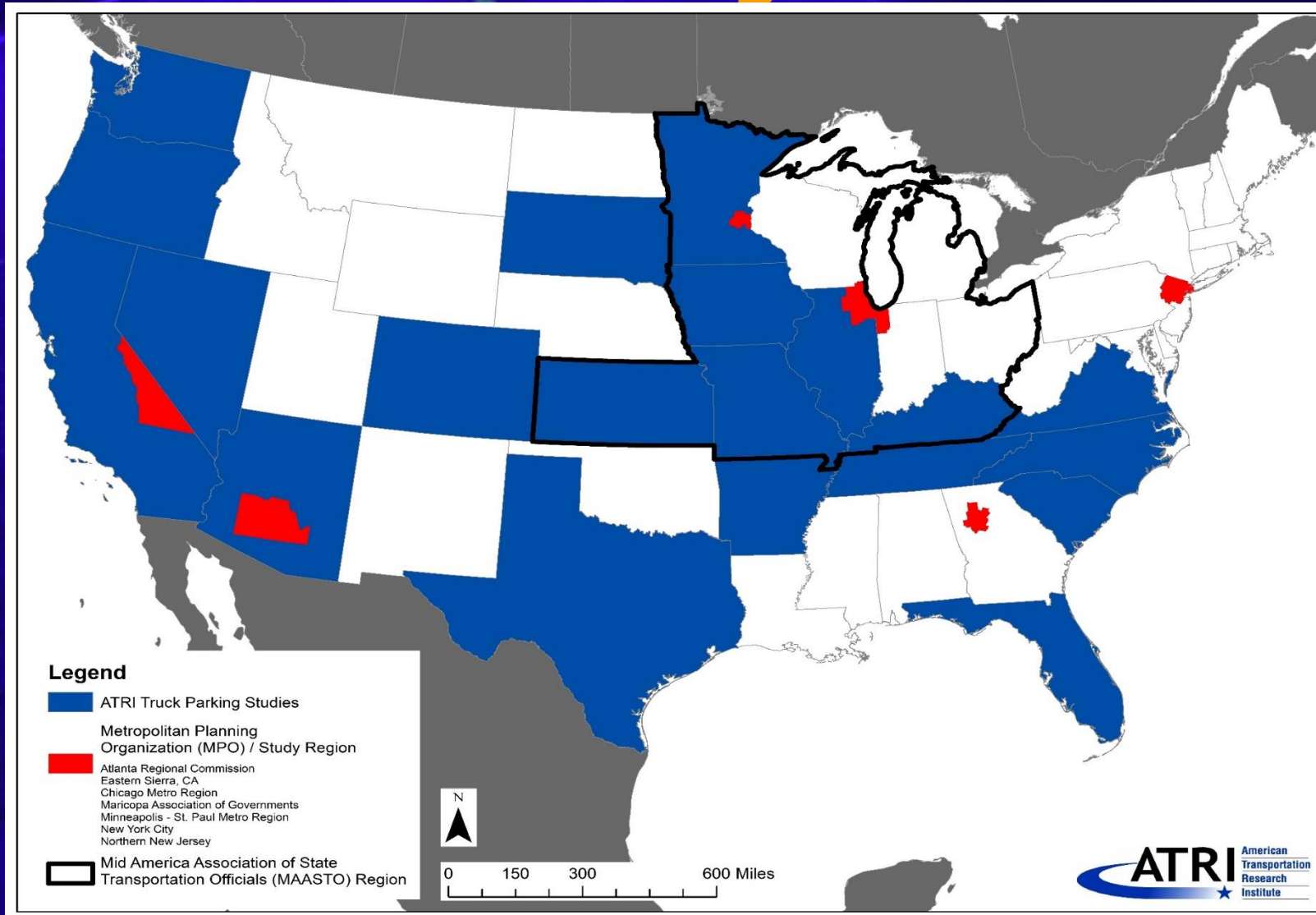




# Disaster Response Plan in Place Pre-COVID

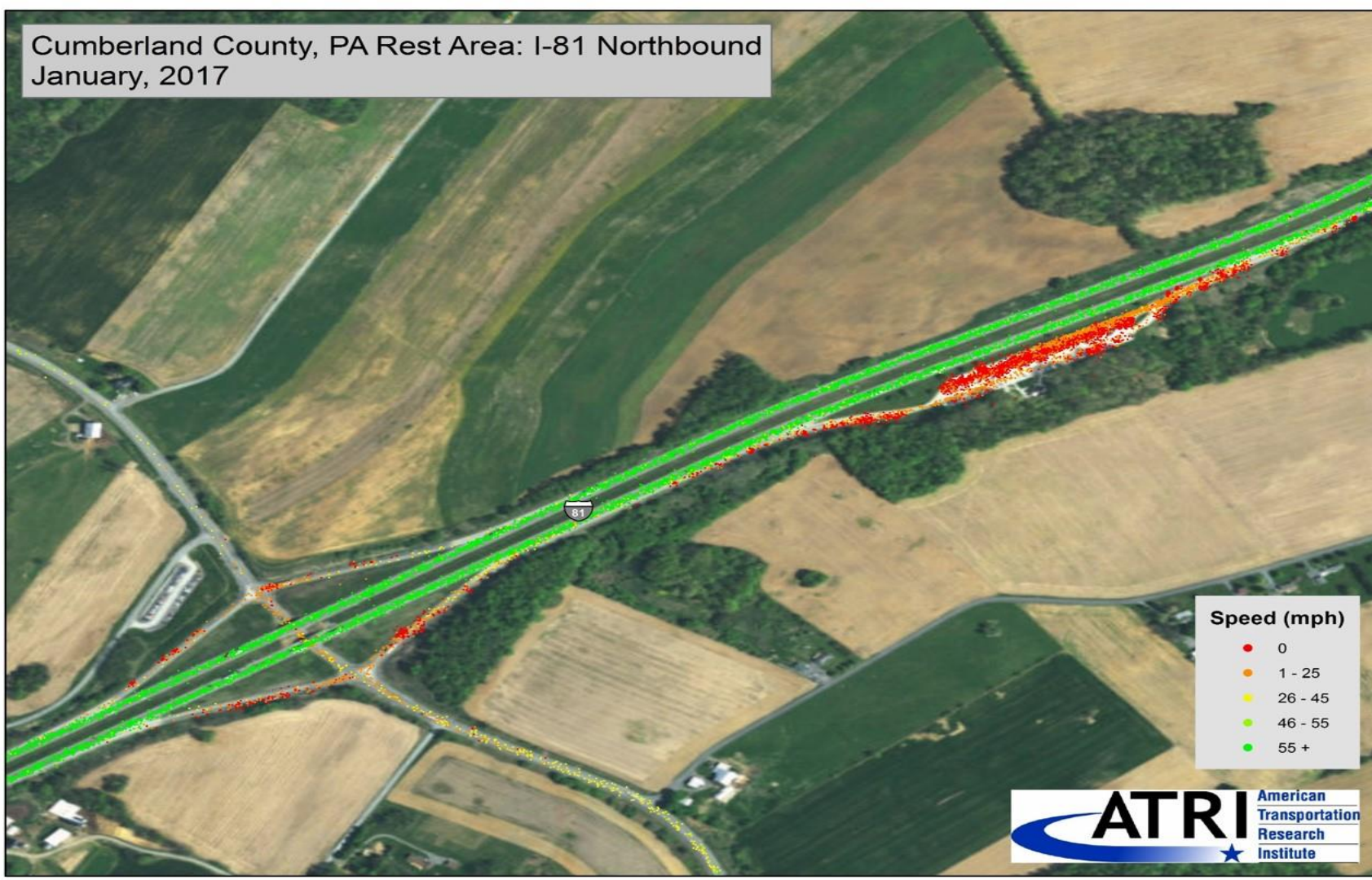


# Truck Parking Studies



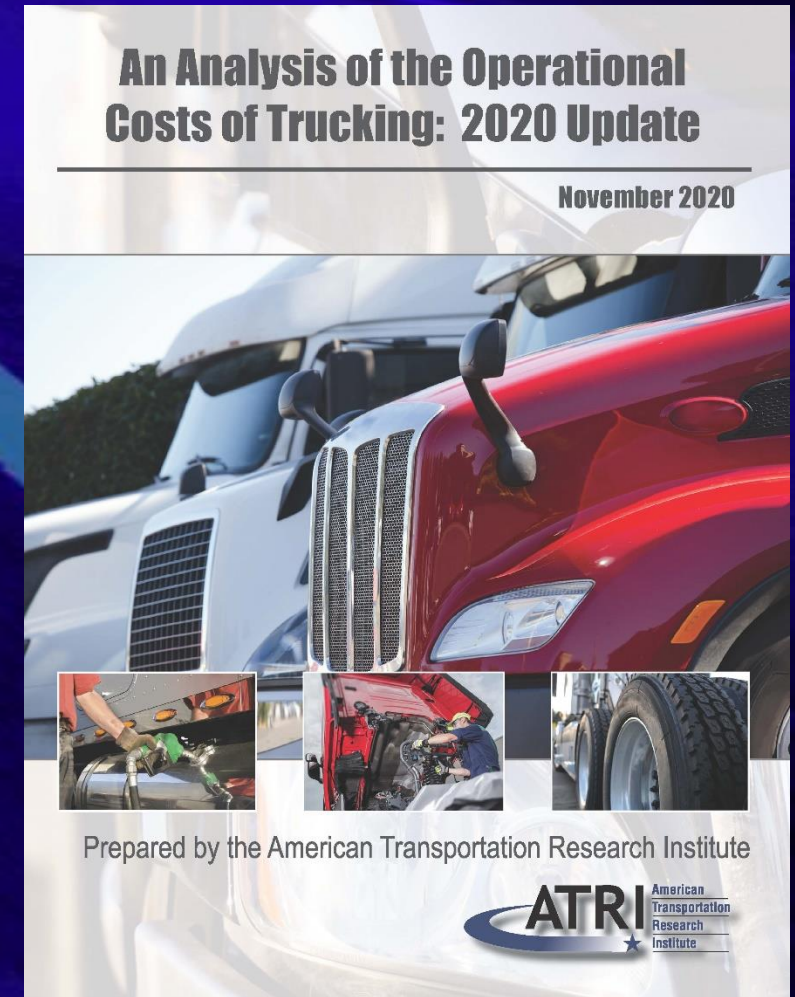
# No Vacancy

Cumberland County, PA Rest Area: I-81 Northbound  
January, 2017



# Operational Costs of Trucking

- **Collects and analyzes real-world motor carrier operational data**
- **Covers data 2008-2019**
- **Calculates costs by mile and by hour**
- **Includes sector, regional analyses**
  - ◆ **TL, LTL, Specialized/Other**
  - ◆ **Small vs Large Fleets**

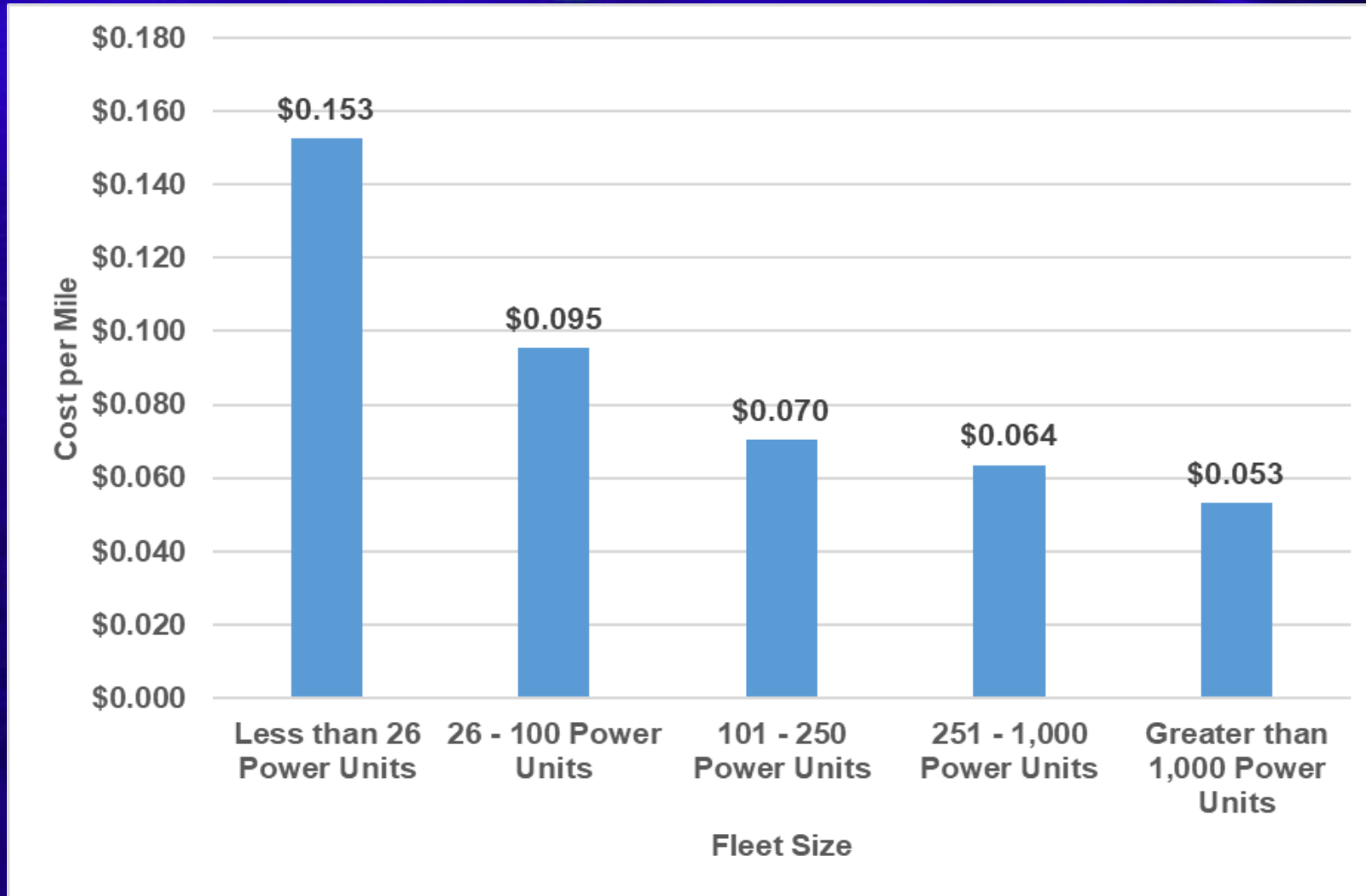


# Operational Costs of Trucking

## Average Carrier Costs per Mile

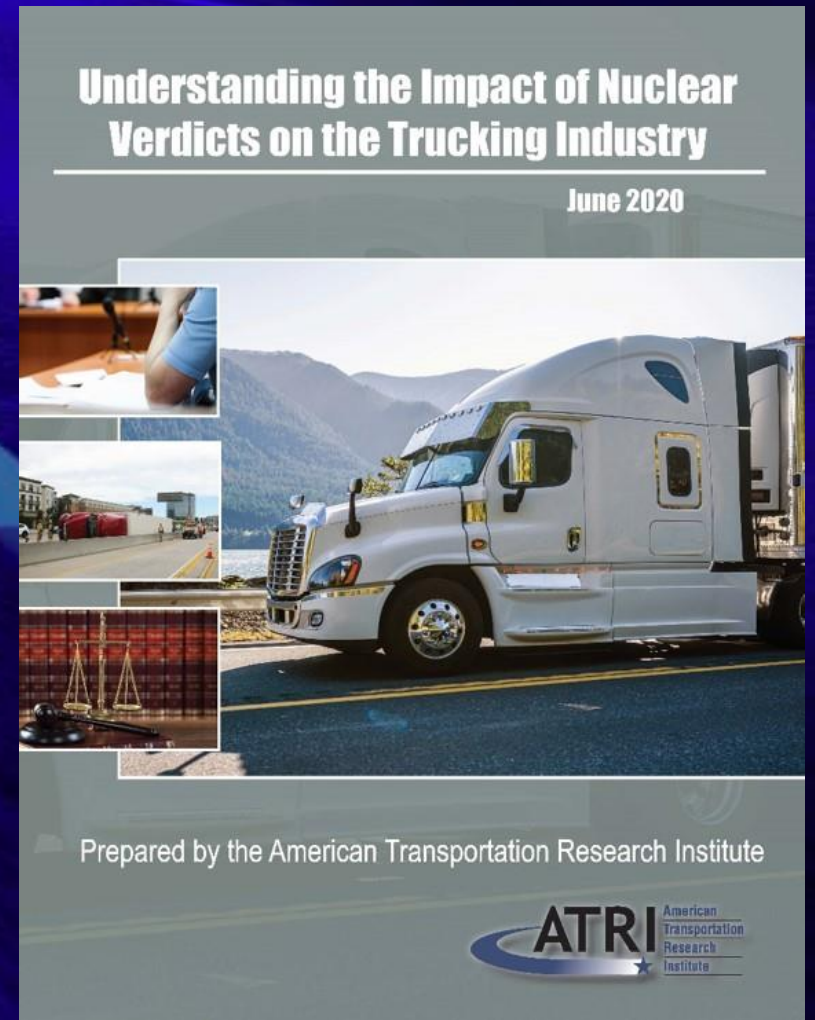
Motor Carrier Costs	2015	2016	2017	2018	2019
<b>Vehicle-based</b>					
Fuel Costs	\$0.403	\$0.336	\$0.368	\$0.433	\$0.396
Truck/Trailer Lease or Purchase Payments	\$0.230	\$0.255	\$0.264	\$0.265	\$0.259
Repair & Maintenance	\$0.156	\$0.166	\$0.167	\$0.171	\$0.143
Truck Insurance Premiums	\$0.074	\$0.075	\$0.075	\$0.084	\$0.068
Permits and Licenses	\$0.019	\$0.022	\$0.023	\$0.024	\$0.023
Tires	\$0.043	\$0.035	\$0.038	\$0.038	\$0.036
Tolls	\$0.020	\$0.024	\$0.027	\$0.030	\$0.034
<b>Driver-based</b>					
Driver Wages	\$0.499	\$0.523	\$0.557	\$0.596	\$0.533
Driver Benefits	\$0.131	\$0.155	\$0.172	\$0.180	\$0.160
<b>TOTAL</b>	<b>\$1.575</b>	<b>\$1.592</b>	<b>\$1.691</b>	<b>\$1.821</b>	<b>\$1.652</b>

# Insurance Cost per Mile by Fleet Size

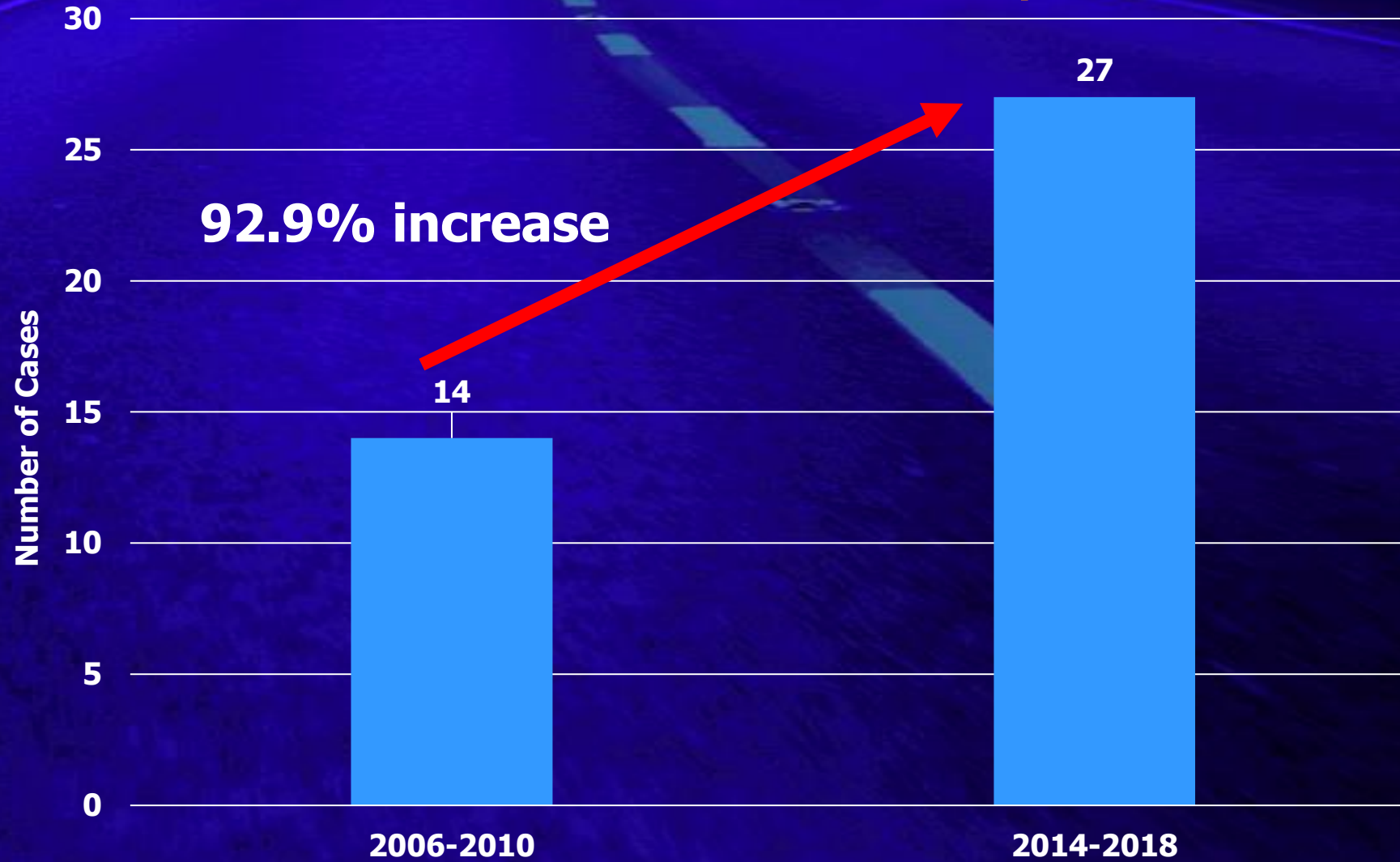


# Nuclear Verdict Impacts

- **Comprehensive analysis of 600+ cases spanning 15 years**
- **In-depth interviews with defense and plaintiff attorneys, as well as insurance industry and safety experts**
- **Detailed analysis of litigation financing**
- **Mitigation strategies from other industries**



# Cases with Verdicts \$10M+





# 2021 Top Truck Bottlenecks

## 2021 TOP TRUCK BOTTLENECKS • BY THE NUMBERS

AVERAGE PEAK  
HOUR TRUCK  
SPEED:

**43.0**  
**mph**



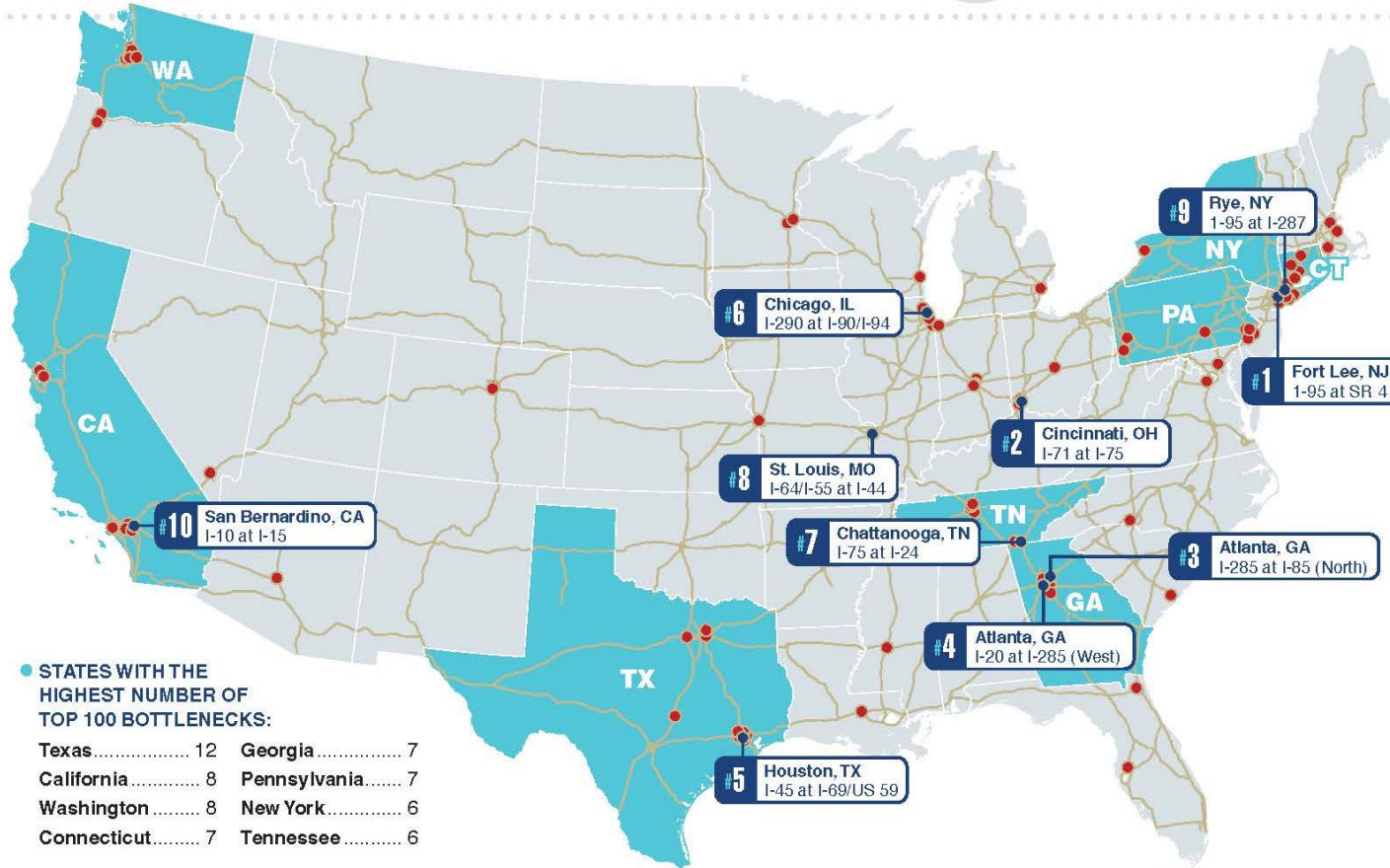
**33.9%**  
year-over-year

TOP 100 BOTTLENECKS  
WITH AVERAGE TRUCK  
SPEEDS <45 MPH:

**25%**

NUMBER OF STATES  
WITH AT LEAST ONE  
TOP 100 BOTTLENECK:

**29**

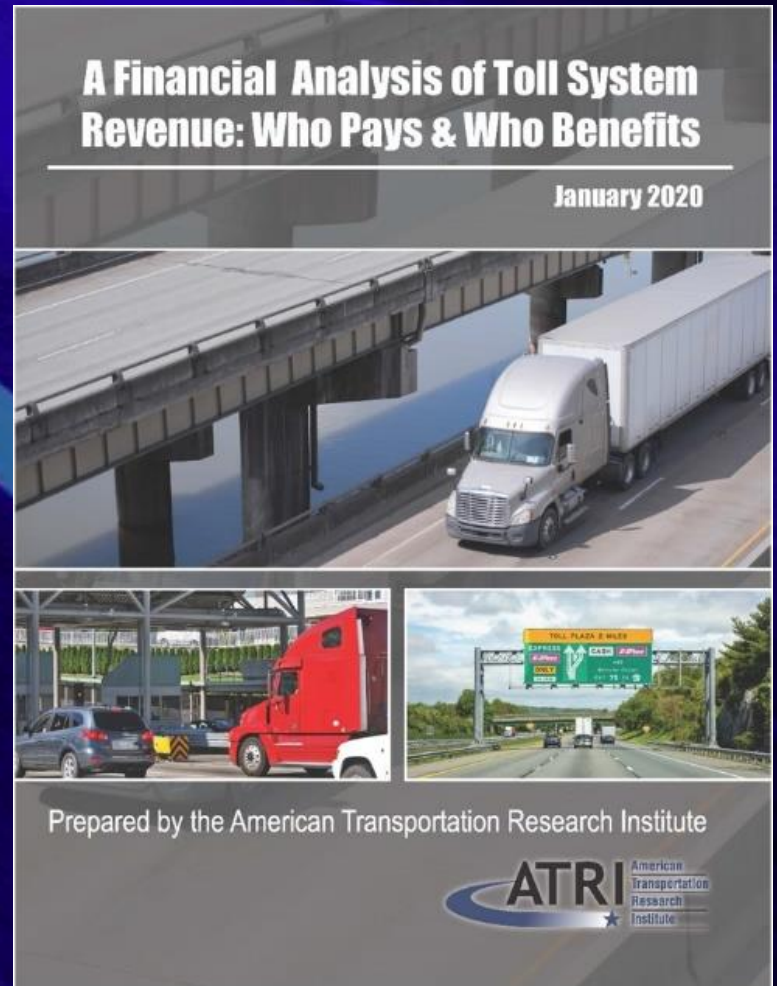


# 2021 Top 10 Truck Bottlenecks

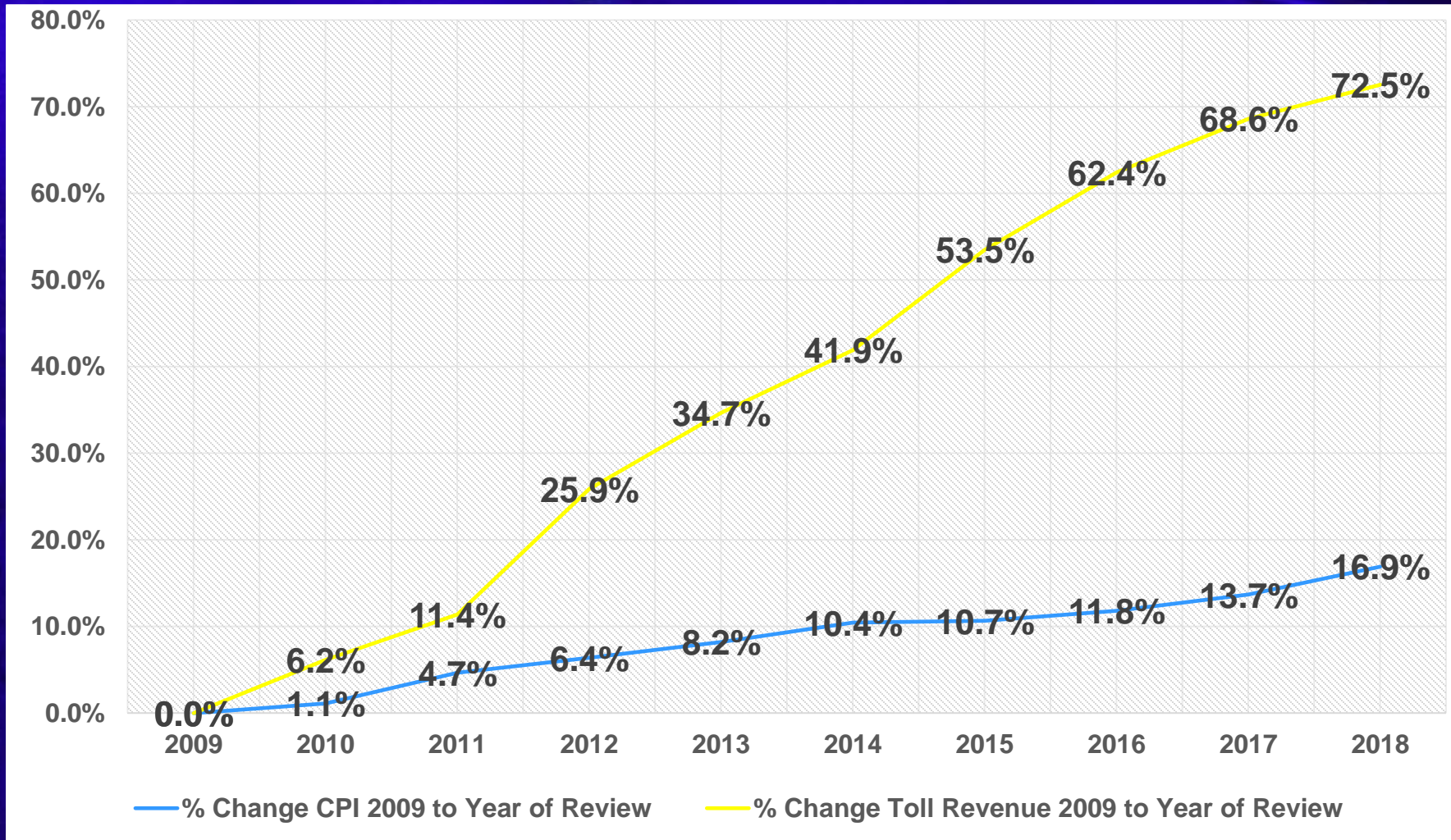
Rank	Location	Average Peak Speed	Y-o-Y Change in Average Peak Speed
1	Fort Lee, NJ: I-95 at SR 4	31.3	39.4%
2	Cincinnati, OH: I-71 at I-75	40.1	11.5%
3	Atlanta, GA: I-285 at I-85 (North)	34.4	53.5%
4	Atlanta, GA: I-20 at I-285 (West)	40.9	12.6%
5	Houston, TX: I-45 at I-69/US 59	31.4	53.7%
6	Chicago, IL: I-290 at I-90/I-94	25.4	57.6%
7	Chattanooga, TN: I-75 at I-24	46.8	-1.8%
8	St. Louis, MO: I-64/I-55 at I-44	46.1	10.1%
9	Rye, NY: I-95 at I-287	45.7	12.0%
10	San Bernardino, CA: I-10 at I-15	40.7	25.1%

# Toll Analysis

- Detailed analysis of Annual Financial Reports (CAFR) published by 21 major U.S. toll systems
- \$14.7 billion collected in toll revenue in 2018
- Data represents 81.7 percent of all U.S. toll collections



# Toll Revenue Growth vs. CPI



# Total VMT Revenue to Maintain Existing HTF Spending Levels

Tax Method	Gross Revenue Collected	Cost to Collect (% of Gross)	Collection Cost	Net Revenue for Transportation
Existing Federal Fuel Tax	\$33,573,709,191	0.20%	\$67,147,418	\$33,506,561,773
VMT Tax with 40% Overhead	\$55,844,269,622	40.00%	\$22,337,707,849	\$33,506,561,773

**Questions?**

**Dan Murray**

**dmurray@trucking.org**

**www.TruckingResearch.org**

# Trends Issues and Solutions

Perspective of the owner-operator and small trucking companies



# Owner-Operator Independent Drivers Association Foundation Inc.

- Mission Statement: Fight for the rights of all truckers through education and research
- Affiliate of OOIDA
- OOIDA membership at present is 158,000+
- Operate some 220,000 trucks
- 4,000 small fleets
- 36,000 company drivers





# Typical Owner-Operator

- Two types: Those that operate under their own authority and those that lease on to a carrier
- Fairly even split but more lease on than have their own authority
- Those that operate under their own authority operate primarily using the spot market
- This is one of the greatest drawbacks for an owner-operator but also one of the advantages at times like the present



# Pandemic took down many small fleets including owner-operators

- According to Broughon Capital 3,140 fleets shut down in 2020 and smaller trucking companies were particularly hard hit.
- Owner-operators under their own authority work primarily with smaller shippers who were also hard hit
- Both operate on tight margins



# Trends

- Traditionally owner-operators are known as long-haul operators whose loads were 750—1,000 miles
- 2020 has shown a dramatic shift where the average haul is 151-500 miles
- In 2020 the OOIDA Foundation and ATRI did a survey of changes that have occurred due to the pandemic and found that for owner-operators the average haul was shorter than pre-pandemic



# TRENDS

- Traditionally owner-operators pull van trailers, however, our 2020 survey of owner-operators shows an equal number now pull flatbeds, then vans followed by reefers
- While having to find loads can be a daunting task at times like now the ability to be flexible and not under contractual agreements has allowed many owner-operators to flourish
- While large carriers are having difficulty filling the seats of their trucks OOIDA is having difficulty keeping up with the demand for those filing for their own authority (60% increase over 2020)



# DAT Trendlines

## MAY 2020-2021

- For May 2021 Spot Load posts are up +290.1%
- Van Load-to-Truck +219.6%
- Van spot rates +67.1% \$2.62 per mile
- Flatbed Load-to-truck +674.4%
- Flatbed Spot Rates +63.4% \$3.11 per mile
- Reefer Load-to-Truck +324.4%
- Reefer Spot rates +53.0% \$3.10 per mile



# ISSUES

- Parking
- Proposed increase in public liability insurance requirement
- Misclassification of drivers
- Tolls
- Government regulation over-reach; new administration's definition of infrastructure
- Congestion
- Detention time
- Port problems— Demurrage –Most of our members do not work the ports—too many problems



# ISSUES CONTINUED

- E-commerce
- The Amazon effect
- Zero emissions
- Automated trucks



# SOLUTIONS

- Cargo handlers at O'Hare airport are moving to the suburbs
- A Transportation Security Administration program designed to alleviate airport backlogs by allowing forwarders to become cargo screening facilities
- Convincing shippers and receivers by being more efficient they can actually save on overall costs
- Del Monte Fresh implemented an automated time tracking system in the port facility at Gloucester City, N.J.
- Heatcraft Worldwide writes on the BOL the arrival times and departure time
- Actually stick to appointment times





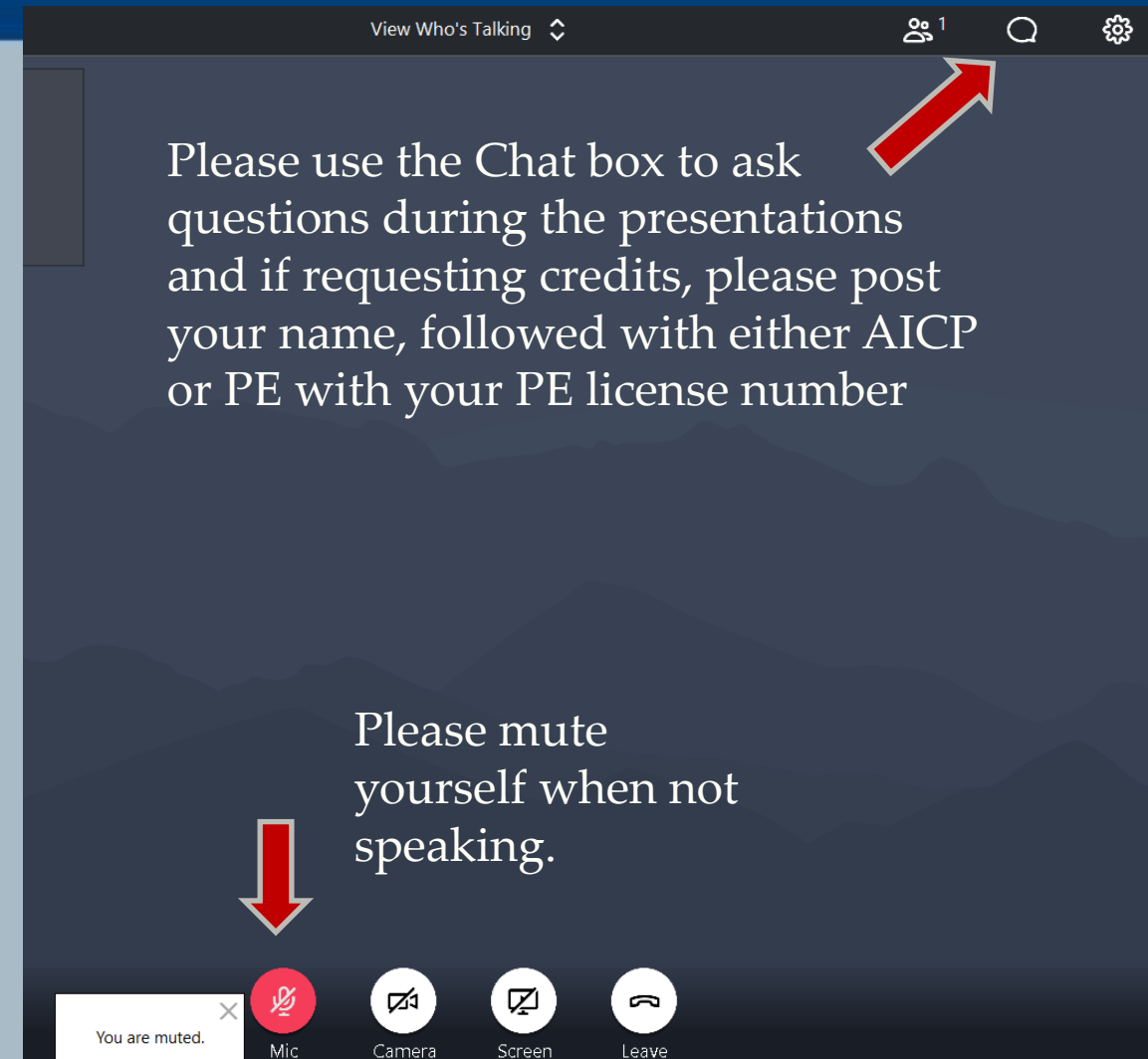


Questions?



# June Freight Initiatives Committee Presentation Q&A

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- **American Transportation Research Institute (ATRI)**, Dan Murray, Senior Vice President, ATRI
- **Owner-Operator Independent Drivers Association (OOIDA)**, Thomas Weakley, Director of Operations, OOIDA Foundation



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- Adjournment

*Thank you. Stay healthy and safe.*

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Mic Camera Screen Leave