

CRITICAL ISSUES IN THE TRUCKING INDUSTRY – 2014



Presented to the
American Trucking Associations

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The American Transportation Research Institute
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Critical Issues in the Trucking Industry – 2014

For the past decade the American Trucking Associations (ATA) has turned to the American Transportation Research Institute (ATRI) to survey the trucking industry at large to identify the top issues of concern for industry stakeholders. First launched in 2005, the survey asks respondents to rank-order issues and related strategies for dealing with each topic.

The dynamic shifting of industry priorities over the last ten years is demonstrated in Table 2 (found at the end of this report). In the early years of the survey, the rising cost and limited availability of fuel registered as a top concern, along with the inability of carriers to identify a stable supply of commercial drivers. With the onset of the Great Recession, the economy first emerged as an industry concern in 2008 and then spent three years as the number one industry issue in 2009 – 2011.

Other issues which were featured in the early years of the survey but are no longer identified as top concerns are truck security, driver training, insurance costs and environmental issues. While they still may represent significant challenges for the trucking industry, these issues have been eclipsed by emerging concerns including the lack of available truck parking, the upcoming Electronic Logging Device (ELD) mandate and commercial driver health and wellness.

For the first six years of the survey, industry stakeholder concern over the growing scope of federal and state oversight of trucking was captured as one issue, Government Regulations, which peaked in 2009 at the number two spot on the survey. However, that concern disaggregated into several stand-alone issues such as hours-of-service, and the nationwide deployment of the Federal Motor Carrier Safety Administration's (FMCSA's) Compliance, Safety, Accountability (CSA) program. CSA first appeared as a top industry issue in 2010, ranking second overall, and CSA has continued to rank in the top five issues since.

The hours-of-service issue has been on the top ten list since 2005 and its ranking has been closely tied to the impacts of federal rulemaking, regulation change, rule vacating and new rulemaking. The rules that govern commercial driver Hours-of-Service (HOS) have been in flux since the first survey in 2005 and continued concern over changes to the rules and their resulting impact on industry operations have kept HOS in the top five issues every year since.

Despite the challenges of monitoring trends in an industry as large and complex as trucking, the ATA and its Federation partners in the State Trucking Associations (STA) continue to proactively monitor the challenges facing the trucking industry. The annual survey of critical industry issues is an important tool for understanding industry needs, and a decade after it was first launched, the ATRI Top Industry Issues (TII) survey continues to serve as a critical source of information for industry and public sector decision-makers alike.

Once again, ATRI utilized a modified TII survey methodology (first introduced in 2012) which provides respondents with an expanded list of issues to rank while also streamlining the survey process. To develop the survey, ATRI collaborated with groups of key industry stakeholders to identify a sizeable catalog of issues and potential strategies from which the selected list of critical industry issues and associated strategies was selected. After the survey was designed

and pre-tested, it was distributed to a large sample of more than 4,000 industry stakeholders to gauge the importance of each issue. Survey participants were asked to select their top three choices from the aforementioned list.

ATRI's continued efforts to expand the reach of the survey and improve the survey respondent experience resulted in 1,144 responses, representing industry stakeholders from both the U.S. and Canada and included motor carriers, commercial drivers, and suppliers.

This report presents the findings of the 2014 annual survey and analysis, and compares the results of previous years' surveys – creating a predictive indicator of rising and falling priorities in the trucking industry.

Top Issues

The top ten list is developed through a formula that assigns quantitative values to respondents' rankings of issues facing the industry. An issue that is ranked most important receives three points, while an issue ranked second receives two points and an issue ranked third receives one point. Issues that were not ranked by respondents did not receive any points. The total number of points is then summed to generate a prioritized level of industry concern. The issue with the highest level of concern (i.e. most total points) is identified as the top industry issue. An Industry Concern Index (ICI) is presented to illustrate the level of intensity in concern from one issue to the next. The issue of greatest concern receives an ICI of 100, and then all other issues are indexed to that issue's level of concern. For example, if an issue receives an ICI of 50, it has half the level of concern (i.e. half as many points) as an issue with an ICI of 100.

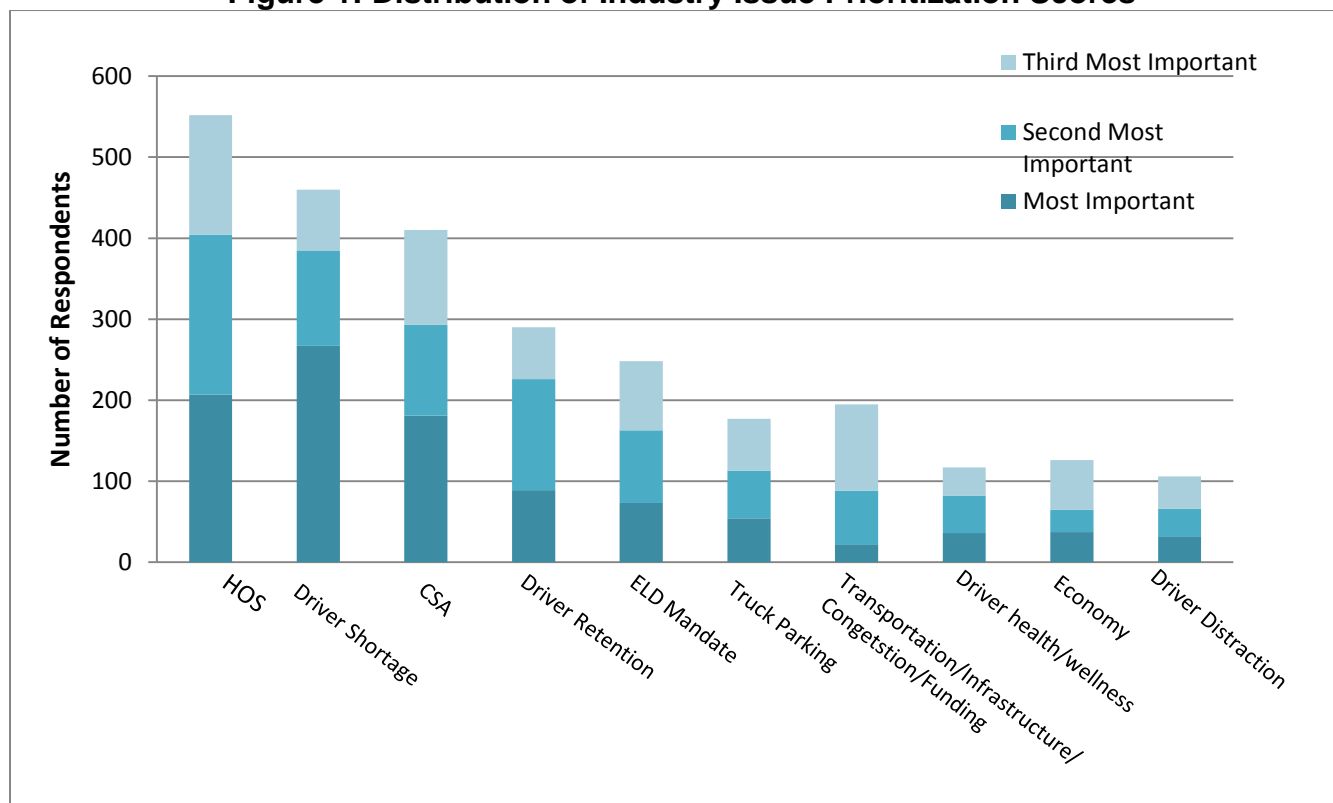
As was the case in 2013, the HOS rules are once again at the top of the industry's list of concerns as the supply chain continues to experience negative impacts from the changes to the rules which went into effect in July 2013. Coming in as a very close second place this year is the Driver Shortage which, like the HOS rules, continues to plague the supply chain at large as motor carriers struggle to find qualified drivers to meet freight demand. Anecdotally, numerous carriers are now turning away revenue and loads due exclusively to the driver shortage, which could have an impact on economic growth as well as inflation.

Rounding out the top three is CSA. Although it experienced a drop in ranking from last year, concerns over how carrier safety performance is evaluated under CSA keep it near the top of the list.

Each respondent was also asked to rank order a list of three strategies designed to address their selected issues. Values are assigned to respondents' rankings for each of the three strategies and an average score is calculated based on all of the rankings to determine the most preferred strategy.

In rank order, the top ten issues identified by industry respondents are detailed below. Figure 1 shows a breakdown of the rankings for each of the top issues, from first place to tenth place (left to right).

Figure 1: Distribution of Industry Issue Prioritization Scores



1. Hours-of-Service

Ranked 1 st 19%	Ranked 2 nd 18%	Ranked 3 rd 14%	Total Share 51%	Industry Concern Index 100
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As noted earlier, HOS is the one topic which has consistently been a top five industry issue since the inception of this survey in 2005. The rules first topped the list in 2007 following the July 24, 2007 decision of the U.S. Court of Appeals on the 11-hour driving provision and 34-hour restart.¹ In 2013 the HOS rules once again took the top spot as new rules restricting the use of the 34-hour restart, and requiring a 30-minute break before driving after eight hours, took effect on July 1, 2013.² The challenges associated with the new HOS rules are being experienced across the supply chain. In its 2013 report, *Operational and Economic Impacts of the New Hours-of-Service*³, ATRI quantified impacts from the new rules including 80 percent of motor carriers who indicated a loss of productivity attributable to the new rules and driver pay impacts estimated to range from \$1.6 billion to \$3.9 billion annually.

Proposed Strategies (in rank order):

a) *Suspend restart provisions implemented July 1, 2013 until true safety and economic impacts are documented and understood.* This strategy, the top choice of nearly 70 percent (69.2%) of respondents, was recently debated in the U.S. Senate as a potential strategy for mitigating the negative economic impacts of the new rules.⁴ Proponents for this strategy argue that the rules need to be suspended while additional research is conducted to better understand the economic impacts of the new rules and to quantify the safety impacts of rules that FMCSA's own research⁵ shows as pushing more drivers to drive during daytime hours. ATRI recently identified a doubling of commercial driver crash risk during daytime hours⁶, a safety impact not accounted for in FMCSA's cost-benefit calculation for the new rules.

b) *Advocate for increased flexibility in the current sleeper berth provision.* This was the preferred strategy for 21.6 percent of respondents. Since 2005, when HOS rule changes limited the flexibility in the sleeper berth provision, drivers have commented that the sleeper berth rules are too restrictive and do not allow them the flexibility to rest when they are tired.⁷

¹ American Transportation Research Institute. *Critical Issues in the Trucking Industry – 2007*. Arlington, VA. (2007)

² American Transportation Research Institute. *Critical Issues in the Trucking Industry – 2013*. Arlington, VA. (2013)

³ Short, J. (2013). *Operational and Economic Impacts of the New Hours-of-Service*. American Transportation Research Institute. Arlington, VA.

⁴ Patton, Oliver. "34-Hour Restart Takes Center Stage at Senate Safety Hearing." Trucking Info. July 30, 2014. Available online: <http://www.truckinginfo.com/channel/drivers/news/story/2014/07/34-hour-restart-center-stage-at-safety-hearing.aspx>

⁵ Van Dongen Hans P.A. & Mollicone, Daniel J. Field Study on the Efficacy of the New Restart Provision for Hours of Service. Federal Motor Carrier Safety Administration Technical Report RRR-13-058. January 2014.

⁶ Brewster, Rebecca, and Jeffrey Short (2014). *Technical Memorandum: Assessment of the FMCSA Naturalistic Field Study on Hours-of-Service Restart Provisions*. American Transportation Research Institute. Arlington, VA.

⁷ "Driver tells HOS hearing truckers need more flexibility with rest rules." The Trucker. Available Online: <http://www.thetrucker.com/News/Stories/2010/1/22/DrivertellsHOShearingtruckersneedmoreflexibilitywithrestrules.aspx>.

c) *Expand independent review of the cost-benefit analysis used to justify the new HOS changes.* 9.5 percent of respondents would like an independent review of the cost-benefit calculations utilized by FMCSA in their HOS Regulatory Impact Analysis (RIA)⁸. In its 2013 study, ATRI identified a number of industry costs not factored into the calculations by FMCSA, including lost productivity from time spent in congestion by drivers utilizing the restart and entering the traffic stream in the early morning hours.⁹ Replicating FMCSA's own calculations for industry productivity, ATRI identified additional costs to the industry ranging from \$95 million to \$376 million which were not part of FMCSA's cost-benefit analysis.¹⁰ Additionally, many in the industry question the findings of FMCSA's 2014 34-Hour Restart Field Study report, which claims that the new HOS regulations increase drivers' recuperative sleep by six minutes, and reduced lane deviation by 1 millimeter.¹¹ A recently released ATRI white paper calls into question the data, findings and significance of the FMCSA field study.¹² Furthermore, members of Congress have requested the U.S. Government Accountability Office (GAO) evaluate FMCSA's studies used to justify federal HOS changes.¹³

⁸ Federal Motor Carrier Safety Administration (FMCSA). *2010 – 2011 Hours of Service Rule Regulatory Impact Analysis (RIA)*. RIN 2126-AB26, FMCSA Analysis Division. December 2011.

⁹ Short, J. (2013). *Assessing the Impacts of the 34-Hour Restart Provisions*. American Transportation Research Institute. Arlington, VA.

¹⁰ Ibid.

¹¹ Van Dongen Hans P.A. & Mollicone, Daniel J. *Field Study on the Efficacy of the New Restart Provision for Hours of Service*. Federal Motor Carrier Safety Administration Technical Report RRR-13-058. January 2014

¹² American Transportation Research Institute. *Technical Memorandum: Assessment of the FMCSA Naturalistic Field Study on Hours-of-Service Restart Provisions*. Arlington, VA. (2014)

¹³ Billimoria, Jim, Justin Harclerode. "Shuster & Petri Request GAO Evaluation of Studies Used to Changed Federal Hours of Service Regulations for Truckers." *Transportation & Infrastructure Committee*. Washington, DC. April 2 2014. Available online: <http://transport.house.gov/news/documentsingle.aspx?DocumentID=374937>

2. Driver Shortage

Ranked 1 st 24%	Ranked 2 nd 11%	Ranked 3 rd 7%	Total Share 42%	Industry Concern Index 90.4
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With the exception of 2009 – when overall freight demand was down as a result of the Great Recession and truck fleets were reducing capacity both in terms of trucks and drivers, the driver shortage has also been a top five industry concern since 2005. The issue continues to generate significant industry press coverage as fleets and their customers continue to experience a capacity crisis due to the shortage of qualified drivers.^{14,15} And, the outlook for the future is not promising. The ATA projects that the industry could face a delta of almost 240,000 drivers between driver supply and demand by the year 2022 if the trend does not reverse.¹⁶ Therefore, it is likely that the driver shortage will continue its reign as a top industry issue for the foreseeable future.

Proposed Strategies (in rank order):

a) *Work with state and federal authorities to consider a graduated CDL program to safely attract new and younger drivers.* ATA estimates that driver retirements will account for 37 percent of the new driver demand each year over the next decade.¹⁷ Therefore, it is critical that the industry identify workers to fill this growing number of openings due to an aging workforce.¹⁸ One such pool of potential drivers is young adults; however, concerns over the lack of experience, insurability, and other age-related factors hinder this solution. Researching ways to safely incorporate younger drivers into the industry is the preferred strategy for 43.6 percent of respondents.

b) *Research and quantify successful recruitment strategies for commercial drivers.* Approximately one-third (30.7%) of respondents feel that the best strategy for combating the driver shortage is to quantify the most successful approaches for recruiting new entrant drivers. Given that the pool of qualified drivers may be shrinking, many respondents feel that the industry needs to aggressively compete with other industries to recruit and retain the best possible driver candidates.

c) *Continue work to streamline the transition from a military CDL to a civilian CDL in order to attract more veterans to the trucking industry.* Many veterans have experience driving large vehicles in the military and represent a logical solution for filling open commercial truck driving positions. Furthermore, strategies that more readily transition veterans into the workplace ensure that the country provides for those who have served the country. 26.3 percent of respondents believe this is the best strategy for address the ongoing driver shortage.

¹⁴ Hageman, John. "As more truck drivers retire, a shortage looms." Prairie Business. August 25 2014. Available online: <http://www.prairiebizmag.com/event/article/id/20531/>

¹⁵ Wee, Heesun. "Keep on truckin'? Inside the shortage of US truck drivers." CNBC. August 20 2014. Available online: <http://www.cnbc.com/id/101911407#>.

¹⁶ Badkar, Mamta. "There's A Huge Shortage Of Truck Drivers In America — Here's Why The Problem Is Only Getting Worse". Business Insider. August 4 2014. Available online: <http://www.businessinsider.com/americas-truck-driver-shortage-2014-7>

¹⁷ American Trucking Associations. *Truck Driver Shortage Update*. November 2012.

¹⁸ Hageman, John. "As more truck drivers, retire, a shortage looms." Prairie Business. August, 25 2014. Available Online: <http://www.prairiebizmag.com/event/article/id/20531/>

3. Compliance, Safety, Accountability (CSA)

Ranked 1 st 17%	Ranked 2 nd 10%	Ranked 3 rd 11%	Total Share 38%	Industry Concern Index 78.2
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CSA first appeared as a top industry issue in 2010, coinciding with its nationwide implementation by FMCSA that same year. After two years in effect, CSA was considered the number one industry issue for the first time in 2012. Among industry concerns related to CSA were the inverse relationship between percentile scores in several Behavioral Analysis and Safety Improvement Categories (BASICS) and carrier crash risk¹⁹, as well as the impact of disparate state enforcement priorities on motor carrier safety performance.²⁰ Though FMCSA has attempted to address some of the industry’s concerns with CSA,²¹ a number of critical challenges still persist and as such, CSA ranked third overall as a top industry concern in 2014.

Proposed Strategies (in rank order):

a) *Push for a crash accountability determination process that removes non-preventable crashes from carrier scores.* 44.8 percent of respondents support this as their primary strategy for addressing concerns with CSA. According to research conducted in 2012, there is general agreement among motor carriers and enforcement personnel that crash accountability should be a component of the CSA Crash BASIC, however disagreement remains over the use of police accident reports (PARs) for determining crash responsibility.²²

b) *Advocate for FMCSA to remove from public view scores in all categories until they are strongly predictive of individual carrier crash risk.* Research shows that BASIC scores are being used by the supply chain to evaluate carrier safety performance²³, even while questions remain as to the ability of scores to predict crash risk. In addition to the nearly one-third (31.0%) of respondents that prefer this strategy, there has recently been increased public attention on this strategy as well.²⁴ In response, Congress recently proposed legislation to require FMCSA to remove CSA scores from public view.²⁵

¹⁹ Lueck, M.D. (2012). *Compliance, Safety, Accountability: Analyzing the Relationship of Scores to Crash Risk*. American Transportation Research Institute. Arlington, VA.

²⁰ Weber, A. and Murray, D. (2014). *Evaluating the Impact of Commercial Motor Vehicle Enforcement Disparities on Carrier Safety Performance*. American Transportation Research Institute. Arlington, VA.

²¹ Patton, Oliver. “FMCSA Moves to Fix CSA Data Problem.” TruckingInfo. December 2 2013. Available online: <http://www.truckinginfo.com/channel/safety-compliance/news/story/2013/12/fmcsa-moves-to-fix-csa-data-problem.aspx>

²² American Transportation Research Institute. *Compliance, Safety, Accountability: Evaluating A New Safety Measurement System And Its Implications*. December 2012.

²³ Lueck, M.D., & Brewster, R.M. (2012). *Compliance, Safety, Accountability: Evaluating a New Safety Measurement System and Its Implications*. Arlington, VA: American Transportation Research Institute.

²⁴ Jones, Kevin. “More trucking groups call on FMCSA to remove CSA scores from public view.” Overdrive Online. September 18 2014. Available online: <http://www.overdriveonline.com/more-trucking-groups-call-on-fmcsa-to-remove-csa-scores-from-public-view/>

²⁵ Jaillet, James. “House introduces bill directing FMCSA to fix CSA, remove scores from public view.” Overdrive Online. September 22 2014. Available online: <http://www.overdriveonline.com/house-introduces-bill-directing-fmcsa-to-fix-csa-remove-scores-from-public-view/>

c) *Leverage Inspector General (IG) and Government Accountability Office (GAO) study findings to advocate for needed data and methodology improvements.* In early 2013, the IG began an audit of CSA to determine whether FMCSA developed proper controls to ensure the quality of the data used for CSA enforcement actions.²⁶ Approximately one-quarter (25.1%) of respondents believe that using the IG and GAO findings offers the best opportunity for convincing FMCSA to improve the program.

²⁶ "Audit Initiated of FMCSA's Implementation of the Compliance, Safety, Accountability Program." Office of the Inspector General of the U.S. Department of Transportation. Available Online: <http://www.oig.dot.gov/node/6028>.

4. Driver Retention

Ranked 1 st 8%	Ranked 2 nd 13%	Ranked 3 rd 6%	Total Share 27%	Industry Concern Index 54.6
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Driver retention reemerged as a top ten industry issue in 2012, after dropping off the list in 2009 during the Great Recession. For the past two years, Driver Retention has ranked seventh overall. With the focused attention on the growing driver shortage, retaining the industry’s best drivers has increased as a priority and this year Driver Retention ranked fourth overall.

Proposed Strategies (in rank order):

a) *Help improve work/life balance, healthy lifestyles, and family relationships for drivers.* Respondents who chose this strategy likely believe that the industry should work to improve the quality of life for commercial drivers as a way to stem the loss of drivers to other carriers and other industries. Drivers, particularly those operating in the long-haul sector, could benefit from programs that strengthen family connections and promote more healthy lifestyles. This strategy is preferred by 42.7 percent of respondents.

b) *Research the relationship between driver compensation models and driver productivity.* While driver pay is only part of the equation when it comes to productivity, it is nevertheless critical to productive drivers. 30.9 percent of respondents feel the trucking industry could benefit from a review of driver compensation programs from around the country that results in a list of compensation best practices to promote productivity. This information could then be disseminated throughout the industry in an attempt to increase driver productivity.

c) *Study the effectiveness of carrier retention programs that financially incentivize drivers for safe driving performance.* As is the case in any industry, some companies are better at retaining employees than others. By financially rewarding drivers who are safe, carriers could encourage safe drivers to remain with the company and incentivize other drivers to improve their safety-related behaviors. However, many in the industry, including the 27.5 percent of respondents that prefer this strategy, would like to see more research on the practice before implementing it.

5. Electronic Logging Device (ELD) Mandate

Ranked 1 st 7%	Ranked 2 nd 8%	Ranked 3 rd 8%	Total Share 23%	Industry Concern Index 42.2
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The ELD mandate made its debut as a top industry issue in the 2012 survey, ranking sixth overall. The emergence of the mandate as industry concern coincided with the passage of MAP-21 that year, which included a requirement that FMCSA issue a final rule on ELD use for HOS tracking. In March of this year, FMCSA issued a Supplemental Notice of Proposed Rulemaking (SNPR)²⁷ to address a number of concerns identified by industry stakeholders in the first ELD proposed rule, but the industry continues to await FMCSA's issuance of the ELD Final Rule.

Proposed Strategies (in rank order):

- a) *Encourage FMCSA to issue the Congressionally-mandated ELD Final Rule in a timely fashion.* The uncertainty associated with the timeline for the ELD Final Rule is partially responsible for the ELD issue continuing to rank in the top five issues. A significant portion of industry stakeholders, including the 40.7 percent of respondents that rank this as their priority strategy, wishes to see the final ELD rule as soon as possible.
- b) *Ensure that the ELD mandate does not require that devices be capable of creating hard-copy printed HOS records.* Over one-third (36.4%) of respondents, as well as ATA, advocate the importance of this strategy. In a world that is growing increasingly paperless, requiring ELDs to produce printed reports would not only run counter to this trend, but would also add increased costs for adoption. Additionally, ATA states this requirement “would cast FMCSA and state enforcement agencies as being out of touch and behind the times.”²⁸
- c) *Advocate for FMCSA to grandfather existing devices installed by early adopters for an appropriate length of time.* This strategy is closely linked to the above-mentioned strategy, and is rated the number one strategy by one-quarter (24.5%) of respondents. Currently, there is concern that early adopters' devices will become obsolete in the years following the mandate, especially if devices are required to produce printed records. This would require the devices used by early adopters, which do not have printing capabilities, to be capable of sophisticated data transfer methods that may be beyond the devices' hardware capabilities.²⁹ Additionally, ATA suggests lengthening the grandfather period for existing devices to allow their use for the lives of the vehicles in which they are installed.³⁰

²⁷ Federal Motor Carrier Safety Administration. Department of Transportation. Federal Register. March 28 2014. Available online: <http://www.gpo.gov/fdsys/pkg/FR-2014-03-28/pdf/2014-05827.pdf>

²⁸ American Trucking Associations. *Comments of The American Trucking Associations on Electronic On-Board Recorders and Hours of Service Supporting Documents*. Arlington, VA. June 26 2014.

²⁹ Ibid.

³⁰ American Trucking Associations. *Comments of The American Trucking Associations on Electronic On-Board Recorders and Hours of Service Supporting Documents*. Arlington, VA. June 26 2014.

6. Truck Parking

Ranked 1 st 5%	Ranked 2 nd 5%	Ranked 3 rd 6%	Total Share 16%	Industry Concern Index 29.6
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Truck parking first emerged on the TII list in 2012 as the new HOS rules brought heightened awareness to the dramatic shortage of safe and available parking. The HOS regulations require that drivers take rest breaks and off-duty time at multiple points during the duty cycle. In many locations, a scarcity of truck parking can sometimes create a dangerous dilemma for drivers: continue to drive beyond allowable HOS rules to find safe parking, or park the vehicle in an undesignated location. Recent news stories have highlighted how perilous it can be for drivers to park in unsafe locations in order to comply with the HOS rules.³¹

Proposed Strategies (in rank order):

a) *Support and encourage investment in new truck parking facilities and work to reopen closed public rest facilities.* This strategy is the overwhelming favorite of survey respondents, with 79.6 percent indicating it as their preferred strategy. The budget shortfalls experienced by many states has resulted in the closure of many public truck stops and rest areas; however, the recent economic improvements have positively impacted most state budgets. Reopening shuttered facilities and investing in new ones would help alleviate the shortages occurring in many areas.

b) *Educate the public sector on the safety consequences resulting from closing public parking facilities.* Oftentimes, drivers are stuck between the proverbial “rock and a hard place,” when it comes to finding safe parking. In 2012 Congress passed “Jason’s Law” as part of the larger MAP-21 highway authorization bill.³² The impetus for the law, which seeks to improve truck parking safety, was the murder of a truck driver who was forced to park in an unsafe area. Some in the industry feel that educating state and local officials on the criticality of truck parking facilities could lead to new investments in parking facilities. This strategy is preferred by 17.9 percent of respondents.

c) *Research the role and value of real-time truck parking information availability and truck parking reservation systems.* One potential solution to the parking shortage is to provide drivers with better information on the availability of truck parking to help avoid dangerous situations and reduce the unproductive time spent looking for available parking spaces. Recent advances in technology provide the opportunity to make real-time parking information readily available to drivers. There are currently several U.S. DOT-funded demonstration projects underway testing the functionality of driver notification systems.³³ A small number of respondents (4.8%) feel this is the best strategy.

³¹ Hawes, Clarissa. “Hope Rivenburg weighs in on ‘senseless’ murder of Indiana truck driver.” Land Line Magazine. July 2 2014. Available online: <http://www.landlinemag.com/Story.aspx?StoryID=27285#.VCsd-PldX6I>

³² Jason’s Law: Safety for Truckers. <http://jhlrivenberg.com>. Accessed September 18, 2014.

³³ “Demonstration project helps truck drivers find safe places to park”. Center for Transportation Studies, University of Minnesota. February 2014. Available online: <http://www.cts.umn.edu/Publications/catalyst/2014/february/truckdrivers>

7. Transportation/Infrastructure/Congestion/Funding

Ranked 1 st 2%	Ranked 2 nd 6%	Ranked 3 rd 10%	Total Share 18%	Industry Concern Index 27.3
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In order for the trucking industry to deliver goods and materials throughout the U.S., the nearly 4 million miles of public roadways³⁴ in the United States must be properly maintained and improved. For the trucking industry, roads are a common denominator, so it comes as no surprise that highway infrastructure is included in the top ten list of the 2014 TII Survey. In fact, issues involving transportation infrastructure or funding have been in the top ten list since the inception of the survey in 2005. In 2013 ATRI identified trucking industry costs of \$9.2 billion associated with interstate congestion.³⁵ The negative impacts of congestion, crumbling infrastructure and the expiration of MAP-21 and the need for a long-term transportation funding solution all combined to drive this issue up two spots in the 2014 survey to seventh place overall.

Proposed Strategies (in rank order):

a) *Advocate for fuel tax increases to efficiently fund the surface transportation system and ensure those funds are not diverted to non-highway projects.* The ability of existing fuel tax revenues to adequately fund transportation improvements has been declining due to improvements in fuel economy and stagnant fuel tax rates.³⁶ As our infrastructure ages and road repairs become more costly, it is necessary to find additional funding to make up for fuel tax shortfalls. Research has demonstrated that the existing fuel tax is an efficient form of taxation,³⁷ and many in the industry feel that an increase in the fuel tax is the best way to ensure the transportation system is adequately funded. Over half (57.1%) of respondents rank this strategy as their top choice.

b) *Utilize the Congressionally-mandated National Freight Policy and National Freight Network as tools to ensure adequate investment in critical highway infrastructure.* As part of the MAP-21 authorization passed in 2012, Congress mandated that the U.S DOT develop a National Freight Policy and National Freight Network to assist with long-term infrastructure planning and investment prioritization. 26.8% of respondents considered this the best strategy for dealing with infrastructure funding.

³⁴ "Transportation of the United States." National Atlas. Available Online: <http://www.nationalatlas.gov/transportation.html>.

³⁵ Pierce, D. and Murray, D. (2014). *Cost of Congestion to the Trucking Industry*. American Transportation Research Institute. Arlington, VA.

³⁶ Short, J. et al. (2007). *Defining the Legacy for Users: Understanding Strategies and Implications for Highway Funding*. American Transportation Research Institute. Arlington, VA.

³⁷ Ibid.

c) *Create a new funding program to focus federal resources on truck bottlenecks on major freight routes.* With a finite pool of resources that can be used to improve our infrastructure, many in the industry, including the 16.8 percent of respondents that rank this strategy first, feel that it is necessary to prioritize where transportation funding is spent. ATRI tracks congestion at 250 freight-significant locations and produces a ranking of those locations as one means to help with investment prioritization.³⁸ Based on its ranking as ATRI's number one freight bottleneck in the country, the Circle Interchange in Chicago is now the focus of a \$450 million reconstruction effort to improve truck freight mobility.³⁹

³⁸ "Congestion Monitoring Analysis for 100 Freight-Significant Highway Locations." American Transportation Research Institute. Available Online: <http://atri-online.org/2013/07/16/congestion-monitoring-analysis-for-100-freight-significant-highway-locations-now-available-online/>.

³⁹ <http://circleinterchange.org/about/>

8. Driver Health/Wellness

Ranked 1 st 3%	Ranked 2 nd 4%	Ranked 3 rd 3%	Total Share 11%	Industry Concern Index 20.7
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Driver health and wellness is appearing on the TII top ten list for the third year in a row, ranking eighth overall and sixth among truck driver respondents. Given the concerns over driver retention and the driver shortage, as well as potential health issues related to truck driver lifestyle challenges, there has been a concerted effort to make the trucking industry healthier. In addition to obvious lifestyle benefits, an improvement in driver health may also have positive implications for industry safety as research has found a positive correlation between driver health and driver safety.⁴⁰

Proposed Strategies (in rank order):

- a) *Encourage increased availability of exercise facilities and healthy food choices at truck stops/travel plazas.* Despite recent improvements in healthy options at truck stops, over half (51.9%) of respondents feel the first step in improving driver health is that more should be done to make the food offerings at public and private truck parking facilities healthier, and provide the means to promote a more active lifestyle.
- b) *Promote research that quantifies the return-on-investment potential of driver health and wellness programs.* There have been demonstrated cases of carriers successfully implementing driver health and wellness programs and achieving a positive return-on-investment.⁴¹ Additional research into the benefits of these programs could encourage other carriers to adopt programs that save money and improve driver health. This is the preferred strategy for 26.9 percent of respondents.
- c) *Research and disseminate commercial driver health and wellness program “best practices.”* Development of a health and wellness program based on best practices from around the country could provide carriers with valuable information on how to create and implement a program of their own. And, there are a growing number of motor carriers being recognized for their proactive driver health and wellness programs.⁴² Just over 20 percent of respondents (22.4%) believe this is the best strategy for dealing with driver health and wellness.

⁴⁰ “Research on the Health and Wellness of Commercial Truck and Bus Drivers: Summary of an International Conference.” Transportation Research Board. November 8-10, 2010.

⁴¹ Ibid.

⁴² Crissey, Jeff. “CCJ Innovator of the Year: Melton Truck Lines’ fight for driver fitness.” Commercial Carrier Journal. April 28 2014. Available online: <http://www.ccdigital.com/ccj-innovator-of-the-year-melton-truck-lines-fight-for-driver-fitness/>

9. Economy

Ranked 1 st 3%	Ranked 2 nd 3%	Ranked 3 rd 6%	Total Share 12%	Industry Concern Index 18.8
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The economy first appeared on the top ten list in second place in 2008, and remained the number one industry concern for the duration of the Great Recession until finally falling to third place in 2012. As the economy continued to recover, it slipped an additional spot in 2013 to fourth place and in 2014 drops to ninth place. With growing confidence in the state of the economy, it seems the industry has now shifted focus to more pressing issues directly affecting daily operations.

Proposed Strategies (in rank order):

a) *Advocate for reforming / repealing ineffective and burdensome regulations that add to industry costs without providing benefits.* The majority of respondents (64.2%) feel that regulatory reform is the best strategy for improving the economy.

b) *Pressure Congress to change its pattern of short-term budget and budget ceiling extensions and inaction which creates more uncertainty in the economy.* It can be assumed that many of the 18.9 percent of respondents that prefer this strategy are concerned that congressional squabbles over short-term budget resolutions, debt levels and debt ceiling increases, and government shutdowns are not addressing many of the serious long-term issues that the economy faces.

c) *Continue to advocate for policies that will stimulate the economy.* This was the preferred strategy of 17.1 percent of respondents. Those who chose this strategy likely feel that the key to improving the economy is to promote policies that increase consumer confidence, consumer spending, domestic manufacturing, and additional hiring. Increased consumer spending, which represents two-thirds of the U.S. GDP, leads to more robust freight demand and a more stable financial situation for the trucking industry.

10. Driver Distraction

Ranked 1 st 3%	Ranked 2 nd 3%	Ranked 3 rd 4%	Total Share 10%	Industry Concern Index 17.7
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ATRI first identified driver distraction as an emerging issue on the 2012 TII survey, and 2014 marks the first year this issue has appeared in the top ten industry issues. Increased attention on the dangers of texting and driving by all drivers will likely result in this issue continuing as a top concern in the coming years.

Proposed Strategies (in rank order):

a) *Advocate for a federal ban on hand-held cell phone use and texting for all motorists.* Federal law places strict limits on the use of mobile phones by truck drivers while driving. They are banned from texting while driving, and may only make voice calls as long as it is done through voice activation, or by using only one button to make a call.⁴³ However, only 14 states and D.C. prohibit all drivers (car and truck) from using hand held phones while driving.⁴⁴ An overwhelming majority, 62.5 percent, of respondents feel there should exist a nationwide ban on hand-held phone usage while driving to promote safer roads for everyone.

b) *Encourage harsher penalties and more aggressive enforcement of distracted driving violations for drivers of all vehicle types.* While every state has some form of mobile phone use restriction, there are varying degrees of enforcement across states. For example, some states only ban use for novice drivers, some consider usage a primary citable offense, while others consider it to be a secondary offense.⁴⁵ 28.2 percent of respondents would like to see aggressive and uniform enforcement of distracted driving laws.

c) *Continue to promote research to better understand the size of the distracted driving problem.* There are those in the industry who believe that, despite increased media attention on the issue, there is a lack of credible data on the actual scope of the distracted driving problem. 9.7 percent of respondents would like research conducted to better quantify the issue.

⁴³ Federal Motor Carrier Safety Administration. "Distracted Driving: What You Need to Know". Washington, DC. Available online: <http://www.fmcsa.dot.gov/driver-safety/distracted-driving>

⁴⁴ Governors Highway Safety Association. "Distracted Driving Laws". Washington, D.C. September 2014. Available online: http://www.ghsa.org/html/stateinfo/laws/cellphone_laws.html

⁴⁵ Ibid.

Issues 11 to 15

As a result of the methodology changes to the TII Survey in 2012, it is possible to determine which issues fall just beyond the top ten ranking. The 11th through 15th place issues are presented in Table 1. This provides the industry with insight into issues that generated a measurable amount of concern, but not enough to make the top ten list of most critical issues. Furthermore, this list may also be an indicator of emerging issues of concern to the industry.

Table 1: Issues 11 – 15

Rank	Issue	Industry Concern Index
11	Fuel Supply/Fuel Prices	15.4
12	Sleep Apnea Screening/Treatment	10.7
13	Onboard Safety and Efficiency Enhancing Technologies	9.1
14	Tort Reform	8.9
15	Independent Contractor Status	8.7

Issues concerning fuel have historically and consistently been a part of the top ten list, and ranked first in 2005 and 2008. In fact, as can be seen in Table 2, 2014 marks the first year that a fuel-related issue is not on the top ten list. Relatively stable diesel prices⁴⁶ are likely the cause of this issue just missing the top ten in 2014.

This year marks the second year in a row that sleep apnea screening/treatment has been identified as an emerging issue in the TII survey. Recently, Congress passed legislation that requires FMCSA to address the sleep apnea issue through a formal rulemaking process, as opposed to simply offering guidance on the topic.⁴⁷ In 2013 ATRI launched the North American Fatigue Management Program website as a source for industry stakeholders to learn about fatigue management options and sleep disorder screening/treatment.⁴⁸

Onboard safety and efficiency enhancing technologies as well as tort reform are both issues that have been in the top ten issues in years past, reaching a high of eighth in 2010, and sixth in 2005, respectively. Finally, independent contractor status this year caused some industry concern “as lawmakers and courts consider whether owner-operators should be classified as employees.”⁴⁹

⁴⁶ Torrey, W.F. (2014). *An Analysis of the Operational Costs of Trucking: A 2014 Update*. American Transportation Research Institute. Arlington, VA.

⁴⁷ “Sleep Apnea Bill Receives Final Congressional Approval, Awaits President’s Signature.” Truckinginfo. Available Online: <http://www.truckinginfo.com/channel/safety-compliance/news/story/2013/10/sleep-apnea-bill-receives-final-congressional-approval-awaits-president-s-signature.aspx>

⁴⁸ <http://www.nafmp.com/en/>

⁴⁹ Dunn, Jill. “Independent contractor status in question: What’s happening with ‘misclassification’ efforts nationwide.” Overdrive Online. March 11 2014. Available online: <http://www.overdriveonline.com/independent-contractor-status-in-question-whats-happening-with-misclassification-efforts-nationwide/>

Table 2: Top Industry Issue Rankings, 2005 – 2014

	Issue Rank									
	1	2	3	4	5	6	7	8	9	10
2014	Hours-of-Service	Driver Shortage	CSA	Driver Retention	ELD Mandate	Truck Parking	Infrastr./ Congestion/ Funding	Driver Health/ Wellness	Economy	Driver Distraction
2013	Hours-of-Service	CSA	Driver Shortage	Economy	ELD Mandate	Truck Parking	Driver Retention	Fuel Supply/ Fuel Prices	Infrastr./ Congestion/ Funding	Driver Health/ Wellness
2012	CSA	Hours-of-Service	Economy	Driver Shortage	Fuel Supply/ Fuel Prices	ELD Mandate	Driver Retention	Truck Parking	Driver Health/ Wellness	Congestion/ Truck Bottlenecks
2011	Economy	Hours-of-Service	Driver Shortage	CSA	Fuel Issues	Congestion	Transportation Funding	Tort Reform	Onboard Truck Technology	Truck Size and Weight
2010	Economy	CSA	Government Regulation	Hours-of-Service	Driver Shortage	Fuel Issues	Transportation Funding/ Infrastr.	Onboard Truck Technology	Environmental Issues	Truck Size and Weight
2009	Economy	Government Regulation	Fuel Issues	Congestion/ Highway Infrastr.	Hours-of-Service	Commercial Driver Issues	Environmental Issues	Tolls/ Highway Funding	Truck Size and Weight	Onboard Truck Technology
2008	Fuel Costs	Economy	Driver Shortage/ Retention	Government Regulation	Hours-of-Service	Congestion	Tolls/ Highway Funding	Environmental Issues	Tort Reform	Onboard Truck Technology
2007	Hours-of-Service	Driver Shortage	Fuel Issues	Congestion	Government Regulation	Tolls/ Highway Funding	Tort Reform/ Legal Issues	Truck Driver Training	Environmental Issues	Onboard Truck Technology
2006	Driver Shortage	Fuel Issues	Driver Retention	Hours-of-Service	Congestion	Government Regulation	Highway Infrastr.	Tort Reform	Tolls/ Highway Funding	Environmental Issues
2005	Fuel Costs	Driver Shortage	Insurance Costs	Hours-of-Service	Tolls/ Highway Funding	Tort Reform/ Legal Issues	Government Regulation	Congestion	Environmental Issues	Truck Security

Note: **Bold** indicates first year in top ten.