

The <u>freight market</u> has been growing since the April 2020 pandemic dip, and while the economic signs are bright at present, uncertainty is coming from Washington, DC, about a recently unveiled infrastructure spending bill.

On March 31, President Biden outlined plans for a \$2.25 trillion <u>infrastructure bill</u> that will shape the debate in the months ahead before the current highway bill, the <u>FAST Act</u>, expires on September 30, 2021.

Three transportation and logistics industry leaders shared their thoughts with *Outbound* about how legislation and other near-term issues could change the course of the fuel tax, the driver workforce and <u>safety technology</u>.

The Future of Highway Funding

The next surface transportation infrastructure bill will most likely bring new mandates for the industry, but the larger question is what initiatives will the bill include that are not directly related to building roads and bridges? And how will everything be paid for?

"I suspect there will be a lot of green initiatives," said American Trucking Associations Chair Sherri Brumbaugh, who also is President and CEO of Garner Trucking, a truckload dry-van carrier based in Findlay, Ohio. "There is going to be a lot of pressure on passenger car and truck OEMs to eliminate the internal combustible engine."

If electric vehicles are the future of transportation, Brumbaugh said that changes need to be made to the fuel tax program to ensure all motorists are paying a fair share. The Biden administration has ruled out a vehicle miles traveled (VMT) tax—for now.

Studies show the fuel tax is the most efficient means of revenue collection, and the <u>American Transportation Research Institute (ATRI)</u> calculated the cost to administer a VMT at 300 times higher than the fuel tax.

The DRIVE Safe Act would have paved the way for 18-year-old drivers to cross state lines, but that legislation was put on the back burner by the Biden administration. Brumbaugh believes that younger drivers, if the law passed, would prove as safe as 21-year-old CDL holders with the use of advanced safety technology, proper training and mentoring.

The high cost of administering a VMT makes it a non-starter for <u>Ed Crowell</u>, president and CEO of the <u>Georgia Motor Truck Association (GMTA)</u>. "So many people stand to make a lot of money if those kinds of things are implemented," he said.

Crowell would like to see the federal fuel tax program remain for vehicles with internal combustion engines and a separate taxation system created for electric vehicles and other alternative power sources.

In Search of Better Ratings

The <u>Transportation Intermediaries Association (TIA)</u> is currently making a legislative push for a safety standard for motor carrier selection to be attached to the next highway bill, said Anne Reinke, TIA's President and CEO.

The Federal Motor Carrier Safety Administration conducts audits of motor carriers to give them a safety rating (Satisfactory, Conditional, Unsatisfactory). With the current rating system, 85% of carriers are not rated, however, and that is "not fair" to freight brokers, she said.

A new safety standard would help prevent instances where freight brokers are roped into negligence selection lawsuits. "Typically, those who like to file lawsuits like confusion. We are trying to provide certainty," Reinke said.

Easing the Driver Shortage

All three industry leaders agree that the driver shortage needs to be solved. The labor market is the "Achilles heel" of the industry, said Brumbaugh, who sees <u>Garner Trucking</u> and many other carriers "doing everything but backflips and cartwheels to attract drivers."

Public <u>appreciation for drivers</u> has increased during the COVID-19 pandemic, and Brumbaugh hopes the attitudinal change will be permanent. If so, more younger generations will see a trucking career for what it is—a chance to achieve the American Dream.

Starting driving careers at an earlier age is one possible solution. Most states already allow 18-year-olds to drive trucks on intrastate routes, but federal law prohibits them from crossing state lines until they reach 21.

The CDL age restriction for interstate commerce is an "artificial constraint" that "doesn't serve safety or a real purpose," said GMTA's Ed Crowell.

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Moving to a Driverless Future

Technology investments have accelerated during the COVID-19 pandemic, but is this leading the industry closer to a driverless future?

Brumbaugh, while serving as <u>ATA</u> Chair, is frequently asked by people within and outside the industry about the timeline for autonomous trucks. She believes the infrastructure bill could get some items added that would help pave the way, but driverless trucks "are a long time coming," she said. "We are still going to need truck drivers."

Safety technology is the bridge to driverless trucks, and the younger generation embraces it, and "I'm all for it," said Brumbaugh, who notes that Garner Trucking's new tractors all have crash mitigation, lane departure warning and other ADAS technologies.

While the details remain to be worked out on the next infrastructure bill, it will bring a new round of changes to an industry that is already rapidly advancing.

"I hope cooler temps will prevail," said Reinke about the next highway bill, remarking that funding transportation infrastructure should at least be a bipartisan effort. "It is so critical for the economic health of our country and the safety of our roads."

more expert input

Why Has Driver Turnover Decreased?



DR. DAVID CORRELL,MIT RESEARCH SCIENTIST
CO-DIRECTOR MIT FREIGHT LAB

The COVID-19 pandemic contributed to record growth in freight rates over the past year by upsetting the balance of freight networks, observes <u>Dr. David Correll</u>, an MIT research scientist and co-director of the <u>MIT Freight Lab</u>.

Traditionally, driver turnover rises in a hot freight market from drivers chasing better job opportunities. Last year, however, turnover actually decreased from June through December according to multiple sources.

In February 2021, Correll published <u>a study that examines the relationship between the working conditions of truck drivers and turnover</u>. His research team tracked the daily activities of drivers from a data set provided by a mid-sized carrier. They found statistical differences in drivers' working conditions, between weeks, that preceded turnover events and those that did not.

The results support the notion that mileage <u>retains truck drivers</u>, Correll wrote. The weeks that precede quit events show lower total driving hours than the weeks that do not precede quit events. Perhaps the reason turnover has gone down during the pandemic is that drivers can stay busy by staying put.



