CRITICAL ISSUES IN THE TRUCKING INDUSTRY – 2015

Presented to the
American Trucking Associations

Prepared by

The American Transportation Research Institute

October 2015

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ATRI BOARD OF DIRECTORS

Critical Issues in the Trucking Industry – 2015

The past year has been one of ongoing uncertainty for the trucking industry. While the industry experienced some relief in December of 2014 with the suspension of the Hours-of-Service (HOS) restart provisions which were originally put in to effect in July of 2013, the potential for reimplementation of the rules following the Federal Motor Carrier Safety Administration's (FMCSA) congressionally required study of the impacts of the provisions continues to generate concern. Additionally, the industry continues to wait for FMCSA to issue the final rule on Electronic Logging Devices (ELDs) and for the agency to address concerns with its Compliance, Safety, Accountability (CSA) program.

In addition to looming changes in the regulatory environment, the industry must also deal with internal issues that significantly affect operations. As the workforce ages and retires, the industry continues to struggle with a growing shortage of drivers and a scarcity of qualified new entrants to fill their positions. Directly related, high driver turnover rates resulting from industry churning and competition from other industries continues to exacerbate workforce issues.

Given these and myriad other issues impacting freight movement, the American Trucking Associations (ATA) and its Federation partners in the State Trucking Associations (STA) continually seek opportunities to prioritize the industry's most pressing concerns. For the past 11 years, the industry has relied on the American Transportation Research Institute's (ATRI's) annual industry survey to understand and rank trucking's most critical issues as well as the preferred strategies for addressing each.

ATRI's Top Industry Issues survey methodology identifies leading issues and then solicits prioritized ranking by respondents. The issues and potential strategies were developed by ATRI in collaboration with key trucking stakeholder groups. Survey respondents are asked to select their top three choices from the aforementioned list, and subsequently rank their top three preferred strategies corresponding to their selected issues.

ATRI's distribution of the survey includes major trucking industry trade press and dissemination through the 50 State Trucking Associations to their respective memberships. This year's survey generated 1,388 complete responses, a 21 percent increase over last year's survey. Respondents represented industry stakeholders from both the U.S. and Canada and included motor carriers and commercial drivers.

This report presents the findings of the 2015 annual survey and analysis, and compares the findings of previous years' surveys (Table 2) resulting in an indicator of rising, falling, and emerging priorities in the trucking industry.

Top Issues

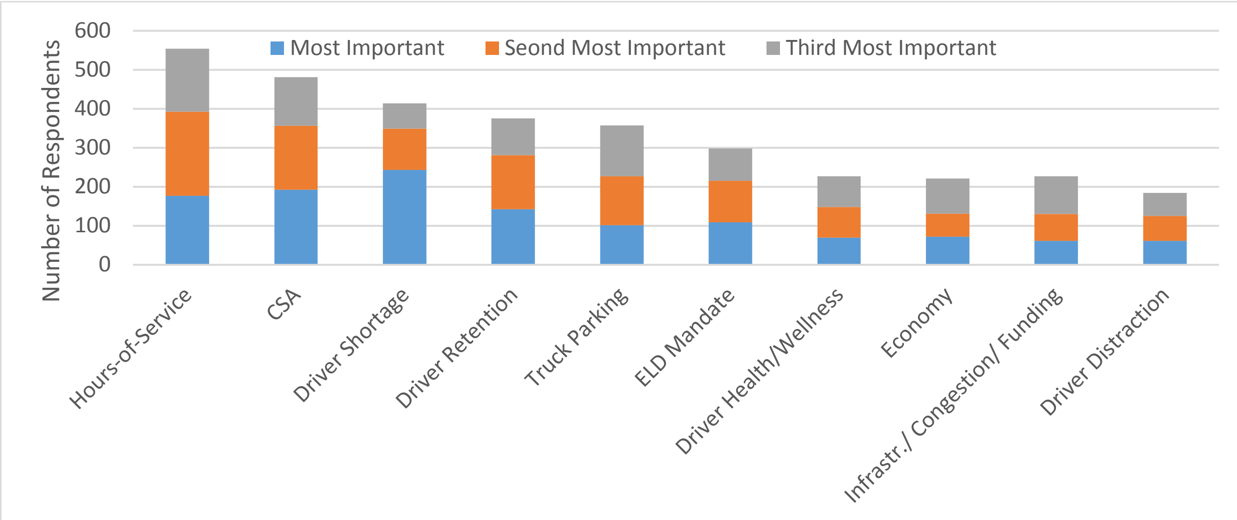
The HOS rules are again at the top of the industry's issues list in 2015 as uncertainty surrounding the future of the regulations continues to cause major concern. The FMCSA's Compliance, Safety, Accountability (CSA) program rose one position this year to second place as motor carriers and drivers continue to question the relationship between CSA scores and safety performance. The inability of carriers to find enough qualified drivers to meet the nation's freight demand brings the Driver Shortage in as the third most pressing industry issue.

ATRI develops the "Top Ten" using a formula assigning 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 do not receive any points. The total number of points is then aggregated 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 then presented to illustrate the level of 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 as an issue with an ICI of 100.

Each respondent also ranked 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 in Figure 1 showing 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 1st 13%	Ranked 2nd 16%	Ranked 3rd 12%	Total Share 40%	**Industry Concern Index 100**

This year marks the third year in a row that the HOS rules have been ranked as the top industry issue. The only other issue to generate a top ranking for three consecutive years was the Economy (2009 – 2011) during the Great Recession. Significant negative impacts on the industry from the 34-hour restart provisions first implemented in July 2013 have been documented by numerous sources. In its own research, ATRI found that 80 percent of motor carriers indicated a loss of productivity directly attributable to the now-suspended rules, and driver pay impacts were estimated to range from $1.6 billion to $3.9 billion annually.[1] Although the restart provisions were suspended by Congress in December 2014, concern over their reinstatement continues pending FMCSA's release of the results of its second field study.

Proposed Strategies (in rank order):

a) *Advocate for continued suspension of the restart provision implemented July 1, 2013 until accurate, reproducible safety and economic impacts are documented.* Last year the top-ranked strategy for addressing HOS-related concerns was to suspend the restart provisions which took effect in July of 2013. The provisions were subsequently suspended by Congress in December 2014. In this year's survey, 47.8 percent of respondents would like to see the continued suspension of the restart provisions until the direct economic and safety impacts of the rules are properly quantified. FMCSA recently finished their data collection effort for the required study on the rules, the results of which are expected by December of this year.[2]

b) *Research and quantify the true safety and economic impacts of customer detention on truck drivers and trucking operations.* Driver delays at customer facilities can result in a variety of adverse safety and economic impacts. Nearly a third of respondents (29.4%) believe that quantifying these impacts is an important first step in identifying solutions.

c) *Continue to push for increased flexibility in the current sleeper berth provision.* Currently, drivers using the sleeper berth provision must take at least eight consecutive hours in the sleeper berth, plus a separate two consecutive hours either in the sleeper

[1] Short, Jeffrey. *Operational and Economic Impacts of the New Hours-of-Service*. American Transportation Research Institute. Arlington, VA. November 2013.
[2] Jaillet, James. "FMCSA done studying drivers for 34-hour restart report, funding stopgap won't affect 'rollback'." Overdrive Online. October 1, 2015. Available online: http://www.overdriveonline.com/hours-roundup-fmcsa-done-studying-drivers-for-34-hour-restart-report-govt-funding-stopgap-wont-affect-rollback/

berth, off duty, or any combination of the two.[3] 24 percent of respondents would like to see added flexibility to this rule to allow drivers to rest when they are tired.[4] FMCSA has announced that they plan to conduct a pilot study to assess more flexible sleeper berth options.[5]

[3] Federal Motor Carrier Safety Administration. *Summary of Hours of Service Rules*. Last updated December 8, 2014. Available online: https://www.fmcsa.dot.gov/regulations/hours-service/summary-hours-service-regulations

[4] Miller, Eric. "CRST Petitions for HOS Exemption Allowing Drivers to Use Split Sleeper Berth Time." Transport Topics. August 24, 2015. Available online: http://www.ttnews.com/articles/basetemplate.aspx?storyid=39245&t=CRST-Petitions-for-HOS-Exemption-Allowing-Drivers-to-Use-Split-Sleeper-Berth-Time

[5] Dills, Todd. "FMCSA to study split-sleeper berth options, agency rep says." CCJ Online. October 27, 2014. Available online: http://www.ccjdigital.com/fmcsa-to-study-split-sleeper-berth-options-agency-rep-says/

2. Compliance, Safety, Accountability (CSA)

Ranked 1st 14%	Ranked 2nd 12%	Ranked 3rd 9%	Total Share 35%	**Industry Concern Index 91.6**

Though FMCSA has been working to address some of the industry's concerns with CSA,[6] a number of critical challenges still persist. Research has documented that CSA's safety measures, the seven Behavioral Analysis and Safety Improvement Categories (BASICs) under which carriers and drivers are scored, are not a good predictor of carrier crash risk.[7] Additionally, there are disparities in how states collect and report safety performance data,[8] and shippers are potentially misusing the data in the selection of carriers to haul freight.[9] There is also a concern with the use of CSA scores as part of a Safety Fitness Determination proposed rulemaking.[10] The combined impact of these concerns pushed CSA up one position to the second place ranking in this year's survey.

Proposed Strategies (in rank order):

a) *Continue to push for a crash accountability determination process that removes non-preventable crashes from carrier scores.* Research shows that there is general agreement among motor carriers and enforcement personnel that crash accountability should be a component of the CSA Crash BASIC, however there is continued debate over the use of police accident reports (PARs) for determining crash responsibility.[11] 44.9 percent of respondents believe this is the most critical step to improving how CSA measures safety performance. ATRI will soon release its analysis of the impact of removing five specific crash types from the Crash Indicator BASIC calculation. The crashes that ATRI focused on include five types where the driver or carrier clearly and conservatively could not have prevented the crash including:

- Being hit by another driver who was under the influence of drugs or alcohol;
- Another driver running a stop sign or light and hitting your truck;
- Being hit while legally parked;

[6] 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
[7] Lueck, M.D. *Compliance, Safety, Accountability: Analyzing the Relationship of Scores to Crash Risk*. American Transportation Research Institute. Arlington, VA. October 2012.
[8] Weber, A. and Murray, D. *Evaluating the Impact of Commercial Motor Vehicle Enforcement Disparities on Carrier Safety Performance.* American Transportation Research Institute. Arlington, VA. July 2014.
[9] Dills, Todd. "Losing the golden triangle: More proof shipper (mis)use CSA. Overdrive Online. July 29, 2013. Available online: http://www.overdriveonline.com/losing-the-golden-triangle-more-proof-shippers-misuse-csa/
[10] Jones, Jami. "FMCSA moves to tie carrier ratings to CSA." Land Line Magazine Online. July 17, 2015. Available online: http://www.landlinemag.com/Story.aspx?StoryID=29436#.Vhf_j_lViko
[11] Lueck, M.D., & Brewster, R. *Compliance, Safety, Accountability: Evaluating a New Safety Measurement System and Its Implications.* American Transportation Research Institute. Arlington, VA. December 2014.

* Collisions with an animal in the roadway;
* Collisions involving a pedestrian attempting to commit suicide by truck.

b) *Advocate for FMCSA to remove from public view percentile scores in all BASICs until they are strongly predictive of individual carrier crash risk.* Research shows that BASIC scores are being used by supply chains to evaluate carrier safety performance,[12] despite documented evidence of an inverse relationship between BASIC scores and crash risk in at least two of the BASICs.[13] In addition to the more than one-third (36.0%) of respondents that prefer this strategy, ATA has advocated for this strategy as well.[14]

c) *Leverage Inspector General and Government Accountability Office study findings to advocate for improvements in data collection and CSA formula development.* At the request of Congress, both the U.S. Department of Transportation Inspector General (IG)[15] and the Government Accountability Office (GAO)[16] conducted separate analyses of the CSA program. Both studies recommended improvements to the program. Approximately one-fifth (21.2%) of respondents believe that utilizing the findings from the IG analysis and the GAO report offer the best opportunity for compelling FMCSA to improve the program.

[12] Lueck, M.D., & Brewster, R. *Compliance, Safety, Accountability: Evaluating a New Safety Measurement System and Its Implications.* American Transportation Research Institute. Arlington, VA. December 2014.
[13] Lueck, M.D. *Compliance, Safety, Accountability: Analyzing the Relationship of Scores to Crash Risk*. American Transportation Research Institute. Arlington, VA. October 2012.
[14] Janney, Josh. "ATA Continues to Call for Revision of CSA Scoring System." Transport Topics. July 29, 2015. Available online: http://www.ttnews.com/articles/basetemplate.aspx?storyid=39013
[15] Office of the Inspector General Audit Report. *Actions are Needed to Strengthen FMCSA's Compliance, Safety, Accountability Program*. March 5, 2014. Available online: https://www.oig.dot.gov/sites/default/files/CSA%20Report.pdf
[16] U.S. Government Accountability Office Report to Congressional Committees. *Federal Motor Carrier Safety: Modifying the Compliance, Safety, Accountability Program Would Improve the Ability to Identify High Risk Carriers.* February 3, 2014. Available online: http://www.gao.gov/assets/670/660610.pdf

3. Driver Shortage

Ranked 1st 18%	Ranked 2nd 8%	Ranked 3rd 5%	Total Share 30%	**Industry Concern Index 89.6**

In a new report from the American Trucking Associations, the current driver shortage is now estimated to be 48,000, a number that is projected to increase to 175,000 by 2024.[17] Despite a one position fall to third place from last year, it is important to note that the Driver Shortage received the highest percentage (18%) of first place rankings of all the issues in the top 10.

<u>Proposed Strategies (in rank order):</u>

a) *Work with state and federal authorities to consider a graduated CDL program to safely attract new and younger drivers.* In its recent report, ATA found that 45 percent of driver hires are done to replace retirees.[18] This corroborates ATRI's recent driver demographic analysis, which found that 26 percent of the industry's workforce is 55 and older.[19] Therefore, it is critical that the industry identify workers to fill the growing number of openings due to an aging workforce. However, federal rules that require individuals to be 21 years old to obtain a Commercial Drivers License (CDL) limit options for young individuals aged 18-20 who are interested in becoming truck drivers. A Graduated CDL would provide an avenue for younger drivers to enter the profession and work toward a full CDL. Researching ways to safely incorporate younger drivers into the industry is the preferred strategy for 55 percent of respondents.

b) *Research and quantify successful recruitment strategies for commercial drivers.* Approximately one-third (31%) of respondents feel that the best strategy for combating the driver shortage is to identify successful practices for attracting new entrant drivers. These strategies could include ways to engage non-traditional workers and new messaging for recruitment ads.

c) *Work with the Department of Labor to formalize a national truck driver recruitment program.* 14.2 percent of respondents would like to see cooperation with the Department of Labor on what is becoming a significant national workforce issue.

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[17] "*Driver Shortage Worsened This Year, ATA Says*." Transport Topics. October 6, 2015. Available online: http://www.ttnews.com/articles/basetemplate.aspx?storyid=39635&t=Driver-Shortage-Worsened-This-Year-ATA-Says
[18] Ibid.
[19] Short, Jeffery. *Analysis of Truck Driver Age Demographics Across Two Decades*. American Transportation Research Institute. Arlington, VA. December 2014.

4. Driver Retention

Ranked 1st	Ranked 2nd	Ranked 3rd	Total Share	**Industry Concern Index**
10%	10%	7%	27%	**71.1**

Related to the driver shortage issue, but requiring different approaches is Driver Retention, which continues to be a top priority for motor carriers. Despite driver turnover falling in the first quarter of 2015[20], the industry still experiences turnover rates significantly higher than many other sectors of the U.S. workforce, creating additional costs for motor carriers in recruitment and training. Most importantly, carriers seek to focus driver retention on those drivers most qualified in terms of safety and productivity.

Proposed Strategies (in rank order):

a) *Identify and publish carrier best practices that improve work/life balance, healthy lifestyles, and family relationships for drivers.* There is a continuum of success among fleets in how they structure their work environment to improve their drivers' quality of life. Among the more successful strategies utilized by fleets is the practice of more frequent home time and newer equipment acquisition. Quantifying and disseminating these best practices is the preferred strategy of 37.1 percent of respondents.

b) *Research the relationship between driver compensation models and driver productivity.* While driver pay is only part of the equation, it plays a leading role in maintaining and/or enhancing driver satisfaction. However, understanding the relationship of the various industry driver pay models and their relationship to driver productivity and retention is a necessary first step in advancing the most successful compensation schema. 33.2 percent of respondents believe an analysis of driver compensation approaches would be beneficial to the industry.

c) *Study the effectiveness of carrier retention programs that financially incentivize drivers for performance in the areas of safety, fuel economy, and trip productivity.* By financially rewarding drivers who are safe and productive, carriers could encourage those drivers to stay longer with the fleet. These bonuses may serve as an incentive to other drivers to improve their safety and productivity-related behaviors as well. 30 percent of respondents that prefer this strategy would like to see research measuring possible impacts of these incentive programs.

[20] Costello, Bob. "Driver Turnover Falls in First Quarter of 2015". Press Release, American Trucking Associations. July 14, 2015. Available online: http://www.trucking.org/article.aspx?uid=f08e2374-e1b1-4ee6-9662-b77a90a97ba5

5. Truck Parking

Ranked 1st 7%	Ranked 2nd 9%	Ranked 3rd 10%	Total Share 26%	**Industry Concern Index 61.0**

The growing scarcity of available truck parking creates a dangerous situation for truck drivers who are often forced to drive beyond allowable HOS rules or park in undesignated and, in many cases, unsafe locations. In response to a congressional requirement, the Federal Highway Administration (FHWA) recently released its *Jason's Law Truck Parking Survey Results and Comparative Analysis* which confirmed that truck parking continues to be a major issue in the United States.[21]

Similarly, ATRI's Research Advisory Committee selected Truck Parking as the most critical research need for the industry for 2015 and in response, ATRI recently released the first of a series of six technical memoranda on the topic of truck parking. This first Tech Memo looked at commercial driver perceptions and valuations for locating available, safe parking.[22]

Proposed Strategies (in rank order):

a) *Support and encourage investment in new truck parking facilities.* A vast majority of survey respondents, 74.3 percent, indicated this as their preferred strategy. Budget shortfalls experienced by many states has resulted in the closure of many public truck stops and rest areas.[23] 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.* The "Jason's Law" study was called for by Congress as part of the larger MAP-21 highway authorization bill.[24] The impetus for Jason's Law was the murder of a truck driver in a location he believed was safe. Educating state and local officials on the critical need for safe truck parking facilities could lead to new investments in parking facilities. This strategy is preferred by 20.1 percent of respondents.

c) *Research the role and value of real-time truck parking information availability and truck parking reservation systems.* Recent advances in technology provide the opportunity to make real-time parking information readily available to drivers. These

[21] Federal Highway Administration and Department of Transportation. *Jason's Law Truck Parking Survey Results and Comparative Analysis*. August 2015. Available Online: http://www.ops.fhwa.dot.gov/freight/infrastructure/truck_parking/jasons_law/truckparkingsurvey/jasons_law.pdf
[22] Boris, Caroline and Matthew Johnson. *Managing Critical Truck Parking Tech Memo #1: Commercial Driver Perspectives on Truck Parking*. American Transportation Research Institute. Arlington, VA. September 2015.
[23] Ibid.
[24] Jason's Law: Safety for Truckers. http://jhlrivenberg.com. Accessed October 5, 2015.

systems, being tested around the country, have the potential to inform drivers of available parking before exiting the highway. A small number of respondents (6.4 %) feel this is the best strategy.

6. Electronic Logging Device (ELD) Mandate

Ranked 1st	Ranked 2nd	Ranked 3rd	Total Share	**Industry Concern Index**
8%	8%	6%	22%	**55.4**

In March of last year, FMCSA issued a Supplemental Notice of Proposed Rulemaking (SNPR)[25] to address a number of concerns identified by industry stakeholders in the initial Electronic Logging Device (ELD) proposed rule. However, the industry continues to await FMCSA's issuance of the ELD Final Rule, currently expected at the end of October.[26] Once the final rule is issued, the industry will better understand what will be needed for compliance and how it will impact individual fleet operations.

Proposed Strategies (in rank order):

a) *Ensure that the ELD mandate does not require that devices be capable of creating hard-copy printed HOS records.* 41.7 percent of respondents advocate the importance of this strategy. Compliance with a requirement to produce hard-copy printed HOS records would increase compliance costs and be redundant given the availability of electronic, technology-based reporting.

b) *Ensure that the final rule grandfathers existing devices installed by early adopters for an appropriate length of time.* There is concern that early adopters' devices will quickly become obsolete in the years following the mandate. As example, if ELDs are required to be capable of printing hard-copy records, devices without printing capabilities currently used by early adopters would have "to be made capable of alternative electronic data transfer methods that may be beyond the devices' hardware capabilities."[27] The industry has also advocated for lengthening the grandfather period for existing devices to allow their use for the lives of the vehicles in which they are installed.[28] This is the preferred strategy for 34.8 percent of respondents.

c) *Ensure that the two-year implementation window is not extended.* Nearly a quarter of respondents (23.3%) indicated they do not want the implementation window to be extended past the current two-year period due to the unfair competitive advantages fleets using paper logs could have over early adopting fleets already equipped with ELDs.[29]

[25] 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
[26] Cullen, David. "ELD Mandate Pushed Back One Month" TruckingInfo. September 17, 2015. Available online: http://www.truckinginfo.com/news/story/2015/09/eld-mandate-pushed-back-one-month.aspx
[27] 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.
[28] Ibid.
[29] Ibid

7. Driver Health/Wellness

Ranked 1st 5%	Ranked 2nd 6%	Ranked 3rd 6%	Total Share 17%	**Industry Concern Index 39.5**

Reaching its highest ranking since first appearing on the Top Industry Issues in 2012, Driver Health and Wellness ranks 7th overall. Many in the industry recognize the critical connection between improved driver health and wellness and the industry's ability to retain qualified drivers. In addition to obvious lifestyle benefits, an improvement in driver health may also have positive implications for industry safety as research has identified a positive correlation between driver health and driver safety.[30]

Proposed Strategies (in rank order):

a) *Encourage increased availability of exercise facilities and healthy food choices at truck stops/travel plazas.* 63.7 percent of respondents believe the lack of available healthy food options and exercise facilities is a leading factor affecting driver health and wellness. As the industry works toward solutions for the truck parking shortage, it will also be important to ensure that the parking has available amenities to address driver health and wellness concerns.

b) *Research and disseminate commercial driver health and wellness program best practices.* There are numerous examples of fleets that have successfully implemented health and wellness programs for their drivers.[31] Identifying carrier best practices that have a measurable impact on driver health and wellness could result in wider industry adoption of those best practices. 21.5 percent of respondents believe this is the best strategy for improving overall driver health and wellness.

c) *Undertake research that quantifies the return-on-investment potential of driver health and wellness programs.* Similarly, quantifying the value and ROI of driver health and wellness programs may drive further adoption of these programs[32] 15 percent of respondents believe this is the preferred strategy.

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[30] *Research on the Health and Wellness of Commercial Truck and Bus Drivers: Summary of an International Conference*. Transportation Research Board. November 8-10, 2010.
[31] Krueger, Gerald, Brewster, R. et al. *Health and Wellness Programs for Commercial Drivers.* Commercial Truck and Bus Safety Synthesis Program Synthesis 15. Transportation Research Board. January 2007.
[32] Commendatore, Christina. "*Good health correlates to safer drivers, increases in retention*." Fleet Owner. October 2, 2015. Available online: http://fleetowner.com/fleet-management/good-health-correlates-safer-drivers-increases-retention

8. Economy

Ranked 1st	Ranked 2nd	Ranked 3rd	Total Share	**Industry Concern Index**
5%	4%	7%	16%	**37.8**

Once a longstanding top industry issue during the years of the Great Recession, the ranking for the state of the nation's economy dropped to ninth place in last year's 2014 survey. However, in 2015 it climbed one position to 8th overall. This may be driven, in part, by more recent concerns over softer freight demand and what that may mean for 2016,[33] as well as concerns over the economies in Europe and Asia and export impacts from a strong U.S. dollar.

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 (52.9%) feel that regulatory reform is the best strategy for improving the economy. As example, the American Trucking Associations recently filed comments with the Environmental Protection Agency (EPA) and the National Highway Traffic Safety Administration (NHTSA) expressing concern over the proposed rule on the Phase 2 Greenhouse Gas Emissions and Fuel Efficiency Standards for Medium- and Heavy-Duty Engines and Vehicles. Among the issues raised by the industry in their comments was the uncertainty of future industry costs, benefits, and reliability of select technologies.[34]

b) *Continue to advocate for policies that will stimulate the economy*. Given the strong relationship between consumer spending and freight demand, 25.4 percent of respondents would like to see policies which boost consumer confidence and spending. With increased consumer spending comes increased freight demand and a more stable financial situation for the trucking industry.

c) *Pressure Congress to change its pattern of short-term extensions and inaction that creates more uncertainty in the economy.* 22 percent of respondents that prefer this strategy believe partisanship and short-term policy extensions are preventing the necessary dialogue to address the serious long-term issues that the economy faces.

[33] Chao, Loretta. "*Trucking Industry Prospects Dim – Cowen*." The Wall Street Journal. October 7, 2015. Available online: http://www.wsj.com/article_email/trucking-industry-prospects-dim-cowen-1444240591-lMyQjAxMTE1NzE4MTUxMzE0Wj

[34] American Trucking Associations. *Comments of the American Trucking Associations on the Greenhouse Gas Emissions Standards and Fuel Efficiency Standards for Medium- and Heavy-Duty Engines and Vehicles; Phase 2; Proposed Rule*. October 1, 2015. Available online: http://www.trucking.org/ATA%20Docs/What%20We%20Do/Trucking%20Issues/Documents/Energy%20Environment/ATA%20Comments%20on%20Phase%202%20Stnds.pdf

9. Transportation/Infrastructure/Congestion/Funding

Ranked 1st 4%	Ranked 2nd 5%	Ranked 3rd 7%	Total Share 17%	**Industry Concern Index 37.2**

The United States' 4.1 million miles of public roadways[35] must be properly maintained and improved to allow the industry to efficiently deliver the nation's goods. ATRI research documented trucking industry costs of $9.2 billion associated with interstate congestion in 2013.[36] The negative impacts of congestion, failing infrastructure and the need for a long-term transportation funding solution all combined to keep this issue in the top ten in 2015.

Proposed Strategies (in rank order):

a) *Advocate for long-term highway funding through an increase in the fuel tax or other user fees, and prevent additional diversion of revenue to non-highway projects.* Over half (52.6%) of respondents rank this strategy as their top choice. The ability of current fuel tax revenues to fund transportation improvements has been declining primarily due to increased construction and materials cost and, to a lesser extent, improvements in fuel economy and stagnant fuel tax rates.[37] However, research has demonstrated that the existing fuel tax is an efficient form of taxation,[38] and as such many in the industry support increasing the fuel tax as a stable source of funding.

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. 27.5 percent of respondents considered this the best strategy for addressing infrastructure challenges.

c) *Create a new funding program to focus federal resources on truck bottlenecks on major freight routes.* 20.6 percent of respondents 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 facilitate investment prioritization.[39] The Jane Byrne Interchange (formerly Circle Interchange) in Chicago is now the focus of a $450 million reconstruction effort to improve truck freight mobility as a direct result of this work.[40]

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[35] Highway Statistics Series. Federal Highway Administration, United States Department of Transportation. Available online: https://www.fhwa.dot.gov/policyinformation/statistics.cfm.
[36] Pierce, D. and Murray, D. *Cost of Congestion to the Trucking Industry*. American Transportation Research Institute. Arlington, VA. April 2014.
[37] Short, J. et al. *Defining the Legacy for Users: Understanding Strategies and Implications for Highway Funding*. American Transportation Research Institute. Arlington, VA. May 2007.
[38] Ibid.
[39] *Congestion Impact Analysis of Freight-Significant Highway Locations – 2014*. American Transportation Research Institute. Available Online: http://atri-online.org/2014/12/17/congestionimpacts/.
[40] http://circleinterchange.org/about/. Accessed October 5, 2015.

10. Driver Distraction

Ranked 1st	Ranked 2nd	Ranked 3rd	Total Share	**Industry Concern Index**
4%	5%	4%	13%	**32.9**

First arriving on the Top Ten list in 2014, 2015 marks the second year that Driver Distraction has made the list. Increased concern about the rising use of technology in vehicles by all drivers will likely result in this issue continuing as a top concern in the coming years.

Proposed Strategies (in rank order):

a) *Encourage harsher penalties and more aggressive enforcement of distracted driving violations for drivers of all vehicle types.* All 50 states have some form of mobile phone use restriction; however there are varying degrees of enforcement. States may only ban use for novice drivers, and some consider usage a primary citable offense, while others consider it to be a secondary offense.[41] 42 percent of respondents would like to see uniform enforcement of distracted driving laws.

b) *Recognizing the growing role of onboard technologies, identify solutions that support safe technology usage in the cab.* Technology use in the truck cab will increase exponentially over the next decade. Some of the expansion is directly related to new technology-based regulations, such as the impending ELD mandate. But in many instances, the industry itself is moving to sophisticated technologies that streamline decision-making and assist truck drivers with vehicle safety and operations. Today, technology solutions have far exceeded regulatory tools designed to minimize driver distraction. As there is "no going back" on technology adoption, new strategies, policies and applications are needed to maximize technology effectiveness without compromising safety. In recognition of this fact, 32.6 percent of respondents want to make sure that additional technology use will not result in distracted driving.

c) *Continue to promote research to better understand the scope 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. 27.2 percent of respondents would like research conducted to better quantify the issue.

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

Emerging Issues

The 11th through 14th place issues are presented in Table 1 below to provide 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 – 14

Rank	Issue	ICI
11	FMCSA Mission	19.6
12	Onboard Safety and Efficiency Enhancing Technologies	14.5
13	Federal Tax Reform	12.7
14	Independent Contractor Status	11.7

Two issues which were added for the first time to the survey have made the list of emerging issues, the first of which is the overall mission of the Federal Motor Carrier Safety Administration. In particular, highlighting the concerns raised with recent FMCSA research studies and findings,[42] [43] the vast majority of respondents ranking this issue as most important indicated they would like to see a push for creation of a standing industry oversight panel to review FMCSA-sponsored research plans, study methodologies, contractor selection, and research results to ensure a more balanced and transparent process.

The use of onboard safety and efficiency enhancing technologies has been in the top ten issues in years past, reaching a high of 8th in 2010. Though it did not make the top list this year, there are still many in the industry who believe that industry needs to do more in terms of advocating for the responsible use of wireless inspection practices to streamline trucking operations for those with no safety violations detected.

Federal tax reform is the second emerging issue that is new to the survey this year. The overwhelming majority of respondents indicated that they want reform to simplify the current federal tax code, particularly for those taxes that impact business and trucking.

Independent contractor status is again on the list of emerging issues, up one position from last year's analysis. The preferred strategy of respondents selecting this issue is to continue to defend against legislation and litigation that limits the use of independent contractors in the trucking industry.

[42] Brewster, Rebecca, and Jeffrey Short. *Technical Memorandum: Assessment of the FMCSA Naturalistic Field Study on Hours-of-Service Restart Provisions.* American Transportation Research Institute. Arlington, VA. April 2014.
[43] Mulero, Eugene. "*Rep. Hanna Criticizes HOS Study Researchers*." Transport Topics. April 29, 2015. Available online: http://www.ttnews.com/articles/basetemplate.aspx?storyid=38109

Table 2: Top Industry Issue Rankings, 2005 - 2015

	Issue Rank									
	1	2	3	4	5	6	7	8	9	10
2015	Hours-of-Service	CSA	Driver Shortage	Driver Retention	Truck Parking	ELD Mandate	Driver Health/ Wellness	Economy	Infrastr./ Congestion/ Funding	Driver Distraction
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.