

CRITICAL ISSUES IN THE TRUCKING INDUSTRY – 2020



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American Trucking Associations

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Critical Issues in the Trucking Industry – 2020

The year 2020 can unequivocally be described as the most chaotic and unpredictable time period in many decades. In the course of several months, the U.S. economy – the largest in the world – spiraled from new records in consumer sales growth, low unemployment, industry-favorable trade agreements, and a dramatically improved regulatory landscape... to a COVID-related economic slide paralleling the Great Depression, and all that comes with it.

Driven by “shelter-in-place” orders in all 50 states, this same year saw industry business models instantly recalibrated from onsite consumer sales to unparalleled e-commerce growth; huge food product shifts from restaurants to grocery stores; the newly created concept of “consumer hoarding,” and a temporary decline or elimination of several top industry issues from ATRI’s 2019 list.

In a number of states, fatal crash *rates* skyrocketed, while fatality crash numbers plummeted – due to limited automobile usage, a dearth of traffic congestion and long, unfettered stretches of roadway. That same operating environment however, allowed trucks to move essential goods to stores, hospitals and fulfillment centers in record time. In many instances, the trucking industry benefited from both temporary COVID-related regulatory exemptions as well as permanent changes to rules such as the hours-of-service.

To add to the complexity, many underlying issues continued to press forward in 2020, including highly automated vehicles, vehicle electrification, under-funded infrastructure, and perennial international trade issues.

Finally, 2020 experienced many political and societal upheavals whose impacts will be felt for many years.

Through it all, the trucking industry survived, and in limited instances thrived, as a foundational component of both the macro U.S. economy and consumer demand on a micro level. As a leading indicator, recent trends in truck activity suggest that the U.S. has turned the corner on the COVID recession, but it is still not clear what and when a “return to normalcy” will occur – if ever.

Perhaps now more than ever, it is imperative that industry stakeholders understand the interplay of diverse issues in the trucking industry. For the past 16 years, the trucking industry has relied on the American Transportation Research Institute’s (ATRI) annual survey to quantify the trucking industry’s most critical issues as well as to identify preferred strategies for addressing each issue. Organizations such as the American Trucking Associations (ATA) and its Federation partners in the State Trucking Associations (STA) have leveraged ATRI’s Top Industry Issues report to develop proactive industry-centric strategies and programs.

Methodology

ATRI's 2020 Top Industry Issues (TII) analysis is based on a robust survey methodology. The initial issues and related counterstrategies were first identified and synthesized in collaboration with various freight stakeholder groups. ATRI then conducted a large-scale survey distribution using its own contact database (15,000+), ATRI's regular Sirius/XM radio shows, major trucking industry trade press, and through the 50 State Trucking Associations. The 2020 survey was launched September 8, 2020 and remained open for responses through October 16, 2020.

Survey respondents were asked to select their top three choices from the list of 29 critical issues, and subsequently ranked their top three preferred strategies that correspond to each selected issue. To capture any missing issues, write-in responses were allowed for both the top issues and the strategies.

ATRI develops the Top 10 list using a formula assigning quantitative values to respondents' rankings of issues facing the industry. An issue that is ranked by a respondent as 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 sum total of points for each issue are used to generate a prioritized list of top industry concerns. The issue with the highest number of points is identified as the top industry issue and is given an Industry Concern Index (ICI) to illustrate the relative level of concern from one issue to the next. The #1 issue receives an ICI of 100, and then all other issues are indexed against this value. For example, if an issue receives an ICI of 50, it was calculated to have half the level of concern as the top issue.

Each respondent was asked to rank three of the pre-identified strategies that address their top three issues. The strategies were identified by trucking stakeholders for their potential to impact or mitigate each industry challenge. The strategies are ranked by the percentage of respondents selecting each strategy as their #1 choice.

This year's survey generated the highest response since the survey began in 2005. Over 3,100 industry stakeholders across North America weighed in with their opinions on the most important issues affecting the trucking industry and the broader supply chain. The respondents represented motor carrier personnel (43.9%), commercial drivers (32.2%), and other industry stakeholders (23.9%), including industry suppliers, driver trainers, and law enforcement. In addition to providing an overall ranking, this report includes separate Top 10 lists for both commercial driver and motor carrier respondents. It also includes a breakout of the top three concerns for both company drivers and owner-operators / independent contractors.

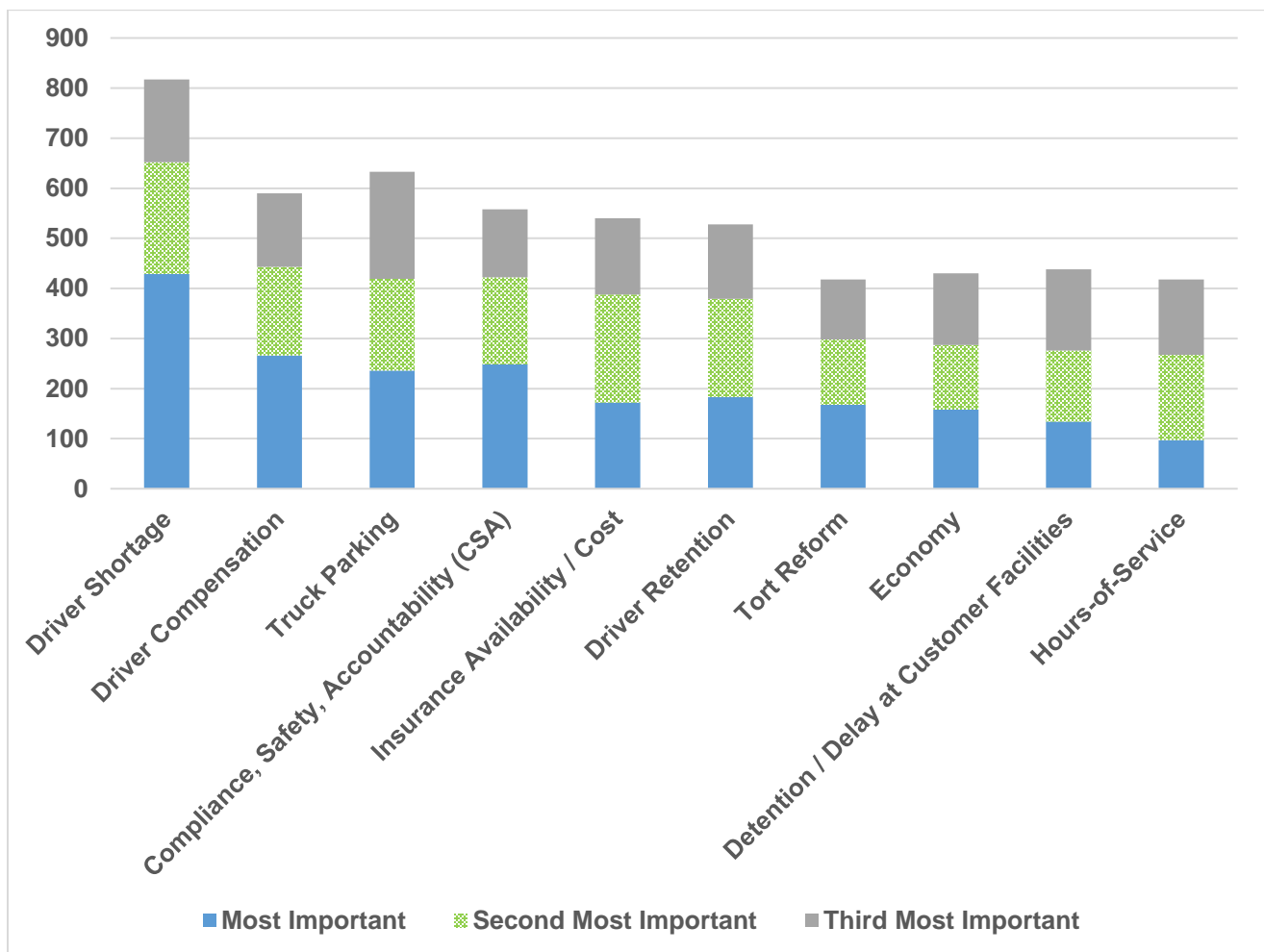
This report presents the findings of the 2020 annual survey and analysis, and compares the findings of previous years' results (Table 4) – providing insight into both the changing and emerging priorities of the trucking industry.

The Top 10 Trucking Industry Issues

Despite a pandemic that disrupted the supply chain in early 2020, the resurgence of freight demand placed the **Driver Shortage** at the top of the list once again, for the fourth year in a row. Closely related to the Driver Shortage, **Driver Compensation** was ranked as the number two industry issue, up one spot from its 2019 ranking.

Truck Parking climbed two spots this year to become the third highest ranking issue of concern and achieving its highest ranking since first appearing on the Top 10 list in 2012. The Federal Motor Carrier Safety Administration’s (FMCSA’s) **Compliance, Safety, Accountability (CSA)** program moved up four spots this year to claim the fourth highest rank. Rounding out the top five is **Insurance Cost / Availability** (Figure 1).

Figure 1: Distribution of Industry Issue Prioritization Scores



1. Driver Shortage

Ranked 1 st 13.9%	Ranked 2 nd 7.8%	Ranked 3 rd 5.8%	Total Share 26.4%	Industry Concern Index 100
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For the fourth consecutive year, the Driver Shortage is the trucking industry’s top concern on the overall list. Despite the recession brought on by the pandemic in early 2020, freight demand is returning to pre-COVID levels and early indicators are showing that the shortage will soon return to the levels experienced in 2018 and 2019.¹

Exacerbating the driver supply challenges is the number of drivers who have left the industry due to the FMCSA Drug and Alcohol Clearinghouse² as well as older drivers who retired or exited the industry over COVID-related health concerns.³

Proposed Strategies (in rank order):

a) *Advocate for Congress and federal agencies to develop an apprenticeship program to attract, train and retain safe 18-20 year old interstate drivers to the industry.* Faced with an aging workforce where over a fourth of the driver population (27.4%) is 55 or older,⁴ fleets are looking to identify a younger cohort of drivers to fill seats. To increase the available pool of qualified candidates, 52.6 percent of respondents believe that opening interstate driving positions to 18-20 year olds is the best strategy to address the shortage. The DRIVE-Safe Act – which is viewed by many in the industry as a clear pathway to safely integrate 18-20 year old drivers into a trucking career – provides a framework for an apprenticeship program including hours of training, technology use and performance benchmarks.⁵

b) *Quantify the impact of state Department of Motor Vehicle (DMV) delays on new driver credentialing for both Commercial Learner’s Permits (CLP) and Commercial Driver’s License (CDL) testing.* One of the many industry impacts from the pandemic was the shuttering of state-run facilities including public rest areas and state licensing agencies. The latter had a direct impact on the driver supply as new entrants were not able to secure CLPs and CDLs.⁶ While many of those facilities are beginning to operate again – albeit at reduced capacity and throughput – quantifying the impact of those closures to better understand the backlog of new entrants into the system was identified by 20.1 percent of respondents as the top recommended strategy.

¹ Huff, Aaron. “Fleets Preparing to Face a Driver Shortage Like it’s 2018 All Over Again.” Commercial Carrier Journal. October 5, 2020. Available online: <https://www.ccjdigital.com/fleets-driver-shortage-preparation/#>

² Ibid.

³ Smith, John. “How Will COVID-19 Affect Truck Driver Demand.” Trucknews.com. March 31, 2020. Available online: <https://www.trucknews.com/transportation/how-will-covid-19-affect-truck-driver-demand/1003138918/>

⁴ Current Population Survey (CPS) 2019. U.S. Census Bureau and Bureau of Labor Statistics.

⁵ Mulero, Eugene. “US Senate Bill to Allow Interstate Truckers Under 21 Touted at Hearing.” Transport Topics. February 4, 2020. Available online: <https://www.ttnews.com/articles/us-senate-bill-allow-interstate-truckers-under-21-touted-hearing>

⁶ Miller, Eric. “CVTA: Driver Learner Permit, CDL Testing Delays Persist.” Transport Topics. August 6, 2020. Available online: <https://www.ttnews.com/articles/cvta-driver-learner-permit-cdl-testing-delays-persist>

c) *Identify unique requirements and issues associated with expanded driver recruitment of women and minorities.* According to the latest data from the U.S. Department of Labor, the truck driver population is comprised of 6.7 percent females and 41.5 percent minorities.⁷ Expanding both populations is viewed by 19.0 percent of respondents as a top strategy to mitigate the driver shortage. Beyond addressing the shortage, recruiting additional women to the industry will likely have a resulting safety impact. ATRI's 2018 Crash Predictor Analysis found that female truck drivers outperformed their male counterparts in every statistically significant driving behavior examined, and the male drivers were involved in 20 percent more crashes than the female drivers.⁸

⁷ American Trucking Associations. "American Trucking Trends 2020."

⁸ Boris, Caroline and Dan Murray. "Predicting Truck Crash Involvement: 2018 Update." American Transportation Research Institute. Arlington, VA. July 2018.

2. Driver Compensation

Ranked 1 st 8.6%	Ranked 2 nd 6.2%	Ranked 3 rd 5.2%	Total Share 19.1%	Industry Concern Index 68.4
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For the second year in a row, Driver Compensation is ranked as a Top 10 issue; this year rising one spot to the number two issue. In the latest Driver Compensation analysis from the American Trucking Associations, the average annual pay for a national truckload solo van driver was nearly \$58,000 in 2019, representing a \$6,000 increase over 2017.⁹ ATRI’s Operational Costs of Trucking analysis also documents increasing driver pay and benefits.¹⁰

Despite these increases, many drivers believe the shortage and compensation are inextricably linked, and that the only solution to recruiting and retaining drivers is to increase pay or modify compensation models. And, while this is just the second year that Driver Compensation has appeared as a Top 10 issue in this survey, the very first Top Industry Issues Survey in 2005 identified increasing driver pay as the number one strategy for addressing the driver shortage.¹¹

Proposed Strategies (in rank order):

a) *Analyze truck driver compensation in relation to other competing employment sectors (e.g. construction).* Trucking fleets often compete with other industries that may offer similar or better pay and also provide workers with preferred lifestyle options, such as the opportunity to be home every night. This is particularly true this year as the pandemic has led to a surge in e-commerce growth and a resulting need for local and regional drivers.¹² Understanding how driver pay stands up against competing industries is the preferred strategy of 35.1 percent of respondents.

b) *Research and assess the effectiveness of carrier retention programs that financially incentivize drivers for performance in the areas of safety, fuel economy, and trip productivity.* Driver compensation is not limited to direct driver pay, and many fleets utilize performance bonuses as an additional way to compensate and reward drivers for safe driving and other metrics. In ATRI’s 2019 Operational Costs of Trucking, fleets reported average annual safety bonuses of \$1,238.¹³ Studying the efficacy of various bonuses for rewarding and retaining drivers is the recommended strategy of 27.8 percent of respondents.

⁹ Karickhoff, Alan and Bob Costello. “ATA 2020 Driver Compensation Study.” American Trucking Associations. Arlington, VA. May 2020.

¹⁰ Murray, Daniel and Seth Glidewell. “An Analysis of the Operational Costs of Trucking: 2019 Update.” American Transportation Research Institute. Arlington, VA. November 2019.

¹¹ “Top Industry Issues 2005.” American Transportation Research Institute. Arlington, VA. October 2005.

¹² Ronan, Dan. “Trucker Pay Increasing as Driver Shortage Grows, Industry Capacity Tightens.” Transport Topics. October 7, 2020. Available online: <https://www.ttnews.com/articles/trucker-pay-increasing-driver-shortage-grows-industry-capacity-tightens>

¹³ Murray, Daniel and Seth Glidewell. “An Analysis of the Operational Costs of Trucking: 2019 Update.” American Transportation Research Institute. Arlington, VA. November 2019.

c) *Quantify the relationship between driver compensation models and driver satisfaction and productivity.* While driver pay is only part of the equation, it is a key factor in maintaining and/or enhancing driver satisfaction. The industry continues to explore new and expanded pay models to increase driver satisfaction. These models include salaried, hourly, per-load and percentage-of-load, as well as offering an expanded suite of driver benefits. As such, 27.5 percent of respondents believe the best strategy for addressing driver compensation is to quantify the relationship between pay models and driver satisfaction and productivity.

3. Truck Parking

Ranked 1 st 7.6%	Ranked 2 nd 6.4%	Ranked 3 rd 7.6%	Total Share 20.5%	Industry Concern Index 67.9
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Since first appearing on the survey in 2012, the lack of available truck parking has been a perennial Top 10 issue. This year Truck Parking ranks third overall, its highest rank yet. The pandemic clearly had an impact on the parking shortage in 2020 as a number of states shuttered their public rest areas, removing capacity from an already constrained system. In a joint ATRI and OOIDA Foundation research initiative conducted earlier this year, 44 percent of respondents indicated that truck parking was “somewhat harder” or “much harder” to find during the pandemic.¹⁴ However, while some states were closing rest areas, other states were initiating projects to expand parking availability along key truck routes.¹⁵

Proposed Strategies (in rank order):

a) *Identify strategic locations on the National Freight Network for new or expanded truck parking due to increased traffic congestion, changing staging needs and industry / regulatory changes.* A plurality of survey respondents (39.5%) believe that identifying strategic locations to expand truck parking capacity is the best approach for addressing the pervasive shortage of truck parking. Initiatives such as the Atlanta Regional Truck Parking Assessment Study, which identified current truck parking inventories and projected future truck parking deficits, allow states and regions to target investment in strategic locations.¹⁶

b) *Create a new dedicated federal funding program designed to increase truck parking capacity at freight-critical locations.* More than a third of respondents (34.1%) believe that a federal infrastructure bill provides the best opportunity for truck parking capacity investments. While there are currently federal formula funds eligible for truck parking projects, they compete with important road construction activities. A dedicated truck parking funding program would target and streamline funding for truck parking projects.¹⁷

c) *Research the role and value of real-time truck parking information systems and truck parking reservation systems.* A small, but growing percentage of respondents believe that the best solution for addressing the truck parking shortage is to quantify the value of and expand on technology-based truck parking information systems. The share of

¹⁴ “Covid-19 Impacts on the Trucking Industry.” American Transportation Research Institute and the OOIDA Foundation. April 2020. Available online: <https://truckingresearch.org/2020/05/05/atri-and-oida-covid-19-impacts-on-the-trucking-industry/>

¹⁵ Lamb, Eleanor. “Colorado DOT to Expand Truck Parking at Two Rest Areas.” Transport Topics. April 3, 2020. Available online: <https://www.ttnews.com/articles/colorado-dot-expand-truck-parking-two-rest-areas>

¹⁶ “Atlanta Regional Truck Parking Assessment Study.” Atlanta Regional Commission. April 2018.

¹⁷ Federal Highway Administration Memorandum. “Eligibility of Title 23 Federal Funds for Commercial Vehicle Parking.” October 29, 2018. Available online: https://ops.fhwa.dot.gov/freight/infrastructure/truck_parking/title23fundscmv/index.htm

respondents selecting this strategy has continued to increase, from 7.2 percent in 2017 to 13.3 percent this year – reflecting the increasing development and use of these systems.¹⁸

¹⁸ Long, Mindy. "Tech firms aim to ease truck parking concerns with real-time information." FleetOwner. December 29, 2019. Available online: <https://www.fleetowner.com/fleet-management/article/21119311/tech-providers-aim-to-ease-truck-parking-concerns-with-realtime-information>

4. Compliance, Safety, Accountability

Ranked 1 st 8.0%	Ranked 2 nd 6.1%	Ranked 3 rd 4.8%	Total Share 18.0%	Industry Concern Index 64.7
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CSA made its first appearance in the Top Industry Issues Survey in 2010, debuting as the number two industry concern. It then spent another five years as a top five issue before dropping to number six in 2016 and dropping again to number eight in 2019. This year, CSA is back in the top five, ranking as the number four industry concern. In the 10 years since CSA was first implemented by FMCSA, its volatility in TII ranking points to the industry’s oftentimes challenging relationship with the safety measurement system.

To address the concerns with CSA, FMCSA has implemented multiple changes to the system over its 10-year history. However, carriers continue to report challenges with data quality, peer group assignments and challenges with the Crash Preventability Program. Additionally, there is concern over how the proposed “Item Response Theory” (IRT) methodology will impact carrier scores.

Proposed Strategies (in rank order):

a) *Work with FMCSA to update its carrier prioritization methodology, improve its accuracy, and enhance transparency, as it moves to implement the Item Response Theory methodology into the current SMS.* The September 2019 U.S. DOT Inspector General (IG) audit of FMCSA’s CSA Corrective Action Plan found that the plan lacked “implementation details for improving transparency and its assessment of carrier safety rankings.”¹⁹ Collaboration with FMCSA to round out those details and successfully implement the National Academies of Sciences recommendations for improving CSA was the preferred strategy by 37.3 percent of respondents.

b) *Encourage FMCSA to regularly review and evaluate the list of crash types available for reclassification as non-preventable.* Earlier this year FMCSA announced that the Crash Preventability Determination Program was to become a permanent feature of CSA.²⁰ However, 34.2 percent of respondents believe that the best strategy for improving CSA is to continue improving and expanding the Crash Preventability Determination Program.

c) *Evaluate the efficacy of the Pre-Employment Screening Program (PSP) reports relative to Motor Vehicle Records (MVR) for improving driver safety.* FMCSA’s Pre-Employment Screening Program is designed to provide motor carriers with safety information – e.g. crash and inspection history – on potential new hires to better inform the driver hiring process. A better understanding of how PSP reports compare to

¹⁹ U.S. Department of Transportation Office of Inspector General. “FMCSA’s Plan Addresses Recommendations on Prioritizing Safety Interventions but Lacks Implementation Details.” Report No. ST2019084. September 2019.

²⁰ Miller, Eric. “FMCSA Adopts Crash Accountability Program.” Transport Topics. May 1, 2020. Available online: <https://www.ttnews.com/articles/fmcsa-adopts-crash-accountability-program>

MVRs, which are required for new hires' driver qualification files, is the preferred strategy by 18.6 percent of respondents.

5. Insurance Cost / Availability

Ranked 1 st 5.6%	Ranked 2 nd 7.6%	Ranked 3 rd 5.4%	Total Share 17.5%	Industry Concern Index 58.0
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Insurance Costs first appeared on the Top Industry Issues Survey in its inaugural year (2005) when it ranked number three overall. Now, 16 years later, Insurance Cost / Availability is back in the Top 10 as the number five issue overall. Rising insurance costs have been documented in several ATRI analyses, including the annual Operational Costs of Trucking that recently found insurance costs per mile increased 18.3 percent over the last five years.²¹ The costs are even more dramatic among smaller fleets, which experienced insurance premium costs per mile more than three times those of larger fleets.²² Rising insurance costs and availability have also been cited as a reason for multiple fleets going out of business.²³

Proposed Strategies (in rank order):

- a) *Quantify the impact of rising insurance costs on industry operations, safety investments, and driver training.* ATRI’s recent study on the impact of nuclear verdicts on the trucking industry documented some of the impacts of rising insurance costs, including reduced resources for driver training.²⁴ Additionally, ATRI’s Research Advisory Committee²⁵ identified this topic – Impacts of Rising Insurance Costs on Industry Operational Costs – as a top research priority for 2020; a strategy that 50.9 percent of survey respondents selected as their top choice.
- b) *Examine the feasibility of an industry-wide insurance surcharge passed on to shippers.* Fuel surcharges were first used in the 1970s to protect carriers from wildly fluctuating fuel costs that could easily wipe out profit margins; they also provide shippers with more cost predictability. Given the dramatic and volatile rise in insurance costs, motor carriers can protect entire supply chains by better managing this cost volatility. Consequently, just over a fourth of respondents (25.2%) believe that a similar insurance surcharge for insurance cost fluctuations may be the best approach for carriers.
- c) *Conduct cost-benefit analysis on raising minimum insurance levels.* In June of this year, the House Transportation and Infrastructure Subcommittee approved a measure to increase the minimum liability insurance requirement for motor carriers from

²¹ Murray, Daniel and Seth Glidewell. “An Analysis of the Operational Costs of Trucking: 2019 Update.” Arlington, VA. American Transportation Research Institute. November 2019.

²² Ibid.

²³ Chang, Brittany. “The 10 Largest and Most Unexpected Trucking Bankruptcies in Recent History.” Business Insider. January 27, 2020. Available online: <https://www.businessinsider.com/10-largest-trucking-bankruptcies-in-recent-history-2019-12>

²⁴ Murray, Daniel, Nathan Williams and Erin Speltz. “Understanding the Impact of Nuclear Verdicts on the Trucking Industry.” American Transportation Research Institute. Arlington, VA. June 2020.

²⁵ ATRI’s Research Advisory Committee is comprised of industry stakeholders representing motor carriers, trucking industry suppliers, labor and driver groups, law enforcement, federal government, and academics. The RAC is charged with annually recommending a research agenda for the Institute.

\$750,000 to \$2 million.²⁶ In 2014, FMCSA issued an Advanced Notice of Proposed Rulemaking (ANPRM) on increasing insurance levels, but ultimately withdrew the proposal due to a lack of data needed to assess the increase. Understanding the costs and benefits of an increase in the minimum insurance levels is the preferred strategy of 16.9 percent of respondents.

²⁶ Miller, Eric. "House Panel Approves Amendment to Raise Minimum Liability Insurance for Carriers to \$2 Million." Transport Topics. June 25, 2020. Available online: <https://www.ttnews.com/articles/house-panel-approves-amendment-raise-minimum-liability-insurance-carriers-2-million>

6. Driver Retention

Ranked 1 st 5.9%	Ranked 2 nd 6.9%	Ranked 3 rd 5.3%	Total Share 17.1%	Industry Concern Index 57.4
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Driver Retention held on to its sixth place ranking for the second year in a row. The increased freight demand coming out of the pandemic combined with the pandemic-induced backlog of new entrants into the workforce make it more important than ever that fleets retain their best drivers. The pandemic also had an impact on driver turnover in the first half of the year as reported by the American Trucking Associations, “the turnover rate at truckload carriers with more than \$30 million in annual revenue fell 12 percentage points to 82% – the lowest level since the end of 2018.”²⁷ However, it is expected that turnover, and the need to retain drivers, will continue to ramp up as freight demand returns to pre-COVID levels.

Proposed Strategies (in rank order):

a) *Research and prioritize retention strategies, based on driver feedback and driver tenure data.* A plurality of respondents (48.7%) believe that research to quantify and disseminate the most successful retention strategies based on driver feedback and tenure as a professional driver is the best way to reduce turnover and churn. Among the retention strategies fleets are deploying, beyond increasing pay, are more home time, newer equipment, and health and wellness programs focused on improving drivers’ quality of life while on the road.²⁸

b) *Evaluate the impact of truck driver benefits, including health insurance and retirement benefits, on driver retention.* ATA’s 2020 Driver Compensation Report documented large percentages of fleets offering a suite of driver benefits including paid holidays, paid leave, life insurance, health insurance and retirement plans.²⁹ Understanding the impact of these benefit offerings on retention was the preferred strategy of 30.1 percent of respondents.

c) *Quantify the relationship between safety technology deployment (e.g. cameras, speed limiters, active braking systems) and driver satisfaction and retention.* FMCSA’s “Tech-Celerate Now” program lists among the benefits of deploying advanced safety systems the ability to “reduce driver turnover, and improve driver satisfaction, without negatively impacting the profitability of fleet operations.”³⁰ Quantifying this relationship is the preferred strategy of 12.9 percent of respondents.

²⁷ American Trucking Associations. “Truckload Turnover Plunges in Second Quarter.” Press Release. September 23, 2020. <https://www.trucking.org/news-insights/truckload-turnover-plunges-second-quarter>

²⁸ Hitch, John. “As Recovery Looms, Trucking Faces Driver Supply Dilemma.” FleetOwner. October 12, 2020. Available online: <https://www.fleetowner.com/fleet-management/people/article/21144443/as-recovery-looms-trucking-faces-driver-supply-dilemma>

²⁹ Karickhoff, Alan and Bob Costello. “ATA 2020 Driver Compensation Study.” American Trucking Associations. Arlington, VA. May 2020.

³⁰ “Tech-Celerate Now Flyer.” Federal Motor Carrier Safety Administration. March 2020. Available online: https://32u.430.myftpupload.com/wp-content/uploads/2020/03/Tech-Celerate-Now-Flyer_0320.pdf

7. Tort Reform

Ranked 1 st 5.4%	Ranked 2 nd 4.5%	Ranked 3 rd 4.2%	Total Share 13.5%	Industry Concern Index 46.6
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Tort Reform is back on the Top 10 list after dropping off in 2012. The return of Tort Reform as the seventh ranked issue is reflective of the growing attention and concern over truck crash litigation, nuclear verdicts and criminal activity involving staged crashes.³¹ ATRI’s nuclear verdicts research found that from 2010 to 2018, the size of verdict awards grew 51.7 percent annually at the same time that traditional inflation grew just 1.7 percent and healthcare costs grew 2.9 percent.³²

Proposed Strategies (in rank order):

a) *Advocate for reasonable limits on non-economic damages.* Many states have placed caps on non-economic damages with respect to medical malpractice cases. This “pain and suffering” element of damage awards often drives the extreme or “nuclear” components of large jury awards. 49.8 percent of respondents believe this is the best strategy for Tort Reform.

b) *Advocate for elimination of “phantom” damages.* Recognizing that there can be a large delta between medical costs that are billed versus those that are paid, it is critical that phantom medical costs are eliminated in favor of reimbursement of paid medical expenses. Otherwise, phantom damages generate an additional non-compensatory windfall for the plaintiff and the plaintiff’s attorneys. 24.9 percent of respondents selected this as their preferred strategy.

c) *Research conceptual verdict reductions if negligence and financial liability were equitable in tort law.* Most state tort laws allow plaintiffs to sue defendants for damages that far exceed the defendant’s documented level of negligence. A secondary benefit would include expanding litigation to all possible defendants found negligent versus those deemed to have “deep pockets.” 17.9 percent of respondents believe this strategy would play a critical role in reforming civil litigation.

³¹ Cole, Matt. “Mega settlements in truck crash lawsuits ‘strangling the industry’ as calls for reforms mount.” CCJ. March 12, 2020. Available online: <https://www.ccjdigital.com/mega-settlements-truck-crash-lawsuits-reform-mount/>

³² Murray, Daniel, Nathan Williams and Erin Speltz. “Understanding the Impact of Nuclear Verdicts on the Trucking Industry.” American Transportation Research Institute. Arlington, VA. June 2020.

8. Economy

Ranked 1 st 5.1%	Ranked 2 nd 4.5%	Ranked 3 rd 5.0%	Total Share 13.9%	Industry Concern Index 46.1
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The pandemic created economic fallout not seen in the U.S. since the Great Depression. With businesses shuttered, millions of Americans unemployed, and the nation’s GDP hitting new lows in the second quarter of this year, the economic gains of the previous five years were essentially eliminated.³³ While the third quarter saw business – and the economy – begin to rebound, concern over how, and when the U.S. economy will return to pre-pandemic levels led to the Economy rising two spots in this year’s survey to eighth overall.

Proposed Strategies (in rank order):

a) *Continue to advocate for trade and economic policies that will further stimulate the economy.* Given the strong relationship between consumer spending and freight demand, 36.7 percent of respondents would like to see policies that boost consumer spending. Many are hopeful that additional COVID-19 stimulus monies will help restore consumer confidence but the approaching election and partisan challenges are making the passage of an additional stimulus package highly unlikely in the near-term.³⁴

b) *Promote reforming/repealing ineffective and burdensome regulations that add to industry costs without providing benefits.* Given the scope and scale of regulations that affect the trucking industry, 35.3 percent of respondents feel that regulatory reform is the best strategy for improving trucking productivity and the overall economy. Even with the pandemic dominating regulatory activity this year, there have been several non-COVID regulatory actions that have been favorably received by the trucking industry including the Hours-of-Service final rule and the proposed rule clarifying independent contractor status in the Fair Labor Standards Act.

c) *Advocate for a repeal of the Federal Excise Tax (FET) on new truck purchases to stimulate modernization of the nation’s truck fleet.* 19.1 percent of respondents believe that the best strategy for improving the economy is to repeal the FET on new truck and trailer purchases. The chairman of the American Truck Dealers stated that repeal of the 12 percent tax would protect the 1.3 million jobs supporting Class 8 truck and trailer manufacturing. A survey conducted by the American Trucking Associations found that with an FET tax repeal, 60 percent of fleets were “somewhat likely” or “very likely” to update their fleet outside of their typical buy schedule.³⁵

³³ Mutikani, Lucia. “What to know about the report on America’s COVID-hit GDP.” World Economic Forum. July 31, 2020. Available online: <https://www.weforum.org/agenda/2020/07/covid-19-coronavirus-usa-united-states-economy-gdp-decline/>

³⁴ Cox, Jeff. “As stimulus talks falter, the U.S. economy faces growth coming to a halt.” CNBC. October 7, 2020. Available online: <https://www.cnbc.com/2020/10/07/as-stimulus-talks-falter-the-us-economy-faces-growth-coming-to-a-halt.html>

³⁵ Mulero, Eugene. House Lawmakers Push Suspension of 12% Tax on New Trucks, Trailers.” Transport Topics. July 21, 2020. Available online: <https://www.ttnews.com/articles/house-lawmakers-push-suspension-12-tax-new-trucks>

9. Detention / Delay at Customer Facilities

Ranked 1 st 4.3%	Ranked 2 nd 5.0%	Ranked 3 rd 5.7%	Total Share 14.2%	Industry Concern Index 44.7
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Detention / Delay at Customer Facilities is on the Top 10 list for a second year, although it has dropped five spots to number nine overall in 2020, likely due to COVID-related economic impacts. Nevertheless, it remains a pervasive issue for commercial drivers, as evidenced by the number three ranking of detention on the commercial driver list (Table 2). The impacts of excessive customer detention are numerous and have a direct nexus to many of the other issues among the Top 10 including Driver Compensation, Truck Parking and the Hours-of-Service rules. In ATRI’s joint research with the OOIDA Foundation, 34 percent of survey respondents indicated that detention times were worse during the pandemic – possibly the result of reduced staffing at shipper/receiver facilities with employees affected by the virus. This impact was even more pronounced among smaller fleets; 73 percent of those who reported increased detention times during the pandemic were from fleets of 50 or fewer trucks.³⁶

Proposed Strategies (in rank order):

a) *Identify best practices, technologies, and strategies that reduce or eliminate driver detention at shipper/receiver facilities.* ATRI’s 2019 Driver Detention study found that drivers and carriers attributed excessive detention to a number of factors including dock employee issues, product readiness, lack of dock space, overbooking, and lack of technology solutions, among others.³⁷ A plurality of respondents (40.4%) believe that the best solution for reducing detention is to synthesize and promote the best practices and mitigating strategies that address top detention causes.

b) *Quantify impacts on detention times that may have occurred since the ELD mandate.* The top strategy selected by 26.9 percent of respondents for addressing detention is to first understand how detention times have changed since the ELD mandate went into effect in December 2017. This is premised on the idea that the wait times recorded electronically using an ELD will provide irrefutable proof of detention and may force shippers and receivers to improve turn times for drivers. However, ATRI’s detention impacts study found that only 17 percent of drivers reported that they were sharing ELD data with customers to document detention.

c) *Examine the potential for creation of a “Shipper of Choice” database to reduce detention times for carriers and drivers.* The third strategy choice among respondents involves creation of a database identifying those customer locations where detention is minimized or non-existent. A “Shipper of Choice” designation, particularly when capacity is tight, can prompt other facilities to adopt best practices for reducing driver

³⁶ “Covid-19 Impacts on the Trucking Industry.” American Transportation Research Institute and the OOIDA Foundation. April 2020. Available online: <https://truckingresearch.org/2020/05/05/atri-and-oida-covid-19-impacts-on-the-trucking-industry/>

³⁷ Speltz, Erin and Daniel Murray. “Driver Detention Impacts on Safety and Productivity.” American Transportation Research Institute. Arlington, VA. September 2019.

wait times and improving driver treatment while at the facility.³⁸ Creating a Shipper of Choice database is the preferred strategy for 18.9 percent of respondents.

³⁸ Lazo, Ron. "Becoming a Shipper of Choice." Inbound Logistics. February 28, 2019. Available online: <https://www.inboundlogistics.com/cms/article/10-tips-becoming-a-shipper-of-choice/>

10. Hours-of-Service (HOS)

Ranked 1 st 3.1%	Ranked 2 nd 5.9%	Ranked 3 rd 5.3%	Total Share 13.5%	Industry Concern Index 41.2
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The HOS rules experienced the biggest drop in this year’s Top 10 list, from second overall in 2019 to tenth overall this year. The June 2020 final HOS rule, which went into effect September 29, 2020, addressed many of the issues identified by industry stakeholders as problematic in previous years’ surveys. The final rule changed four specific provisions in the HOS rules including: the short-haul exception, the adverse driving conditions exception, the 30-minute rest break, and the sleeper berth provision.³⁹

Proposed Strategies (in rank order):

a) *Research the safety impacts from additional sleeper berth flexibility in the June 2020 final HOS rules.* The top HOS strategy from last year’s survey advocated for additional flexibility in the sleeper berth provision. The new rule provides for additional flexibility – allowing for a 7-3 split of hours in the sleeper berth – and as a result, 35.2 percent of respondents would like to see research done with drivers utilizing the new split to quantify the safety impacts of the additional flexibility.

b) *Analyze how HOS rules might be modified for highly automated trucks, and identify what research and data would be necessary to justify future rule changes.* The U.S. Department of Transportation’s latest autonomous vehicle (AV) guidance document (version 4.0), “Ensuring American Leadership in Automated Vehicle Technologies,” states that FMCSA is undertaking research to “increase understanding of the human factors and address specific areas such as driver readiness..”⁴⁰ which should encompass how driver fatigue and the HOS rules designed to prevent fatigue would need to be modified for highly automated truck operation. However, the Agency recently denied an HOS exemption request for drivers operating advanced driver assistive systems, so work in this area will need to continue.⁴¹ This is the preferred strategy as selected by 25.8 percent of respondents.

c) *Assess industry impacts from the June 2020 final HOS rule expanding the short haul exception to the 150 air-mile radius and extended duty day.* 21.3 percent of respondents believe that data collection and analysis is necessary to understand the impacts of the expansion of the short haul exception from 100 air-mile radius to 150 air-mile radius.

³⁹ “Hours of Service (HOS).” Federal Motor Carrier Safety Administration. October 1, 2020. Available online: <https://www.fmcsa.dot.gov/regulations/hours-of-service>

⁴⁰ U.S. Department of Transportation. “Ensuring American Leadership in Automated Vehicle Technologies: Automated Vehicles 4.0.” January 2020.

⁴¹ Miller, Eric. “FMCSA Denies Pronto.ai’s HOS Exemption Request.” Transport Topics. September 25, 2020. Available online: <https://www.ttnews.com/articles/fmcsa-denies-prontoais-hos-exemption-request>

Emerging Issues

As part of its analysis of critical industry issues, ATRI also tracks the emerging topics that generate significant industry interest but fall just outside of the Top 10 concerns (Table 1). This analysis can provide insight on the issues that may emerge in the future as a top industry issue.

Table 1: Issues 11 – 13

Rank	Issue	ICI
11	Driver Distraction	38.8
12	Transportation Infrastructure / Congestion / Funding	38.0
13	COVID-19	37.0

For the second year in a row, *Driver Distraction* fell just outside the Top 10 as the 11th ranked issue. According to the latest data from the National Highway Traffic Safety Administration (NHTSA), “eight percent of fatal crashes, 15 percent of injury crashes, and 14 percent of all police-reported motor vehicle traffic crashes in 2018 were reported as distraction-affected crashes.” Additionally, NHTSA reported that 2,841 people were killed and an estimated 400,000 people were injured in motor vehicle crashes involving distracted drivers.⁴² Commercial drivers see the impacts of driver distraction daily and fleets report that their crash experience with distracted car drivers continues to rise.

The pandemic had a number of impacts on the trucking industry and many of them were *Transportation Infrastructure*-related, including reduced congestion on the nation’s highways, particularly during March and April, when many businesses were shuttered and Americans were under stay-at-home orders. ATRI research documented significant reductions in congestion at some of the nation’s worst truck bottlenecks in March 2020, due to COVID.⁴³ While *Transportation Infrastructure / Congestion / Funding* has been a perennial Top 10 issue, this reduced congestion likely resulted in this issue dropping down to number 12 overall this year.

COVID-19 ranked 13th overall this year and its impacts on the industry have been described throughout this report as the pandemic clearly touched all facets of the supply chain. One of the most telling findings from ATRI’s joint research with the OOIDA Foundation was the lack of disaster response planning on the part of smaller trucking fleets. Certainly, while fleets of all sizes were negatively impacted by the pandemic, the research found that almost 80 percent of owner-operators and small fleets did not have

⁴² “Distracted Driving 2018.” U.S. Department of Transportation National Highway Traffic Safety Administration. April 2020.

⁴³ “GPS Data Shows Critical Truck Deliveries Continue Despite COVID-19 – Analysis of Data Finds Unprecedented Performance Year-Over-Year.” American Transportation Research Institute. March 24, 2020. Available online: <https://truckingresearch.org/2020/03/20/gps-data-shows-critical-truck-deliveries-continue-despite-covid-19-analysis-of-data-finds-unprecedented-performance-year-over-year/>

an emergency response plan in place for managing operations during a natural disaster or pandemic.⁴⁴

Commercial Driver versus Motor Carrier Issue Rankings

The Top Industry Issues report details the results of the overall industry survey of industry stakeholders including employee drivers and owner-operators, motor carrier executives, and other trucking industry stakeholders. However, each of the stakeholder groups surveyed have different levels of involvement in and perspectives on how these topics impact them. As a result of these varied experiences, the selection and ranking of issues will differ across these groups. To account for the differing perspectives in the ATRI survey sample, a separate analysis is provided to juxtapose how commercial drivers and motor carriers rank the issues (Table 2).

The rankings of industry issues by truck drivers and motor carrier executives are invariably influenced by their day-to-day experiences. A divergence of opinions between these two groups can provide deeper insight into the consequences of an industry issue.

The lack of truck parking is an issue truck drivers directly experience on a daily basis, and therefore it ranks as their top concern, while it does not show up on the motor carrier Top 10 list of issues. Conversely, motor carriers are bearing the financial costs of increased insurance premiums and the need for tort reform, which claim the number four and five spots respectively on the motor carrier list while they do not appear on the driver list of concerns.

⁴⁴ "Covid-19 Impacts on the Trucking Industry." American Transportation Research Institute and the OOIDA Foundation. April 2020. Available online: <https://truckingresearch.org/2020/05/05/atri-and-oida-covid-19-impacts-on-the-trucking-industry/>

Table 2: Commercial Driver and Motor Carrier Issues

Rank	Commercial Drivers	Motor Carriers
1	Truck Parking	Driver Shortage
2	Driver Compensation	Driver Retention
3	Detention / Delay at Customer Facilities	Compliance, Safety, Accountability (CSA)
4	Hours-of-Service (HOS)	Insurance Cost / Availability
5	Driver Training Standards	Tort Reform
6	Automated Truck Technology	Economy
7	Compliance, Safety, Accountability (CSA)	Transportation Infrastructure / Congestion / Funding
8	Driver Health & Wellness	Driver Distraction
9	Speed Limiters	Detention / Delay at Customer Facilities
10	ELD Mandate	Hours-of-Service (HOS)

Even among the driver population, there is a divergence of priority ranking of the issues between company drivers and owner-operators.

Table 3: Commercial Driver and Owner-Operator / Independent Contractor Issues

Rank	Company Drivers	Owner-Operators / Independent Contractors
1	Driver Compensation	Truck Parking
2	Truck Parking	ELD Mandate
3	Detention / Delay at Customer Facilities	Driver Compensation

Table 4: Top Industry Issue Rankings, 2011 – 2020

	Issue Rank									
	1	2	3	4	5	6	7	8	9	10
2020	Driver Shortage	Driver Compensation	Truck Parking	CSA	Insurance Cost / Availability	Driver Retention	Tort Reform	Economy	Detention / Delay	Hours-of-Service
2019	Driver Shortage	Hours-of-Service	Driver Compensation	Detention / Delay at Customer Facilities	Truck Parking	Driver Retention	ELD Mandate	CSA	Infrastructure / Congestion / Funding	Economy
2018	Driver Shortage	Hours-of-Service	Driver Retention	ELD Mandate	Truck Parking	CSA	Driver Distraction	Infrastructure / Congestion / Funding	Driver Health/Wellness	Economy
2017	Driver Shortage	ELD Mandate	Hours-of-Service	Truck Parking	Driver Retention	CSA	Cumulative Impacts of Regulation	Driver Distraction	Infrastructure / Congestion / Funding	Driver Health / Wellness
2016	ELD Mandate	Hours-of-Service	Cumulative Impacts of Regulations	Truck Parking	Economy	CSA	Driver Shortage	Driver Retention	Infrastructure / Congestion / Funding	Driver Distraction
2015	Hours-of-Service	CSA	Driver Shortage	Driver Retention	Truck Parking	ELD Mandate	Driver Health / Wellness	Economy	Infrastructure / Congestion / Funding	Driver Distraction
2014	Hours-of-Service	Driver Shortage	CSA	Driver Retention	ELD Mandate	Truck Parking	Infrastructure / 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	Infrastructure / 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

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