USDA’s Agricultural Outlook Forum

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Overview

- Setting the stage - Distribution of tonnage, Increase in supply & Driver shortage
- Biggest issue – Capacity
- What’s being done?
  - Working to minimize drive shortage
  - Strengthen Carrier/Shipper relationship
  - Support additional flexibility in the HOS
- Highway bill – What to expect
  - Biggest hurdle - FUNDING
Distribution of Tonnage by Mode: 2017 vs 2029

Sources: ATA & U.S. Freight Transportation Forecast to 2029
2017 Competitive Freight Among Truck and Rail Tonnage

Note: Maximum competitive freight is 1.1 billion tons in a total market (truck and rail only) of 12.7 billion tons, or less than 10%. Competitive freight includes all freight traveling at least 500 miles, but excludes coal tonnage. There is a significant amount of time definite freight in this category that really isn’t competitive, but it is included. So in reality, the competitive market is even smaller than suggested here.

Source: ATA Analysis based on Commodity Flow Survey (US Census Bureau) data and U.S. Freight Transportation Forecast to 2029
All Modes of Freight Transportation Will Grow

Sources: ATA & U.S. Freight Transportation Forecast to 2029
The driver shortage is primarily an over-the-road for-hire truckload issue. So how many drivers are in that space?

Source: U.S. Department of Labor

Based on government data, ATA estimates that there are roughly 500,000 OTR for-hire TL drivers.
Driver Shortage

Source: ATA’s Truck Driver Shortage Analysis 2017
Driver Shortage

- Regulatory
  - FMCSA pilot project (18-20yr military drivers)
  - Not a large pool, but discussion has begun
  - Minimize roadblocks for former military

- Legislative
  - DRIVE SAFE Act

- Industry
  - Increase in $\$
  - More flexible schedules

- Roadblocks
  - Insurance
  - “Teens on the road”
Carrier/Shipper Relationship

- Maximize efficiency
  - Minimize turn and wait times

- Provide facilities/infrastructure
  - Allows carriers to be “off-duty” conserving their “on-duty” hrs

- “Preferred Shipper” movement
  - Carriers now have an option to choose (180 deg turn)
  - Specifically with perishable goods
HOS Changes

- HOS ag exemption interpretation
  - Clarifications:
    - Travel, loading and first 150 miles exempt from hourly limits
      - Big change for longer hauls
  - Unladen vehicles
    - To and from source (empty/full) covered
  - Changes:
    - Source definition expanded
      - Elevator to elevator, livestock sale barn, dairy terminal
    - Multi source definition – multiple pick ups (not adopted)
- HOS ANPRM (2018) – Split sleeper changes
ELD Mandate

- ELD mandate
  - December 18, 2017
    - Soft enforcement through April 1, 2018
  - Agriculture
    - Issue with compliance of ag exemption (new software Sept18)
    - Livestock through Sept19 via 2019 trans approps rider
      - Previously all ag commodities through Sept18

*Focus has shifted to HOS flexibility*
Highway Bill

2019? Highway bill
- Funding, funding, funding
  - Gas tax, VMT, registration? What’s politically feasible?
- Lowering minimum driver age
  - Just for ag?
  - Insurance hurdles
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