

# Robert F. Haag

Vice-President of Operations

Perfect Transportation, LLC / Perfect Pallets, Inc.



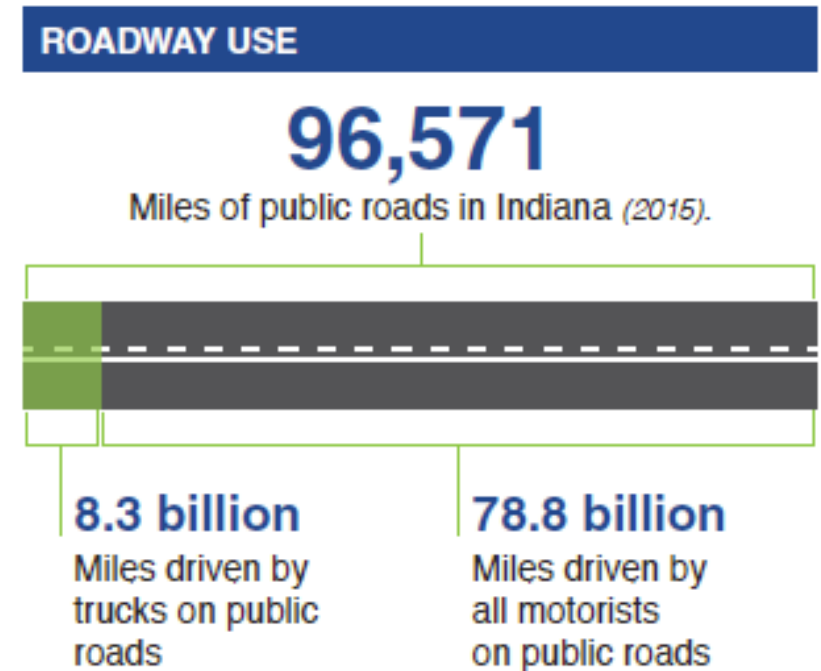
# The Trucking Industry

Overview



# The Trucking Industry - INDIANA

- 195,000+ Trucking Industry Jobs
    - 1 in 13 jobs in the state
  - Nearly 16,000 Trucking Companies in Indiana
  - 80.3% of Indiana Communities Rely Exclusively on Trucks
    - (X- Ports, Rivers, Railroads....)
  - 74% of Total Manufactured Tonnage Transported by Trucks
- 78.8 Billion Miles Driven in Indiana on Public Roads



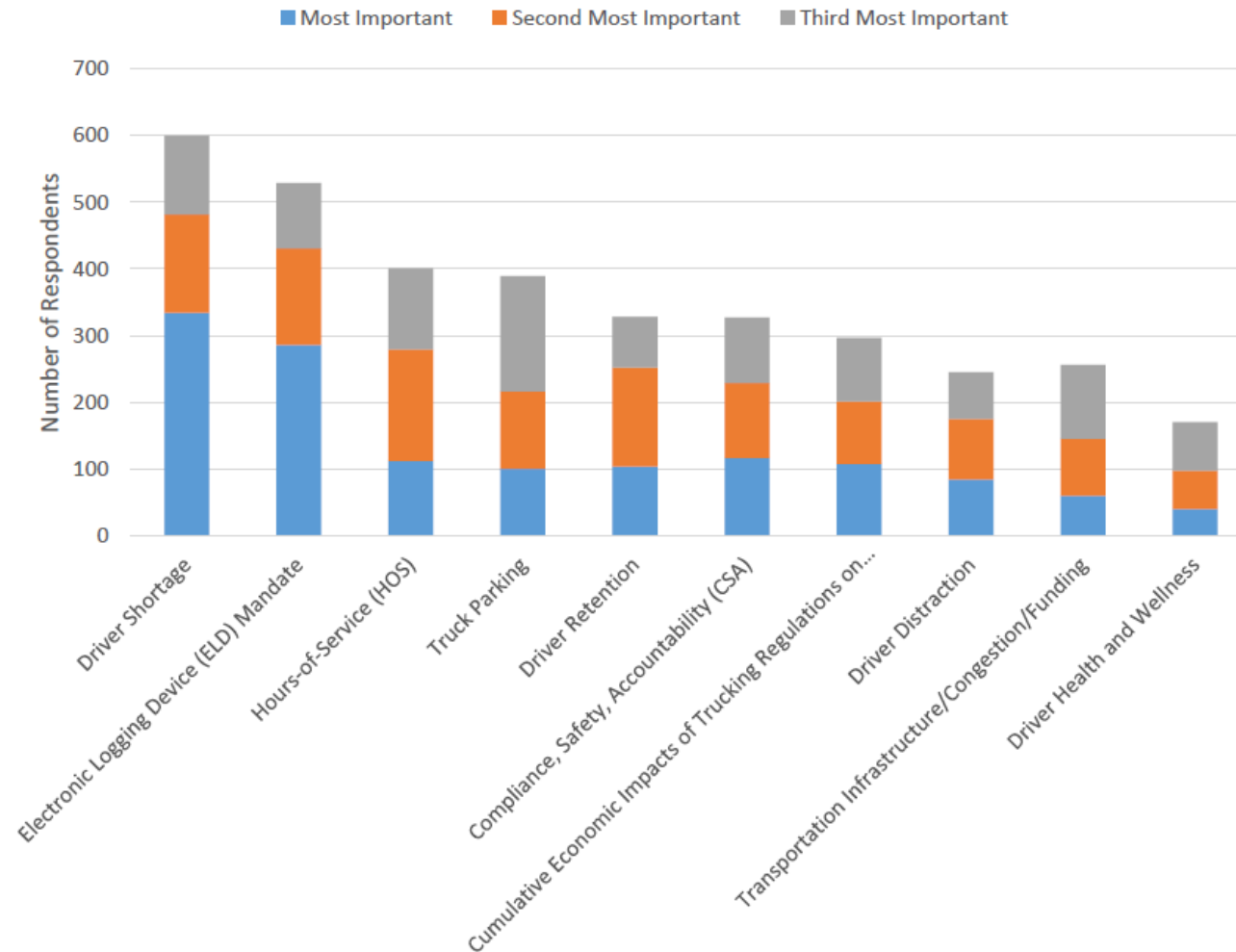
# CURRENT

Workforce Development Issues

# ATRI Annual Survey -Top 10 Critical Issues in the Trucking Industry



Figure 1: Distribution of Industry Issue Prioritization Scores



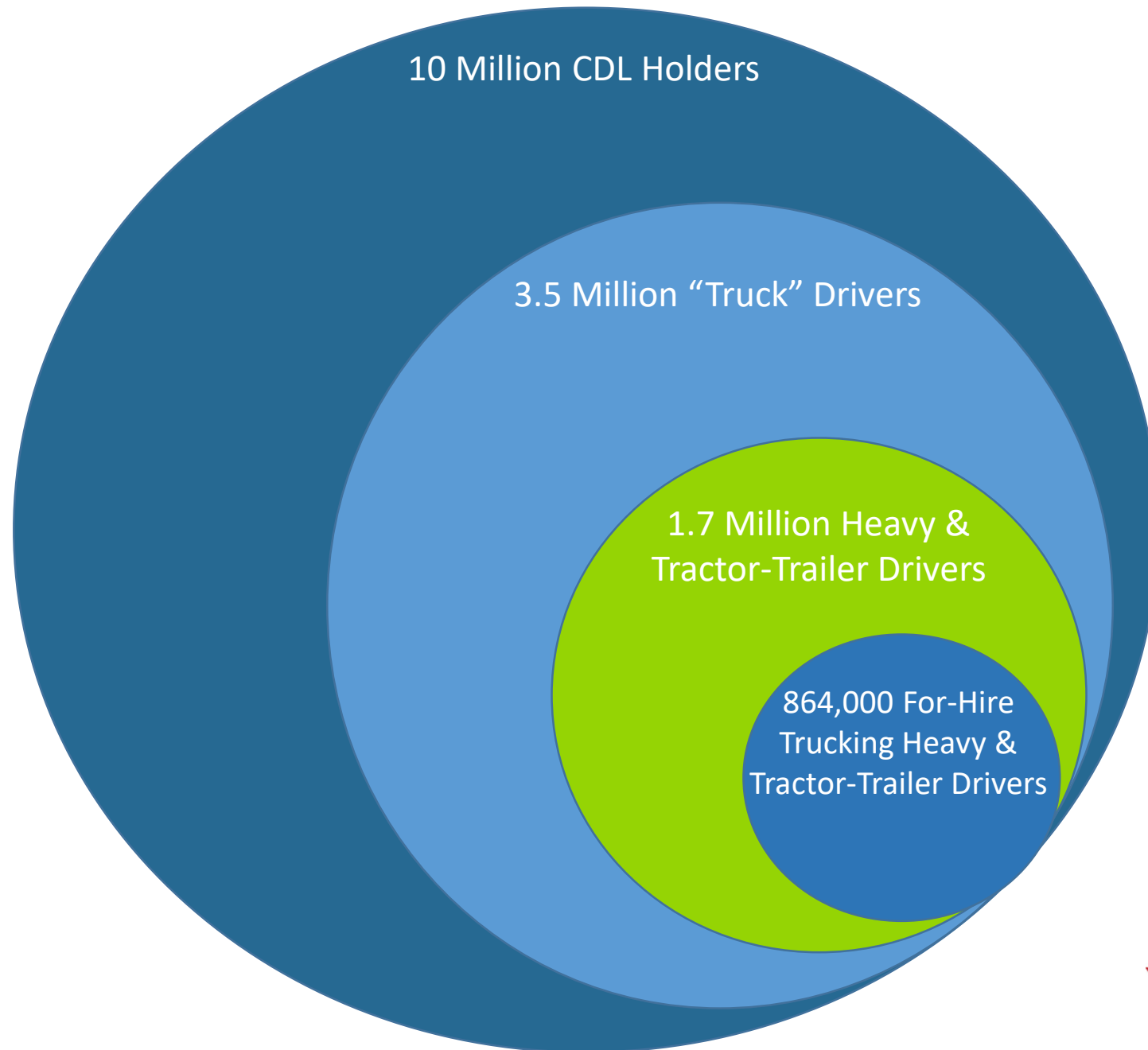
**Table 3: Top Industry Issue Rankings, 2005 – 2017**

	Issue Rank									
	1	2	3	4	5	6	7	8	9	10
<b>2017</b>	Driver Shortage	ELD Mandate	Hours-of-Service	Truck Parking	Driver Retention	CSA	Cumulative Impacts of Regs.	Driver Distraction	Infrastr./ Congestion/ Funding	Driver Health/ Wellness
<b>2016</b>	ELD Mandate	Hours-of-Service	<b>Cumulative Impacts of Regs.</b>	Truck Parking	Economy	CSA	Driver Shortage	Driver Retention	Infrastr./ Congestion/ Funding	Driver Distraction
<b>2015</b>	Hours-of-Service	CSA	Driver Shortage	Driver Retention	Truck Parking	ELD Mandate	Driver Health/ Wellness	Economy	Infrastr./ Congestion/ Funding	Driver Distraction
<b>2014</b>	Hours-of-Service	Driver Shortage	CSA	Driver Retention	ELD Mandate	Truck Parking	Infrastr./ Congestion/ Funding	Driver Health/ Wellness	Economy	<b>Driver Distraction</b>
<b>2013</b>	Hours-of-Service	CSA	Driver Shortage	Economy	ELD Mandate	Truck Parking	Driver Retention	Fuel Supply/ Fuel Prices	Infrastr./ Congestion/ Funding	Driver Health/ Wellness
<b>2012</b>	CSA	Hours-of-Service	Economy	Driver Shortage	Fuel Supply/ Fuel Prices	<b>ELD Mandate</b>	Driver Retention	<b>Truck Parking</b>	<b>Driver Health/ Wellness</b>	Congestion/ Truck Bottlenecks
<b>2011</b>	Economy	Hours-of-Service	Driver Shortage	CSA	Fuel Issues	Congestion	Transportation Funding	Tort Reform	Onboard Truck Technology	Truck Size and Weight
<b>2010</b>	Economy	<b>CSA</b>	Government Regulation	Hours-of-Service	Driver Shortage	Fuel Issues	Transportation Funding/ Infrastr.	Onboard Truck Technology	Environmental Issues	Truck Size and Weight
<b>2009</b>	Economy	Government Regulation	Fuel Issues	Congestion/ Highway Infrastr.	Hours-of-Service	Commercial Driver Issues	Environmental Issues	Tolls/ Highway Funding	<b>Truck Size and Weight</b>	Onboard Truck Technology
<b>2008</b>	Fuel Costs	<b>Economy</b>	Driver Shortage/ Retention	Government Regulation	Hours-of-Service	Congestion	Tolls/ Highway Funding	Environmental Issues	Tort Reform	Onboard Truck Technology
<b>2007</b>	Hours-of-Service	Driver Shortage	Fuel Issues	Congestion	Government Regulation	Tolls/ Highway Funding	Tort Reform/ Legal Issues	Truck Driver Training	Environmental Issues	<b>Onboard Truck Technology</b>
<b>2006</b>	Driver Shortage	Fuel Issues	Driver Retention	Hours-of-Service	Congestion	Government Regulation	Highway Infrastr.	Tort Reform	Tolls/ Highway Funding	Environmental Issues
<b>2005</b>	Fuel Costs	Driver Shortage	Insurance Costs	Hours-of-Service	Tolls/ Highway Funding	Tort Reform/ Legal Issues	Government Regulation	Congestion	Environmental Issues	Truck Security

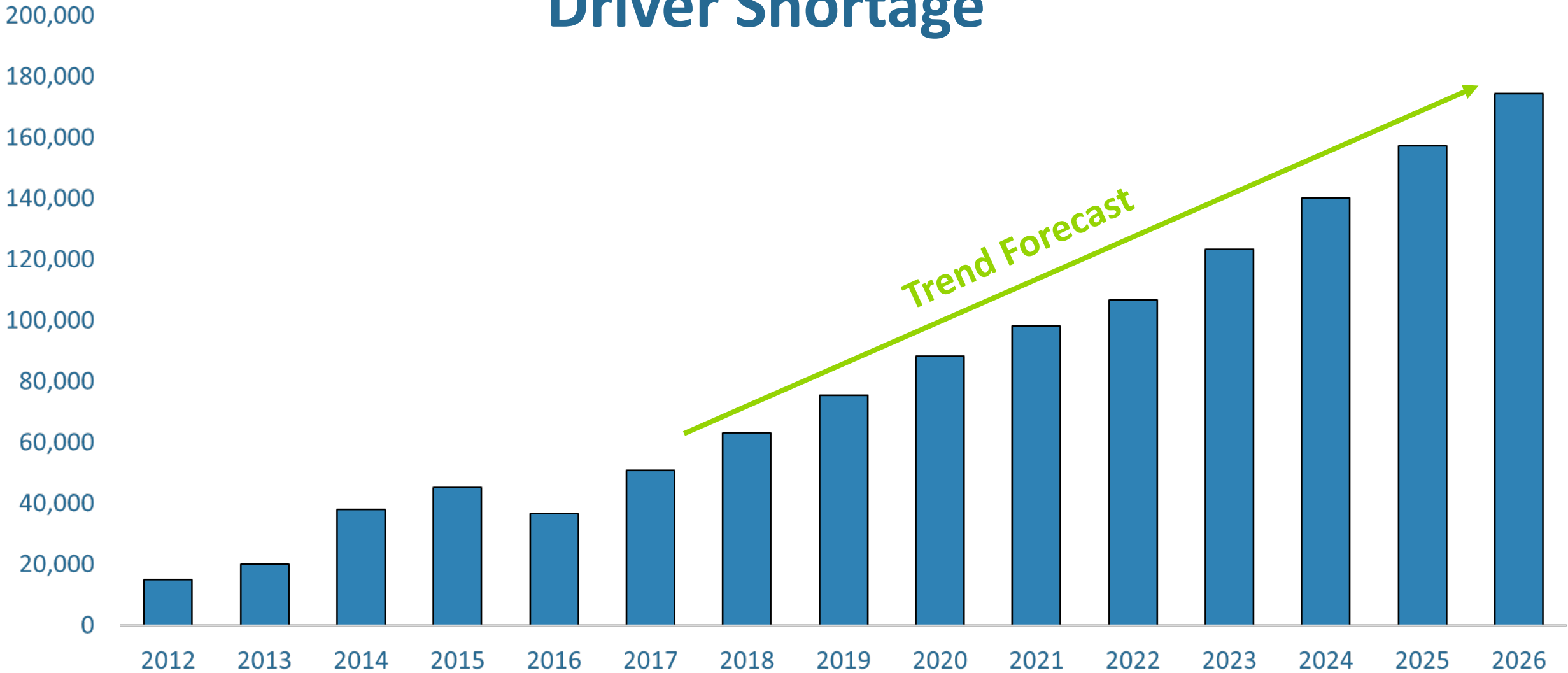
Note: **Bold** indicates first year in top ten.

So Why Do We Have A Driver Shortage?





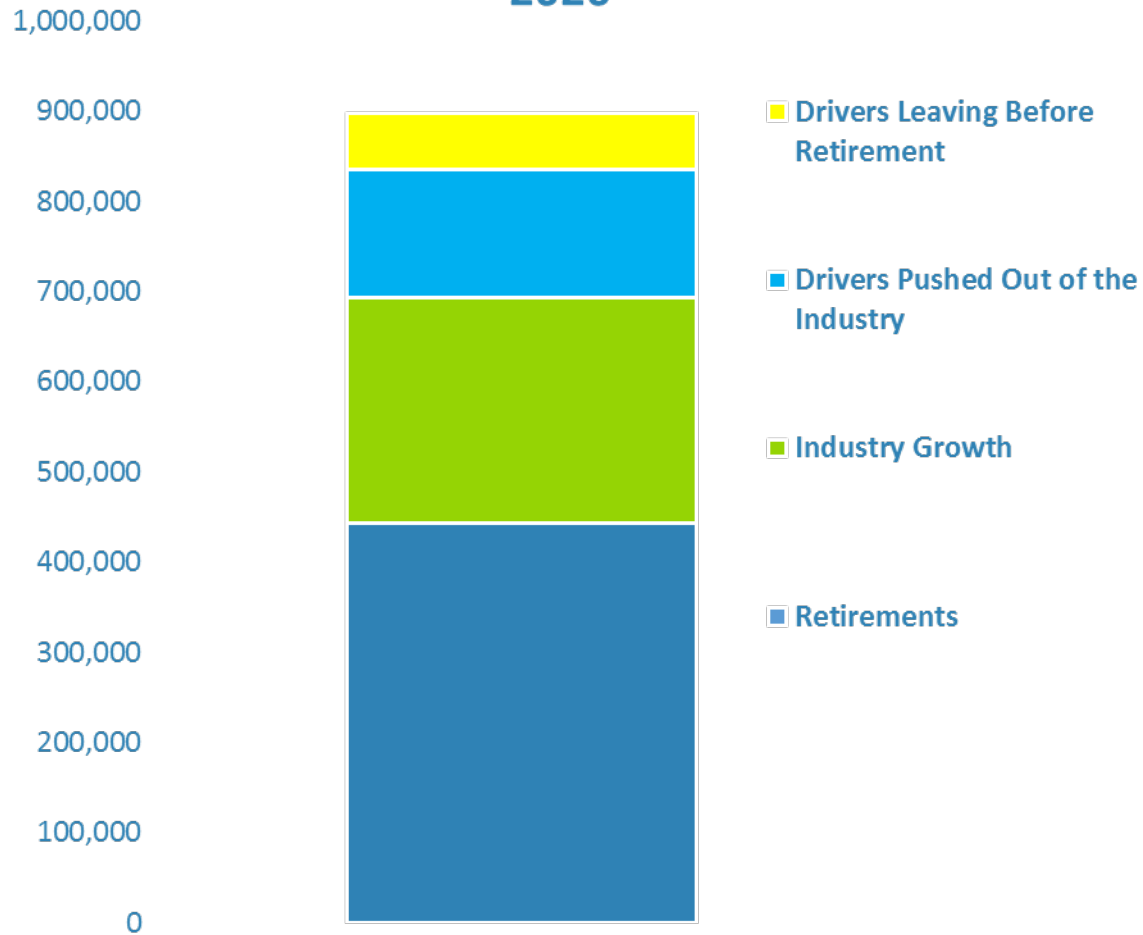
# Driver Shortage



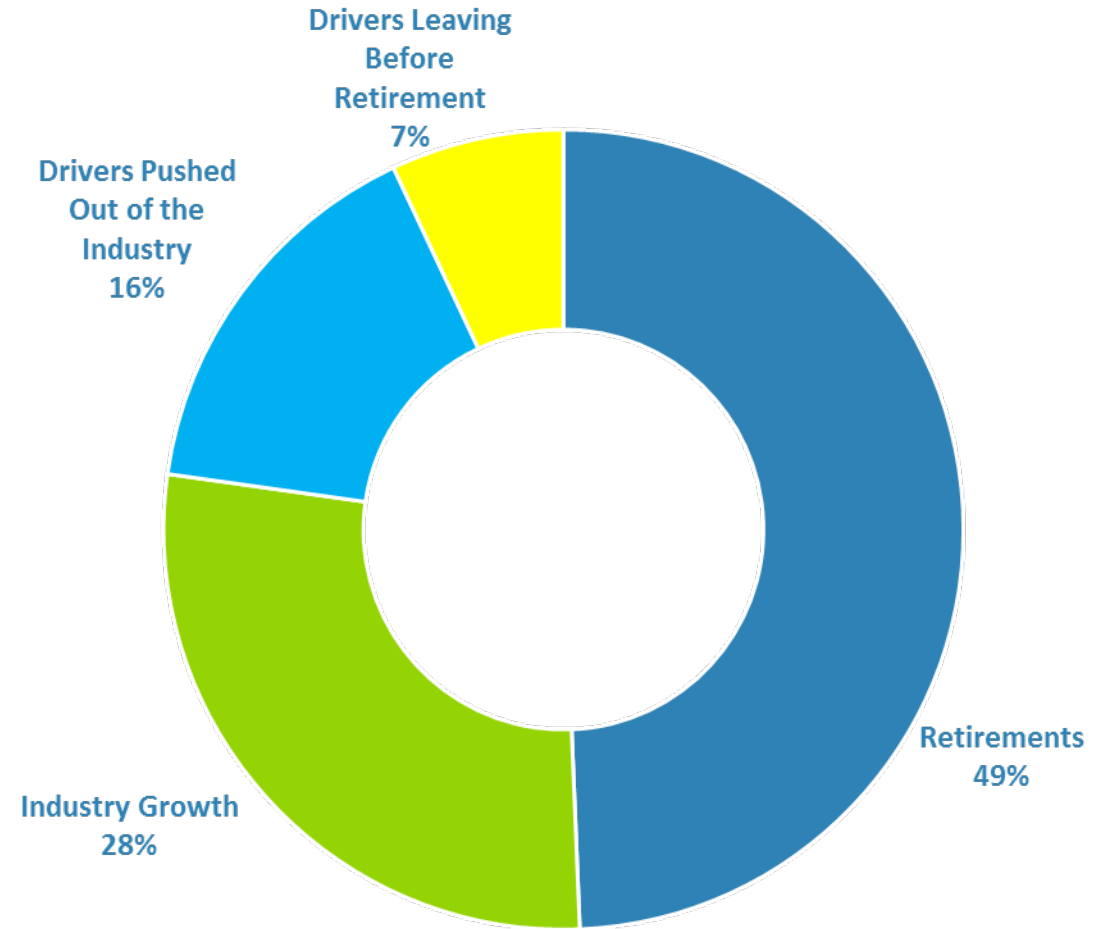
Source: ATA's *Truck Driver Shortage Analysis 2017*



## Total Number of Drivers Needed Through 2026

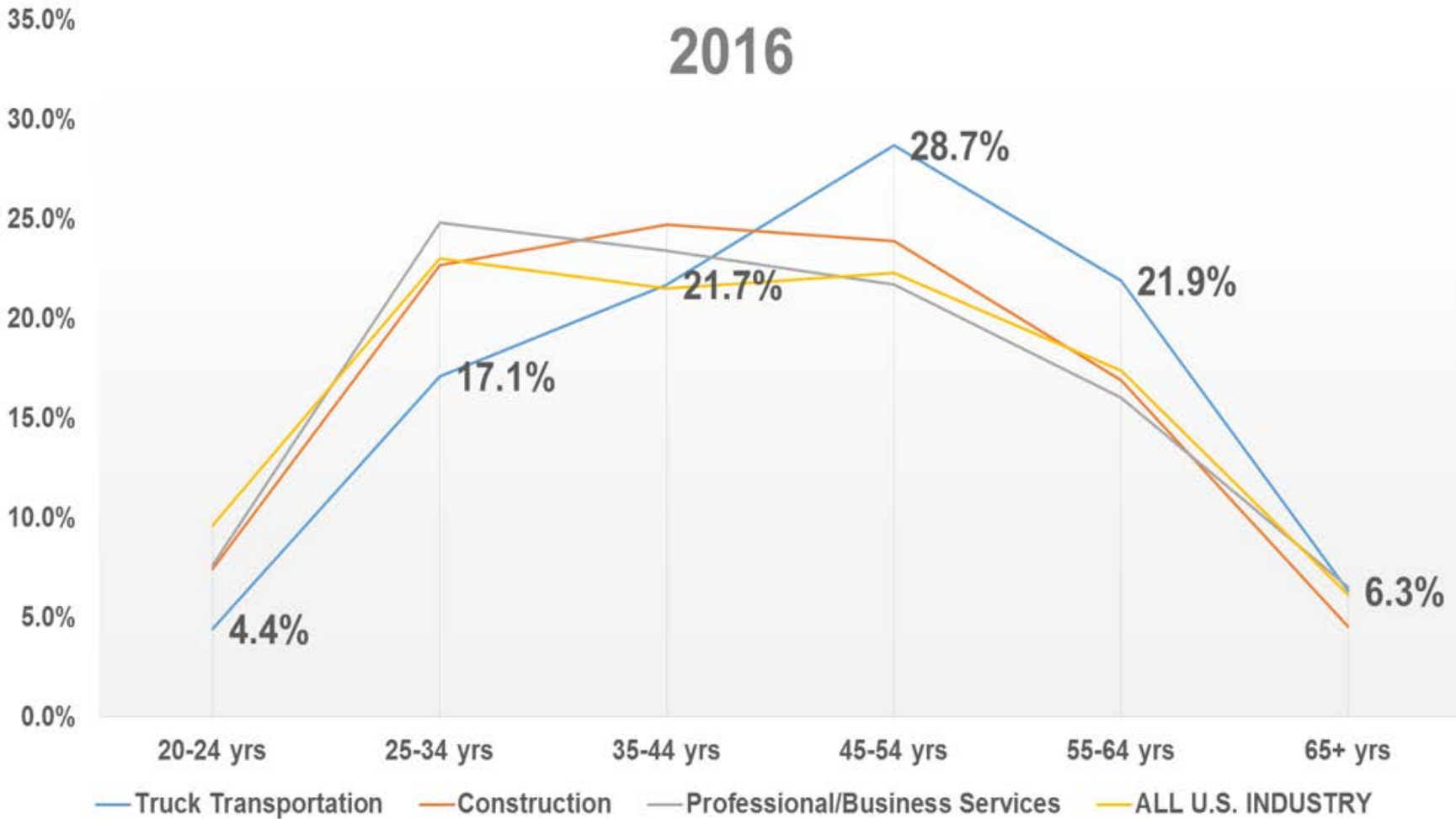


## Share of Drivers Needed Through 2026



# Causes of the Truck Driver Shortage

# Demographics - Age



# Other Causes.....

- Demographics – Gender
  - Females make up 47% of all US Workers
  - Only 6% of all Truck Drivers (US Dept. of Labor)
- Lifestyle
- More Alternate Jobs Available
  - Truck Driving can often be a “Temp” job for some
  - Construction / Oil Fields, etc.
- Regulations
  - Some good / some bad = Driver often loses productivity

# Future Workforce Development

Course of Action

# Course of Action

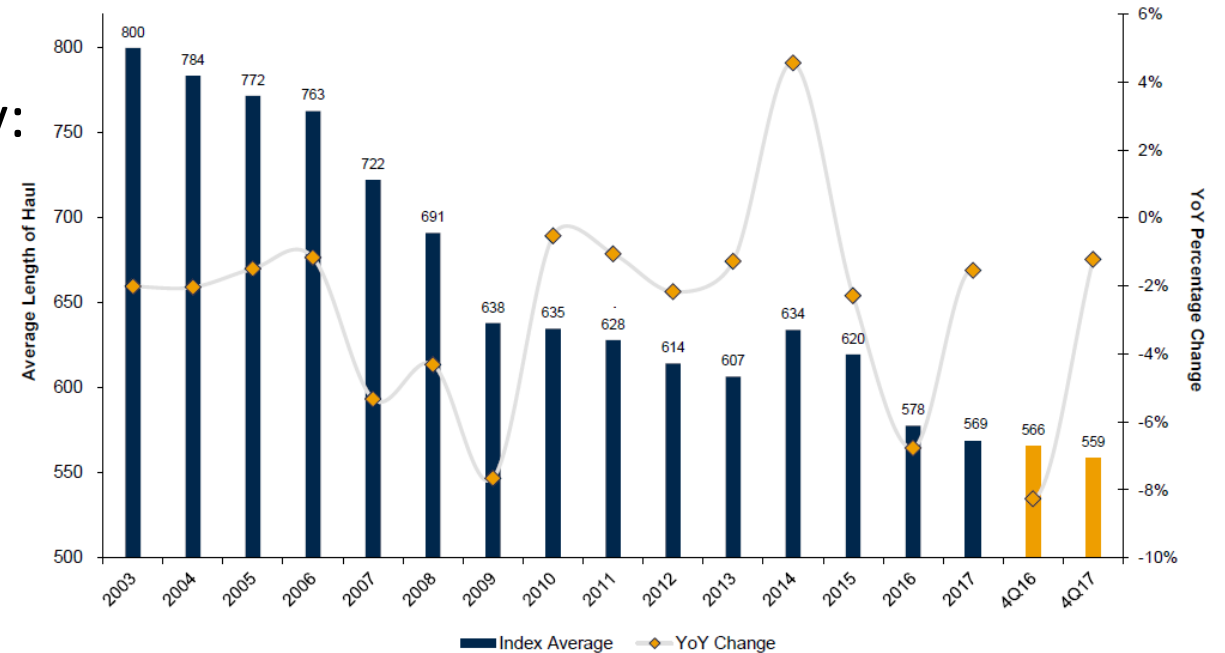
- Driver Pay Increases

- Already seeing that play out
- ATA Driver Pay Compensation Study:  
Average For-Hire TL OTR Driver
  - 2014 - \$45,000
  - 2017 - \$52,000

- More At-Home Time

- Life-Family Balance
- Length of Haul Shortening
  - 2003 – 800 Miles (2-days)
  - 2017 – 550-600 Miles

## AVERAGE LENGTH OF HAUL



Stephens

Source: Public company financial data and Stephens Inc.  
Note: TL Index includes CVTI, HTLD, JBHT, KNX, MRTN, USAK, and WERN.



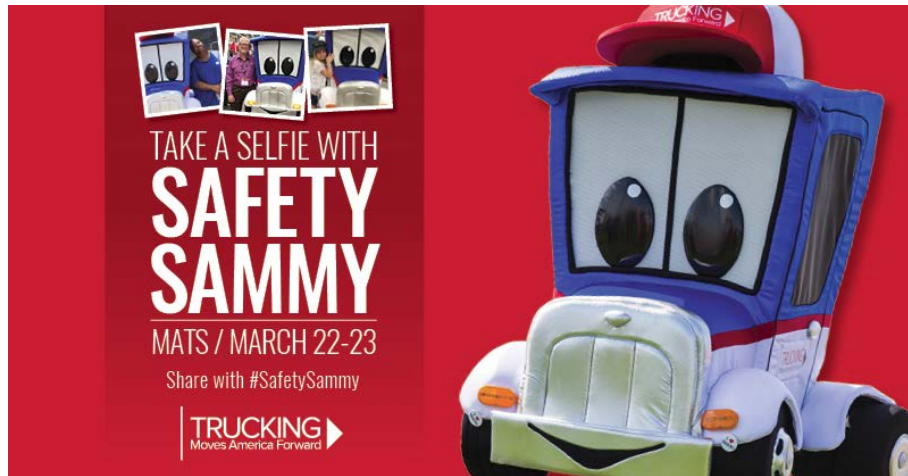


# Course of Action

- Lower Driving Age
  - INTRA-State = 18yrs Old
  - INTER-State = 21yrs Old
  - Advocate for a Graduated CDL Program (ATA)
    - ATRI Research *“What Skills & Qualities Are Needed For Younger & Safe Truck Drivers?”*
  - Partner with US Dept. of Labor
    - National Truck Driver Recruitment Program
    - 4.9 Million people in the US aged 16-24yrs Old

# Course of Action

- Improved Driver Image
  - “Trucking Moves America Forward” – Image Campaign



# Course of Action

- Transitioning Military Personnel > Truck Drivers
  - Work with US DOT and Dept. of Defense to equalize and streamline the CDL requirements for Commercial Licenses
- Better Treatment by the Supply Chain
  - Loading / Unloading
  - Detention
  - Use of Facilities

# Course of Action

- Automated / Platooning Trucks
  - ATA / OEMs / Suppliers / Technology Companies
    - EXCITED and advocating FOR advanced technologies
    - Trucking Industry spends \$9.5 Billion on Safety Related Technologies
  - Trucking Industry NOT advocating for technology to eliminate jobs
    - WE WANT TO ADD JOBS
  - Technology enables trucking to be “Driver-Assist” not “Driver-Less”

# Platooning

- Current testing / developmental technology:
  - Two Truck Capability
  - SAE Level 2 or 3 Technology Currently
  - Drivers engaged in both Tractors
  - Only Acceleration and Braking Automated
- May only apply to small sector of the industry
  - Single Company Dominated
  - Multiple Companies would have to figure out revenue/benefit sharing
- 1 Sector of the Industry Benefits \$\$ = Large Box (Dry Van / Reefer)

# Automated Trucks

- “Driverless” trucks are beyond current planning models for the Trucking Industry.
  - It is not current reality
- Trucking Companies are looking at the Airline Industry as a model
  - Commercial Pilots / Commercial Truck Drivers?
- Driver Assist Technology
  - Decreases Stress / Fatigue
  - Increases Safety across all motoring public
- Long Haul vs Short Haul
  - Enable more of our current workforce to fill empty Local/Regional positions

# Robert F. Haag

Vice-President of Operations

Perfect Transportation, LLC  
Perfect Pallets, Inc.

[robert.haag@perfectpallets.com](mailto:robert.haag@perfectpallets.com)

