Overview of Rural Challenges: Freight

September 7, 2016
Distribution of Tonnage by Mode: 2016 vs 2027

Source: U.S. Freight Transportation Forecast to 2027
Bulk Freight vs General Freight
(Tonnage)

2016

General Freight 48.2%
Bulk Freight 51.8%

Total Increase: 2016-2027

Bulk Freight
General Freight

Source: U.S. Freight Transportation Forecast to 2027
Tonnage by Mode - 2016

![Bar chart showing tonnage by mode for 2016]

- **Truck**
  - General Freight: 6 billion tons
  - Bulk Freight: 5 billion tons

- **Rail Carload**
  - Combined: 1 billion tons

- **Pipeline**
  - Combined: 1 billion tons

- **Waterborne**
  - Combined: 0.5 billion tons

- **Rail Intermodal**
  - Combined: 0.2 billion tons

- **Air**
  - Combined: 0.1 billion tons

Source: U.S. Freight Transportation Forecast to 2027
Trucking Moves the Rural Economy

• Agricultural Products
  – 70% of value
  – 61% of tonnage
• Mining Products
  – 45% of value
  – 60% of tonnage
• Petroleum and Coal
  – 23% of value
  – 22% of tonnage

Source: 2012 Commodity Flow Survey
Truck Safety

• Tremendous gains since deregulation in 1980
  – Number of large truck-involved fatal crashes down 32%
  – Fatal crash rate dropped 74%
  – Trucks’ overall crash rate 28% lower than other vehicles
• BUT 3,900 fatalities, 100,000 injuries in large truck-involved crashes is too much
• ATA is been the leading proponent of truck safety initiatives
  – Speed limiters, e-logs, drug and alcohol clearinghouse, etc.
• Technology can prevent many truck crashes
Rural Trucking Headwinds

• Congestion

• Hours of Service/Electronic Logs

• Speed Limiters

• Driver Shortage
Peak-Period Congestion on High-Volume Truck Portions of the NHS: 2011

Notes: High-volume truck portions of the National Highway System carry more than 5,000 trucks per day, including freight-hauling long-distance trucks, freight-hauling local trucks, and other trucks with six or more tons.

Highly congested segments are stop-and-go conditions with volume/service flow ratios greater than 0.75. Congested segments have reduced traffic speeds with volume/service flow ratios between 0.75 and 0.85.

The volume/service flow ratio is estimated using the procedures outlined in the NHI's Peak Period Analysis Guide and as of 2011, prior to MP GP system expansion.

- Congestion costs trucking industry $9.5 billion annually
- Most severe congestion is in cities critical to rural economies (Chicago, Los Angeles, Seattle, Houston, etc.)
Train Volumes in 2035 Compared to Current Capacity

Hours of Service/Electronic Logs

• Drivers limited to 14 hours on-duty/11 hours driving/30 minute break
• Longer shipping distances in the West are a challenge
  – Denver-SLC: 8 hours
  – Denver-Kansas City: 9 hours
  – Denver-Dallas: 12 hours
• Electronic logs reduce flexibility on routes with tight HOS limits
  – Mandated Dec. 18, 2017
  – ATA supports mandate
Speed Limiters

• USDOT issued NPRM Aug. 26 proposing to mandate speed limiters in all new commercial vehicles over 26,000 lbs. GVWR

• No specific speed, but suggested 60, 65, 68 as potential limits

• Some routes that have tight HOS limits could be impacted

• ATA supports limiters
Truck Driver Shortage

Shortage was 48,000 in 2015. At current trends, it would balloon to 175,000 in 2024.

Source: ATA's Truck Driver Shortage Analysis 2015
Solutions

• More investment/more strategic investment in transportation infrastructure
  – Investment in highways roughly 50% less than need
  – Rural states disproportionately affected by less federal spending

• Fix HOS 34-hour restart
Solutions

• Address driver shortage
  – Enhanced federal funding for driver training programs, removal of barriers to access federal financial aid for students to attend truck driving schools
  – Legislation that facilitates transition of veterans to driving jobs
  – Legislation establishing new graduated CDL standards for 18-20 year olds

• Address lack of uniformity of regulations governing longer combination vehicles in the West
THANK YOU!

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