



# TOP 10 Concerns for the TRANSPORTATION INDUSTRY

This is a year of substantial change for the U.S. transportation industry. The impact of new mandates and regulatory actions, lack of parking, and continued slow economic growth lead the list of industry concerns in the American Transportation Research Institute's (ATRI) Top Ten critical issues in the trucking industry.

ATRI uses a points system to assign values to survey respondents' rankings of issues facing the industry. The number of points is then totaled to generate a prioritized list of industry concerns. Here they are in rank order:

## 1. **ELECTRONIC LOGGING DEVICE (ELD) MANDATE**

There is significant uncertainty in the industry concerning the costs and benefits of industry-wide ELD deployment. The Federal Motor Carrier Safety Administration (FMCSA) has set a date of December 18, 2017 for compliance. FMCSA estimates ELDs will prevent 1,844 crashes annually, save 26 lives annually, and result in paperwork savings of \$2.4 billion per year. With initial costs ranging from \$200 to \$1,500 per vehicle, many



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carriers will struggle with the purchase and deployment of the new devices.

## 2. HOURS OF SERVICE (HOS)

Although the 34-hour restart provision was suspended in 2014, there are concerns it could be reinstated, marking a return to estimated driver pay impacts ranging from \$1.6 billion to \$3.9 billion annually. The industry is pushing for a long-term solution that does not include a return to the currently suspended provision. Respondents to the ATRI survey would like to see a resolution based on empirical evidence.

## 3. CUMULATIVE ECONOMIC IMPACTS OF TRUCKING REGULATIONS

Survey respondents are deeply concerned about the costs of regulatory actions, such as HOS, ELD, and the greenhouse gas emissions rule. ATRI has documented significant differences between the projected benefits and actual costs of some rules. The trucking industry is among the most highly regulated industries, with more than a dozen federal agencies claiming jurisdiction. More than half of survey respondents would like to see more research that compares projected and actual impacts of regulations.

## 4. TRUCK PARKING

In the past, scarcity of truck parking has forced some drivers to drive beyond HOS rules or park in undesignated or unsafe locations. The use of ELDs could exacerbate this problem. In response, ATRI is helping develop a real-time truck parking availability information system for drivers in eight Midwest states. Nearly three-quarters of survey respondents believe adding new truck parking facilities is the best answer, and reopening closed public rest areas and truck stops would also help.

## 5. ECONOMY

Slow economic growth moved this issue from No. 8 last year to No. 5 this year. Nearly a third of respondents feel regulatory reform is the best strategy for improving the economy and driving up demand for freight.

## 6. COMPLIANCE, SAFETY, ACCOUNTABILITY (CSA)

CSA became less of a concern for respondents to this year's survey after the Fixing America's Surface Transportation (FAST) Act addressed a number of concerns. Among these are a study of CSA data accuracy and reliability, removal of carrier CSA scores from public view, and requiring FMCSA to review

non-preventable crashes. Still, most respondents believe that a credible process for removing non-preventable crashes is the most important step to improving CSA measures.

## 7. DRIVER SHORTAGE

The American Trucking Associations (ATA) estimates a shortage of nearly 50,000 drivers that could increase to 175,000 by 2025. ATRI found that 26% of the industry's workforce is aged 55 years or older. Survey respondents believe the best way to attract new drivers is to consider implementing a graduated CDL program and identify proven practices for attracting new entrants.

## 8. DRIVER RETENTION

The industry still experiences turnover rates significantly higher than most other sectors of the U.S. workforce, creating additional recruitment and training costs for carriers. A third of respondents believe improving work/life balance, providing greater financial incentives, and tying rewards to productivity and safety may put a dent in the problem.

## 9. TRANSPORTATION INFRASTRUCTURE/ CONGESTION/FUNDING

Recent funding for highway freight programs and the promise of huge infrastructure spending from the Trump Administration have assuaged many carriers' concern about the national highway system. But the money has to come from somewhere. More than half of respondents support an increase in the fuel tax to ensure the transportation system is adequately funded.

## 10. DRIVER DISTRACTION

The National Highway Traffic Safety Administration (NHTSA) estimates that more than 400,000 people are injured and more than 3,000 are killed each year as a result of distracted driving. ATRI says maintaining the balance between technology-related safety and operational efficiency is critical. To that end, most survey respondents would like to see uniform enforcement of distracted driving laws and solutions that support safe in-cab technology use.

While there have been some changes in the Top Ten over the

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KCoe is helping trucking clients determine the best tax structure based on their business strategies going forward. A transportation-specialized tax advisor would be happy to discuss the impact the new provisions will have on your business, and optimize your tax situation based on these significant changes in the tax laws.