



UNTAPPED RESOURCES

The annual State of Logistics report from the Council of Supply Chain Management Professionals indicates that logistics costs may be poised to rise on a number of fronts. The report indicates that truck transportation, and other shipping costs are likely to rise due to capacity and driver shortages, and that could be exacerbated by any rise in interest rates. "We're going to have a total massacre in freight pricing if demand rises in a serious way and the capacity remains where it is," report author Rosalyn Wilson told the Wall Street Journal. She also said that freight companies will have no choice but to raise rates by 10% and more to get the job done.

The American Trucking Associations estimates that the current shortage of drivers is roughly 35,000 to 40,000, but because of retirements and individuals leaving the industry, trucking companies will need to recruit nearly 100,000 new drivers a year over the next decade to keep pace with the country's freight needs. Trucking companies report lots full of idle trucks and ready cargo, but not enough drivers to move them. The operator of one large carrier recently blamed the driver shortage for declining volumes and profits. The ATA's chief economist, Bob Costello, has said that the driver shortage is likely to get worse before it gets better.

Well help may be on the way. A bill introduced this week by Republican senators would allow contiguous states that join together in "compacts" to drop the age threshold to 18 for interstate trips. There is no limit on the number of states that could join the compacts. Federal regulations currently require drivers be at least 21 before they can drive commercial trucks across state lines. The bill would restrict teen truckers from hauling hazardous materials or operating "special configurations," which are generally defined as oversized or overweight loads. States and the U.S. Department of Transportation would also be allowed to impose other restrictions if they wish.

Is this the solution we have been waiting for? Well that depends on who you ask.

Dave Osiecki, chief of advocacy for trucking associations, said states already allow teens to drive commercial trucks unlimited miles within their borders. He feels it makes no sense to allow a teen truck driver to drive hundreds of miles from one end to the other of a state like Virginia, but prohibit the same driver from crossing the Potomac River into Washington. "We absolutely support" lowering the age limit, he said. "It would be good for our industry, it would be good for commerce, it would be good for the economy" said Osiecki.

Jackie Gillan, president of Advocates for Highway and Auto Safety, said allowing teens to drive trucks weighing as much as 80,000 pounds and to work as many as 82 hours a week, as is permitted in the truck industry, is a "catastrophe waiting to happen." The combination of inexperience, high-risk driving and large trucks can cause unbelievable devastation," she said.

The labor unions have an alternate solution. They feel the driver shortage could be eliminated by raising truckers' wages and improving working conditions.

While this debate continues there remains a resource for drivers which has been overlooked for many years. Women are the biggest untapped demographic group for commercial motor vehicle (CMV) driving. Women currently represent only about 5% of U.S. truck drivers per the Bureau of Labor Statistics. They make up 46% of bus drivers per BLS, though this statistic includes mostly school bus drivers. Industry sources suggest that 10-15% of motor coach drivers are women. Regardless of the overall driving safety of women compared to men, greatly increasing the number of women drivers would improve CMV safety by enabling greater selectivity of drivers, as suggested above. Yet there are also indications that female commercial drivers are generally as safe, and may be safer, than their male counterparts. To the extent that women are safer than men, increasing their numbers would improve CMV safety.

So what are we waiting for? 'Rosie the Riveter' was a fine labor resource during World War Two. Is 'Debbie the Driver' the solution to the driver shortage that will help control our transportation costs?

For more information on how Data2Logistics can help you to reduce your transportation costs please contact Bob Newcom, Executive Director of Professional Services at bob.newcom@data2logistics.com or +1 239 425 8065.