

At a crossroads

The U.S. DOT says the right things about driver pay and retention, but what will be done about it?

Transportation Secretary Pete Buttigieg kicked off the new year by making the rounds.

In January, he visited the ports of Los Angeles and Long Beach. He served as the keynote speaker at the annual Transportation Research Board meeting in Washington, D.C. And Buttigieg conducted interviews with network television.

His message was a consistent one, driving home many of the same key points:

- Truck drivers are essential workers.
- Truck drivers should be paid like essential workers.
- The current pay structure doesn't value a truck driver's time.
- Retaining truck drivers is as important as recruiting them.

Zeroing in on the point, Buttigieg gave this response when he was asked during an NBC interview how much truck drivers should be paid.

“Enough to show respect in regard for the fact that they are the very definition of essential workers,” he said.

“It's not just how much, but how. Truckers, right now, are often not paid for their time. Right now, in too many environments from warehouse environments to port environments, there is no cost to wasting a trucker's time. We've got to fix that.”

Without a doubt, they are strong words. And they are the kind of words that echo many of the concerns the Owner-Operator Independent Drivers Association has been expressing for years.

TRANSLATE

But what does that mean in terms of making trucking a more desirable and profitable profession?

That part remains unclear. What we do know is that the White House has planned to conduct studies regarding detention time and compensation. In addition, the bipartisan infrastructure bill called for the creation of a task force to investigate predatory truck leasing programs.

“So far, Secretary Buttigieg has been saying all the right things, but we haven’t yet seen those words become action,” said Collin Long, OOIDA’s director of government affairs.

“Soon, the U.S. Department of Transportation will take a more critical look at detention time, driver compensation, predatory lease-to-own agreements and other issues that affect the viability of careers in trucking. Our hope is that in the very near future, DOT will largely shift its focus from bringing more drivers into the industry to helping those already behind the wheel maintain long, safe and successful careers.”

Driving Good Jobs initiative

In mid-December, the White House launched the Driving Good Jobs initiative through the Department of Transportation and the Department of Labor.

“Supporting drivers and ensuring that trucking jobs are good jobs is foundational for a strong, safe and stable trucking workforce,” the White House said.

Essentially, it means that the Transportation and Labor departments spent the first few months of 2022 hosting listening sessions that engaged truck drivers and other industry advocates. The administration said it would use those listening sessions, as well as its studies on driver pay, to identify “longer-term actions, such as potential administrative or regulatory actions that support drivers and driver retention by improving the quality of trucking jobs.”

Over the first 30 days of the initiative, the Federal Motor Carrier Safety Administration and Department of Labor were charged with starting an in-depth study of driver compensation, including the time drivers spend waiting to pick up or drop off freight without getting paid.

Actions slated over the first 90 days of the initiative included launching a task force to promote the recruitment, inclusion and advancement of women in trucking, as well as the

TRANSLATE

creation of a task force to investigate predatory leasing arrangements “that dissuade drivers from entering or staying in the industry.”

At the end of the 90 days, the White House said the “DOT and DOL will deliver a comprehensive action plan, informed by its series of listening sessions, outlining any further administrative and regulatory actions the administration can take to support quality trucking jobs.”

Compensation study

OOIDA opposed a provision in the infrastructure bill that allowed the creation of a pilot program for individuals as young as 18 to begin driving in interstate commerce. However, one contingency of the under-21 pilot program was that the FMCSA would be tasked with conducting a driver compensation study.

As set out in the bill, within one year the FMCSA is directed to contract with the Transportation Research Board to conduct a study of the impacts of various methods of driver compensation on safety and driver retention, including:

- Hourly pay
- Payment for detention time
- Other payment methods used in the industry

The Transportation Research Board is directed to consult with labor organizations representing commercial motor vehicle drivers, owner-operators and other representatives of the motor carrier industry as well as other stakeholders the research board deems relevant.

In January, the Department of Transportation released details about the start of its studies on detention time and driver compensation.

The detention time study will focus on its effects on safety and compensation.

“Unlike past studies on the impact of driver detention time, this study will use a cross section of electronic logging device data to provide a much more detailed understanding of wait times for drivers across jurisdictions and industry sectors,” the news release said.

“Data used will be aggregated and anonymized to ensure driver privacy. In addition to TRANSLATE

quantifying detention time, the study will also review how detention time influences the likelihood of a crash or an hours-of-service violation.”

It was also announced that FMCSA began its partnership with the Transportation Research Board to conduct a study on the various methods of driver compensation and how they affect safety and driver retention.

“Specifically, the study will review the safety effect of payments made to truck drivers per load or per mile versus payments per hour. The study will also review the amount of time a truck driver spends away from home, driving and detained to determine true working hours and then determine true hourly wages.”

Although the DOT is in the beginning stages of following out the directions of the infrastructure bill, the department has received a wealth of information regarding driver pay and retention in the past year.

In July, the DOT and DOL hosted a roundtable with trucking industry stakeholders to discuss the best ways to attract and retain truck drivers.

OOIDA President Todd Spencer joined the roundtable discussion and explained the difficulties of the profession and that the only ways to truly reward the sacrifices is by paying more.

“Trucking is a tough life,” said Spencer, who started his career as a trucker and still holds a commercial driver’s license. “It demands the best, and it requires the best. As we learned during the pandemic, trucking is an essential industry. But it is every single day. It’s always essential. And the issues now with retention, every employer in the country has it right now. The secret is pay, benefits and working conditions.”

According to the U.S. Bureau of Labor Statistics, the average salary for truck drivers was \$47,130 in 2020. While that is well above the U.S. median personal income of \$35,977, it seems like much less when you consider the amount of hours truckers work and that they often do so without being able to return home for weeks at a time.

“I should point out that for a truck driver, this is not a 40-hour week,” Spencer said. “It’s generally 60, 70, 80 hours and sometimes more of actual work. And then there’s more time that goes along with it. So, yeah, it’s a very, very demanding job. And realistically, the

economic rewards haven't kept up for the last 40 years since our industry was deregulated. And, you know, it seems like having them catch up is a very, very elusive goal.

"Your pay is determined by what you can be replaced for. And right now, that's not all that much money."

Michael Belzer, a professor of economics at Wayne State University in Detroit who has 750,000 miles of truck driving experience, also advocated for increasing driver pay at the roundtable.

First, Belzer told the administration that truck drivers need to be compensated for all of their time. Currently, most truckers are paid by the mile, meaning that if the wheels aren't turning they aren't earning.

"Truck driving must become a good job again, and we have to take direct steps to make it a good job," Belzer said. "That's the only solution.

"For the Labor Department, all work time is payable. Labor defines work as service to an employer. Broadly speaking, workers expect their employer to pay for all of their work. This regulation covers almost all of the labor market for production workers. The Transportation Department, on the other hand, allows employers to declare drivers off duty while keeping them on the job. Off-duty drivers don't get paid ... The government can actually fix this."

Appointed the chair of FMCSA's newly created Driver Subcommittee, Spencer relayed many of those same messages to the Motor Carrier Safety Advisory Committee in December.

"I think pay will always be the top issue," Spencer said. "It's not the only issue, but it's the top issue. No matter how crappy a job is, people will come to do it if it pays enough. That's simple economics."

He added that the industry can't complain about drivers leaving until they start putting some value on their time. According to statistics from the American Trucking Associations, large carriers have a turnover rate of about 90%.

Buttigieg recently offered estimates that about 300,000 truck drivers leave the industry each year.

“If we as an industry show that a driver’s time doesn’t really have any value, how can we attempt to fix the problem,” Spencer said. “If you can’t recognize the value of a driver’s time, how can you complain when they don’t stick around? If we want to keep people behind the wheel, they need to feel appreciated. One of the best ways for them to be appreciated is for them to get paid.”

Safety advocates also have lobbied for truck drivers to be paid for all of their time, contending that having their compensation tied to the amount of miles they drive can lead to stress and incentivizing them to keep driving even in poor conditions or when they are tired.

“Truck drivers are the backbone of our whole economy, and they should be treated that way,” Stephen Owings, founder of Road Safe America, said at the Motor Carrier Safety Advisory Committee meeting in December. “Too often, they are treated the exact opposite. Paying truck drivers by the mile is literally telling them to get there as fast as they can. Drivers should be paid for every hour they work whether the truck is moving or not, and they should get paid overtime.”

The committee planned to make recommendations regarding driver compensation in three parts.

- Encourage the industry to provide drivers with accurate transparent income awareness and work expectations.
- Research current driver compensation practices and available benefit models with the industry.
- Support compensating drivers for all hours worked to improve driver recruitment and retention.

OOIDA has long advocated for the repeal of the truck driver overtime exemption while also advocating for policies that would make sure truck drivers were compensated for their time stuck in detention at shippers and receivers.

In November, a House Transportation and Infrastructure hearing on supply chain issues TRANSLATE

focused on how problems with detention time caused inefficiency and cost truckers billions of dollars.

David Correll, an instructor at the Massachusetts Institute of Technology Center for Transportation and Logistics, said truckers typically drive only 6.5 hours a day even though they are allowed 11 hours. He said this is largely because of the time drivers are held up at shippers and receivers.

OOIDA also submitted a letter to the hearing record to remind lawmakers that truck drivers aren't paid for those lost hours.

OOIDA cited a 2018 U.S. Department of Transportation Inspector General report that estimated truckers lose between \$1.1 billion and \$1.3 billion in annual earnings because of detention time.

And in December, Spencer attended a White House event to relay the problems with driver pay and detention time.

"It's too frequent and too common that drivers are held for as much as 30 hours a week simply trying to get loaded and unloaded," Spencer said. "Those core issues need to be addressed, and we certainly want to be at the table to make sure that those issues are not only considered but acted on."

All these months of discussion and advocacy have resulted in many government officials gaining a better understanding of driver compensation and the problems caused by drivers not being paid for all of their time.

"Making sure truck drivers are paid and treated fairly is the right thing to do, and it will help with both recruiting new drivers and keeping experienced drivers on the job," Buttigieg said in January.

What's next?

Words are nice, but truckers will remain skeptical until the administration moves past conducting studies and begins implementing policies that put more money in their pocket and improves their quality of life.

Buttigieg has often referred to the problem of driver retention as a "leaky bucket," saying it doesn't matter how much water you pour until the problems that cause drivers to leave

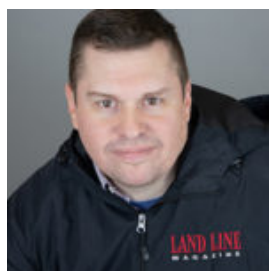
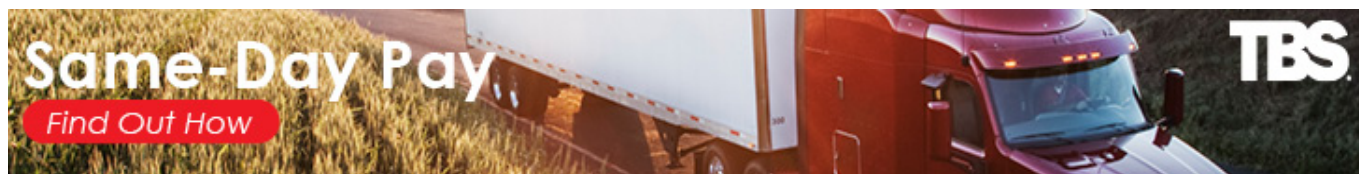
TRANSLATE

the industry are fixed. Still, the U.S. DOT's plan to fix supply chain problems is moving at lightning speed to launch the under-21 pilot program and recruit more drivers into the industry – long before the holes in the bucket are patched.

The administration also has seemed open to taking steps to address the lack of truck parking across the nation. However, so far, there has been no action taken on OOIDA's request for \$1 billion in discretionary funds to be used to create more parking and tackle the crisis.

But the studies of detention time and driver compensation are a start. If done right, the results will likely be eye-opening in how little truck drivers are paid for all of their time away from home.

Does that guarantee that significant change is on the horizon? No, but as we move deeper into 2022 and more information is released regarding the studies and the administration's plan moving forward, truckers will gain a better understanding of whether or not all the kind words will be backed up by action. **LL**



Mark Schremmer, senior editor, joined Land Line in 2015. An award-winning journalist and former assistant news editor at The Topeka Capital-Journal, he brings fresh ideas, solid reporting skills, and more than two decades of journalism experience to our staff.

© Copyright 2022 Land Line Magazine & Land Line Now. All Rights Reserved.

TRANSLATE