COVID-19 And The Trucking Industry: With 2020 In The Rearview, What Are The Impacts? [Infographic]

The most widespread pandemic of modern history has been active for the better part of a year. With that, there isn't much that hasn't already been said in terms of the emotional toll and drastic subsequent effects of COVID-19. From the initial shockwave to now, much of this crisis has been about acquiring the right tools to ward off an invisible threat.

From personal protective equipment, to cleaning supplies, and additional food rations, the American public might say they have never relied on grocery stores as much as they did during 2020. But what Americans may not realize is that they were actually relying on the trucking industry to keep those stores open. A resource covering the trends of trucking and transportation published by Linchpin reported that almost 70% of goods transported in America are mobilized by trucks, and if truck drivers stopped delivering their products, the majority of grocery stores would find their inventory depleted within three days.

Needless to say, there isn't much debate as to whether or not the men and women of the trucking industry are considered essential workers. Through the unpredictable weeks and months that followed, trucking professionals traveled (usually alone) through a reality that felt far from familiar.

Not only has the unwavering commitment of truck drivers been recognized both locally and nationally, but industry leaders have been outspoken with advocacy and pride for the trucking industry as a whole. Within the early, hectic weeks of COVID-19 being declared a pandemic, Chris Schmus, President and CEO of PDL Drivers, stated, "Without the trucks, nothing happens. Everything moves by truck in this country so in order to keep the economy rolling, to keep people being fed and everything else, the trucks need to move."

It's safe to say that the trucking industry made a substantial impact toward supporting Americans since the pandemic was <u>declared</u> by the World Health Organization (WHO) on March 11, 2020. But how has the trucking industry itself fared during this unprecedented time in history? As longtime supporters of the trucking and transportation sector, the team at My Little Salesman has reviewed statistics and testimony from across the industry in order to draw a consensus.

Negative Impacts

A Closed Business Means No Deliveries

Regardless of being identified as essential workers and the pivotal role of truck driving throughout this crisis, the economic downturn did not bypass the trucking industry. CDLLife <u>reported</u> that as of August 2020, approximately 1,386,000 people in the trucking industry remained on unemployment, compared to 587,000 in August 2019.

Inevitably, the closures and financial turmoil of nonessential businesses manifested into a steep decline in the transportation of goods. Reporting done by Reuters <u>reveals</u> that new freight contracts have declined by 60% to 90% since the beginning of the health crisis while empty runs have shot up to 40%. Business has slowed so much so that in late April, the International Road Transport Union (IRU) went on to <u>report</u> that some freight segments transporting goods such as car parts, clothing, flowers, and construction materials had been decimated.

Upended Systems, Lack of Transparency

Being that regulations and safety measures were rapidly evolving in early months, truck drivers could not be sure of what to expect from one run to the next. Based on an <u>article</u> published by The National Law Review, a common concern has been "long wait times at pickup and delivery points due to a lack of on-site personnel, which has upset and clogged many receiving schedules and caused slower than usual turnaround times for freight." The NTL also reported that less-than-truckload (LTL) freight carriers have been turned away from destination terminals due to reported space limitations, and many of these carriers have been required to return their freight less than 24 hours after a load cannot be delivered.

Trucking companies have also felt the challenge of transitioning from standard to full-capacity operations of their fleet. USA Today <u>notes</u> that with Americans eating most meals from home, grocery stores have strained the refrigerated truck industry in order to keep freezers stocked. The source goes on to say that the use of refrigerated <u>trailers</u> has rarely, if ever, been deployed on such a massive scale to so many places at once. This unnaturally high demand for goods in grocery and retail led to a call for other transport options such as box trucks and dry van trailers. Mike Smith, co-owner of Smith Trucking based in southwest Minnesota, <u>said</u> he had 125 tractors and 240 refrigerated trailers running at full capacity by April. Mike captures the moment well when he explains, "We turn down more loads than we haul."

With state and federal offices operating at a limited capacity, truck companies have had to reassess the scheduling of longtime administrative procedures that keep drivers

on the road. Jeff Muzik, safety manager for a St. Joseph-based trucking company <u>tells SC Times</u>, "We do move freight into Canada, so when passports come up we see that, and then with license renewals...all of that is a challenge. It just takes a little more preparation, a little more timing." In order to adapt to these circumstances, Muzik's company is beginning the process of license renewals 4-6 weeks earlier than they would have before the pandemic.

Compounded Isolation

For an occupation such as truck driving that naturally involves extended periods of isolation, the coronavirus outbreak added an uncanny layer of isolation that no one could truly prepare for. The NTL noted that some companies advised their drivers to self-quarantine in their trucks if experiencing symptoms that resembled COVID-19. Being asked to quarantine yourself at home is one thing, but imagine being asked to fend off a mysterious virus in your place of work, hundreds, maybe thousands of miles from home. The undeniable risk of an average work day certainly landed drivers and their managers into uncharted territory.

The occasional face-to-face interactions that truck drivers came to rely on quickly became strained by safety precautions. In an <u>article</u> that predicts how the COVID-19 pandemic may affect the future of trucking, Transport Topics writes, "Some pickup and delivery locations have started checking drivers' temperatures before they are allowed on site, and many others ask drivers to stay in the cab while in-house employees empty or fill trailers." Other procedures such as the exchange of paperwork between a driver and the on-site workforce has been limited and might permanently change.

Beyond friendly exchanges and small talk, some drivers found themselves barred from accommodations that one may categorize as basic human needs. Making a long-haul trip means relying on public rest areas, truck stops, and delivery locations to physically and mentally recharge. Early on, before organizations were able to advocate for reopening, these locations were impacted by the wave of shutdowns across America. Without a reliable place to shower and eat a warm meal, one can only assume that maintaining high morale was difficult across the trucking industry.

Desiree Ann Wood, president of Real Women in Trucking, told WGLT, "Driver destination points are an issue. That's when drivers can go into the shipping office and ask to use the bathroom." Due to health concerns, formerly accommodating businesses would ask drivers to stay in their truck. "So, you're basically trapped in your tractor with no toilet and they take forever to load you. So, you could be there five to 10 hours and not have a way to go to the bathroom." It's jarring to consider the trials and tribulations that drivers faced in order to deliver the supplies America has been counting on, especially during the early weeks and months of this national emergency.

In April, a reporter from TruckNews.com <u>interviewed</u> 40-year truck driving veteran, John Mulrooney. Referring to the gravity of what he and other drivers were up against, Mulrooney said, "I talked to a couple of other truckers in the lot the other day. We all just stood there and cried. One guy hadn't been home to see his family in nine weeks. He's scared to go home because of where he has been." For some drivers, the experiences with car accidents and dangerous weather conditions most likely pale in comparison to the unique struggles brought on by this pandemic.

The Heightened Driver Shortage

For a number of years, there have been reports of a truck driver shortage across America. The American Trucking Associations <u>estimated</u> that the industry was short approximately 60,800 drivers in 2018, and predicts a shortage of 160,000 by 2028. A health crisis of this magnitude not only forces more drivers off the road, but also imposes a delay for those attempting to join the industry. Jeff Muzik <u>tells SC Times</u> that in addition to the drivers scheduled to retire, some high-risk drivers approaching retirement may have decided contracting COVID-19 was not worth the risk and opted for early retirement.

For drivers looking to enter the industry, the process of receiving a commercial driver's license was delayed due to state and federal office closures during part of the pandemic. SC Times notes that social distancing measures pose a problem when it comes to early training and testing that requires students and instructors to sit together in an enclosed cab. With veteran truck drivers opting for early retirement and eager newcomers barred behind stagnant administrative procedures, active drivers have found themselves at the forefront of meeting America's needs during a national health crisis.

Positive Impacts

Reduced Traffic

With the COVID-19 outbreak promptly causing a major blow to the American economy, an immeasurable number of jobs were lost. According to the U.S. Bureau of Labor Statistics, unemployment <u>surged</u> from 4.5% in March 2020 to 14.7% by the close of April 2020.

For many Americans with their employment still intact, working remotely was quickly introduced, and will remain the norm well into 2021. In fact, economist Nicholas Bloom tells Stanford News that as of June 2020, "We see an incredible 42 percent of the U.S. labor force now working from home full-time." With the supply chain partners and

clients of trucking companies suffering financially and closing, unemployment certainly does not benefit the trucking industry on its face. But even so, runs still have to be made, and amidst the pandemic, the transportation of goods has felt especially urgent.

The large number of Americans no longer committed to a daily commute certainly led to a drop in traffic congestion. Business Insider's road freight industry expert, Rachel Premack, touches on this topic during an <u>interview</u> with The Market Urbanism Report, stating, "A weird way that the coronavirus has benefited the trucking industry is that, because everyone's working from home, traffic is way down. That's made it easy for drivers to do their jobs. The average speed of a truck has doubled or tripled in major metros." For some truck drivers, this equates to more miles covered in less time, creating the opportunity for more runs, and ultimately more earnings.

According to an <u>article</u> published by statistica in September of 2020, data from the U.S. Federal Highway Administration illustrates a 25% decrease in road traffic during the second quarter of the year. With that, the total traffic on all roads and streets in the U.S. measures at the lowest levels since 1995. There is no doubt that the COVID-19 outbreak has been a crisis. But when it is compared to disasters that involve mass evacuations or damage to roadways, the reduction in overall traffic has been a small silver lining amongst the hardships faced by the trucking industry.

Fuel Prices

The economic fallout and massive shift to remote working in response to the health crisis naturally contributed to a notable drop in fuel costs. The U.S. Bureau of Labor Statistics <u>reported</u> that the producer price index (PPI) for crude petroleum fell 71% from January to April.

During the same <u>interview</u>, Rachel Premack points out that fuel is often a quarter or third of the expenses that road freight companies account for. Being that fuel is still a non-negotiable resource for the trucking industry, this particular effect of the pandemic has allowed companies to complete the same runs, covering the same distance, at a reduced cost.

Pay Raises (For Some)

As previously mentioned, the COVID-19 health crisis compounded the preexisting truck driver shortage. This was accompanied, however, with an added value to truck drivers, particularly experienced drivers, who were prepared to rise to the challenges that lay ahead.

In September 2020, CDL LIFE <u>reported</u> that prominent freight companies such as Schneider National were able to support their drivers with a pay increase. Schneider

team truck drivers received a wage increase of two to four cents per mile, and with their team drivers averaging 5,000 to 6,000 miles a week, that equates to a pay increase of up to \$6,240 a year per driver.

Similar to other means of essential work during the COVID-19 pandemic, the role of a truck driver took on an increased level of risk and steadfast commitment. With freight customers paying for quicker deliveries, it seems only fair that these drivers be proportionately compensated for meeting these demanding deadlines. As Crete Carrier President, Tim Aschoff said, "Now, our customers are asking us to do more, allowing us to provide a well-deserved pay raise to our drivers."

Support & Advocacy

It wasn't long after COVID-19 was declared a national emergency that American Trucking Associations <u>announced a large-scale plan</u> to provide truck drivers with personal protective equipment (PPE) for the unforeseeable future. On April 24th, ATA announced a partnership with Protective Insurance Company that involved the installation of ten 55-gallon drums of hand sanitizer to various locations along major freight corridors.

Only two days following that announcement, the first five hand sanitizer refill locations were available for truck drivers to use free of charge. By May 5th, all ten refill stations were up and running, and come July 15th, stations were updated and restocked. In addition, the Federal Motor Carrier Safety Administration (FMCSA) assisted in the distribution of one million protective masks on behalf of the Federal Emergency Management Agency (FEMA). These are the type of swift and efficient responses at the early onset of the outbreak that bring a much needed sense of community and support to drivers who found themselves alone on the road in a very unpredictable situation.

Following a nationwide shutdown of nonessential businesses that left truck drivers in jeopardy of no longer having a reliable place to bathe and eat, advocates within the trucking industry made their voices heard. WGLT <u>reported</u> that The National Association of Truck Stop Owners shared their perspective with state and local government, advising that the federal government designate rest stops and truck plazas as essential businesses. The association stressed that providing truck drivers with these places of refuge off the road would be vital to the national relief effort.

Conclusion

Like a stone breaking water's surface, the COVID-19 outbreak promptly caused a series of ripples that continue to expand, disrupting the equilibrium of American society. The unpredictable nature of this health crisis has threatened extended periods of closures and isolation, which have upended typical consumer habits. While stores

have felt the pressure to keep shelves stocked and customers satisfied, the primary burden has fallen on the trucking industry to ensure that stores meet those goals.

For many truck drivers, the job has never felt so simultaneously urgent and threatening to their health. This crisis has revealed the bittersweet mixture of pride and angst that can materialize with being an essential worker. Those already accustomed to the isolated nature of this job have been forced to go a step further by distancing from friends and family even after their work is done. But amidst the physical and emotional toll of supporting America's supply chain, silver linings have been woven into the thick fabric that has blanketed the majority of 2020.

The economic fallout induced by this health crisis did not bypass resources that trucking companies consider primary expenses, such as fuel. For a trucking company, the opportunity for an expense reduction is certainly welcome during a time where some drivers are logging record mileage. In addition to the drop in fuel prices, drivers witnessed far less road traffic as office spaces cleared for remote operations. The COVID-19 outbreak undoubtedly put a strain on the supply chain and truck drivers in particular. Ironically enough, other direct effects of this pandemic such as reduced traffic and fuel prices have made freight transportation a bit more manageable.

While no one can be certain just how long this pandemic will continue to affect our lives at home, work, and everywhere in between, it is fair to say that 2020 has been a historic year for the trucking industry.

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