

ISSUES FACING THE TRUCKING INDUSTRY AND SUPPLY CHAIN

PGT BULLETIN - JULY 2021

This newsletter will be the first in a series of PGT Bulletins that address issues facing the trucking industry, supply chain, and PGT Trucking. Consequently, they impact our customers.

The following issues are ones that PGT is monitoring closely. They are issues that we feel will impact our business in the near future, and in some cases, profoundly. They impact our costs and the way we conduct business. We take them all seriously.

You may read about challenges facing the supply chain in publications and on social media. For your reference, we've isolated those that are most concerning.

California AB5 and the PRO Act US Congress. Both of these issues threaten the Independent Contractor model that is imbedded into trucking and America's supply chain. Both of these Bills virtually eliminate the use of Independent Contractors by trucking companies. Maryland, New York, New Jersey and other states have similar Bills as California.

Aggressive tax changes by states. Rhode Island and Connecticut have both identified trucking as a great source of revenue. Both states are proposing very aggressive taxation models. In some cases the revenue is to be used for non-transportation related projects. We see many other states discussing this approach.

Increases in tolls and conversion of non-tolled roads and bridges to toll. On a very regular basis, tolls are being increased by significant amounts. And roads and bridges not previously tolled, are becoming tolled. This is quite easy to do as all that is needed is a camera that reads license plates. Then an invoice is sent to the vehicle owner. We see this in Texas on a regular basis.

Click on a Link to Learn More

[California Assembly Bill 5](#)

[PRO Act: Congress Considers Fundamental Changes to Federal Labor Law](#)

[Connecticut to enact highway fee for trucks](#)

[The RhodeWorks Tolling Program](#)

[It's About To Cost A Penny Per Mile More To Use North Texas Toll Roads](#)

[PA Turnpike Approves 2021 Toll Increase, New TOLL BY PLATE Rates](#)

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Insurance cost and Nuclear Verdicts. More and more lawsuits against trucking companies are resulting in awards of over \$10MM, which is described as a Nuclear Award.

Plaintiffs' attorneys are being more aggressive. Billboards are popping up everywhere advertising law firms that specialize in trucking accidents. Attorneys have become skilled at using tactics that drive ever increasing jury awards. This all results in higher premiums, even for carriers with very good safety records.

Hours of Service and truck parking. The strict enforcement of Hours of Service and the shortage of good, safe parking locations have caused reduced availability of drivers and their time to work. This results in increased costs to do business.

Driver shortage. Hiring, training, turnover, retention costs have all escalated to record proportions. Many trucking companies continue to have turnover rates in the 80% to 120% range. At an average cost of \$8000-\$10,000 per driver, the cost of turnover is enormous.

Technician shortage. As with drivers, the availability of qualified and trained diesel and truck mechanics is not meeting demand. The results of this problem are evident in the lag time to repair trucks that last from days to weeks and even months.

Click on a Link to Learn More

[The reasons behind trucking's rising insurance rates](#)

[Rise in 'nuclear verdicts' in lawsuits threatens trucking industry](#)

[FMCSA - Hours of Service](#)

[Lack of Safe Truck Parking Remains an Issue for 2021](#)

[Trucking industry facing driver shortage aiding pandemic supply chain woes](#)

[Daily Infographic: Tackle the Driver Shortage](#)

[Costs for Unscheduled Repairs Keep Rising, Report Finds](#)

[ATA: Truck technician shortage could threaten industry](#)