

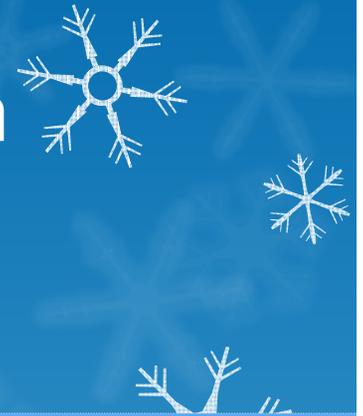
# Heavier Trucks

an overview of issues and players

Presented  
December 14, 2011



# Why Productivity Improvements in Trucking Matter



	<u>Rail</u>	<u>Intermodal</u>	<u>Truck</u>	<u>Air</u>	<u>Water</u>
<b>Inbound</b>	23,914,889	1,072,321	135,135,279	385,728	1,129,210
<b>Outbound</b>	18,865,376	820,296	129,759,569	18,841	615,600
<b>Total</b>	42,780,265	1,892,616	264,894,848	404,569	1,744,811
<b>Modal Share</b>	13.7%	0.6%	<b>84.9%</b>	0.13%	0.6

More than 21,000,000 truck trips delivering freight through Georgia and to 100% of Georgia communities

Source: American Transportation Research Institute, (2008 data)



# Why Productivity Improvements in Trucking Matter (nationally)

USA	<u>Total</u>	<u>Rail</u>	<u>Intermodal</u>	<u>Truck</u>	<u>Air</u>	<u>Water</u>
Inbound	5,699,019,691	522,244,725	18,775,032	4,853,905,923	4,954,174	299,139,837
Outbound	5,699,019,691	522,244,725	18,775,032	4,853,905,923	4,954,174	299,139,837
Total	11,398,039,383	1,044,489,450	37,550,064	9,707,811,846	9,908,349	589,279,674
Modal Share	100.0%	9.2%	0.3%	85.2%	0.1%	5.2%

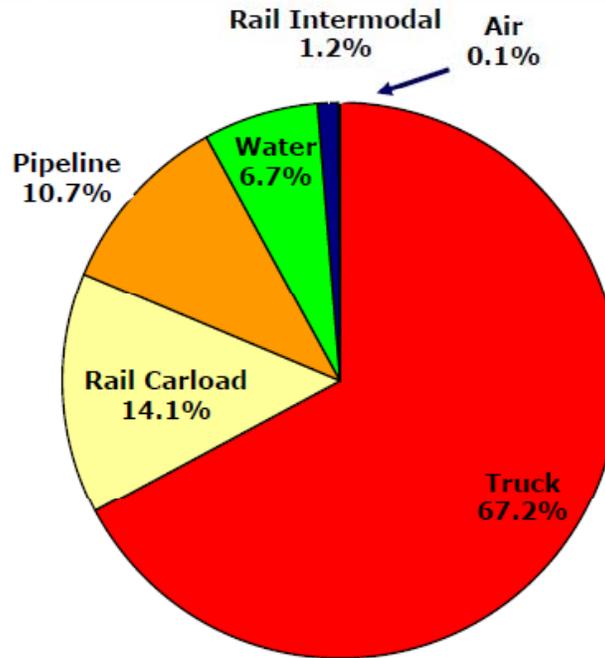
Source: American Transportation Research Institute, (2008 data)



# Total Tonnage, Not Just Manufactured Freight



## Distribution of Tonnage by Mode: 2010

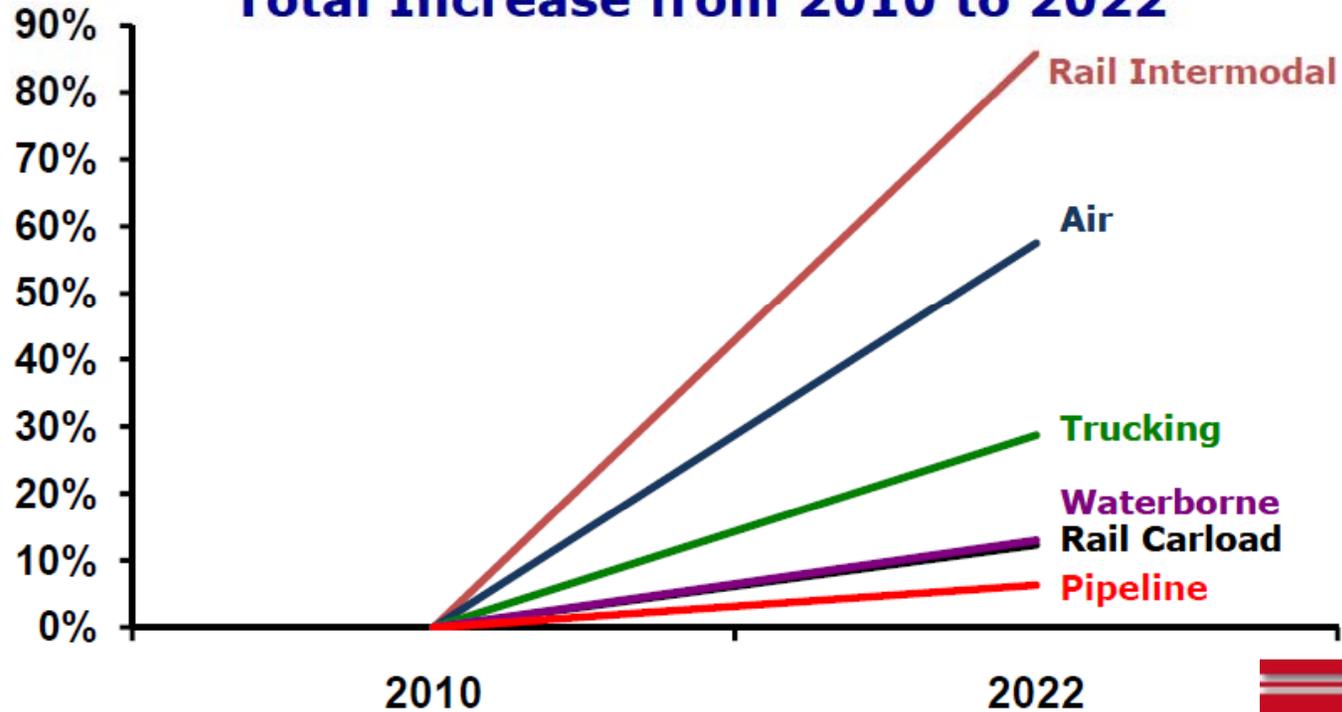


Source: *U.S. Freight Transportation Forecast to 2022*



# Growth in Tonnage

## Total Increase from 2010 to 2022

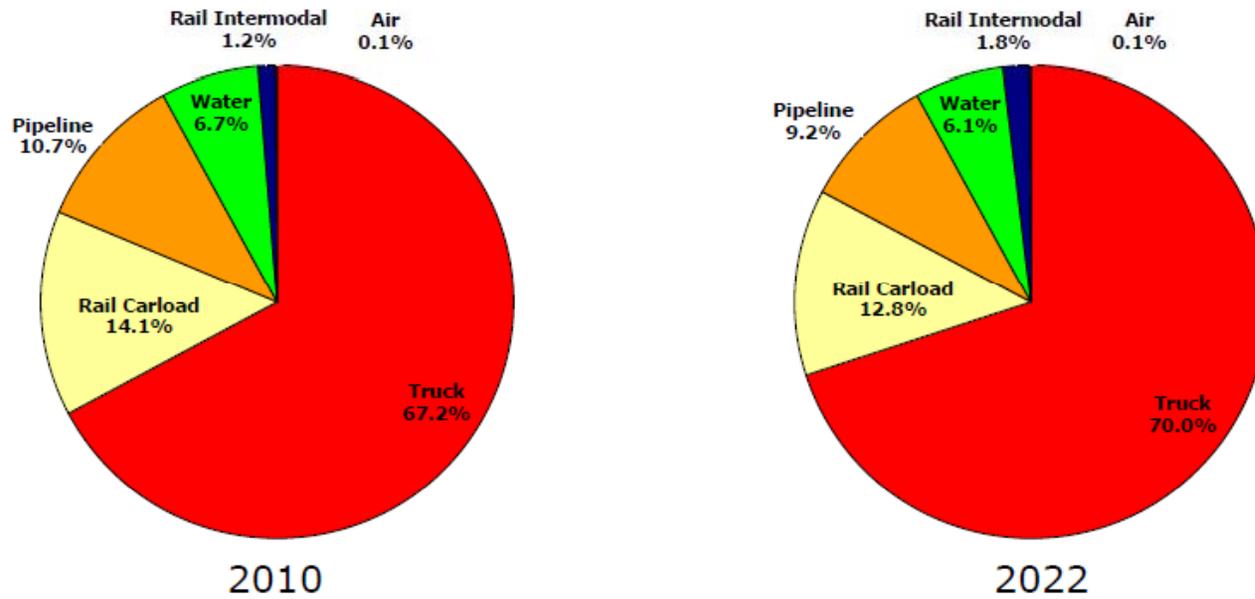


Source: U.S. Freight Transportation Forecast to 2022





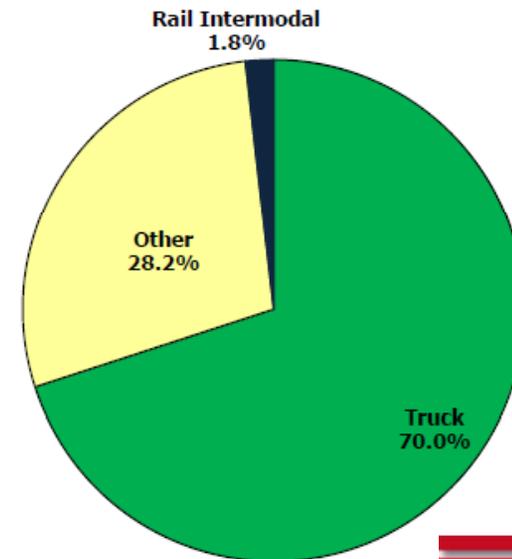
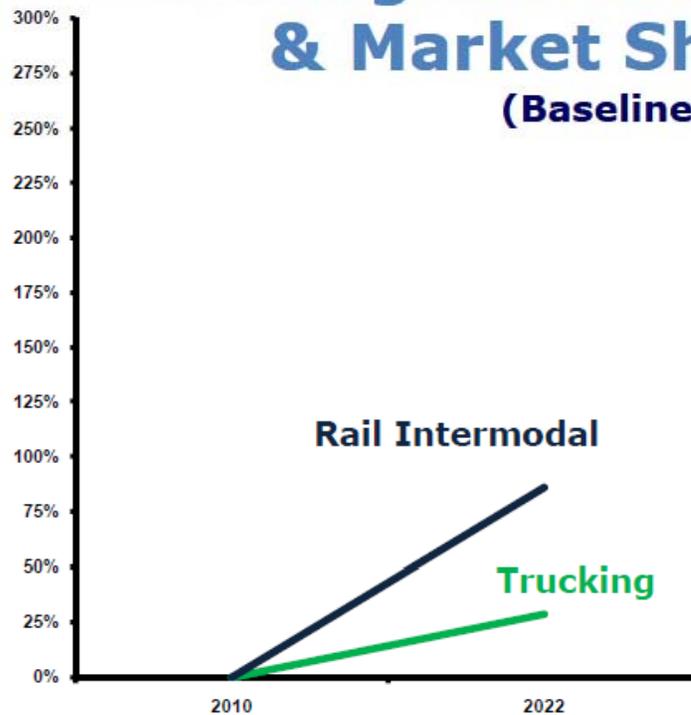
## Distribution of Tonnage by Mode: 2010 vs 2022



Source: *U.S. Freight Transportation Forecast to 2022*



## Tonnage Growth 2010 to 2022 & Market Share in 2022 (Baseline Forecast)

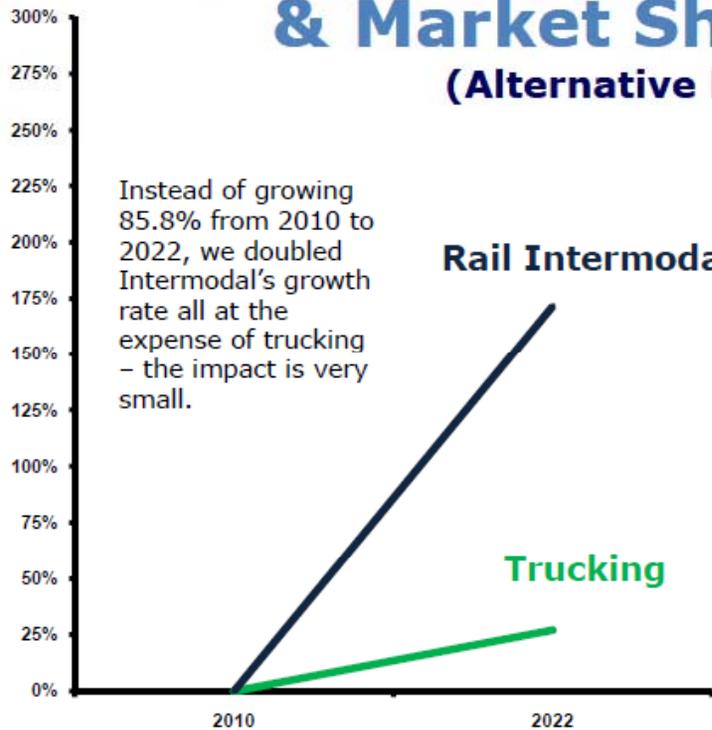


Sources: ATA & U.S. Freight Transportation Forecast to 2022

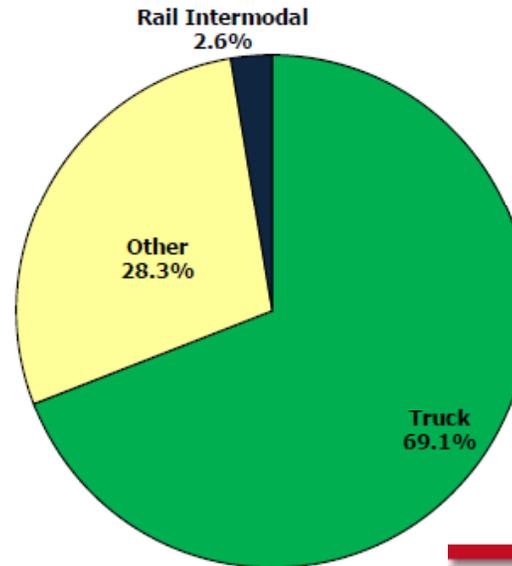


# Tonnage Growth 2010 to 2022 & Market Share in 2022

(Alternative Forecast #1)



Instead of growing 85.8% from 2010 to 2022, we doubled Intermodal's growth rate all at the expense of trucking - the impact is very small.



Sources: ATA & U.S. Freight Transportation Forecast to 2022



# History

## ○ Federal research started it all

- First proposed in 1990 by Transportation Research Board; not by industry;
  - Cited several billion \$ in cost, hundreds of billions in benefit
- Opposed by \$ multi-million rail PR effort
  - Resulted in “LCV” freeze that put federal ceiling on truck size and weights on Interstates;
  - Created advocacy groups like CRASH and later CABT (with trial lawyers);
- Uncertain, unclear trucking industry reaction

# History (cont.)

- Issue reignited by competitive and productivity needs;
- Many states have “chipped away” at LCV freeze since 1990;
  - Grandfather rights;
  - Demonstration projects
  - Individual state
- Manufacturers began current push



# History (cont.)

## ● Why do railroads care?

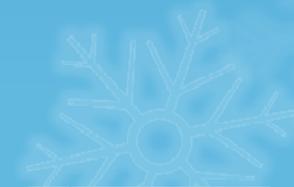
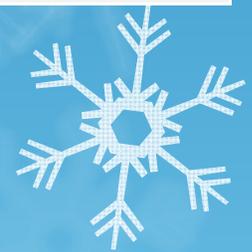
- Not just competition, their business model counts on public money to build infrastructure for their private use
  - 400 miles on a gallon
  - Get trucks off the road for the environment
- All nonsense and all geared toward getting tax dollars
- The proposed changes weaken public push to “move freight to rail”
- State has no real policy interest in getting trucks off the road
  - Truckers already get trucks on rail when it makes sense
  - Trucking industry is railroads largest customer
  - Heavier truck proposals would “get trucks off the road”
  - Trucks are 30% to 40% of fuel tax revenue



# Cui Bono? (who benefits?)

	Manufacturer	Private Carrier	For-Hire Carrier	Railroad	Consumer
Bears Expense of New Equipment?	NO	YES	YES	NO	NO
Reaps Benefit of Productivity Increase?	YES	YES	NO*	NO	YES

*\*There are some For-Hire Carriers who believe they will be able to reap some productivity benefits; this serves to further muddy the picture.*



# What to consider

- Safety
  - Federal bill requires equipment designed for load
  - OEMs say power and braking is sufficient
  - Maintenance issue
- Cost
  - Roads are tools, they wear when used
  - Federal bill plans new fees
  - Some reduced costs from new configuration
  - What else is needed
- Benefit
  - Not really to the trucking industry
  - Great benefit to manufacturers and consumers

# For the Record

The background of the slide is a solid blue color. It is decorated with several white snowflake graphics of varying sizes and orientations, scattered across the right side and bottom of the page.

The Georgia Motor Trucking Association's Board of Directors has not yet taken a position in favor of or opposed to the weight proposals being offered at either the state or federal level.

The GMTA Board will consider these issues in January 2012 and will publicize any position it takes, if in fact it decides to undertake efforts on the issue.

# Thank You and Merry Christmas!

Edward Crowell

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