

# The Calgary Region as a Transportation Hub Conference

BRING TODAY INTO THE FUTURE: WHAT  
ARE THE GAME CHANGERS? TRUCKING

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# AGENDA

- Average Age of Drivers in Canada
- Obstructive Sleep Apnea (OSA)
- New Pre-employment Screening Program
- Electronic On Board Recorders (EOBR)
- Moving Forward – Skilled Trade
- Future Game Changers

# Average Age of Drivers in Canada

- Drivers Age < 30 Yrs old = 9%
  - Drivers Age < 45 Yrs old = 31%
  - Drivers Age < 55 Yrs old = 35%
  - Drivers Age > 54 Yrs old = 25%
- TURNOVER RATE = 22%

# Drivers in Canada

- 2006 there were 227,000 drivers
- 2008 there were 174,300 drivers
- 2009 there were 151,000 drivers
- Turnover rate in Canada = 22%
- Number of new drivers entering the workforce each year is continuing to decline
- **Number of new drivers that will be required by 2016 will be 172,000**

# Obstructive Sleep Apnea (OSA)

- What is it?
- OSA Symptoms
  - Primary
  - Secondary

# OSA – Why does this matter to Trucking?

- **UNTREATED**
  - Driver is 7 times more likely to be involved in a Motor Vehicle Accident (MVA)
- **TREATED**
  - Fewer MVAs, lessens health risks, average monthly health care savings of \$600, increased productivity, quality of life, improved driver retention rate



# OSA – Why Does This Matter to Business?

- Federal Motor Carrier Safety Administration (FMCSA) in the US (Canada will follow) are considering changes to Class 1 driver medical exam that will require OSA screening for all commercial drivers
  - Financial pressure on drivers & employers to seek and pay for treatment, Average cost per employee is \$2,500
  - Approximately 2 or more year wait to receive treatment through Provincial health care.
  - Potential for 6% of all truck drivers to not receive care or treatment and will not renew their class 1 drivers license

# New Pre-employment Screening Program (CVSA)

- The Commercial Vehicle Safety Alliance (CVSA) recently introduced program that allows carriers to see detailed 3 year history of a driver's on road inspections, violations & accidents
- Information was not previously available





# What does implementation of a Pre-Employment Screening Program mean?

- Allows employers to view prospective employees 3 year driving history
- Violations incurred by drivers will affect a company's Commercial Vehicle Operators Record (CVOR), therefore deterring the hiring of drivers with poor history
- Shippers and receivers may be held liable for accidents caused by unsafe carriers.
- Potentially eliminate 7% or more of commercial truck driving workforce

# Electronic On Board Recorders (EOBR)

- All drivers that operate outside of a 160 mile radius will be mandated to have an EOBR on tractor
- Will be used to produce electronic log books and for calculating and monitoring Hours of Service (HOS)
- Will level the playing field and get unsafe drivers off the road.
- Expected full mandate in Canada and USA by 2015
- Potentially eliminate 7% or more of commercial truck driving workforce



# Skilled Trade

- The Professional Truck Driver is not classified as a Skilled Trade by Government of Canada
- Only 30% of drivers coming out of driving schools have access to various funding programs, such as student loans, social assistance, skill development



# Skilled Trade

- Without support, a higher level of Professional Driver's License training program costs between \$6,000 and \$12,000
- If occupation is deemed a trade in Provinces, then Federal Government will update the National Occupation Classification (NOC) information
  - Next NOC Truck Driver review expected in 2016

# Skilled Trade

- 2/3 of under 40 year old Canadian Workforce in the future expected from immigration and “skilled trade” applicants will be given first preference
- To successfully have an occupation be designated as a trade, industry must apply to Provincial Department of Education or Advanced Education and Technology
- Governments must either work towards class 1 driving designation a skilled trade or loosen rules on immigration for those with a class 1 license.

# Consequences in Not Taking Action Now

- Increase in Commercial Vehicle Accidents
  - Employers will lower hiring standards
  - Employers will take shortcuts in equipment maintenance
- Increase in Injury & Fatalities
  - More accidents resulting from equipment failure
  - More accidents resulting from hiring of less skilled drivers
- Increase in Shipping Costs to Business
  - Higher driver wages due to supply and demand
  - Higher insurance premiums due to increased accidents

# Future Game Changers

- LTL , Truckload and Rail Rates will rise Significantly
  - Increased regulations driving costs up.
  - Larger transportation companies will train drivers in house
  - Fewer LTL carriers. Top 20 LTL carriers equate for 25 billion in annual revenue or 89% of total LTL market. Expect that 4 of the top 20 carriers will be out of business in less than 5 years representing 6.5 billion in revenue
  - Fewer carriers as most owners of privately held transportation companies are between 60 – 70 years old.
  - Since 2006 average age of fleet has gone from 5.7 years to 6.7 and some are at 8-9 years.
  - Since 2006 terminal door capacity has dropped 17%.
  - Shortage of heavy duty mechanics. Schools are not training enough new mechanics. Rates moving up 25% as a result.



# Future Game Changers

- Significant reduction in long haul road traffic, particularly on east/west lanes due to driver shortages. This will move to rail.
- More customers accepting night time turnkey deliveries.
- More late night and early morning pick up and deliveries.
- Communications between companies will be +90% Internet based.





# Closing Comments

- 15 year plan, 5 year plan, 365 day plan
- We are now two people in one. Physical and virtual with 2/3 of your time in the virtual world
- Much more trusting in the virtual world
- E-bay is now the largest reseller of automobiles in the world
- 2.5 billion dollars in shoe sales last year on internet.
- 1 in 5 relationships formed over the internet and is expected to be 1 in 2.5 by the end of 2012.

Thank You

