

Good stuff.



State of the Colorado Trucking Industry for 2013

April, 2013



Good stuff.



Good Stuff - Trucks Bring It



From diapers to satellite dishes, virtually everything we own, everything we eat, everything we wear, every material that goes into building our homes and offices – all of it comes to us thanks to trucks and truck drivers. Last year, trucks transported more than 7.7 billion tons of freight.



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Economic Impact of Trucking in Colorado



- Trucking employed almost 92,000 people in 2011
- 1 out of 20 workers work in trucking related businesses
- Trucking pays almost \$4.3 billion in wages
- There are 9,240 trucking companies located in Colorado, most of them small, locally owned businesses. (most have less than 10 employees)



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Trucking and Warehousing Good Jobs for Colorado Residents and Good Business for Colorado

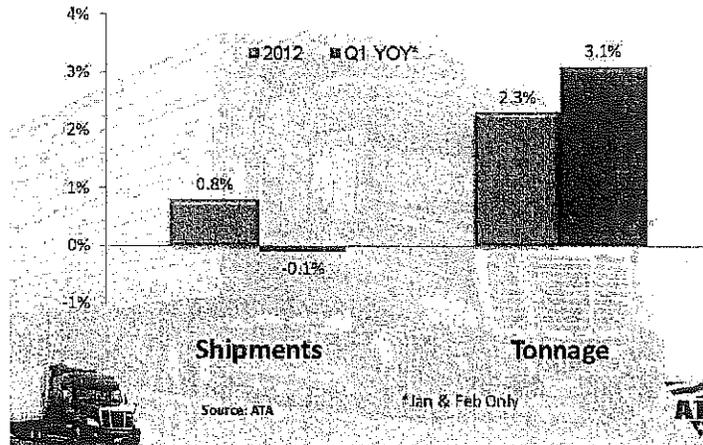
- Avg. salary for trucking jobs in Colorado was \$47,228 in 2012. This is significantly higher than the state average.
- Wages are rising due to a shortage of qualified drivers, drivers earn wages of \$50,000 to \$100,000 annually also most trucking companies provide good benefits for their employees including health insurance, disability, and retirement options
- Trucking Companies generate substantial tax revenues \$\$\$ for local communities and state - not only directly but through their purchases from companies that support them
- Trucking companies can significantly benefit economically disadvantaged areas -- (Many small towns in Utah, Neb., and Kan. are home to some of the largest trucking companies
- Trucking is a base industry that helps to mitigate economic swings
- Creates opportunities for students and others to remain in the community and have a position in a stable and growing industry career young people in the county
- Unlike some industries, trucking can't be moved off-shore or out of the country



Good stuff.



Changes in Freight Volumes (Seasonally Adjusted)



Source: ATA

*Jan & Feb Only



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Truck Safety Good and Getting Better

- 2010 was the best year in recorded history regarding the truck fatality rate with an truck safety with the lowest fatality of 1.2 in recorded history. This is a 75% decrease from 4.9 in 1975, the first year the USDOT began keeping records.
- Since 1982, alcohol involvement for large truck drivers in fatal crashes has declined by 85 percent.
- A recent study by Virginia Tech conducted for the USDOT found that 78% of crashes involving trucks were caused by passenger car drivers.

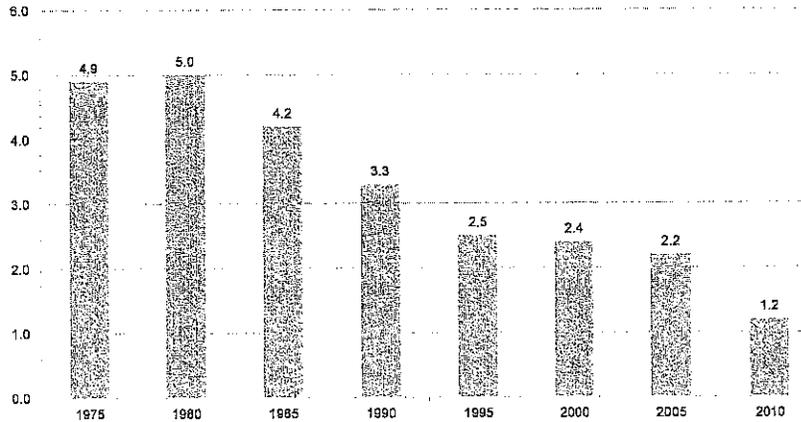


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Large Truck Crash Rate (per 100 million VMT)

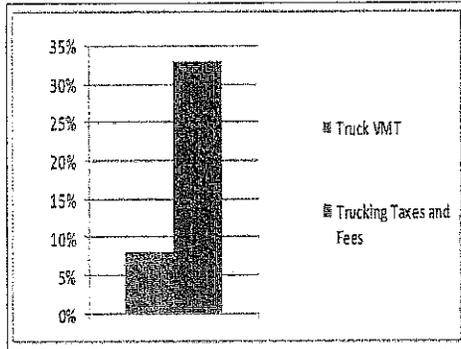
1975-2010



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Trucking and the Highway User Tax Fund



- Trucking industry paid \$443 million or 33% of Colorado's federal and state roadway taxes and fees in 2009

- Trucking only represents 8% of vehicle miles traveled in Colorado.

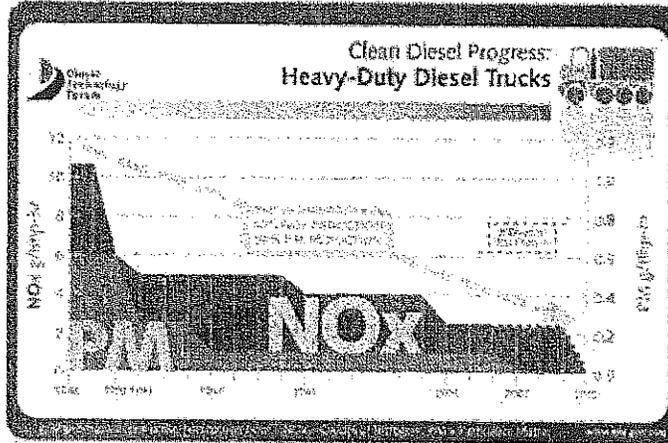


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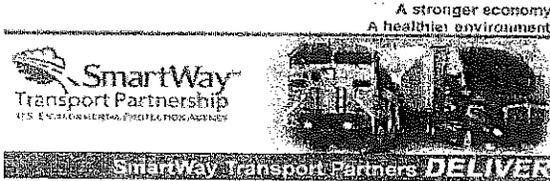


Trucking and the Environment

An Impressive Record of Improvement



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SmartWay encourages carriers and shippers to adopt or implement actions to make ground freight more efficient and cleaner for the environment.

Reduction
Low-Viscosity
Lubricants

Some Participants in Adams County

Houg Spec Svcs.	Waste Mgmt.
Fed Ex	Westco
American Furniture	CAST
HVH	UPS
American Armor	Wal-Mart
Denney Transport	Direct Transport
Domenico Transport.	Navajo



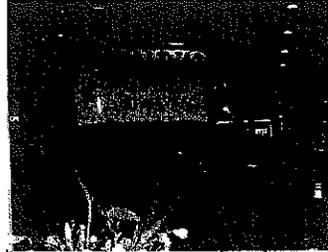
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SmartWay Tractors and Trailers

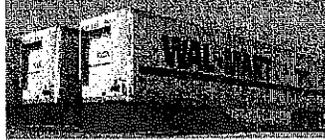
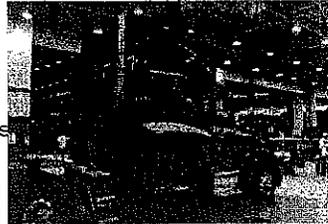
SmartWay Tractors:

- Model Year 2010 or later engine
- Integrated cab-high roof fairing
- Tractor-mounted side fairing gap reducers
- Tractor fuel-tank side fairings
- No idling
- Low-rolling resistance tires (single wide or dual)



SmartWay Trailers:

- Side skirts;
- Weight-saving technologies;
- Gap reducer on the front or trailer tails (extenders)
- Low-rolling resistance tires (single wide or dual)



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**2013 EPA SmartWay Affiliate Honoree
Colorado Motor Carriers Association
(one of only 7 within the country)**



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Key Concerns

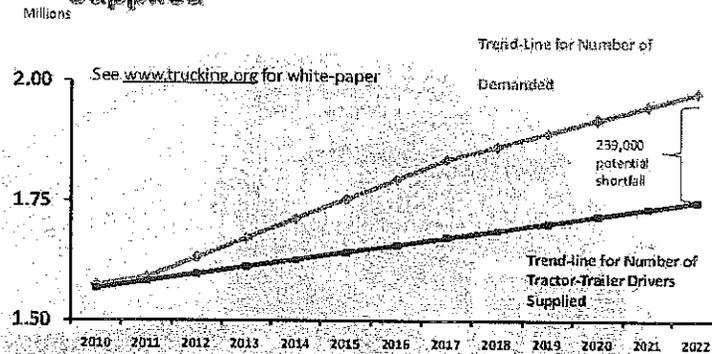
- Hours of Service Changes (dictates allowable driving hours and rest periods) – new rules will reduce truck productivity by 1.5% to 4% - need for more drivers
- Driver and Mechanic Shortage
- Independent Contractor Issue
- Affordable Care Act and Impact on Health Insurance Rates and Requirements
- Oilfield Hours of Service Exemption



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Tractor-Trailer Drivers Demanded and Supplied



Source: ATA



Good stuff.



I-70 CORRIDOR CHALLENGES AND OPPORTUNITIES



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Challenges, Limitations, and Constraints for Trucking on I-70

- Hours of Service - # of Driving Hours Allowed
- Lack of Truck Parking along I-70 from Denver to Grand Junction
- Community restrictions – limits when deliveries can be made, size of vehicle etc.
- Businesses in Colorado mountain communities have very limited storage –due to real estate costs requiring in many cases daily deliveries and more during peak
- Customer demands/needs determine the schedules for trucking companies
- No real alternate corridor for east-west travel in the state - other routes take much longer and involve many more miles
- I-70 is one of only two east-west interstate corridors in the country and serves not only Colorado but the nation
- Communication challenge of reaching several million drivers and several hundred thousand fleets



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Peak Period Travel on I-70 and Trucks

- Fleets actively seek to avoid peak periods – trucks only make up 1.6% of eastbound traffic during Sunday peak in ski season and 2.3% of peak traffic in summer.
- Most trucks in the corridor at that time are serving businesses in Colorado, in fact many are traveling to locations in the mountains – 85% are Intrastate
- A large amount of the shipments during that time involve essential products such as food and fuel which relate directly to demand (more people in the mountains, more food and fuel needed). Other shipments in this window may involve mail or parcel delivery based on required delivery times. Also time sensitive deliveries such as medical supplies and some forms of other items.



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CMCA Action List for I-70

- Education and Information
- Strategies to Improve Traction
- Specific training focused on I-70 Corridor and chain procedures
- Realignment of Operations
- Equipment Changes
- Continue the partnership among the industry, CSP, CMCA, CDOT, and local communities

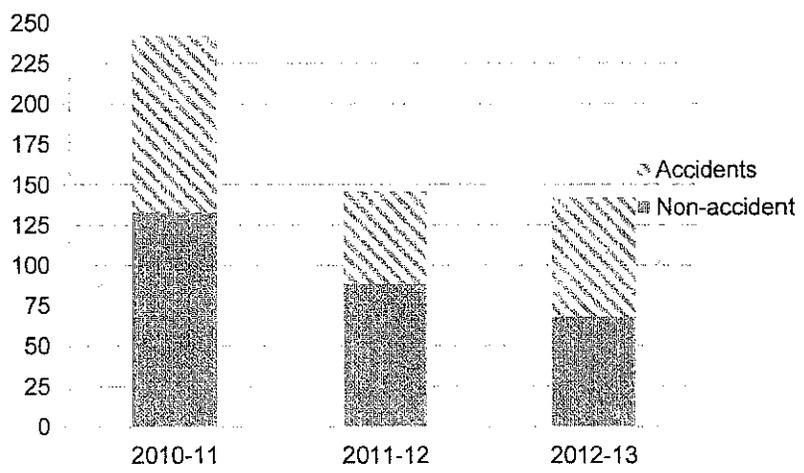
Bottom Line for Action Items

- ❖ Improve Safety and Mobility on the I-70 Corridor
- ❖ Reduce Impacts of Trucking during Peak Periods





Hours of Lane Closure I-70 – Denver to Vail Due to Commercial Vehicles



Truck Traffic on I-70 during Peak Periods

	December – March		July – August	
	Winter 2011/12	Winter 2012/13	Summer 2011	Summer 2012
Average Hourly Total Volume ²	2544	N/A	2894	2538
Average Hourly Heavy Vehicles Volume ²	41	N/A	66	57
% Heavy Vehicles ²	1.6%	N/A	2.3%	2.2%
% Single Axle Double Trailers ²	0.1%	N/A	0.2%	0.1%



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Issues that Compound the Challenge and Problem

- Local businesses in resort areas have difficulty gauging needs because demand can ramp up fast
- Fuel demand at one of the airports in the mountains has ranged from 6 to 16 loads for one day during peak season. Fuel requirements for a local gas station generally takes a full tanker. At peaks they may need more than one load a day.
- Seasonal population in ski communities may be an increase of 2/3 or more over permanent residents – greater demand for all goods.
- Limited, if any warehousing or storage for businesses



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Proposed Strategies for I-70

- Consider increase in passenger vehicle fines for inadequate tire tread
- Additional storage or warehousing capacity by businesses – i.e. - greater fuel storage at airports in mountains
- Evaluation as to impacts of community restrictions on truck travel
- Providing trucking operators with “drop keys” allowing for night time or early morning deliveries
- Look at land use regulations regarding whether businesses must have a certain amount of storage space



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Developments in the Environmental and Energy Areas

- ❑ 2014 Diesel Engine Standards - will have GHG standards and better fuel economy
- ❑ Alternative fuels – particularly natural gas offer a clean and domestic alternative for heavy duty trucks
- ❑ EPA SmartWay Technologies offer great opportunities to further reduce emissions via aerodynamics, idle reduction, etc.



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Proposed Environmental and Energy Strategies

- ❑ Legislation to Provide Incentives for Heavy Duty Alternative Fuel Vehicles and EPA SmartWay Technologies to accelerate the adoption of cleaner burning and more fuel efficient vehicles.
- ❑ Consider a State-supported Modernization Program Retirement/Scrappage Program for Pre-2003 Trucks
- ❑ Incentives via the Bid Process or Contract Requirement that Companies working under State Projects with Any Heavy Duty Truck (over 26,000 lbs. GVW) Older than 2007 be Equipped with a diesel oxidation catalyst (DOC) - Grant funding is available to do this.
- ❑ Encouraging Colorado Shippers and Transporters to Join EPA SmartWay Program



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Transportation Funding

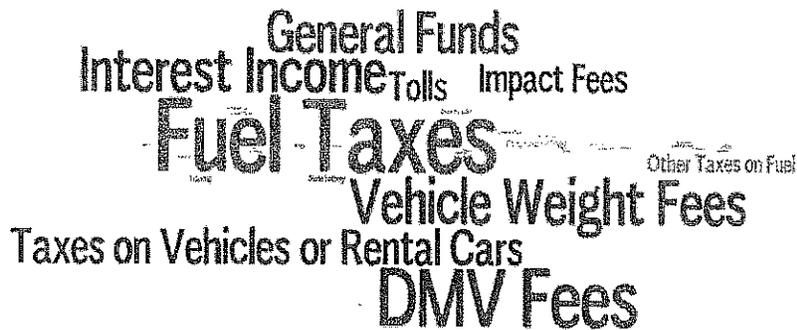
Transportation Infrastructure Has
Been a Top State Issue in 2013 as
identified by NCSL



Good stuff.



State Option for Funding Transportation Needs



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Transportation Taxes and Fees on Trucks for Colorado and Surrounding States

(based on a new \$125,000 interstate tractor operating approx. 100,000 miles/yr. - does not include taxes and fees on trailers or local taxes)

	Colo.	Wyo.	Utah	Kansas	Neb.	Ariz.	New Mex.
State Fuel Tax - 20,870 Gallons - ann.)	\$4,278	\$5,008	\$5,113	\$5,246	\$5,551	\$5,644	\$4,775
Registration Fees	\$2,350	\$2,637	\$1,821	\$1,770	\$1,286	\$3,960	\$190
Specific Ownership Tax (Property tax on vehicles)	\$2,625	0	0	0	0	0	0
Wgt. Distance	0	0	0	0	0	0	\$3,502
Highway Surcharge Fee	\$39	0	0	0	0	0	0
Bridge Fee	\$32	0	0	0	0	0	0
Total	\$12,274	\$5,645	\$6,934	\$7,016	\$6,837	\$9,594	\$11,467



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Lack of Uniformity in Truck Registration Fees

Annual Colorado Truck Registration Fees

Assumptions:

- Five axle tractor
- Intrastate transporter
- 50,000 miles or greater annually
- Registered weight of 80,000 lbs. GVW

Same truck transporting the same registered weight and traveling the same distance annually, yet based on the type of use, registration fees may differ by over 500% or more.

Common Carrier (for hire)	Private Carrier	Non-Plated Truck	Utility-Owned Truck	Exempt Category
\$2350	\$1975	\$1070	\$400	\$400



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Key Legislative and Regulatory Concerns in Colorado

- Plethora of Oversize/Overweight Permits by Local Communities
- Truck Productivity – need to allow more productive vehicles along with uniformity and consistency with surrounding states
- Challenges to owner-operator/independent contractor model
- Access issues with communities
- Serious Driver and Mechanic Shortage
- Lack of current infrastructure, capacity and access



Good stuff.



If you got it, a truck brought it.

