



## **Truckers' \$4 Billion of Wasted Time Revives U.S. Penalty Push**

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By Jeff Plungis

May 18 (Bloomberg) -- Trucking companies lose almost \$4 billion a year in productivity when drivers have to wait out loading delays, according to the U.S. Transportation Department, and a congressman and a federal advisory board want a return to holding shippers accountable.

Representative Peter DeFazio, an Oregon Democrat, and the Motor Carrier Safety Advisory Committee, backed by a U.S. Government Accountability Office report, say driver delays are contributing to fatal accidents as well as financial losses.

Freight customers say the delays are addressed in their contracts with trucking companies and don't need to be regulated.

"We know the more hours a driver works, the less they're paid, the more there's a risk," Michael Belzer, a Wayne State University professor who studies truck working conditions, said in an interview. If shippers have to put a cost on drivers' time, they'll "waste it less and drivers will be safer."

DeFazio has proposed a bill to allow the Transportation Department to study so-called detention time and set standards for the maximum number of hours considered "reasonable." It would force shippers and receivers of goods to compensate drivers for waiting and would allow the department to set penalties for violations.

The advisory committee to the Federal Motor Carrier Safety Administration, composed of industry executives, law enforcement officials and safety advocates, concluded decisions in the supply chain outside drivers' control are depriving them of rest and forcing them to rush on the road, said John Lannen, executive director of the Truck Safety Coalition, who is a member of the panel.

Half a Solution

"The current system is contract by contract," Lannen said. "That would be fine if other parties valued the truck driver's time. There's no consequence in making them wait."

David Parker, chairman of the four-year-old advisory committee, said the motor carrier regulator's proposal in December to require on-board monitoring of driving time is an incomplete solution to safety concerns.

"You're sending the FMCSA out to battle with one hand tied behind their back," Parker, a senior legal counsel at truck insurer Great West Casualty Co. in South Sioux City, Nebraska, said in an interview. "Half of the parties involved aren't subject to their authority."

### Detention Time

The debate boils down to how much government oversight is appropriate for an industry that Congress deregulated in 1980.

What was a collection of trucker complaints about "detention time" has evolved into a debate about highway safety, with independent owner-operators and safety advocates arguing that the idle time interrupts drivers' sleep cycles and makes it difficult for them to comply with U.S. rules limiting them to 14 hours a day on duty.

Fifty-nine percent of drivers surveyed by the GAO in January said they had experienced detention delays of more than two hours at least once in the previous two weeks. Four-fifths of them said the delays made it difficult to comply with the rules on driving and duty time.

Charging detention-time fees and making drivers more familiar with a facility's processes can limit the likelihood of delays, the GAO said. Industry representatives said larger trucking companies are better positioned than independent drivers to limit delays and better able to handle logistical challenges resulting from detention time, it said.

Some carriers charge shippers \$40 to \$80 an hour for delays of more than two hours. The fees may go uncollected, however, since trucking companies are reluctant to anger their customers, the GAO said. One carrier billed a shipper \$4,300 in fees over three months but received less than \$500, the agency said.

### Power Shift

Detention time was virtually unknown before deregulation, said Belzer, the economics professor and author of "Sweatshops on Wheels," an account of working conditions at trucking companies since 1980.

Trucking companies filed tariffs at the now-defunct Interstate Commerce Commission spelling out charges for keeping a driver waiting more than a few hours, Belzer said. Since deregulation, the balance of power in the industry

shifted from carriers to shippers, and little value is placed on the time of drivers who are usually paid by the mile, he said.

Carriers other than the largest trucking companies lack the leverage to demand compensation for delays, said Todd Spencer, executive vice president of the Grain Valley, Missouri-based Owner-Operator Independent Drivers Association.

“I don’t really want their money,” Spencer said. “I want to be able to get in and out in a reasonable period of time so I can deliver the goods. Your sleep cycle can be screwed up when you can be held anywhere for two hours, or 10, or 12.”

### Just-in-Time

Shippers ranging from Anheuser-Busch InBev NV to the United States Steel Corp. aren’t the only elements of the supply chain to contribute to detention time, said Peter Gatti, executive vice president of the National Industrial Transportation League, a trade group representing shippers, in Arlington, Virginia.

Carriers are free to stop doing business with inefficient companies, he said.

Shippers don’t control customs in ports or operate all the freight terminals, he said.

“The solution they’re offering is only going to solve one piece of the problem,” Gatti said. “Are they going to take control of the terminal operator? Are they going to take control of the warehouse guy?”

The squeeze on drivers’ time started with the shift to a ‘just-in-time’ economy that stressed precise deliveries at factories over storing freight in warehouses, said LaMont Byrd, director of the health and safety department of the International Brotherhood of Teamsters.

### ‘Race to Bottom’

Most union members work for less-than-truckload carriers, which move relatively small quantities of freight, with set schedules and contracts that pay them for waiting time, Byrd said. Still, unionized companies like YRC Worldwide Inc. are feeling pressure from nonunion carriers in a “race to the bottom,” Byrd said.

The trucking industry wants the U.S. to study oversight in Australia, which passed laws pertaining to brokers, forwarders, shippers and receivers as well as carriers and drivers, said David Osiecki, senior vice president for policy and regulatory affairs at the American Trucking Associations, an Arlington, Virginia-based trade group, said in an interview earlier this month.

That doesn’t mean the industry is advocating regulation.

The ATA e-mailed a statement yesterday after a board meeting urging regulators not to interfere with private contracts.

“No carrier wants to see our drivers’ time wasted,” said Dan England, chairman and president of Salt Lake City, Utah- based C.R. England Inc., the largest U.S. refrigerated freight company, said in the statement. “However, this is not an issue that can be handled with a ‘one-size, fits all’ regulation.”

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