



Owner-Operator's Business
Association of Canada

Association professionnelle des
routiers autonomes du Canada

*...from the
director's chair*

It takes respect & resolve

I've received some mail recently, from a reader who accused me of carrier bashing when I suggested in last month's column that many owner/operators are being taken undue advantage of by their carriers. He took particular exception to my observation that "...there's no more excess among owner/operators for carriers to exploit."

He further pointed out that progressive carriers realize that their future lies with productive and reliable owner/operators, not company drivers, because they (owner/operators) "...put far more and consistent effort forth than any company driver, and they deserve the better paying or more productive trips." He concluded his remarks by asserting that owner/operators who are so lacking in business sense as to be working for an inadequate, outdated rate should quit the business so that they don't interfere with those who are being properly treated and paid by their carriers.

I couldn't agree more, and let me be clear that I am not attempting to tar all carriers with the same brush. But the fact remains that there are still many carriers out there who fail to recognize that the modern owner/operator is not the same uneducated, undercapitalized cowboy that seems to dominate the traditional image.

Which explains why it is so frustrating to learn about the situation at one large outfit whose owner/operators are being denied the complete rebate of the fuel surcharge which the carrier assesses to the customer; the surcharge is being rolled into the revenue split rather than assessed independently of the freight rate.

The difference in the settlement amounts to several thousands of dollars per owner/operator. This kind of unethical treatment undermines the very premise of sound, honest business dealings and leads to hardened attitudes on both sides of the carrier/owner/operator relationship.

OBAC intends to pursue a resolution to this

matter on behalf of these owner/operators and the details will be reported in this space.

If the industry is ever going to find a way to encourage new drivers to become owner/operators it will have to address these types of situations through clearly spelled out clauses in the initial contract. OBAC is prepared to work with any carriers who are sincere in their desire to establish open and honest relationships with the owner/operators that form the foundation on which many companies are staking their futures.

It doesn't serve either party's interest to compromise the overall competitiveness of their mutual undertaking by establishing such adversarial relations.

Owner/operators who have survived the last several turbulent years are determined, competent business people who understand that success in today's economy demands courage, planning and patience.

Contracting to a reputable carrier is a demanding, nerve-wracking process that requires considerable knowledge of the industry to avoid making the wrong decision. And ultimately it demands a great deal of trust, a rare commodity in this business.

Constantly rising freight volumes and cross border traffic have been improving carriers' operating ratios in the last several quarters.

Higher earnings are a reality now but owner/operators are going to have to be persistent in their demands to get a share of that available revenue; it won't just happen. Once again, knowing your operating cost-per-mile is essential.

It's also important for owner/operators to look at other forms of trucking if they are really serious about improving their earnings. For example, LTL pays considerably better than truckload but demands more effort and planning from the operator.

Such runs often involve fewer miles, which mean lower fuel costs and less premature wear



Mike Smith: OBAC board member

and tear, but the net return is higher. Carriers are always looking for individuals capable of accomplishing these moves because they depend so heavily on the driver's initiative.

Generally speaking, increases in owner/operator rates will only be possible if the owner/operators themselves are driving the process. They have to demonstrate that they know their costs, that their profit expectations are reasonable, and that they are prepared to refuse to accept trips which are inadequate to meet their objectives.

If enough owner/operators are refusing unsatisfactory work or turning down "opportunities" with unsuitable carriers they will be sending a clear message that, regardless of how competitive the market is, they are not desperate for work at any price.

In closing, on behalf of the board of directors of OBAC, let me take this opportunity to publicly thank Leo Van Tuyl for his tireless efforts over the past year and a half, a period in which he acted as our interim executive director.

His contribution is much appreciated. In turn, we would like to welcome Joanne Ritchie to OBAC as our new executive director. Joanne has an extensive background as a trucking industry analyst and is a long time supporter of OBAC. She will be a very visible presence at truck shows and events across the country. She can be reached by e-mail at jritchie@obac.ca and toll-free at 888-794-9990.