



Owner-Operator's Business
Association of Canada
Association professionnelle des
routiers autonomes du Canada

*...from the
director's chair*

What keeps me awake at night?

What a long, strange trip it's been. An economic meltdown has been ripping our industry apart for the past couple of years, and we're nowhere near out of the woods yet. Lately, we're hearing encouraging words from the pundits, but we were hearing much the same thing this time last year. Then, it was wishful thinking; this time around, the economic indicators are showing signs of life.

Looking forward from here, I see plenty of challenges ahead, but even more opportunity. What keeps me awake at night is wondering how well we'll adapt to the new paradigm.

There are five things that top my worry list.

The first is the future cost of trucking. Add up the cost of the 2010 engines, all the environmental regulations that are surfacing, and the new technology being added to Class 8 trucks and you can see that the days of the \$125,000 tractor are over. Equipment and operating costs are going nowhere but up at a time when freight rates are at an unprecedented low, comparatively speaking.

Second on my list of things to worry about is rampant rate cutting. I've heard, for example, that tridem loads between Vancouver and Calgary are moving for less than a buck a mile. Rates like that are a one-way ticket down the tube. My biggest concern is that shippers are going to resist rate increases and carriers will capitulate out of fear of losing volume. Getting rates back to something near normal is going to be an uphill battle despite what some analysts are calling the biggest pending capacity crunch in the industry's history. If ever there was a time when trucking could have shippers over a barrel, it'll be in the months ahead – if we play our cards right.

So many carriers have tipped over in the past year – some estimates suggest as many as

100,000 power units have been sidelined by the recession in North America – trucking will be hard pressed to keep up with demand as the market strengthens. We're about to be handed the single greatest opportunity for rate increases trucking has ever seen, but my greatest fear – what keeps me awake at night – is that we'll fail to take advantage of the situation.

Third on my list of things to worry about while I should be resting my weary bones is the tightening regulatory environment.

Burgeoning border and security provisions, new medical requirements, and a multitude of rules slapped together in the name of safety and saving the planet are confusing, often contradictory, costly, and they're making it difficult to get the job done – at least the way we're used to doing it.

Add the increasing use of technology and electronics in enforcement, and you've got the fourth thing that keeps me tossing and turning.

There's no more "business as usual," and maybe that's a good thing. It will become increasingly difficult to bend the rules – never mind break them. The driver has always been the relief valve in a very inflexible environment, but we won't have that "luxury" much longer, if you call it a luxury; I call it a curse.

The use of EOBRs for hours-of-service enforcement, as well as GPS and satellite data during facility audits and compliance reviews, will make adjusting logbooks to make up for inefficiencies in the system almost impossible to get away with.

The question here is can we make this technology work to our advantage?

Electronic devices may be the best opportunity truckers have ever had to finally prove and



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assert the value of their time. What keeps me awake with this one is that drivers will continue to do whatever has to be done to get the load delivered. That, in my way of thinking, would be a huge mistake.

And the final item on my worry list is one of the most fundamental problems drivers face every day – where to park? Scarcity of parking is a perennial issue that may have eased somewhat with freight volumes down, but when the economy picks up and more trucks hit the road, it'll be back to hunting for parking, and parking illegally because there's no alternative.

OBAC is leading a research project to quantify the parking problem in Canada. We're compiling an inventory of existing parking spaces, and we're trying to identify areas of the country where parking problems are the most serious. We won't solve the parking problem overnight, but maybe we'll have a better idea where to start.

If owner/operators and drivers are to succeed and profit in the days ahead, they'll need to embrace these changes rather than fight them at every turn. What many saw as obstacles in the past could become tremendous advantages in the future. From parking shortages to black boxes for HoS enforcement, nearly everything about the way we do business is about to change. The question is – are you on the way, or in the way?