

2022 Transportation Seminar

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RECENT TRENDS DURING THE PANDEMIC & OTHER HOT TOPICS

David Ortega

Moderator
NAMAN HOWELL SMITH & LEE, PLLC
San Antonio, Texas
dortega@nhsl.com

Michael Sullivan
GIBSON, MCASKILL & CROSBY, LLP
Buffalo, New York
msullivan@gmclaw.com

Jerry Sallings
WRIGHT LINDSEY JENNINGS
Little Rock, Arkansas
jsallings@wlj.com





THE LATEST

ATA coalition challenges Biden Administration's vaccine-or-test mandate before the U.S. Supreme Court

1.7.21

The Supreme Court <u>heard oral arguments</u> today on our request to stay the Biden Administration's COVID vax-or-test mandate on businesses with more than 100 employees. Here's a quick recap of events that led ATA's legal challenge to the highest court in the land:

Nov. 5, 2021: The Occupational Safety and Health Administration published its Emergency Temporary Standard requiring all businesses with 100 or more employees to get their workers vaccinated or tested weekly.



Nov. 10, 2021: ATA, joined by the state trucking associations from Texas, Louisiana and Mississippi, as well as a coalition of business groups, filed suit in the U.S. Court of Appeals for the Fifth Circuit, asking the court to stay and ultimately vacate the mandate.

Other members of our coalition include the Food Marketing Institute, the International Warehouse Logistics Association, the National Association of Convenience Stores, the National Retail Federation, the National Association of Wholesaler-Distributors and the National Federation of Independent Business.

Nov. 16, 2021: ATA's challenge is consolidated with other similar suits nationwide and reassigned to U.S. Court of Appeals for the Sixth Circuit. The Kentucky, Michigan, Ohio and Tennessee Trucking Associations also joined our challenge.

Dec. 17, 2021: In a 2-1 decision, the Sixth Circuit Court of Appeals lifted the stay on the mandate. In response, ATA immediately filed an emergency application to the U.S. Supreme Court to reinstate the stay.

Dec. 21, 2021: The Supreme Court announces it will hear oral arguments on our emergency application on January 7.

Why Friday's proceedings are notable: Of the 14 or so emergency applications, ours is only one of two that the Supreme Court chose to hear oral arguments on. This presumably reflects the Court's recognition that the seriousness of our arguments and our presentation of the issues makes our application the best vehicle for resolving this complex matter.

Timing and Deadlines: While the Supreme Court is free to issue its decision at any time, we expect them to do so quickly in this case, in light of the current January 10 enforcement deadline for the initial phase of the ETS (with full testing requirements for unvaccinated employees set for enforcement on February 9). For more information and resources, check out our updated COVID vaccine mandate toolkit for ATA member companies.



Biden Administration broadens COVID-19 vaccination requirements throughout the private sector

9.9.21

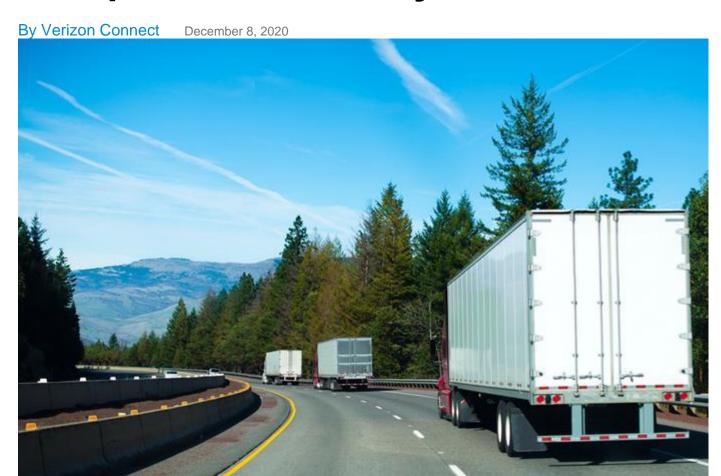
As reported widely in the news today, the White House announced plans to require employers with more than 100 workers to ensure their employees are vaccinated, or test each unvaccinated employee for the virus weekly, affecting about 80 million Americans. The emergency rule will also require paid time off for vaccination or recovery from side effects post-vaccination. A separate provision also requires vaccination for all employees of federal contractors— with no option to test out. The order also provides that booster shots will be available for all eligible Americans who have already been vaccinated.

The various requirements for employers are not immediate, however. The Occupational Safety and Health Administration will need some time to develop its emergency rule for businesses with over 100 employees. It is also worth noting that OSHA emergency rules do not have a great track record when courts review them, so they will need to carefully consider costs and benefits. As part of that process, ATA will ensure that OSHA and the White House understand the implications of the rule to our supply chain, each ATA member and all our employees.

Today's announcement also addresses other issues related to schools and additional support for small business, among other things, and is available here: President Biden's COVID-19 Plan | The White House. We will keep you posted on developments as we learn more.



COVID-19: Impact on Trucking Companies, Economy and Trade



Coronavirus and the nation's response to the emergency are rapidly changing the day-to-day realities of fleet-based businesses in the United States. While several states are again considering stay-at-home rules, transportation, field service, utility workers, energy workers and many other fleet-based businesses have been deemed essential services and continue to operate, albeit in a vastly altered landscape.

The transportation industry continues to face challenges due to supply chain disruptions and nationwide emergency delivery needs while drivers strive to preserve their health on the road. According to Nick Beck, Owner of Beck Trucking, trucking companies are already doing their best to meet increased demand across the country.



On both sides, inbound and outbound, we're definitely trying to help out; a few customers have asked us to help supply grocery chains. They have had an influx of grocery store loads that they need assistance with, including around 600 loads earlier this week. We've been able to pull resources from what we normally do to assist in keeping the grocery stores full.

Keeping track of up-to-date information is critical for fleet managers and drivers. As a company dedicated to serving fleet-based businesses, Verizon Connect will update this space frequently to provide industry updates and resources managers can use to make informed decisions.

The events of the past few months have emphasized why we do what we do: deliver the solutions, services, and expertise that help keep drivers safe, and drive efficiencies and productivity for fleet-based businesses.

Andrés Irlando, President Verizon Connect

During this global pandemic, Verizon Connect is ready to provide whatever level of support is required.

- We are fully staffed at regular levels. We have enabled our teams to work from home while maintaining normal levels of support and accessibility to our teams.
- We are committed to keeping our systems and platforms up and running and have implemented emergency operations to care for our customers.
- We will continue to work closely with our customers and suppliers to support critical business operations.

To see everything Verizon is doing to respond to the crisis, please view this page.

Relaxed hours of service: What trucking companies and drivers need to know

The Federal Motor Carrier Safety Administration (FMCSA) has extended its COVID-19 emergency declaration until the end of the year to provide HOS relief to commercial vehicle drivers transporting necessary goods in response to the COVID-19 outbreak. These goods include food, raw materials, medical supplies, paper products and the supplies/equipment necessary for sanitization and community safety.

The new rule addresses long standing key concerns of the industry including:

- The 30-minute break rule

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- Sleeper-birth rules
- Changes to adverse driving conditions exceptions
- Changes to short-haul exception

Read all about the rule change on FMCSA website.

According to the FMCSA, none of the HOS regulations apply "while the driver is engaged with providing direct assistance under the emergency relief exemption." This means that drivers are not required to take 30-minute breaks and the regular 34-hour restart is not required. To help ensure safety, "once a driver has completed his or her delivery, the driver must receive a minimum of 10 hours off duty if transporting property, and 8 hours if transporting passengers." Read more about the options provided by FMCSA on ELD devices.

Find out how you can help build a COVID-19-ready fleet with fleet tracking technology. Download this free guide.

Critical business concerns for fleets

How can businesses run efficient fleets in these pressing times? What are the practical steps to take care of your drivers' health? Watch the following webinars to hear from industry experts and editors.

- Businesses of any kind need to be prepared for any and all eventualities. Fleet
 businesses have the dual responsibility of running a business and an efficient fleet
 operation. With tenacity and intelligent tools, fleet businesses can tide over any
 emergency, and in fact use the downtime to prepare for the uptime.
 Watch now: Help Build an Emergency-Ready Fleet | The How and Why of
 Leveraging Connected Fleet Technology
- Trucking and logistics keep medical supplies, groceries, cleaning and sanitizing supplies, and much more moving through the supply chain during these tough times. Fleets are currently trying their best to keep drivers and employees safe and healthy and stay compliant with regulations while continuing to operate efficiently. In this webinar, Heavy Duty Trucking brings together a panel of industry experts to share what they've learned as they monitor the fast-changing conditions—such as the current regulatory landscape and what to expect with freight and the economy moving forward. Watch now: What Fleets Need to Know Now About COVID-19
- While public fleets are providing essential duties during the pandemic, it's no small task
 to pivot from normal to emergency operations. From technicians to management, fleet
 employees are at their jobsites, working to keep police cars, ambulances, fire trucks,
 trash trucks and other essential vehicles on the road. In this webinar, Government
 Fleet brings expertise from public fleet managers and leading consultants to help you
 tackle current operational challenges—including how to help keep employees and



drivers safe, and how to handle the coming weeks and months. Watch now: How Public Fleets Are Coping with COVID-19

- The Occupational Safety and Health Administration's (OSHA) General Duty Clause requires employers to provide a workplace free from recognized hazards likely to cause death or serious physical harm—COVID-19 and its hazards included. In this unprecedented environment of managing a
- fleet during a pandemic, this webinar identifies the procedures and policies you should consider implementing to help reduce the risk to your employees and customers.
 Watch now: Fleet Policies to Help Reduce COVID-19 Risks

Recent COVID-19 news

- <u>Distribution of the COVID-19 vaccine has followed a phased approach</u>. A panel advising the Centers for Disease Control and Prevention recently recommended that "other essential workers", including truck drivers, be included in Phase 1C vaccination priority. Phase 1C includes seniors ages 65 to 74 years old, people ages 16 to 64 with underlying health conditions, and other essential workers such as those working in transportation, food service, finance, and communications positions. Phase 1A included at least 24 million people, phase 1B will add another 49 million people and phase 1C will broaden eligibility to another 129 million. Indicating that demand could outweigh vaccine supply.
- The <u>Centre for Diseases Control (CDC)</u> has approved the use COVID-19 vaccines from Pfizer, Moderna and Johnson & Johnson. The Department of Transportation has recently taken measures to help ensure the safe, rapid transportation of the vaccine, including expanding the emergency exemption for trucking operations.
- The FMCSA has extended its <u>COVID-19 emergency declaration</u> until the end of the
 year to provide <u>HOS relief to commercial vehicle drivers</u> transporting necessary goods
 in response to the COVID-19 outbreak. These goods include food, raw materials,
 medical supplies, paper products and the supplies/equipment necessary for sanitization
 and community safety.
- Post-COVID shutdowns, pent-up consumer demand <u>has boosted spot freight rates</u>.
 However, a weak manufacturing sector means that things could turn downward again.

More industry updates

- The Center for Disease Control and Prevention <u>updated guidelines</u> for commercial truck drivers in the wake of the COVID-19 pandemic.
- The trucking industry lost more than 88,000 jobs in April 2020, a 5.8% drop from March 2020. This was part of a record-setting 20.5 million job loss across the U.S., putting the nation's overall unemployment rate at 14.7%.
- The Centers for Disease Control and Prevention has <u>released guidance</u> for essential workers <u>to allow them to continue work</u> following potential exposure to COVID-19. The guidance covers "critical infrastructure workers," such as healthcare workers, law

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- enforcement, transportation and logistics workers, provided they remain asymptomatic and take precautions to protect themselves and others.
- On April 9, the Organization of Petroleum Exporting Countries (OPEC) <u>announced</u> <u>members would cut oil production decrease</u> by 10 million barrels per day—meaning recently low diesel prices may start heading back up.
- According to the <u>CDC</u>,current <u>domestic travel advisories</u> "do not apply to employees of critical infrastructure industries, including but not limited to trucking, public health professionals, financial services, and food supply."
- On March 24, the FMCSA <u>issued a waiver for commercial drivers</u> whose licenses/permits and/or medical cards have expired or are set to expire after March 1, 2020. The waiver is valid through June 30.

We will continue to update this post as latest news and resources are identified.

Get more interesting data points from the current Fleet Technology Trends Report. Download now.



Verizon Connect



NEWS

Truck driver shortage could impact holiday shipping times

Posted: Oct 28, 2021 / 08:31 PM CDT Updated: Oct 28, 2021 / 08:32 PM CDT

ARKANSAS (KNWA/KFTA) — Arkansas and across the nation, companies are in desperate need of more truck drivers.

Shannon Newton, president of the Arkansas Trucking Association, said COVID-19 and the aging workforce has exacerbated the shortage.

"We've had a substantial amount of people leaving the industry either for early retirement or to take jobs that would keep them closer to home," Newton said.

Newton said there are about 3,500 to 5,000 open truck driving positions in Arkansas. According to the American Trucking Association, there are about 80,000 openings across the country.

"There are some challenges with new entries to the industry, just the amount of training that is required and necessary in order to be able to operate a commercial truck," Newton said.

Fewer truck drivers could mean longer shipping times for some items, but Newton said the supply chain is a complex system that is also heavily dependent on suppliers and ports.

CDL Academy is a truck driving school in Fort Smith. Founder, Max Avery, said the school is working to train the next generation of drivers.

"It's a dangerous job, it's a high priority one that has to be addressed with the utmost care,"



Avery said.

| NWACC to unveil new CDL truck driving program >

However, federal vaccine mandates as well as individual company mandates could worsen the shortage of drivers.

"Certainly the threat of the federal mandates having a negative impact on attracting people to the industry or scaring people away from the larger employers and perhaps being used as a recruiting tool by the small trucking companies," Newton said.

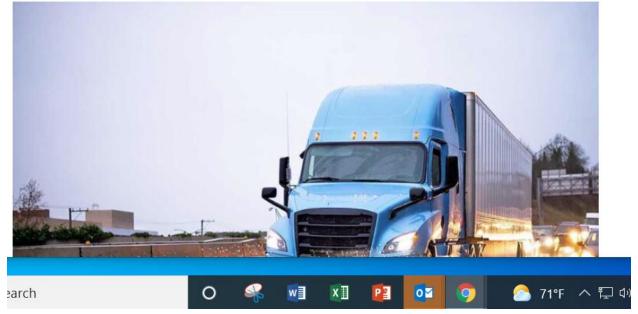
Newton said the Arkansas Trucking Association believes it is up to the employers to decide whether or not to mandate vaccine for drivers.

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Study details COVID-19's impact on trucking industry

By The Trucker News Staff - December 1, 2021



The American Transportation Research Institute has released a new study on the effects COVID-19 has had on the trucking industry.

ARLINGTON, Va. — COVID-19 has affected just about every aspect of life. The trucking industry is no exception.

According to a recent analysis of the operational costs of trucking by the American Transportation Research Institute (ATRI), in addition to faster truck speeds, COVID-19 impacts were considerable. The research is based on detailed 2020 financial data provided directly by motor carriers of all sectors and fleet sizes. The various line-item cost centers clearly



document the numerous impacts that the COVID-19 pandemic had on trucking and the economy in general.

The study noted that dead-head miles increased to 20.6%, annual operating miles decreased to 89,358 miles per truck, and fuel costs declined by nearly 20% to 30.8 cents per mile.

Independent of COVID-19 impacts, insurance costs continued their climb, rising more than 18% to 8.7 cents per mile — the highest in the report's history, according to ATRI.

The report documents the effect that faster truck speeds, due to low overall traffic levels, had on multiple line-items, as well as the sector and commodity volatility that occurred as consumers were forced to dramatically change spending habits.

"The COVID-19 pandemic made 2020 a historically unprecedented year for the global economy," the report stated. "Despite encountering numerous logistical difficulties, the trucking industry performed with admirable consistency, and so did its marginal costs. Carriers were able to take advantage of some unexpected windfalls, such as unusually low fuel costs and highway traffic, to offset heightened expenses in other areas."

While truck driver wages increased from 2019 to 2020, benefits costs per mile decreased. Overall truck driver compensation was 73.7 cents per mile. Separately, safety and retention bonuses increased by 10.5% and 14.2% respectively, but starting bonuses dropped by 10% — reflecting the soft driver marketplace in early 2020 for many sectors.



Overall, the average marginal cost per mile incurred by motor carriers in 2020 decreased 5 cents per mile to \$1.64. When the per-mile costs are converted to hourly costs, the report found that total hourly costs dropped slightly to \$66.87.

"In the face of a COVID-19 economy, our industry tightly managed costs and operations, while delivering essential goods to market. We also led the way out of the COVID-19 recession in the latter half of the year. I expect 2021 to continue the positive trends for our industry," said Cully Frisard, COO of Frisard Companies.

For request a free copy of the full report, click here.