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ROAD SAFE AMERICA

Dear Friends:

We live in a world in which insurance provides peace of mind – we insure our health, our lives, houses, cars, and more. Insurance is defined as "a practice or arrangement by which a company or government agency provides a guarantee of compensation for specified loss, damage, illness, or death in return for payment of a premium". Expectedly, the cost of insurance goes up every few years to adjust for inflation and re-evaluation of industry costs and risks.

However, the minimum liability insurance requirement for tractor-trailers has remained the same since 1980 when the motor carrier industry was deregulated – that's 34 years with no increase even for inflation! A tractor-trailer in interstate commerce is required to have coverage of only $750,000 per crash, not per victim of a crash. This amount is to cover all property and personal injury for all vehicles and occupants involved in a crash. The average cost of a fatal tractor-trailer crash is $3,600,000. This disparity between the financial cost of a fatal crash and the level of insurance has to be addressed.

Road Safe America has been a lead voice in bringing this issue to the attention of the Department of Transportation. Due to these efforts, the 2012 Transportation Bill directed the D.O.T to investigate the appropriateness of the current minimum financial responsibility requirements for motor carriers of property and passengers. The Federal Motor Carrier Safety Administration released its findings this April and concluded that the current minimum level of insurance should be increased.

The insurance minimum is not just about compensating for health costs, damaged property, loss of productivity, and loss of precious lives – although that is very important. Paying insurance premiums is a cost of doing business in any industry and the cost should reflect the appropriate accountability of the industry for the damages it can and does cause.

With such low current thresholds in the trucking industry, too many trucking operators are permitted to drive on our public roads without adequate capital to even properly maintain their trucks. It is probable that the most dangerous trucks on the road are the ones with the least amount of insurance. Larger trucking companies and a majority of independent operators know the current minimums are too low and willingly add significant coverage to their policies, but far too many companies have only the minimum required.

As a result of the FMCSA study, the Motor Carrier Safety Advisory Committee, with Steve as chairman, will continue to work with all stakeholders, including industry leaders and other safety advocacy groups to suggest new rules regarding insurance minimums. Road Safe America strongly supports this initiative of the FMCSA and will continue to emphasize the need for the trucking industry to be accountable for the dangers that the heaviest trucks on our roads can cause.

Best Regards,

Susan & Steve

Truck Driver Turnover Near 100%

The following was published as a Letter to the Editor of Land Line magazine in the March/April 2014 issue

Dear Editor,

There has been an abundance of press about the turnover rates in truck driver numbers that have recently risen toward 100% again.

> "We believe that a different pay method would go a long way toward solving the perennial problem of turnover in the trucking industry."
> *Steve Owings*

We believe that a different pay method would go a long way toward solving this perennial problem in the trucking industry. The pay-by-the-mile and/or pay-by-the-job payment method is not only dangerous; it is also unfair to the hardworking professional men and women drivers who provide such a crucial service to the overall American economy.

One doesn't need to be a psychiatrist to understand that paying by the job, and/or by the mile, encourages truck drivers to make as many miles each day as possible. In the past, the lack of third party tracking of drive time and the lack of enforcement that results from tax digest reductions, particularly in economic downturns, have combined to allow some truck drivers to drive in excess of the allowable hours of service, and others to drive faster than the law allows and/or is prudent given traffic and weather circumstances. We are excited that electronic logging requirements are on their way as a result of MAP-21 Bill. We are also looking forward to the DOT issuing a long overdue speed limiter rule for our country. (We are the last leading country in the world without any rule regarding settings of speed limiters on our heaviest commercial trucks.)

The trucking industry has been trying to manage with unmanageable turnover rates among truckers for decades. We believe that the biggest reason is that the drivers, who are least in control of the number of miles that they can drive legally each day, are held accountable for the uncontrollable - such as weather, traffic and other delay-causing events. So naturally, an offer of a few more cents per mile will take a driver to a competitor.

> The National Transportation Institute recently published a survey on truck driver pay in America.
>
> Below is an excerpt:
> *" The average (big rig driver's) pay today is 37.2 cents per mile, compared to 2008 pay of 36 cents per mile. However, that's not taking inflation into account. Just to make up for the modest inflation we've had since then, it would have to be 40.28 cents per mile, so in real terms, drivers have lost about 2.25 cents per mile in that period of time."*

These hardworking professionals should be paid for all of their working hours whether they are waiting at a loading dock, driving, or sitting in a traffic jam. We also believe that they should be paid overtime as is required for nearly every other job in America. These steps would not only immediately make our supply chain much more efficient, as different stakeholders would suddenly have a financial incentive to do so, it would also mean that truck drivers would finally be paid in the professional way that they deserve to be compensated. A few hero companies, such as Dupre Logistics, a HAZMAT logistics service provider with almost 1,000 professional drivers based in Lafayette, Louisiana, began their journey on hourly driver pay in the 1990s and on electronic logs since 2006. It is our understanding that their turnover is much lower than the national average and they are able to attract a higher quality of applicant. Their drivers are extremely grateful and loyal to the company for treating them like the professional that they certainly are.

For those who are sincerely interested in reducing trucking's turnover problem, we fervently believe that this is a step not only in the right direction, but also one that will improve safety for us all.

Sincerely,
Stephen C. Owings
Co-Founder
Road Safe America

> States with the Most Fatalities in Crashes Involving Heavy Commercial Vehicles
> *Statistics from 2012*
>
> Texas 408
> California 264
> Florida 201
> Georgia 168
> Pennsylvania 163

Thank You!

Gifts received between 2/1/14 – 4/30/14

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Creative Solutions:

The High Cost of Infrastructure

The quality of the infrastructure that trucks and autos use on a daily basis is an important component of highway safety. Bridges, highways and overpasses deteriorate over time and the growth of our nation requires additional large investments in infrastructure. But improvements mean additional taxes on gasoline and elected representatives in Washington, DC know that taxpayers are not eager to pay more taxes.

A creative solution that is getting a lot of interest is a financing tool called a Public Private Partnership (P3). These partnerships are almost always project-specific and allow municipalities to move ahead with development without requiring the taxpayer to take on the debt of the bonds issued to pay for the work.

As an example, if Houston, Texas thinks it needs a new bridge over the shipping channel, the cost might be one billion dollars. Even though the tolls on the bridge might eventually reimburse the city, taxpayers would first need to approve a government bond referendum to get the project started. This type of public approval is very difficult in hard economic times. As an alternative, a private consortium of builders and bankers might issue the bonds itself knowing the payback is some years down the road. This is considered a Public Private Partnership and the majority of the risk is now borne by the consortium. As an incentive, the federal government is considering letting the corporations that get involved in these P3s return their off-shore profits to America without being taxed. This could be a win-win for America's infrastructure needs, corporations and the government.

A key driver for these P3s is the expertise and management skill brought by the private sector. Now, without being subjected to municipal politics and schedules, the private consortium is motivated to complete projects on budget and on time.

America needs new roads and bridges. Some say we are slipping behind other countries economically due to the gridlock in our cities and deterioration of our roadways, not to mention the safety issues associated with aging infrastructure. It will take creative thinking to make things right. P3s may be part of the solution.

RSA Awarded Grant

Road Safe America has been awarded a generous grant by the Million Dollar Roundtable (MDRT) Foundation and their Worldwide Grant Program. MDRT is the premier association of financial professionals and as a member, Steve Owings is eligible to apply for funding for RSA.

This grant will help RSA educate policy-makers, industry groups and the public about sensible solutions to make traveling alongside tractor-trailers safer.

The Blame Game

Road Safe America uses FaceBook to spread our message to over 2,000 people on a daily basis. RSA encourages dialogue among our "friends" and responds to posted comments.

Many truck drivers follow RSA on FaceBook and often comment on our messages. A common complaint from some of our trucker friends is the reckless behavior of passenger car drivers that leads to car/truck crashes. This is a good reminder that we need to be cognizant of safe driving practices especially around tractor-trailer trucks. Remember that heavy trucks cannot see, stop or maneuver like passenger cars – they require more room to brake and more time to react to unexpected circumstances.

Truckers and their trade groups claim that police reports identify car drivers as "at fault" in more than 75% of fatal car/truck crashes. The Automobile Association of America (AAA) reports that in the same situation where there is **no** fatality, fault is closer to 50% - that is the passenger car driver and the truck driver are each at fault half of the time. Why the discrepancy? In fatal car/truck crashes, the driver of the car and its passengers are those who suffer the fatalities 98% of the time – not the trucker. Consequently, the truck driver is the only one alive to give an account of the crash to the police and would likely not incriminate him/herself as the person at fault.

Instead of focusing on blame, RSA works toward improving heavy truck safety and acknowledges that safe roadways require changes in policy and behavior from all parties. Please be aware of the danger of heavy commercial trucks and be especially vigilant around big rigs.

Be Our "Friend"

500+ million people use FaceBook – do you? "Like" us and get updates about what is trending in the world of truck safety.

According to social media experts, when a FaceBook page reaches 10,000 friends it goes viral. RSA would like to reach that level and bring "truck safety talk" into more homes across the country.

Won't you please help us?

ROAD SAFE AMERICA

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[Recipient]

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Safe Trucking = Safe Families