

August 13, 2019

Mr. Raymond P. Martinez Administrator Federal Motor Carrier Safety Administration 1200 New Jersey Ave SE Washington, DC 20590

RE: Commercial Driver's Licenses; Pilot Program To Allow Drivers Under 21 To Operate Commercial Motor Vehicles in Interstate Commerce **Document Number:** 2019-09944

Dear Administrator Martinez,

On May 15th, the Federal Motor Carrier Safety Administration (FMCSA) published a proposed rule to the Federal Register concerning a potential pilot program allowing drivers with commercial driver's licenses (CDLs) under the age of 21 to operate commercial motor vehicles (CMVs) in interstate commerce. Currently, drivers in 48 states between the ages of 18 and 21 may only operate CMVs in intrastate commerce. The Food Marketing Institute (FMI) applauds the agency's continued interest in addressing truck driver shortages and appreciates the opportunity to comment on this important issue.

FMI proudly advocates on behalf of the food retail industry, which employs nearly 5 million workers and represents a combined annual sales volume of almost \$800 billion. FMI member companies operate nearly 34,000 retail food stores and 12,000 pharmacies. Through programs in public affairs, food safety, research, education and industry relations, FMI offers resources and provides valuable benefits to more than 1,225 food retail and wholesale member companies in the United States and around the world. FMI membership covers the spectrum of diverse venues where food is sold, including single owner grocery stores, large multi-store supermarket chains and mixed retail stores. For more information, visit <u>www.fmi.org</u>.

Background: Current State of Trucking

According to research conducted by the American Truckers Association (ATA), the United States continues to face significant shortages of both trucks and truckers. Despite a historically low national unemployment rate, they estimated the country faced a 60,000-truck driver shortage by the end of 2018.¹ With the average trucker being nearly 47 years old, and only one truck

¹ Miller, Eric. "ATA: Trucking Industry Was Short More Than 60,000 Drivers in Meeting Demand at End of 2018," July 24, 2019. <u>https://www.ttnews.com/articles/ata-says-truck-driver-shortage-course-double-decade</u>.

being available for every twelve loads needing delivery, the industry is pressed for an influx of new drivers that overcomes the shortages faced.²

The ATA is not alone in noting these challenges. Last year, the United States Federal Reserve Board observed that trucking capacity noticeably impacted 6 of the 12 Federal Reserve Districts in their *Summary of Commentary on Current Economic Conditions*.³ They directly linked shortages in commercial drivers as the leading cause. With a strained and aging workforce, we believe it is important to tap into America's pool of young workers, particularly as they face the highest levels of unemployment.⁴

Rising Transportation Costs Impacts Businesses and Consumers

While some have suggested that a driver shortage does not exist, food retailers have experienced firsthand the various impacts a tightened trucker workforce places on the industry. Finding the flexibility in diverting monetary resources and accommodating for spikes in transportation is difficult for grocers, as the typical store operates on a net 1.1% profit margin on average.⁵

Although retailers do their best to account for these increasing transportation costs, the extra burdens are often passed along to customers in the form of higher priced groceries and lower on-shelf availability. Even our largest members, who are typically better equipped to handle industry-wide spikes in supply chain costs, have acknowledged that this issue is placing a substantial strain on their businesses.

The steady stream of goods being delivered creates certainty for both manufacturers and retailers alike. From farm to fork, businesses rely heavily on trucking to help keep a smooth-running supply chain intact. This is not just true for existing stores and warehouses, but also for those looking to expand into new operations. Ever-increasing transportation costs limit these opportunities for growth, hindering businesses as resources are diverted to cover these expenses.

In 2018, freight rates increased dramatically as full implementation of electronic logging devices went into effect.⁶ This logging helped more visually capture the problems facing the supply chains in regard to over-the-road shipping. Since such spikes are often hard to predict, businesses struggle to adapt to sudden upticks when profit margins are already slim.

² "Employed Persons by Detailed Industry and Age." U.S. Bureau of Labor Statistics, January 18, 2019. <u>https://www.bls.gov/cps/cpsaat18b.htm</u>.

³ "The Beige Book: Summary of Commentary on Current Economic Conditions ." Board of Governors of the Federal Reserve System, July 2018.<u>https://www.federalreserve.gov/monetarypolicy/files/BeigeBook 20190116.pdf</u>.
⁴ "Unemployment Rates by Age, Sex, and Marital Status, Seasonally Adjusted." U.S. Bureau of Labor Statistics, August 2, 2019. <u>https://www.bls.gov/web/empsit/cpseea10.htm</u>.

⁵ "Grocery Store Chains Net Profit." Food Marketing Institute, October 2017. <u>https://www.fmi.org/our-research/supermarket-facts/grocery-store-chains-net-profit</u>.

⁶ "Truck freight rates continue to climb." Food Business News, October 12, 2018. <u>https://www.foodbusinessnews.net/articles/12679-truck-freight-rates-continue-to-escalate</u>

DRIVE-Safe Act

In an effort to address these issues, FMI has been a supporter of the *Developing Responsible Individuals for a Vibrant Economy* (DRIVE-Safe) *Act* (H.R. 1374/S. 569), which would create an apprenticeship program for commercial drivers under the age of 21.⁷ The legislation would provide for a rigorous training program that includes 400 hours of required training (240 behind the wheel), mandated maximum driving speeds of 65 miles per hour, forward-facing recorded video capture, and several additional training and safety requirements. With the DRIVE-Safe Act as a model, FMI believes the FMCSA has an ideal framework for establishing a set of safety and work requirements for 18 – 20 year olds seeking to enter the workforce.

Partnered with a broad coalition of nearly 70 other trade associations and organizations, FMI has continued to advocate for adoption of this and other proposals. These measures would not only help develop our economy by connecting workers with good-paying jobs, but also improve safety on our roads and highways through rigorous requirements. Due to the existing limits on drivers under the age of 21 mentioned before, the trucking industry faces a unique challenge in attracting high school graduates that may have already moved onto a different career. The FMCSA's prospective pilot program would ensure that window of opportunity is available immediately for those following completion of high school.

Conclusion

FMI and our member companies again appreciate the opportunity to comment and submit our industry's feedback on this issue. We acknowledge and support the FMCSA's current and past efforts to try and increase the pool of truck available qualified truck drivers. While overall transportation and supply chain problems require a broad number of solutions—addressing issues relating to dwell times, asset utilization, infrastructure maintenance, and others— promoting a well-trained and -staffed workforce of truck drivers remains a critical component to ensuring stability in America's economy at large.

We appreciate your consideration on these comments and are certainly willing to provide additional information wherever necessary. You can also reach me directly at (202) 220-0634.

Regards,

Matthew Viohl Manager, Labor Policy and Sustainability Food Marketing Institute

⁷ DRIVE-Safe Act (H.R. 1374), Congress.gov, <u>Bill Text</u>