

# A Tank Truck View of the Driver Shortage

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The driver shortage remains a challenge for trucking companies across the board, and the tank truck industry is no exception.

According to the American Transportation Research Institute, the driver shortage now ranks as the top carrier concern for the first time since 2006. But it's not the only issue vexing carriers; the electronic logging device mandate threatens to tighten capacity just as the overall economy is in growth mode for the first time in years.

The tank truck industry is unique in many ways when compared to our counterparts in the truckload and less-than-truckload segments, and how the sector can address these issues were front and center at a recent National Tank Truck Carriers leadership retreat, where the leaders of our industry prioritized workforce development to address this growing national economic crisis.

Much has been written and opined about driver recruiting and retention for decades, but overall success for the trucking industry remains elusive. In industry reports, truckload carriers report annual turnover numbers in excess of 100%. On the tank truck side, our painful new normal is about 30% turnover, which varies based on region and service modes.

To make matters worse, insurance concerns mean that tank carriers typically demand that incoming drivers have prior tank experience and be at least 25 years old. Others need not apply.

Moreover, many current professional drivers who might consider the tank truck sector are uncomfortable due to the "slosh factor" of the cargo when accelerating or slowing down and the potential dangers associated with hauling hazardous materials. The problem persists despite the tank truck segment's generally higher driver wages, workload and opportunities to spend time at home.

There are many elements to creating a highly attractive work experience — new equipment, advanced technology, safety support, respect and appreciation — but chief among them is a competitive compensation package. Truck drivers' inflation-adjusted wages have been flat this century — can you think of any other sector where that's the case? Can you think of any career with zero wage growth that people are lining up

to join?

I've been encouraged recently by what I'm reading in the trade press. According to published reports, to boost retention some carriers are offering salary programs versus pay by the mile, guaranteed bonuses, team bonuses and guaranteed annual increases. Everyone in the distribution chain needs to work together to smooth out the disparities between perception and reality when it comes to recruiting drivers, or the nation's economic prospects will suffer.



Our path to improvement could include graduated CDL programs to entice younger professional drivers, more meaningful apprenticeship programs, better coordination of local training efforts to expand nationally and greater efforts to recruit women and minorities. We have to lower the barriers to entry to becoming a professional driver and get prospects involved in trucking immediately after high school. Why would a 21-year-old abandon three years of training and experience in one industry to start all over in another? Then, we can start showing those new drivers why trucking is a career rather than a job — a well-paying career that they can be proud of until they're ready to retire.

Challenge builds character and our industry is resilient, but it is not Teflon. You can't haul freight without professional drivers. For tank truckers, the NTTC has launched a workforce initiative that is a first step for our members to walk the walk together. We want to dig deep and find out how to make tank trucking a destination for new drivers and the segment of choice for existing ones. We know others are exploring workforce development and we welcome the opportunity to align our efforts. Carriers, shippers, consignees, state associations, national associations, driving schools and varied government entities at every level must step up now. Success requires a broad coalition working together toward a common goal of making trucking a career of choice.

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have taken much credit for that, but stronger-than-expected demand was a key contributor."

While a lot of that growth is being driven by consumers in emerging markets taking to the roads for the first time, the strongest run in global trade expansion for several years is also boosting demand as planes, trucks and ships move more goods around the world.

Though it may yet be at risk from the protectionist talk coming from Washington, the International Monetary Fund's most recent estimates for world trade growth are that it will exceed 4% for three consecutive years through 2019, a feat last achieved when oil prices were surging to all-time records a decade ago.

"Global synchronized economic growth — across developed and emerging markets — is driving a notable uptick in manufacturing and trade, boosting construction and freight movements, which look to be behind renewed growth in diesel demand, after several years in the doldrums," said Eric Lee, an analyst at Citigroup Inc.

Here's a run-through of some additional data points that support the idea of 2018 being a stronger year for oil demand than some expect:

## Magic Manufacturing

The industry of making stuff hasn't been this strong in eight years, according to the JPMorgan Global Purchasing Managers Index. Meanwhile, industrial production in China grew last year at the fastest pace since 2014, economist estimates compiled by Bloomberg show.

## China's Flying, So's The World

All that economic activity is making Chinese citizens richer and encouraging travel. The country's airline passenger traffic surged 15% in 2017, the fastest rate of annual growth since 2009. Fuel consumption by commercial airlines globally is set to increase by 5% to the highest level on record,

from American Trucking Associations show. Rates surged by almost 8% last year and have declined only once annually since 2013. A increase

said at an event in India in late February that "people are already talking about 2018 demand being way in excess" of the 1.5 million-to-1.6 mil-

Mohammad Barkindo said demand is the strongest it's been since the financial crisis of 2008 to 2009.

"Official IEA and EIA forecasts

Group consultancy and a former adviser in the administration of President George W. Bush. Growing demand, along with delays or cancellations in