



Canadian Trucking Alliance

Report of the **CTA Blue Ribbon Task Force** on the **Driver Shortage in Trucking**

Spring 2012

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Executive Summary

Long-Term, Chronic Driver Shortage

The trucking industry in Canada is facing a long-term, chronic shortage of qualified drivers. In some regions of the country and some sectors of the industry this is already in evidence. A number of systemic issues underpin the shortage – demographics of the driver population, public perceptions of the industry and the truck driving job, the fact that the truck driver job is not considered a skilled occupation outside the industry, a traditional “piece work” pay system that it can be argued places the burden of inefficiencies of the freight system created by others onto the backs of drivers, an unpopular lifestyle for many, increasing regulatory barriers and constraints, etc. Ask most Canadian motor carriers and they will say that looking ahead the shortage of truck drivers is their number one challenge. Many believe Canadian economic activity could stall if the industry – which is Canada’s most preferred mode of freight transportation -- is unable to keep the supply chains flowing. However, industry consensus on how to move forward to address the driver shortage has been more difficult to achieve. This is not surprising. Trucking is a very fragmented industry, operating in an ultra-competitive market.

Providing Leadership

The Canadian Trucking Alliance, a federation of the provincial trucking associations, representing over 4,500 motor carriers has formed a Blue Ribbon Task Force on the Driver Shortage to try and provide leadership in the daunting task of developing a coherent direction for moving forward on the issue. The members of the task force were selected from the CTA Board of Directors and are from across the country and from different sectors of the industry.

Driver Shortage: Friend or Foe?

There is a case to be made, at least in the short-term period of modest and uncertain economic growth that “the driver shortage is your friend”; that it is creating tightness in capacity that in turn creates the economic backdrop for upward pressure on freight rates and the conditions for improved profitability. The underlying economic argument is undeniable. But, the task force also believes it is not sustainable. Unless the industry begins to address the issue, the combination of a shrinking labour pool and economic growth will, at some point in the future, create a situation where the industry will not be able to meet the standards of service that have been the hallmark of trucking’s rise. Drivers are the industry’s number one resource, the backbone of the industry. Without them there is no trucking industry. It should not take a crisis to address the situation and there is no guarantee the industry would emerge stronger following a crisis, where it could lose whatever ability it currently has to exercise at least some control over its destiny.

Time to Act

The Blue Ribbon Task Force is not content, nor does it believe that the right thing to do is to sit back and wait for a crisis. The industry will always be captive to market forces, but it can also take action to help itself and ensure its continued dominance in the freight market. It just cannot do it without drivers. There will be no quick fixes, no magic bullets that will easily solve the industry’s human resources challenges. In the short to medium-term, the situation and its resulting impact on capacity, is unlikely to change. Addressing the driver shortage will require a long, multi-year effort.

Underpinnings of the Driver Shortage

The root causes or underpinnings of the driver shortage can basically be categorised as follows:

- Driver demographics;
- Driver compensation;
- Driver quality of life; and,

- Driver qualifications.

First Response

Before launching a full-blown action plan to address the driver shortage, the Blue Ribbon Task Force calls for two preliminary actions to be undertaken. The first most basic thing the industry needs to do is to quantify the driver shortage in the coming years and forecast its potential impact on the Canadian economy if not addressed. We tell shippers and government that freight could be left sitting at shipping docks because there will be no one to haul it. There are those who would say the industry has been warning of this for years and it hasn't happened yet. The industry cannot rely upon out-dated or anecdotal information. Secondly, even if the industry were to start today, there is a long road ahead in attempting to solve the driver shortage. But, it is important to establish from the outset, what are the fundamental core values that will guide the industry in the development of an action plan now and its efforts in the years ahead.

Statement of Core Values

The Blue Ribbon Task Force developed the following statement of core values for each of the underpinnings of the driver shortage identified above:

• Driver Demographics

- Truck drivers are our most important asset, the face of the industry -- to our customers and to the public;
- They are deserving of respect;
- Their welfare is at the core of the industry's success;
- People of all ages, genders, religions, and races are welcome to work in the industry so long as they meet our standards of safe driving, performance and professional conduct.

• Driver Compensation

- Truck drivers should have an improved ability to predict what their weekly pay is going to be;
- Truck driver compensation packages need to be competitive with or better than alternative employment options and more transparent;
- Truck drivers should be paid for all the work that they do and earn enough to cover all reasonable out-of-pocket expenses incurred while on the road for extended periods.

• Driver Quality of Life

- Truck drivers should be able plan their lives like most other employees and predict or anticipate their time away from work;
- Their time at work should not be wasted -- at shipper/consignee premises, waiting for their trucks in the shop, or waiting for a response to a question of their carrier;
- They should be able to rely on their carrier not to interfere with their personal time by (for example) calling them back to work early;
- Driver wellness should be a top priority for employers;
- Driver security while on the road should also be a priority with the rise in cargo crime.

• Driver Qualifications

- A minimum standard of entry level, apprenticeship or apprenticeship-like truck driver training should be mandatory;

- Truck driving should be considered a skilled trade and be recognized as such by the various levels and branches of government, standards councils, etc., who certify such things;
- There should be a program of mandatory ongoing training and/or recertification (e.g., TDG Act, pre-trip inspection, load securement, hours of service, etc.) throughout a driver's career.

The remainder of the report describes the current situation, the major challenges and the key points of debate. It also contains the Blue Ribbon Task Force's recommended actions for carriers to undertake and/or support in order to begin to address the long-term shortage of truck drivers in Canada.

Conclusions

The Blue Ribbon Task Force concludes it is the carriers – the entities that hire, fire, determine what and how to pay their drivers, who price their service and deal with their customers -- who are ultimately responsible for their businesses and therefore for ensuring they have the people to do the work. Trucking is a tough business, in a difficult market, with many challenges. But, it is also an industry of problem-solvers and innovators. Those abilities will be tested in resolving the driver shortage. Moreover, other stakeholders – the industry's customers, governments, CTA and the provincial trucking associations -- also have a role to play in helping the industry to meet this challenge. However, their efforts are likely to be of only limited assistance until the carriers first take action themselves.

Introduction

Background

The Canadian Trucking Alliance (CTA) provides representation and leadership for the country's dominant mode of freight transportation. CTA is a federation of the provincial trucking associations in Canada representing over 4,500 motor carriers of all sizes, from all regions and providing all types of freight transportation service from general freight to specialised commodity-based or expedited service. These carriers in turn employ over 150,000 Canadians.

Long-Term Chronic Driver Shortage

The trucking industry in Canada is facing a long-term, chronic shortage of qualified drivers. In some regions of the country (e.g., western Canada) and some sectors of the industry (e.g., irregular route long-haul trucking vs. local/regional operations) this is already in evidence. There are company drivers and owner-operators. A number of systemic issues underpin the shortage – demographics of the driver population, public perceptions of the industry and the truck driving job, the fact that the truck driver job is not considered a skilled occupation outside the industry, a traditional “piece work” pay system that it can be argued places the burden of inefficiencies of the freight system created by others onto the backs of drivers, an unpopular lifestyle for many, increasing regulatory barriers and constraints, etc.

Moving Forward

Ask most Canadian motor carriers and they will say that looking ahead the shortage of truck drivers is their number one challenge. Many believe Canadian economic activity could stall if the industry – which is Canada's most preferred mode of freight transportation -- is unable to keep the supply chains flowing. However, industry consensus on how to move forward to address the driver shortage has been more difficult to achieve. This is not surprising. Trucking is a very fragmented industry -- by type of carrier (for-hire vs private, TL/LTL, common vs contract, regular vs non-regular route), size, region, unionization, etc. -- with thousands of players. The marketplace which carriers operate in is ultra-competitive and encompasses not only Canada, but also the United States and Mexico. The market defines and constrains so much of what the industry is able to do, particularly from a financial perspective.

Providing Leadership

In 2011 a Blue Ribbon Task Force comprising selected members of the CTA Board of Directors from across Canada was formed to try and provide leadership in the daunting task of developing a coherent direction for moving forward on the driver shortage issue. The members of the task force include:

- Paul Easson (CTA Chair), Eassons Transport, NS
- Gord Peddle (CTA Executive Committee, Chairman of the Canadian Trucking Human Resources Council (CTHRC)), Atlantic Diversified, NF
- Don Streuber (CTA 1st Vice Chair), Bison Transport, MB
- Mark Seymour (CTA 2nd Vice Chair), Kriska Transportation, ON
- Brian Taylor (CTA Board, OTA Chair), Liberty Linehaul, ON
- Bruno Muller (CTA Immediate Past Chair), Caron Transport, AB
- Ed Malysa (CTA Executive Committee), Trimac Transportation, AB
- Carl Rosenau (CTA Board, Alberta Motor Transport Association (AMTA) Chair), Rosenau Transport, AB

Secretariat and other assistance are provided by the CTA president (David Bradley) and staff, Bob Dolyniuk, executive director of the Manitoba Trucking Association (and member of the CTHRC executive committee) and Angela Splinter, executive director of CTHRC. What follows is the report of the task force's deliberations.

Driver Shortage: Friend or Foe?

Background

Before it could identify and recommend action, the first thing that the Blue Ribbon Task Force had to address was a divergence of opinion that exists to a certain degree within the industry over whether it should attempt to solve the driver shortage at all. There is an argument that the current rate environment is not conducive to making the kinds of changes (particularly in the area of driver compensation) needed to address the problem in a meaningful way. It is a fact that the industry has, since economic deregulation occurred in the 1980's, often been plagued with over-capacity, which has been reflected in depressed freight rates, inadequate ROI's and squeezed margins. There is a case to be made, at least in the short-term period of modest and uncertain economic growth that "the driver shortage is your friend"; that it is creating tightness in capacity that in turn creates the economic backdrop for upward pressure on freight rates and the conditions for improved profitability. Proponents of the "driver shortage is your friend" argument tend to believe the driver shortage will only be addressed by allowing market forces to work. Some even go so far as to suggest that it may take a crisis for market conditions to change sufficiently enough to begin to address the driver shortage.

There Is No Industry Without Truck Drivers

It is fully understood and acknowledged that the freight marketplace is an extremely complex and competitive one that has been plagued for most of the past 30 years by over-capacity. The Blue Ribbon Task Force does not deny that a shortage of truck drivers and the resulting tightening of capacity provide the industry, at least in the short-term, with an opportunity to improve its financial performance. The underlying economic argument is undeniable. But, the task force also believes it is not sustainable. Unless the industry begins to address the issue, the combination of a shrinking labour pool and economic growth will, at some point in the future, create a situation where the industry will not be able to meet the standards of service that have been the hallmark of trucking's rise to become the predominant mode of freight transportation in Canada. Drivers are the industry's number one resource, the backbone of the industry. Without them there is no trucking industry. It should not take a crisis to address the situation and there is no guarantee the industry would emerge stronger following a crisis. In a crisis, the industry could lose whatever ability it currently has to exercise at least some control over its destiny. Intervention in the marketplace is a definite possibility and could take many forms. Legislators and regulators might feel obliged to take action. Shippers might consider starting their own private fleets or seek other modes of freight service. Is this really what the industry wants? Are we prepared to admit that the industry cannot manage its own affairs, particularly on an issue as important as this? Does the industry really want someone else to impose solutions on it?

Time to Act

The Blue Ribbon Task Force is not content, nor does it believe that the right thing to do is to sit back and wait for a crisis. Yes, the industry will always be captive to market forces, but it can also take action to help itself and ensure its continued dominance in the freight market. It just cannot do it without drivers. The Task Force believes the best possible long-term outcome for the industry is to begin now to set in motion a plan to take meaningful action to address the long-term, chronic driver shortage that confronts it. This is an issue crying out for leadership and that that leadership should come from the CTA Board of Directors and the provincial trucking associations' boards. There will be no quick fixes, no magic bullets that will easily solve the industry's human resources challenges. In the short to medium-term, the situation and its resulting impact on capacity, is unlikely to change. Addressing the driver shortage will require a long, multi-year effort. But the focus needs to be on growing the driver pool and retaining drivers to meet future demand; not trying to steal a shrinking pool of drivers from each other.

Beginning to Address the Driver Shortage in Canada

Underpinnings of the Driver Shortage

Considerable work has been done over the years to identify the root causes or underpinnings of the driver shortage (see Appendix A). They can basically be categorised as follows:

- Driver demographics;
- Driver compensation;
- Driver quality of life; and,
- Driver qualifications.

Although much of the data is now out-of-date, the underlying trends and scope of the problem have not changed much. If anything they have become more pronounced over time. The next sections of this report provide more detail on these issues and recommended actions to begin the long road to addressing them.

Basis for a Call to Action

But, before that there are two preliminary actions that need to be undertaken:

- **Define and Measure the Driver Shortage and its Economic Impact --** The first, most basic thing the industry needs to do is to be able to quantify the driver shortage in the coming years and forecast its potential impact on the Canadian economy if not addressed. We tell shippers and government that freight could be left sitting at shipping docks because there will be no one to haul it. But, can we back this up? There are those who would say the industry has been warning of this for years and it hasn't happened yet. We have to do a much better job of making the case. The industry cannot rely upon out-dated or anecdotal information. As highlighted in Appendix A, the last time the Canadian Trucking Human Resources Council (CTHRC) studied the issue ("Profile of Driver Shortage, Turnover and Future Demand." (2003)) it found the supply and demand for new drivers was actually in balance and concluded there was a shortage of "qualified" drivers, not the number of drivers or potential drivers. The shortage was therefore essentially a training issue. Today the problem appears to be a looming shortage of people – trained or not – to fill the seats. Consequently, the Blue Ribbon Task Force recommends that CTA conduct a study to provide up-to-date facts and a credible forecast of the driver shortage from a national/regional/provincial perspective over the next 5-10 years and the impact this could have on economic activity in Canada. The study will be the basis for a call to action. It will be used to educate the public, government, shippers and even our own industry on the severity of the issue.
- **Adopt a Statement of Core Values --** Secondly, even if the industry were to start today, there is a long road ahead in attempting to solve the driver shortage. But, it is important to establish from the outset, what are the fundamental core values that will guide us in the development of an action plan now and our efforts in the years ahead. The Blue Ribbon Task Force is of the view that the industry leaders need to make a strong statement demonstrating to current and future drivers that the industry's leaders are serious about coming to grips with the issues that underpin the driver shortage. These core values are highlighted in the following sections of the report and summarised in Appendix B.

The Blue Ribbon Task Force believes both of the above initiatives are essential and will provide the basis for a call to action.

Driver Demographics

The Situation

The industry has the oldest workforce in the nation with a large proportion of drivers approaching retirement. At the same time, the industry is not attracting the number of younger workers it needs to replace the retiring work force. Traditional sources of labour for truck drivers (e.g., off the farm) are no longer available in sufficient supply. While there are more women truck drivers today than in years gone by, they still make up only 4 per cent of the current driving force and it remains a challenge recruiting them into the driver workforce. Also, except under very strict conditions (e.g., temporary foreign worker, provincial nominee programs, or family reunification) truck drivers are not candidates for immigration to Canada as the job does not qualify as a skilled occupation under the National Occupational Classification (NOC).

The Challenge

All industries in Canada are facing problems associated with an aging population, but the demographics of the trucking labour force are particularly stark. The trucking industry is going to have to compete with all other industries for a shrinking and aging labour pool. Workers will go where they think they can get the best mix of compensation, quality of life and training. There appear to be many experienced, well-trained truck drivers (e.g., from Europe) who would love to come and work in Canada, but they are not currently eligible.

Points of Debate

There are those who do not support opening up immigration as a source of drivers. The reasons for this are varied. Some say, Canada only wants immigrants with education qualifying them for the “new economy” whatever that it is. Some will argue that recruiting immigrant drivers is just a way to keep current driver wages down. Others are concerned that immigrant drivers have not received adequate training to meet acceptable safety standards, even though the level of training to become a truck driver in some parts of the world (e.g., Europe) is significantly greater than in North America. Still, others are prepared to invest significant time and money trying to attract experienced foreign drivers if only on a temporary basis. Carriers are already competing with all other industries to attract people from a shrinking domestic labour pool. It is an inescapable fact Canada needs immigration to grow its workforce over the long-term. Trucking is no different from any other sector. Immigration will need to be part of the solution to the driver shortage as well.

Core Values

- Truck drivers are our most important asset, the face of the industry -- to our customers and to the public;
- They are deserving of respect;
- Their welfare is at the core of the industry's success;
- People of all ages, genders, religions, and races are welcome to work in the industry so long as they meet our standards of safe driving, performance and professional conduct.

Call to Action

Carriers are going to have to put greater effort into recruiting drivers from domestic sources including non-traditional sources (e.g., women, aboriginals). The NOC code is going to have to be amended to allow experienced truck drivers to immigrate into the country, but it must also be understood that until certain changes are undertaken to demonstrate that truck driving is a skilled occupation that it is going to be a long, uphill battle. The industry should also examine, for example, whether possibilities exist for recruitment of military personnel after the leave the service, or laid off workers.

Driver Compensation

The Situation

It is generally acknowledged that for the time they put in, compensation packages for most truck drivers, but especially long-haul drivers, are no longer competitive with other industries. At one time perhaps, truck drivers earned a wage premium over other workers of similar skill levels which took into account the lifestyle associated with the job, but market conditions and competitive forces have led to an erosion of the premium over time. On average truck drivers make (or slightly exceed) the average annual wage for all workers. However, they tend to work significantly more hours to make that wage. In addition, truck drivers are not always compensated for all of their time on-the-job. When events occur that are totally out of their control (traffic/border congestion, delays in loading/unloading at shipper/consignee) the driver's earnings can be impacted. Unlike hourly paid or salaried workers truck drivers cannot always predict their total earnings from one year to the next. Owner-operators who do not have solid business skills can find things very challenging and are simply buying themselves a job.

The Challenge

While not the only concern, compensation is inescapably the over-riding issue. As stated previously, trucking operates in a hyper-competitive marketplace. The market needs to correct to accommodate improvements in driver compensation. If it does not and freight is left on the dock, impacting the economy, other responses, including economic regulation, could be imposed. We have already seen a version of this introduced at the Port of Vancouver.

Points of Debate

In recent years there has been some discussion in the industry over whether the productivity-based system of paying drivers (e.g., by the mile, load, drop) should be replaced by hourly pay. The Blue Ribbon Task Force believes that where driving is the sole element of a driver's job, or in short-haul/city P&D operations, an hourly pay system is a relevant consideration. However, where there are different aspects of the job – e.g., loading/unloading/securement, maximizing payload of bulk loads, safe and fuel efficient driving, etc. – productivity-based remuneration is a key incentive. An hourly pay system is not a panacea for solving the driver shortage across the industry. Unlike some industries where there is more flexibility to work longer hours during periods of peak demand, truck driver hours are capped by the hours of service regulations. The reality is that drivers do inevitably arrive at some sort of per hour calculation of what they are paid. Carriers must be competitive with each other. The key is not necessarily how drivers are paid, but how much they are paid.

Core Values

- Truck drivers should have an improved ability to predict what their weekly pay is going to be;
- Truck driver compensation packages need to be competitive with or better than alternative employment options and more transparent;
- Truck drivers should be paid for all the work that they do and earn enough to cover all reasonable out-of-pocket expenses incurred while on the road for extended periods.

Call to Action

Carriers set the method by which drivers are paid and how much they are paid. Carriers are also the entity's that must go to the market and make the case for rates that will support improvements in driver compensation. Carriers also need to be competitive with other employers on total compensation packages including group health benefit plans, group pensions/RRSPs, etc., which can increase employee loyalty and satisfaction. With regard to owner-operators, they are independent small businesses, not employees. But, guiding those that need it to improve their business acumen could help ensure their long-term viability.

Driver Quality of Life

The Situation

Long-haul truck drivers, in particular, spend significant periods away from home, which can play havoc with family-life or other personal interests. Fewer people are prepared to make this sacrifice. The lifestyle challenges can be even greater for non-traditional workers, such as women. Moreover, the hours of work (e.g., night/shift), sedentary lifestyle, poor sleep hygiene and diet, can all negatively impact driver wellness. Studies suggest truck drivers are more susceptible to obesity, sleep apnea, diabetes and heart disease than workers in many other occupations. The current life expectancy of truck drivers is lower than society as a whole – some industry sources put it at the early '60s.

The Challenge

While most current drivers understand the realities of the industry and are therefore accepting of the demands on their time, there is no doubt that this impairs the attractiveness of truck driving as an occupation for many people who might be good candidates for employment as truck drivers. Even existing drivers are subject to disruptions to their schedules due to things beyond their control (e.g., traffic congestion, border delays, delays at the shipper-consignee, etc.), that can eat into their personal time. There are things that carriers should be and are doing to try and manage the situation better, (e.g., route planning/positioning drivers to be home for family events, providing in-cab email capability, etc.). It is a reality of the industry that the service demands from its customers will not lessen and the hallmark of the industry's success has been its ability to meet the highest of service levels. Somehow the industry must reconcile the two.

Points of Debate

Whether driver wellness concerns are always a reflection of the job, or instead are a reflection of some of the people that tend to gravitate to the job, is somewhat debatable. In all likelihood it is a combination of both. Regardless, lifestyle and driver wellness are important issues for recruiting, retaining and maintaining a safe and productive workforce. It is also an increasingly important consideration in terms of liability.

Core Values

- Truck drivers should be able plan their lives like most other employees and predict or anticipate their time away from work;
- Their time at work should not be wasted -- at shipper/consignee premises, waiting for their trucks in the shop, or waiting for a response to a question of their carrier;
- They should be able to rely on their carrier not to interfere with their personal time by (for example) calling them back to work early;
- Driver wellness should be a top priority for employers;
- Driver security while on the road should also be a priority with the rise in cargo crime.

Call to Action

Carriers have the primary responsibility, influence and control over quality of life issues in the driver occupation. They need to hold their internal people (e.g., dispatchers, payroll, safety, etc.) accountable for addressing driver concerns. While the actions of other stakeholders – e.g., shippers, consignees, customs brokers, regulators – impact upon such things as delays in loading/unloading or border crossings, the treatment and comfort of drivers at customer facilities, etc., -- it is incumbent upon the carriers to work with those stakeholders. Carriers also need to promote a healthier lifestyle focussing on diet, exercise and sleep hygiene and embrace programs such as sleep apnea testing and treatment and communicate in such a way that the drivers see these programs as beneficial to their personal health.

Driver Qualifications

The Situation

The industry often says that it wants to improve the quality of drivers. But, it has also been said that trucking does not have a training culture. Traditionally, the industry has looked at training as a cost, rather than an investment in human capital. A common strategy has been to let someone else train the drivers and then try to recruit them away. There is intense competition (some might say poaching) of the existing driver pool, rather than development of the driving force through investment in training new drivers. Even where tax credits exist for carriers to train entry level drivers (the Ontario truck driver apprenticeship program provides employers with a \$10,000 tax credit per driver) the uptake is abysmal, which hurts the industry's credibility and could ultimately lead to the demise of the program.

The Challenge

The industry complains that the driver job is not deemed to be a skilled occupation, but given the lack of mandatory entry-level training and the educational level of most current truck drivers it is difficult to make the case that it is. As a result, funding for truck driver training is not available (except through the Employment Insurance) in most provinces in Canada. Moreover, it is next to impossible to recruit experienced immigrant truck drivers to Canada, except on a very limited, costly and usually temporary basis. Unfortunately, truck driving is increasingly viewed as the "job of last resort" and the public image of the truck driver is not what it once was. The current population of drivers should be the chief advocates for a career as a truck driver. But, how many of them would recommend it to their son or daughter?

Points of Debate

Whether entry level training for truck drivers should be mandatory has long been the subject of debate. On the one hand it is argued that so long as someone feels they have the requisite driving skills (perhaps picked up from working on a farm or around machinery) they should be able to take a commercial driver's licence test, without having to first complete a mandatory training program. On the other hand, the industry also wants truck drivers to be recognized as professionals, not unskilled labour as is currently the case. Some suggest that a change to the name of the occupation (from "truck driver" to something like "commercial vehicle operator") needs to be considered. But, without mandatory entry level training at least to a minimum occupational standard and ongoing skills upgrading/verification truck driving will never be considered a skilled occupation or trade. Mandatory training and certification would also drive improvements in the provincial commercial driver's licence tests; regulation and certification of truck driver training schools; and possibly immigration policy over time.

Core Values

- A minimum standard of entry level, apprenticeship or apprenticeship-like truck driver training should be mandatory;
- Truck driving should be considered a skilled trade and be recognized as such by the various levels and branches of government, standards councils, etc., who certify such things;
- There should be a program of mandatory ongoing training and/or recertification (e.g., TDG Act, pre-trip inspection, load securement, hours of service, etc.) throughout a driver's career.

Call to Action

Carriers need to invest in human capital more than they ever have had to before. Mandatory training will require a co-operative approach involving the industry (carriers, drivers and their associations), governments (both federal and provincial), CTHRC and the training sector (private and public training schools and their associations). Funding for such programs will have to be shared by the industry, the government and the student.

Conclusions

Taking Responsibility

As indicated throughout this report, it is the carriers themselves – the entities that hire, fire, determine what and how to pay their drivers, who price their service and deal with their customers, who are ultimately responsible for their businesses and therefore for ensuring they are able to recruit and retain the people needed to do the work. Trucking is a tough business, in a difficult market, with many challenges. But, it is also an industry of problem-solvers and innovators. Those abilities will be tested in resolving the driver shortage. Moreover, other stakeholders who also have a role to play in helping the industry to meet this challenge are unlikely to do so, or will be of only limited assistance until the carriers first take action themselves.

Role of the Customer

Shippers and their intermediaries obviously have an important role to play. But, they need to be educated by their carriers. Rate negotiations are entirely a matter between the carriers and their customers.

Role of Government

Governments, both federal and provincial, are responsible for the regulatory system that governs the operating and working conditions, labour-management relations, and workplace health and safety, and trade qualifications. As such, they can either be a facilitator or an impediment to making sure the industry has the drivers it needs going forward. Governments are also responsible for setting immigration policies and for establishing trade qualifications and to a certain degree providing the funding for training. They will inevitably need to be part of the solution.

Role of CTA and the Provincial Trucking Associations

CTA and the provincial associations are also key stakeholders with an important role to play. The associations can support the carrier's efforts by providing a forum for the industry to come together to achieve consensus, discuss issues and develop joint strategies. They can assist in communicating an industry-wide perspective on the driver shortage and the action needed to begin to address it to all stakeholders. CTA and the provincial associations can help develop and coordinate driver wellness projects such as sleep apnea testing and treatment. And, they can help develop such things as the development of an industry pension plan. Since the major role of the associations is representation and advocacy on behalf of the industry, CTA and the provincial associations have an important role to play in lobbying the federal and provincial governments where needed – e.g., immigration policy, trade qualifications.

Appendix A: Research Related to the Truck Driver Shortage in Canada

Canadian Trucking Industry: Human Resource Challenges and Opportunities. *Price Waterhouse (1990) Prepared for HRSDC*

- First study to mention truck driving should not be considered an unskilled occupation; identified pressing need for driver skills upgrading

Wheels of Change: Employment in Canada's Trucking Industry, 1988-1994. *Larry McKeown & Willa Rea, Statistics Canada (1998)*

- Drivers are getting older (like the population in general) and new recruits to (those in late twenties and early thirties) is declining in number
- Driving a truck should no longer be considered an unskilled occupation
- Fewer persons are opting for a "life on the road" because of the long hours away from home
- Those employed in trucking and in the transportation sector work longer hours, and average of 37 hours per week for those in trucking compared to an average of 31 hours for those employees in the economy as a whole
- Owner operators work longer hours than salaried truck drivers (53 hours vs 51 hours in 1994)
- Drivers made up 56% of total employment in trucking in 1988. By 1992 this had risen to 58%.
- While demand for truck drivers has been increasing, their supply appears to be dwindling
- There is a tendency for truck drivers to retire early, at least from the more strenuous forms of driving
- In addition to a quantitative reason for the driver shortage there may also be a qualitative reason – the current pool of drivers lacks the skills required in today's market

Work Patterns of Truck Drivers. *Irwin Bess, Statistics Canada (1999)*

- By 1998, about 230,000 Canadians or 2% of the entire labour force were employed as drivers of commercial transport trucks – an increase of 13% since 1989 (compared to a 9% overall employment growth)
- Truck driver was the number one occupation for men in 1996
- Truck driving employed proportionately more workers over age 55 than did other occupations, and fewer under 25
- In 1998, 13% of all truck drivers were over 54 years of age, compared with less than 10% of workers in other occupations.
- Overall, truck drivers were about three years older than workers in other occupations
- Only 5% of for-hire drivers were under 25, compared to 15% of Canadians in other occupations
- 20% of truck drivers were usually on-duty 60 hours or more per week compared to only 2% of employees in other industries
- 52% of for-hire truck drivers worked 50 or more hours per week; and 31% of for-hire drivers worked 60 or more hours in 1998
- For-hire drivers earned slightly more than clerical, construction or transportation workers, but 7% less than manufacturing machine operators and just 56% of the average wages earned by workers in the natural and applied sciences
- What drivers lacked in hourly rates, they compensated with longer hours
- In 1998, the average weekly earnings for a full-time truck driver were slightly higher than those of full-time employees generally
- Balancing work with family time may be especially challenging for long-haul drivers in the for-hire industry
- Only 40% of for-hire drivers had a regular day-time schedule, compared to 71% of drivers in other industries and 68% of paid workers in other occupations. About 42% mixed daytime, evening and late night work
- 20% worked most Saturdays and 10% typically worked 7 days a week
- Yet most drivers seemed willing to meet the demands of the job in exchange for higher earnings.

Canada's Driving Force Phase 2: Profile of Driver Shortage, Turnover and Future Demand. *CTHRC (2003)*

- Top three perceived reasons for the shortage were poor compensation, poor working conditions, and quality of life for drivers, and the low attraction of the driver occupation for young people and potential new entrants
- Driver turnover rate in 2002 was estimated to be 36% across all types of fleets; 70% of turnover was due to drivers quitting
- The estimated number of new drivers required over the next several years averaged 37,300 each year (30,200 in 2003 and 45,200 in 2005)
- The number of drivers obtaining a class 1/A or class 3/D licence estimated to be 40,000 per year, indicating supply exceeds demand by 3,000. However, not all those receiving licences intend to drive commercially
- So, present driver demand and supply are in balance and the shortage of qualified drivers is therefore the major issue as the majority of new available drivers do not meet industry requirements
- There are likely to be supply shortfalls in specific geographic areas, certain sectors, or during times of high industry growth rates

On the Road Again. *Vincent Dube and Denis Pilon, Statistics Canada (2006)*

- There were 271,000 truck drivers in Canada in 2004, up 28% from 1987. 97% were men, despite campaigns to promote non-traditional jobs
- A relatively older workforce, the average age for wage earning truck drivers was 42 in 2004 and 45 for owner-operators
- A larger proportion (18%) were older than 55, compared with 13% of workers in general
- Trucking had the largest increase in average age of any occupation since 1987
- In 2001 there were twice as many truck drivers aged 55 and over as under 25
- 2004 marked the first year that truck drivers over 55 outnumbered those under 30
- Truck driving was the sixth most popular occupation among employed men over 65 in 2001 – 4,225, up 82% from 1996
- Only 5% of truck drivers were under 25 in 2004, compared with 15% of the labour force as a whole and one-quarter were between 15 and 34, compared to 37% of the labour force as a whole
- Truck drivers have a lower average education level; more than 1/3 did not have a high school diploma, compared with 14% of all workers
- The average wage for a truck driver was \$41,100 per year in 2004 – slightly more than the average for all employees (\$40,500)
- Drivers working 70 hours or more per week averaged more than \$1,000 per week.
- The average weekly earnings of truck drivers had hardly increased since 1998
- In 2004 truck drivers averaged 47 hours per week in 2004 and ranked second only to farmers in weekly hours
- Seniority plays a minor role with the wage difference between the least and most experienced drivers being only about \$100 per week
- A smaller proportion of truck drivers received benefits compared to other workers. Only 28% of truck drivers participated in a job-related pension plan, compared with 44% of all workers
- Male truck drivers had one of the highest rates of non-participation in the labour market for health reasons or because of an illness-related disability (3.7% compared to 2.6% for all workers) in 2004 and each truck driver lost about 9 days for these reasons during the year compared to 6 days for male workers in general

Canada's Driving Force: Phase 2. *CTHRC (2007)*

- Existing shortage of drivers expected to worsen over next 5 years; about half of fleets say the shortage is idling trucks
- 51% of employers feel the real shortage relates to a lack of "qualified" drivers yet only one-third of fleets offer training of their own.
- Inactive licence holders not the solution; there are 662,400 class 1/A licence holders but 42.5% of them do not work in the industry. Many are retired or have never worked as a commercial driver

Report on the 2006 Census of Canada. *Statistics Canada (2008)*

- There was a large increases in the number of truck drivers between 2001 and 2006 (17.4%), but truck driving was replaced by retail salespersons and sales clerks as the most common occupation amongst men. 276,200 men reported they were truck drivers in 2006. .

Appendix B: Statement of Core Values

Driver Demographics

- Truck drivers are our most important asset, the face of the industry -- to our customers and to the public;
- They are deserving of respect;
- Their welfare is at the core of the industry's success;
- People of all ages, genders, religions, and races are welcome to work in the industry so long as they meet our standards of safe driving, performance and professional conduct.

Driver Compensation

- Truck drivers should have an improved ability to predict what their weekly pay is going to be;
- Truck driver compensation packages need to be competitive with or better than alternative employment options and more transparent;
- Truck drivers should be paid for all the work that they do and earn enough to cover all reasonable out-of-pocket expenses incurred while on the road for extended periods.

Driver Quality of Life

- Truck drivers should be able plan their lives like most other employees and predict or anticipate their time away from work;
- Their time at work should not be wasted -- at shipper/consignee premises, waiting for their trucks in the shop, or waiting for a response to a question of their carrier;
- They should be able to rely on their carrier not to interfere with their personal time by (for example) calling them back to work early;
- Driver wellness should be a top priority for employers;
- Driver security while on the road should also be a priority with the rise in cargo crime.

Driver Qualifications

- A minimum standard of entry level, apprenticeship or apprenticeship-like truck driver training should be mandatory;
- Truck driving should be considered a skilled trade and be recognized as such by the various levels and branches of government, standards councils, etc., who certify such things;
- There should be a program of mandatory ongoing training and/or recertification (e.g., TDG Act, pre-trip inspection, load securement, hours of service, etc.) throughout a driver's career.