Transportation of Forest Products

Understanding our Challenges...Developing Solutions

Jimmie Locklear
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YOU ARE ABOUT TO ENTER THE MOST DANGEROUS WORK AREA IN THE UNITED STATES “THE HIGHWAY”
Reality Check # 1

Roadway accidents account for 23% of all work-related injuries!
According to the Bureau of Labor Statistics, when considering all workers in the U.S., those employed in the **transportation and material moving occupations** accounted for the largest share (28%) of **fatal work injuries**, in all fields.

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Highway Accidents are a **MAJOR** concern.
If you come across a log truck accident

What questions come to your mind?

Is that my truck?
Is the driver OK?
Are other vehicles involved?
What could I have done to prevent this?
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What’s Involved?

- Loads
- Mills
- Weather
- Drivers Owners
- Trucks
- Trailers
- Roads

Owners
This **chart from the ATA** shows the projected shortfall:
LOOKING FOR DRIVERS?

Total Drivers Needed from 2015 through 2024 by Reason

- Drivers Leaving Before Retirement
- Drivers don’t qualify
- Industry Growth
- Retirements
Expansion strategy: The Driver or Truck?

Do you buy a truck to fit a dependable driver or hire a driver to fill an empty truck?

a) I've always focused on purchasing first before I get into hiring

b) I've always focused on an agreement with the driver before purchasing the truck

c) The driver is the most important part of the equation, whether you've got the truck already or not

d) Having the truck first is the best way to seal the deal with any driver
Guaranteed pay for truck drivers is becoming a more common driver retention tactic for fleets, says the National Transportation Institute’s Gordon Klemp. And for good reason, he says: It works.

...driver pay increases often are cited as the key component for improving driver retention, Klemp says evolving compensation packages — (Safety) Incentive pay, he said, “is a catalyst not only for higher wages, but for cost reduction. Safe drivers are a lot more cost efficient for carriers than one who has an average or less than average safety record,” he said.
Reality Check # 2

Average Truck Driver Life Expectancy 62!!!
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Driver concerns **specific** to hauling raw forest products

- Generally lower pay/freight rates
- Very little if any benefits such as health insurance
- Older less comfortable trucks
- Road conditions more difficult to drive
- Weather conditions can shorten work week/mud season
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Driver concerns specific to hauling raw forest products

- Mill turnaround times often reduce earnings potential
- Mill facility/rules make prolonged experience more difficult
- Aging work force...younger generation not interested
- Finding drivers that can pass a drug test
- Finding drivers that are insurance/government compliant
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time is money
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beyond the truck, trailer and load

- Insurance
- Legal
- Drivers Owners
- Government Compliance
- Public Perception
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beyond the truck, trailer and load

Insurance
Due to the potential for traffic accidents, tractor-trailer truck drivers have one of the highest rates of injury of all occupations.

Drivers employed less than 6 months with company...have more accidents

Payment methods encourage speeding

Commercial vehicle fatal crashes – speed (too fast for conditions) is the largest contributing factor, followed by distraction or inattention and then impairment

Forestry Mutual will not write trucking without logging operation as primary insured risk
Forestry Mutual’s concerns

The numbers tell the story
Insuring log/chip trucks
Business Auto/Truckers ins. concerns & considerations
- Randy Hervey/BITCO

✓ Driver Selection/Hiring Practices
✓ Careful MVR Review
✓ DOT/SMS Scores – Stay Below the Intervention Level
✓ Proper Risk Transfer Procedures for sub-Haulers
✓ Do Not Allow Sub-Haulers to Pull Your Trailers
### The correlation between violations and probability of crashes

“Drivers with poor MVRs...are more likely to generate future crash-related insurance claims” - Randy Hervey/BITCO

<table>
<thead>
<tr>
<th>Type of Violation</th>
<th>Crash Probability Increased by</th>
</tr>
</thead>
<tbody>
<tr>
<td>Failure to use, or improper signal</td>
<td>96%</td>
</tr>
<tr>
<td>Improper passing</td>
<td>88%</td>
</tr>
<tr>
<td>Improper turning</td>
<td>84%</td>
</tr>
<tr>
<td>Erratic lane change</td>
<td>80%</td>
</tr>
<tr>
<td>Improper lane/location move</td>
<td>68%</td>
</tr>
<tr>
<td>Failure to obey traffic sign</td>
<td>68%</td>
</tr>
<tr>
<td>Speeding more than 15 MPH over</td>
<td>67%</td>
</tr>
<tr>
<td>Reckless/careless/distracted driving</td>
<td>64%</td>
</tr>
<tr>
<td>Driving too fast for conditions</td>
<td>56%</td>
</tr>
<tr>
<td>Failure to obey traffic signal/lght</td>
<td>56%</td>
</tr>
<tr>
<td>Hours Of Service violation</td>
<td>45%</td>
</tr>
<tr>
<td>Following too closely violation</td>
<td>41%</td>
</tr>
<tr>
<td>Speeding up to 15 MPH over limit</td>
<td>40%</td>
</tr>
<tr>
<td>Issued an Out of Service violation</td>
<td>26%</td>
</tr>
</tbody>
</table>

Driver with previous crash is **88%** more likely to have another
Insurance Companies no longer insuring or limited insuring log trucks

- A recent email/phone survey with most major log truck insurance providers revealed a list of over 34 insurance carriers that have discontinued writing log trucks over the last 20 years...

- It was determined that most of these carriers made the decision to discontinue insuring log trucks due to unacceptable loss ratios...

- The number of carriers willing to write log trucks today is very limited...
Reality Check # 3

Business Auto/Truckers premium need rate increases to be profitable/sustainable

(consensus noted during conversations with several forest products trucking insurance programs)
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beyond the truck, trailer and load

Public Perception
Public perception of the logging industry

IS IT THIS?

OR THIS?
Public perception and the media
I didn’t make this up!

Naked woman with log-truck driver in 'horrific' school-bus crash, sheriff says
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beyond the truck, trailer and load

Legal Responsibilities
<table>
<thead>
<tr>
<th>Amount</th>
<th>Jurisdiction Awarded</th>
<th>Adverse Outcome</th>
<th>Entity/Person Deemed Liable</th>
</tr>
</thead>
<tbody>
<tr>
<td>$165 Million</td>
<td>Santa Fe, N.M.</td>
<td>Wrongful Death</td>
<td>FedEx</td>
</tr>
</tbody>
</table>

Case Notes: FedEx truck hit a woman’s pickup truck that was pulled over to the side of the road. The FedEx driver allegedly fell asleep at the wheel and the lawsuit accused FedEx of improperly managing drivers. This is a record high wrongful death lawsuit in New Mexico. FedEx appealed the jury verdict, but a judge later allowed the award to stand.

| $34.5 Million | Los Angeles, Calif. | Amputation | Landstar Ranger (Trucking Company) |

Case Notes: Tractor-trailer made a right turn and struck man on the sidewalk. The truck ran over the man’s left leg, which led to the man losing his lower leg to amputation.

| $32.5 Million | Indiana | Brain Damage | J.B. HUNT (Trucking Company) and Driver |

Case Notes: Semi-truck jack-knifed during icy conditions on the highway and crashed into median. As a result, a car that a woman was riding in hit an icy patch and hit the semi, leaving the woman in an coma and with brain damage. The lawsuit alleged that the driver failed to follow safety procedures, such as turning on flashers and laying out reflective triangles. This is one of the largest jury verdicts in Indiana history.

| $32 Million | Allegheny County, Penn. | Wrongful Death | Golon Masonry Restoration |

Case Notes: Lawsuit alleges that employee was driving company pickup truck recklessly and was speeding, killing a 6-year-old boy. The lawsuit accuses Golon Masonry of violating its own policy of letting employees, although the employee had a history of driving under the influence.

| $19.3 Million | San Antonio, Texas | Wrongful Death | Landstar Rana |

Case Notes: Trucking company’s driver parked a tractor-trailer on an unpaved shoulder. A man getting into the car to veer off the road. Car’s driver tried to steer the vehicle back onto the road, but the vehicle under the tractor-trailer when the rear underride guard failed. The lawsuit alleged the driver was at fault.

| $17.4 Million | Vista, Calif. | Flatbed trailer truck slammed into a row of SUVs in front of him |

Case Notes: Flatbed trailer truck slammed into a row of SUVs in front of him.

| $16.5 Million | Georgia | Wrongful Death | Ford Motor Company |

Case Notes: Owner of logging truck pulled over for driving under the influence.

| $14.5 Million | Kalispell County, Mont. | Severely injured | John Doe (Trucking Company) |

Case Notes: Pick-up truck hit them of not picking school bus up.
Jury Awards Lawyer and Wife $16.5M for Crash With Logging Truck

A jury in a small ** town returned a $16.5 million verdict Wednesday against the owner of a logging truck that pulled out onto a rural ** highway, blocking the path of a pickup driven by a lawyer who was severely injured in the resulting crash...

The plaintiff's attorney focused on the "loss of capacity to labor" and was careful not to talk about loss of earnings because the plaintiff is now 72.

The plaintiff suffered broken bones and back problems from the crash. He still practices law, but he suffers from sleeplessness and exhaustion due to pain from his injuries...
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Compliance with government agencies
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Physical inspections
CSA SMS issue that needs resolution

The **unfairness of the lack of crash accountability** in determining what crashes contribute to carriers’ CSA SMS score...

Though the FMCSA will report later this year on its in-depth study of potential ways to account for crash fault, **drivers and carriers** still have to live with a system that virtually can **blacklist** them for business and **increase insurance premiums**, at no fault of their own.
Weight limits
Inconsistent..
Confusing..
DANGEROUS!

Adds truck traffic to towns, school, etc...
Increases risk of accidents...
Adds cost to transport products...

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Compliance with government agencies
Weight Limit Restrictions on Interstate
a major problem

According to one of nation's top logging/trucking operations manager:

“Our operation travels approximately 1,200,000 miles a year. Our risk exposure could be reduced by +20% if our trucks were allowed to use interstate hauling state weight limits”...

Gary Brett – M.A. Rigoni
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Record Keeping compliance
Compliance with government agencies
more regulations on the way

- Entry-Level Driver Training (ELDT)
- EPA/NHTSA’s Phase II GHG/Fuel Economy Rule
- Safety Fitness Rule Using CSA
- Speed Limiters
- Sleep Apnea Screening & Treatment
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The driver and owner the most important factors
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Summing up the situation

- Qualified driver shortage getting worse
- Wrecks often due to driver error
- Insurance companies nervous about insuring log truck
- Public perception not good
- Increasing legal issues
- Governmental regulations a growing issues
Reality Check # 4

If the forestry industry fails to address these issues...
You can forget profitable & sustainable
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where do we start?
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use TEAM concept

- TEAM fire formed in 2001 – Loggers, equipment mfg.s, insurance
- TEAM fire has had a major impact on logging equipment fire issues
- Loggers more aware of issues
- Manufacturers continuing to address fire issues in machine design
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use TEAM concept

- Auto fire suppression systems more affordable
- Fire loss frequency reduced significantly
- Insurance rates much lower for loggers with good loss history
- Overall much better situation than 20 years ago when TEAM began
TEAM Safe Trucking

Who is TST?

- Logging and Trucking companies
- Wood products manufacturers
- Insurance companies
- Logging Associations
- Forestry Associations
- Media and publications companies
- Educational and research institutions
TEAM Safe Trucking Initiative is being formed as a national cooperative effort to create an awareness, educational and training program that will be available to all who have log and chip hauling operations or exposure to such operations.
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1st Step - Focus on training and CE for the drivers first

1) Acceptable Standard truck driver training program focused specifically on hauling logs/chips

2) Training program should emphasize load characteristics such as high center of gravity

3) Driving on “woods roads” from deck to public roads and highways

4) Importance of adjusting speed to road – load – weather conditions
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1st Step - Focus on training and CE for the drivers first

5) Program would be **designed for area** and region of operation

6) All **drivers present and future** would be required to attend a driver standard class

7) Could be done as part of or in conjunction with **professional logger training** programs

8) Continuing education on **annual basis** to refresh and update
TEAM Safe Trucking
where are we and what are we doing?

- Forestry Mutual initiated 1st meeting in Raleigh, NC July 2015 with 52 attending
- Attendees formed subcommittees to develop awareness, education & training
- 1st TST pp presentation at the ALC ann. meeting in Eureka, CA Sept. 25\textsuperscript{th} 2015
- After TST presentation to ALC over 10 states requested presentation
- Efforts to create TST groups in NE, Midwest, West to join SE initiative

Mission Statement - To reduce accidents through effective fleet management, increasing the number of safe, qualified drivers in order to deliver a sustainable and profitable supply chain.
TEAM Safe Trucking

where are we and what are we doing?

- Held 2\textsuperscript{st} meeting in Myrtle Beach Feb. 5\textsuperscript{th}, 2016 with sub-committees
- Elected President, Vice-President, Treasury and Secretary
- Formed a 501c3 and setup bank account
- Approved research project by Virginia Tech
- Developed financial resources committee
- Formed committee to develop TST website
TEAM
Together Everyone Accomplishes More
how will the forest industry react?
TEAM Safe Trucking
seeking your support

Time for the audience to share additional comments

For more information email or call:

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TEAM Safe Trucking group on Facebook

TEAM SAFE TRUCKING