



TRUCKER

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Focus



TRUCKING INTO

THE NEW YEAR

SUPPLY CHAIN DISRUPTION & THE IMPACT ON TRUCKING

By Cliff Johnson, Acuity Trucking Consultant

The past two years have presented challenges to motor carriers of all sizes. The global pandemic that began in early 2020 has had a ripple effect on the economy, presenting complicated supply chain disruptions that created new challenges and deepened existing issues within the trucking industry.

Congestion in ports and rail networks created a bottleneck to unload shipping containers. Truckers were called on to help alleviate the situation and get these goods where they needed to be. However, truckers have been hampered by problems that have existed for years, such as driver shortage and retention issues. The need for drivers is only increasing as the trucking workforce ages.

Motor carriers are facing new financial pressure as well. According to a recent study by the American Transportation Research Institute, operational costs fell last year for motor carriers. Unfortunately, that trend is predicted to reverse in 2022 due to rising fuel costs, driver compensation, equipment purchase/leasing, insurance, and other expenses.

However, this financial pressure may be counteracted to some extent by higher demand and limited capacity. Higher costs may be offset by opportunities to increase net revenues in 2022 due to high truck tonnage and freight rates. The tight truckload capacity continues to increase across all sectors while consumer spending on goods and services will continue to recover into 2022, according to ATRI.

How can a motor carrier position itself in the marketplace for long-term success? Market disruption is often market opportunity, and there have certainly been disruptions due to COVID-19.

We are seeing some motor carriers revise which customers they haul for to better reflect the core business model they wish to occupy in the future. This depends on several variables and can include the concentration of freight and shippers in a particular area, along with opportunities to haul for manufacturing and agriculture. Some trucking companies are building stronger relationships with local manufacturers by focusing on cross docking, consolidation and repalletizing, and warehousing. Others have taken the opportunity to become a shipper's primary dedicated motor carrier for their outbound products.

For motor carriers, building a good relationship with customers is crucial, but in today's world that is not enough. Depending on the industry and shipping customer, many customers are now requiring certain additional standards to be met. This can include CSA scores, load and freight monitoring, or even electronic data interchange (EDI), which allows for the computer-to-computer exchange of business documents in a standard electronic format between business partners. This process allows one company to share information with another company electronically rather than by paper.

Wherever a motor carrier's future path lies, it is important to build a lasting relationship on a win-win scenario. One method to help create this win-win scenario is through the creation and agreed upon use of standard operating procedures (SOP). Critical pieces of information can be identified and addressed beforehand to eliminate problems that can occur.

Many motor carrier managers understand that the actual hauling of freight is not the hardest part of their job; rather, everything else is. Implementing clear communication with your customers will help ensure that win-win relationship into the future.



Motor Carrier TOOLBOX

MIRROR MIRROR! MIRROR CHECK STATION SETUP

Many accidents happen when backing, turning, or changing lanes—all of which involve the use of mirrors. Correct mirror adjustment is an important step to reduce the risk of accidents. Using a mirror check station is one of the best ways to achieve proper adjustment. It can also be done in conjunction with new driver orientation or safety meetings.

Check stations are easy and inexpensive to set up provided you have access to a concrete or asphalt area of at least 50 by 100 feet. It's best if you can create a permanent station by painting lines on the pavement, but temporary stations can be created with tape, and cones can be used to mark the area in winter if snow covers ground markings.

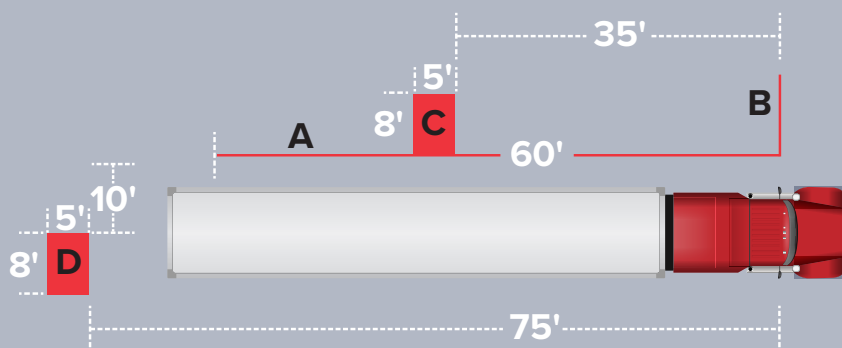
To build the station:

- Make a straight line (Line A) 60 feet long and approximately 6 inches wide.
- Make a straight line (Line B) extending from the top of Line A at a 90-degree angle.
- Make a 5- by 8-foot box (Target C) that begins 35 feet below Line B and immediately to the left of Line A.
- Make a 5- by 8-foot box (Target D) 75 feet below Line B and 10 feet to the right of Line A.

To use the station:

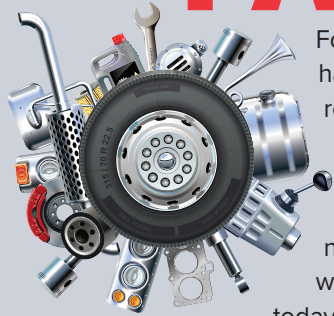
- Position the tractor parallel to and as close to Line A as possible.
- Stop the tractor with its side mirror aligned with Line B.
- Rotate each flat mirror horizontally until the left and right sides of the trailer are visible in the inside edge of the respective mirror.
- Tilt each flat mirror vertically until Targets C and D, respectively, are visible in the bottom edge of the mirror.
- Rotate each convex mirror horizontally until the inside edge shows the left and right sides of the trailer.
- Tilt each convex mirror vertically until Targets C and D are visible in the top edge of the mirror.
- Adjust the fender-mounted convex mirror so that side of the tractor shows in the inside edge of the mirror and the front tandems show in the upper portion.

It takes a very small investment of materials and time to create a mirror check station, and the investment could pay dividends many times over by helping reduce accident costs while increasing customer service and uptime.



How to build your own mirror check station!

SUPPORTING FLEET OPERATIONS DURING TRUCK AND PART SHORTAGES



For years, the trucking industry has worked hard finding key resources, including qualified drivers and maintenance technicians, as well as dealing with long waiting periods on new trailer orders. However, few would have foreseen the difficulty today in obtaining fundamental maintenance parts required to keep trucks and trailers in the safe, reliable operating condition required to serve customers efficiently.

The pandemic has caused some labor shortages and reduced manufacturing output, resulting in parts shortages in the trucking industry. At the same time, demand for increased truck capacity surged with continued strong freight rates, requiring motor carriers to add equipment and drivers to meet strong customer demands.

In a recent article, Richard Anderson, director of market research for HDMA, noted “For suppliers, a shortage of raw materials—namely steel and aluminum, but also wood and rubber—have created volatility with production. That impacts everything from truck components to tires.” He also noted, “We’ve also seen reports of shortages of electronic components and even complete losses of certain suppliers in that sector, which is obviously very concerning.”

Along with concerns about component availability, semiconductor shortages are hampering new truck deliveries to customers. Unfortunately, the semiconductor shortage isn’t getting better any time soon and is expected to last into 2023.

In the past, a simple call to a parts supplier would ensure that parts were delivered the next day. However, that is often not the case today. At times, OEM manufacturers are themselves waiting for components to be delivered to finish part assemblies. This has led to increased wait times at repair shops as parts take longer to arrive.

How can trucking companies manage through these supply chain shortages? Though the answers may vary slightly, most fleets are choosing to operate their equipment beyond normal trade-out practices. Older equipment can still contribute to your bottom line; however, maintaining older equipment can pose additional safety and equipment uptime challenges.

One of the best ways to stay on top of truck and trailer maintenance issues and to reduce both the cost and quantity of parts required is to have a driver vehicle inspection report program that ensures mechanical defects are identified early and repaired promptly.

Many fleets are now working closer than ever with their suppliers and ordering in kind or other correct tires or parts when they are available at an acceptable price for their equipment. Having common parts on the shelf in inventory and the correct volume of parts on hand to anticipate future need is a key factor in helping to navigate the parts shortages and keep your equipment safely moving down the road. Avoid waiting until parts are needed and the equipment is out of service.



1. <https://www.fleetowner.com/equipment/article/21152645/the-heavyduty-parts-supply-chain-strain>
2. <https://www.thetrucker.com/trucking-news/business/backlogs-continue-truck-manufacturers-still-plagued-by-shortages-of-semiconductors-other-parts>

WIN \$100! FIND THE FLAGPOLE TO BE ENTERED!

Acuity is proud to hoist a 70- by 140-foot American flag on a 400-foot flagpole at our headquarters in Sheboygan, WI. Visit www.acuity.com/flag to learn more.

To enter, find the flagpole hidden in this issue and send an email with the location to flagcontest@acuity.com. We'll randomly choose a winner from the correct entries received by April 30, 2022.



WINNER of last issue's contest was:

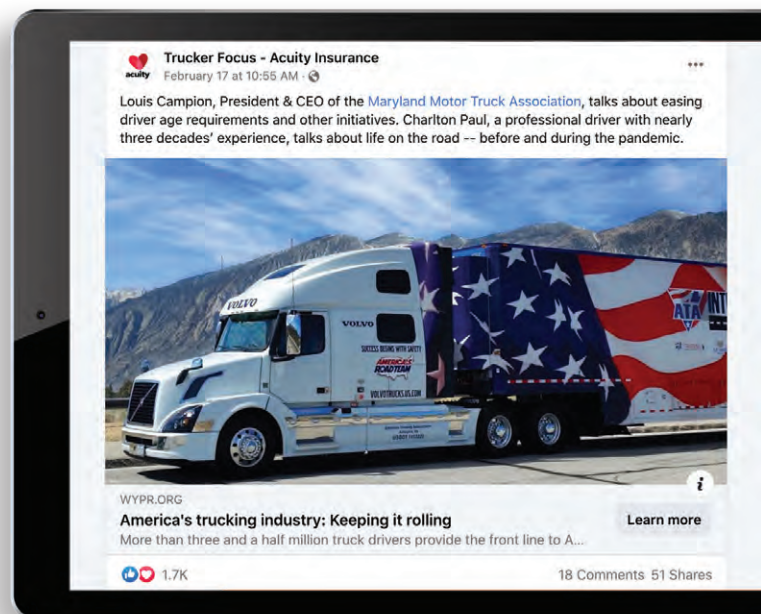
Aaron Jackson

M&M Cartage Inc.,
Des Moines, IA

This contest is not open to employees of Acuity or their immediate family members. For a complete list of rules, visit www.acuity.com/flagcontestrules.

JOIN THE CONVERSATION

Even though trucking is facing a record shortage of drivers, our country relies on truckers to keep cargo moving and the shelves stocked. Hear how the industry is working to keep rolling and join in the conversation on our Trucker Focus Facebook page, facebook.com/acuitytrucking. You can also check out our trucking blog and access online resources and tools at acuity.com.



ASK THE CONSULTANT

Cliff Johnson
is Acuity's Trucking
Consultant. Have a
question for Cliff?
Reach him at
cliff@acuity.com.



Ask Cliff

How can I improve my fleet's uptime and reduce fuel-related issues during cold weather?

As truck fleets experience colder temperatures, some are seeing higher levels of equipment downtime due to fuel issues. Each year, Acuity helps truckers who experience problems related to gelled-up fuel. And it's not just the lost time and money that are problems—speaking from my hard-learned first-hand experience, it's the uncomfortable situation of being broken down on the side of the roadway in sub-zero temperatures.

On those bitterly cold days, few things are more comforting than a properly running engine and its heater. In my years of operating truck and heavy equipment fleets in the Great Lakes region where temperatures can drop to -30°F , one of the most common cold temperature-related engine problems is gelled diesel fuel causing your fuel filter to reach its plugging point.

In warmer climates, it is common to use diesel #2, or summer diesel fuel. Diesel #2 starts clouding at about 19.4°F , compared to straight grade diesel #1, which does not start gelling until around -40°F because of its different makeup and not containing paraffin.

Blending the two fuels helps keep costs down and fuel energy content up. Depending on the areas where you drive, the ratio of diesel #1 to diesel #2 in the winter blend can vary, but it's commonly about 20 to 80. The percentage of diesel #1 increases as the temperature drops, with the coldest regions requiring pure diesel #1 fuel with anti-gelling additives. Fortunately, you can ask your fuel provider or primary truck stop what winter blend of diesel #1 and diesel #2 fuels they are using.





AVOIDING NUCLEAR VERDICTS

BY IMPROVING OPERATIONAL SAFETY & COMPLIANCE IN TRUCKING: REGISTRATION, RECORDKEEPING, & MANAGEMENT

Nuclear verdicts—jury awards that exceed \$10 million—have become an increasing concern in the trucking industry. According to a study from the American Transportation Research Institute, from 2010 to 2018, the average verdict size for a lawsuit above \$1 million involving a truck crash rose from \$2.3 million to \$22.3 million.

The ATRI study also found that adhering to safety and operational policies is essential to staying out of court and reducing award sizes. In a trial, almost any failure to adhere to FMCSA or company safety policies will be the focus of plaintiff arguments.

The FMCSA Carrier Compliance Questionnaire (CCQ) is a great tool that can help evaluate your current processes and identify areas for improvement. It also provides links to related regulations to reference for more information. The first section is Registration, Recordkeeping, and Management. Here is a partial list of items to keep in mind and have documented:

- FMCSA operating authority
- Motor Carrier Identification Report registration—this should be updated at least every two years or any time your business information changes
- Proof of insurance (MCS-90 & MCS-150) with adequate limits
- Copy of FMCSRs and HMRs and have trained drivers accordingly
- Accident record for the past 12 months
- Any permits needed for your operation—may include trip, mileage, fuel, oversize/overweight, etc.

Once you have determined your status on each compliance question, develop your path forward for any needed corrections. Another tool is your Safety Measurement System (SMS) record. Reviewing your past violations can help you determine trends and top items for improvement.

When it comes to reducing liability and crashes, motor carriers need to take the wheel and proactively steer where they want to go if they are wanting to change their future outcome. With recent industry concerns such as increasing accident fatality rates, unsafe road conditions, nuclear verdicts, and rising insurance costs, motor carriers need to be more vigilant than ever in protecting their operation by maintaining a strong safety and compliance program.

Acuity Insurance understands the importance trucking has on powering our nation's economy. Acuity offers access to many helpful resources related to improving compliance, daily operations, and ROI within our Motor Carrier Toolbox, which can be found at [acuity.com/mctb](https://www.acuity.com/mctb). Items in the FMCSA/CSA category help explain important topics such as required record retention, links to relevant FMCSRs/HMRs, and information on SMS. The Management Specific category has samples of some of the required documents listed above, including the MCS-90 and MCS-150, among other useful tools for running your business.







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 **YouTube**
youtube.com/acuityinsurance
(Trucker Focus playlist)

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Acuity's on-site trucking consultant provides over 30 years of industry experience to your business.

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IT WAS ONE OF THOSE DAYS...

TRUCKER TALK AHEAD 

INDUSTRY: Long Haul

OCCUPATION: Truck Driver

TASK: Exiting Cab

A 41-year-old truck driver thought his work boots were enough preparation to work in icy conditions. The ice proved more challenging than he expected.

Because of the ice, he got out of the cab again and again to scrape the windshield and the lights. First, he fell from the icy truck steps, twisting his ankle. Later, as he exited the cab to unhook the trailer, he slipped on the ground and fell flat on his back. He fell a third time about three feet off the truck steps onto his left shoulder, twisting his left knee and low back.

Despite the pain, the truck driver continued working. As he disconnected the trailer, it all caught up with him. He felt a sharp pain traveling to his spine, and his arm went numb. The following day, he couldn't move. This gritty driver who had toughed it out despite the aches and pains had injured his back, left shoulder, and elbows. It was two weeks before he was able to return to work on light duty.

TIPS TO LIVE BY

MANAGEMENT

- Refresh drivers on how to prepare for severe weather by checking their chains and carrying emergency gear.

DRIVERS

- Don't risk it. Stop driving when conditions are unsafe.
- Wear work boots with good traction. Cowboy boots are not a good shoe on a slick surface.
- Before exiting your tractor, and while still sitting in your seat, run your foot across the top step to check for ice.
- Always use three points of contact and face your truck when entering or exiting the cab.
- Watch for thin ice on tractor steps, dock steps, catwalks, ICC bars and in parking lots.
- When walking around icy spots, use handrails and concentrate on foot placement.
- Clean the windshields and all lights.
- Keep your winter kit in your truck.
- Refill your windshield washer fluid with a winterizing antifreeze fluid.
- Check the condition of your tires and make sure they are properly inflated.
- Anticipate or notice changing road/weather conditions by checking weather forecasts.
- Check cross-traffic mountain pass conditions prior to traveling through an interstate.
- Increase the following distance, and allow extra time.



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Focus

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TEAR ALONG THE PERFORATION LINE