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Updated:

'Unsettling, Challenging Times' In Trucking's Future, Graves Says

ATA Leader Sees 'Transformational Moment' Unfolding

By Sean McNally, Senior Reporter

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LAS VEGAS – Even after surviving a tough 2009, American Trucking Associations President Bill Graves told trucking executives here that the future promises to be even tougher given the changes being experienced by the country and the industry.

Graves, who delivered his annual “State of the Industry” address here to kick off ATA’s annual Management Conference & Exhibition

Oct. 5, said the industry was in the midst of a “transformational moment,” being shaped by political and economic changes, as well as the continued march of globalization.

“No matter how you look at it, these are very unsettling and challenging times,” he said.

The industry, Graves said, must step forward with its own proposals to solve these challenges, ranging from protecting the environment to moving billions of dollars in goods in a slowly recovering economy, or face potentially dire consequences.

“If we don’t proactively develop industry solutions, someone else surely will — and probably someone with a lot less knowledge about trucking and [who is] a lot more likely to come up with a bad solution,” Graves warned.

Much of Graves’ concern stems from the current political scene in Washington, with Democrats holding large majorities in the House and Senate, plus the White House.

“Whether you like the outcome of the 2008 elections or not, the policy and regulatory reach of the federal government into your businesses will surely increase over the next five to 10 years,” he said.

Graves added that because of the hostile environment, ATA’s work on the myriad of policy issues before the government was even more important than usual for member companies.

“You are going to need the work of this organization more than perhaps ever before, because the political policy and regulatory winds are not blowing in our favor,” he said.

Despite the fact there is “a lot to like about President Obama,” Graves had sharp criticism for the current administration and Congress.

"I believe they are promoting a policy agenda that is too biased toward labor unions, trial lawyers and environmental activists," he said. "In short, an agenda that is bad for U.S. business, bad for jobs and prosperity."

But Graves did not spare the minority, saying that the Republican Party "has nothing to offer but 'just say no' as a response."

One area in particular where Graves criticized Obama, as well as both parties, was in their handling of the federal highway authorization program, which recently was temporarily extended.

Graves said Obama spoke highly about the need to invest in the nation's infrastructure during the campaign, "but when it came time to take action, both the White House and the Democratic leadership used all their energy and time on health-care reform and climate change."

Those issues, he said were "critically important . . . but they were not nearly as time-sensitive" as the highway bill, which expired on Sept. 30.

Congress extended the authorization for 30 days as part of a continuing resolution signed by Obama on Oct. 1.

Despite Obama's lofty rhetoric on the subject, Graves said the administration has not been there concerning infrastructure issues.

"Regardless of how early and often you communicate, or the eloquence of your delivery . . . it's action that matters," he said. "So forgive me if I'm frustrated that Congress works on things that it really doesn't need to at the moment, and doesn't work on things it really needs to."

Calling the needs "staggering," Graves said there has been "no political will from either party or branch of government to lead" on the infrastructure issue and he reiterated ATA's support for an increase in the fuel tax, calling it "the only currently available and practical" way to fund highway investments.

Despite the gloomy outlook, Graves said he was confident that trucking would use its challenges as a way to grow stronger.

"Everything that happened to you yesterday is an element that makes up the life you're living today — from the very good to the very bad and everything in between," he said. "And suffice it to say, most of you learned valuable lessons the past year, difficult lessons that should make you better in the future."

Citing the record spikes in fuel prices that drove carriers to do more to optimize fuel expenditures, Graves said carriers need to continue putting the lessons that tough times provide to good use.

"Now that prices have subsided and are holding reasonably steady, the application of those lessons learned should continue to produce tangible financial benefits," he said, and if carriers are not, "let's just say I won't count on seeing you next year in Phoenix," at ATA's next annual meeting.