

Overview of Colorado Trucking Challenges and Opportunities

Presented to the Transportation Legislative Review Comm.

by the

Colorado Motor Carriers Association

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Overview of Presentation

1. Brief Overview and Facts about the Colorado Trucking Industry
2. Current Industry Concerns
3. Colorado Trucking Priorities
4. Proposed Actions

Trucking is Major Part of Colorado's Economy

**TRUCKING
DRIVES THE
ECONOMY**



CAREERS

130,720 Trucking industry jobs in Colorado > **1 in 17 jobs** in the state



SMALL BUSINESS EMPHASIS

42,710 Trucking companies located in Colorado

Primarily small, locally owned businesses, these companies are served by a wide range of supporting businesses.



COMPETITIVE WAGES

Total trucking industry wages paid in Colorado in 2021 exceeded **\$7.5 billion**, with an average annual trucking industry salary of **\$57,617**.

Heavy and tractor-trailer truck drivers held **26,640** jobs in Colorado in 2021. The national average annual salary of an over-the-road truck driver is **\$69,387**.



Trucking is Essential to Colorado



79% of ALL Colorado
Communities are Solely
Served by Trucks for
their freight needs

Trucking Contributes Its Fair Share and More

**TRUCKING
PAYS THE
FREIGHT**



THE INDUSTRY

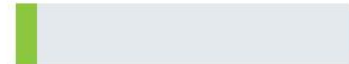
The trucking industry in Colorado paid approximately

> \$445 million
in federal and state roadway taxes

The industry paid **36%** of all taxes owed by Colorado motorists ...



... despite trucks representing only **6%** of vehicle miles traveled in the state.



INDIVIDUAL COMPANIES

As of January 2023, a typical five-axle tractor-semitrailer combination paid highway user fees and taxes of ...

STATE

\$8,872

FEDERAL

\$10,556

These taxes were over and above the typical taxes paid by businesses in Colorado.



Safety is Our Highest Priority

SAFETY MATTERS



SAFETY FIRST

Colorado Motor Carriers Association members put safety first through:

- ✓ Improved driver training
- ✓ Investment in advanced safety technologies
- ✓ Active participation in industry safety initiatives at the local, state and national levels



CONTINUALLY IMPROVING

2020 U.S. fatal crash rate per 100 million Vehicle Miles Traveled (VMT):

Colorado	2.23
USA	1.47

Between 1975 and 2020, the U.S. large truck fatal crash rate has dropped

67.9%

CMCA Legislative Efforts in the Past Year Concerning Truck Safety

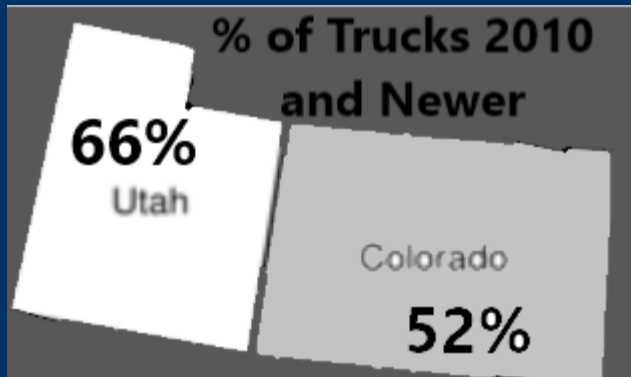
(many thanks to our House and Senate sponsors, the TLRC, and the entire Legislature in passing these important measures)

- Ensuring Compliance with Safety Laws and Regulation
 - SB 12 (Sen. Winter – TLRC Bill) - Updating of Fine Schedule for Intrastate Trucking Operations to improve process and deter bad actors - PASSED
- Enhancing Safe Operations on our Highways
 - HB 1014 (Rep. Boesnecker – TLRC Bill) - Yielding to Larger Vehicles in Roundabouts - PASSED
- Reducing Runaway Trucks and Hot Brakes
 - HB 1267 (Rep. McCluskie) - doubling of fines for heavy duty trucks when speeding on downhill grades greater than 5% - PASSED

Trucking and the Environment

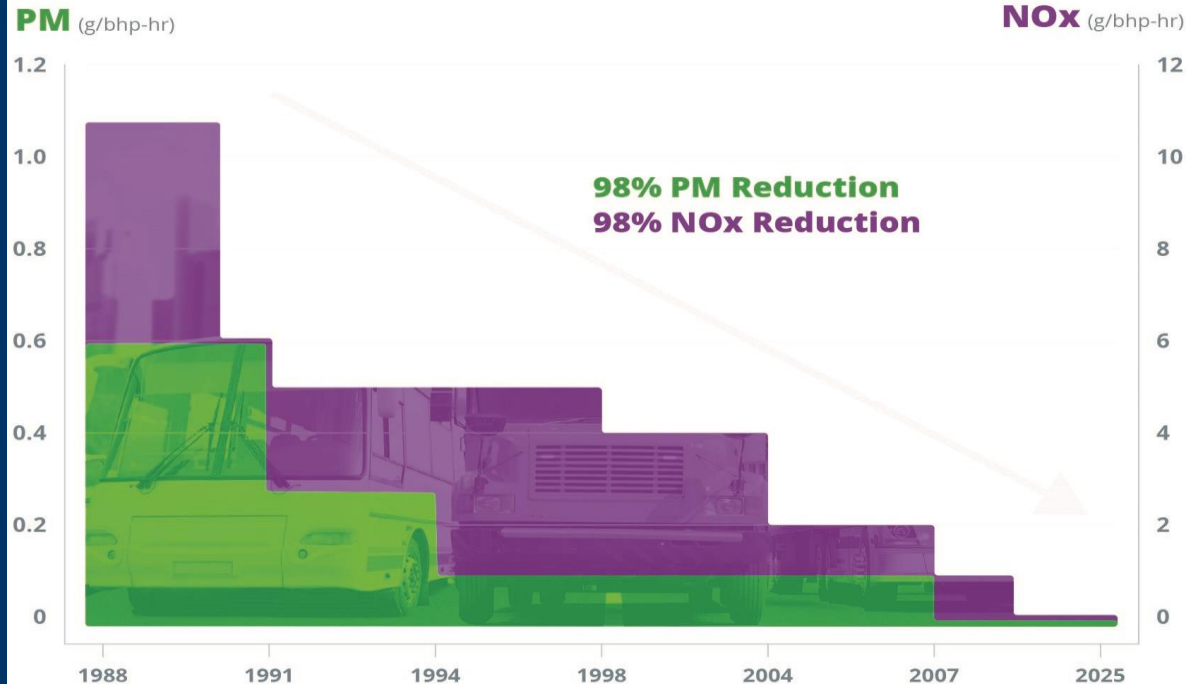
98% Reduction in PM and NOx since 1988

“Engines made after 2010 emit roughly 30 times less NOx than those made before 2010. Yet only about 50% of the fleet in Colo. has turned over and realized the benefits of that modern technology that eliminates 98% of NOx and particulate matter emissions.”
In comparison Utah has almost 2/3 of fleet being very low emitting diesel trucks



CLEAN DIESEL PROGRESS

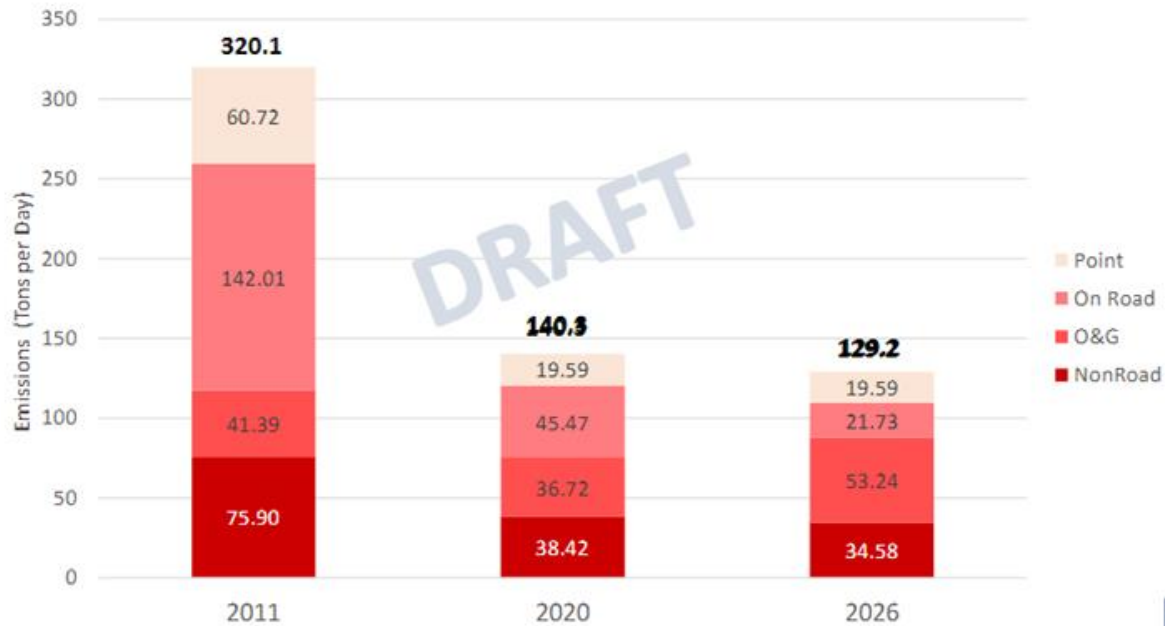
Heavy-Duty On-Highway



Source: U.S. EPA Office of Transportation and Air Quality (OTAQ)

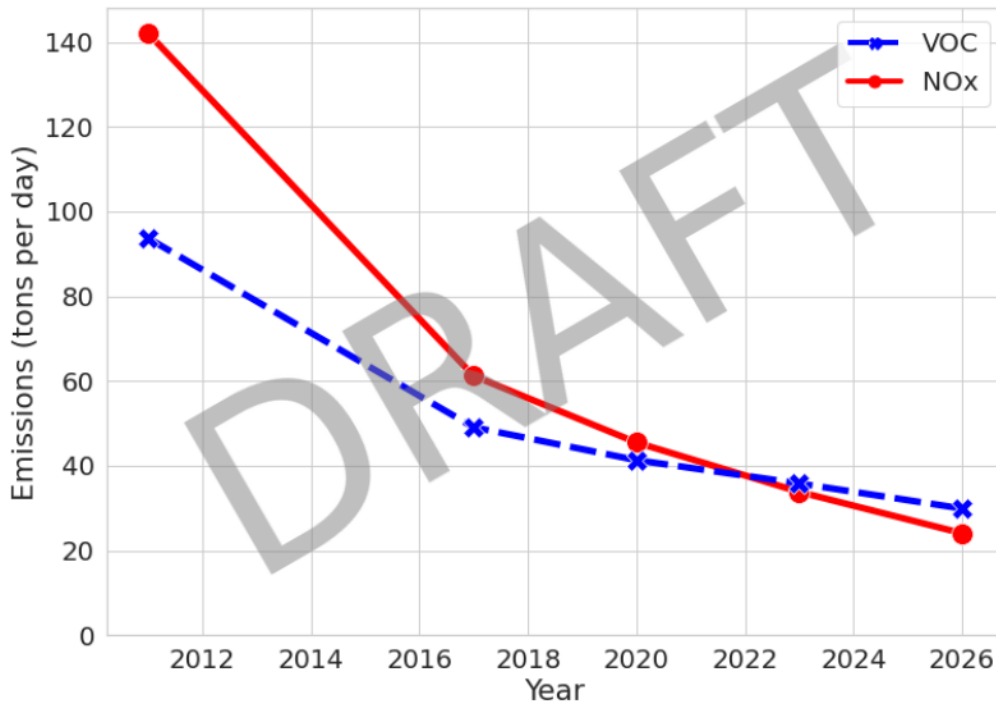
Denver Region Emission Trends for NOx

2011, 2020, 2026 Emissions Trends - NOx



Denver Region On-Road Mobile Source Trends 2011-2026

Emissions Inventory Source Groups - On-Road Mobile Sources



Colorado Trucking Concerns

- Implications and Challenge of Meeting the New Advanced Clean Truck Rule (Calif. Rule)
 - Only 0.06% of Med/HD Trucks are electric in state
 - Colo. has not invested in the ZEV infrastructure and provided level of incentives for vehicles as Calif.
 - Cost, Range, Weight and Weather Concerns
- Congestion, roadway conditions, and bottlenecks
- Safety
 - Increase in overall crashes due primarily to passenger vehicles associated with speeding, distracted driving, and reckless driving
 - Lack of truck parking for rest periods and chain up areas
- Substantial increase in insurance costs due to “nuclear judgments” in truck accidents

Concerns Related to New Colorado Advanced Clean Truck Rule

Purchase Cost and Secondary Market

- Costs range from 50% to 300% greater than conventional diesel
- Many companies count on a secondary market to recuperate value from the vehicle – **smaller market less return**

Operational Issues

- Greater weight – 6,000 pounds more for a tractor
- Range Limitations – 150-350 miles for truck tractor (vs 1K miles for diesel)
- Weather – Battery degradation in cold weather – up to 25%
- **Will require more trucks to transport same amount of product**

Infrastructure – Grid and Charging Stations

- Lack of adequate grid today and charging sites for heavy duty vehicles
- Timeframe and costs for installation of charging sites will be substantial
- Larger vehicles require anywhere from 4-8 hours to charge versus 15 min for diesel
- **Very large power demand - Charging .75 to 1 MW – equivalent of 300 homes**

What Amount of Additional Electrical Power will be Needed by State to Implement the ACT ?

A total of 37,000 commercial vehicle ZEVs sales would be mandated by the ACT Rule in Colorado by 2033 across all truck classes. The charging facilities and grid to accommodate that volume of commercial ZEVs does not exist in the state today. These vehicles will require an estimated **1 gigawatt** of simultaneous connected electrical power.

1 Gigawatt =

3.125 Mill. Photovoltaic Solar Panels



Challenge for Colorado Meeting Advanced Clean Truck Rule Comparison of Investments California vs. Colorado

State of California

Clean Fleet Incentives

-Prior Support- **\$2.5 Billion**

-FY 23 - **\$600 Million**

Clean Fleet Infrastructure

-Prior Support - **\$1 Billion**

-FY 23 - **\$650 Million**

State of Colorado

Clean Fleet Incentives

-Prior Support- **\$100 Million**

-FY 23 - **\$31 Million**

Clean Fleet Infrastructure

-Prior Support - **\$50 Million**

-FY 23 - **\$31 Million**

**California has and will spend 20 to 25 times the amount on Clean
Fleet Incentives and Infrastructure as Colorado**

Key Priorities of CMCA

- Improve Highway and Truck Safety – Reduce Truck Crashes and Fatalities. Provide safe environment for drivers to obtain rest and safely chain up/down
- Reduce Emissions and GHG in our Fleets with particular Focus on Areas with Poor Quality and Disadvantaged Communities
- Improve Freight Movement in the State
 - Reduce congestion through system enhancements, productivity enhancements and new technologies
 - Improve intermodal operations
- Develop a workforce for the future

Severe Shortage of Adequate Truck Parking for Mandatory Driver Rest Breaks

85%

OF DRIVERS CITED PARKING AS PLAYING THE CENTRAL ROLE IN CAUSING STRESS AT WORK

EST. ANNUAL LOSS PER DRIVER DUE TO PARKING PROBLEMS

\$5,000

70%

PERCENTAGE OF TRUCKERS THAT HAVE HAD TO VIOLATE HOS (HOURS OF SERVICE)

48%

DRIVERS THAT SPENT AN HOUR OR MORE FINDING SAFE PARKING (UP FROM 40% IN 2017)

96%

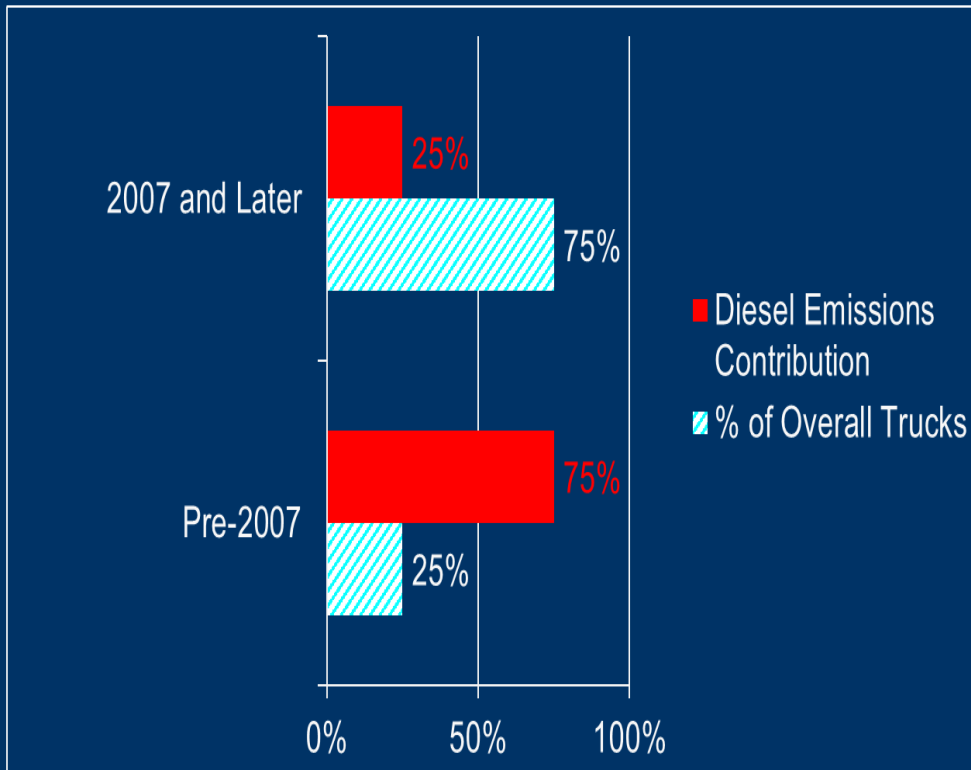
TRUCKERS THAT HAVE PARKED IN AREAS NOT DESIGNATED FOR TRUCKS

Five Effective Strategies for Diesel Emission and Greenhouse Gas Reductions in Trucking in Colo.

- 1) Create Older Diesel Scrappage/Replacement Grant Program for Small Operators – Scrap pre-2010 Medium and Heavy Duty Trucks and replace with 2017 or newer
- 2) Have Govt. Take Lead in Reducing Emissions Phasing-out Older, Higher Emitting Vehicles in their Fleets along with those Operating Under State or Local Award Projects
- 3) Ensure Greater Compliance with Existing Air Quality Rules and Standards/Implement Roadside Emission Testing Program
- 4) Support Acquisition of MD/HD Vehicles Powered by RNG
- 5) Provide Incentives/support to Reduce Truck-related Emissions at Cold Storage Facilities by Providing Funding to Electrify Dock Areas

Where Does Greatest Problem Lie for On-Highway Diesel Emissions?

Pre-2010 Trucks



Overview of Pre-2010 Medium and Heavy Duty Trucks in Colorado

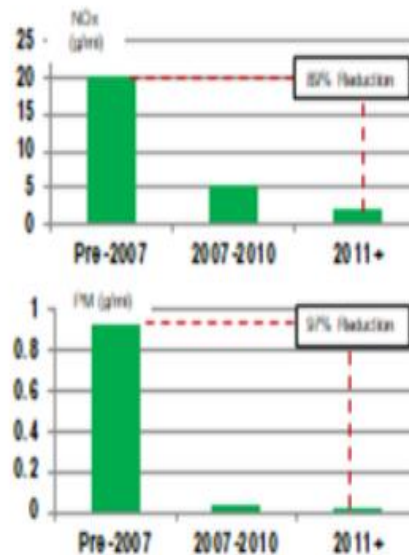
- Large percentage of these trucks are owned by smaller companies, many of whom are MBEs/DBEs
- Govt fleets have a large number of these older high emitting trucks
- Vast majority of these vehicles do not operate on a regular route basis and need to travel for work to surrounding states or rural areas of Colo. where a ZEV infrastructure may not exist for many years
- Many of these older vehicles are based or proximate to econ. disadvantaged areas
- Large % of these vehicles are in construction and agricultural. In the case of construction many deliver materials for state and local construction projects
- In many cases companies/owners are second or third owners and not in a financial position to purchase a new truck

Greatest and Quickest Reduction in Truck Emissions would be Scrappage of Pre-2010 and Replacement with 2017 or newer trucks by providing Grant Program for Small Operators

IHS Market

New Heavy Duty Diesel Trucks Deliver Substantial Reductions in NOx, CO₂, and PM vs Pre-2007 and Pre-2010

Savings to the new technology diesel buyer	Per Year
Average vehicle miles traveled	125,000
Fuel savings - gallons	960
Fuel savings - bbl	23
Fuel cost savings @ \$3.60/gal	\$3,360
CO ₂ savings - metric tonnes	8.75
NO _x savings - metric tonnes	2.3
Particulate matter savings - kg	114



Source: EPA estimates for in-use distance based on MOVES 2014 data

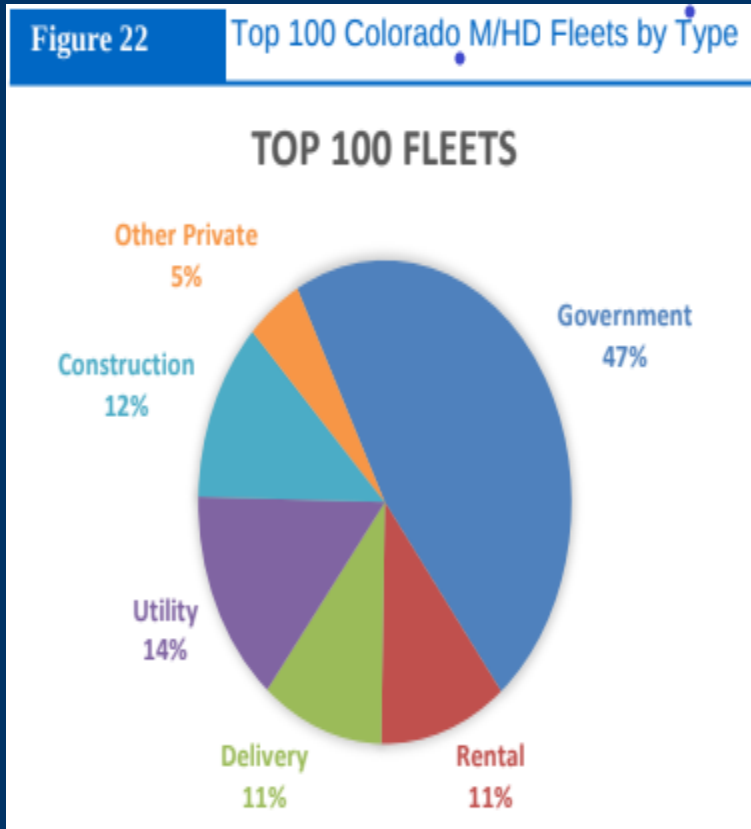
Scrapping 100 HD pre-2010 Diesels and Replacing with 2017 or newer = Removal of 3000 newer trucks from roadways

EPA Affiliate



Govt's Contribution to Diesel and GHG Emissions

Almost Half of Largest Fleets Operating Medium/Heavy Duty Trucks are Govt Agencies



A large % of the state's highest emitting M/HD Trucks (pre-2010) are operated by State and Local Govts. Further, many private companies providing trucking services for public projects today are operating high emitting trucks.

Proposed Legislation for TLRC Consideration

- Restore Higher Penalty Related to Failure to have a Valid CDL while Operating a CMV over 26,001 lbs.
 - Raise to Class 1 Misdemeanor which is the standard across the country
 - Provide a 30 Day Grace period for Driver w/o a CDL to Produce One and Penalties would be dropped
 - Provide Penalty for Trucking Company of driver operating w/o CDL
- Why?
 - 20% of fatal crashes with large trucks involve a driver without a CDL – *Weld County crash in 2022 resulted in 4 adults and a baby dying after being struck by a truck driven by an individual without a CDL - One of several incidents*
 - Colorado's penalty now is the lowest in the country and the same as illegally driving a Toyota Prius, weighing 25 times less than a truck.
 - Having a CDL is probably more important in Colo. than almost any other state because of the challenges of driving through the mountains
 - Increased penalty is supported by highway and truck safety groups as well as motor carrier industry and professional drivers' union (AAA, CMCA ,and Teamsters)



24 HOURS

- Delivery** of medical supplies to the affected area will cease
- Hospitals** will run out of basic supplies such as syringes
- Service** stations will begin to run out of fuel
- Manufacturers** using just-in-time manufacturing will develop component shortages
- U.S.** mail and other package delivery will cease. Within one day, food shortages will begin to develop
- Automobile** fuel availability and delivery will dwindle, leading to skyrocketing prices and long lines at the gas pumps



2-3 DAYS

- Food** shortages will escalate, especially in the face of hoarding and consumer panic
- Supplies** of essentials, such as bottled water, powdered milk, and canned meat at major retailers will disappear
- ATMs** will run out of cash and banks will be unable to process transactions
- Service** stations will completely run out of fuel for autos and trucks
- Garbage** will start piling up in urban and suburban areas
- Container** ships will sit idle in ports and rail transport will be disrupted, eventually coming to a standstill



1ST WEEK

- Automobile** travel will cease due to the lack of fuel
- Hospitals** will begin to exhaust oxygen supplies



2ND WEEK

- The** nation's clean water supply will begin to run dry



4TH WEEK

- The** nation will exhaust its clean water supply
- Illnesses** will increase, further taxing an already weakened health care system



Thank You and Remember Without Trucks Colorado Stops!

TRUCKINGINFO.COM REPORTS MORE THAN 6.8 MILLION PEOPLE WORK IN THE TRUCKING INDUSTRY. ACCORDING TO A 2006 AMERICAN TRANSPORTATION ASSOCIATION STUDY, MORE THAN 70%, OR \$47.1 BILLION WORTH OF OUR GOODS ARE TRANSPORTED BY TRUCKS. RED ALERT.COM COMPILED THE ATA'S INFORMATION INTO THIS LIST. CDLIFE.COM/2012/TRUCKER-LIFE/IF-TRUCKS-STOPPED/

