



BIG RIG, SHORT HAUL

A Study of Port Truckers in Seattle

EXECUTIVE SUMMARY

Acknowledgements

Many individuals who work in the freight movement system provided information to help us understand how the system works, the role of truck drivers, their working conditions, and their concerns.

Our thanks to all of the drivers, trucking company representatives, and others we interviewed. We are grateful for the insights and information shared with us.

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From the Port of Seattle:

Mic Dinsmore, CEO during study period	Linda Styrk, Manager, Cargo Services
Steve Queen, Marketing Manager, Containers	Herman Wacker, Director of Labor Relations

The drivers who completed our survey and those who participated in our interviews and focus group.

Finally, thanks to Kristen Monaco and Lisa Grobar of the Department of Economics at California State University, Long Beach, for their report, **A Study of Drayage at the Ports of Los Angeles and Long Beach**. Their survey instrument was used as the basis for Port Jobs’ survey of truck drivers at the Port of Seattle.

Any errors in this report are the responsibility of Port Jobs.

Port Jobs is a non-profit action tank working to increase access to living wage jobs for all residents of the Greater Seattle area. We foster a more vibrant and equitable economy throughout King County.

We engage in innovative research to develop practical, targeted programs that make good jobs easier to get and good employees easier to find in areas such as airport employment, transportation-to-work, and the skilled trades.

For more information, visit the Port Jobs’ website: www.portjobs.org .

EXECUTIVE SUMMARY

If your image of truck driving is of an eighteen-wheeler speeding down America's wide-open highways, think again. Since the heyday of CB radios and the popular radio song "Convoy," interstate commerce has been deregulated, and a global explosion of intermodal freight has changed the way goods move around the world. Economic fundamentals of the trucking industry have changed, and along with them the composition of the truck driving workforce. Short-haul truckers based at America's ports now make up a large and growing portion of the country's truck driving workforce.

The volume of cargo moving through Puget Sound ports makes truck drivers critical to the Seattle area economy. One quarter of Washington jobs are tied to international trade. In 2005, both the Port of Seattle and the Port of Tacoma joined an elite group of global ports that handle more than two million cargo containers per year.¹ Both the amount of freight moving through Puget Sound ports and the number of trucks on the roads are expected to increase into the foreseeable future.

Truck drivers are a critical link in the international freight distribution system. A single ocean liner may move several thousand

containers from Shanghai to Seattle. A single train may carry several hundred double-stacked containers from Seattle to Chicago. Most of those containers require a truck and a driver to move between the Port of Seattle terminals and the railyard.

Stakeholders reported that in recent years, during the high shipping season of July to October, these drivers have been in short supply.

"We need to get truck drivers who are here for the long term."

-Railroad company representative

Seasonal driver shortages have been compounded by attrition in the workforce. In some cities, work slowdowns or walkouts have occurred. Within the past ten years, West Coast shippers have begun to experience delays in the movement of goods, in part because trucking companies could not find enough drivers during periods of high demand. Trade publications began openly discussing driver shortages and pay rates.

While truck driving used to be a fairly lucrative field, where workers with limited education and training could earn middle-class wages and benefits, conditions have shifted dramatically over the last 25 years.

¹ Data provided by the Port of Seattle and Port of Tacoma websites. See full report for *Bibliography*.

We undertook this study to determine whether there will be enough drivers to meet labor demand in the future, whether port-related truck driving jobs are a viable opportunity for local workers, and to assess the training needs in this industry.

“You need trucks to move things, and this isn’t a very attractive industry. If volume grows like they say, how are we going to move it?”

-Trucking company representative

Research Design

We interviewed nineteen company stakeholders in the freight system, including representatives of trucking companies, terminal operators, steamship lines, railroads, and freight brokers; Port of Seattle officials; and local leaders of both the Teamsters and the International Longshore Workers Union (ILWU). We also interviewed nine short-haul owner-operators. In order to maintain confidentiality, we do not attribute specific statements and quotes to specific individuals in this report.

We also distributed a survey to 277 truckers at the Port of Seattle, with a response rate of 60%.²³ Our survey was based on a survey

² Response rate = the number of completed surveys returned divided by the number distributed. This response rate can be compared to the 35% refusal rate in the Monaco and Grobar study.

developed and administered by Kristen Monaco and Lisa Grobar of the Department of Economics at California State University, Long Beach, **A Study of Drayage at the Ports of Los Angeles and Long Beach.**⁴

Drivers were asked to identify themselves as primarily driving: Short-haul (to railheads), Delivery in Washington State, Delivery in the Seattle area, or Over-the-Road (long-haul). Following Monaco and Grobar’s methodology, all drivers who did not select Over-the-Road (long-haul) were grouped together as short-haul truck drivers. This gave us a total of 147 short-haul drivers. Unless otherwise indicated, all survey data in this report refers to those short-haul drivers.

Many respondents did not answer every question. In reporting the data for each question, we gave the percent of those who answered. For more information on the survey methodology, see the complete report.

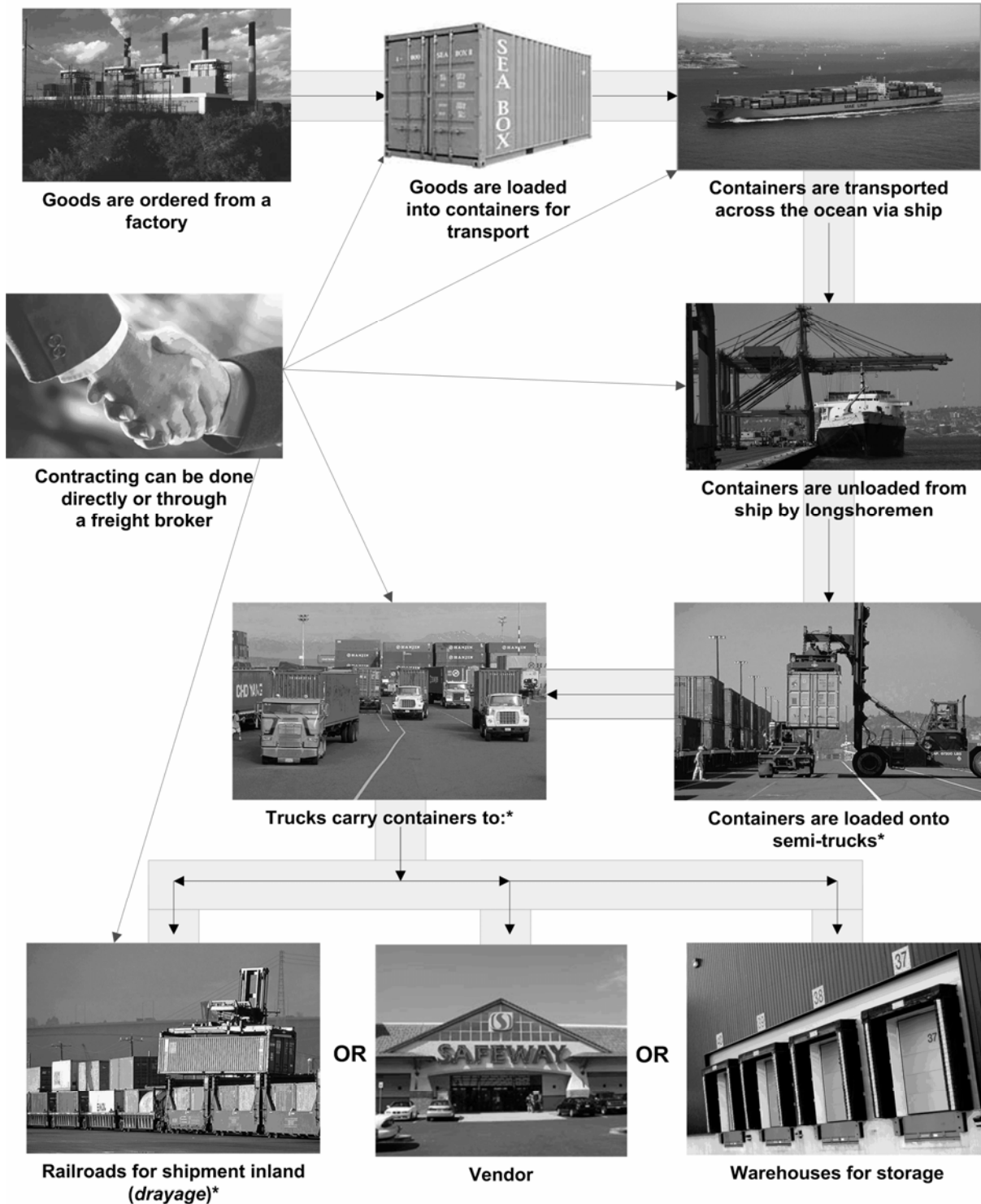
The Intermodal Freight System

The current intermodal system that moves cargo through the Port of Seattle is complex; a basic description of the inbound process is depicted in Figure 1 on the following page.

³ The survey was administered on April 27, 2006.

⁴Note: The term “drayage” specifically refers to delivery to and from railyards. Unless otherwise noted, throughout this report we use the term “short-haul” when referring to truckers driving from the port to the local railhead, and/or within the Seattle area, and/or within Washington state.

Figure 1. The Intermodal Freight System



* Photos marked with an * are by Don Wilson, Courtesy of the Port of Seattle

**Table 1.
Demographics of Survey Respondents**

<u>Gender (N=142)⁵</u>	
Male (n=135)	95%
Female (n=7)	5%
<u>Race/ethnicity (N=136)</u>	
White (n=71)	52%
African/African-American (n=34)	25%
Asian/Asian-American (n=13)	10%
Hispanic/Latino (n=7)	5%
Native American (n=4)	3%
Mixed Race/Other (n=7)	5%
<u>Country of Birth (N=140)</u>	
Foreign Born (n=75)	54%
US Born (n=65)	46%
<u>Education (N=140)</u>	
Did not finish high school (n=26)	19%
High School graduate (n=39)	28%
Vocational/Tech school (n=20)	14%
Some college (n=31)	22%
Associate's degree (n=7)	5%
College/graduate degree (n=17)	12%

⁵ N= the number of respondents who answered the question, n= the number of respondents who chose a particular response.

Overview of Port Truckers in Seattle

Our survey found that the average short-haul driver is an owner-operator who works eleven hours a day and earns \$31,341 per year. He has no health benefits or retirement plan. He is 43 years old, married with children, has been working as a truck driver for five years, and he's seriously thinking about getting into some other line of work. He is driving an eleven-year-old rig, and not earning enough to purchase a newer truck or retrofit his current truck to decrease polluting emissions and increase safety. See Table 1 for more demographical data.

Additionally, our survey found that of respondents:

73% are married or live with a partner.

72% have children.

43% speak a language other than English at home. Among those respondents who spoke a language other than English at home, nineteen different languages were listed. The most common were Punjabi, Amharic, Spanish, and Tigrinya.⁶

The typical driver is 43 years old. The youngest is 21, and the oldest, 67.

⁶ Punjabi is spoken on the Indian subcontinent (primarily in India and Pakistan); Amharic is spoken in Ethiopia; Tigrinya is spoken in Eritrea as well as Ethiopia.

Type of Driving

For the vast majority of respondents (88%), truck driving is a full-time, year-round job. Although the average driver has been doing this job for about eleven years, 45% have been driving for five years or less.

The survey included a series of questions to identify the employment status of the driver (e.g., owner-operator) and to characterize the type of driving done.

Nearly two-thirds of the respondents are owner-operators and almost a third work as direct employees of trucking companies. The remainder drive for an owner-operator.

More than half of respondents drive short-haul, either locally or drayage. Forty percent drive to destinations outside the Seattle area in Washington.⁷ See Table 2 for the breakdown of employment and type of driving responses.

The Work Day

Number of turns per day- The average number of turns was 3.83 per day with a median of three and one-half turns per day. Some drivers averaged as many as ten or eleven turns per day.

Terminal wait time- Sixty-four percent of the drivers reported that they waited more than an hour on their last trip to the terminal to get their I.D. verified and to pick up or deliver a container. A quarter of them reported waiting more than two hours on their last trip to the port. The average wait time was an hour and forty-five minutes; the median was one and one-half hours.

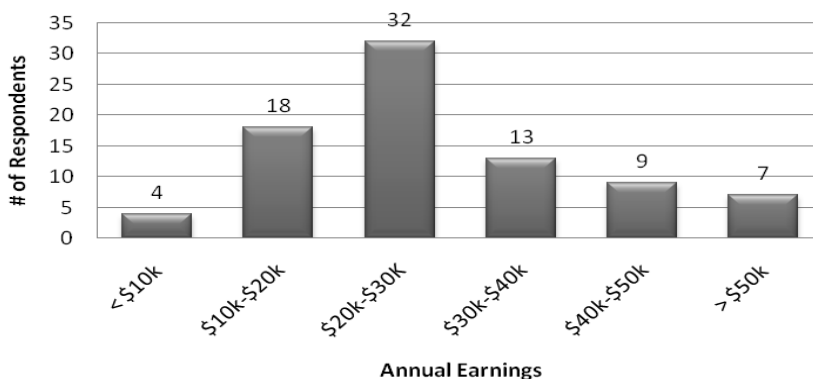
Trip length- Drivers reported that their last trips ranged from less than an hour to 18.5 hours. The mean trip length was four and one-quarter hours; the median was two and one-half hours.

Table 2. Type of Driver and Employment Type

	Owner Operator		Employee Trucker		Drive for Owner-Operator		Total	
	#	%	#	%	#	%	#	%
Drayage	26	17%	7	4%	5	3%	38	24%
Seattle Area	24	15%	18	11%	4	2.5%	46	29%
WA State	38	24%	21	13%	4	2.5%	63	40%
Long Haul	8	5%	1	1%	2	1%	11	7%
<i>Total</i>	96	61%	47	29%	15	9%	158	

⁷ Seven percent of respondents reported driving long-haul. Long-haul drivers were removed from the sample and their responses are not included in the analysis.

Figure 2. Annual Earnings (N=83)

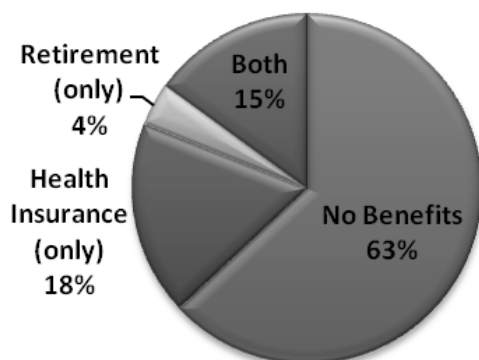


Earnings & Benefits

When reporting annual earnings, owner-operators were asked to subtract all truck-related expenses. Average annual earnings for all drivers were \$31,341. Median annual earnings were \$28,500. Sixty-four percent of short-haul drivers earned no more than \$30,000 in 2005, and nearly a quarter earned less than \$20,000. See Figure 2.

Sixty-seven percent of drivers do not have health insurance, and 81% do not have retirement benefits. See Figure 3 for more detail.

Figure 3. Driver Benefits (N=139)



Variations in Earnings

The survey data on income showed several important patterns, which are shown in Table 3 on the following page⁸.

On average, we found that white short-haul drivers earn \$13,000 per year more than non-white drivers do, and American-born drivers earn an average of \$12,600 more than immigrant drivers do.

Statewide drivers earn \$11,000 more than local drivers do and drivers with more than ten years of experience earn \$8,000 more than drivers with ten years of experience or less. American-born drivers are 91% white, and drivers with more than ten years experience are 82% white.

⁸ For the average and median annual earnings, we included all driver responses. For the analysis of the variations in earnings, we removed part-time drivers. We also removed the employee drivers from this dataset due to differences in how annual earnings are reported.

Table 3. Variations in Earnings Among Owner-Operators
Annual earnings reported by drivers surveyed

Country of Birth

American-born drivers (n=25)		Immigrant drivers (n=39)		Difference in annual earnings Average = \$12,648 Median = \$8,000
Average earnings: \$41,520		Average earnings: \$28,872		
Median earnings: \$35,000		Median earnings: \$27,000		
91% White	9% Non-white	20% White	80% Non-white	

Type of Driving

Statewide drivers (n=25)		Local (railhead and Seattle-area) drivers (n=39)		Difference in annual earnings Average = \$11,040 Median = \$8,000
Average earnings: \$40,540		Average earnings: \$29,500		
Median earnings: \$35,000		Median earnings: \$27,000		
65% White	35% Non-white	42% White	58% Non-white	

Industry Tenure

Drivers with more than 10 years experience (n=27)		Drivers with 10 years experience or less (n=37)		Difference in annual earnings Average = \$8,044 Median = \$1,500
Average earnings: \$38,463		Average earnings: \$30,419		
Median earnings: \$30,000		Median earnings: \$28,500		
82% White	18% Non-white	30% White	70% Non-white	

Race

White drivers (n=31)		Non-white drivers (n=33)		Difference in annual earnings Average = \$13,282 Median = \$10,000
Average earnings: \$40,661		Average earnings: \$27,379		
Median earnings: \$35,000		Median earnings: \$25,000		

Key Findings

Port Jobs identified several key issues, which fall into three broad areas: economic, environmental and safety, and social. Figure 4 on the following page illustrates these findings.

“It’s much easier to get goods to Seattle from Qingdao than it is to get them from Seattle to Woodinville.”

-Freight company representative

Economic Findings

“The truckers are not making enough money- they don’t make a living wage, they don’t get health care benefits, and they don’t make enough to reinvest in their trucks.”

-Labor representative

Earnings are low and vary widely. Driver income varies based upon such factors as type of work (e.g., trips to railhead versus longer haul), employment status (owner-operator versus employee), tenure in the industry, and race.

1. **Demand for drivers varies seasonally** and according to the unpredictable flow of cargo. In the slow season, there may not be enough work for the drivers; in the high season, there may not be enough drivers for the work.
2. **The unpredictable flow of cargo, terminal slowdowns, and road congestion** are all barriers to efficient freight mobility and increased driver earnings.

Environmental/Safety Findings

1. **Truck-related pollution** is growing as cargo volume increases.
2. **The cost of buying new trucks and retrofitting old trucks** is prohibitive for most local short-haul drivers. Sixty-two percent of respondents drove trucks that are ten years or older.
3. **Federal Commercial Drivers License (CDL) regulations** do not require on-the-road training. This omission creates a major safety concern for trucking companies, insurance companies, and other drivers.
4. **Federal driver ‘hours of service’ rules** limit truckers to 11 hours of driving after ten hours off, and 14 hours total of work per day. The rules do not allow drivers to clock in and out for breaks.
5. **Terminal rules and regulations** differ widely, so that drivers must learn a variety of routes, numbering systems and speed limits. Despite terminal operators’ efforts to share information and maps with drivers, changes in terminal layouts and

procedures are not always clear. This results in truckers losing time as they search for the right lines and containers, and longshore workers getting frustrated with drivers who are in the wrong places.

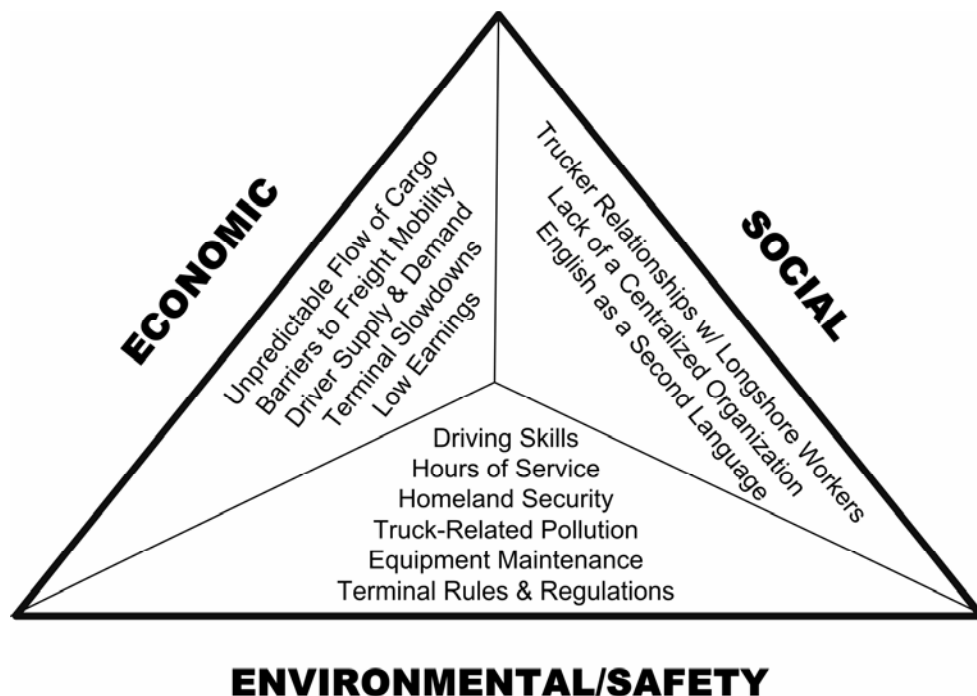
Findings related to Social Issues

1. **Conflict between short-haul truck drivers and longshore workers** negatively affects working conditions at the terminal. This conflict is due to differences between the two workforces, including race, country of birth, and language; different pay structures (truckers are primarily paid by the trip and longshore workers are paid by the hour);

and employee status (truckers are largely independent owner-operators while longshore workers are union members).

2. A large number of short-haul drivers speak **English as a second language**. New technologies in terminal operations, including radios, speaker boxes, and headsets, can distort voices and contribute to communication problems.
3. Most short-haul drivers work as **independent owner-operators** and do not have a centralized organization to represent their interests and facilitate communication between them and terminal officials.

Figure 4. Diagram of Interrelated Trucking Issues



OWNER-OPERATOR PROFILE: ISMAIL*

Ismail is an owner-operator who has driven for a living for six years, with four different companies. He has a 15-year-old bobtail with 800,000 miles on it, which he purchased from a long-haul driver for \$8,000. He paid half up front and made payments on the rest. He works on average twelve hours per day; if it is busy, he works seven days a week. April through December are the high months. During the slow season, he is lucky to work three days a week, earning just enough to feed his family.

Ismail notes that the pay rate per move is “the same as it was four years ago.” If he grosses \$60,000 per year, he will net about \$30,000 after expenses. Ismail pays about \$14,000 in truck maintenance; he is not a skilled mechanic, so he must pay out of pocket for labor. He wishes he had been educated about the finances of trucking, how to start out, average pay, and company practices prior to becoming an owner-operator.

With respect to slow turnaround times at the terminals, Ismail thinks that having the option of “night work (as in the PierPass Model) would be good, because there is less traffic.” The best part of trucking, for Ismail, is the independence and flexibility. The worst is the stress. His experience has been that “companies hire immigrants because they work hard and do whatever you tell them to do.”

Seniority and job security, in Ismail's experience as an owner-operator, are non-existent. He believes that immigrants and whites must work together to solve problems. Ismail would tell a new driver to work as an employee, not an owner-operator. He is not sure what else he would do if he was not a trucker, but he will re-evaluate in a year. If he is still unable to make a decent living, he will quit, possibly to become a tow-truck driver.

* Not his real name

Recommendations

Below, Port Jobs offers a series of recommendations to help address the issues raised in this study. Training, education, and related services can be first steps to help drivers make the best of the system as it is. Broader systemic changes will take more investment, and will require cooperation and coordination among the varied stakeholders within the system.

1. Develop training programs for owner-operators, including:
 - Small business management to help drivers manage their revenues and expenses while staying in compliance with federal, state, and local laws.
 - Language training specifically designed for non-native English speaking drivers, so that they can communicate more effectively on the job.
 - Orientation to terminal operations, including such things as maps of the waterfront and details about how each individual terminal operates,
 - Vehicle maintenance, and
 - Advanced driving skills, with an emphasis on reversing and parking, targeted at newer CDL licensees who received their initial driver training from short-term CDL schools.
2. Explore incentive programs, including financing mechanisms to help drivers buy new trucks or retrofit old trucks, in order to lower emissions and increase fuel efficiency and roadability, thus investing in both environmental and safety improvements, while reducing operating costs;
3. Address working relationships between truck drivers and longshore workers, by, for example, creating advisory workgroups made up of frontline workers at the marine terminals, including truck drivers, longshore workers, terminal operator employees, and other relevant groups;
4. Encourage truckers to explore the creation of a drivers' association which could, for example, lead to improved healthcare coverage and better communications;
5. Address apparent seasonal driver shortages. Does Seattle need more trained drivers in the system? If more drivers are trained, what will they do in the off-season? Are there counter-cyclical jobs in the freight movement industry? What jobs could drivers take that would keep them in practice for driving their big rigs?; and
6. Consider raising rates paid to trucking companies and to drivers for container deliveries within the Seattle area, in light of the findings in this study.

The full 83-page report **“Big Rig, Short Haul: A Study of Port Truckers in Seattle,”** will be available from Port Jobs shortly. Contact us by email at portjobs@portseattle.org, or check Port Jobs’ website, www.portjobs.org.
