

AMERICAN TRUCKING ASSOCIATIONS' PRESIDENT AND CEO CHRIS SPEAR
STATE OF THE INDUSTRY ADDRESS (AS PREPARED FOR DELIVERY)
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ORLANDO, FLORIDA

Thank you! Thank you, James. Thank you all very much. Welcome to Orlando, home of the 2017 Management Conference & Exhibition. ATA is proud to host you for the 84th gathering of its members, leaders... and, according to the President of the United States just days ago... heroes. I would like to thank the ATA leadership team for all your time and efforts this past year, and congratulate both Chairman Burch and incoming Chairman Manning for their service. Would the entire ATA leadership team please stand. Let's give them a warm round of applause. I also want to recognize all of our sponsors. It's your support that makes this annual gathering possible and so successful. You are the voice of the trucking industry and your story is now being told to the highest levels of government, to the media and to the American people. Together, we are building trucking's future.

A year ago, I stood before you for the first time as your 9th President and CEO. I shared with you that what we think, what we say and what we do... must all be the same. Today, I can tell you that your association is delivering on that promise.

Since 2013, the back-to-back 1 am to 5 am and 168 hour requirements were your #1 priority on the ATRI issue survey. Thanks to your unyielding efforts, it's our top priority no more. Last December, Congress passed and President Obama signed legislation that permanently struck his own Administration's ill-conceived, special interest-driven Hours of Service rules from the US Code. We earned that victory. You helped make that happen. And this win serves as a reminder to each of us, the sheer strength of this association, when we work together.

ATA and its coalition partners are looking to continue this winning streak by sending a strong message to policy makers in Sacramento... this is not the United States of California. The F4A issue involves the state's duplicative meal and rest breaks that collide with federal safety standards, causing drivers to park their equipment in undesignated places, endangering themselves and the motoring public. This confusion has generated a litigious frenzy. Over \$250 million in settlements to date and immeasurable exposure in pending and potential litigation. Apparently, California's lawmakers care more about the plaintiffs' bar than public safety, or even jobs. This is an issue we have to win, and we will... it'll happen by working with Congress and this Administration, continuing to invest over \$9.5 billion each year in safety technologies and giving a voice to the 7.4 million employees in trucking jobs throughout the nation... NOT by lining the pockets of trial attorneys.

In January, we created a member-led Task Force to support President Trump's proposal to raise and invest one trillion dollars in our nation's infrastructure over 10 years. Our task force immediately went to work, meeting with Secretary of Transportation Elaine Chao during her first hours on the job as well as all ten House and Senate Committee chairs and ranking members responsible for this historic legislation. But it didn't stop there. Joined by 12 America's Road Team Captains with a combined 29.4 million accident free miles and more than 320 years of behind-the-wheel experience, the task force went to the White House and met with the President and Vice President of the United States. We parked our two image trucks on the south lawn of the White House... just feet from the portico and oval office. News of this meeting and event reached an audience of over 1.2 billion people. Since then,

the task force has built lasting relationships with our nation's most senior leaders and is now advocating dedicated, sustainable funding solutions for our nation's infrastructure. I want to thank the task force co-chairs David Congdon and Jim Burg, the task force members and our America's Road Team Captains. You all upped our game. And now we're helping drive this outcome.

ATA is now fully engaged in reforming our country's decaying tax laws. Two weeks ago, ATA hosted President Trump in Harrisburg, Pennsylvania. There he announced his much anticipated tax reform plan, which emphasized one very special benefactor... trucking. Citing truckers as "the barometer for the nation's economy," the President shared a detailed proposal, entitled the "American model." It includes a corporate tax rate reduction to 20 percent, cutting a third of what our industry currently pays, and it eliminates the dreaded estate tax, also known as the death tax. That's your money. It belongs to you. And with it, you will be empowered to invest more in your employees, your equipment and the future growth of your businesses. The President's plan is historic and conventional... lowering the rate and broadening the base. And he illustrated what his tax plan will actually mean to our industry, citing the personal experiences of our own ATA Chairman, Kevin Burch and ATA member Calvin Ewell. Once again, ATA put its own members in a position to shape public policy at the highest level. And with the President now championing our best interests, the entire nation is paying attention to what we have to say. In just days, news media of this one event reached more than 493 million people. Ladies and gentlemen, we have not witnessed a proposal like this in over 8 decades. We owe it to our industry and our children's future to help get it passed.

At the same time, ATA is now supporting the US Chamber-led coalition to advocate and advance sound trade policy. Trucks move 76% of the NAFTA surface freight, 82% of the cross border traffic with Mexico and 71% with Canada, our nation's largest trade partner. I've visited our borders and can tell you first hand that our industry will be the first to feel any changes in NAFTA, good or bad. Together, ATA and its Mexican and Canadian counterparts, CANACAR and CTA, have come together to help our respective nations preserve and promote policies that benefit our industry, our customers and the United States' ability to grow its economy.

Last year, we shined a spotlight on technology, most notably... autonomous technology. We wasted no time taking our seat at the table, securing a coveted slot on the Federal Advisory Committee on Autonomous Technology and testifying on Capitol Hill. We hired one of the most prominent experts in this field, formed a new ATA autonomous vehicle subcommittee, joined the Safety Spectrum Coalition, and we're working closer than ever with the Technology & Maintenance Council to help our members shape a policy framework that is good for our drivers and for our industry. We cannot afford to concede this issue to another mode of transportation. Innovation is happening whether we like it or not. Conforming innovation to the benefit of our industry and our drivers is key, and with your help and support, ATA is better positioned to steer such outcomes than it was just one year ago. And this future framework will soon have a solid foundation. Come December 18, the Electronic Logging Device rule will take effect. Congress first passed this legislation five years ago, and twice more in 2015... each time instructing the FMCSA to complete a rule. And thanks to a full court press by ATA and its members, the House last month defeated yet another attempt by ELD opponents to delay the December effective date. This issue has been legislated, promulgated and litigated. And it is now time to move forward. ELD technology removes one's ability to exceed the legal hours of service... ushering in a safe, efficient and fair playing field for the nations' trucking industry.

ATA is also advocating policies that benefit members like you, including: association health plans; universal recognition of security credentials; common sense policies that lower carbon emissions from our equipment; eliminating redundant drug testing requirements and improving drug screening; improving driver training; and, removing government barriers so that cars, trucks and infrastructure can connect... dramatically reducing congestion, fatigue, accidents and fatalities. And as we have also demonstrated, ATA will aggressively call out federal policies that fall short of their intended goals, such as joint agency rules to require speed limiters on commercial vehicles only, and rigid test standards for sleep apnea.

And as issues arise at the state level... issues that have national implications and when our state executives seek our help... ATA is stepping out of its DC-comfort zone and flanking our federation leaders wherever battles need to be fought. Protecting independent contractors, combating toxic and discriminatory tolls on existing roads and bridges, and preserving interstate commerce from redundant state requirements are just a handful of ongoing efforts ATA and several state executives are now actively addressing together. In 2017 alone, ATA is hosting 42 state trucking associations for their Calls on Washington. That's up to 75 executives each week taking the time and expense to travel to Washington, meet with their elected officials, tell our story and make an ask. We do that nearly every week Congress is in session, making this program one of the leading reasons ATA delivers success for its members where others cannot. And when elected officials are home, we're hosting them at our facilities, introducing them to our workforce, and putting them in a truck. These experiences leave lasting impressions, build trust and hopefully, create some new champions for our industry.

And in the last 12 months, ATA itself has undergone a major renovation. We aligned with issues that matter most to our members, adopted a flat, accountable structure, reduced our overall headcount, added new talent and promoted within. If you are ATA staff, including ATRI, conferences and councils, please stand. Let's give the team a round of applause. This new energy and passion is felt throughout the ATA organization and reflected by our commitment to provide members a measureable return on their investment. Just consider TruckPAC, where the participation rate by ATA staff alone has doubled this past year from 16 to 32% and the number of Chairman's Club contributors has surged from 2 to 10. I want people who get up each morning hungry to win. I'm proud of this ATA team, and I hope you are too.

But if more evidence is needed, look no further than the member-led Revenue Task Force, set up last fall and whose recommendations were unanimously adopted and became effective July 1st of this year. It's been two decades since ATA took on such a challenging overhaul of its dues structure, reducing a 6-page schedule down to a paragraph-sized table. These changes account for more than \$1.2 million in reduced dues revenue and a simpler, fairer dues schedule. I want to personally thank co-chairs Tommy Hodges and Mike Kelley and the members of this task force for their service. Job well done. And thanks to the generous support of James Welch and the entire YRCW team, ATA has established the "Trucking Cares Foundation," upholding our promise to promote the compassionate side of our industry. It's who we are... and the goodwill we provide charitable causes will now be told as part of our story. A special thanks to our past-ATA Chairman Phil Byrd for serving as our first Chairman of Trucking Cares Foundation. The leadership Phil and the foundation's board provide will make a lasting difference in the lives of many in need.

These results, all of them, happened because we rolled up our sleeves and we went to work. As dues paying members, you expect results, and quite frankly, you deserve them. And all of these results started because we took the time to listen. We came to you. And in nearly every state in the nation, we heard your concerns and we took your advice. This is your association and this is your story. So to that end, you have our commitment to maintain this level of outreach to you, our members, to be certain we have our fingers on the pulse of this industry; and, that we never forget who we work for.

When it comes to our priorities, we have a lot of roadwork ahead. To build trucking's future, we need to look beyond the hood. We need to stop talking about problems and start addressing them. We've all seen ATRI's surveys. Year after year, we read about the growing shortage of drivers and technicians. Moments ago, ATRI released its latest annual issue survey, which places driver shortage as the new #1 ranked priority. Currently, our industry is short 50,000 drivers. And if the trends continue, that number will double to 100,000 in just five years. During the next decade, our industry will need to hire nearly 1 million drivers and technicians just to meet economic demands. With an average salary of \$56,000 for drivers and \$50,000 for technicians, employer health insurance and more than 90% of employers providing retirement and other benefits including life insurance and paid holidays, one would think this is a pretty attractive industry for individuals without a college degree. Based on the numbers, it is. But our industry faces several barriers that must be addressed if we're to grow, including: establishing pre-apprenticeship and apprenticeship training programs, and hiring and training 18-21 year-olds. We need interstate recognition of credentials, entry-level training standards for veterans and nonveteran employees, solutions for the impact of detention time and congestion on drivers' Hours of Service, and more. You just heard from Secretary of Labor Alex Acosta. He is laser focused on breaking down barriers to employment. You will hear later today from Secretary of Transportation Elaine Chao. I had the privilege to serve as her Assistant Secretary of Labor during her eight year tenure as Labor Secretary. She too understands these issues. Together, these two leaders are committed to working with ATA so our industry can responsibly recruit, hire, train and retain talent. Henry Ford once said, "The only thing worse than training your employees and seeing them leave is not training them and having them stay." Well said. So we are announcing a new, member-led Workforce Development subcommittee to be chaired by John Smith, CRST Chairman and ATA Secretary. John's leadership and this subcommittee will enable ATA to work closely with this Administration, Congress and state governments to solve this problem.

Back in Washington, anti-truck and amateur hour advocacy groups believe they know what's best for our industry. This – wave – of special interests has built a cottage industry fueled by ideology, emotion and misguided narratives... all intended to divide our industry and this association. Obstruction is their weapon of choice. From bad bills to frivolous law suits... trolling social media and issuing personal attacks. Theirs is an agenda purely based on the notion that if it feels good, do it... and if it fails, blame someone else. Agendas rooted in ideological divisions are nothing more than self-fulfilling prophecies. Rest assured, ATA will not be driven into this rut, nor allow such division to impede our ability to win. Our focus will remain on safety, sound data, the truth... doing what's best for our industry and the country, not what's good for a political party or one's personal agenda. And we will leverage all of our assets, most notably, our drivers. From America's Road Team Captains to the National Truck Driving Championships, we celebrate our drivers, their many talents and the indelible mark they make each day on the lives of all Americans. These are the rocks that break this wave.

Unity... it makes us strong. It gives us a powerful, more amplified voice... And that will only continue if we come together. My first boss Senator Alan Simpson encouraged his Wyoming constituents to get in... and get wet. You just heard several examples of ATA members doing just that. We've witnessed record setting attendance and participation at MCE to TMC, policy committees and webinars. Our inaugural Economic Summit and our Motor Carrier General Counsels Forum received high marks. Transport Topics' new website is up, exceeding its previous record of site visits by 30 percent. Truck PAC is surging. And, ATA new membership has risen 48 percent over the previous year. The ATA team is passionate, full of energy and committed to winning. We're well-equipped to handle the strategy. But we need you all to help us write the narrative, tell our story and fight for what is rightfully ours.

Our industry, our 84-year old association, is at its best when we're working together. We invest more in safety, training, in our environment, our communities and in our nation's roads and bridges than most anyone. We live and work in every state and in every Congressional district. Our kids grow up and attend schools from Maine to Maui. We worship, we pray, and we work hard. We represent an industry of 7.4 million employees. 1 in 16 jobs in the United States is trucking related, where trucking is the top job in 29 states. Trucks move 70% of the domestic freight tonnage and more than \$10 trillion dollars of America's freight each year. We are caring and compassionate... from charitable giving and volunteering time... to serving on the front lines whenever disaster strikes. We are among the most patriotic people in America. And united, we are the most powerful voice of our industry, best-positioned to tell our story and advance our agenda than any other advocacy group in the country.

Three weeks ago, I led a short retreat for my senior team in Annapolis, Maryland. There, we took a tour of the United States Naval Academy. We were led through the hallowed campus grounds to the crypt of John Paul Jones, Father of the American Navy. Our guide shared how in late September 1779, John Paul Jones was engaged in battle at Flamborough Head against superior guns. The colors of his ship, the Bonhomme Richard, were blasted away. Striking or lowering a ship's colors is the sign of surrender. But in the face of fierce enemy resistance, John Paul Jones' words were important for my staff and me to hear. When asked "has your ship struck?" his answer was "I have not yet begun to fight." Well neither have I, neither has my team and neither have you. Ladies and gentlemen, I'm looking for warriors. If you're an ATA member, thank you. If you're not and you have what it takes, join us... and let's build trucking's future together.

Thank you, and enjoy the 2017 Management Conference & Exhibition!