

February 9, 2023

To: Ad Hoc Truck Committee

From: Donna Streitz

Re: Covid-19 Impact on the Trucking Industry

I've done a bit of research as a follow up to Supervisor Mussmann's comment at our February 2nd Truck Committee meeting that we need a new truck study, inferring that the volume of trucks is understated in the study conducted by MJ Engineering due to the impacts of Covid. As you'll recall, the Study focused on a 5-day period in October 2020.

What I've learned is that trucking industry activity is highly cyclical and experiences huge peaks and lows. It's impacted by many factors, during the year, and from year-to-year, not the least of which is volatility in the economy. Other factors that can reduce trucking activity include lower demand for supply, driver shortages, inclement weather, business seasonality, high fuel costs, among others.

Regarding Covid-19 impacts in 2020, information published by the National Center for Biotechnology Information 2/25/22 stated that *"Once a national emergency was declared in the U.S., trucking activity increased due to panic buying and an increase in e-commerce sales (ATRI and OOIDAF, 2020)."* They also indicated that the impact of Covid-19 on the trucking industry varied based upon the organization's sector, with some industries experiencing an increase (e.g., grocery stores, medical supplies), and other industries a decline (e.g., hospitality). The article further stated *"...a steep decline in the volume of shipments started March 1, 2020 and ended April 1, 2020."* And that *"Since April 1, 2020, the volume of truck shipments rebounded, reaching a peak on July 1, 2020, albeit below prior peak shipping levels."* The article also observed that *"local trips (less than 100 miles) increased to 18.2% from 7.8% since the start of the pandemic restrictions due to a shift in fleet operations.... to satisfy increased consumer demand locally."*

One key indicator of trucking activity is the tonnage indicator. The American Trucking Association (ATA) – see www.trucking.org, cited that in 2020, domestic tonnage transported by trucks was 10.23 billion tons of freight, and that tonnage was off 4% compared to 2019. In 2021, the ATA reported 10.93 billion tons of freight, which is a 6.8% increase from 2020.

While there's likely no doubt that Covid-19 had the impact of reducing volume for the trucking industry generally, the greatest impacts in 2020 occurred at the onset of national emergency (March and April 2020). The Study focused on 5 days in October 2020. How much of an impact Covid-19 had is anyone's guess.

I agree with Margaret's statement at our meeting that Covid-19 impact is a caveat statement to the Study. The caveat statement in the Key Facts document reads: *"It should be noted that this volume was during Covid, and may be higher in post-Covid times, today"* (Section 6, page 2). The truck numbers in the City are already huge. This information is evident in the Study results.

Performing another expensive study to quantify truck volume again would be a waste of time and money. As there is no guarantee that focusing a study on a future time period would preclude any other negative impacts—or national emergencies of any kind—from affecting truck activity numbers. And for what purpose or gain? None, as far as I can see.

Respectfully,
Donna