Good Morning and thank you for joining us for this year’s Management Conference and Exhibition. I hope you’ve had, and will continue to have a great time in Orlando. I encourage you to participate in the wide variety of industry focused meetings that are being offered and I’m confident you will find them interesting, educational and enjoyable. Your attendance has contributed to one of our most highly attended meetings since 2000 and I thank you for this strong showing of support for ATA and our industry. I particularly want to thank the member companies of ACT1 who so generously and graciously provide the financial support that makes this meeting possible.

Some of you have mentioned that you were a little confused upon arrival in Orlando—as it’s a city that’s full of characters with names like Goofy, Daffy, Dopey, Grumpy, Sleepy, Tweedledee and Tweedledum and you mistakenly thought you’d traveled to Washington. Well, don’t be alarmed. This is Orlando, not DC. Take some comfort in knowing that all the cartoon characters that reside here can’t harm our economy or your business. And unlike Washington’s bunch of characters, the ones in Orlando are actually supposed to act that way.

It’s great to be back in Orlando as I have fond memories of this venue from October of 2002 when I attended the first of what is now my 12th consecutive MC&E. Prior to that I’d attended ATA annual meetings with my mom and dad in the 1960’s when dad was actively involved as the State VP to the ATA from Kansas. But in 2002, while finishing my last few months as Governor, I traveled to Orlando in order to meet many of you—the members I would soon be serving—and to have the opportunity to gain an early appreciation for the great organization I would lead just a few months later. A lot has transpired since then—but I continue to be thankful for the opportunity to serve this great industry and each of you.

In many of my past addresses I’ve taken just a moment to update you on the goings on at the Graves house—most notably to share something personal—something about my family that gives you a glimpse of what else I passionately care about, besides the trucking industry. And each year I’ve given you an update on my daughter Katie. She’s driving now. She got her license about 3 months ago and proceeded to set a world’s record by denting the right rear door panel of a new Ford Fusion Hybrid on the “second” day she had the car. And a week ago Friday, October 11th, Katie celebrated her 18th birthday. As we have on a number of occasions we traveled to New York, along with a couple of her friends, to do 5 things: Enjoy a couple Broadway shows, savor some fabulous meals, shop, shop and shop. I just wanted you to know that I’m doing my part to support the US economy and our great industry, as I literally needed a truck to get everything home.

Last year I walked on stage in Las Vegas to the strains of Eric Clapton’s “Crossroads”, as I felt it thematically captured the essence of where we were as an industry. Trying to assess the pros and
cons of the incredible number of options—the choices facing our industry and the challenge to make prudent decisions about the way forward.

This morning I hope many of you recognized Bob Dylan’s “The Times They Are a Changin’”. And while the song was written almost 50 years ago, in 1964, during some of the most turbulent times in our nation’s history, one verse really sounds current when he sings, “Come Senators, Congressmen please heed the call—don’t stand in the doorway, don’t block up the hall. For he that gets hurt will be he who has stalled. There’s a battle outside and it is ragin’. It’ll soon shake your windows and rattle your walls…for the times they are a changing”.

Change is a constant—something we all deal with in every aspect of our lives. But deciding on whether change is good or bad is like making a determination about beauty. It is truly in the eye of the beholder. So the merits, or lack thereof, of any change are measured by each of us. Change is certainly happening in our political system and in our industry but in the midst of all this change there are also a couple of constants that can guide our industry. Over the next few minutes I’m going to touch on both.

The great comedian Milton Berle once said, “You can lead a man to Congress, but you can’t make him think.” Whether we like it or not, the world you operate in is in large part shaped by the policy and regulatory actions of the President and their administration, by the congress and by state government—which is why it’s so important that we continue to be fully engaged in the political process at all levels. The willingness of many of you to help us last night in support of US Senator Mark Pryor from Arkansas is truly appreciated. Senator Pryor is a great friend to the trucking industry and a perfect example of the type of person we need elected and sent to Washington to deliberate and decide the issues confronting our nation. Following the event for Senator Pryor we had a great TruckPAC event which helped raise the money necessary for ATA to form and maintain the relationships that are critical to our advocacy efforts.

Political change is underway and many of the traditional allegiances the business community has had within the Republican Party are necessarily going to need to be re-evaluated. Just within the past few days the US Chamber of Commerce has announced its intention to look closely at breaking its longstanding tradition of “not” participating in Primary elections in order to assist candidates who are willing to take a more pragmatic and responsible approach to governing and who are willing to give greater consideration to issues of concern to the business community. We are rapidly moving to a time where political labels mean very little, but the integrity and statesman-like qualities of candidates for office, or those already holding office, must be the measure by which we decide our level of support.

Not only has Washington’s recent public policy meltdown on the budget and the debt ceiling exposed the bitter, sharp (actually hateful) division between Republicans and Democrats, what’s most alarming is the collapse of the Republican Party and the emergence of the conservative wing of the party, most often referred to as the Tea Party, and it’s emergence as a very corrosive force. Don’t get me wrong—while it’s appropriate, and there is certainly merit in advocating for reduced government spending, smaller government, reducing our debt, limiting regulations and controlling the reach and intrusive nature of the federal government—insisting on having things their way, without a hint of willingness to compromise and threatening to “burn the house down”
otherwise, is a combination of foolish, ill-advised, reckless and detrimental actions to the future of this country. Compromise must be at the heart of all the federal government does, or we run the risk of continually fighting and re-fighting battles brought about by one political party feeling “run over” and victimized by the other. We are certainly seeing evidence of the Democrats’ handling of the Affordable Care Act in the vitriolic reaction many Republicans are having to it—a reaction that recent elements of the programs roll-out seems to justify.
Just my opinion—but I think the Republican Party is going to spend a considerable amount of time, energy and money wrangling internally over just who they are and who they represent. Until they get it figured out, the Democratic Party will dominate Presidential elections and likely control one, if not both, chambers of the Congress. Why do I conclude that? Simply said, the Tea Party is intent on fielding candidates and challenging any Republican officeholder or candidate not viewed as conservative enough and committed to their agenda. In many instances, the Tea Party candidate will win the Primary election due to an energized and mobilized base of supporters but will be unelectable in the General Election. We’ve already seen evidence of that in races across the country. I’ve personally been in this political Family Feud and in the near term no good will come of it for the Republican Party. If I was your political broker, my advice would be that you should “sell” your Republican shares and “buy” Democrat. The recent performance by Republicans in Washington has provided the Democrats cause for great celebration.

So it is against this delightful political backdrop that I am regularly reminded that ATA’s number one priority, our number one mission, is to effectively advocate on those matters that concern the members of the ATA and impact their businesses. These advocacy battles take place principally in four venues: within the myriad of federal regulatory agencies that have jurisdiction over matters of interest to us; in the United States House and Senate through the many committees of jurisdiction that affect us; at every level of the US judicial system; and from time to time at the state level when our assistance is beneficial to the state or the issue is of such importance that a determination is made that we must get involved.

Given the diversity of our organization, effectively advocating for trucking is no small task. The first challenge is finding some degree of consensus amongst the federation partners on what we’re for and what we’re against. That involves building consensus amongst ATA member companies, our 50 state association partners and their members, the Truckload Carriers Association, the National Tank Truck Carriers Association, the Regional and Distribution Carriers Conference, the Intermodal Motor Carriers Conference, the Agricultural Food and Transporters Conference and the Automobile Carriers Conference. Blend into that our research organization—ATRI, the Technology and Maintenance Council, the Information Technology and Logistics Council, the Safety Management Council, the National Accounting and Finance Council and the Supply Chain Security and Loss Prevention Council. Now, I’m telling you—that’s a lot of diversity to harness and at times it’s a very difficult and frustrating process but you also need to appreciate that every member of the ATA Federation matters—matters to me, and matters to our advocacy team—in large part because of the advocacy strength we have when we are united. When people on Capitol Hill think about trucking, they don’t think about anybody else, they think about the ATA. No one has anywhere near the advocacy influence on trucking related issues on Capitol Hill as this organization and you should feel very proud of that.
That was clearly on display during the recent effort to force FMCSA to subject the sleep apnea issue to a full and open rulemaking process. Members of Congress from both parties, in both Chambers, rose in our defense and sent a very clear message to the agency. And while FMCSA can assert “after the fact” that they intended to proceed through a rule-making all along, many of us sat face to face with key FMCSA officials and were told just the opposite—that only guidance would be forthcoming. We will always strive to resolve our differences by extending the “olive branch”, but we are certainly prepared to fight if that’s what’s necessary. In this case, we were left with no choice. Think about the strength of that effort. The Sleep Apnea bill (Public Law 113-45) was unanimously passed in the House and Senate and signed into law by the President. In the entire Congress this year, only 45 bills were passed and 6 of them either named a post office or awarded somebody a medal. Of all the bills that passed out of congressional committees in 2012 and 2013, only 23% made it to the President’s desk for signature. The Sleep Apnea issue is just one of the many issues confronting the industry that will have a profound impact on what we look like and operate like in the future.

Change will manifest itself in additional efforts by the EPA to improve fuel efficiency and reduce greenhouse gas emissions. In this second round of changes our industry will need to be much more attentive to the cost/benefit analysis of any proposed rule as this next step could be very expensive for our industry.

Change will happen when FMCSA finally gets the long overdue Electronic Logging Device rulemaking finalized. This will be a game-changer as drivers will no longer have the ability to manipulate log books and it will force many of the “bad actors” in our industry to either change their ways or get off the road.

Change is happening as we adapt to the new Hours of Service rules. The jury is still out on the overall hit to industry productivity, but at the end of the day shippers and consumers will feel the impact.

Change will happen as commercial vehicles being powered by Natural Gas take on a greater share of the industry workload. I think this is a tremendously important opportunity for our industry as we look out over the horizon at a fuel that will compete with diesel, is certainly cost competitive and most importantly, is domestically produced.

Change will happen as the implications from CSA are fully felt by fleets (and drivers) and greater safety will ultimately be the result. While the program has certainly morphed itself into something larger than was originally envisioned by the Bush Administration, when fine-tuned and appropriately administered, it will reshape the safety culture of the trucking industry.

Change will occur due to the looming driver shortage. As a result, I believe the industry will need to examine, and likely change, its longstanding compensation model.

Change will happen when the Drug and Alcohol Clearinghouse is fully implemented so that unsafe drivers are no longer able to drift from state to state in order to hide their record.
Change will happen as the commercial driver pool ages and retires. While, in the meantime, the demand for drivers grows. In the future, drivers available to our industry won’t likely fit the profile we’re used to—the 30 to 50 year old white-male.

Change will happen when the shipping community’s ability to match up available truck capacity with economic demand becomes so limited and challenging that some accommodation towards greater truck productivity will logically need to occur. Change will eventually happen in response to the infrastructure needs of this nation and Americans will pay higher prices for everything due to increased fuel taxes or the proliferation of tolls, or both.

On that point, I simply can’t pass up the opportunity to report on some comments that former Secretary of Transportation Ray Lahood made last Wednesday. This is the same Secretary who at one point called the fuel tax a “dinosaur,” and said, “I’m not for it, the administration is not for it and we’re going to think creatively about how we do the things we want to do” and also said, “A fuel tax is off the table…we can ill afford to tell people we’re going to raise the gas tax”.

Well, within the brief period of time that’s passed since he left the Secretary’s office, he’s had some sort of epiphany because last Wednesday he said, “I believe Congress ought to raise the gas tax ten cents a gallon and index it. Congress should bite the bullet, make a hard vote, increase the gas tax and index it. You’d raise a lot of money that way.” Now, I know that a lot of you get tired of hearing me talk about it, but our position in support of a fuel tax increase is absolutely the right position to take—and everyone on Capitol Hill knows it—they all know it. Ray LaHood always knew it, the President knows it, every member of Congress knows it, we’re just fighting the plague of intellectual amnesia that’s overwhelmed Washington on this and so many other issues. I believe it will eventually get done. Tolls aren’t the answer. Raiding an already empty general fund isn’t the answer. Devolving to the states isn’t the answer. We all know the answer—but it will only happen when there’s a change in the political winds on Capitol Hill.

There is an old adage that states that “the more things change-the more they stay the same”. In that context I’m thinking about how capably the professional team at ATA is managing all this industry change. It’s a constant that has served you so well for many years. I think it’s important for you to know how hard the team of professionals at ATA works for you and how successful they’ve been at representing your interests. Given what we know about the challenges of dealing with the federal government—the administration and the Congress—finding a way forward toward policy and regulatory success is not at all easy. In fact, since coming out of the downturn in 2008-2009, your ATA team has operated with fewer resources and a smaller staff but achieved great success in spite of that.

Dave Osiecki’s team keeps finding ways to improve the environment you operate in—in spite of the avalanche of regulatory directives that we are asked to adhere to.

Rob Abbott has skillfully navigated the diverse number of member positions on CSA and worked cooperatively with FMCSA to continue to produce meaningful and positive changes to that program.
Martin Rojas has worked tirelessly toward making the TWIC card a “one background check-one security credential” program, covering a large and enormously diverse group of transportation workers—all the while being the undisputed expert on issues involving the movement of freight across the Canadian or Mexican Border.

Glen Kedzie has carefully navigated the controversies surrounding the renewable fuel standard—positioning ATA as a voice of reason in the midst of demands for total repeal and those who would blindly forge full speed ahead. This comes on the heels of his great work—some of which was skillfully done behind the scenes—to help make the first ever large truck fuel efficiency standards practical, cost effective and focused on existing SmartWay technologies.

Bob Costello is one of the most highly regarded economists in this country and his insightful and understandable presentations on the economic data that underlies our industry is of tremendous value to us, but also provides him with speaking opportunities throughout the country to tell the industry and ATA story. Yesterday’s “All Eyes on the Economy” session with Stuart Varney was ample evidence of the high regard in which Bob is held by his peers.

Darrin Roth’s quiet leadership on critical highway funding issues was instrumental in the federation’s success on anti-tolling campaigns in Virginia and North Carolina, and played a key role in helping create our industry’s first ever National Anti-Tolling Campaign.

Bob Pitcher just stays steady in his quiet, effective leadership along with our state association partners to fight unfair state taxes, fees and programs that directly affect the bottom line of every ATA and State Association member.

Prasad Sharma successfully managed the effort in the United States Supreme Court that reaffirms the rights of interstate commerce to flow unimpeded by local governments and also continues to effectively advance the rights of independent contractors.

Mary Phillips and the Capitol Hill lobby team—Joe Hart, Britton Clarke, Jackie Kelly, Cathy Evans and Caroline Decker—seem to have the ability to be two, sometimes three places at once. Hardly a morning, noon or night goes by when Congress is in session that they aren’t spread throughout the city attending the myriad of political events that are required attendance by any organization that advances as aggressive a legislative agenda as the ATA. The effectiveness of their work has grown significantly due to the support of our state partners, and many of you, through our Call on Washington program. Elisabeth Barna and John Lynch have combined to make each of the now 40 states that are visiting Washington into a critical element of our advocacy effort. Nothing has a more effective impact on a member of Congress than when real constituents, who employ other people and do business in their state or district, come in and tell them face-to-face what their legislative priorities are. And I need to mention that Elisabeth does double duty as the Master and Commander of our great America’s Road Team—transportation professionals who serve us so well as industry ambassadors. And John has had a leading role in all the Anti-Tolling efforts that I previously mentioned.
And as was evidenced by this morning’s release of the highly anticipated survey of “Critical Issues in The Trucking Industry-2013”, Rebecca Brewster and the great team at ATRI continue to generate the research and data that supports our regulatory and policy advocacy efforts. For those of you who haven’t seen the Critical Issues report, go see Rebecca to get a copy and leave a donation to support ATRI while you’re at it.

While this great professional team is one constant you can count on in the midst of change—the other is of even greater importance. And that’s the essentiality of our industry. Don’t ever underestimate how important we are to the economic strength of this nation and to the quality of life that Americans have come to enjoy and expect. We are an integral part of this country’s greatness and an industry of hard work and proud history.

Trucking is a core building block in the economic foundation of America. We stand along with working men and women, the entrepreneurs who are willing to put capital at risk, with plants and equipment, energy, water, chemicals—all the fundamental elements that make up the economy. Trucking is as important as any aspect of the economy because it serves at the economic circulatory system—the link between all the other critical elements. And while all those elements are important, without trucking’s ability to join them together in one place, business as we know it would simply not happen.

But some might think our essentiality is being challenged and have concerns about our competition and the threat that, “Freight Rail Works”. I know that campaign bothers a lot of you and it bothers me too. But ask yourself this, if it works so well—IF IT WORKS SO WELL—why does it require a $100 million dollar ad campaign to tell everyone that it works? And if it works so well, why is rail carload tonnage less than 14% of this nation’s total tonnage and on its way down to 12.5%? And if it’s working so well, why do trucks collect $642 billion of freight revenue and the railroads collect $72 billion? How well will it work when the required average length of freight movement drops significantly from where it is today, as the population grows and consumer demand and supply chain expectations change—and insist on quicker delivery times. Trucking is sitting right in the middle of this nation’s economic sweet spot. More people wanting more stuff and wanting it more quickly all the time…

I will admit that the trucking industry spends very little on a “Freight Truck Works” ad campaign (but under the leadership of Chairman Card and with the assistance of a lot of you that will begin to change). But don’t ever forget that the US economy votes each year by putting 70% of all tonnage on trucks and pays us 80% of all US freight revenue.

Just about any of you have heard me speak know that I always conclude my remarks by saying how bullish I am about the trucking industry and how I think the country is moving more and more toward truck as the freight provider of choice. If people vote with their feet, then it must follow that freight prefers being moved by truck—since a preponderance of freight has historically moved by that mode.

Let me tell you something, this industry’s biggest obstacle to success is not the railroads; it’s not the political environment or the policy and regulatory environment in Washington DC or state capitols. It’s not high diesel fuel prices or an anticipated shortage of drivers. The biggest
challenge we face will come from the incredible diversity of our industry and the easily fragmented constituency that we are. There’s an old saying about “hanging together or hanging alone”. The ATA record of success in successfully advancing your agenda and protecting your interest is one I’m very proud of.

My challenge, and the challenge to the professional team at ATA, is blending together all the power and energy that this diverse group of truckers has in such a way that we can continue to effectuate change that is good for the industry and good for America.

Change is inevitable and those who foresee it, plan for it and use it to their advantage will be the winners. ATA will always be there to see to it that the changes affecting this industry will be good for all of you and create a brighter tomorrow.

Before closing I’d like to remind everyone about the exciting ATA Executive Summit that will be held at the beautiful Four Seasons Resort-Los Colinas in Dallas, Texas, December 4th through 6th. Bringing together many leading technology experts who will tell you how data analysis and utilization will change the landscape for fleets in terms of your drivers, your vehicles and your overall operations. Transportation leaders are saving time and money by streamlining their operations using integrated technologies that are leading to safer, more productive and more efficient operations. This is a follow-up to last year’s very successful Natural Gas Summit and you won’t want to miss it.

Thanks again for listening this morning-I hope you have a great day.