ATA President and CEO Bill Graves’ State of the Society speech – October 6, 2014 -

Thank you Phil—“Mr. Chairman”—for that kind introduction and for your wonderful year of service as Chairman of ATA and for what that service has meant to the trucking industry. You know, I’ve had the great pleasure of working for a group of wonderful Chairmen during my 12 years at ATA, Vern Garner, Fred Burns, Steve Williams, Pat Quinn, Mac McCormick, Ray Kuntz, Shorty Whittington, Tommy Hodges, Barbara Windsor, Dan England and Mike Card. Every one of those individuals made a great contribution of time, energy and financial commitment during the time they served as Chairman of this great organization—AND—in the years preceding and following that service. Very soon, Phil Byrd will join that exclusive club of past Chairmen—entering into that special fraternity knowing he did all that was asked of him and so much more—accompanied almost every step of the way by Linda—serving with distinction and integrity. Taking on this enormous task one year ago while bearing the burden of the recent loss of their son, Phil Jr., would have been asking too much of most individuals—but sustained by their abiding faith in God, Linda and Phil carried on, and on, and on, and our association and our industry is in a better place today because of their service over this past year. Won’t you please join me in a showing our sincere thanks for all that Phil and Linda have done.

And while speaking about great Past Chairmen, I want to read a very short letter I received a few weeks ago from Jim McCormick, our ATA Chairman in 1970-71. It reads, “Good Morning Governor Bill, after much thought and consideration, Marilyn and I have decided to forego attending this year’s MC&E. This was not an easy decision to make, particularly since I have attended 56 consecutive ATA/MC&E conventions. My first one was in Chicago at the Conrad Hilton in 1957. Lots of changes since 1957. Our ATA slogan back then was, “If You’ve Got It, A Truck Brought It”. I’m still in good health and San Diego is one of my favorite cities. I will miss the meetings, activities and in particular, your “State of the Industry” report. Have a great meeting and I will be thinking of “you all” out there in beautiful San Diego. Most Sincerely, Jim”.

I hope those of you who know Jim will let him know that we talked about him, that we truly missed his presence and greatly appreciate the type of commitment to the industry that he’s shown over many years—the type of commitment that we see from so many of you who love this industry.

I also want to thank Phil—and my soon to be “new boss”—Duane Long, and all our industry leadership for their guidance and support in allowing me to continue leading ATA for the next two years. Mrs. Graves is particularly appreciative that I’m maintaining gainful employment, as she definitely doesn’t want me to spend too much time at home. And Katie Graves, now a freshman at High Point University in High Point, North Carolina appreciates it. Katie has never discussed her major area of study with me (or her mother for that matter) but I believe it has something to do with the use of technology to facilitate/to expedite financial transactions, because she tests her work periodically by having me transfer money from my account to her account. It really makes me feel good as a dad to know that I can support her academic work in that way.
But I sincerely want you to know that I’m very appreciative and blessed with the opportunity to continue serving the industry of my family, an industry I love. I am very committed to working for each of you, to the best of my ability. So, thank you for your continued confidence.

This is not the first time I’ve been here—not the first time I’ve delivered a speech to a large crowd in this convention center. Now this will come as a surprise to some of you, but the last time I spoke here I gave a televised address that was viewed by millions of people and reported on around the world. So if you’ll turn your attention to the monitors we’ll take a quick look back to 1996:

Well, you have to give me credit for being short and to the point—but the outcome was certainly not as I had hoped or predicted. I’ll try to do better today.

So much has happened to our industry and at ATA since we last gathered in Orlando. I’m always appreciative of this opportunity to update you on the state of the ATA and provide some thoughts on the state of the industry. I’ll summarize now and tell you the ATA is strong—and I’m going to spend some time explaining how we’ll soon be even stronger. Perhaps of greatest importance, the relationship with our state federation partners is as good as I’ve ever know it to be. Each of the state association executives has made significant contributions to our strengthened relationship and our advocacy success, and I thank them for that. The state of the industry is certainly better than when we last met, and the possibility for continued improvement outweighs the risk of slipping backwards—although the crystal ball is murky given the current confluence of three key challenging factors: 1) The lack of infrastructure investment. 2) Where to get driver’s and 3) the uncertainty around the cost versus benefit of government regulations.

So let me expand a bit on both the state of ATA and the industry.

The most significant change in our organization was the internal restructuring early this year that allowed me the opportunity to elevate Dave Osiecki to Executive Vice President with leadership responsibility for all our advocacy efforts—whether it is legislative issues before Congress, regulatory issues within the administration or legal challenges in the courts. Placing command and control with Dave of “how” and “why” ATA formulates its policy, regulatory and legal positions, and then determining what resources need to be utilized—getting very serious and focused on producing the results you expect from us—is at the heart of why this change was made. And as you’ve heard over the past several months, (and will hear a lot more throughout this meeting) Dave and his team (with the great addition Chris Spear) have been doing an outstanding job advancing our agenda in the midst of a challenging Congressional environment, an often times unsupportive administration and an unpredictable court system. And we’re not done yet. We’re going to listen to the concerns and ideas you express throughout this meeting and use that information to plan our future advocacy efforts. We’re going to assess the outcome of the mid-term elections and determine what resources would most ably assist us in our advocacy efforts going forward—being fully committed to strengthening our already capable policy, regulatory and legal team. And finally, we’re going to be asking for approval to create a Policy Prioritization oversight group—giving our advocacy team a “tool”—a resource that will allow us to more accurately gauge which issues to pursue, more quickly assess the strategic direction we should take on an issue, help us dial in the
appropriate level of intensity of our advocacy effort and make sure we’re deploying the necessary resources to get the job done. A process that allows us to be more accountable, transparent and results oriented.

The second piece of the restructuring was the addition of Jeff Mason as Executive Vice President for Communications and Image. Jeff is familiar to many of you by virtue of his time spent with Randall Reilly—and I want to thank Mike Reilly and let him know how much I appreciate him getting Jeff trained and ready for this challenging task and making him available to us. It’s a little like when you find a really good driver who someone else trained.

It’s been apparent to me for some time that we were failing to fully coordinate our communication efforts and simply not providing the advocacy team the support they needed to be successful. We also had both external and internal communications opportunities available to us that we simply didn’t pursue because of that old, “that’s just not how we do things” mentality. Well that outdated and siloed approach is now gone and we’re committed to building every aspect of ATA communications into a supportive element of the advocacy effort. Coupled with the initial success of the Trucking Moves America Forward campaign, we intend to more clearly communicate the essentiality of our industry and why the advocacy steps we’re taking are critical to our mission of safely moving America’s freight.

And the final piece of our three legged leadership stool is Karla Hulett, who was promoted to Executive Vice President with responsibility for Finance and Operations. Karla was a valuable member of my leadership team in Kansas where she served as my Secretary of Revenue. And just as her job in Kansas was to collect revenue to fund state operations, her job at ATA is to generate and collect the revenue we need to run successful advocacy and communications efforts. I have tremendous confidence she’ll do just that, with a continued emphasis on generating non-traditional, non-dues revenues. And on that note, we understand that in order to fully partner with the allied supplier community we’re going to need to provide them with greater value, greater access and exposure to our fleet members in exchange for the substantial financial support we are, and will be, asking from them.

Surrounding us as I stand here is a good example of that concept. Why have large crowds of people attend our meetings and sit in sterile meeting rooms with a stage surrounded by 3 walls? Why not showcase the equipment and services that make this industry go? Gathering this many fleet representatives together without making the effort to reciprocate, in some manner, the generous financial contribution all these allied suppliers have made (which flows directly to the bottom line that supports the advocacy efforts that is at the heart of why ATA exists) was an opportunity wasted—not to mention a failure to visually emphasize all that’s great in our industry, all that’s great in the supplier communities commitment to technology advancements, safety, durability, dependability, operational efficiencies and performance. Beginning with our ACT1 flagship sponsors and extending to the first time attending and displaying product or service companies—thank you for making this San Diego meeting such a wonderful financial and visual success.

Now let me circle back to our restructuring and the rest of the story. The basic framework for the restructuring was internally developed late last year, but we’ve also had guidance and advice from many of you. Our ATA Treasurer, Doug Stotlar from ConWay Freight chaired a
working group late last year and early into this year that really dug into the way ATA was governed and functioned with a goal of improving our efficiency and responsiveness. Doug was so committed to the effort that he donated the time and talents of his internal ConWay strategic planning group to help guide the initial efforts. That group recommended that we undergo a thorough Strategic Planning effort with an emphasis on what our members were expecting from us and what changes it would take to meet those expectations. Once committed to going forward, the oversight was handed off to a group chaired by Mike Card which continues to meet and will be meeting here in San Diego. Much of our effort going forward has been informed by the in-depth research done by Charlie Quatt and Brian Vogel. They personally interviewed a number of ATA members (both large and small carriers), several state association executives, some individuals who previously were members of ATA—but are not now, and a couple individuals who never have been members. They also interviewed many of the ATA senior staff. The conclusion that Charlie and Brian reached was not surprising, but was none the less informative. Every member of ATA has different reasons for belonging to ATA and places a varying degree of importance on the myriad of things we do. But everyone believes we’ve got to place a greater emphasis on winning advocacy battles, be more focused and strategic in which battles we fight and keep hammering on initiatives that make our industry safer.

To that end, we’ve developed a new vision and mission statement, revisited and revised the values that the professional staff will adhere to in serving you and have committed to five broad organizational objectives. It’s a very understandable and functional road map for what ATA should aspire to be and how to get there. Most importantly it will serve as the blue print for how we become even better in utilizing the precious dollars and staff resources we have at our disposal to effectively advocate on your behalf. It’s guided by the vision of being the recognized leader in transportation advocacy representing the safest, most responsible and financially successful motor carriers.

And I certainly agree with the elevated emphasis on Safety. It’s the right thing to do and our failure to do so will leave us continually playing defense on every other policy and regulatory issue that confronts the industry. Everything we do, or try to do, on Capitol Hill somehow or another revolves around the issue of safety. We’ve recognized that, we’ve acknowledged that and now we’re going to embrace that fact in our planning efforts. Operationally you know that every accident you don’t have makes your company better and is one less tragic phone call you don’t have to take. Every accident avoided allows you to serve your customers better. Every trouble free mile leaves your drivers and their families more comfortable working for you. Getting freight to its destination without incident leads to financial success and bad public relations avoided. This is not just a recommitment to safety, but an elevated game plan designed to make the entire trucking industry safer. Now I don’t want anyone leaving here thinking I just said we’re planning to be in favor of every safety idea that raises its head—that’s not what this is about. What we’re going to do is embrace safety in a more holistic way. We want to be better in our assessment of which safety related initiatives truly work and how our industry and the motoring public will benefit from them. We want to drive the message of our safety efforts and certainly our success in a more effective manner to a broader audience. We want to elevate our partnership with our allied suppliers who are leading the way with new
products and services. We will do a better job of educating public officials and key staff on our issues. We will be willing to work with any other organization that is truly committed to finding solutions to greater highway safety and not just demagoging the trucking industry. And as our reputation as a safety first organization—representing the interest of safety first companies—becomes more widely known and accepted I believe you’ll see the desired broader advocacy successes that this is designed to achieve.

Neil Newhouse’s polling tells us some very interesting data on how the industry is perceived and where we can do a better job going forward. I think the public has a fairly well informed view of our industry and we’re clearly perceived by the drivers we share the road with as operating more safely than we normally think—they think—we are. That provides a great starting point for our communications strategy and how we might link all the ATA resources together in our advocacy efforts.

In our Hours of Service battle you’ve certainly gotten a sense of how that may work—how we plan to effectively advocate on your behalf. It was a complete collaborative effort with individual ATA members, state associations, ATRI, collaboration partners, communications—all working together to make our case. And while it’s been a tremendous frustration that Congress failed to act on the Appropriations bill that had our corrective language in it, we are very well positioned for the relief we seek whenever Congress gets back to doing business. It certainly didn’t hurt that we were right on the issue. And as we go forward with similar safety related issues we have to begin with taking the responsible—the right—position on the issue. We can’t just argue for having our way simply for the sake of having our way. We have to be right on the issue. And in the case of hours of service, we surely were right. Members of Congress understood our concern that any system of required rest that could potentially put drivers back on the road during peak morning traffic was not a good idea. No one ever argued that providing adequate rest wasn’t a priority. What we argued was that the added requirement of two consecutive 1-5 rest periods and the limitation on the use of the re-start was not only negatively affecting safety, but was seriously impacting productivity as well. As you’ve seen in a number of instances, government policies and regulations that attempt to paint the trucking industry with one broad brush have often times failed to fully appreciate the diversity and enormity of the industry. Again, the type of well-intended—but misguided outcome that we hope to minimize in our efforts going forward. I hope you liked what you saw in the Hours of Service effort, as it provides a great template for our future efforts.

I was particularly taken with the polling results on infrastructure—how to get a fully funded long-term program approved that repairs and expands our network of roads and bridges. I tend to have a great interest in this issue because as a former Governor, I truly understand how important it is to the states to have a federal program that is long term and fully funded. Just below the banner of safety, this is the issue I view as our top priority. It’s high on the list because it affects each and every one of us both personally and professionally. It gets to the very heart of how America is positioned (or not) to be competitive with the rest of the world. It gives us the opportunity to put actions ahead of words in our commitment to put people to work to build a brighter economic future for America. The current situation impacts every fleet every day by delaying the efficient use of ever more expensive tractors, it eats into the limited productive time of our drivers and it contributes to a transportation network that is less safe
than it otherwise would be. Everybody knows what we need to do, everybody knows how important it is to this country, but everyone wants someone else to pay for it. It’s really not surprising that Congress is so scattered across the board in their thinking on how to pay for it—it turns out that’s simply a reflection of how their constituents feel about the issue. Don’t tax you, don’t tax me, tax the man behind the tree. Well, infrastructure is not free and it’s not cheap and it’s not going to be repaired, be built and be expanded by osmosis. That’s why it’s so critical that our national leaders start leading on the issue and stop politically pandering and posturing—posturing that is having the very negative and unintended consequence of fooling Americans into believing that there really are “pennies from heaven”. If you’re a public official and you keep telling folks that they can have something for nothing—even they’ll probably start believing you and even if it’s not true, then the politician who’s been saying it will have to stick to that policy position irrespective of how foolish it might be. The most damaging element of that type of approach is those members of Congress who have been suggesting that “devolving” the program to the states is the answer. Devolution is simply code for “passing the buck” or in this case “passing the responsibility for raising a buck” to someone else. Anyone who thinks there’s a difference in the dollar you pay in taxes to your state government versus the dollar you pay to the federal government is going to be terribly disappointed when I tell them that federal infrastructure investment is not an optional choice. And as an industry that is engaged in interstate commerce, we simply should not support an approach that will create a divergent level of support from each of the 50 states, based in large part on the priorities of whomever happens to be Governor at the time, what the inclination of the legislature might be and the competing state interests that have been financially feeding at the state funding trough for more than 50 years before our arrival on the scene.

I was terribly disappointed when I read a copy of the speech that President Obama delivered at Northwestern University last Thursday. He’s once again saying the right thing about what the Federal government’s role should be in providing desperately needed investment in roads and bridges—but he’s once again offering a totally impractical funding solution—suggesting that tax reform should/will generate the money to pay for it. For the life of me I can’t figure out why is it so hard to appreciate the beauty—the simplicity of a user pay approach to building our infrastructure? It brings to mind the age old question, “what part of success don’t you like?” How can a federal government whose fiscal house is in such disrepair and will very shortly be trillions of dollars in debt when faced with exponentially rising obligations for Medicare, Medicaid and Social Security—why would they want to divert what would otherwise be general fund revenues (if they ever did get tax reform done—and I’m not one who is confident that’s going to happen anytime soon) why would they want to divert that revenue to pay for something that Americans have become accustomed to paying for as users of the system. And shame on us—shame on anyone who is dependent upon our roads and bridges for their livelihood if we fall for that approach—as it simply places us in the untenable position of competing for years and years to come with the myriad of really expensive government programs who are already lined up—that in hand—for much needed funding from the oversubscribed US Treasury. The President needs to show us he’s really interested in solving this problem and not just slow walking it through to the end of his administration—leaving it for someone else to deal with.
His continued lack of interest in really “getting something done” is further dampened by recent comments attributable to Transportation Secretary Foxx suggesting that the Highway Trust Fund should somehow be revamped to allow for non-highway modes of transportation to have greater access to funding than they already do (what we affectionately refer to as diversion)—and in some cases allow additional transportation modes to receive funding that they’ve never before received—all the while not providing any specific detail as to how that might work, why it’s necessary, and where the additional funds would come from.

As Neil alluded to, in less than 30 days we’re going to wake up and have a pretty clear idea of who holds majorities in both the US Senate and the US House. Just about the only thing that could get in the way of our knowing is if the Louisiana Senate race requires a run-off election and the balance of power hinges on that one seat. It’s certainly possible that races that seem to be titling in one party or another’s favor today can experience a reversal of political fortunes in a heartbeat. There’s simply no way of knowing which candidate might make the campaign ending comment or unforced error or whether there will be a last minute negative revelation or media onslaught that influences voters thinking when they enter the voting booth.

But I will submit to you that even if we wake up the morning after the election and find a majority of Republicans in the Senate, not a lot will immediately change for our industry. Oh yes, Republicans will chair the committees and control the agenda—and that’s a huge (and positive) change from where we’ve been. I would be very pleased to see Senator Blunt chairing the Commerce sub-committee on Surface Transportation. Policy votes that have been bottled up in the Senate would be put forward—but it’s still the same Senate that for the most part takes 60 votes to get anything done. And it’s still the same core group of very diverse Republican Senators that will require some sort of compromise and consensus to reach agreement on the particulars of the agenda they want to put forward. And while having the honor of playing offense in the creation of public policy is a wonderful thing, developing and agreeing on the game plan, actually getting it voted upon in one chamber—reaching agreement with the other chamber and in the ultimate “hail Mary”, getting this President to sign Republican developed and supported legislation is a very, very, very long shot.

So my point is this: what challenges our industry is not the Congress. What challenges our industry (for at least the next two years) is the power of the President and his administration to mis-regulate our industry. Regulations, per se, are not bad; in fact there are a number of things we think the government should do to make the trucking industry safer and more profitable. But much more so than the Congressional policy arena, the action for the next two years is clearly in this administration’s regulatory agencies.

In less than 30 days we’re going to know a lot more about the political makeup in Congress, but we’re positioning ATA to be an effective advocate for trucking irrespective of what happens in this election and irrespective of where our advocacy efforts are needed. And that re-positioning has already begun with our organizational restructuring and will continue to evolve with our strategic planning process. Irrespective of the political environment we are confronted with, I promise you we will be taking the fight forward on your behalf—committed to a safer and more profitable industry—committed to producing results for you.
Thank you again for the honor to serve you and thanks for listening—have a great rest of your morning and time in San Diego.