

History of Trucking - Richard Mikes

The trucking industry started in the early thirties and its business model was built on regulations. Many customers were afraid that the rail was going out of business in those days which helped trucking to get started. The number of companies was limited by Interstate Commerce Commissions who also regulated the rates. A company was given a geographic area license with definite limits on what products that could be hauled. The only products that were not regulated were raw agriculture products. Not until 1980 did regulations become less stringent, anyone could now enter and any road was authorized. However, this almost tore the trucking industry apart since there were many older truckers who were opposed to abandoning the old regulations. Number of companies skyrocketed. A dominant union workforce with wages ranging in the \$30 - \$40,000 was faced with a new workforce making \$20- \$25,000, which drove costs down. High wage teamster jobs disappeared. Union carriers were no longer competitive. The 80s led to more price /service options but also to a sharp decrease in profits for truckers. The 2000's are the age of technology and the best of times. On-board communication systems and tracking devices have led to a reduction in overall cost by decreasing the out of route miles, detention times and also by increasing the driver to dispatcher ratio as well as safety improvements. Asset management and operations management have also led to cost reductions in the business. The driver shortage/turnover issue could be solved through technology — "your office in the cab" The trucking of the future will probably take place over the internet.