

Via email: bill.morneau@canada.ca

October 24, 2016

Honourable Bill Morneau
Minister of Finance
90 Elgin Street
Ottawa, ON K1A 0G5

Dear Minister,

Re: Truck Driver Jobs in Canada

Several media outlets report that on October 22nd at an event in Niagara Falls you said that certain occupations – most notably for us truck driving – will disappear in the future. There is no official record of your remarks and I therefore do not have benefit of your precise wording or the context. I do appreciate that you were no doubt trying to reassure people whose jobs may be disrupted by technology or other things that the government is looking at ways to support them. Nonetheless, I and my members are concerned about the impact your comments could have on the morale of current truck drivers and on the industry's ability – at a time when it is facing a chronic, long-term driver shortage -- to attract and retain new truck drivers. As such, it is important that I provide you with information so you are fully informed next time the issue arises.

Several new, innovative new truck technologies are being piloted throughout the world. While these technologies take several forms, much attention is being focused – and I assume this is the basis of your comments – on what is variously referred to as self-driving, driver-less or autonomous trucks. Self-driving technology for heavy trucks, like cars, is here and there are potential benefits in terms of safety and fuel efficiency from their on-road application. But, there is much work still to be done from a regulatory and operational perspective before they are in service. Moreover, to characterize these vehicles as “autonomous” or “driver-less” for the way they are most likely to be used, is wrong.



The prime application for public on-road use of this technology is called truck “platooning,” which refers to a group of trucks, communicating with each other, travelling in convoy and in sync, a short distance apart. Trucks operating in platoon will do so in self-drive mode while on-highway (where infrastructure permits), but not on secondary roads or city streets. A driver or pilot shall always be on-board. While the truck is platooning, the driver will be freed up to conduct other tasks, but once off the highway, the driver will need to

take the wheel again to drive the truck to its ultimate destination, negotiate the shipping docks and assist in the loading/unloading of the freight. Driving has always only been a part of what truck drivers do.

So, while the job of the over-the-road truck driver may evolve somewhat, it will not be eliminated or disappear. (Autonomous operation likely makes more sense in off-road/private property application in the mining and forestry sectors, for example). We do not see the introduction of these trucks as a solution to the driver shortage.

A study conducted for CTA and released earlier this year, forecasts a shortage of up to 48,000 truck drivers in Canada by 2024 and the gap between supply and demand for drivers is escalating more rapidly than industry analysts previously thought.

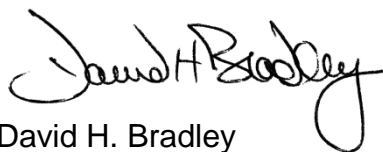
There are over 283,000 truck drivers in Canada with nearly 170,000 employed in the for-hire sector alone. The industry is at the precipice of what the study calls a “demographic cliff.” The average age of the drivers continues to increase and is doing so more rapidly than the Canadian labour force in general. The study estimates the average truck driver age is expected to eclipse 49 years old by 2024 – up from 47.1 years in 2014 and 44.1 years in 2006. There are large numbers of drivers in their 50s and 60s – and about 17,000 drivers between 60 and 65 years of age. Furthermore, the share of young drivers in the occupation has been decreasing over time. Between 2006 and 2011, drivers between 25 to 34 years-old dropped from 18% to below 15%, while the share of drivers in the 55 to 64-year-old cohort (most of whom will retire over the next decade) increased from 17% to 22%.

Immigrants, make up about 20% (57,000 drivers) of the truck driver population. However, this percentage is smaller than for the Canadian workforce. Non-permanent residents make up a very small share of the driver population, at 0.5%, compared to the general workforce at 1.1%. However, given the misclassification of the truck driving occupation under the National Occupational Classification (level C, unskilled) it is almost impossible for foreign truck drivers to immigrate to Canada.

The shortage of truck drivers has significant economic implications for Canada. Trucking is Canada’s predominant mode of freight transportation, moving 90% of all consumer products and foodstuffs and more than two-thirds (by value) of Canada’s trade with the United States. The industry is one of the best leading indicators of economic activity there is. The for-hire trucking industry’s contribution to the country’s GDP (\$19 billion) is more than all the other modes – marine, rail and air – combined and is expected to growth by a compound rate of 2.2% per year to 2024.

In closing, rather than disappearing, the number of truck driving jobs to fill in Canada is going to continue to increase. The industry’s number one priority is seeking to employ more drivers in the future, not less. And, certainly not eliminating the occupation. Trucking can help in the pursuit of job creation. In the future, please do not hesitate to contact us when issues involving the trucking industry arise.

Sincerely,

A handwritten signature in black ink that reads "David H. Bradley". The signature is written in a cursive, flowing style.

David H. Bradley
President and Chief Executive Officer