



# **BUILDING BACK BETTER IN COMMERCIAL ROAD TRANSPORT: MARKETS REQUIRE “SAFE RATES” REGULATION**

Roundtable on Truck Driver Retention and Supply Chain  
US Department of Transportation / US Department of Labor

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Prof. Michael H. Belzer  
Wayne State University  
Detroit, Michigan USA

# Introduction

Michael Belzer

Professor of Economics at Wayne State University

- Former Teamster tank truck driver with ten years and more than three quarters of a million miles of experience before and after deregulation
- I have been studying this specific issue for 25 years
- **My experience and research show that recruitment, retention, and safety problems are economic, not technical**



# TRUCK DRIVER RECRUITING & RETENTION

- Truck driving was a good job before deregulation
- Truck driving became a bad job quickly
  - Earnings and benefits declined nearly 50%
  - Subcontracting turned employees into dependent contractors, stuck in undefined territory
  - Lease-purchase contracts now turn truckers into sharecroppers
- Low employee wages and low contractor revenue undermine freight rates
- **Low freight rates undermine the labor market**



# LONG HOURS FOR LOW PAY

- Half of all truck drivers work more than 60 hours/week
- 20% work more than 4,000 hours per year
- **Most truck drivers earn little or nothing for non-driving labor**
- **Non-driving labor is 25% of their work time**
- **Long hours and low pay lead drivers to quit**
- Why?



# TIME IS MONEY

- Basic labor economics: Workers will trade labor for leisure as their earnings increase
- **Decently paid truck drivers naturally reduce their hours to the legal limit**
- **Truck driving must become a good job again**



# INSTITUTIONAL PROBLEM: CONFLICTING DEFINITIONS OF WORK

- **For LABOR DEPT, all work time is payable**
  - LABOR defines work as service to an employer
  - Workers expect their employer to pay for all work
  - This regulation governs the labor market
- **TRANSPORTATION DEPT allows employers to declare drivers off duty while keeping them on the job**
  - Off duty drivers do not get paid
- **GOVERNMENT CAN FIX THIS**



# PROBLEM AND SOLUTION

- **Problem:**

- Historical gap between DEPT OF LABOR and DOT
- Unionization before 1980 patched over the problem
- Truck drivers fell through the gap after 1980
- The problem spans both Departments

- **Solution:**

- Neither LABOR nor DOT DEPTS can it alone
- LABOR and DOT DEPTS must bridge the gap together
- Through interagency cooperation, the DEPARTMENT OF LABOR and DEPARTMENT OF TRANSPORTATION can rebuild the truck driver labor market



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# SUPPLEMENTAL RESOURCES

## Regulations

- Fair Labor Standards Act (FLSA)
  - <https://www.employmentlawhandbook.com/flsa/fair-labor-standards-act-time-suffered-or-permitted-to-work/>
  - <https://www.law.cornell.edu/cfr/text/29/chapter-V>
  - <https://www.law.cornell.edu/cfr/text/29/part-785/subpart-C>
- Federal Motor Carrier Safety Administration Regulations on Hours of Service for Drivers: <https://www.ecfr.gov/cgi-bin/retrieveECFR?gp=1&ty=HTML&h=L&mc=true&=PART&n=pt49.5.395> and Guidance: <https://www.fmcsa.dot.gov/regulations/title49/part/395>

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The economic approach to safety and health points the way to policy solutions.

**Safe rates will save lives, allocate resources efficiently, and grow the economy**

Professor Michael H. Belzer  
Michael.H.Belzer@wayne.edu  
[go.wayne.edu/michael-belzer](http://go.wayne.edu/michael-belzer)

LinkedIn: <https://www.linkedin.com/in/soundscience>

