



**Testimony Before the House Interim Committee on Natural Resources
Respectfully Submitted by Jana Jarvis on behalf of the
Oregon Trucking Associations
May 28, 2020**

Chair Witt, Members of the Committee, thank you for the opportunity to address you. I am Jana Jarvis, President & CEO of the Oregon Trucking Associations.

Oregon's economy is dependent on the natural resource industry, and the natural resource industry is dependent on trucking companies that haul the raw materials and finished goods our state provides.

As this pandemic spread across the world and quarantine measures began, trucking was quickly defined an essential industry, providing a lifeline to hospitals, grocery stores and manufacturing facilities.

Trucking companies that hauled logs, consumer products and food were busy the first two or three weeks of Oregon's Stay at Home orders. We worked with ODOT and the Federal Motor Carrier Safety Administration (FMCSA) to lift Hours of Service regulations, keep the state's rest areas open, allow waivers for expiring licenses of both personnel and equipment, allow flexibility around federal drug and alcohol testing, and numerous other federal and state regulations that would have hampered our ability to keep trucks on the road. We struggled to find PPE for our drivers.

In Week 2 of the Stay at Home orders, freight volume began to drop. April's 16% reduction of retail sales and the 14% reduction in factory output forced carriers to begin parking trucks and laying off drivers. Year to date, freight has fallen 7% over 2019, making this the worst freight volume year since the Great Recession. First

quarter freight was down 4.8%, but by April it had fallen to a 30% reduction in volume. E-commerce has been the one bright spot with online sales increasing over 21% during this period of time. Freight volumes are not the only consideration in understanding the trucking industry however. In light of such a reduction of freight volumes, freight rates have been falling precipitously to the point that many loads are not profitable.

Reduced traffic congestion has been a side benefit of this crisis. With passenger vehicle miles traveled (VMT) down 46% over the first few weeks of the Stay at Home orders, truck VMT has only experienced a 13% reduction. As more people worked from home, the flow of traffic has increased some 20 to 30% depending on the time of day in the Portland metro region, allowing freight to move quicker and more predictably.

You have heard from the seafood industry – but the closure of restaurants has a freight story as well. With 68% of seafood destined for restaurants, moving this product to wholesale and retail markets has required different logistics providers and greatly reduced the freight demand for this market. The timber industry has been impacted as well by the closure of much of the construction industry across the nation. Log truck volume is down 20 to 30% with driver furloughs and layoffs. On a national basis, trucking across commodities is down 30% with the expectation that it will take until the third quarter of 2021 to recover to pre-COVID-19 levels. National unemployment statistics show that 30 million people have lost their jobs as a result of this crisis, a rate of 14.7% and the worst unemployment numbers since the Great Depression. Out of that, 88,000 trucking jobs have been lost over the past ten weeks.

Trucking is an industry that has consistently showed up during every crisis. From floods to fires, it is a truck that brings essential commodities to help recovery efforts. This health crisis is no different and the trucking industry has once again proven that it is the lifeblood of Oregon's economy. We need to focus on getting the economy moving for our survival.