

FALL 2018

ROLLING ALONG

NORTH DAKOTA MOTOR CARRIERS ASSOCIATION PUBLICATION



The Driver Shortage

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Truckers Against Trafficking

Page 16

Limit Risks and Keep Success Flowing

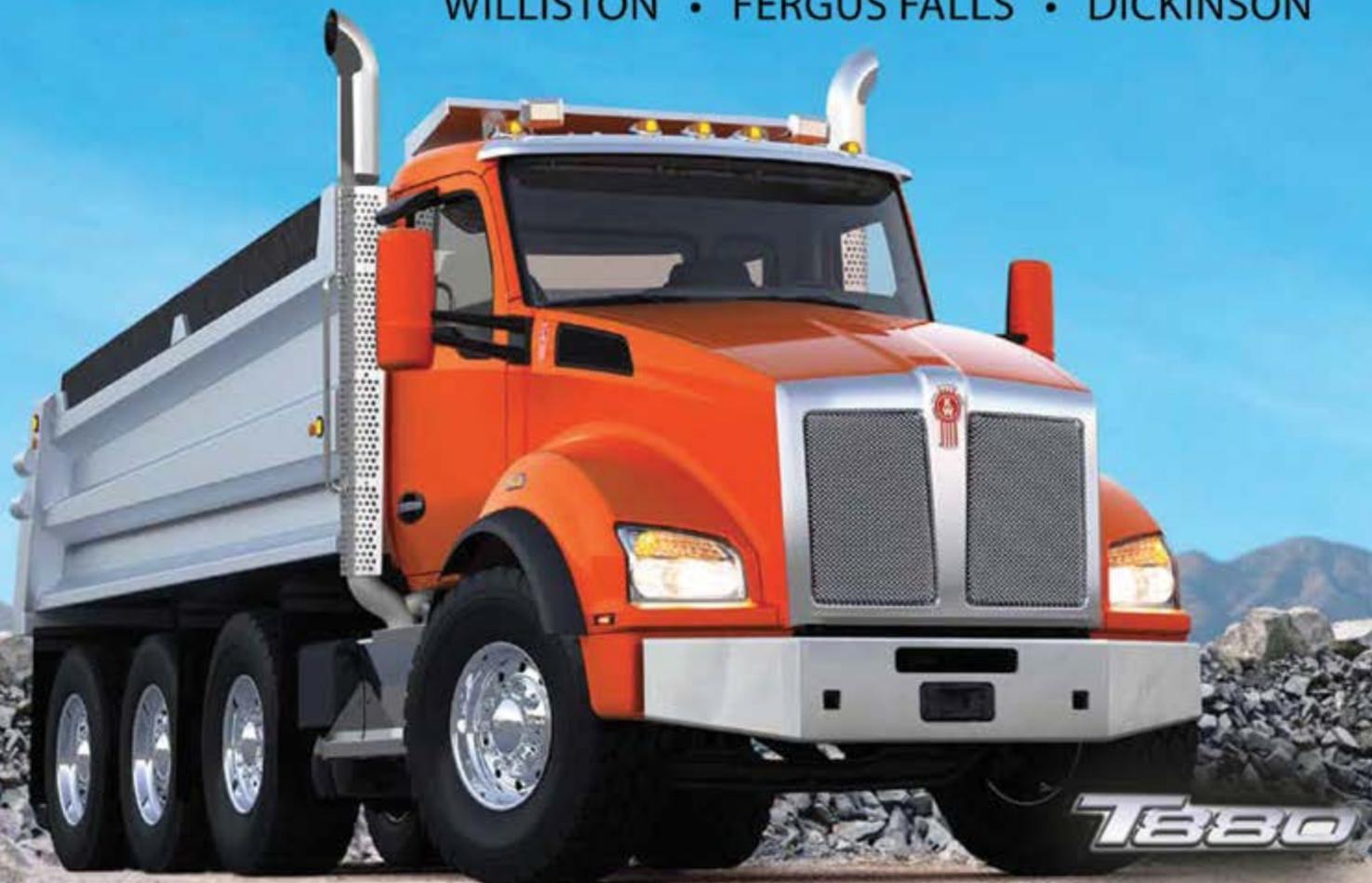
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The North Dakota Motor Carriers Association has been publishing the Rolling Along magazine since 1948. Each issue provides members with information concerning their association and the issues impacting the trucking industry.



Rolling Along is published quarterly (April, July, October and January) by the North Dakota Motor Carriers Association. Statements of fact and opinion are the responsibility of the authors alone and do not imply an opinion on the part of the officers, members or staff of the North Dakota Motor Carriers Association.

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NEWS & NOTES FROM THE EXECUTIVE VICE PRESIDENT



MIKE GERHART
mike@ndmca.org

Hello Members,

As I reflect on my first two months with the NDMCA, I'm excited about my new role. I have had the privilege to meet some of our members and work with the NDMCA's Board of Directors and Conference Leadership. I'm impressed with the NDMCA's leadership team; they do an excellent job representing our members. My focus since I started has been listening, learning, and assessing my new role ensuring I can deliver the best service to our members. I'm proud to be part of this association and look forward to tackling the issues impacting the trucking industry.

One of my immediate concerns is Measure 3. Measure 3 legalizes marijuana for recreational use and if it passes on November 6th it will create a myriad of challenges in our state. These challenges range from workforce issues to traffic safety and public health concerns. In short, it's a poorly written measure that doesn't address the issues other states have faced where legislation legalizing recreational marijuana has passed. Because of the adverse impacts if passed, the NDMCA is opposing this measure as part of a coalition with other stakeholders.

As we close in on the end of the year, it's time to prepare for the

66th legislative session. I have been meeting with transportation stakeholders regarding introducing legislation that would provide industry the ability to purchase permanent trailer plates in North Dakota. We have also discussed legislation that would change the renewal date for annual permits from the calendar year to the date of issue. I'm looking forward to the start of session. It provides an opportunity to make positive changes, not only for the trucking industry but for our great state.

In closing, I would like to extend my gratitude to the Tunnel to Towers Foundation for providing the cover photo for this publication. They do great work educating citizens on the tragic events of September 11, 2001. Their Never Forget rolling exhibit travels our great nation and honors those who have paid the ultimate sacrifice in service to others.

Sincerely,

Mike Gerhart



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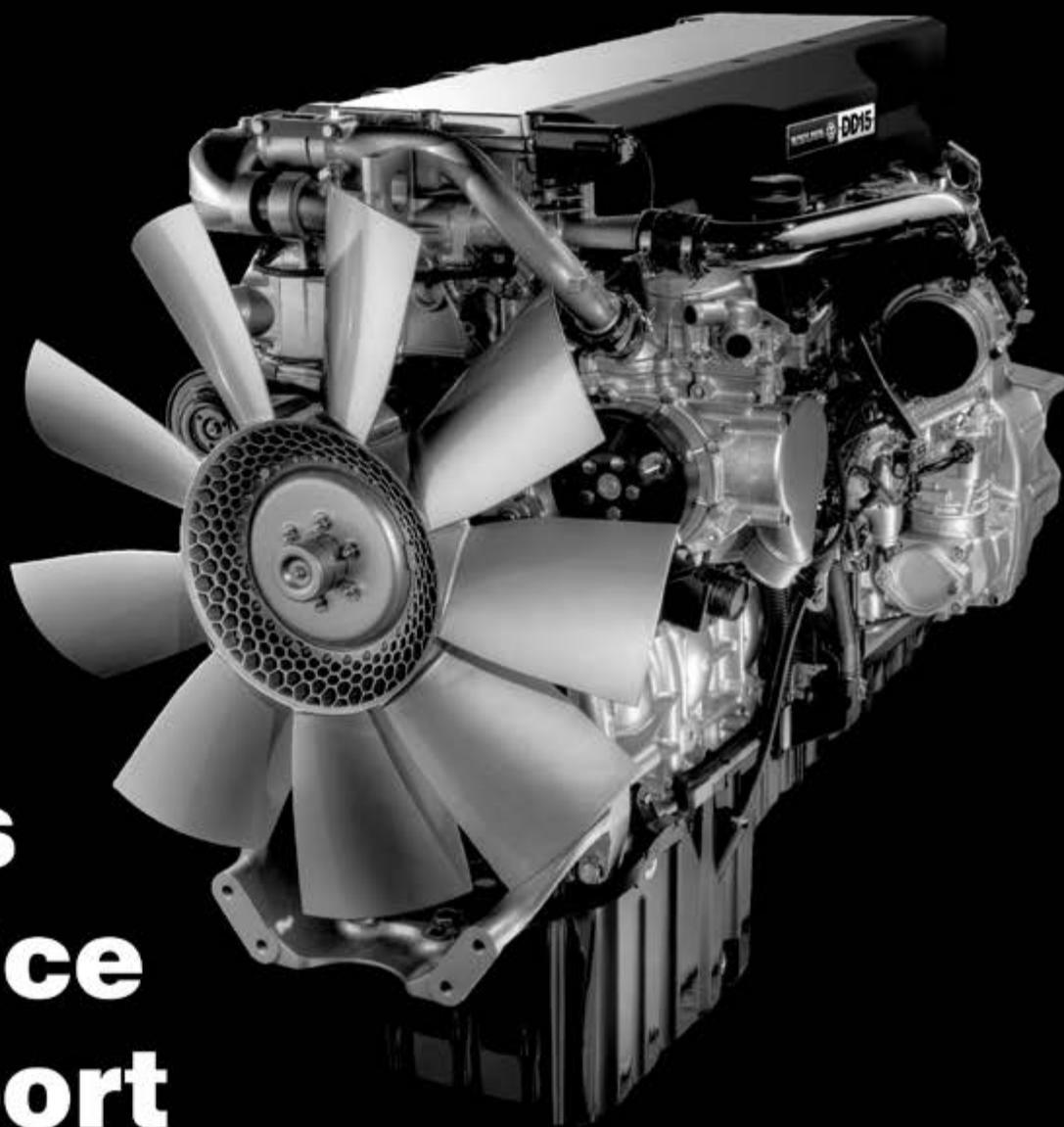
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PRESIDENT'S MESSAGE

Truck Driver Appreciation Week – Can there ever be enough THANKS?

Many of our carrier members remember to take time in September to make special efforts and provide thanks to their drivers. Even our industry members participate in thanking all truck drivers in general. Our Nation designates one week each September for this purpose and for this I am grateful, and I believe our drivers are too.

But I wonder if it is ever enough to simply say “THANKS” once a year when every day these hard-working men and women travel the highways with the goal of arriving safely, timely, and without incident. This is the professional drivers focus every single day so why is it that we feel it necessary to only thank them once a year during September? Is that enough?

In my own office, I know I fail to say “Thank You” often enough to our team of professionals. It is easy to forget as we all get busy in our own worlds, forgetting how very fortunate we are to work alongside these talented people every day.

I feel for the most part, Americans are very good at thanking our military when we see them. This is actually very easy because they are generally in uniform and easy to notice. But what if we were to start a new movement, a “Thank a Truck-Driver Movement”? What if each of us made a concentrated effort to thank every truck driver we see, every time we see them? They are at the convenience store delivering fuel or supplies, the grocery store, the truck stops. How often do we simply reach out our hands to shake theirs and say, “thank you for taking time away from your family to deliver these goods”!

Well, I’ve decided that once a year isn’t good enough for me.



I am going to start my own “Thank a Trucker Movement” right now and I invite each of you to ride along with me. If we all join in and get our teammates to join in and give gratitude to the hard work and commitment our professional drivers display daily, they will feel appreciated and that’s important.

So “THANKYOU” Truck Drivers! Thank you for the professional manner in which you conduct yourself on our highways, thank you for delivering on-time and more importantly safely. Thank you for giving time away from your family to get our goods moved across this great country. I know it isn’t all roses out there and that not everyone treats you with the respect you deserve, but I desire you to know that here in ND, you are respected and appreciated, every single day of the year.

Hats off to all Professional Truck Drivers and THANKS for keeping it safe on our roads!

Respectfully,

Melissa Dixon

FOUNDATION NEWS

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GOVERNMENT NEWS

WSI CELEBRATES 100 YEARS OF WORKERS' COMPENSATION SERVICES

On July 1, 2018, North Dakota Workforce Safety & Insurance (WSI) began its 100th year of operations. In 1919, the 16th North Dakota Legislative Assembly created the Workmen's Compensation Bureau, now known as WSI. Governor Lynn Frazier signed North Dakota House Bill 56 into law.

The Bureau opened for business in downtown Bismarck's Northwest Hotel's dining room on July 1, 1919. The Bureau's purpose was to provide "sure and certain relief regardless of questions of fault to the exclusion of every other remedy, proceeding or compensation." This relief would be in the form of compensation for lost earnings and payment of medical bills incurred. It was anticipated that the law would help employers by eliminating the risk of damaging lawsuits by injured employees.

100 years later, WSI remains an exclusive, employer financed, no-fault insurance state fund covering workplace injuries, illnesses, and death. In North Dakota, WSI is the sole provider and administrator of the workers' compensation system. North Dakota is one of four remaining "exclusive" state funds in the country (the other three are Ohio, Washington, and Wyoming).

It didn't take long for the first claim to be filed.

On July 4, 1919, while Bismarck was observing Independence Day with a parade, the first covered injury occurred. A 17-year-old male, Charles Stearns, was opening cream cans for his employer, the Northern Produce Company, at the corner of Front and 10th Streets. In doing so, the teenager cut his hand. Mr. Stearns filed claim No.1.

The claim form was filled out with a fountain pen and a typewriter. The injury apparently became infected and required 12 treatments through August 1919. The total bill was \$15 in 1919 or about \$275 in today's dollars.

The Bureau received its first application for coverage on July 1, 1919, the first day of its operations. Policy No.1 was issued to the Atlantic Elevator Company. The company owned a string of elevators along the Soo Line railroad and was based in Minneapolis.

The first premium field auditors were hired in 1920. Their primary purpose was to find employers who did not have coverage. The Bureau hired its first attorney in 1935. The majority

of their work was focused on the prosecution of uninsured employers. The safety department was created in 1947. The purpose of this department was to inspect employers' workplaces and determine how to make work sites safer.

WSI is funded solely by employer premiums and receives no general fund dollars. WSI charges employers insurance premiums based on the risk of a job. In return WSI provides North Dakota workers coverage for their work-related injuries. WSI sets, maintains and manages its financial reserves to ensure adequate funding to pay the medical and wage-replacement claims for injured workers.

WSI's 100th year video - <https://www.youtube.com/watch?v=l0cmUUtDVgc>.



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GOVERNMENT NEWS

Q&A WITH THE NEW SUPERINTENDENT

The information below was prepared by Colonel Brandon Solberg, Superintendent, North Dakota Highway Patrol

What do you feel is the greatest challenge in your new capacity?

One of the greatest challenges for me has been adjusting to a cabinet level position. Governor Doug Burgum is an extremely active leader, and his energy and enthusiasm is contagious. I support his efforts to challenge the status quo, and our agency has shown a willingness to change and adjust over the last several years. Change is inevitable and can lead to improvements in the service we provide.

Retired Colonel Mike Gerhart, who I worked with for over 10 years, was a strong mentor who helped make the recent transition in highway patrol leadership as seamless as possible. I feel more comfortable in my role every week that passes, and I feel blessed to be able to serve our hardworking professional employees and the citizens of North Dakota in this capacity.

Believe it or not, I am looking forward to the next legislative session. It is impressive to witness the amount of work that can be completed over a short 80-day period. I learned long ago that my crystal ball is dysfunctional, but I feel the State of North Dakota will continue to thrive and will remain one of the safest states in the nation. The highway patrol will continue to provide high quality law enforcement services to keep North Dakota safe and secure.

What are your short-term as well as long-term goals for the agency?

One short-term goal is to secure a two-year budget during the 2019 legislative session. Our agency must be fiscally responsible, and we must be able to justify all expenses. I also hope to expand bypass technology, improve crash investigation and search and rescue operations through the use of unmanned aerial vehicles, and to continue pushing a safe driving initiative internally. When it comes to safe driving, I think the motor carrier industry and the highway patrol have a similar interest in transportation safety. The goal for all of us is to make it home safely at the end of our work assignment.

A few long-term goals are to creatively expand employee and stakeholder engagement, identify innovative solutions to issues that surface, seek public safety partnerships with tribal nations, explore post-arrest options focused on treatment and recovery

rather than relying solely on incarceration, and enhance internal diversity and culture. I feel that a diverse agency leads to better decisions, and our agency makeup should more closely match the demographics of our state because we are a law enforcement agency comprised of our own citizens.



How do you feel technology will impact transportation in the foreseeable future?

An ongoing challenge for the North Dakota Highway patrol is keeping ahead of the digital transformation. Colonel Gerhart was forward thinking and asked what our agency's relevance will be as autonomous vehicle technology expands and reduces injury and fatality crashes. I obviously support technology that can reduce crashes because that is the primary mission of the highway patrol, and our agency has been shifting its focus from strictly traffic safety to public safety as a whole.

In many ways technology has improved our level of service, e.g., purchasing permits and identifying legal routes transformed from a lengthy manual process to a swift online process. Several enhancements to the online permitting system have been made, and the motor carrier industry has an internal champion when it comes to improving the system even further. Jackie Darr is the highway patrol's permit supervisor, and she and her team do an excellent job and truly care about the customers they serve.

The two primary technologies currently being discussed are platooning and pre-screening bypass. Platooning is in the early testing stages, and pre-screening equipment is being installed in several areas around the state. These types of technologies will create efficiencies for all parties involved.

UPCOMING EVENTS

2018 SAFETY, COMPLIANCE & MAINTENANCE SEMINARS
OCTOBER 16-17, 2018, FARGO

OCTOBER 18-19, 2018, DICKINSON

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SCHEDULE OF EVENTS

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 3803 13th Ave. South
 Fargo, ND 58103
 (701) 282-2700

October 16, 2018

DOT Compliance - 8:00 am - 12:00 pm
 Lunch (on your own) - 12:00 pm - 1:30 pm
 HOS, ELD's & CSA - 1:30 pm - 5:00 pm

October 17, 2018

Annual Vehicle Inspection - 9:00 am - 12:00 pm
 Lunch (on your own) - 12:00 pm - 1:30 pm
 Air Brake & Tire Wear Training - 1:30 pm - 5:00 pm

DICKINSON: OCTOBER 18-19, 2018

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 (701) 456-5000

October 18, 2018

DOT Compliance - 8:00 am - 12:00 pm
 Lunch (on your own) - 12:00 pm - 1:30 pm
 HOS, ELD's & CSA - 1:30 pm - 5:00 pm

October 19, 2018

Annual Vehicle Inspection - 9:00 am - 12:00 pm
 Lunch (on your own) - 12:00 pm - 1:30 pm
 Air Brake & Tire Wear Training - 1:30 pm - 5:00 pm

REGISTRATION FORM

FARGO: OCTOBER 16-17

DOT Compliance, HOS, ELD's & CSA-Oct. 16

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Annual Vehicle Inspection, Air Brake & Tire Wear Training - Oct. 17

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DICKINSON: OCTOBER 18-19

DOT Compliance, HOS, ELD's & CSA-Oct. 18

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Registration is FREE to WSI policy holders Oct. 18 only

Annual Vehicle Inspection, Air Brake & Tire Wear Training - Oct. 19

\$150 Members \$250 Non-members

WSI

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WSI Policy Holder Scholarship Terms

Workforce Safety & Insurance (WSI) is North Dakota's state run monopolistic workers compensation fund. All employers with ND employees must be policy holders. Participants of a company with a WSI policy will receive free registration. This scholarship is limited and will be awarded in the order that registrations are received and no preference is given based on membership status with NDMCA. Companies registering multiple employees will only receive the scholarship for the first three employees registered due to limited scholarship availability this year. WSI Policy Number must be correct and on file at NDMCA prior to training to be awarded scholarship.

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What is your Policy Number? _____

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ASSOCIATION NEWS

2018 NDMCA FOUNDATION SCHOLARSHIP GOLF TOURNAMENT AT APPLE CREEK COUNTRY CLUB

The 2018 NDMCA Scholarship Golf Tournament was held on August 17 11, 2018 at the Apple Creek Country Club in Bismarck. Players had a chance to win a \$25,000 in the hole-in-one contest as well as a number of other prizes! Unfortunately, no one walked away with the prize, but special thanks to Dixon Insurance for sponsoring the prize. The scholarships funded by the tournament will be awarded later this year and announced in the winter issue of Rolling Along.

The North Dakota Motor Carriers Association would like to extend a big thank you to all of the golfers and sponsors who came out to enjoy the fun. Here are tournament results:

First Place Team:

- Melissa Dixon, Jim Armfield, Tom Hertz & Jeff Jacobson

Second Place Team:

- Trey Adkins, Eric Magyar, Rick Opp & Mike Swanson

Third Place Team:

- Marlin Kling, Tyler Johnson & Jim Schmidt

Closest to the Pin:

- Jim Schmidt, Midwest Motor Express

Longest Drive:

- Trey Adkins, The Goodyear Tire & Rubber Company

Longest Putt:

- Jeremy Oistad, Butler Machinery

The North Dakota Motor Carriers Association would like to thank our 2018 Scholarship Golf Tournament sponsors and door prize donors listed below.

We would like to thank our wonderful volunteers who came out to help us with the tournament as well:

Mark Wolter-Midnite Express

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THE DRIVER SHORTAGE

By Jeff Simon, CTP, MBA, Owner
DOT Safety Plus (www.dotsafetyplus.com)
920-471-2600, jeff@dotsafetyplus.com

A few years ago, at a truck show the speaker opened his session with “There is no driver shortage.” You could hear an obvious hush and then some mumbling. This was not the message we had all come to hear. Most of us had seen the forecasts from ATA as shown below and the future does not look hopeful.



Then the speaker went on to describe what he thought was the real problem. Driver wages have not kept up with either inflation or what our competing industries are offering. Even today the average annual salary for an over the road driver is only in the low \$50K range. In this article I would like to offer my perspective on some ideas we all can do to attract and retain our most valuable asset.

During virtually every client visit I make nationwide, the frustrations over the inability to recruit qualified drivers comes up. Owners look out their windows every day and see idle trucks parked by the fence. Ironically at the same time that we have idle capacity, the economy is growing in volume and rates creating a tremendous demand for trucking services.

Driver recruiting and retention has always been a challenge. The DOT, insurance providers and our own safety culture wants to set driver hiring standards high but as we set and or raise our standards we reduce the available candidates. For some, the only answer to keeping their trucks running is to reduce their standards until more candidates can be hired. We all know the gamble we are taking when we do this. One catastrophic crash can wipe out any additional profit we have made and with an unqualified driver that is likely. This is not only a moral issue of intentional raising our risk but can have a devastating effect on our present and future ability to make a profit. I am working with a lawyer-client right now where a young inexperienced driver drank and drove over 15 hours on his shift—partly because his boss did not specifically tell him he couldn't. He dosed off, drifted across the centerline and killed a young man who was driving with his fiancée. The driver is in prison for his error, but the motor carrier owner set him up for this crash. The owner stated that he was short a driver and had to use him

even though he was not qualified.

So let's see if there is anything we can do to at least mitigate our need for drivers. As the speaker at the truck show stated, let's first talk about driver wages. When I ran my truck company in the 1980-'90s, my driver wage was \$0.25 per mile and that wage held for maybe 15 years until J.B. Hunt offered a trend blowing raise to \$0.40 per mile. Everyone in the industry had to follow or lose their good drivers. They set a new pay standard almost overnight. Right now, Walmart is doing the same thing. They have been running national ads offering up to \$0.87 per mile with incredible driver-friendly benefits. Unless the rest of us follow, we will soon find that all of the good drivers will gravitate to them. From a driver perspective, it is about time that they get compensated similar to what they could earn in non-driving professions. The positive note on this discouraging trend is that there are several other activities that a carrier can do to offset the higher pay option until the rates increase to accommodate it.

Based on an Upper Great Plains Transportation Institute (at NDSU) research study done in the 1990s (*Job Satisfaction of U.S. Commercial Drivers* <https://www.ugpti.org/resources/reports/details.php?id=238>): Specific findings covered several aspects of the driver's job, and its relationship to the company, that point to the conclusion that the industry is underutilizing its largest and most important resource—DRIVERS. Specifically, drivers who:

1. Derive a great deal of satisfaction from certain aspects of their job;
2. Are very dissatisfied with several elements of the working environment such as pay, benefits, and working conditions;
3. Express a strong desire to be more fully integrated into the firm as a contributing employee through additional responsibilities, other than driving, and in participatory management;
4. Are very interested in receiving additional training that allows them to do their job better;
5. Desire personal contact with supervisors and other company employees when giving and receiving information;
6. Have expectations that are different from reality when first starting the job in several areas; and
7. Have a strong desire for some form of career advancement based on personal performance and they feel that opportunities for such advancement are poor.

Based on these findings, it is concluded that drivers are independent, responsible, resourceful individuals seeking additional responsibility and involvement with the firm. In short, they are motivation seekers.

Another summary in this study ranked items of importance to drivers.

Q-45. THE FOLLOWING ITEMS CONTRIBUTE, ONE WAY OR ANOTHER, TO YOUR JOB ATTITUDE. PLEASE RANK THE FOLLOWING MAJOR AREAS IN THEIR ORDER OF IMPORTANCE TO YOUR INDIVIDUAL JOB SATISFACTION.					
Item	Drivers		Managers Perceptions		Difference
	Rank	Mean	Rank	Mean	
Recognition for achievement	8	6.86	5	5.51	-1.35
Responsibility	5	5.82	8	6.99	1.17
Supervision	6	6.14	4	5.42	-0.72
Advancement	4	5.61	6	6.26	0.65
Achievement	7	6.45	7	6.96	0.51
Salary and benefits	1	2.45	1	2.19	* -0.26
Company policies	9	7.08	10	7.30	0.22
Interpersonal relations	10	7.31	9	7.13	-0.18
The work	3	4.31	3	4.28	-0.03
Working conditions	2	2.97	2	2.95	-0.02

Not surprising, **Salary and Benefits** ranks #1 as a contributor to a driver's attitude. However, our opportunities as carriers for increasing driver retention and satisfaction lies in the following ranked items in order of importance:

- Working Conditions,
- The Work Itself (they like driving),
- Advancement Opportunities,
- Being assigned Personal Responsibility
- Supervision (communications and respect)
- The opportunity to attain specific Achievement levels
- Recognition for that achievement (a simple heart felt "Thank You")
- Company Policies (they actual like these for the structure and clear expectations they offer)
- Interpersonal Relations (Culture)

Certainly, we all have to have competitive wages but we may not have to break the bank account in doing it. Let's explore a few ideas. Prior to analyzing a motor carrier's operation and key performance indicators for improvement opportunities, I always

1. Starting Base pay	11. Education Reimbursement	21. Company Policies
2. Longevity Increases	12. Recruiting Process (Lies?)	22. Work Assignment Process
3. Bonuses	13. Driver Ads	23. Shippers and Receivers
4. Annualized Pay	14. New Driver Orientation	24. Time at Home
5. Health and Benefit Insurance	15. Time with Driver Trainer	25. Safety Training
6. Vacations and Holidays	16. First Load (Care/Coaching)	26. Family Friendly
7. 401, Profit Sharing	17. First 30 Days	27. Passenger Rider Policy
8. Accessorial Compensation	18. First 90 Days	28. Technology
9. Expense Reimbursement	19. First 6 Months (Review)	29. Value and Appreciation
10. Sign-on and Referral Bonus	20. Equipment	30. Corporate Culture
		31. Accountability

ask them to rate their performance on the following Recruiting and Retention activities.

Many of the above factors relate to helping the driver assimilate

into your family smoothly. Respect, positive recognition, time at home, and establishing a family-friendly culture are easy when you let your heart guide you. Most of us respond positively to love and respect—so do your drivers. The best part of this is that it is inexpensive. If we could introduce a few of these factors, the expectation for higher pay becomes less important and your driver are less likely to be looking for a job change. Slow down the outbound door and you won't need as many new candidates coming in the hiring door.

I suggest that we devote ourselves to making your place of work (culture) as driver-friendly as possible. You cannot sacrifice your "management control" but you can manage by incorporating what a friend of mine named the "love factor." Loving and appreciating someone is a lot more fun for all of us than being hard and demanding all of the time. Even the crusty, tough-looking driver has a heart and I guarantee that he will respond positively to your concern for him and his needs. I had a discussion recently with one of my small carrier clients (10 trucks) and we came up with at least six things he could do without raising his wages. He actually had an advantage in being small because all of his drivers could be part of a "family."

The bottom line though does keep coming back to pay. We all have to be competitive with not only the carrier down the road but also the plumbing company or the warehouse that is hiring fork lift operators. The challenge is to be able to attract a qualified, productive, ambitious driver at a rate we can afford. One progressive solution might be to redesign your entire payroll process into an "activity-based pay system." In this system, you would establish a minimum base pay (fixed for all) but which is not nearly high enough for anyone to survive long range (food and shelter only). Then on top of this you determine three to five activities that you think make a good driver. Think of your best drivers and what makes them good. Set up incremental performance pay for all of these factors. Finally, have one category with flat rates for safety, customer service, equipment care, on-time deliveries, paperwork, etc. If they have one slip up they don't get paid for that category. Be sure you start this formula with the end in mind. You still cannot afford to increase your overall pay too far so back into the above factors. The ambitious worker will be motivated to work harder and do very well but the unproductive driver will probably realize that he cannot make it on what he is earning and leave on his own. A secondary benefit will be that your recruiters can truthfully advertise that you could earn the highest level.

So the question is...is there a driver shortage? The answer is a resounding yes, and it is not going to get better for the next generation. Can we manage this to our benefit? Again yes. We know that doing the same procedures that we've tried for years is not working well. My challenge is to sit down as a management team and look at what your drivers need to feel part of your family and be successful. Specifically target a half dozen improvements. Maybe start with a culture upgrade. I'm convinced that the love factor will work miracles—and it is the factor easiest to accommodate.

Good luck in getting those trucks back onto the road.

TRUCKERS AGAINST TRAFFICKING

IN THE FIGHT AGAINST HUMAN TRAFFICKING, TRAINING TRANSPORTATION MEMBERS IS CRITICAL

By Lyn Leeburg, Truckers Against Trafficking Communications Specialist

In January 2015, an RV pulled into a truck stop in Virginia. Due to suspicious activity, police were soon called to the scene. After interviewing the vehicle's occupants, the horrific story made headlines. A 20-year-old woman had been kidnapped two weeks prior out of Iowa. She'd been beaten, raped, her body burned by instruments heated on the RV stove, branded and starved. She was being sold by her traffickers through sex ads on Craigslist, where men were purchasing her and then arriving at the RV to rape her. She was dying from malnutrition and the torture she was subjected to. Had the call not been made that brought law enforcement out to that truck stop, doctors said she would have died within the next few days. That call was made by professional truck driver Kevin Kimmel, who recognized that something was wrong, and, instead of turning a blind eye, picked up the phone.

In January of this year, Arian Taylor pulled into a California business to make a delivery

at 3:30 a.m. Shortly thereafter, he received a knock on his cab door from a 19-year-old woman. He learned from her that her friend's older boyfriend was trying to force her into prostitution. After she had refused and argued with him, he dumped her in the parking lot and sped off. She was cold, exhausted, had no money or identification, was carrying everything she owned in her arms and was desperate to get back home to a neighboring state. Taylor assured her of his help. After getting her warm and giving her water to drink, he looked at one of the two TAT stickers prominently displayed on his windows (which the victim had been eye-level with when she knocked on his door) and called the National Human Trafficking Hotline. They worked with him to secure the woman shelter for the night, a pre-paid cab ride to get her to that shelter and a chaperoned train ride back to her home the next day, where she was reunited with a family member. Taylor took care of the young woman until she was placed in the

cab, and even gave her his personal cell phone number in case she needed anything else.

When working on a strategy to fight human trafficking, it's critical to determine which groups of people have the greatest opportunity to spot human trafficking as it happens and the character to report it. The millions of members of the trucking and busing industries – especially drivers -- constitute one of those groups, because:

- Drivers are trained to be observant;
- The industries are already entrusted with caring for people and their goods, which speaks to their character;
- They are continually traveling throughout our nation;
- Traffickers wanting to make fast money often target truckers at truck stops/rest areas to sell their victims, evidenced by the number of victims rescued from truck stops by the FBI;
- Traffickers often use bus stations to pick up victims and buses to transport them.



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Empowered with education and equipped with tools to fight human trafficking, the men and women of these industries can and are making a significant impact against this crime. At any given time, there are more truckers, for instance, on the highways than law enforcement officers. These men and women have witnessed the prostitution of women and minors at various places throughout the United States for years but haven't known it was forced prostitution and modern-day slavery. Once they learn the truth, they take action. The National Human Trafficking Hotline reports that calls from truckers alone began rising substantially in 2009 after Truckers Against Trafficking, a non-profit organization (NGO) came alongside the trucking industry in 2009 to provide human trafficking education and training tools. To date, trucker calls have totaled more than 2,126, with 570 likely cases of trafficking, involving 1,382 victims. Of those victims, at least 324 were minors.

Law enforcement has been so impressed with the positive and effective response of members of the trucking industry to human trafficking training

that they are now seeking to ensure training is provided to truck drivers before they hit the road. In 2016, Ohio became the first state in the nation to require human trafficking training as part of their state CDL requirements for entry-level drivers. A number of other states have now passed or are considering passing similar legislation. If every driver, prior to hitting the road, had this life-saving information and training, imagine how many more calls will be made, how many more victims will be recovered out of this horrible reality, how many perpetrators -- both the traffickers and the buyers of commercial sex -- will be arrested.

Why truckers and bus drivers? In one human trafficking training video, you learn that with one phone call, a trucker who saw some under-aged girls working a truck stop not only facilitated the recovery of those girls, but also that of seven other minors. Thirty-one offenders were arrested, and a 13-state child sex trafficking ring was broken.

Training your drivers is easy, and it's critical. It could save lives and help end a heinous crime.

Human trafficking is modern-day slavery. Traffickers use force, fraud and coercion to control their victims. A minor being sold for sex is a victim of human trafficking. While the initial purchase of victims may occur online, the real-time sale of victims can happen in many locations, including truck stops, restaurants, rest areas, hotels/motels, strip clubs, private homes, etc. Truckers are the eyes and the ears of our nation's highways. If you see a minor working any of those areas or suspect that the person selling sex is under someone else's control in order to make a quota, call the National Hotline and report your tip:

1-888-3737-888 (US) ■ 1-800-222-TIPS (Canada)

01800-5533-000 (Mexico) ■ Text INFO or HELP to BeFree (233733)

For law enforcement to open an investigation on your tip, they need "actionable information." This would include:

- Descriptions of cars (make, model, color, license plate number, etc.) and people (height, weight, hair color, eye color, age, etc.) Take a picture if you can.
- Specific times and dates (When did you see the event in question take place? What day was it?)
- Addresses and locations where suspicious activity took place

Questions to Ask:

- Do you keep your own money? If not, who does?
- Do your parents/siblings/relatives know where you are? If not, why not?
- When was the last time you saw your family?
- Are you physically or sexually abused? Are you or your family threatened?
- What is the nature of the threats?

Trafficking Red Flags to Look For:

- Lack of knowledge of their whereabouts; not in control of ID/passport
- Restricted or controlled communication -- not allowed to speak for self
- CB chatter about "commercial company" or flashing lights signaling "buyer" location
- Acknowledgement of a pimp and making a quota
- Signs of branding or tattooing of trafficker's name (often on the neck)
- A van or RV that seems out of place out by trucks; a vehicle dropping someone off at a truck and picking them up 15-20 minutes later



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LIMIT RISKS AND KEEP SUCCESS FLOWING WITH A BUSINESS AUDIT

By Stacey DeKalb and Jason Engkjer, Lommen Abdo

Business owners pour endless amounts of time and resources into growing their businesses. This is especially true in the transportation industry. But, just like children, a growing company can develop different needs as it expands. Sometimes it's hard to see what a growing company may need to foster continued success.

Conducting a business audit can help identify areas to target for improvement in a company's operation, including corporate structure, potential liability pitfalls and tax considerations. Here are five areas to consider auditing.

1) Evaluate the current structure of your business.

When was the last time you reviewed your corporate entity documents, including ownership and governance policies. Are they up-to-date? Have you asked whether the company is operating with the best entity form and structure to meet your current needs? If you haven't, you should. The driving factors in this evaluation are most often separation of liability and tax considerations.



Management, together with the company's team of professionals, should help identify areas to improve operational efficiencies and, more importantly, areas of risk. Every company can be separated into distinct areas of operation. Do any of these areas present potential liability that, if triggered, could bring down or severely hamper the whole business? For example, you may have valuable equipment that is exposed to other inherently risky areas of your operation. If a catastrophic event occurs, you could be exposing that valuable equipment or other areas of operation.

Reorganizing the company's structure could help alleviate these concerns. An in-depth analysis of operations can help identify areas to spin-off into separate and distinct entities to lessen risk. In addition to separation of liability, important tax considerations and differing administrative factors must be considered when evaluating a potential reorganization. In the end, the goal is always to minimize risk while maintaining or improving the efficiencies of your operation.

2) Analyze the company's standard business contracts.

Do your company contracts fully articulate the parties' contractual rights and obligations? Do your contracts adequately protect your company's



interests? What risks are inherent with the company's contractual relationships? Proper contracts are generally the cornerstone of every successful business. The transportation industry is no different. In fact, transportation contracts are almost always the area needing the most improvement in a growing business.

Contracts should be regularly reviewed to not only keep pace with changing laws, but also identify weaknesses and areas to be corrected as the business grows. The review may identify areas for revision, such as risk allocation provisions to help apportion exposure to potential losses. Look at all of your contracts with vendors, customers, independent contractors and everyone in between. Review each contract from top to bottom including the recitals, definitions, term and termination, representations and warranties, indemnification provisions, limitations on liability, and miscellaneous boilerplate provisions. Be critical and look at the contract from the opposite side's view. Most importantly, use the experience you have gained together with your trusted professionals to tailor your standard contracts to the way you want and need to do business.

3) Review your employment and independent contractor practices.

An employment audit can be quite comprehensive. You should review hiring and firing practices, personnel files, job descriptions, wage and hour practices, regulatory issues and perhaps more.



Do a thorough review of your employment agreements and handbook, particularly with an eye toward dictating who owns any intellectual property assets

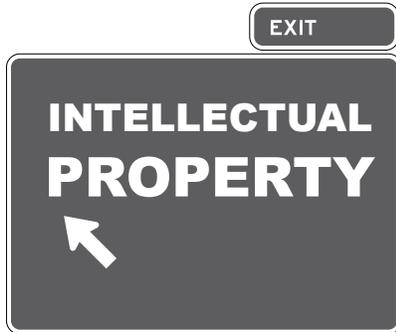


created and the confidentiality of the work, assets created, customer lists, etc. This part of the audit should include a review of all confidentiality and non-disclosure agreements as well as non-compete and non-solicitation agreements.

In addition to your employment practices, audit your independent contractor practices and understand the risks. Ensure that that you recognize and appreciate the contractual and practical differences between employees and independent contractors. Carefully review your independent contractor agreements to ensure compliance with applicable laws and regulations, including Truth-in-Leasing regulations for owner-operators. Further review how independent contractors are handled, even talked to, within the business. Conducting a thorough audit can help avoid dangerous pitfalls. Failing to conduct an audit could cause a dangerous misclassification situation with federal and state governmental agencies. You do not want the government knocking on your door.

4) *Catalog and protect intellectual property (IP).*

The transportation industry is realizing technological advances on a daily basis. Thus, a company's intellectual property (IP) and other intangibles, such as computer code and technological know-how, may constitute a significant portion of the company's value. Your company name may bear significant market value and it should be protected through proper registrations and policing. An IP audit provides the company with an opportunity to identify core IP assets, evaluate concerns with ownership or registration of those assets, and ensure that IP rights are properly protected. Information Technology (IT) and security concerns should also be reviewed and compliance strategies developed to avoid possible claims or unintended disclosures concerning proprietary information. This process should include developing appropriate compliance strategies to mitigate first-party and third-party risk with respect to the company's IP and IT assets. Ultimately, completing the IP audit will aid future efforts to police and protect the exploitation of IP rights.



5) *Regularly review your insurance protection.*

Transportation is an inherently risky and litigious business.

Do you really understand the types of insurance policies and coverages needed to protect your business? Audit your insurance policies, including insurance coverages and policy limits, in conjunction with insurance experts who can make specific recommendations, to identify areas of exposure.



Conduct the evaluation at the same time you address each segment to ensure you have the proper coverage in terms of the entities covered, the services covered and any additional insureds that should be named. You may have a trusted insurance agent you will invite to the table or ask for recommendations from people who work on these issues.

Running your own business can be rewarding experience. It can also be stressful. You may not want to tackle all of these audit elements at once. But selecting a few critical areas to audit will help relieve that stress and let you focus on continuing to grow your business. Create an action plan and prioritize according to the risk levels identified. Set up meetings with your key personnel and team of professionals to identify areas of concern. After conducting an audit, implement identified recommendations. In the end, conducting periodic business audits will help make sure your company continues growing and avoids threats that can arise from issues you didn't even know were lurking.

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