

Trucker Reality

By OOFI • Mar 24, 2022

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1 Big Thing: Diesel prices are on the rise can you survive?

What exactly is a fuel surcharge?



Fuel surcharges were a result of the Arab oil embargo crisis around 1973.

At that time, the Federal Highway Administration regulated the trucking industry.

- Carriers were required to publish their tariffs
- The Department of Energy began computing the National Retail Average fuel costs to compensate carriers for the up and down fuel prices created by the crisis.
- **1 big thing:** OOIDA members remember that same crisis triggered the creation of OOIDA.

Fuel surcharges became a permanent addendum to motor carrier tariffs toward the middle of the 90's.

The big picture: You need to know your cost of operation to institute a fuel surcharge. Fuel costs are the biggest expense for owner-operators.

Us, old timers used a simple calculation once we knew our cost of operation.

- First, we had to know our average miles per gallon of fuel when pulling a load.
- Second, we had to know the price of fuel per gallon where we were loading.
- Third, we had to know the break even price to incorporate into our rate.

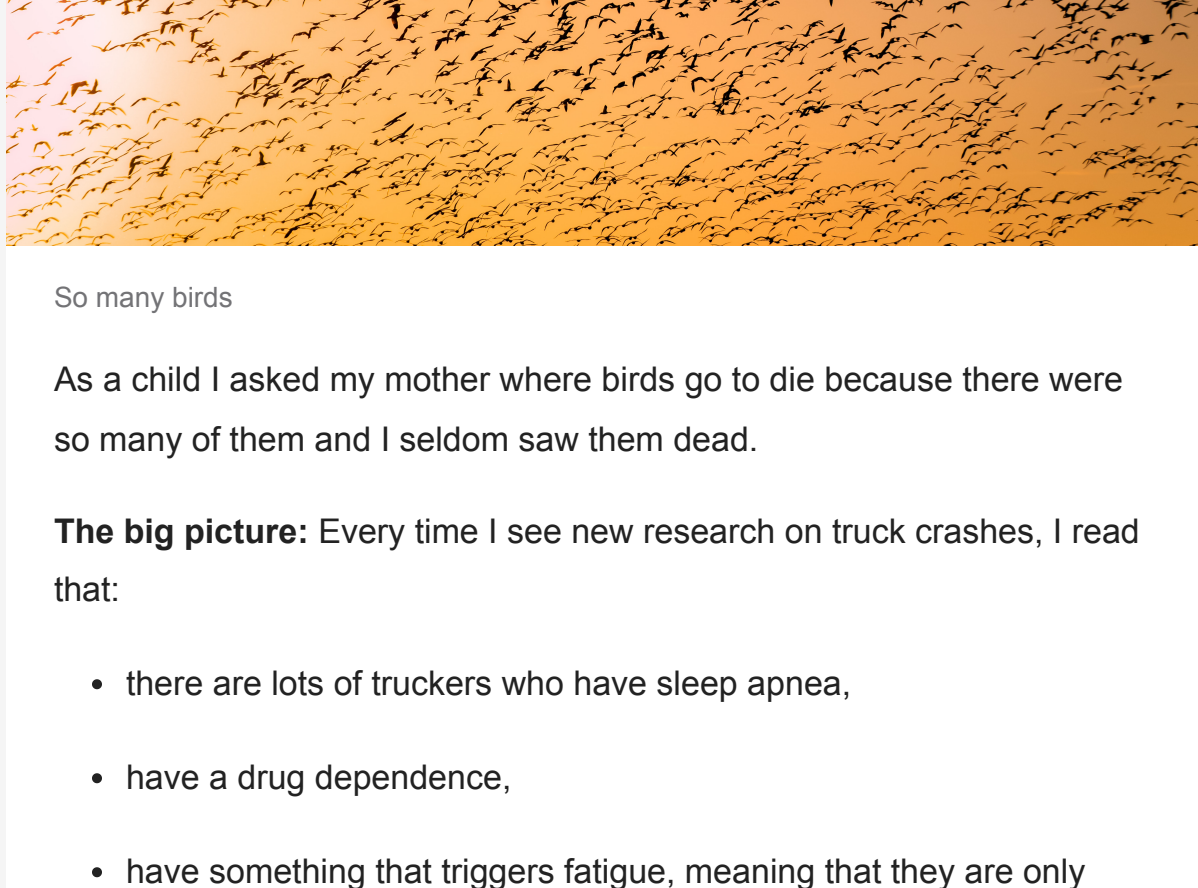
The bottom line: we only instituted a fuel surcharge when diesel shot above \$1.15 per gallon. This was our fuel price baseline.

- We would add 1 cent per mile for every 5 cent increase in fuel over \$1.15 since we got 5 mpg.

Needless to say times have changed but the need to understand your cost of operation and how to institute a fuel surcharge has remained important, especially when the price of fuel has become so volatile.

Go deeper: Learn more about how to figure and implement a fuel surcharge if you are under your own authority, leasing-on, or just negotiating by visiting us [here](#).

Where do truckers go to die?



So many birds

As a child I asked my mother where birds go to die because there were so many of them and I seldom saw them dead.

The big picture: Every time I see new research on truck crashes, I read that:

- there are lots of truckers who have sleep apnea,
- have a drug dependence,
- have something that triggers fatigue, meaning that they are only minutes away from crashing and either killing themselves or others on the road at an alarming rate, or
- that truckers die at a younger age because they are exposed to lethal amounts of GHG and diesel particulates.

I now work in an office overlooking I-70 in MO. just east of Kansas City. This stretch of I-70 has all the prerequisites for mass crashes.

- There is a 70 mph speed limit,
- It's next to an off ramp and on ramp.
- It has national and small truck stops.
- And plenty of truck traffic and 4 wheelers.

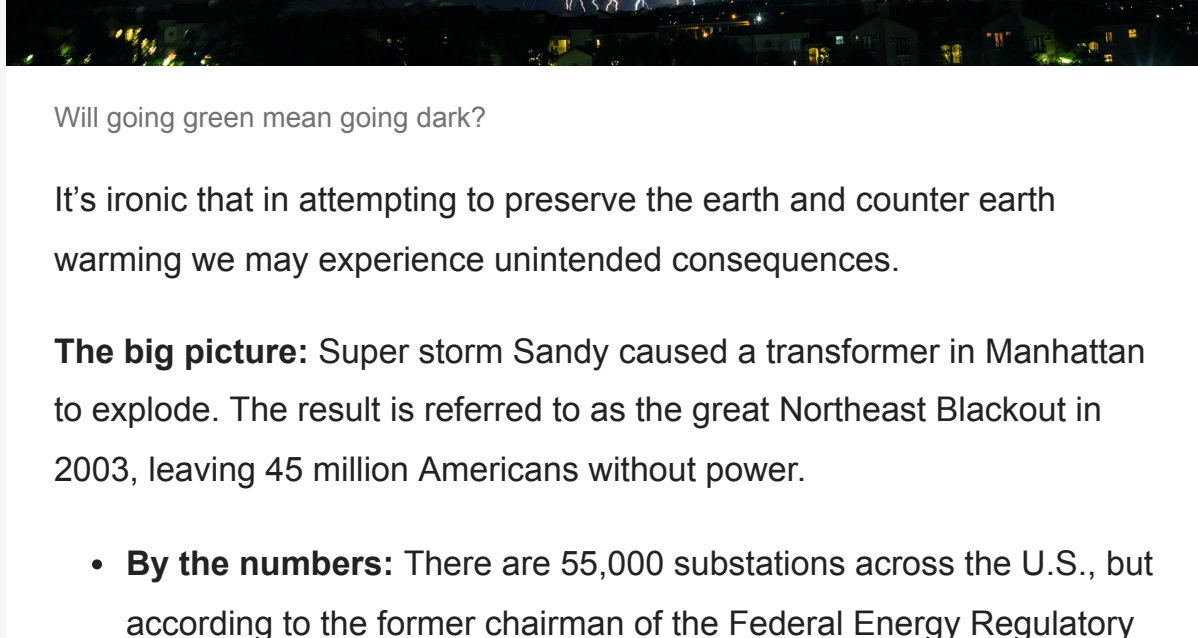
The bottom line: You would think after reading all the “scientific research” that I would be witnessing mass carnage on a daily basis.

- Are there some kind of dying fields that I don't know about?
- Perhaps in California where CARB and others in the “Electric Trucks Now” camp have created “Diesel Death Zones”?

I've been here 20 years and yet to see truck drivers exposed to these dangerous death zones, sleep apnea, fatigue, and internal combustion engines, slumped across their steering wheels or laying prone in the parking lots of truck stops.

I am truly happy that it isn't happening and just can't help wonder if maybe some of the “science” is hype.

The law of unintended consequences



Will going green mean going dark?

It's ironic that in attempting to preserve the earth and counter earth warming we may experience unintended consequences.

The big picture: Super storm Sandy caused a transformer in Manhattan to explode. The result is referred to as the great Northeast Blackout in 2003, leaving 45 million Americans without power.

- **By the numbers:** There are 55,000 substations across the U.S., but according to the former chairman of the Federal Energy Regulatory Commission, it would take only 20 or less substations to go down and the entire country would go dark.

On March 22, 2022, the U.S. experienced tornadoes from Texas to Oklahoma, snow in the Northeast, flooding in the Southeast, wild fires in California, droughts in large swaths of the country, and a warning from the President that Russia may try to take out the grid.

What has this got to do with trucking? If we go all battery electric vehicles, where do you go to get charged if a tornado, hurricane, brownout, fire, earthquake, domestic terrorist, or foreign country hits your area and knocks out the power lines and possibly the grid?

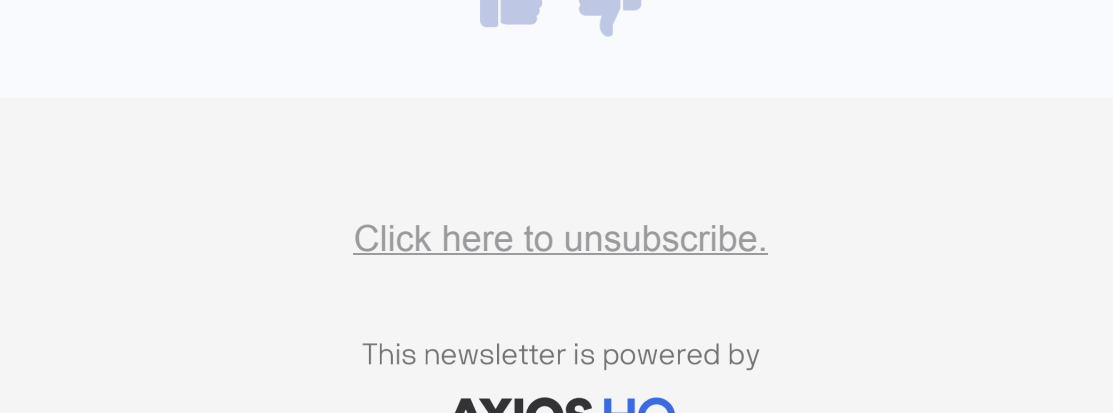
Why it matters: How much longer will recovery take if trucks can't move or be charged?

- Who and what will be the priority?
- Whose going to deliver the equipment for repairs?
- Who is going to bring in the medical supplies?
- Who is going to bring the fresh water?
- Who is going to deliver the food?

The bottom line: Truckers aren't opposed to electric trucks, we just don't think we have considered all the alternatives.

- What happened to the idea of hybrid vehicles that could still function with a loss of electricity.
- I suppose if you can't start your battery electric truck, you can claim zero emissions.

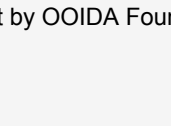
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