

As 2006 comes to an end I thought this might be a good time to review some of the happenings in our industry from this year...the good the bad and the ugly so to speak.

Let's take a look at some of the good news first...

This is the year that an apprenticeship program for drivers finally came to our industry. The Tractor-Trailer Commercial Driver apprenticeship is the first apprenticeship program ever offered for drivers in Canada. The Honourable Mr. Chris Bentley, Ontario Minister of Training, Colleges and Universities, made the announcement at last year's OTA Convention to rave reviews. So if it was announced in 2005, why is it this year's news? Because it took us over eight months to get the minimum educational entrance requirement changed from grade 12 to grade 10. We missed some momentum off of the kickoff and we just started signing entrants into the program late this past summer. Anyone looking for more information and companies who are not on board yet can head straight to [drive4apprenticeship.com](http://drive4apprenticeship.com) and get with the program... it's a good one.

Continuing on the good news front, many drivers and owner operators took part in the World's Largest Truck Convoy. The event, which took place on September 9th, raised over \$65,000 for the Special Olympics in Canada. The generosity and selflessness of this industry never

ceases to amaze me...well done drivers! A special congratulations goes to Mr. Brian Hilton of MacKinnon Transport who raised enough donations to earn the right to become the lead truck in Ontario... he hit me up hard! It took a lot of hard work to put this all together and I admire you folks for your hard work and dedication.

Now onto the bad news which unfortunately there always seems to be plenty of...

We lost many good folks over this past year; I wish I had enough space to honour them all but here's a few that seem to hit especially hard. The first loss was Mr. John Cyopec, Chariman of the Canadian Trucking Alliance. John was as respected a man as this industry has ever seen...a selfless leader who held himself with class and dignity while disease slowly took him from us. We lost a pioneer in Mr. Dale Craig who was a past Chairman of both the TCA (Truckload Carriers Association) and the ATA (American Trucking Association). The final loss was Mr. Mac McCormick. Mac passed away en route to Dallas to attend the annual ATA (American Trucking Association) convention where he was to be ordained as the next Chairman.

Unfortunately there's quite a bit of the ugly to recap also. The Ontario Trucking Association's web site



## The Good the Bad and the Ugly!

reports that the number of trucks crossing the Ontario-U.S. border between January and September 2006 fell by over 82,000 loads compared to the same period a year ago. This is a direct effect of the high value of the Canadian dollar compared to the U.S. greenback combined with competition from low-cost manufacturing in China and a slowing U.S. economy. Recent articles in American trade publications also suggest that the large, publicly-traded truckload carriers have seen a reduction in overall tonnage during the finish of the third quarter of '06. This is an indication on the state of the economy – when these guys slow down it's a good bet most other companies are slow too.

This year we were somewhat insulated from the crunch of the weakening U.S. dollar because American carriers have been so busy in their own country due to their strong domestic tonnage which means that hauling cross-border has not been a priority for them. The result of this for us was a never-before-seen imbalance in favour of northbound volumes and corresponding rate increases which helped shore up the balance sheets of many Canadian cross-border truckers.

Owner operators who think this is just an issue for your carrier and not applicable to you should take note. The high cost of jumping to another carrier at this time might just land you in a worse position than you're in right now. With the cost of switching carriers as high as it is, you need to

think your move through thoroughly. Patience might be the best strategy right now when it comes to freight volumes because if your current carrier isn't offering the freight you like, there's a chance you might not get it at your new one either.

These realities along with the huge pre-buy of class 8 trucks this past year, the softening of the construction of new homes and the abysmal state of the North American auto industry tells me that we might be in for a rough ride over the next few quarters.

I wish that there was a lot more of the good news and that the bad and ugly weren't quite so ominous but I think that the current situation is what it is.

One constant over the years is that this industry is still, at it's core, a grass roots family-run fraternity with more "can do" and guts than any other sector of this economy. It's always been that way and it always will be, so I am confident that we as an industry can weather any storm that 2007 might bring to us.

What do you think?

Feel free to drop me a note on this idea.

Take good care and safe trucking!

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