



Safe Trucking Report

March 2021





SAFETY FOR THE LONG HAUL

Trucking is an \$800 billion dollar industry. According to the U.S. Department of Transportation, trucks transported nearly 12 billion tons of freight in 2019. Trucks are by far the single most-used mode of moving freight, accounting for around 63% of the tonnage and 68% of the value.¹ Businesses big and small rely on a network of freight carriers to move their goods. From the Amazon package on your doorstep to the toilet paper in grocery store aisles, virtually everything we purchase is moved by a truck.

Trucking is also a very fragmented industry, with even the biggest carriers making up a paltry percentage of market share. And while large

carriers like U.S. Xpress have tech-enabled trucks, robust driver development programs and strict safety policies, many smaller companies simply don't have the same resources.

This report spotlights a few of the ways U.S. Xpress is leading the industry in safety. While not an exhaustive list of all safety programs and protocols deployed by the company, this report provides insight and commentary from experts, along with views from more than 2,000 U.S. adults on important initiatives such as higher insurance minimums, drug testing, speed limiters and event recorders.²

¹ Bureau of Transportation Statistics, 2016 30-Year Freight Projections

² Online survey fielded by Harris Interactive among 2,037 U.S. adults Feb. 10-12, 2021.



PROTECTING DRIVERS WITH HIGHER INSURANCE MINIMUMS

The next time you're driving beside a tractor trailer, take in the sheer size of the truck. These 80-foot, often 80,000-pound vehicles keep the supply chain running. Professional truckers are safe drivers, but accidents can still happen.

You may be surprised to learn commercial trucks are required to carry a minimum of just \$750,000 in liability insurance — and that figure hasn't increased in nearly 40 years.³ While this may sound like a significant sum of money, the costs of catastrophic accidents involving multiple vehicles and injuries can spiral into the millions of dollars. That's why there's a movement and support in Washington, D.C. to increase trucking company insurance minimums to \$2 million.

76%

According to recent research by U.S. Xpress, **76% of U.S. adults agree or strongly agree the government should increase the minimum amount of liability insurance for trucking companies operating tractor trailers to \$2 million.**

U.S. Xpress has maintained insurance above the Department of Transportation-required minimums for years to ensure its drivers and those sharing the road are protected. But in such a large and fragmented industry, there are thousands of small carriers who are insuring at bare minimum levels.

³ U.S. Department of Transportation, 2013 Federal Motor Carrier Safety Administration report

More than doubling insurance minimums may put some smaller trucking companies out of business because they simply won't be able to afford the premiums, but U.S. Xpress Chief Legal Officer Nathan Harwell believes it's for the greater good. "If a carrier can't afford premiums on a \$2 million insurance policy, you might question whether it should be operating a trucking company," Harwell says.

Another trend in the trucking industry is so-called **"nuclear verdicts,"** which occur when juries award massive sums (in the hundreds of millions of dollars) that may have little correlation to the damages of the accident or its cause, but instead are designed to punish the industry and send a message to carriers. While most of the actual payouts will never reach anywhere near prescribed amounts, they negatively impact the industry. More insurers are leaving the market because they can't insure against such high verdicts. Premiums are going way up while the number of providers is drastically shrinking.

Increasing the insurance minimum to \$2 million will provide upsides to shippers as well, according to Harwell. "Customers want to work with safety-conscious carriers who are true partners in their business," he says. "Shippers are becoming increasingly sophisticated and want a similarly sophisticated carrier partner. That's a value proposition U.S. Xpress offers."



"IF A CARRIER CAN'T AFFORD PREMIUMS ON A \$2 MILLION INSURANCE POLICY, YOU MIGHT QUESTION WHETHER IT SHOULD BE OPERATING A TRUCKING COMPANY."

Nathan Harwell
Chief Legal Officer, EVP



STRICT HAIR TESTING FOR ALL DANGEROUS DRUGS

Nearly 60,000 commercial truck drivers lost their jobs in 2020 as a result of the newly enacted Federal Motor Carrier Safety Administration's Drug & Alcohol Clearinghouse. This program requires commercial trucking companies to provide proof their drivers are not drug users. Drivers' names are submitted to a database and those with positive drug tests are prohibited from driving until they have successfully completed a substance abuse program.

Major trucking companies overwhelmingly support this initiative, but the quality of drug tests remains an issue. Traditional urine testing can be unreliable and identifies fewer drugs over a shorter period. Around 2% to 3% of drivers will test positive for prohibited substances including marijuana, cocaine and methamphetamines in a urine test.

URINE TESTING

Can be unreliable and identifies fewer drugs over a shorter period.

VS.

HAIR TESTING

Analyzes prohibited substances metabolized in the body over a longer period and across a wider range of banned substances.

The gold standard for drug testing is hair testing, which analyzes prohibited substances metabolized in the body over a longer period and across a wider range of banned substances.

Many major carriers, including U.S. Xpress, require a negative hair test result for all drivers upon hire.

“When we began using pre-employment hair testing in 2019, around 14% of driver candidates tested positive for banned substances,” said Greg McQuagge, Vice President of Safety and Compliance at U.S. Xpress. “Even today, most carriers are still using urine testing, and when doing the math, you can easily see a concerning number of drivers are slipping through the cracks at those carriers.”

84%

An overwhelming majority, **84% of U.S. adults agree or strongly agree trucking companies should drug test all drivers before hiring them. In addition, 71% agree or strongly agree trucking companies should use hair testing rather than the less-reliable urine test.**

“Our shippers want to partner with a carrier that’s purposeful about its hiring practices,” said McQuagge. “There’s an incredible amount of trust given to trucking companies and we want to be certain we’re doing everything we can to ensure safe delivery of goods.”



“THERE’S AN INCREDIBLE AMOUNT OF TRUST GIVEN TO TRUCKING COMPANIES AND WE WANT TO BE CERTAIN WE’RE DOING EVERYTHING WE CAN TO ENSURE SAFE DELIVERY OF GOODS.”

Greg McQuagge
VP, Safety & Compliance



“STARTS RECORDING WHEN TRIGGERED BY FOLLOWING TOO CLOSELY, A HARD BRAKE, SPEEDING, ROLL STABILITY, OR LANE DEPARTURE, THE CAMERA CAPTURES 12 SECONDS OF VIDEO.”

EVENT RECORDERS IN ALL TRUCKS

Another tool U.S. Xpress uses to ensure road safety is event recorders: small video cameras installed fleet-wide in 2018 that begin recording when an “event” happens in the vehicle. When triggered by following too closely, a hard brake, speeding, roll stability, or lane departure, the camera captures 12 seconds of video.

The documentation helps to not only determine responsibility, but also aids driver development and coaching. Event recorders help assess liability and recognize the expertise of professional drivers.

“While event recorders were initially met with resistance from drivers, it’s now rare to get any negative feedback because truckers understand the value of documenting their safe driving,” said McQuagge.

“The overwhelming majority of accidents involving trucks aren’t the fault of the truck driver and event

recorders help provide proof of causation.” Video footage is helping U.S. Xpress coach drivers at orientation and through continuing safety education. Watching real-world examples of these events — and how drivers react — helps modify behavior.

The general public is supportive of event recorders: 79% of U.S. adults agree or strongly agree trucking companies should be required to install video cameras on all their trucks to better capture accidents. And like the public, shippers are also onboard and want to partner with carriers who are using the latest technology to ensure safety.

“Though it’s a significant expense for our 6,500-tractor fleet, the value event recorders provide to our company, our drivers and our shippers is immense,” said McQuagge.



79% of U.S. adults agree or strongly agree trucking companies should be required to install video cameras on all their trucks to better capture accidents.



SPEED LIMITERS TO REDUCE ACCIDENTS AND CARBON FOOTPRINT

U.S. Xpress also is helping improve safety on America's roads with speed limiters. **The company's entire fleet is equipped with this technology, which manages the speed of tractors, helping reduce accidents and improve fuel efficiency.**

U.S. Xpress operations can use WiFi-enabled technology to remotely set maximum tractor speeds for use of the pedal and for cruise control.

With drivers spending up to 11 hours per day behind the wheel, they crave comfort. New trucks are top of the line and have many of the same features as the most upscale automobiles, including adaptive cruise control, which gauges following distance, safely adjusts speed, and helps reduce driver fatigue.

Another key benefit of this technology is reduced pollution. U.S. Xpress has a goal of reducing its carbon emissions 60% by 2035 (which is detailed in the company's Corporate Responsibility Report) and much of that improvement will come from its tech-enabled, modern fleet.

Studies show reducing speeds from 75 to 65 miles per hour can result in up to 25% lower fuel consumption and resulting emissions. Slower speeds also lead to fewer accidents.

Nearly three-quarters (74%) of U.S. adults agree or strongly agree trucking companies should be required to install speed limiters on all their trucks to prevent truck drivers from speeding and help reduce accidents.



74% of U.S. adults agree or strongly agree trucking companies should be required to install speed limiters on all their trucks to prevent truck drivers from speeding and help reduce accidents

AIR DISC BRAKES IMPROVE STOPPING DISTANCES AND REDUCE ACCIDENT RATES

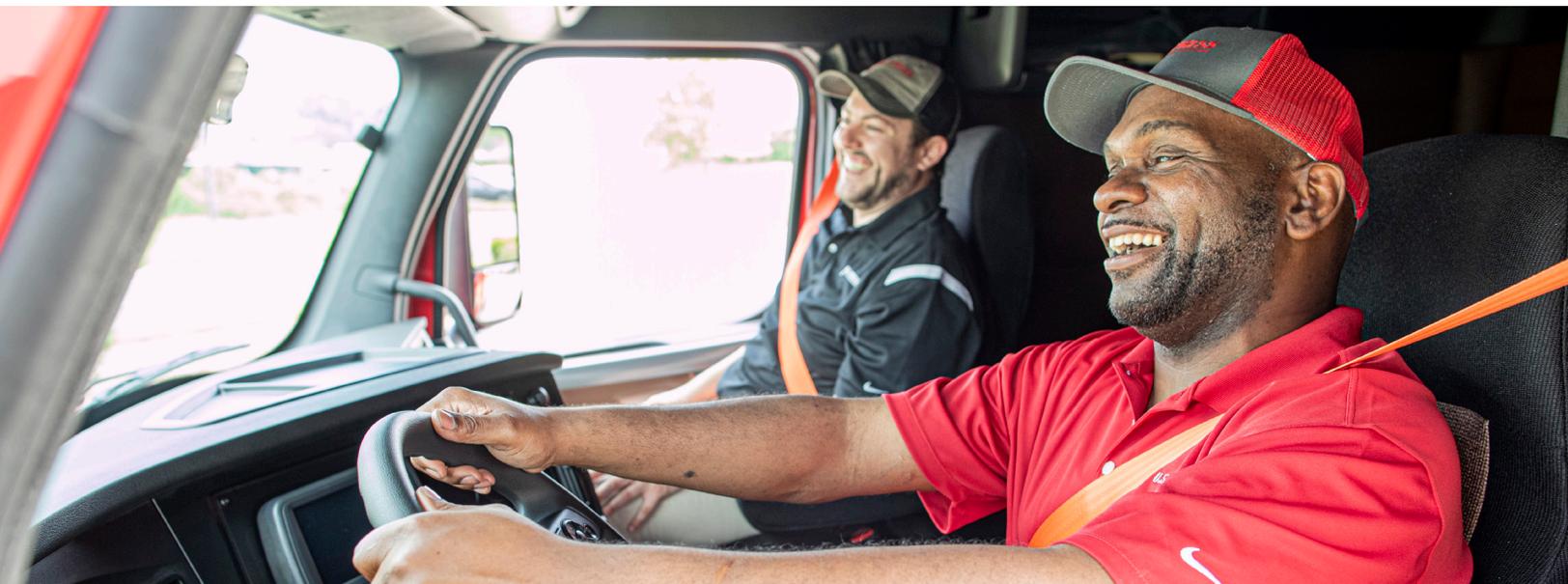
U.S. Xpress began installation of air disc brakes on its tractors in 2016 – one of the first carriers in the nation to do so - and in subsequent years, added air disc brakes to its trailers. A fully loaded, 80,000 tractor-trailer traveling 60 miles per hour can reduce stopping distance by approximately 20 feet when equipped with air disc brakes on all axels, rather than traditional drum brakes. That same fully loaded tractor-trailer traveling 70 miles per hour improves stopping distance of approximately 50 feet, or more than three car lengths with air disc brakes on all axels.

“This is a technology that most of us take for granted – most passenger vehicles have had disc brakes for decades, but many trucking companies have been slow to adopt,” said Shaun Sadler, Senior Vice President of Equipment at U.S. Xpress. “We’ve invested in air disc brakes on all tractor and trailer axels to shorten stopping distances and reduce accidents across our entire fleet.”

MAKING PROGRESS TOWARDS SAFER HIGHWAYS

These are just a few areas where U.S. Xpress is leading the industry in safety programs and initiatives. Higher insurance minimums, strict drug testing, event recorders and speed limiters all help protect the company, its drivers, its shipping partners and fellow drivers on the road.

For more on U.S. Xpress’s safety programs, visit usxpress.com/safety.





usxpress.com