



## MARCH 2021 NEWSLETTER

A Traitor in our midst....

Three US fleets have gone “all in” on autonomous trucking. Schnieder National, Werner Enterprises, and US Xpress each announced equity investments in California-based TuSimple, an autonomous trucking technology company. These three carriers historically hire newer drivers and see this a way to cut operational costs. UPS, Penske Truck Leasing and McLane have also formed alliance with TuSimple. The announcement of these investments come only hours after TuSimple revealed the formation of an Executive Advisory Board on which the CEOs of these mega carriers will serve. The EAB will help TuSimple’s management team to determine ways to “accelerate the adoption of autonomous long-haul freight to include regulation, technology, freight logistics, and leadership.” <sup>1</sup>

In other news, Plus, formally Plus.ai received \$200 million dollars in funding from two Chinese firms Guotai Junan International, CPE and Wanxiang International Investment. Mass production begins this year with Navistar International Corporation and PACCAR Incorporated. Its ambitious plans include expanding internationally into Europe and other parts of Asia. Simply stated, autonomous trucking does not just impact us here in the states. Plus is competing directly with TuSimple to become the first self-driving technology developer in the commercial market. <sup>2</sup>

TuSimple lobbyists (and company spokespersons), have used this argument to have two bills recently introduced in the US House of Representatives and US Senate to limit the ability of owner-operators to make a living.

The selling point for the advancement of autonomous trucking from TuSimple’s point of view is the following: “What if technology could change the world for the better? What if we could create a virtual driver who never drinks, never texts and never gets tired? What if you could transport freight coast-to-coast in 36 hours? What if you had nearly unlimited freight capacity? What if we could distribute more foods or supplies to more people faster? What if you could make trucks more efficient and reduce their carbon footprint? What if you could stabilize and protect supply chains against the unexpected? What if you could lower the cost of freight transportation by 30%?” <sup>3</sup>

Is there hope for our industry? Time will tell. A third autonomous trucking firm Waymo, a subsidiary of Alphabet, e.g., Google, is testing their version of autonomous trucking in the Southwest. Waymo is focused on running tests primarily on Interstates 10, 20, and 45 through El Paso, Dallas and Houston. The company has partnered with UPS and said it has outfitted Chrysler Pacifica minivans that are transporting packages in the Metro Phoenix area to the Tempe, AZ hub in a pilot program. There is a safety driver on board currently to monitor operations. Engineers there have struggled with having enough AI on board to get to the standard of “human equivalence” of safety. AI can’t make mistakes, it has to work flawlessly in all conditions, every time. One engineer said full autonomous trucking was at least 10 years away. The Department of Transportation is unfortunately bought into this big time. With China pressing the issue, undoubtably this is related. <sup>4</sup>

The Government Accountability Office conducted a study in 2019 and estimated that nearly 900,000 truck driving jobs, (possibly more), could be lost over the coming decades due to the adoption and implementation of autonomous trucks. Stakeholders in this venture clam that autonomous would bring the overall shipping costs down which ‘would encourage the use of more long-haul use.’

1. Transportation Nation Network. “Mega Carriers Partner with TuSimple in Historic Deal to Run Driverless Trucks Nationwide.” TransportationNation.com July 1, 2020.

2. Transportation Nation Network. “Self-Driving Tech Company Rakes in \$200 Million in New Funding from Chinese Firms.” TransportationNation.com February 10, 2021.

3. Transportation Nation Network. “Three Mega Fleets Buy Ownership in Driverless Tech Company to Accelerate Adoption.” TransportationNetwork.com January 22, 2021.

4. Transportation Nation Network. “Self-Driving Truck Engineer Makes Revealing Admission as Company Ramps Up Testing.” TransportationNation.com July 1, 2020.