

Risk Management Issues In the Trucking Industry

As a result of the COVID-19 pandemic, the trucking industry has been thrust into a new world of operation. Truckers have been called upon to deliver goods which are essential to the nation, like food, medicine and personal protective equipment. They have had to adapt, sometimes on an hourly basis, to changing environments. Between staying current on the virus and getting by with fewer resources, drivers are becoming fatigued and fearful of the unknown.

This Advisory lists some of the major issues truckers are currently facing during this pandemic, including:

- Lack of Resources Available to Drivers on the Road
- Longer Days Resulting in Driver Fatigue
- Driver Turnover Challenges
- Recent Regulatory Changes
- Moving Towards Recovery

Lack of Resources Available to Drivers on the Road

Truckers were one of the first industries charged with responding to the pandemic. While many restaurants, gas stations and even some rest stops have shut down or limited operations, drivers continue to move forward. Drivers have experienced challenges in finding places to buy food, exercise and rest properly. Many are unsure how to protect themselves from COVID-19, and if they begin exhibiting symptoms, don't know what steps to take next.

It is important companies provide additional support for their drivers. Employers should consider:

- Establishing a method for communicating with drivers on a regular basis. Use this time to check in with drivers, keep them updated on the latest COVID-19 information, and provide them with tips and tools to make the experience easier.
- Stocking trucks with essentials like bottled water, healthy portable snacks, hand sanitizer, toilet paper and
 other toiletries
- Providing drivers with proper personal protective equipment and educating them on how to use it to prevent exposure to the virus.
- Identifying open rest stops and restaurants convenient to the route. <u>TruckerNation</u> has compiled a list of businesses, communities, and services that have stepped up to lend a helping hand to drivers during this time of uncertainty.
- Ensuring urgent care medical providers have been identified for the routes normally taken by drivers. Some
 of the preferred medical clinics that companies send an injured worker to are closed or understaffed. If
 resources are limited, consider partnering with a telemedicine provider to provide 24/7 access to a
 physician anywhere in the country.



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- Providing employees with instructions on what they should do if they become ill while on the road. For
 detailed instructions, refer to the <u>Centers for Disease Control and Prevention' Interim Guidance for Business</u>
 and Employers.
- Establishing processes for disinfecting shared equipment after each trip to reduce transmission among employees. Disinfect and clean cab area and handles on trucks. The Environmental Protection Agency (EPA) has developed a list of approved disinfects for use against SARS-CO2, the virus that causes COVID-19. The CDC has established guidelines on how to properly disinfect various surfaces and materials.

While many aspects of this pandemic are out of the employer's control, it is important that they provide as much stability and support as possible. Companies should work to maintain employee recognition programs, celebrate achievements and other notable events like work anniversaries. If resources allow, offer flexible working arrangements. If employees indicate they are having a hard time coping, employers should offer the services of their Employee Assistance program, or similar resource.

Longer Days Resulting in Driver Fatigue

While some trucking companies have had a decrease in business, others have experienced significant demand for services. To ensure critical resources are available to the nation, the President issued an Emergency Declaration. The enforcement of hours of service regulations has been modified for certain haulers. As a result, drivers are working extended hours. Adding to the longer shifts, drivers are having to comply with customer COVID-19 screening during pickup and delivery. They are also being confined to tractors while at shippers, whereas they used to be able to relax in a drivers lounge, have refreshments, eat and interact with others. All of this has resulted in many drivers feeling fatigued.

While drivers are legally able to spend longer periods of time on the road, it is important employers reinforce the importance of obtaining adequate rest. Companies should remind drivers of these <u>fatigue management tips</u>:

- Getting Enough Sleep Before Getting Behind the Wheel
- Maintaining a Healthy Diet
- Taking a Nap
- Avoiding Medication that May Induce Drowsiness
- Recognizing the Signals and Dangers of Drowsiness
- Not relying on "Alertness Tricks" to Keep You Awake

Driver Turnover Challenges

Due to shifts in supply and demand for different types of commodities, those companies who have experienced an increase in business may be soliciting new drivers. While there are drivers available, the current social distancing environment does not support the quality screening of drivers.



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Some candidates come from smaller fleets who are shut down so past employment records and reference checks are not readily available. Furthermore, some drivers may have a difficult time renewing licenses, or obtaining medical evaluations and alcohol/controlled substance screens due to limited services. As a result, companies may be hiring drivers who do not necessarily meet minimum selection criteria. Once on payroll, new drivers may be receiving an abbreviated orientation and subsequent driver training due to social distancing and work at home rules.

Whether employers are hiring associates or letting them go, companies should remain committed to existing risk management policies and procedures. While the current pandemic may not allow for every practice to be followed perfectly, any time there is deviation, the likelihood of an incident and subsequent financial loss increases. If deviations on policy have to be made, it is important that any gaps in the driver hiring, onboarding and termination be addressed as soon as feasible.

Recent Regulatory Changes

Various regulatory agencies have provided relief from many of the regulations while others have implemented new requirements. Although enforcement of some regulations has been reduced, companies should not defer maintenance issues, allow drivers to operate trucks while fatigued, or avoid testing for alcohol and controlled substances because of limited enforcement. Businesses should work to follow their written policies and procedures. Below is a list of regulatory changes that may apply to the trucking industry:

Department of Transportation Commercial Driver's Licenses

Many states are experiencing greater than normal employee absences or have closed offices of their State Driver Licensing Agencies. As a result, many Commercial Motor Vehicle (CMV) drivers are unable to renew their driver's license and are unable to provide medical certificates to their State Driver Licensing Agencies. In addition, many medical providers nationwide have canceled regularly scheduled appointments to dedicate resources to the COVID-19 response or for related reasons, and drivers are unable to obtain appointments for physical examinations with medical examiners to comply with the Federal Motor Carrier Safety Regulations (FMCSRs).

Commercial Driver's License Waiver

The waiver is effective until June 30, 2020 and provides important relief resulting from situations where many Commercial Driver's License (CDL) and Commercial Learner's Permit (CLP) holders are unable to renew their CDLs and CLPs and are unable to provide medical certificates to their State Driver Licensing Agencies. In addition, many medical providers nationwide have canceled regularly scheduled appointments to dedicate resources to the COVID-19 response. As a result, drivers are unable to obtain appointments for physical examinations with medical examiners. To learn more, review the Federal Motor Carrier Safety Administration's (FMCSA) Commercial Driver's License waiver in its entirety here.



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Commercial Driver's License Enforcement

This Notice of Enforcement Policy, effective from March 24, 2020 to June 30, 2020, provides needed relief from specified FMCSRs for Commercial Learner's Permits (CLP) holders, Commercial Driver's License (CDL) holders, and non-CDL drivers and motor carriers using those drivers. This Notice of Enforcement Policy applies to all CLP holders, CDL holders, and non-CDL drivers whose license was issued for less than the maximum period established by Code of Federal Regulations (CFR) 49-383.25 and 383.73 and was valid on February 29, 2020 and expired on or after March 1, 2020. To learn more about the relief from this policy, review the Notice of Enforcement in its entirety here.

Department of Transportation Drug Testing and Alcohol Testing Regulations

The Department of Transportation (DOT) recently published guidance on compliance with the modal drug and alcohol testing programs during this period of national emergency. Explanation was provided for DOT regulated employers, employees, and service agents. Refer to the www.transportation.gov website for the latest on COVID specific compliance with DOT Drug and Alcohol testing.

FMCSA Hours of Service National Emergency Declaration

The Federal Motor Carrier Safety Administration has declared that a nationwide emergency continues to exist that warrants extension and expansion of Emergency Declaration No. 2020-002 issued on March 13, 2020, and expanded most recently on April 8th, continuing the exemption granted from Parts 390 through 399 of the Federal Motor Carrier Safety Regulations (FMCSRs) for the fifty states and the District of Columbia. This Declaration extends the exemption through May 15, 2020, and further expands the relief expressly to cover liquefied gases to be used in refrigeration or cooling systems. This extension of the Emergency Declaration addresses national emergency conditions that create a need for immediate transportation of essential supplies, equipment and persons, and provides necessary relief from the FMCSRs for motor carriers and drivers engaged in the transport of essential supplies, equipment and persons. Review the declaration in its entirety to better understand restrictions and limitations.

Pipeline and Hazardous Materials Safety Administration Enforcement of Training Requirements

Pipeline and Hazardous Materials Safety Administration (PHMSA) continues to monitor the effects the COVID-19 outbreak is having on regulated hazardous materials entities. As a result, PHMSA decided to temporarily halt enforcement actions against shippers and carriers that are unable to comply with training requirements included in the Hazardous Materials Regulations (HMR) by issuing the Notice of Enforcement Policy on Hazardous Materials Training Requirements. The notice is limited to recurrent training requirements and does not apply to all other HMR obligations or applicable laws for hazardous materials offers and carriers. For more details, review the Enforcement Policy Notice Regarding Training Requirements here.



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Occupational Safety and Health Administration

The Occupational Safety and Health Administration (OSHA) established the general duty clause which requires employers to provide employees a place of employment "free from recognized hazards that are causing or likely to cause death or serious physical harm." The implications of this duty to COVID-19 are not clear, but transportation companies should review guidance provided by OSHA and other federal and state regulatory to ensure adequate steps are taken to protect employees and complying with regulatory requirements. To learn more visit: Occupational Safety and Health Administration Guidance on COVID-19.

Department of Labor's Families First Coronavirus Response Act

On March 18th, the Families First Coronavirus Response Act (FFCRA) was enacted providing workers paid leave for reasons related to the Coronavirus. The "Emergency Family and Medical Leave Expansion Act" allows 12 weeks of partially compensated FMLA leave to care for a child whose school or child care facility has been closed due to COVID-19. The "Emergency Paid Sick Leave Act" requires employers to provide 80 hours of paid sick time to employees in specified circumstances related to COVID-19 exposure and prevention.

The new paid leave provisions will take effect on April 1, 2020 and require employers to post a notice of FFCRA requirements in a conspicuous place on the premises. It should be noted that small businesses with fewer than 50 employees may qualify for exemption from the requirement to provide leave due to school closings or child care unavailability if the leave requirements would jeopardize the viability of the business as an ongoing concern. Details about this Act and the employers which are covered can be obtained by visiting the Department of Labor's COVID-19 and the American Workplace webpage.

State and Local Community Restriction Orders

Know and follow state and local community restriction orders regarding preventing the spread of COVID-19. For example, in areas such as the greater New York area, officials are requiring truck drivers and other people driving into the city to deliver needed supplies to stay in their vehicles as much as possible as supplies are loaded and unloaded. Additionally, they are required to avoid being within 6 feet of others when they exit their vehicles, and move to electronic receipts if possible. TruckerNation has developed a list of state COVID-19 information for drivers and motor carriers.

Moving Towards Recovery

While there is no doubt that this pandemic has impacted the Trucking industry, frankly in more ways than many can readily comprehend today, there have been some silver linings. Congestion has reduced significantly, allowing for more direct delivery. Many companies have also found ways to operate more efficiently, using technology like smart analytics and phone apps to reduce contact and streamline operations.

On April 16th, the Whitehouse released "Guidelines Opening Up America Again". This three phase approach should help officials and trucking companies find a path forward: reopening business, getting employees back to work, and keeping the Coronavirus at bay. This is a positive sign and a reminder that employers should be preparing for a return back to "business as usual."



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Below is a list of some Risk Management and Insurance items you may consider when developing our own strategy:

- If returning employees back from remote work arrangements, ensure office buildings are properly
 disinfected prior to return, and on an ongoing basis thereafter. Determine how employees will be screened
 for symptoms and conditions monitored. Create an environment that supports distancing, limits cross
 contamination, and encourages practicing good hygiene.
- Develop and implement policies and procedures for associates who have a positive for COVID-19.
- If rehiring drivers who were previously laid off, efforts should be made to adhere to established hiring policy and procedure, especially Motor Vehicle Record reviews, alcohol and Controlled Substance testing and Physicals. While it may seem like a short period of time has elapsed, something significant could have occurred.
- Be familiar with the expiration date of Emergency Declarations and the regulations they affect. Be prepared to communicate changes to drivers, and monitor enforcement.
- Ensure drivers whose medical cards and driver's licenses expired during the pandemic renew at the first
 opportunity. The same goes for all vehicle registrations and inspections.
- Review driver files to ensure contents are up-to-date.
- Conduct employee training if certifications have lapsed, or key topics have not been addressed.
- Some companies may have removed inactive equipment from active insurance policies. Ensure all
 equipment returned to operations is covered by the policy.

Links to Helpful Resources:

- Federal Motor Carrier Safety Administration's Coronavirus (COVID-19) Information and Resources
- U.S. Department of Transportation's <u>COVID-19</u>
- TruckerNation's <u>COVID-19</u>
- American Trucking Association's <u>COVID-19 Update Hub</u>
- Truckload Carriers Association's <u>COVID-19</u>
- Centers for Disease Control and Prevention's Educational resources, posters, and videos
- Centers for Disease Control and Prevention's Environmental Cleaning and Disinfection Recommendations
- World Health Organization's <u>training videos</u>
- Environmental Protection Agency's <u>Coronavirus</u> (COVID-19) website
- Heavy Duty Trucking- Fleet Management's <u>Coronavirus/COVID-19 Resource Page for Trucking</u>

For more information - please visit our Coronavirus Resource Center.

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