

AN INTRODUCTION TO TODAY'S TRUCKING INDUSTRY

THE ENGINE THAT KEEPS CANADA'S ECONOMY MOVING

TRADE
JOBS
SAFETY
INVESTMENT
ENVIRONMENT
HIGHWAYS



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The trucking industry plays a vital economic and strategic role in Canada. Manufacturers, retailers, farmers, exporters and importers of all manner of products depend on trucking - more than any other freight transportation mode - to get their goods to market or their business inputs into production safely, efficiently, reliably and on time.

Today's trucking industry is a complex, sophisticated and responsible contributor to the economic prosperity and the quality of life of Canadians. Today's truck fleet is safer, more efficient, technologically driven, security conscious and environmentally compatible than ever before.

The industry's drivers, maintenance professionals and other workers are better trained and must meet a higher level of inspection and credentialing than their predecessors ever had to.

Why Are There So Many Trucks? SERVICE

Trucks haul 90% of all consumer products and foodstuffs consumed every day by people across Canada. Sometimes other modes of transport can be cheaper than truck, but the trucking industry is the preferred choice for most shippers because no other mode can match its flexible, reliable, time-sensitive, door-to-door service. This is most apparent when it comes to just-in-time and time-definite shipments relied upon by all types of businesses to economize on inventory levels and to participate in the continental synchronous manufacturing system.

Without trucking, the supply chain upon which the economy depends would be broken. Computerized dispatch, on-board computer systems, satellite tracking, and electronic data interchange with shippers and regulatory authorities are all part of the new way of doing business.

Intermodal Service Relies On Trucks

It's a common misconception amongst some that trucking and rail provide interchangeable service and that freight could be easily switched from one mode to the other. The truth is that the two modes provide fundamentally different services and there is actually very little competitive overlap. And, where there is, there is now more cooperation (called intermodalism) than ever before. Even when the line-haul portion of a shipment moves by other modes, trucks are still needed to get the shipment to and from its ultimate origin or destination. Trucking specializes in the delivery of relatively small shipments of time-sensitive, high value-added goods over short distances. Other modes, like rail and marine, are best suited to hauling lower value bulk goods that are not time sensitive over longer distances.

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Canada's Trade Moves By Truck

The vital role of the trucking industry is perhaps most evident in terms of Canada's trade with the United States. One-third of Canada's GDP is dependent upon trade with the US and over two-thirds (by value) of that trade moves by truck. This dominance reflects: (1) Superior service provided by trucking; (2) Integration of trucking into North American high value-added manufacturing processes (e.g., automotive and grocery products production); and (3) The major destinations in the US industrial heartland are usually within one day's truck drive.

Each year over 13 million trucks cross the Canada-US border - that's one truck every 2 1/2 seconds, 24 hours a day, 7 days a week, 365 days a year.

This dependence on trucks to move Canada's trade, combined with the new security measures since 9/11, have made border efficiency and security an economic imperative for Canada.

TWO-THIRDS OF CANADA-US TRADE (BY VALUE) MOVES BY TRUCK



JOBS AND ECONOMIC CONTRIBUTION OF THE INDUSTRY ARE SPREAD ACROSS THE ENTIRE COUNTRY

A Major Job Creator

The trucking industry is a major employer in its own right employing over 400,000 people directly and supporting several tens of thousands more in the production and provision of goods and services to the industry such as truck and trailer manufacturing, sales, rental and leasing; fuel production and sales; components and parts manufacturing and distribution; insurance; and software development.

According to the Census of Canada, truck driver is the leading occupation among males in Canada at over 260,000 jobs. Moreover, since the trucking industry exists in virtually every community accessible by road, the jobs and economic contribution of the industry are spread across the entire country. The industry also offers the first job in Canada for many new Canadians. Current forecasts suggest the industry is facing a major shortage of truck drivers and other occupations in the years ahead, making it an attractive place for existing and future workers looking for an interesting, well-paying, and secure career.



**Canada
Moves
By Truck**



Direct Investment Decisions Depend On Access to Highways & Trucks

When deciding where to locate that next manufacturing facility, distribution or retail centre, one of the key considerations is easy access to efficient transportation service - particularly to highways and trucks. It is critical that Canada (whose economy is heavily dependent on exports to the United States) ensures that potential investors have access to both, particularly in the post 9/11 world where decisions on direct investment and sources of supply are being impacted by questions over the efficiency and predictability of border crossings.

Yet, despite its dependence on trade with the US for its economic well-being, and the fact that most of that trade moves by truck, Canada is the only major industrialized country on the planet not to have a National Highway Policy.

THE TRUCKING INDUSTRY PAYS MORE IN ANNUAL FEDERAL FUEL TAXES THAN THE FEDERAL GOVERNMENT PUTS BACK INTO HIGHWAYS

Highway Funding: Paying Our Fair Share

The trucking industry pays more than its fair share for the highway infrastructure it uses through federal and provincial fuel taxes, commercial vehicle licence fees and other forms of taxation. A typical tractor-trailer for example, can easily pay in excess of \$40,000 per year in taxes to all levels of government.

In particular, the trucking industry pays more in federal fuel taxes than the federal government puts back into highways. Each year trucks pay over \$1/2 billion in federal fuel taxes whereas the federal government spends less than \$200 million annually on our highways.





The Environment: Smog-Free Trucks

The trucking industry is the only freight mode in Canada whose emissions from its fuel and its engines are regulated and whose environmental performance is subject to mandatory testing. Today's trucks are 80% cleaner than those of just a decade ago. The 2007 model year trucks will be 95% cleaner than those produced as recently as 2000. By law, these trucks will be virtually smog-free. Trucking is the only freight transportation mode that can make that claim.

Further, today's trucking companies are making great strides in reducing fuel consumption through improved fuel efficiency and controlling truck idling. Because fuel is such a large cost for companies, they are investing heavily in fuel saving technology. On-board computerized driver management systems and specialized aftermarket equipment are used to monitor and limit fuel consumption.

The industry is also exploring many other alternative fuels that one day may meet operational and engine warranty standards - such as hybrid fuels, liquefied natural gas and hydrogen. Through an MOU with Natural Resources Canada the industry will also be looking to explore other future technology that will mitigate the trucking industry's impact on air quality and greenhouse gas inventory.

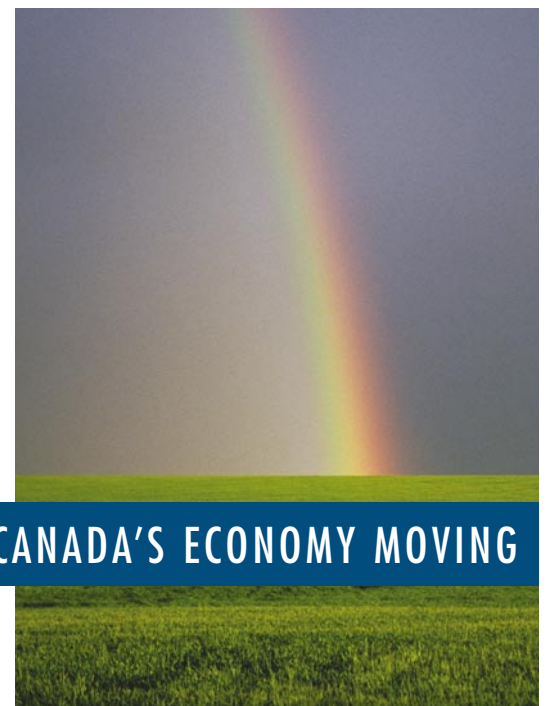
**SMOG-CAUSING POLLUTANTS
FROM HEAVY TRUCKS WILL
BE VIRTUALLY ELIMINATED
IN THE NEXT FEW YEARS**

**AS A CLASS, TRUCK
DRIVERS AND THE TRUCKS
THEY DRIVE, ARE THE
SAFEST DRIVERS AND
VEHICLES ON THE ROAD**

Priority #1: The Safest Drivers & Vehicles On the Road

The trucking industry shares its workplace with the traveling public, creating a responsibility for safety that few other industries must meet. While tractor trailers make up over 15% of the vehicles on the road, they represent less than 2% of the vehicles involved in collisions. The trend suggests further improvement.

Moreover, in collisions they are involved in the truck drivers are usually not at fault. Truck drivers are far less likely to have consumed alcohol compared to other drivers. Put simply, safety is good business.



THE ENGINE THAT KEEPS CANADA'S ECONOMY MOVING



Trucking Facts

- Trucking in Canada is a highly competitive \$51 billion industry that includes approximately 10,000 for-hire trucking companies plus thousands of owner operators, couriers and private fleets.
- Employs over 260,000 drivers and 400,000 Canadians overall
- Truck driver is the top occupation for males in the country
- Trucks move 90 per cent of all consumer products and foodstuffs within Canada
- Over two-thirds of Canada/US trade moves by truck
- Each year, trucks cross the Canada-US border over 13 million times - one every 2 1/2 seconds
- Each truck typically contributes \$40,000 per year in federal and provincial taxes

Who Is CTA?

The Canadian Trucking Alliance is the voice of motor carriers across Canada. It is a federation of the provincial trucking associations and has a membership of some 4,500 trucking companies and industry suppliers.

CTA's head office is in Ottawa with regional representation from the provincial trucking association offices in Vancouver, Calgary, Regina, Winnipeg, Toronto, Montreal and Moncton. CTA is a responsible industry champion on matters of national and international policy, regulatory and legislative issues.

For further information on the trucking industry contact:



Canadian Trucking Alliance

130 Slater Street, Suite 1025

Ottawa, ON Canada K1P 6E2

Tel: (613)236-9426; Fax: (613)563-2701

www.cantruck.com