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Truckers need a fast lane for CARES Act benefits -- Their role in our economy can't be underestimated

Trucking companies and truck drivers are the linchpin of the domestic supply chain

Truckers push for coronavirus relief

Drivers in the trucking industry are asking for help during coronavirus, such as more safety equipment, as well as some longer-term requests. FOX Business' Grady Trimble with more.

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Trucking companies and truck drivers are the linchpin of the domestic supply chain. To get a sense of their importance and scale: Over 70 percent of all freight in the U.S. is moved by trucks, accounting for more than 11 billion tonnes every year. The industry is responsible for nearly 6 percent of all full-time jobs in America, from drivers and dispatchers to mechanics and facility personnel.

But perhaps most telling is in their fragmentation: According to the U.S. Department of Transportation, the number of for-hire trucking companies on file with the Federal Motor Carrier Safety Administration reached nearly 900,000 in 2019. Of that 900,000, an incredible 97.4 percent operate fewer than 20 trucks.

AIRLINE INDUSTRY'S CORONAVIRUS BAILOUT MAY DRAW ON LESSONS OF 9/11

Their importance has become more apparent than ever in light of the coronavirus pandemic. The outstanding men and women in the trucking industry are going above and beyond right now, stepping up to ensure that goods flow freely from coast to coast.

But the reality is that these heroes, these folks who are stepping up and putting country above self so that we can have food and supplies, are also small business owners that are deeply at risk right now. These are businesses that operate on razor-thin margins in normal times. And while demand has been sky-high, a new reality is approaching.

Because of their vital role in the economy, we need to do everything we can to support carriers and insulate them from financial ruin, and it needs to happen right now.

While most SMBs have dealt with solvency issues and layoffs in March, there's a latency effect in play for truckers. As Americans flocked to grocery stores, carriers responded selflessly and seamlessly. The removal of Hours of Service regulations enabled most carriers to move more freight than they ever had before in the month of March. But as April and May arrive, and the reality of non-essential goods being removed from the equation sets in, carrier livelihoods will be held in the balance.

CORONAVIRUS – OUR FREIGHT RAIL NETWORK ALSO DELIVERING FOR AMERICA DURING COVID-19 PANDEMIC

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The CARES Act Will Help, But It's Only A Start

The \$2 trillion coronavirus aid package has set aside nearly \$350 billion for the Payroll Protection Program (PPP). The program was designed to protect any small business

impacted by COVID-19, by providing funds for companies to pay up to eight weeks of payroll costs including benefits. Funds can also be used to pay interest on mortgages, rent, and utilities. Additionally, the CARES Act expands the criteria for small businesses qualifying for loans, granted under the SBA's Economic Injury Disaster Loan Program (EIDL).

MNUCHIN ASKING FOR \$250B TO REPLENISH SMALL BUSINESS LOAN PROGRAM

While I encourage carriers to access as much federal aid as they can use at this time, the lean times are coming up fast. It is quite possible that freight volumes will decrease significantly in the near term due to a variety of factors including corporate bankruptcies and rising unemployment. If the volume of non-essential freight is reduced, freight rates will go down and carriers will need cash infusions to ride out a lean market.

Because of their deep importance to a functioning society, SMB trucking companies should be moved to the front of the line as the SBA provides CARES Act benefits. Carrier businesses need priority because they are an absolute necessity, and without them, things would be much worse.

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Just as the airline industry is being afforded special federal financial accommodations, so too should the hardworking men and women of the trucking industry. Even a 10 percent reduction in available carriers would create a massive economic ripple effect, passing costs down to consumers and further disincentivizing discretionary spending. For carriers that regularly survive week to week, in terms of liquidity, taking action today is the only way to ensure we don't lose vital carriers in the second half of 2020.

Today, as we face great uncertainty both in terms of the pandemic and the economy, it's vital that we do everything in our power to protect these SMB carriers who are on the

front lines, ensuring that essential goods are moving and we have some semblance of normalcy in our lives.

Drew McElroy is chairman and founder of Transfix, a digital marketplace that connects freight shippers with carriers to haul their goods.

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