

Empty Shelves, Higher Prices: The Real Cost of Trucking Chaos

1. Why Trucking Matters — With Numbers

Trucking is the economic backbone of both the U.S. and California:

- Trucks move roughly 72.7% of all freight by weight in the U.S. freight system.
- The national trucking industry generates about \$906 billion in freight revenue annually.
- Trucks haul 11.27 billion tons of freight per year in the U.S. (2024).
- An estimated 13–14 million trucks are in operation nationwide.

California's freight flows are especially critical, moving an estimated 75% of the state's cargo by truck, linking ports, farms, manufacturers, and retailers.

2. Who We Are – Independent Owner-Operators

Owner-operators like Kiwi Container Lifting Services represent a major portion of the trucking workforce:

- Roughly 350,000 owner-operators (independent truckers) operate in the U.S. trucking industry.
- This group makes up about 11% of U.S. truck drivers.
- Many choose the independent model for flexibility but face high business costs and regulatory burdens.

Unlike large fleets, independent operators shoulder all costs for fuel, compliance, insurance, and equipment. They also have limited ability to absorb price increases.

3. Big Companies vs. Small Operators – Industry Structure

The U.S. trucking industry is highly fragmented:

- 96% of U.S. trucking fleets operate 10 or fewer trucks.
- 99.3% operate 100 or fewer trucks.
- A small number of carriers handle a modest share of total freight, while millions of smaller operators carry the rest.

This structure means cost and regulatory pressures hit small firms especially hard.

4. Cost of Trucking in California — High Expenses

Operating costs in California are among the highest in the nation:

- California diesel prices can exceed \$6 per gallon (including state taxes and fees).

- Higher in-state diesel costs may be \$2.33+ per gallon more than neighboring states when taxes are factored in, deepening competitive disadvantages.
- Average national truck operating costs are about \$2.26 per mile.

Typical equipment and maintenance costs include:

- Tires: \$500–\$800 each
- Diesel mechanics: ~\$200+ per hour
- Oil changes: ~\$1,100+

These expenses, in addition to tolls, permits, inspections, and insurance premiums, squeeze profit margins and drive higher freight prices for consumers.

5. CARB & Regulatory Impact

California Air Resources Board (CARB) emissions rules are among the strictest in the country:

- Diesel retrofits or replacements to meet emissions standards can cost tens of thousands per truck. (Industry estimates vary by truck and retrofit type.)
- The Advanced Clean Fleets regulation aims to phase out diesel trucks fully by 2042, pushing zero-emission vehicles (ZEVs) into commercial trucking.

One analysis suggests these regulations could increase trucking costs by up to 80%, potentially raising household costs by about \$2,500 per year for the average California household.

6. DEF & Emissions Technology — Tradeoffs

Modern emission systems like Diesel Exhaust Fluid (DEF) reduce nitrogen oxide emissions but add complexity:

- DEF systems add recurring costs and can derate or shut down trucks if not managed properly.
- Early compliance years saw reliability issues, adding downtime and repair expenses.

While effective at reducing emissions, these systems also contribute to increased maintenance and generate non-recyclable plastic waste from disposable DEF containers.

7. Shifting Future — Electric, Hydrogen & Industry Consolidation

Future trucking trends show:

- Continued push toward electric and hydrogen trucks.
- Infrastructure and scaling challenges remain substantial.

- Smaller operators are more likely to exit the market due to cost and compliance pressures.

CARB's shifting policies and the high cost of zero-emission trucks underscore that the transition is costly, slow, and uneven, especially without robust charging/refueling infrastructure.

8. Driverless Trucks — Practical Reality

Autonomous trucking remains in early, limited testing. Most current development involves driver assistance systems, not full replacement. Cities, weather, and emergency response continue to present major obstacles for true self-driving trucks.

9. CDL Licensing & Safety Issues

Safety concerns around commercial driver licensing are significant:

- Federal scrutiny has flagged thousands of commercial licenses in California due to verification and enforcement gaps, threatening federal highway funding.
 - Serious crashes involving poorly qualified drivers highlight the need for stronger and consistent enforcement of licensing and language proficiency standards.
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10. Consumer Impact — Policy Isn't Isolated

Trucking costs ripple through household budgets:

- Transportation is built into the price of virtually everything—food, goods, and services.
- Higher freight costs translate to higher grocery bills, fewer options, supply chain impacts, and increased overall prices.

Analyses suggest cost increases in trucking show up in consumer prices and annual household expenses, especially in high-cost states like California.

11. Worker & Industry Challenges

Additional industry challenges include:

- Driver shortage estimates of 60,000–80,000 positions in the U.S. trucking workforce.
 - Aging workforce: average driver age ~55 years, highlighting future recruitment pressures.
 - High turnover at major carriers often exceeds 90% annually, reflecting retention challenges.
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12. Closing Perspective

Trucking is essential to everyday life, moving most goods we consume. While environmental goals are important, policy must balance economic impact, infrastructure readiness, and the viability of small businesses. Real-world experience shows that well-intentioned regulations can have unintended consequences, including industry consolidation, higher consumer costs, and loss of independent operators.