



*INVESTING IN THE DEFENSE  
SUPPLY CHAIN RISK  
MANAGEMENT*

*CARRIER INDUSTRY*



# *Opportunities in Supply Chain Risk Management*

- *Weather*
- *People – Truck Driver Drought*
- *Government Regulations*

# *How Risky is the Supply Chain?*

- *Big Events such as weather – NorEaster, Tornadoes & Flooding*
  - *Many of your top tier asset based carriers have invested heavily into their networks, buildings & docks to maintain a 24/7 operations during natural disasters and the loss of power – electricity*
  - *Generators are in place to provide power to these facilities and more importantly, the power to run the fuel tanks to fill up their trucks to move and transport the needed supplies*
  - *These top tier asset based carriers must evaluate the high cost & regulations of doing business with the DoD vs Commercial Customers – DoD purchases based upon “Best Value” – Best Value equals lowest price only!*

# *The Cost to do Business with the DoD*

## *“Unintentional Consequences”*

- *Securing access to a DoD facility*
- *Different requirements by Base or DoD facility*
  - *CDL – Commercial Drivers License with a hazardous materials endorsement (“HME” requires NCIC and terrorist watch list check)*
  - *TWIC – Transportation Workers’ Identification Credential (TWIC checks all the Federal Databases both initially and at subsequent repeated intervals)*
  - *RapidGate Access Card, with limited security checks and currently only used primarily by the Navy*
- *The inconsistency between facilities forces the carrier industry to have their drivers obtain multiple identification cards which drives the cost of doing business with the DoD*
- *The time it takes a carrier to access the Base or DoD facility is between 15 minutes to 60 minutes*

# *Investing in our Driver Work Force*

## *“Truck Driver Drought”*

- *Aging truck driver work force, average age is currently 55*
- *30,000 to 35,000 unfilled trucking driving jobs available*
- *As economy grows stronger the demand and need for qualified drivers will only increase. Estimates show the industry will need to fill over 100,000 jobs per year*
- *Carriers have developed their own driver training schools to replace aging driver work force*
- *Carriers currently working with the DoD to make driver credentials within the DoD reciprocate with current State CDL requirements*