

# *Anders Williams Trucking Company*

## *Db a Port City Transportation*

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NORFOLK, VA 23510

July 12, 2024

United States Department of Transportation  
Truck Leasing Task Force  
[tltf@dot.gov](mailto:tltf@dot.gov)

Re: Comment on Truck Leasing Arrangements for the July 18, 2024  
Truck Leasing Task Force Meeting

Dear Task Force Members:

We are a motor carrier with five locations in the Southeast and Mid-Atlantic regions of the United States. We are a 100% owner-operator fleet. A portion of the trucks operating under our Operating Authority are in lease purchase programs with an affiliate or a third party.

Owner-operators typically have their own truck. Lease purchase involves a distinct minority of our fleet and all the other fleets we know. In addition, we know of no fleet that would refuse to sign on an owner-operator who has access to a truck from another source.

With that in mind, the TLTF has asked whether owner-operators should be prohibited from entering into lease purchase agreements? The answer to that question is no. Our data on affiliated lease purchase arrangements from the last 9 years shows drivers succeed in lease purchase agreements:

75% of leases resulted the driver owning the truck

8% of leases ended with the truck scrapped following a mechanical event

4% of leases ended with the truck scrapped following an accident

13% of leases are in progress

The desire to drive and own your own truck is one of the greatest factors that cause individuals to pursue a career in truck driving. For this group, an employer/employee relationship is undesirable. This group wants the independence, better earnings and flexibility that owner-operator status gives them. Lease purchase programs are a worthwhile option for drivers who want to own their own truck.

Without lease-purchase programs the number of drivers on the road would decline and new drivers would be discouraged from entering the industry. You should not expect that lenders

would step in to fill the void. Lease purchase agreements came into existence because no one else was meeting the need. Prohibiting lease purchase agreements would worsen the existing shortage of qualified drivers.

Lease purchase agreement help drivers return to the industry. The trucking industry experiences regular up and down cycles. During each down cycle qualified safe drivers are pushed out of the industry due to lack of work. Following a down cycle lease purchase programs make it possible for drivers who are starting over to get back to work. The need for lease purchase programs was particularly evident following the Great Recession of 2009-2011 when large numbers of drivers lost their trucks. Lease purchase programs put drivers who had been financially devastated by the Great Recession back to work.

We recognize that a portion of lease purchase agreements will not end with the driver owning the truck. In some cases, it is driver related (health, safety scores, family issues), in others equipment related and in others motor carrier related. Failed truck leases are a bad outcome for the motor carrier and the leasing company just as it is for the driver. All three want and need good reliable equipment on the road. Motor carriers want the driver to have reliable equipment as they are counting on the driver to run loads planned out well in advance. They also need the driver to meet the customer's delivery requirements or they risk losing the customer.

The TLTF should consider that lease purchase programs compare favorably compared to taking out a loan to buy a truck. Beyond a CDL, the truck is the most valuable asset a driver can own. In the loan scenario the truck seller only cares about the sale and the bank only cares about the monthly payment. Neither has any interest or knowledge about maintenance of the truck or what is necessary for the owner-operator to be successful. In contrast, in the lease purchase arrangement the lessor and the motor carrier are motivated to see the truck is running regularly just as much as the driver. Their interests and the driver's interests are fully aligned. Unless the truck is running everyone suffers.

Truck maintenance costs have been correctly identified as a significant variable cost in truck ownership. This is true regardless of whether the truck is debt free or purchased with a loan or leased or in a lease purchase arrangement. Some have suggested the lease purchase arrangement is at fault but that is not correct. Instead it is a function of, among other things,:

1. New technologies implemented quickly to meet air quality standards;
2. Complex systems that use exotic materials to squeeze out improvements in fuel economy;
3. Shortages of technicians in the truck maintenance industry leading to excessive repair delays;
4. Lack of effective diagnostic tools to properly identify needed maintenance and repair correctly the first time;
5. Lack of parts availability;
6. Greatly multiplied parts cost;
7. Significantly greater labor hours to perform repairs;
8. Meaningfully higher technician labor rates per hour.

Lease purchase agreements attempt to take these costs into account by requiring regular deposits to escrow accounts for repairs and for maintenance. Because costs are variable and each truck unique the amount required is an estimate not an amount guaranteed to cover all costs. In our experience the most successful owner-operators are conservative and voluntarily set aside additional funds for unexpected repairs.

As the Task Force continues its work please beware of comments that stereotype owner operators as unable to manage their own business. By and large they know their business well and they know how to manage their business to make a profit. They know more about the workings of trucks than most and have a significant network of fellow drivers they can call on for help and advice. That network knows which motor carriers and leasing companies are good, which are bad and which are atrocious. Drivers steer clear of the atrocious and move on from the bad quickly.

I am available to assist the Task Force in any way that it finds helpful by expanding on the comments above and evaluating suggestions that come up as the Task Force continues its work.

Sincerely,



Robert Eveleigh  
Chief Operating Officer