# Trucking along with no hands

I know two people with self-driving cars. They love them and say they work well. I have read several stories about how driverless taxis are becoming common in cities, such as Austin, Texas. The company Aurora, which makes driverless trucks, plans to have about 200 of these vehicles operating in Texas by the beginning of next year.

Driverless trucks will have a big impact on the economy. A recent article by Ester Fung in the Wall Street Journal reports some of these impacts. For starters, Aurora estimates that in 3 ¼ years there will be 30,000 autonomous trucks on the road – so these trucks are about to be used much more frequently.

**Joe McGarrity**



Additionally, autonomous trucks will reduce the cost of operating trucks for several reasons. First, they will use 10 percent less fuel than trucks with human drivers because the autonomous trucks are better at efficiently using fuel to accelerate, brake, and simply drive.

Second, 44 percent of the cost of operating a typical truck is devoted to the wages and benefits of drivers. This cost can be eliminated or reduced with driverless trucks.

Third, regulations only allow drivers to drive 11 hours before they must take a 10-hour break. The autonomous truck is not subject to any rest regulations, so it can complete a long trip by only stopping to refuel. Because the autonomous truck will finish its long-haul delivery in less time, the autonomous truck will be able to make more deliveries in a year.

These cost savings will have several effects. First, in order to gain more business, a trucking company that has lower operating costs will lower the price it charges to haul goods. Other trucking companies, who also have lower costs of operating due to their autonomous trucks, will lower the prices they charge to haul goods, so they do not lose business to the first trucking company.

Now consider the impact on the companies receiving shipments from the trucks. These companies will be paying less for the goods they get. For instance, grocery stores will pay less for fresh produce and other food because they will not be paying as much for shipping costs. With lower costs, a grocery store will try to gain more customers by passing some of their cost savings on to consumers. Other grocery stores would lose customers if they kept their old high prices, so they will match the price decreases initiated by the first grocery store.

At a time when our inflation rates are rising (up to 3.7 percent in September from 3.4 percent in the previous month), driverless trucks offer an important way for the prices of some consumer goods to decrease, or at least to rise more slowly.

Of course, driverless trucks will have many other effects on the economy besides just being a check on inflation. I worried that driverless trucks would be more likely to be in accidents than trucks with a driver. It looks like the opposite is true. So far, there have not been any fatal crashes involving driverless trucks. And driverless trucks use lidar, which allows the trucks to see more clearly in the dark and in the fog than human drivers can.

On the other hand, driverless trucks will probably cost some drivers their jobs. However, even here the negative impact may not be great. The trucking industry has a severe shortage of drivers. At least initially, the driverless trucks will make up for the drivers that companies could not hire anyway. Additionally, many trucking companies are using driverless trucks for the middle miles. They use drivers for the pickup and delivery, so these companies will still need drivers. And finally, as trucking haul rates become cheaper, firms will use their services more often. As the trucking industry expands, the industry will be less likely to lay off drivers because they are likely to need them. We will have to see how all of this plays out before we know the impact of autonomous trucks on truck driver employment. But in the meantime, I am looking forward to cheaper produce.

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