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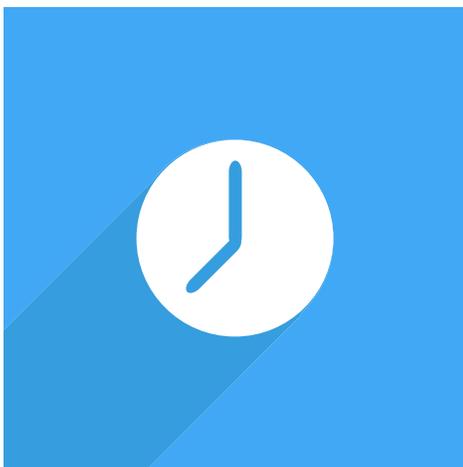
DOT REGULATIONS

The transportation industry is experiencing rapid change. Safety, compliance and environmental impact are hot topics. The Department of Transportation (DOT) and other organizations are cracking down on carriers and shippers, ensuring they have safe operations that completely follow all regulations. The following eBook is a summary of recent rules laid out by DOT and general reactions to the regulations. These rules will impact freight transportation. Continue reading to find out more about the hours of service (HOS) rule, the electronic logging device (ELD) mandate, no-defect driver vehicle inspection reports (DVIR), and more.

HOURS OF SERVICE (HOS) RULE AMENDMENT

On June 5th, the United States Senate Appropriations Committee voted 21-9 to suspend certain aspects of the Hours of Service rule to allow the Federal Motor Carrier Safety Administration (FMCSA) time to study its impact.

What is the rule, what would be changed, and most importantly, what could the potential impact be for those in the transportation and trucking industry?



FMCSA Rule

The suspended rule currently states that all drivers who work through the night cannot work two successive nights between the hours of 1 a.m. and 5 a.m., and are limited to just one 34-hour restart period in a 168-hour cycle. The FMCSA is conducting research to assess the appropriateness of these limits as well as the best alternative option. For complete details and descriptions of the Hours of Service regulation, visit the [FMCSA website](#).

Effective December 16th, 2014, the new amendment suspends the two-night rest requirement and the once-a-week limitation on the restart for drivers.

If ratified, drivers would no longer be limited to a single 34-hour restart period, and the period would also not limit said restart to include the standard 1 a.m. to 5 a.m. rule. The revision allows drivers to work up to 82 hours a week, whereas the suspended rule limits drivers to 70 hours a week.

The suspended rule was made final in 2011 to protect drivers from fatigue and overuse, however many proponents of the bill say it carries “unintended consequences that are not in best interest of carriers, shippers and the public.”

Impact

The original rule has been enforced since July 2013 and many are hoping the FMCSA proposes less strict requirements this time around.

Members of the American Trucking Association (ATA) maintain that the science behind the rule is flawed, and that it imposes unnecessary restrictions on drivers and carriers.

“Since these rules were proposed in 2010, the ATA has maintained that they were unsupported by science and since they were implemented in 2013 the industry and economy have experienced substantial negative effects as a result,” said ATA President and CEO Bill Graves in a statement.

Owner-Operator Independent Drivers Association (OOIDA) Executive Vice President Todd Spencer went on to say that, “Truckers have long pointed out the negative impacts of the 2013 changes on their ability to get rest, stay out of busy city traffic, spend time at home, and make a family-supporting income.”

Once again, it seems the transportation industry is stuck in place with no solution in sight. Only after the research process is completed will concrete, lasting regulations be put into place. FMCSA has extended the publication date of the final rule and re-opened the public comment period indefinitely.

ELD MANDATE

Breakdown of Electronic Logging Device Mandate

On March 12th, 2014, the Federal Motor Carrier Safety Administration (FMCSA) proposed a change to the 2010 mandate for Electronic On-Board Recorders (EOBRs). The old rule required certain fleets to use EOBRs for Hours-of-Service compliance. The proposed rule requires more advanced Electronic Logging Devices (ELDs) to be used in all trucks by as early as 2017. The latest mandate consists of 4 parts:

1. Dictates who uses ELD's
2. Protects against driver harassment
3. Specifies hardware requirements
4. Explains requirements and purposes for supporting documents

Mandated ELD Use

The new mandate applies to all drivers who are currently required to keep paper records of duty status. Any driver required to keep duty status records in

8 or more days out of every 30 days must also use an ELD.

The rule will be enforced two years after the publication of the final rule. Those who used EOBRs prior to the latest mandate will have an additional two years to comply with ELD requirements.

Harassment

Driver harassment was a focal point for FMCSA when they developed this proposal. The purpose of the ELD mandate is to ensure HOS compliance and make the roads safer for drivers and the public. The old mandate allowed room for drivers to be pressured into breaking the rules, which undermines the original purpose of the logging devices. Guidelines to stop harassment of drivers are included directly in the newest rule.

Read our post on [Driver Harassment Provisions](#) to learn more about the specific methods to stop harassment.

Hardware Specifications

The ELDs that are required by the latest mandate are more technologically advanced than those required in the 2010 mandate. These devices will be able to gather and transfer more data than ever before (which is another reason harassment rules are so important in this mandate).

There are several hardware specifications for the new devices, all of which are preliminary at this point. Check out the [FMCSA website](#) for a list of all possible requirements. Here's an overview of the important device stipulations:

- Integrates with truck's engine to provide information on power status, motion status, miles driven, and engine hours
- Provides limited location tracking information (see harassment guidelines for policies on location tracking).
- Tamper-resistant
- Allows for annotations by driver and/or carrier to explain or correct driving records
- Transmits data to road-side officers
- Enters changes in driver duty status automatically
- Presents a graph grid of daily driver duty status changes
- Uses connectivity methods include Bluetooth 2.1, e-mail, USB 2.0, and more

Supporting Documents

Drivers and carriers will be required to keep documentation that supports and verifies HOS records. These documents can be paper or electronic. A driver's on-duty not driving time will need to be verified, but documents verifying driving

time are not necessary.

For every 24 hours a driver is on duty, carriers and drivers must have at least 10 supporting documents. There are 5 different types of documents which a carrier and driver can have any combination of for verification. The categories of supporting documents are:



1. Bills of lading, itineraries, schedules, or other documents that show trip start and finish points
2. Trip records or dispatch records
3. Expense receipts
4. Electronic mobile communication records
5. Payroll records, settlement sheets, or any document that shows what and how a driver was paid

Even though FMCSA included provisions to satisfy drivers in this rule, there is still widespread opposition to ELDs amongst truck drivers. Most complaints stem from the way the ELD logs on-duty time. A driver could wait 8 hours for delivery, which is on-duty time, and then not be able to drive for 10 hours. This causes serious inefficiencies in a time when capacity is already pushed to the limit. This inefficiency will also drive the prices of shipping up.

The latest ELD mandate is intended to keep the roads safer for truck drivers and the public. With HOS changes being suspended, it is unclear if ELDs will help drivers comply with new HOS changes (whenever they occur). These devices aim to please truck drivers and are necessary for HOS compliance and improved safety on the roads.

MINIMUM LEVELS OF FINANCIAL RESPONSIBILITY

Recently, FMCSA has re-evaluated the minimum levels of financial responsibility for motor carriers, and a new minimum will likely be announced soon. This task was delegated to them by the DOT Secretary, who was assigned the task by Congress.

This value needs to be reevaluated since the number hasn't been adjusted since 1985. The original rulemaking allows room for the amount to be altered every 4 years to compensate for inflation and other economic factors.

In DOT's January 2015 Significant Rulemakings Report, the dates of the rulemaking process have been pushed back in all stages. The end of the public comment period was February 26th, 2015, and it is unclear when, if passed, the rule would take effect.

Examining the Current Minimum

After analysis of the financial responsibility of motor carriers, FMCSA released the summary of their report, "[Examining the Appropriateness of the Current Financial Responsibility and Security Requirements for Motor Carriers, Brokers, and Freight Forwarders – Report to Congress.](#)"

The study revealed "preliminary support for increasing the current levels of financial responsibility." Key takeaways from the study include:

- Catastrophic crashes are relatively rare, accounting for less than 1% of all Commercial Motor Vehicle (CMV) crashes
- The cost of severe and critical injury crashes easily exceeds \$1 million
- Current minimum insurance levels do not cover the cost of catastrophic crashes, mainly due to increased medical costs
- An appropriate minimum insurance level could be around \$3.2 million according to their estimates

Other Research for Appropriate Minimum

Finding an appropriate minimum amount of financial responsibility has involved a lot of research. The FMCSA report also summarizes the results of other studies on property insurance. The Pacific Institute for Research and Evaluation (PIRE) published a report assessing the minimum levels of financial responsibility for motor carriers. PIRE's report found that the current level of \$750,000 for motor carriers of property was too low, and should be closer to \$10 million with an index for inflation and productivity growth.

The Trucking Alliance published a similar report assessing the minimum levels of financial responsibility for motor carriers. First of all, they found that many carriers are already covering more than the \$750,000 that they are responsible for. But if all carriers in their study had kept the minimum requirement, they would not have been able to cover 42% of crashes involving injury or property damage.

There is now a wealth of information suggesting the minimum levels of financial responsibility should be increased. Expect a change of policy sooner rather than later. You can read the full proposed rule [here](#), as well as leave DOT your opinion on the matter.

NO-DEFECT DVIRS

Effective December 18th, 2014, the Department of Transportation (DOT) eliminated Driver Vehicle Inspection Reports (DVIR) when a driver does not find any truck defects during a pre- or post-trip inspection (no-defect DVIRs). This comes after a similar rule was put in place in 2012 for Intermodal carriers. The new rule does not include passenger-carrying Commercial Motor Vehicles (CMVs) and does not significantly change any other requirements of inspection, repair, and maintenance rules. Here is a brief executive summary given by the [DOT](#):

“FMCSA proposes to rescind the requirement that commercial motor vehicle (CMV) drivers operating in interstate commerce, except drivers of passenger-carrying CMVs, submit, and motor carriers retain, (DVIRs) when the driver has neither found nor been made aware of any vehicle defects or deficiencies (no-defect DVIRs). This proposed rule would remove a significant information collection burden without adversely impacting safety. This proposed rule responds, in part, to the President’s January 2012 Regulatory Review and Reform initiative. Finally, this proposed rule harmonizes the pre- and post-trip inspection lists.”

Impact Around the Industry

A truck driver will still have to do pre- and post-trip inspections, but if nothing is wrong with the vehicle there is no requirement to fill out a DVIR, and no need for carriers to retain documentation of a DVIR. Reports are still required when something is not operating correctly in the truck. Motor carriers are still responsible to have inspection, repair, and maintenance programs in place, as well as documentation that prove proper maintenance programs are implemented.

FMCSA added wheels, rims, and emergency equipment to the pre-trip inspection list. Checking wheels and rims is particularly important today with the deterioration of the nation’s highways. This rule would make the pre-and post-trip inspection lists identical and easier to remember.

There is some opposition to eliminating no-defect DVIRs as drivers have concerns about the rule. When they have to switch trucks, the cabs used to have records of inspections by the previous driver. With the latest rule change, there wouldn’t be a sure way for drivers to know if a truck is safe to drive. A driver would have no record of a vehicle’s past performance or lingering issues. They have to trust the last driver to do a good inspection. Trusting another driver could lead to failed inspections and fines. Thoroughly inspecting the truck, beyond what is necessary if a problem should arise, can add an hour or two onto a day’s work. The no-

defect DVIRs ensured that a vehicle was safe to drive and significantly reduced the time it takes to do pre-trip inspections.

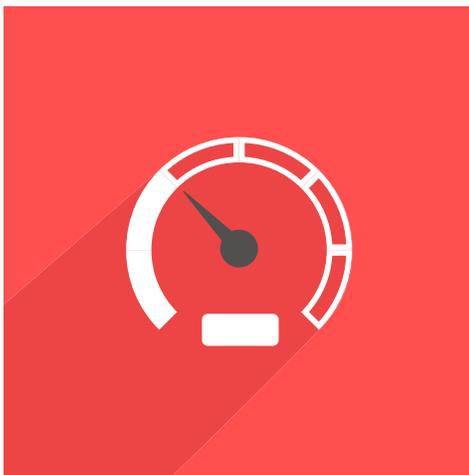
DOT predicts that this rule will save 47.2 million hours each year that are spent completing no-defect DVIRs. They also say it will save a total of \$1.7 billion annually between all motor carriers in the U.S.

To make sure you are in compliance with these guidelines, you can visit [DOT website](#).

HEAVY VEHICLE SPEED LIMITERS

The Department of Transportation (DOT) will soon mandate the use of speed limiters on large trucks weighing over 26,000 pounds. The rule targets trucks that typically travel on roads with a speed limit of 55 mph or higher. No speed limit has yet been determined, but will likely be somewhere between 65 – 70 mph. Due to the estimated fuel cost savings for large carriers, many believe this rule will be passed before 2015 is over.

The regulation was proposed in late 2013. The end of the public comment period is expected to be March 12th, 2015. There is a lot of controversy over this regulation. If you want your opinion to be heard, comments are being collected [here](#).



Support for Heavy Vehicle Speed Limiters

The National Highway Traffic Safety Administration (NHTSA) says this latest rule responds to petitions from the ATA and Road Safe America to require speed limiters on heavy trucks. These two groups proposed the same mandate in 2006 with the help of 9 different carriers, but it was not approved. This time, NHTSA requested public comment on the issue and received several thousand comments in support of the proposed rule. The organization says this will improve safety on the roads and have

minimal costs to carriers, as almost all heavy trucks already have the device installed, but with no limit set.

In a petition for the first speed limiter mandate, the ATA said that 73% of traffic fatalities involving a large truck occurred in a speed limit of 55 mph or higher. DOT predicts that speed limiters will prevent 1,115 fatalities a year from large truck crashes. Plus, large motor carriers will see significant fuel savings because of the speed limiters.

Although large trucks have fewer accidents than other vehicles, more often these crashes end in a fatality. Large trucks weigh 30 times more than passenger vehicles, and have much longer stopping distances. Not only does this mean they are more dangerous in a collision, but it is also harder for them to avoid a collision. In the majority of fatal accidents involving large trucks and smaller cars, those driving cars are the ones who are killed.

Steve Owings, co-founder of Road Safe America, says that “70 percent of the trucks in the United States already have their speed limiters set and as a result have reported that they have reduced crashes and saved money on fuel and maintenance.”

Heavy vehicle speed limiters will save a lot of fuel and money for medium and large-sized motor carriers. [The North American Council for Freight Efficiency](#) (NACFE) published research on speed limiters in 2011 and found some interesting results. First, the EU and Australia have been implementing speed limiters on heavy vehicles since 1994 and 1990, respectively. Both have claimed economic benefits from using speed limiters.

NACFE found that traveling 65 mph reduces fuel consumption by 1 mpg compared to 55 mph, which can add up to a lot of fuel depending on the length of the trip. There is a 1% reduction in tire tread life for every 1 mph traveled over 55 mph. Also, speed limiters typically elongate travel times by a matter of minutes, which means there is no significant loss in productivity.

Heavy Vehicle Speed Limiters are a controversial topic among carriers, drivers, and various transportation organizations. FMCSA and NHTSA have provided research and support for the latest mandate, and it looks as if it will be approved this time around.

Opposition to Heavy Vehicle Speed Limiters

The [Owner Operator Independent Drivers Association](#) (OOIDA) is one of the most vocal opponents of heavy vehicle speed limiters. Their website contains lengthy articles that aim to disprove any benefits of speed limiters. This is no surprise, as speed limiters would adversely affect small carriers and Owner-Operators the most. Small outfits will see little fuel savings as well as reduced truck efficiency.

OOIDA believes there is no need for speed limiters as large trucks are not over-represented in fatal accidents. They represent 3% of all vehicles on the road, drive 9% of all miles driven, and are involved in about 11% of all fatal crashes. OOIDA also states that there is no conclusive proof that speed limiters improve safety, even after the FMCSA conducted research on the matter.

Spokeswoman for the organization, Norita Taylor, says that, “If speed limiters actually improved safety, you would expect to see carriers that use them to have fewer crashes. But they don’t – they have more. The safest highway speeds are uniform while differentials among vehicles increase the likelihood for unsafe interactions and maneuvering.” OOIDA also notes that it is the State’s right to set the speed limit, not FMCSA.

OOIDA claims that speed limiters are not only unnecessary, but they actually decrease safety on the roads. Studies show that car drivers, usually impatient with slow moving trucks, cause most fatal collisions with large trucks so mandating a speed limiter would cause cars to perform more risky traffic maneuvers and likely cause more accidents.

There's a lot of conflicting information about speed limiters. However, many people in the industry believe the mandate will be passed soon.



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