

Will Truckers Be Marching In The Streets

There is a huge difference of opinion between The Federal Motor Carrier Safety Administration (FMCSA) and the American Trucking Association (ATA) on the appropriate Hours of Service (HOS) that a driver should be allowed on the road. The sensitivity to this issue runs high. The thoughts by each side are quite different and will not be easily reconciled. The resolution of this matter could have a significant cost impact for carriers and the shippers they move freight for. Comments were made on February 17th during a public HOS “listening session” held in Washington. Federal Motor Carrier Safety Administration has made a web cast of the session available at <http://www.tvworldwide.com/events/dot/110217/default.cfm>.

According to the ATA, they believe that the agency “wildly overstated the [HOS] proposal’s benefits” and that it would cost, not save, the trucking industry money. They believe the current HOS rules are working just fine and no changes are needed.

The ATA commissioned an economic review by consulting firm, Edgeworth Economics. Their review found that FMCSA used questionable logic, inadequate data and sloppy math in attempting to justify its proposed changes to the HOS rule, ATA said. The study was quite blatant stating “FMCSA has made a number of substantial changes to its approach since the previous [regulatory impact analysis] issued in 2007,” the report said. “We find that, in every instance, FMCSA’s new methodologies and assumptions increase the apparent net benefits of the proposed rule. However, many of FMCSA’s new approaches rely on misapplication of available data, use outdated information, or lack empirical support entirely.”

It was argued that the number of people killed in large-truck crashes dropped to the lowest since records began in 1975. Large truck occupants saw the largest decrease in fatalities among all groups tracked by NHTSA, falling 26%.

A Schneider National executive said driver pay would rise \$3,000. That pay increase would be needed to compensate drivers for lost mileage under the FMCSA's proposed HOS rules. It is expected that the proposed rule would cut at least an hour from a trucker's work day. Under the proposed rule, Schneider estimates its drivers would lose 24 miles a day.

Drivers calling into the listening session from the road were skeptical that they would see any benefits from the proposed rules; however, noting that they are not paid for time spent waiting for their trailer to be loaded or unloaded. "I'm not driving, but I can't leave the vehicle and do whatever I want," one driver said. "And will the shipper let me park there if my 13 hours are up? I'd say not."

Shippers should also be aware that in January, a 62% increase was reported in spot Truckload Market in the TransCore North American Freight Index. This was the seventh consecutive month when year over year increases have been reported. Equipment continues to be throttled down. We believe that TL rates will continue to be tight and increased costs will continue. Couple the HOS with growing fuel costs, shippers must be prepared to face rising trucking rates as this year continues.

Contact Data2Logistics and let our expert Business Intelligence team help you control the rate increases that you can not afford to take in today's economic environment. We have your data and we can show you how to better manage shipping cost. We can help by preparing more effective proposals, analysis and support of your negotiations. You have nothing to lose. If we do not identify costs savings you owe us nothing. Call Joyce Rose at 239 425 8081 and tell her you want to speak with our Business Intelligence Team.