National Freight Issues
2017 Outlook

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» Current Leadership

Secretary of Transportation
Anthony Foxx

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T. F. Scott Darling, III

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» Future Leadership

Secretary of Transportation
Elaine Chao

FMCSA Administrator
TBA

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Distribution of For-Hire Carriers in the U.S.[1]

1,003,939 truck tractors
206,667 for-hire motor carriers

★ *United States* ★
TRUCK MARKET
DEMOGRAPHICS

1-5 Trucks	6-50 Trucks	51-399 Trucks	400-3,999 Trucks	4000+ Trucks
286,972 Units **28.6%**	**287,492 Units** **28.6%**	**211,739 Units** **21.1%**	**149,103 Units** **14.9%**	**68,633 Units** **6.8%**
183,916 Carriers **89.0%**	**20,691 Carriers** **10.0%**	**1,890 Carriers** **0.9%**	**162 Carriers** **0.1%**	**8 Carriers** -----

[1]C.H. Robinson 2015 analysis of May 2015 FMCSA's MCMIS Census Data

- Carriers Included: For Hire, USA 48 state, active status updated in 2014 and 2015
- Carriers Excluded: Bus companies, LTL carriers, parcel, government vehicles, private, forwarders and brokers (audit performed on carriers of 500 tractors and greater)

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2015 FAST Act (Dec 2015)

- 5 year bill through Fall of 2020
- Provides $43-$47 Billion per year
  - $225 Billion in total
- Fully "paid for" including:
  - Indexing customs fees to inflation
  - Selling of Strategic Petroleum Reserve
  - Allow IRS to hire private tax collectors

2017 Infrastructure Investment

- Forces against a new bill
  - No required deadline
  - No agreement on how to pay for
  - States stepping up
- Momentum for a new bill
  - Core campaign promise
  - Construction jobs

- Options for "pay fors"
  - Repatriation of foreign earnings
    - Requires tax reform
  - Oil royalties
  - Private money (PPP)
  - Series of Smaller Bills
  - **Barrel Tax or Gas Tax**

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» Regulatory Hot Topics

2017-18 Impact

- Coercion Rule
- ELD's
- HOS fix
- Sanitary Transportation of Food
- Overtime Rules*
- Drug and Alcohol Clearing House
- Other Issues:
    - Public Liability Insurance Minimums*
    - CA break rules (F4A issue)
    - ACE Customs Rollout
    - US DOT # Updates
    - TPP*

2018-19 and beyond impact

- Speed Limiters*
- CSA Reform*
    - SFD rulemaking is stalled until correlation study is completed
- Other Issues:
    - Detention/Driver Pay*
    - Emerging Technology (Autonomous Trucks, Drones, etc)

» ELD's

Timeline:

• Implementation is required by December 2017
• OOIDA Lawsuit was denied in Nov 2016

Major Issue(s):

• Mandates ELD's for all motor carriers
  – Impact of ELD's and Driver Harassment
• Cost for compliance
  – Smartphone apps can be compliant
  – Costs as low as $175 for hardware and $30/month
• Technological complexity of details
• Impact on capacity?

Impact to Shippers:

• Will fear or fundamentals impact the market?
• Check back in March 2017 for an update

» ELD's

How many HOS violations are there?

- 2015 CVSA roadcheck data placed 2.88% of all inspected drivers out of service for HOS and False Log violations
  - For comparison, 12.4% of vehicles were placed out of service during the surprise brake check in May 2016
- 2016 FMCSA Pocket Guide to Truck Statistics cites 3.3 million roadside inspections conducted in 2015 and a maximum of 13.7% of violations related to logbook violations.
  - Only 23,652 violations were written for driving more than 11 hours (0.7% of all stops)

2-10 Most Frequent Driver Violations in Roadside Inspections, 2015

Violation Code	Category	Violation Description	Number of Violations
395.8	No Log/Log Not Current	Log Violation (General/Form and Manner)	164,639
391.11B2	All Other Driver Violations	Non-English Speaking Driver	98,929
395.8F1	No Log/Log Not Current	Driver's Record of Duty Status Not Current	73,045
395.3A3II	Hours of Service	Driving Beyond 8-hour Limit Since the End of the Last Off-duty or Sleeper Period of At Least 30 Minutes	69,906
392.2SLLS2	Traffic Enforcement	State/Local Laws - Speeding 6–10 Miles Per Hour Over the Speed Limit	62,103
392.16	Seat Belt	Failing to Use Seat Belt While Operating Commercial Motor Vehicle (CMV)	56,381
392.2C	Traffic Enforcement	Failure to Obey Traffic Control Device	43,104
395.3A2 PROP	Hours of Service	Driving Beyond 14-hour Duty Period (Property-carrying Vehicle)	43,027
391.41AF	Medical Certificate	Operating a Property-carrying Vehicle without Possessing a Valid Medical Certificate	38,908
395.8E	No Log/Log Not Current	False Report of Driver's Record of Duty Status	34,979
391.41A	Medical Certificate	Driver Not in Possession of Medical Certificate	27,905
395.8K2	No Log/Log Not Current	Driver Failing to Retain Previous 7 Days' Logs	27,532
395.8A	No Log/Log Not Current	No Driver's Record of Duty Status	26,623
395.3A3 PROP	Hours of Service	Driving Beyond 11-hour Driving Limit in a 14-hour Period (Property-carrying Vehicle)	23,652
392.2SLLS3	Traffic Enforcement	State/Local Laws - Speeding 11–14 Miles Per Hour Over the Speed Limit	23,581
383.23A2	All Other Driver Violations	Operating a CMV without a Commercial Driver's License (CDL)	21,491
392.2LV	Traffic Enforcement	Lane Restriction Violation	21,063
392.82A1	All Other Driver Violations	Using a Handheld Mobile Telephone While Operating a CMV	20,590
392.2SLLS4	Traffic Enforcement	State/Local Laws - Speeding 15 or More Miles Per Hour Over the Speed Limit	13,945
391.45B	Medical Certificate	Expired Medical Examiner's Certificate	11,197

Notes: Total number of driver inspections in 2015: 3,259,973. Total number of driver violations in 2015: 1,041,642. Total number of driver out-of-service (OOS) violations in 2015: 185,558. Only the top 20 driver violations (based on frequency of occurrence) are listed in this table.
Data Source: FMCSA, Motor Carrier Management Information System (MCMIS), data snapshot as of January 29, 2016.

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Thank You

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