

EXECUTIVE BRIEFING

ELECTRONIC LOGGING DEVICE IMPACT

The J.B. HUNT logo is a yellow rectangular box with a black border. Inside the box, the text "J.B. HUNT" is written in bold, black, sans-serif capital letters. To the left of the text is a stylized black and white graphic of a truck's front grille and headlight area. A registered trademark symbol (®) is located to the right of the logo box.

J.B. HUNT®

THE ELD MANDATE AT A GLANCE

“Drivers and carriers have until **Dec. 18, 2017 to comply.**”

3.1 MILLION Drivers who currently use paper logs and must convert to an ELD.

SHORT TERM:

Rates may increase if capacity decreases when HOS violators become compliant.



**IT'S THE
RIGHT
THING
TO DO.**

Fewer fatigued drivers could result in the following annually:

1,844 CRASHES AVOIDED
562 FEWER INJURIES
26 FEWER FATALITIES

**NET REGULATORY
FINANCIAL SAVINGS 1.17 BILLION DOLLARS**

**J.B. HUNT
TRUCKS ARE
ELD EQUIPPED**

ELECTRONIC LOGGING DEVICE IMPACT

The U.S. Department of Transportation's Federal Motor Carrier Safety Administration (FMCSA) announced on Dec. 10, 2015 that motor carriers must begin using electronic logging devices (ELDs) on all trucks and commercial buses manufactured after 2000. Drivers and carriers have until Dec. 18, 2017 to comply. Drivers who are currently using automatic onboard recording devices (AOBRDs) or install them before the December 2017 deadline, will be grandfathered in. They have an additional two years to update to ELD-compliant technology.

The ELD mandate is designed to increase commercial motor vehicle safety, reduce industry paperwork and improve Hours of Service (HOS) compliance. The FMCSA considers ELD records “the most robust form of documentation for on-duty driving periods.” Some drivers currently use paper logbooks to report HOS; however, the ELDs will replace logbooks. This will help the FMCSA maintain accurate records of HOS compliance in the industry. Additionally, roadside law enforcement will be able to use the data to review driver records more efficiently. Not only do drivers need to have this technology installed on their trucks by the applicable deadlines, they must also know how to use it.

Drivers who operate under the short haul exemption do not have to comply with this mandate. Per the FMCSA, a short haul driver “operates within a 100 air-mile radius of the normal work reporting location.” Drivers under this classification are exempt unless their duties require them to complete a log for more than eight days in a 30-day period. Additional exemptions are made for driveaway-towaway drivers as well as drivers of trucks that were manufactured before 2000.

CAPACITY

The approximately three million drivers, or 67% of the impacted driver population¹ who are currently using paper logs, may experience decreased capacity when they switch to electronic logs. Drivers who have not been compliant with the HOS regulations will see the biggest impact on their capacity. It is estimated that drivers who have been operating beyond the legal hours will see a double-digit reduction in productivity.²

Although this new regulation will affect millions of drivers, the long-term benefits of the ELD mandate outweigh the preliminary cost. Many larger companies have already incurred the cost of ELDs, which is around \$500 per truck, per year. Smaller carriers and owner-operators will incur a similar expense as they implement ELDs. The FMCSA says ELDs will save the industry more than \$3 billion³ annually through reduced paperwork and fewer highway accidents, which includes a savings of \$2.4 billion and \$572 million, respectively. Even after adjusting for the costs of equipment, compliance and training, the net benefit of ELDs is still more than \$1 billion.*

In addition to the monetary savings the industry will receive, the ruling will also allow fleet managers to benefit from more visibility and control of their fleets. The J.B. Hunt white paper, ["660 Minutes: How Improving Driver Efficiency Increases Capacity."](#) contains additional information for customers about the HOS regulation and how drivers and carriers can maximize efficiency within that regulation.

BENEFITS

The ELD mandate will make it more difficult for drivers to misrepresent their driving time, thus reducing HOS violations. By enforcing HOS regulations, this new mandate should reduce driver fatigue and prevent approximately 26 fatalities and more than 500 injuries per year.

ELDs will increase HOS compliance by making it easier for drivers to keep accurate time logs. It will also help managers and support staff better improve enforcement of HOS and cut down on paperwork. Because ELDs record location, time and available hours, management can better help drivers improve productivity. The mandate will also reduce liability to shippers due to fewer accidents by non-compliant drivers.

SHIPPERS

Although most large carriers have already been using ELDs, many smaller carriers will have to overhaul how their drivers maintain their record of duty. Rates for smaller carriers may increase if equipment utilization decreases when HOS violators become compliant.

The Owner-Operator Independent Drivers Association (OOIDA) opposes the mandate and has filed a suit against the FMCSA. One concern from smaller carriers is that this mandate will put too much pressure on drivers. According to the OOIDA, motor carriers have already used ELDs to harass drivers. This includes forcing them to log non-driving times when they are still on duty as "off-duty" and reducing driver sleeping periods in the sleeper berth by using the ELD to wake them.⁴

However, part of this new rule mandates that motor carriers or shippers cannot use data from the ELDs to coerce or harass drivers into violating HOS rules. If a driver feels a shipper or carrier is pressuring him or her to violate the HOS regulations, he or she can file a complaint with the FMCSA.

The ELD mandate is a step in the right direction to keep our roads safe. More information about this mandate can be found online at <https://www.fmcsa.dot.gov>.

¹ http://www.joc.com/regulation-policy/transportation-regulations/us-transportation-regulations/owner-operators-challenge-electronic-logging-mandate_20151210.html

² http://www.joc.com/regulation-policy/transportation-regulations/us-transportation-regulations/electronic-logbook-mandate-could-drive-supply-chain-gains_20150817.html

³ Federal Motor Carrier Safety Administration (FMCSA), "The Rule." Volume 80, #241

⁴ <http://www.ooida.com/OOIDA%20Foundation/Issues/ELDS.asp>

* The figures are annualized using 7% discount rates, per FMCSA.

Additional information in this report was obtained from: <https://www.fmcsa.dot.gov/hours-service/elds/electronic-logging-devices>



