



# ISSUE BRIEFING

## US TRUCKING SHORTAGE TO WORSEN WITH ELD MANDATE “STRICT” ENFORCEMENT

Driver shortages across the US are expected to increase drastically after new regulations regarding the Electronic Logging Device (ELD) mandate became fully enforceable on April 1, 2018. Truck drivers are an essential part of moving goods in every industry sector across the U.S. and ELD enforcement is only one factor affecting truck availability. Other contributing factors include:

- An aging fleet of drivers and inability to attract new drivers
- Increasingly strong consumer demand
- Increased instances of severe weather conditions over the past year

Recent reports have urged exporters and importers to plan for additional time and expense when managing cargo, or to consider rerouting cargo through ports with gating processes that work through the night rather than requiring truckers to arrive and unload cargo in a narrow 8-hour window. While there may be additional costs associated with rerouting, it may ultimately save on costly demurrage fees.

In 2012, Congress enacted “Moving Ahead for Progress in the 21<sup>st</sup> Century,” which outlined criteria for highway

funding, including a provision about mandating the use of ELDs. ELDs are used to electronically record a driver’s Record of Duty Status (RODS), replacing

- Reducing truckers’ waiting free time from a customary 2 hours to one hour and raising the hourly waiting time rate



The trucking industry is teetering on the edge of crisis. With just one truck available for every 12 loads needing to be shipped at the start of 2018, trucking is in its tightest market since 2002.

The US trucking market represents 70% of all US freight by tonnage, and cargo volumes are only expected to increase. According to the latest data, in 2016 US’ 3.5 million truckers moved over

the paper logbook most drivers were using to record their compliance requirements. After Dec. 2017, the mandate was in a period of “soft enforcement,” which shifted to “strict enforcement” April 1, 2018.

Carriers are taking different approaches to the trucking shortage such as:

- Imposing surcharges of up to \$350 per container on store-door moves
- Increasing USA tariff inlands
- Suspending store-to-door moves in certain markets as well as tariff and contract inlands

10.5 billion tons of freight, travelling 450.4 billion miles and using almost 398 billion gallons of diesel fuel to do so. A 2017 report by the American Trucking Association noted that the industry needs to hire 900,000 additional drivers to meet rising demand.

UTC is doing everything we can to mitigate the situation and avoid delays. We request that you allow extra booking time where possible. Our offices are monitoring the situation and we will provide updates as more information becomes available. If you have questions, feel free to contact your UTC sales representative.

