



## How Can We Prepare for the ELD Mandate?



*Global Logistics Partner*

*kintetsu world express*

# Overview

- ❖ What is the ELD Mandate?
- ❖ Paper Logs VS. ELDs
- ❖ How will it affect the industry?
- ❖ Compounding Factors
- ❖ How will it affect you?
- ❖ KWE's Plan
- ❖ HOS & ELD Examples

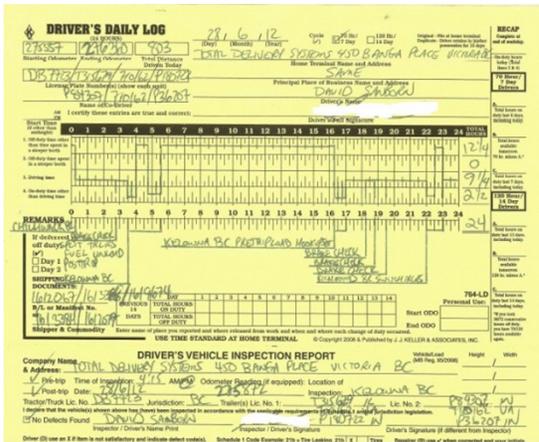
# Who? What? Where?

The FMCSA is implementing a federal regulation in both USA and Canada that requires all motor carriers to be equipped with Electronic Logging Devices to record a driver's Hours of Service.

WHEN? December 2017

To reduce fatigue related accidents by drivers operating outside of the legal Hours of Service. (Predicted to save 26 lives & prevent 152 injuries annually)

# Paper Logs vs. Electronic Logs



Currently used by 80% of carriers in USA

Rounded to the 15 minute interval

Can easily be edited by starting a new sheet



Currently used by 20% of carriers in USA

Requires standalone device, software application, and direct-to-engine connection

Cannot be edited

## ❖ Financial

- The direct-to-engine component, software, training, and implementation run a hefty price tag
- The 20% of carriers using ELDs are large carriers with the capital to afford such expenditures
- Foreclosures are expected for many of the small fleets and owner operators that make up the other 80%

## ❖ Reduced efficiency

- It is estimated that carriers will lose 5-15% capacity when switching to ELDs
- The flexibility of paper logs will be lost which will in turn impact a driver's resourcefulness to counteract delays

## ❖ It's happening to the **MAJORITY** of the industry!

- Only 50% of carriers in Canada and 20% of carriers in USA run on ELDs

# Compounding Factors

- ❖ Driver Coercion Laws
- ❖ Limited Liability Insurance
- ❖ Speed Limiters
- ❖ Class 8 Truck Buying Behaviour
- ❖ Decreasing Inventory Levels
- ❖ Driver Shortage
- ❖ Average age of drivers

## ALL LEAD TO...

a large **capacity crunch** that is expected to align with the ELD mandate.

# How will ELDs affect you?

- ❖ Change in pick up time
- ❖ Change in delivery time
- ❖ Border delays
- ❖ Mechanical delays
- ❖ Customs paperwork
- ❖ Searching for truck stops
- ❖ Limited daylight (lose light travelling northbound from the west)

# What Can You Do?

## 1) Help us more effectively plan a load

- Accurate ready times
- Accurate loading/unloading times
- Extra day of transit (allows us to build loads with closer proximity deliveries)
- Communication

## 2) Work with your customer to reduce waiting time

Carriers on ELDs will be less likely cover loads with waiting time, let alone make them a priority.

Waiting time causes inconsistencies in not only subsequent deliveries but also backhaul loads and the driver's route. The driver might be delayed a day or two from seeing their families, have to reset in a unfamiliar city, or sleep at a consignee.

Driver's get paid more for driving than waiting so not only are they being paid less on a load with waiting time but they also don't have a guaranteed route home.

# What Can You Do?

## 3) Create Safe Havens



## 4) Eliminate delivery appointments and fines

Due to the reduced flexibility on the part of the driver, any delay for these loads can be crucial. Carriers will have to plan for additional time on these loads or have a third party make the final delivery; both of which will increase costs.

Aim for delivery windows. Flexibility on the part of the receiver will help mitigate the affects of ELDs.

# KWE's Plan



- ❖ To become fully ELD compliant with our assets and Logistics business units by December 2017
- ❖ To invest in to more driver training and mentoring programs to build a talented driver pool.
- ❖ Maintaining above industry standards in safety and compliance.
- ❖ All trucks currently have the AOBRD (direct-to-engine connection)
- ❖ Communicating the affects of ELDs to customers and strategizing solutions

# HOS & ELD Examples - Hours of Service

## Hours of Service (HOS) - Weekly



60 hours on duty in 7 day period  
70 hours on duty in 8 day period  
34 hour reset



70 hours on duty in 7 day period  
120 hours on duty in 14 day period  
36 hour reset

## Hours of Service (HOS) - Daily



On Duty	14 hrs	14 hrs
On Duty Driving	11 hrs	13 hrs
Off Duty / Sleeper Birth	10 hrs	10 hrs

# HOS & ELD Examples - Hours of Service

- ❖ Mandatory 30 min break prior to 8th hour on duty.
- ❖ The day is calculated midnight to midnight.
- ❖ Once on-duty a driver cannot stop the 14 hours and restart.
- ❖ Drivers can switch HOS from Canada to USA when they cross the border, but their HOS history must meet the requirements of the country they are driving in.

# HOS & ELD Examples - Hours of Service - Teams



- ❖ Team drivers can essentially drive 21 Hours per day in the USA. If they cross the border they would each have an additional 2 hours to drive.
- ❖ This is governed by multiple logins on the unit. As one driver finishes and goes to the sleeper, he logs out, and the other driver logs in.
- ❖ The hours are counting in the background.
- ❖ At a scale, they would show a report which would display both logins and when each driver was on service/driving/sleeping

# Factoring HOS into Planning

MORNING DELIVERIES - Since most drivers cannot drive at night, a 10 hour reset should be factored in to the transit time.

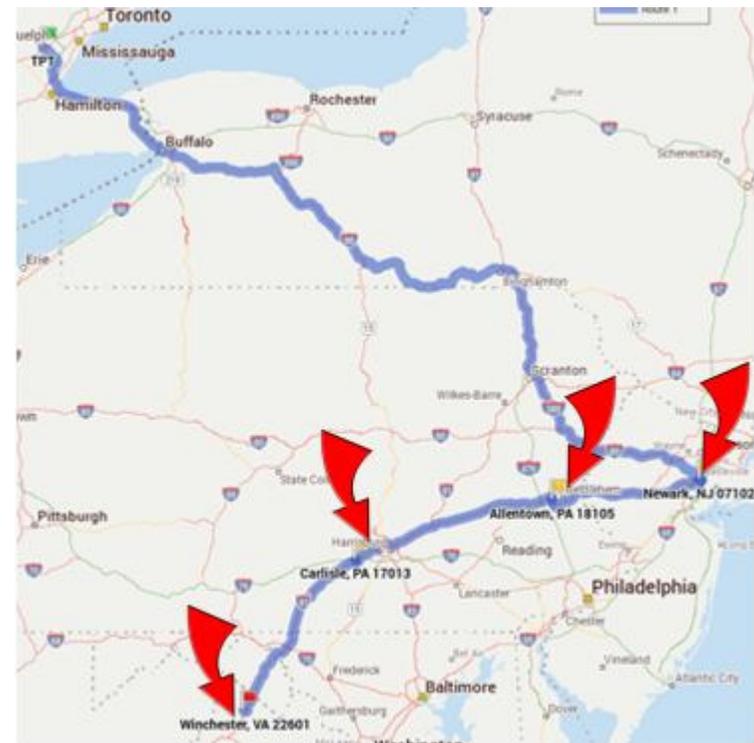
FINDING A PLACE TO SLEEP - Most consignees/shippers do not allow drivers to sleep at their location. Travel time to find a safe place to sleep needs to be incorporated.

OTHER FACTORS – Trailer switches, live loads, live unloads, border crossing inspections, and scaling must all be incorporated.

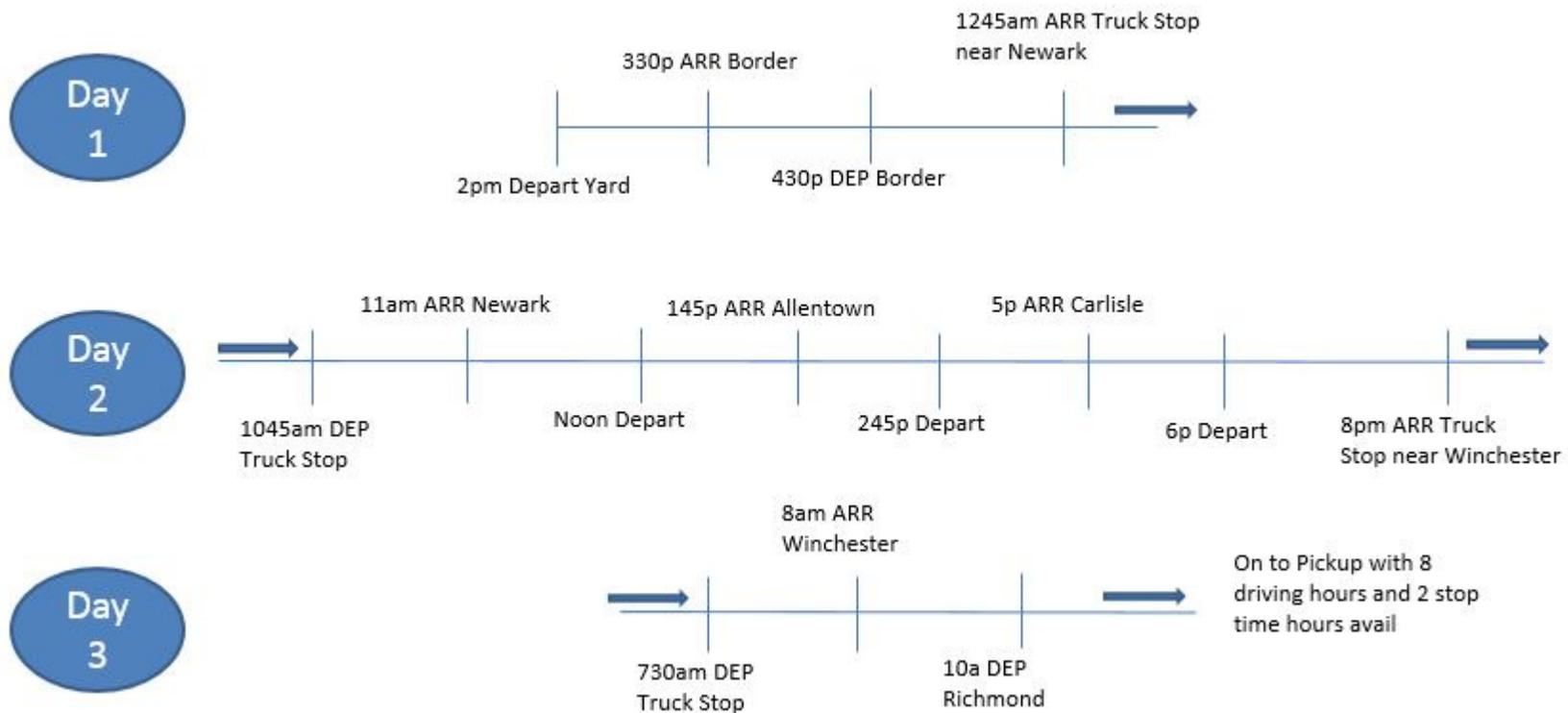
# LTL Example

Driver leaves Milton, ON Monday and has deliveries in Newark, NJ, Allentown, PA, Carlisle, PA, and Winchester, VA.

Sleeping is not permitted at any of these customers.



# LTL Example



**Thank You**