

Market Watch



ELDs to Drive Gains for Drivers & Shippers Too

A final rule requiring all interstate commercial truck drivers to use some type of electronic logging device (ELD) to comply with hours of service rules is expected this fall. In the short-term, the number of available trucks and drivers could drop as the rule forces non-compliant carriers to exit the industry. But in the long haul, expanded use of e-logs and onboard computers, combined with other technologies, will help carriers of all different sizes and shippers unlock truck capacity, explains the *Journal of Commerce* in a recent article. While a near-term capacity crunch as a result of ELDs could send truckload rates higher as pricing power decisively shifts to carriers, JOC explains that over time all links in the supply stand to benefit as efficiencies realized from



ELD's connectivity to engines, brakes and other onboard systems could "revolutionize how the flow of freight is managed as it moves through North American supply chains, creating more capacity for shippers, more pay for drivers and more profit for carriers." That could more than compensate shippers for any short-term disruption the mandate may cause, and make the elusive goal of real-time freight visibility a supply chain reality. "We're going to have the biggest data explosion we've ever had in transportation," Mark Kessler, general manager for trucking at PeopleNet. Those benefits won't come without some pain, however. JOC states the impact of the ELD mandate on trucking capacity could be more significant than that seen under the 2013 hours-of-service rules and the rollout of the CSA program. "A lot of smaller carriers are going to have a tough time," said Mark DiBlasi, president and CEO of Roadrunner Transportation Systems. "There are a lot of smaller guys out there who don't run legal hours. Who knows how many of them are out there?" Eventually, though, improvements in truck and driver utilization driven by the new technology could create new capacity, as much as an 8 to 10 percent gain. In addition, the data generated by ELDs will help regulators better understand the actual cost of new regulations. "I think people will get more creative about how they use ELD data to dispatch better," said Tom Cuthbertson, vice president of regulatory affairs at Omnitracs. "They'll have better visibility on the whole of what hours are available to drivers and which drivers are available."

Shipper Bakes Appreciation Cookies For Drivers

Cookie maker Groupe Biscuits Leclerc of Saint-Augustin-de-Desmaures, PQ, went out of its way during National Trucking Week to remind Canadians who drives their business – literally. In a press release, President Denis Leclerc explains how often he reminds staff how important trucks are to the

business: "...(After) 110 years, thanks to developments in the trucking industry and especially to the men and women who work in the industry day and night, Leclerc has grown to its full potential with a market presence that would have been unthinkable in the early years." "Leclerc is proud to celebrate National Trucking Week in its Canadian and American warehouses and to extend a warm thanks to all truckers. Each trucker servicing the company's warehouses received a free Leclerc product with a message to the drivers' children telling them how much the company appreciates the dedication and hard work of their parents. "The entire team at Groupe Leclerc extends its heartfelt thanks to all those working in the trucking industry who help to transport the company's success ever further afield."

F&S: Driver Pay Larger Part of 'Total Cost of Operation'

A trend analysis of fleet manager surveys conducted by global research firm Frost & Sullivan over the last half decade indicates that "total cost operation" (TCO) calculations are now front and center concerns for trucking companies – with driver pay becoming far more critical to TCO than in the past. "Driver wages are now poised to be a far larger piece within TCO than fuel costs," Sandeep Kar, global VP of the research for the firm, told Fleet Owner. "That's one of the biggest trend shifts we've seen in the last five years." Lakshmi Ramanujam, one of Frost's industry analysts, extrapolated data on how the trend focus on TCO and driver wages might influence fleet spec'ing strategies. For example: Demand for automated manual transmissions (AMTs) and fully automatic gearboxes is expected to climb 23% in total this year; Electronic stability control (ESC) should experience a growth rate of 12% in 2015 and automatic tire inflation systems for trailers should see a 32% demand spike.

Diesel Prices

Ontario Average Diesel Rack Prices
January 2009 - September 2015

