



# ROAD TALK

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## Panama Canal expansion could shift port calls east



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The inauguration of the nine year, \$5.2 billion Panama Canal expansion took place on June 26th. The expansion consists of two new sets of locks, deepening and widening of the existing channels and a new access channel connecting with the Pacific set of locks. The expansion is expected to double the capacity at the canal and allow larger ships to pass through.

The canal which last year handled a third of Asia to America trade has been slumping over the past three years losing roughly 15% of its revenue to the Suez Canal due to an industry trend of using larger ships that the Panama Canal could not handle.

The Suez Canal Authority reports the total tonnage of vessels traveling

between the East Coast of the U.S. and the Far East through the Suez Canal has surged in recent years attributable to the Canal's ability to accommodate the world's largest ships.

As depressed shipping rates continue as a consequence of oversupply in the market and larger, more cost-efficient vessels translate into fewer port calls, you can count on ports to aggressively vie for that business and shipping companies to look for any way to gain competitive advantages and bigger profits.

The question for the U.S. trucking industry is, will this give shipping companies cause to shift port calls from the West Coast to the East Coast? The common answer from a number of

sources is yes. However, the amount of the shift is still up for debate.

According to some insiders, a shift of about 10% of the Asia-to-U.S. container traffic is expected by 2020. A report by the U.S. Maritime Administration also concludes that a shift is probable. However, that report downplays a large shift as unlikely due to the dominance of West Coast ports to move products, and the faster transit times and competitive transportation costs provided by intermodal rail service. But, don't discount the East Coast so quickly.

According to a poll by the American Association of Port Authorities \$142 billion will be invested over the next five years by its Gulf and Atlantic port members and their private-sector partners to improve those ports and infrastructure to better handle the larger ships. Compare that to capital expenditures for the previous five years through 2016 of \$30 billion and you see that there's a lot at stake.

The canal operates 24 hours a day, seven days a week and 35 to 40 ships are expected to pass through every day. Each trip takes about eight to 10 hours.

[marad.dot.gov](http://marad.dot.gov); [aapa-ports.org](http://aapa-ports.org)



## FMCSA Unified Registration System

# FMCSA requires online registration

Registering and maintaining a motor carrier's federally regulated registration information will be done using a single online registration system, the Unified Registration System (URS).

The URS will require online registration for all filers and replaces multiple forms and registration systems such as the Licensing and Insurance System and the Motor Carrier Management Information System (MCMIS).

Plans for a URS were first announced back in 1996 with the FMCSA ultimately issuing a final rule in August 2013. FMCSA has now begun a phased rollout of the URS. As of Dec 12, 2015, all first-time applicants must use the URS. Beginning Sept 30, 2016, all first-time applicants or existing registrants seeking to add a registration or update registration(s) must use the URS. After Sept 30, FMCSA will not accept applications by mail or fax.

The DOT Number will become the sole identifier, and MC, FF, MX, or any other numbers previously assigned by FMCSA will no longer be issued. For existing entities with a MC, FF or MX number, the Agency will no longer accept those numbers as a reference for filings or other matters. Registered entities without a DOT number will be issued one before Sept 30.

### IMPORTANT NOTES

- All businesses subject to the rule must have a FMCSA portal account before Sept 30, 2016. The portal provides instructions and support for obtaining an account. Visit [fmcsa.dot.gov/urs](http://fmcsa.dot.gov/urs).
- New and existing hazardous materials motor carriers and exempt for-hire carriers must provide

financial responsibility (insurance) filings beginning Sept 30.

- DOT numbers will be deactivated for companies that fail to designate a process agent. There is a grace period for currently registered businesses, with enforcement deferred to Dec 31, 2016.

### FEE SCHEDULE

All new applications for registration received on or after Sept 30, 2016, will incur a \$300 registration fee for each distinct registration type – including safety registration and each requested operating authority registration. A new application for registration and fees will be required if an applicant's registration has been revoked. A \$300 fee will also be charged to businesses with existing registrations when they request an additional registration type. FMCSA charges an additional \$10 reinstatement fee per request for suspended registrations.

In addition to updates to your registration information such as name and address changes, FMCSA requires all entities under its jurisdiction to update their information every two years. Failure to complete a Biennial Update will result in deactivation of an entity's DOT number and may result in civil penalties not to exceed \$10,000.

The URS rule applies to all interstate motor carriers (including private and for-hire passenger and property motor carriers), freight forwarders, brokers, intermodal equipment providers (IEPs), hazardous materials safety permit (HMSP) applicants/holders, and cargo tank manufacturing and repair facilities under FMCSA's jurisdiction.

## ELD Rule under extreme scrutiny

The court battle over the DOT's electronic log mandate has entered the legal argument phase. Following the issuance of a final rule on Dec. 10, 2015, the OOIDA (truck association) filed a petition for review with the courts claiming the final rule does not advance safety, is arbitrary and capricious, and violates 4th Amendment rights against unreasonable searches and seizures.

On June 15, the FMCSA filed its reply brief countering the association's legal arguments. FMCSA defended its rule saying the ELD rule is constitutional, does not violate the 4th amendment prohibition of unreasonable searches, does not impinge on drivers' rights to privacy, and that its cost-benefit analysis "amply supports" the rulemaking.

Meanwhile, an amicus brief was filed jointly by the Trucking Alliance for Driver Safety and Security and Advocates for Highway and Auto Safety. The two safety groups contend that the OOIDA's hypothetical illustrations used in its arguments are fictional and unrealistic models. Furthermore, they insist that ELDs make cheating harder and are good for everyone.

The American Trucking Association (a strong proponent of the rule) also filed a brief arguing that the ELD rule meets Congress' standards and will have wide-ranging benefits in the industry such as broader compliance with hours of service limits.

The final rule mandates that all model year 2000 and newer trucks be equipped with electronic logging devices by December 2017. Currently, the court has granted an extension to the OOIDA until August 12 to respond.

## FUEL UPDATE

### According to the U.S. Energy Information Association (EIA),

North Sea Brent crude oil spot prices averaged \$47/barrel (b) in May, a \$5/b increase from April and the fourth consecutive monthly increase. Growing global oil supply disruptions, rising oil demand, and falling U.S. crude oil production contributed to the price increase. Crude oil prices are forecast to average \$43/b in 2016 and \$52/b in 2017.

During the April-through-September summer driving, U.S. regular gasoline retail prices are forecast to average \$2.27/gallon (gal), 36 cents/gal lower than last summer.

The U.S. average diesel fuel price remained steady at \$2.43 per gallon, down 43 cents from the same time last year. June 27 prices are the highest since November 23, 2015.



### On-highway Diesel Fuel Prices

Region	6/27/16	5/30/16	6/27/15
East Coast	2.442	2.405	2.932
New England	2.491	2.442	2.918
Central Atlantic	2.535	2.505	2.701
Lower Atlantic	2.361	2.322	2.619
Midwest	2.389	2.342	2.611
Gulf Coast	2.285	2.254	2.735
Rocky Mtns	2.429	2.375	2.957
West Coast	2.713	2.650	3.072
California	2.803	2.718	3.268

Prices listed above are diesel averages in dollars per gallon.

Up-to-date statistics are available from the Department of Energy at [www.eia.gov](http://www.eia.gov).



### FMCSA initiates audit of

# detention times

The debate over driver detention time and the costs and penalties associated with those delays is a hot topic and one that has been going on for many years, but it's about to get hotter. Per the language recorded in the Fixing America's Surface Transportation Act of 2015 (FAST Act), the FMCSA has initiated an audit of Commercial Motor Vehicle Loading and Unloading Delays. The objectives of the audit are to (1) assess available data on motor carrier loading and unloading delays and (2) provide information on measuring the potential effects of those delays.

Generally, one would think that the marketplace would force those under-performing entities (i.e. inefficient shippers) to shape up or ship out. However, a trucking company's ability to decline a load or impose and collect a detention charge depends on market conditions and just how badly it needs that shipper's freight. Nevertheless, when that detention affects public safety, government regulation usually isn't too far behind.

According to two studies by the FMCSA and GAO, long detention or waiting times can adversely affect driver fatigue. FMCSA states that delays at shipping and receiving facilities during cargo loading and unloading "may" result in travel delays and lost wages for drivers. They go further to speculate that truckers who experience these delays may then drive faster to make deliveries within hours-of-service limits or operate beyond these limits and improperly log their driving time, thus increasing the risk of crashes and fatalities. Arguments from all sides of the issue are likely to be fierce, but must be considered. Ultimately, nobody should be working without proper compensation or inadvertently putting themselves and/or the public at risk.

## CSA Update - two year delay expected

In a Senate hearing on June 8, Transportation Secretary Anthony Foxx testified about the status of reform to the controversial CSA program and when the carrier scores are expected to be returned to the public website.

When asked by Senator John Thune (R-SD) "when will the (CSA) program be reformed" so that the CSA motor carrier scores "can be returned to the public website with confidence that the analysis is appropriate and represents the risk of an individual carrier." Foxx replied "it's going to take a while to do revised analysis". He continued, stating "I would expect it might take a year or two probably more like two years before that information would be posted back up."

The FAST Act (the current five-year transportation bill) requires that the CSA scores be removed from public view and the process to generate those scores fixed before they can be publicly held out as factual safety data.



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## **AHCA's 2016 SCHOLARSHIP DEADLINE EXTENDED!!!**

The cutoff for applications in AHCA's 2016 scholarship contest has been extended to September 1, 2016.

This contest is designed to provide financial aid to the children or grandchildren of our good-standing members. Simply complete the 2016 application (available online at [ahcaonline.com](http://ahcaonline.com) or by contacting AHCA direct) and attach it with the requested documentation. All entries must be submitted to AHCA by September 1, 2016. Do not hesitate, do not procrastinate DO NOT WAIT another moment!

The number of scholarships awarded are commensurate to the number of applicants with a maximum of three \$500 scholarships awarded.

The information in this newsletter is taken from sources which we believe to be reliable, but is not guaranteed and isn't necessarily a complete statement of all the available data. Conclusions are based solely upon our best judgement and analysis of technical factors and industry information sources.

# **GOODYEAR**

American Highway Carriers Association is happy to announce a partnership with Goodyear Tires to bring an extensive tire program to membership

This exciting relationship will enable AHCA members to reduce operational costs and downtime by gaining access to Goodyear's most advanced tires at preferred prices.

As part of the benefit, AHCA members are eligible to become part of Goodyear's Preferred Fleet program which will help to get you back on the road with:

- 24-Hour Goodyear® Fleet HQ® service
- Consistent nationwide pricing and service
- 24/7 Roadside Assistance
- Elimination of out-of-pocket expenses at time of service
- Premium Goodyear tires and retreads
- Local Dealer billing

Becoming part of the program is easy!

Contact AHCA or visit us online at [AHCAonline.com](http://AHCAonline.com) for complete details.

