

Schneider claims 1% increase in fuel efficiency

Aerodynamic wheel covers produce results

Trucking giant Schneider National, Inc., announced that it is installing aerodynamic wheel covers on its entire tractor fleet. The covers are said to improve mpg efficiency by smoothing wheel contours and, thus, reducing drag.

By installing the wheel covers on the four drive positions of all 12,000+ tractors in the Schneider fleet, the company expects to save nearly two million gallons of fuel annually. So far, 6,000 units have been installed on 1,500 tractors.

"The portion of the fleet already running with the Deflektor is performing just as we expected," noted Steve Duley, vice president of purchasing at Schneider National. "We spent over two years testing this device, and the results we got were consistently positive in regard to fuel savings: almost 1% per tractor. We're pleased – yet not surprised – to see the same results now as we expand to the rest of the fleet."

Duley also said that drivers are giving the covers good reviews, citing them as easy to install and remove and extremely durable, even through the toughest weather conditions. The wheel covers, available from deflector.com, are currently listed at \$50 each.

<http://www.schneider.com>

NY/NJ Clean Truck (Cont. from pg.1)

engines that meet or exceed 2007 federal emissions standards will no longer be able to call on the Port Authority marine terminals.

The initiative involves a \$28 million grant and financial assistance program designed to encourage owners of pre-1994 drayage trucks to trade in their dirty trucks for cleaner, newer models. Truckers can receive up to \$60,000 towards the purchase of newer equipment (2004-2008 model years) including 5.25% financing of up to 75% of the vehicle cost.

While the mayors of both states supported efforts of the Port of Los Angeles' plan to eliminate owner operators for an employee-driver only program, the states' new clean truck program does not include such an initiative. The American Trucking Associations issued a statement congratulating the Port Authority on its decision not to include a ban on owner-operators.

Other ports that have or will have clean truck programs include: Los Angeles, Long Beach, Oakland, Seattle, Tacoma, New York, New Jersey, Vancouver, BC, (San Diego is currently voluntary)

AB32 (Cont. from pg.3)

AB32's Cap and Trade program involves six other western states and four Canadian provinces through the Western Climate Initiative. However, according to the states Legislative Analyst's Office, the GGE mitigation measures that raise costs for energy use in California can, especially in the near term, reduce the rates of return for certain businesses, impairing their profitability and even induce them to relocate or expand elsewhere.

www.lao.ca.gov, www.arb.ca.gov, www.hjta.org

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.



AMERICAN HIGHWAY CARRIERS ASSOCIATION
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CERRITOS, CA 90703-3190

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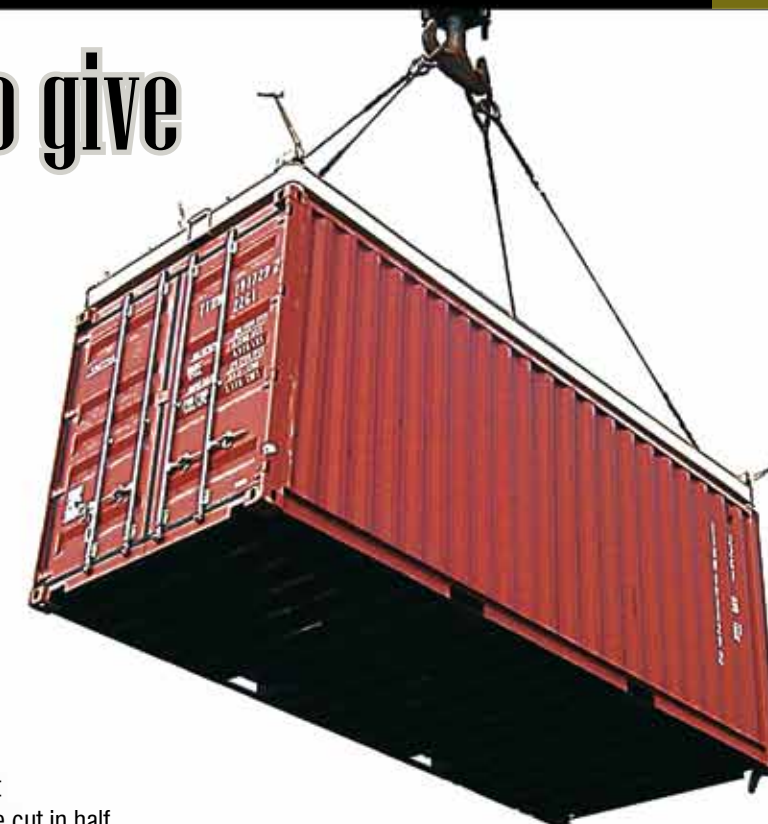
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Carriers may have to give back port funding



In a March 4th meeting with L.A. Harbor Commission, it was revealed that more than two-thirds of the 2,200 new Class 8 trucks bought with \$20,000 in port-assisted funding face financial penalties because their trucks will not make the 300 annually-required gate moves.

During the meeting, representatives from the Clean Trucks Coalition, Total Transportation Services, Inc (Ranch Dominguez) and Swift Transportation (Phoenix), each addressed the board asking for a reduction in the number of trips required under the program. Collectively, the speakers claimed to be experiencing longer wait times and fewer trips citing port staffing reductions, gate closures that clashed with client demands for off-peak deliveries and reduced volume due to the weakened economy.

For those carriers that used port funding to purchase their trucks, the port could require them to return up to \$4,000 for each year and for each truck that does not make the minimum 300 trips to pick up or deliver cargo.

While the board did appear to be willing to make some modification of the program i.e., an across-the-board percentage incentive (more time to reach the goal), it will likely

fall far short of carriers' hopes that the 300 trips will be cut in half.

While the board did appear to be sympathetic to the struggles of the industry considering the economy and the reduction in availability to the loads, they were not at all happy to hear that 393 trucks (18%) never made a single gate move. The news prompted the board to pursue invoicing carriers with trucks that did not make any significant gate moves. In response, Cindy Miscikowski, commission president, said, "however things may have changed, that wasn't the intent of our program just to be essentially a bank to help finance a lot of trucks that don't come here."

A follow-up meeting was set for a month later in April. You can visit the Port of L.A. at www.portoflosangeles.org.

NY/NJ Finalizing Anticipated Clean Truck Program

Add the East Coast states of New York and New Jersey to the growing list of U.S. ports that are beginning implementation of their own Clean Trucks programs. On March 11, the Port Authority of New York and New Jersey announced the details of its anticipated clean truck program, which involves replacing up to 636 older, polluting trucks serving the ports with newer models.

Beginning January 1, 2011, all pre-1994 model trucks will no longer be able to call on Port Authority marine terminals. Beginning January 1, 2017, trucks not equipped with

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FMCSA Mandates EOBRs for HOS violators

The Federal Motor Carrier Safety Administration (FMCSA) issued a new rule requiring interstate commercial drivers with serious patterns of hours-of-service (HOS) violations to install electronic on-board recorders (EOBRs) in all their vehicles. Nearly 5,700 interstate carriers will use EOBRs after the final rule's first year of implementation.

Under the EOBR final rule, carriers found with 10% or more HOS violations during a compliance review will be required to install EOBRs in all their vehicles for a minimum of two years. In addition to violations of the 11, 14, and 60/70 hour rule, "failing to preserve driver's records of duty status supporting documents for six months could also trigger a mandate". The rule also provides new technical performance standards for EOBRs installed in commercial motor vehicles, including requirements for recording the date, time and location of a driver's duty status. The rule will go into effect on June 1, 2012.

FMCSA stated that, in addition to those mandated to use the EOBRs, the agency will initiate a rulemaking later this year that considers an EOBR mandate for a broader population of commercial motor carriers.

The rule was published in the April 2 Federal Register (www.gpoaccess.gov).



U.S. Surface Trade with Canada and Mexico Lowest Ever Recorded

Trade using surface transportation between the United States and its North American Free Trade Agreement (NAFTA) partners Canada and Mexico decreased by 23.3 % in 2009 compared to 2008. According to the U.S. Bureau of Transportation Statistics (BTS), the total 2009 surface trade value of \$637 billion represented the largest year-over-year decline since 1994 when NAFTA went into effect.

Total North American surface transportation imports decreased by 26.5 % in 2009 from 2008 while exports decreased by 19.2 %. Overall in 2009, 86.6% of U.S. merchandise trade by value with Canada and Mexico moved on land - \$386 billion worth with Canada and \$251 billion with Mexico.

Top 10 States Trading with Canada		Top 10 States Trading with Mexico	
Michigan	42.453	Texas	86.043
Illinois	34.707	California	42.822
California	26.170	Michigan	22.237
New York	24.301	Arizona	8.952
Ohio	23.746	Illinois	8.455
Texas	19.848	Ohio	6.557
Washington	15.945	Tennessee	5.081
Pennsylvania	15.871	North Carolina	4.391
Indiana	12.174	Pennsylvania	4.191
Tennessee	10.881	Indiana	3.985

Ranked by 2009 surface trade value (billions of dollars)

FMCSA proposing new sanctions for texting while driving

The Federal Motor Carrier Safety Administration (FMCSA) is proposing to classify texting while operating a Commercial Motor Vehicle (CMV) a "serious traffic violation" bringing with it new and more serious sanctions for CMV operators found violating the law. The proposed sanctions include civil penalties and/or disqualification from operating CMVs in interstate commerce. Additionally, motor carriers would be prohibited from requiring or allowing their drivers to engage in texting while driving.

Violations include civil penalties in an amount up to \$2,750. Under the classification of "serious traffic violation", a driver who, in a 3-year period, commits 2 serious traffic violations involving a CMV operated by the individual must be disqualified from operating a CMV for at least 60 days. A driver who, in a 3-year period, commits 3 or more serious traffic violations involving a CMV operated by the individual must be disqualified from operating a CMV for at least 120 days.

The proposed law was published in the April 1, 2010 Federal Register. Comments and related material must be received on or before May 3, 2010. You may submit comments identified by docket number FMCSA-2009-0370 using any one of the following methods: Federal eRulemaking Portal: <http://www.regulations.gov>, Fax: 202-493-2251, Mail: Docket Management Facility (M-30), U.S. Department of Transportation, West Building Ground Floor, Room W12-140, 1200 New Jersey Avenue, SE., Washington, DC 20590-0001.

EIA FUEL UPDATE

The U.S. average price for diesel fuel saw a sharp increase of 7.6 cents-per gallon on April 5th over last week. The average was 11.1 cents-per-gallon above last month and a whopping 78.7 cents-per-gallon above a year ago.

The U.S. average price for regular gasoline rose 2.8 cents-per-gallon over last week to \$2.826 on April 5th. The new average was 7.5 cents-per-gallon above last month and 78.9 cents-per-gallon above last year.

Ultra-Low Sulfur Diesel			
Region	4/5/10	3/8/10	4/6/09
East Coast	3.034	2.936	2.285
New England	3.054	3.015	2.429
Central Atlantic	3.136	3.037	2.421
Lower Atlantic	2.987	2.882	2.208
Midwest	2.989	2.870	2.182
Gulf Coast	2.978	2.873	2.211
Rocky Mtns	3.043	2.890	2.213
West Coast	3.113	3.003	2.312
California	3.147	3.057	2.335

Prices listed above are diesel averages in dollars per gallon.

Up-to-date statistics are available from the Department of Energy at www.eia.doe.gov

4/5/10
\$3.017
National ULS Diesel Avg

4/5/10
\$2.826
National Gasoline Avg

Global Warming Solutions Act



Landmark legislation appears to be in for a fight!

California's landmark Global Warming measure Global Warming Solutions Act (AB32), looks to get challenged by a November ballot initiative that could derail its full affects until unemployment rates fall below 5.5%. AB32 is being challenged on the grounds that it would further cripple the state's fragile economy with billions of dollars in new costs at a time when its unemployment rate has skyrocketed above 12%.

AB32 seeks to reduce greenhouse gas emissions (GGE) to 1990 levels by 2020 with full implementation enforceable by 2012. One of the most controversial portions of the bill is its Cap and Trade program. In this program, total industry emissions are capped and businesses are then allowed to buy and sell allowances for additional emissions. The way to purchase those allowances is through an auction system that puts company against company in a bidding war, thereby driving up the cost of producing GGEs and generating potentially hundreds of millions of taxable dollars annually for the state according to estimates.

ARB Chairman Mary Nichols said of AB32, "It will guide capital investments into energy efficiency to save us money, into renewable energy to break our dependence on oil, and promote a new generation of green jobs for hundreds of thousands of Californians." By moving first in the nation," added Nichols, "California maintains its position at the front of the line in attracting venture capital, and positions us as a leader in the race to develop the clean technology products, patents and projects the global market demands and needs."

The Howard Jarvis Taxpayers Association, the lead group behind the November ballot initiative to suspend AB32, asserts that suspending the law until the state's unemployment rate reduces to 5.5% shouldn't prevent investment into "green" businesses. And, if green technology is a viable business strategy, green businesses shouldn't have to rely on government mandates and taxpayer subsidies. Furthermore, they claim that California is acting alone while other states and countries protect their economies from precisely the type of economic disruption associated with AB32. This, in turn, creates a disadvantage to the state through increased costs and the exportation/removal of local jobs.

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