National Freight Issues
2017 Outlook

Jason Craig
Director of Government Affairs
Current Leadership

Secretary of Transportation
Anthony Foxx

FMCSA Administrator
T. F. Scott Darling, III
Future Leadership

Secretary of Transportation
Elaine Chao

FMCSA Administrator
TBA
### Distribution of For-Hire Carriers in the U.S.

<table>
<thead>
<tr>
<th>Category</th>
<th>Units</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-5 Trucks</td>
<td>286,972</td>
<td>28.6%</td>
</tr>
<tr>
<td>6-50 Trucks</td>
<td>287,492</td>
<td>28.6%</td>
</tr>
<tr>
<td>51-399 Trucks</td>
<td>211,739</td>
<td>21.1%</td>
</tr>
<tr>
<td>400-3,999 Trucks</td>
<td>149,103</td>
<td>14.9%</td>
</tr>
<tr>
<td>4000+ Trucks</td>
<td>68,633</td>
<td>6.8%</td>
</tr>
</tbody>
</table>

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<tr>
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</thead>
<tbody>
<tr>
<td>183,916 Carriers</td>
<td>20,691</td>
<td>10.0%</td>
</tr>
<tr>
<td>1,890 Carriers</td>
<td>162</td>
<td>0.1%</td>
</tr>
<tr>
<td>8 Carriers</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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1. C.H. Robinson 2015 analysis of May 2015 FMCSA’s MCMIS Census Data
2. Carriers Included: For Hire, USA 48 state, active status updated in 2014 and 2015
3. Carriers Excluded: Bus companies, LTL carriers, parcel, government vehicles, private, forwarders and brokers (audit performed on carriers of 500 tractors and greater)

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Infrastructure Investment

2015 FAST Act (Dec 2015)

• 5 year bill through Fall of 2020
• Provides $43-$47 Billion per year
  – $225 Billion in total
• Fully “paid for” including:
  – Indexing customs fees to inflation
  – Selling of Strategic Petroleum Reserve
  – Allow IRS to hire private tax collectors

2017 Infrastructure Investment

• Forces against a new bill
  – No required deadline
  – No agreement on how to pay for
  – States stepping up
• Momentum for a new bill
  – Core campaign promise
  – Construction jobs
• Options for “pay fors”
  – Repatriation of foreign earnings
    • Requires tax reform
  – Oil royalties
  – Private money (PPP)
  – Series of Smaller Bills
  – Barrel Tax or Gas Tax
Regulatory Hot Topics

2017-18 Impact
- Coercion Rule
- ELD’s
- HOS fix
- Sanitary Transportation of Food
- Overtime Rules*
- Drug and Alcohol Clearing House
- Other Issues:
  - Public Liability Insurance Minimums*
  - CA break rules (F4A issue)
  - ACE Customs Rollout
  - US DOT # Updates
  - TPP*

2018-19 and beyond impact
- Speed Limiters*
- CSA Reform*
  - SFD rulemaking is stalled until correlation study is completed
- Other Issues:
  - Detention/Driver Pay*
  - Emerging Technology (Autonomous Trucks, Drones, etc)
**ELD’s**

**Timeline:**
- Implementation is required by December 2017
- OOIDA Lawsuit was denied in Nov 2016

**Major Issue(s):**
- Mandates ELD’s for all motor carriers
  - Impact of ELD’s and Driver Harassment
- Cost for compliance
  - Smartphone apps can be compliant
  - Costs as low as $175 for hardware and $30/month
- Technological complexity of details
- Impact on capacity?

**Impact to Shippers:**
- Will fear or fundamentals impact the market?
- Check back in March 2017 for an update
ELD’s

How many HOS violations are there?

• 2015 CVSA roadcheck data placed 2.88% of all inspected drivers out of service for HOS and False Log violations
  – For comparison, 12.4% of vehicles were placed out of service during the surprise brake check in May 2016
• 2016 FMCSA Pocket Guide to Truck Statistics cites 3.3 million roadside inspections conducted in 2015 and a maximum of 13.7% of violations related to logbook violations.
  – Only 23,652 violations were written for driving more than 11 hours (0.7% of all stops)
Thank You