

# Attention Shippers & Receivers

## What You Need to Know About the New US Trucking Hours of Service Regulations

### A Primer from Your Carrier(s) and the Ontario Trucking Association

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#### When do the new US Hours of Service Rules come into force?

The new rules are effective January 4, 2004. There will be no transition period and enforcement will start on that day.

#### Who must comply with the new rules?

All for-hire motor carriers, private carriers, and drivers operating a "property carrying" commercial vehicle in interstate commerce.

#### Why are the US Hours of Service rules changing?

The current US hours of service regulation was introduced in the 1930's and has changed little since then. In the 1990's a six-year, \$6 million study of truck driver fatigue (jointly undertaken by the US Department of Transportation (DOT) and Transport Canada), provided a scientific underpinning for the development of new hours of service regulations. The DOT believes its new rules will increase safety for truck drivers and the motoring public by allowing commercial drivers additional opportunity for quality rest and restorative sleep.

#### What are the major changes to the US rules?

The new rules allow drivers to: (1) Drive up to 11 hours followed by a 10 consecutive hour break versus the current 10 hours followed by an 8 hour

consecutive break; and (2) Be "on-duty" (any time including meal breaks, unscheduled delays, border delays, etc) for 14 consecutive hours versus current 15 non-consecutive hours. **A driver can no longer consider waiting time at a customer shipping/receiving dock as not being part of his 14 hour work shift.** At the same time, the new rules will require truck drivers to be off-duty for 10 consecutive hours versus current 8 consecutive hours. Additional information is available at the DOT's web site at [www.fmcsa.dot.gov](http://www.fmcsa.dot.gov). You can also contact your carrier or the Ontario Trucking Association (OTA) for more information.

#### How do the new rules impact driver productivity?

The biggest impact of the new rules for drivers is a change to how time is accounted for during a driver's day (his work shift). Under the new rules, **all** time spent driving and not driving counts towards "on-duty" time to a maximum of 14 consecutive hours. This will result in a loss of productivity by the driver and the truck. (The effect will be different for each shipper, each carrier and each traffic lane, but it has been estimated to be at least 10% on average). The result of the rule change makes it critical that drivers are not delayed at shipper/receiver locations. It also introduces serious consequence to the delays that can be experienced at the border, and additional pressure that shippers ensure that the paperwork is in

order and that they select customs brokers that handle the paperwork expeditiously.

#### Will the new rules result in cost increases?

Yes. Any decrease in productivity will need to be offset by the market. The level to which costs will rise will depend on freight characteristics. Analysis to date indicates nearly every shipper's costs will increase. It is anticipated that the lost productivity and utilization under the new rules will add strain to an already tight capacity market, particularly for drivers. Shippers are encouraged to work with their carriers to ensure their shipments are handled in the most cost efficient manner.

#### Will the new rules affect delivery times and transit times?

Yes, transit times for certain distances will increase. If there is waiting time at a shipper's facility, it will be more difficult to make up that time.

#### Will the new rules affect the capacity of the trucking industry?

The new 14 hour clock rule will restrict a driver's ability to generate miles and therefore pay. It is anticipated that this will increase the difficulty in hiring, training and retaining a skilled work force, an already daunting task given the life style requirements of long haul truck driving. **It is important to**

	Present US Rules	New US Rules
Maximum driving	10 hours	11 hours
Maximum "on duty"	15 hours	14 hours
Minimum "off duty"	8 hours	10 hours
Weekly cycle	60 hours/7days	60 hours/7days
Reset	No	Yes

***understand that mitigating the impact of the new rules cannot be achieved on the backs of the drivers.***

**What types of freight will be most impacted?**

Freight that requires time-consuming activity or that is subject to unplanned delays will be most impacted by the new rules. Generally speaking, freight that requires the driver to assist in counting, loading, or unloading adversely affects a driver's available for driving time. Freight with the following characteristics is most likely to be the most affected: loading/unloading time, including waiting time; live loading; unloading appointments; multi-stop loads; scheduled appointment times versus open pick-up/delivery times; freight tendered late in the day; JIT freight; customer assigned backhauls; and, international freight.

**What can shippers/receivers do?**

The role of shippers and receivers will be even more critical under the new rules. They will greatly influence the success of the new rules by keeping the drivers moving quickly into and out of their facilities. Carriers will be asking their customers to **help reduce the amount of time drivers spend performing non-driving work.** Shippers/receivers should examine ways to ensure

their shipments are handled in the most efficient manner.

**What if a driver runs out of hours while waiting at a customer's facility or en route?**

A driver that runs out of hours at a customer's facility will need to stay until he or she regains the appropriate amount of hours to go back into service. The new rules do not allow a driver to leave the customer's property to seek an alternative resting/parking location once the driver runs out of hours. This situation arises from the change to the rules so that **all time "on-duty" whether driving or not driving counts towards the maximum 14 consecutive hours on-duty.** Under the new rules, driver-waiting time is a critical unknown variable for a driver to determine exactly when he or she will run out of on-duty hours. A driver who runs out of hours while en route will be required to park the vehicle until they have accumulated the stipulated rest as detailed above. This may mean substantially more trucks at rest areas and on the side of the road.



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**What are the penalties to a driver or motor carrier for violating the new rules?**

Violations may result in: (1) A driver being shut-down (placed out-of-service) until he/she has accumulated enough off-duty time to comply with the rules; (2) Federal Motor Carrier Safety Administration (FMCSA) fines (driver or carrier) of between \$550 to \$11,000 per violation; (3) State and local law enforcement fines; (4) Downgrading of a carrier's safety rating; Federal criminal penalties for knowingly and willfully allowing or requiring hours of service violations.

**Shipper responsibility?**

Shippers should be aware of the increased risk of contingent liability from becoming embroiled in accident claim litigation.

**What about changes to the Canadian Hours of Service rules?**

Canadian carriers will have to comply with the US rules when operating into and out of the US. Changes to the Canadian hours of service regulations are also anticipated in 2004 and are expected to have many of the same characteristics of the new US rules. However, final amendments to the Canadian rules are still under discussion and it is not expected that the results of those discussions will be known until the first part of 2004.