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Transport Topics

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Reopening of GHG Phase 2 Raises Industry Concerns

By Jonathan S. Reiskin
Associate News Editor

Less than five months from the starting date of Phase 2 of the federal rule on greenhouse gas emissions from trucks, a brief statement from EPA Administrator Scott Pruitt on his plan to revisit the regulation's sections on trailers and glider kits has created confusion and uncertainty among the manufacturers and purchasers of those products.

Described as a process of meeting the concerns of businesses in those industries, the notice from the Environmental Protection Agency on Aug. 17 raised numerous questions on the timing of events and fears of state regula-

tion of emissions. Environmental groups also opposed the action.

"In light of the significant issues raised, the agency has decided to revisit the Phase 2 trailer and glider provisions. We intend to initiate a rulemaking process that incorporates the latest technical data and is wholly consistent with our authority under the Clean Air Act," Pruitt said on his agency's website.

The complex Phase 2 rule from EPA and the National Highway Traffic Safety Administration was made final in October 2016 and was a priority of the Obama administration. It follows in the path of Phase 1 of the regulation that took effect in 2014 and Jan. 1 of this year,

(See CAC, p. 27)



A glider kit on display at a trucking show. EPA's plan to revisit rules on glider kits and trailer efficiency has created uncertainty.

Tonnage Up 2.3% in July

Outlook Positive Despite Mixed Economic Data

By Ari Ashe
Staff Reporter

Changes in U.S. Truck Tonnage Index



For the third consecutive month, American Trucking Associations' truck tonnage index rose on a year-over-year basis, signaling trucking may be heading toward brighter days, experts said.

In July, tonnage went up 2.3% year-over-year after seeing a dip in the winter and early spring. On a sequential basis, the seasonally adjusted index grew 0.1% in July while reversing a 4.4% drop in June.

The preliminary seasonally adjusted index was 138.5 in July compared with 138.4 in June. Through July, the index was 1.2% higher than the same seven-month period last year.

The index uses a base level of 100 for freight activity in the year 2000.

The unseasonally adjusted index, which represents the change in tonnage actually hauled by the fleets, was 141 in July, which was 2.2% lower than in June 2017.

ACT Research Co.'s For-Hire Trucking Index also indicated that business conditions were much better in July than a year ago. The index is derived from a survey of trucking companies, and 50 is the dividing line between expanding or contracting economic conditions.

The volume index was 57.1 compared with 39.3 in July 2016. The pricing index rose from 44.3 to 60,

Negotiators Hold First Meeting To Discuss NAFTA Overhaul

By Daniel P. Beareth
Staff Writer

Trade representatives from the United States, Canada and Mexico have begun talks aimed at resetting terms of the North American Free Trade Agreement, a process that is expected to take many months to conclude and which could have profound implications for freight carriers and the supply chain operations of companies in all three countries.

President Donald Trump struck a pessimistic tone for the talks last

week, suggesting that the United States would probably withdraw from NAFTA "at some point."

"I don't think we can make a deal because we have been so badly taken advantage of," Trump said at a campaign-style rally in Phoenix on Aug. 22.

Comments filed in advance of the opening round of talks, in response to a request from U.S. Trade Representative Robert Lighthizer, reflected an overwhelming desire of transportation service providers, automakers

(See NAFTA, p. 27)

(See TONNAGE, p. 24)

Analysts Predict Spot Rates Could Soar Once ELD Mandate Goes Into Effect

By Steve Brawner
Special to Transport Topics

When the electronic logging device mandate finally takes effect in December, freight hauling capacity will tighten and spot market rates are likely to rise, according to trucking industry analysts.

The mandate could result in a 7% loss of capacity in the for-hire carrier sector, with a 3.7% loss for the industry overall as some drivers no longer will be able to fudge

their paper logbooks and therefore spend less time on the road, according to ACT Research President Kenny Vieth.

As a result, he expects a 5-15% increase in spot rates, and "really a re-benchmarking of the industry."

FEATURE

Other industry veterans and observers agree that capacity will tighten and spot rates will rise.

Customer surveys conducted by Truckstop.com, a load board operator that primarily serves owner-

operators and small carriers, have shown a 2-4% capacity reduction, but "doomsday" predictions are much higher, said Thayne Boren, general manager of Truckstop.com's mobile division. He and the company's chief economist, Noel Perry, say rates could increase 20% year-over-year at peak seasonal times.

The mandate already is having an effect on the spot market ahead of the ELD implementation deadline. That's because shippers and brokers are trying

(See SPOT MARKET, p. 18)



A C.R. England truck. The carrier saw a productivity impact of 3% to 5% when it switched to e-logs in 2009.

NEWSPAPER

INSIDE

Digital Buzz.....4
Business & Finance.....6
Editorial.....8
State News.....10
Company News.....16
People.....16
Events.....17
Classifieds.....19
News Digest.....24

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• **E-COMMERCE** — Trailer makers Hyundai Translead and Strick Group explore options to support final-mile deliveries due to growth in online shopping. — P. 5.
• **NACFE** — Rise in fuel economy improvement slows as fleets drop certain technologies, the group's study shows. — P. 5.
• **PACCAR** — The manufacturer unveils an automated transmission to complete its integrated powertrain lineup for its Kenworth and Peterbilt brands. — P. 4

Diesel Prices
Page 26

Self-serve
Aug. 21 \$2.596
Aug. 14 \$2.598
Source: Department of Energy