2008-09 OUTLOOK FOR THE TRANSPORTATION INDUSTRY

As we all know growth in the truck transportation and warehousing industry reflects the ups and downs of the national economy and despite all the bad press regarding the national economy job opportunities are expected to be favorable for truck drivers and diesel service technicians.

Employment change – The number of wage and salary jobs in the truck transportation and warehousing industry is expected to grow 15 percent from now through 2016, compared with projected growth of 11 percent for all industries combined. Growth will result in many job openings because the industry is so large. There also will be openings due to replacement needs for the large number of workers who will transfer to other industries or retire.

One of the main factors influencing the growth of the truck transportation and warehousing industry is the state of the national economy. Growth in the industry reflects the ups and downs in the national economy. As the national economy grows and the production and sales of goods increases, there is an increase in the demand for transportation services to move goods from their producers to consumers. During economic downturns, the truck transportation and warehousing industry is one of the first to slow down as orders for goods and shipments decline. Competition in truck transportation is intense, both among trucking companies and, in some long-haul truckload segments, with the railway industry. Nevertheless, trucking accounts for the bulk of freight transportation. Warehousing is expected to grow faster than the rest of the industry.

Additional employment growth will result from manufacturers’ willingness to concentrate more on their core competencies – producing goods – while outsourcing their distribution functions to trucking and warehousing companies which can perform these tasks with greater efficiency. As firms in other industries increasingly employ the industry’s logistical services, such as inventory management and just-in-time shipping, many new jobs will be created. Also, as more consumers and businesses make purchases over the Internet, the

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On December 26, 2007 the FMCSA published its Minimum Training Requirements for Entry-Level Commercial Motor Vehicle Operators. The proposed rule would not apply to drivers who currently possess a CDL or obtain a CDL before a date three years after a final rule goes into effect. Following that date, persons applying for new or upgraded CDLs would be required to successfully complete specified minimum classroom and behind-the-wheel training from an accredited institution or program. The State driver-licensing agency would only issue a CDL if the applicant presented a valid driver Training Certificate obtained from an accredited institution or program.

NEW DRIVER TRAINING RULE COMING

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Motor carrier transporting square bales of hay and straw will no longer be held to the same cargo Securment standards as other carriers if certain conditions are met. The FMCSA has adopted a new policy stating that loads of square bales of hay and straw are considered to be adequately secured if: 1) The load is unitized using longitudinal ropes or tie down assemblies and a loading pattern that interlocks adjacent bales together; 2) The aggregate working load limit requirements of 49 CFR §393.106(d) are complied with; 3) At least one lateral tie down is placed in the approximate center of the length of any truck or trailer 32 feet or less in length; and 4) At least two lateral tie downs are placed at approximately one-third and two-thirds of the length of any truck or trailer greater than 32 feet long. If the loads are not unitized and secured according to the above standards, the general cargo Securment rules of Part 393 would apply.

**California Hours-of Service Rules Amended**

The California Highway Patrol has amended its hours-of-service regulations for intrastate operations. An intrastate truck driver may not drive more than 12 cumulative hours following 10 consecutive hours off duty or for any period after the end of the 16th hour after coming on duty following 10 consecutive hours off duty.

An intrastate driver of a tank vehicle with a capacity of more than 500 gallons transporting flammable liquid may not drive more than 10 hours following 10 consecutive hours off duty and after the end of the 16th hour after coming on duty following 10 consecutive hours off duty.

The new requirements maintain the 80 hour/8 day limit, but add the 34 hour restart provision.

These amendments do not apply to motor carriers and drivers engaged in interstate commerce and the driver of a vehicle transporting hazardous substances or hazardous waste, as defined in 49 CFR 171.8. These drivers must comply with the federal driver hours-of-service regulations contained in 49 CFR Part 395.

NTA remains a name you can trust. Our website (www.ntassoc.com) is your official US DOT Internet Training Site and we are administrators of a Nationally Accredited Drug and Alcohol Program. If you have any questions, call me at (562) 279-0557 or send an e-mail to wayne@ntassoc.com. Until next month, “Drive Safe – Drive Smart!”
FEDERAL TIGHTENS LANGUAGE REQUIREMENTS

Drivers who are not able to meet the English language requirements of the FMCSA may be placed out of service under a new policy. The driver will be cited and placed out-of-service.

The rule Sec.391.11(b)(2) has been in effect since 1970, over 38 years ago.

According to the FMCSA, the new policy represents the agency’s effort to “catch up” to existing, similar policies from the states and the Commercial Vehicle Safety Alliance (CVSA), which represents enforcement personnel and Out-of-Service Criteria.

Intermodal Equipment

New rule from the U.S. Department of Transportation 2008

This rulemaking would require those that offer intermodal container chassis for transportation in interstate commerce to obtain and display a USDOT number on each chassis, establish a systematic inspection and maintenance program, and provide a means for responding to complaints about the condition of intermodal container chassis. A final rule is expected in April 2008.

Stopping Distances

New rule from the U.S. Department of Transportation 2008

The National Highway Traffic Safety Administration (NHTSA) has proposed reducing stopping-distance requirements for truck tractors equipped with air brake systems. A proposed rule was published in 2005; a final rule is slated for March 2008.
expansion of electronic commerce will continue to increase demand for the transportation, logistical, and value-added services offered by the truck transportation and warehousing industry.

Job Prospects – Opportunities for truck drivers are expected to be favorable. Many people leave the career because of the lengthy periods away from home, the long hours of driving, and the negative public image that drivers face. Employment opportunities should be better among the less-than-truckload (LTL) carriers than among the truckload carriers because many drivers prefer the working conditions of LTL carriers. Stricter requirements for obtaining – and keeping - a commercial driver’s license also make truck driving a less attractive career. New restrictions on who can obtain or renew their hazardous-material endorsement should increase opportunities for those able to pass the criminal background checks now required. Opportunities for diesel service technicians and mechanics also are expected to be favorable, especially for applicants with formal postsecondary training.

Growth in the truck transportation and warehousing industry should prompt an increase in office and administrative support employment. More dispatchers, stock clerks, shipping clerks, receiving clerks and traffic clerks will be needed to support expanded logistical services across the country. Opportunities for those with information technology skills should be excellent.

**FMCSA Keeps Hours-of Service Intact**

The Federal Motor Carrier Safety Administration (FMCSA), in a long-awaited response to a ruling striking down key portions of its driver hours-of-service regulations, said it would continue allowing drivers 11 hours behind the wheel daily and letting them reset the weekly limit after a 34-hour break. FMCSA made no changes to the hotly contested 2005 rule, leaving the sleeper-berth provision unchanged.

NorthAmerican Transportation Association Inc Announces a New NATIONWIDE Vision Plan for Fleets & Independent Owner-Operators

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NOTE: This is a Partial Listing of the NTA SightSelect Plan. The vision plan benefits summary must be consulted to determine the exact terms and conditions of coverage. A specimen copy of the benefits summary is available upon request for examination at the Administration Office of NorthAmerican Transportation Association.

The Group Plan is unwritten by UnitedHealthcare Insurance Company for NTA members only.

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NEW DRIVING TRAINING RULES PROPOSED

More than 40 hours of behind-the-wheel training and 76 hours of classroom instruction may be required for new interstate truck drivers under a recently proposed rule from the FMCSA. Issued on 12/26/07, the proposed entry-level driver training requirements would apply to: All drivers who intend to operate in interstate commerce and who are applying for a commercial driver’s license for the first time; and those who want to upgrade from one class of CDL to another i.e. from Class C to Class A. The rule would not affect current CDL holders who do not upgrade their licenses after the rule takes effect.

The proposed rule lists two courses of instruction, one for Class A applicants and another for Class B applicants. The Class A course would require a minimum of 120 hours of instruction, including at least 76 hours of classroom instruction and at least 44 hours of behind-the-wheel training.

The Class B course would require a minimum of 90 hours of instruction, including at least 58 hours in the classroom and at least 32 hours behind the wheel.

Under the proposal, the institution that provides the training must be accredited by the agency recognized by the U.S. Department of Education or by the Council for Higher Education Accreditation.

NTA remains a name you can trust. Our website (www.ntassoc.com) is your official US DOT Internet Training Site and we are administrators of a Nationally Accredited Drug and Alcohol Program. If you have any questions, call me at (562) 279-0557 or send an e-mail to wayne@ntassoc.com. Until next month, “Drive Safe – Drive Smart!”

FMCSA Keeps Drug and Alcohol Rates the Same

The Federal Motor Carrier Safety Administration (FMCSA) will not be changing its drug and alcohol testing rates anytime soon, thank to usage rates that have remained steady for more than eight (8) years. In its latest survey of drug and alcohol use, the agency found that an estimated 1.7% of drivers in 2005 used drugs and .2% used alcohol while on duty.
EOBR RULE COULD BE EXPANDED

Proposed rules requiring certain “bad apple” trucking companies to install electronic on-board recorders (EOBRs) to track their drivers’ hours of service may be expanded to cover additional companies once the rules are finalized this year. FMCSA is currently reviewing comments on the proposed rules, and due to very strong feedback from groups that want all trucks to have EOBRs; the agency may increase the number of companies that would be required to install the devices. FMCSA said the only certain that’s pretty certain is that we will probably do something to require a larger number of carriers to install EOBRs.

ELECTRONIC ON-BOARD RECORDERS (EOBRs)

New rule from the U.S. Department of Transportation 2008

This rulemaking would amend FMCSA regulations concerning the use of EOBRs to document compliance with the federal hours-of-service rules. A proposal was issued in January 2007; a final rule is expected in September 2008.

FMCSA DIRECTED TO LEVY MAXIMUM FINES MORE OFTEN

A recent report from the U.S. Government Accountability Office (GAO) shows that the FMCSA does not assess maximum fines against carriers with a pattern of serious violations and only assess maximum fines against carriers for the third instance of violation but the Motor Carrier Safety Improvement Act of 1999 requires the FMCSA to assess the maximum fine on the second instance.

After the GAO report was made public, Rep. James L Oberstar (Minn) requested that FMCS Administrator John Hill urging him to take immediate steps to bring FMCSA into compliance with statutory requirements on assessing maximum penalties to repeat rule violators.
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St Jude Company                     Los Angeles, CA
Hillerest Livestock Transp          Moses Lake, WA
RMC Livestock Transp LLC            Moses Lake, Wa
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