



# THE ELD MANDATE

WHAT IT MEANS FOR THE TRUCKING INDUSTRY

WHITE PAPER



**C.H. ROBINSON**  
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## IN BRIEF

While carriers and owner/operators will be directly responsible for using electronic logging devices (ELDs) in their vehicles, the upcoming mandate truly affects the entire trucking industry.

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## The Federal Motor Carrier Safety Administration (FMCSA) will require truck drivers and carriers to use ELDs to track hours of service (HOS) starting in December 2017.

The new federal mandate is an attempt to improve safety. A major shift like this could cause significant changes in day-to-day operations—not just for drivers, but the entire industry.

### JUST THE FACTS: ALL ABOUT ELDs

The ELD mandate goes into effect December 18, 2017. Most trucks must comply with this mandate, but fleets that already use an Automatic On-Board Recording Device (AOBRD), or implements one before December 18, 2017, will have an additional two years to comply.

The FMCSA allows smartphone apps to serve as compliant ELDs when they interface with the truck through a cable. This not only reduces the financial burden for many carriers, it can greatly simplify installation too.

### OPPORTUNITIES CREATED BY THE ELD MANDATE

Despite some myths and misconceptions of ELDs, there are many benefits to be found:

**Increase road safety.** According to the FMCSA, compliance with the ELD mandate will prevent around 1,500 crashes, 475 injuries, and 22 deaths each year.<sup>2</sup>

**Create savings for carriers.** The FMCSA predicts the ELD mandate will save \$1.6 billion per year in time and money spent on paperwork alone.<sup>3</sup>

### What an ELD automatically records

- Date
- Time
- Limited location information (status changes)
- Engine hours
- Vehicle miles
- Identification information<sup>1</sup>

**Improve efficiencies.** Access to on-demand ELD data will provide carriers with better visibility to available hours, predictability, and better planning tools, for more efficient strategies when securing freight.

**Reduce driver workload.** According to the FMCSA, a part of the \$1.6 billion in savings comes from drivers saving an average of 20+ hours per year completing paper logbooks.<sup>4</sup> Instead, drivers can simply push “check in” and “check out” buttons on their ELD device.

**Expand transparency and reduce violations.** It’s estimated that as many as 30-40% of commercial drivers used ELDs prior to the mandate. Because law enforcement can receive data wirelessly, it’s faster and easier for them to verify a driver’s HOS than with paper logs.

## CHALLENGES CARRIERS MAY FACE

Despite the approaching deadline, many carriers haven’t incorporated an ELD solution. With multiple ELD providers to choose from, carriers must decide which ELD provider is the best fit for their business.

Compliance comes with some challenges:

**Initial investment.** The initial cost of equipping a single truck with an ELD can be concerning—especially for small carriers and owner/operators. Carriers should remember that there are ways to mitigate these initial costs, including numerous smartphone apps that make ELDs more affordable.

**Driver training.** Transitioning from traditional paper logs to an ELD will come with a learning curve for drivers as they become familiar with the ELD’s interface.

**Difficulty choosing an ELD solution.** There are more than 40 ELD solutions currently available, each with their own unique features, pricing, and capabilities. Carriers will need to find the right solution without waiting until the last minute to become compliant. Neither implementation nor training should be rushed.

### Looking for ELD providers?

The FMCSA website provides a full list of [self-registered ELD providers](#).

## EXPECT MARKET CHANGES

As the ELD mandate goes into effect, supply chains will have to become smarter. While the future is uncertain, there are some predictions about how the market will shift:

**Expanded team drivers.** Team drivers might become more attractive as they decrease truck down time by preventing solo drivers from reaching their HOS. If enough drivers pair up, this could potentially affect both capacity availability and overall rates.

**Decreased dwell time.** Organized and efficient loading/unloading times will become even more important. Reducing driver wait time at either the origin or destination can have a significant impact in a driver's HOS.

**Higher importance on logistics providers.** Both carriers and shippers may rely more heavily on third party logistics providers (3PLs). A 3PL can help identify and solve capacity shortages, handle potential rate increases, and address other issues that arise from the mandate.

## END NOTES

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1. Federal Motor Carrier Safety Administration, "What information is automatically recorded by an electronic logging device (ELD)?" [www.fmcsa.dot.gov](http://www.fmcsa.dot.gov), accessed June 16, 2017.
2. Federal Register, "Electronic Logging Devices and Hours of Service Supporting Documents: A Proposed Rule by the Federal Motor Carrier Safety Administration," <https://www.federalregister.gov/d/2014-05827>, March 28, 2014.
3. Ibid.
4. Ibid.

## ABOUT US

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