



March 7, 2012

Obama Driving up Trucking Costs

President Obama will talk about the economy today at a Daimler Trucks North America facility in Mt. Holly, North Carolina. The President's regulations on the trucking industry have been a road block to job creation. A recent Pew Research Center survey found that a majority of Americans (55 percent) believe the auto industry has a positive effect on the country. The same poll found a majority of Americans (52 percent) believe government regulation of business usually does more harm than good. Against the free market and public opinion, President Obama has levied three of the most expensive regulations ever against the U.S. trucking industry. Combined they cost over \$10 billion.

Final Medium and Heavy Duty Truck Rule

- The Environmental Protection Agency and Department of Transportation finalized on September 15, 2011 the first ever rule regulating mileage for medium and heavy duty trucks. Beginning in 2014, truck manufacturers will be required to implement "very expensive solutions" to improve fuel efficiency.
- The rule affects tractors, heavy-duty pickup trucks and vans, and vocational vehicles. The rule applies to the Daimler brand, including its Freightliner subsidiary. The impact will be broad based: regulating these vehicles will affect small business that use pickups or utility vans to cities and towns that purchase emergency vehicles like fire trucks, ambulances, and school busses.
- From 2014 – 2018, the cost of a pickup truck will increase on average \$500, and every medium and heavy duty truck will be about \$1,000 more. The cost of purchasing a tractor-trailer will increase [\\$6,220](#). The total cost of the rule to the truck manufacturing industry is [\\$8.1 billion over four years](#).

Final Hours of Service Rule

- The Department of Transportation finalized on December 27, 2011 a rule reducing the number of hours a truck driver can work. Truck drivers were able to work about 11 to 12 hours a day. Now they have to stop working at 11 hours. This regulation could cost [\\$2.29 billion annually](#).

- Trucking companies that allow drivers to exceed the 11-hour driving limit by 3 or more hours could be fined \$11,000 per offense, and drivers could face civil penalties of up to \$2,750 for each offense.
- The rule will fall disproportionately on small carriers with between one and five vehicles that represent [78.4 percent](#) of the trucking fleet.

Proposed On Board Electronic Recording Device Rule

- The Department of Transportation proposed last month a regulation to require heavy-duty trucks to be equipped with an electronic on-board recording device (EOBR). The purpose of this rule is to monitor truck drivers' compliance with future regulations.
- The recording device will monitor commercial driver hours of service, record the location of the vehicle, and allow law enforcement to access the data contained in the device during a roadside inspection.
- The DOT acknowledges small businesses, particularly independent truckers, would incur substantial new costs under this proposal. The agency estimates that a typical carrier would spend \$1,500 to \$2,000 per vehicle to purchase and install each device. In addition there will be ongoing costs of several hundred dollars each year in service fees.