

THE ELD MANDATE

A WORKING WHEELS SUPPLEMENT

EDUCATE YOUR CUSTOMERS ON THE TRUCKING INDUSTRY'S BIGGEST CHANGE

UNDERSTANDING THE ELD MANDATE PREPARE YOUR CUSTOMERS
FOR THE ELD MANDATE

COUNTRYWIDE MANDATE EFFECTIVE 12/18/17

The Federal Motor Carrier Safety Administration (FMCSA) will require many commercial truckers to use an ELD effective December 18, 2017.

Although the mandate continues to be challenged, it's unlikely it will be overturned, revised or delayed. The Supreme Court recently ruled that they will not hear the case to overturn it, and Congress just voted to keep it in place.

Most observers believe the ELD mandate will survive because it:

- Was ordered by Congress
- Has passed court scrutiny
- · Is considered a benefit to road safety



UNDERSTANDING THE ELD MANDATE

WHAT IS AN ELD?

Electronic Logging Devices (ELDs) plug into a truck's diagnostic port to record driving time and Hours of Service data to prevent violations. Some things to know about ELDs:

- · Records movement of vehicle, miles driven, and engine hours
- Drivers create an account to enter their status: on/off duty, etc.
- ELDs must have capability to send raw data during inspection and be certified with FMCSA

WHAT IS AN ELD COMPOSED OF?

ELDs have two major components. One is the actual device that needs to be plugged in, since, per the rule, logs need to be integrally synchronized with the vehicle engine.

The other is the vendor software that displays on a screen (i.e. smartphone, tablet, etc.). The software allows truckers to:

- · Create a driver account
- Enter their duty status
- Edit/finalize their driving logs

WHO MUST COMPLY?

Generally, truckers who are currently required to keep paper logs will need an ELD. This would include most truckers who operate across state lines and have a radius of operation greater than 150 miles.

WHO IS EXEMPT FROM THE ELD MANDATE?

There are a few exemptions for who is required to comply with the ELD mandate. The most notable exemptions include vehicles older than model year 2000, short-term truck rentals, drivers who conduct drive-away-tow-away operations, and drivers who do not keep paper logs for more than eight days out of every 30-day period.

For a complete list of exemptions, see here:

https://www.fmcsa.dot.gov/faq/what-exceptions-are-allowed-electronic-logging-device-rule

WHAT TYPES OF ELDS ARE AVAILABLE?

There are two types of devices:

- · Cab devices with a built-in display
- Bring your own devices that connect with a trucker's smartphone, tablet, etc.

Both types make tracking hours of service easier and more accurate than paper logs, and also provide vehicle inspection reports.

WILL THE INSPECTION PROCESS CHANGE?

There is a myth that when a trucker gets an ELD, the data will go directly to the FMCSA. That is not true. The driving data is only shared with the inspector during an inspection.

When a trucker gets pulled over for an inspection, the device will share their electronic logs with the inspector. The regulation outlines set ways to transfer the data during inspections.

The first option is a "telematics" option where data can be transferred wirelessly through email or other web services.

The second option is a "local" transfer where data can be transferred locally through USB or Bluetooth.

In events where neither of these options are possible due to technical reasons, the driver can also share logs either through a printout or the physical display on the smartphone or the tablet.

PREPARE YOUR CUSTOMERS FOR THE ELD MANDATE





IT TAKES THE AVERAGE DRIVER 30 DAYS TO LEARN, INSTALL AND UNDERSTAND THEIR NEW ELD SYSTEM.

CUSTOMER CONCERNS

According to Overdrive magazine's 2014 drivers survey, many truckers are apprehensive about switching to an ELD due to additional costs and feeling an invasion of privacy. There's widespread concern that a significant number of drivers may choose to get out of the business, leading to a shortage of tenured truck drivers and changes in the market.

It is also important to understand that the core issue for truckers is the hours of service (HOS) rules beyond the ELD regulation. ELD is a way to enforce the current HOS rules by the FMCSA. Truckers view today's HOS rules to lack the flexibility to meet the daily operation of various truckers and their fatigue patterns.

Lastly, there is also talk around the impact of ELD on truck capacity and freight spot rates. There is general speculation that there will be an overall reduction to the number of miles driven. When you couple that with the possibility of drivers exiting the market, it could result in higher spot market rates.

ENFORCEMENT

The Commercial Vehicle Safety Alliance (CVSA), decided to delay the enforcement of the out-of-service criteria for ELD mandate until April 01, 2018.

Penalties will include citations, but will not include out-ofservice violations.

The soft enforcement will ensure that there is not a big disruption in the market immediately. According to the FMCSA, this is a standard practice any time there are large sweeping changes due to a new regulation.

BEGINNING APRIL 1, 2018, INSPECTORS WILL BEGIN FULL ENFORCEMENT, AND PENALTIES WILL INCLUDE OUT-OF-SERVICE VIOLATIONS.

WHY SWITCH TODAY?

Using an ELD will take some getting used to. The key is to start now. Starting now gives truckers an opportunity to do their research and identify the right ELD system for their business, rather than getting stuck with whatever is on the shelf at the last hour. Also, the ELD may require them to plan their trips differently than they do with paper logs, including being more aware of when they will run out of hours, where to take breaks, etc.

BUYER BEWARE

The FMCSA requires manufacturers to register their ELDs and self-certify that they conform to the ELD final rule by December 18, 2017. Self-certification means that the FMCSA is not validating the quality of the device in any way.

It is the responsibility of the trucker to choose the device that complies with the ELD rules. If the device they choose does not comply with regulations, then they have eight days to replace it with a compliant device.

For additional information on compliant ELDs, visit the FMCSA website: https://csa.fmcsa.dot.gov/ELD/List.



UNDERSTANDING THE ELD MANDATE



CHOOSING THE RIGHT ELD FROM THE RIGHT PROVIDER

ELDS CAN VARY A LOT IN TERMS OF PRICING, FEATURES, AND COMPANIES THAT MANUFACTURE THEM.

As truckers research to find the right device for them, they should be asking the following questions:

- Do they just want compliance or do they want other features, like IFTA, vehicle diagnostics, etc.?
- Is it a brand they can trust with the capital and resources to survive?
- · Will they provide customer support and stand behind the product?
- Is the ELD compatible with their existing navigation system or apps they already use? Is there integration with their load broker?



TRUSTED VENDORS

VENDOR/ DEVICE	KEEP TRUCKIN' ELD	RAND MCNALLY ELD 50 DC200	NAVISTAR ON COMMAND CONNECTION	ZED CONNECT ELD	TRANSFLO ELD T7
PRICING*	\$20/month—ELD starter \$30/month—ELD plus (includes IFTA)	ELD 50: \$149.99/DC200: \$399.99 Compliance plan—\$20/month Core plan—\$25/month (includes IFTA)	1-year subscription: \$319.80 2-year subscription: \$498.80	\$200 No monthly fee	Device: \$99 \$25/month
KEY FEATURES*	Vehicle inspection report HOS tracking GPS tracking IFTA reporting Driver scorecards Real-time driver alerts	Vehicle inspection report HOS tracking GPS tracking IFTA reporting 10 diagnostic truck gauges	Vehicle inspection report HOS tracking GPS tracking IFTA reporting Advance vehicle diagnostics	Vehicle inspection report HOS tracking GPS tracking Fleet management Routing for fastest route	Vehicle inspection report HOS tracking GPS tracking Load management Approved routing Document capture
THE BOTTOM LINE	Keep Truckin' ELD is easy to use, reliable and affordable. It has a 4.8/5 rating on the Google Play store based on user experience.	A trusted brand within the owner operator community. ELD can link to their Navigation system TND 740.	Developed by truck OEM. It has advanced remote diagnostic features developed by truck experts which could help save costs of outside diagnostic tests.	One of the most affordable options in the market. No monthly fee and offers cloud storage. Backed by Cummins.	Integrated with Transflo mobile to manage electronic loads, receive loads, and submit paperwork in one app. Dedicated support in both English and Spanish.
DISCOVER MORE (click vendor logo)	KEEP T R U C K I N	RAND M?NALLY	©nCommand Connection	ZZ ZED	TRANSFLO® by Pegasus TransTech



TOP 3 TIPS—TAKE ACTION NOW!

The ELD mandate impacts millions of truckers, and is a great opportunity to help your customers and prospects through one of the trucking industry's biggest transitions.

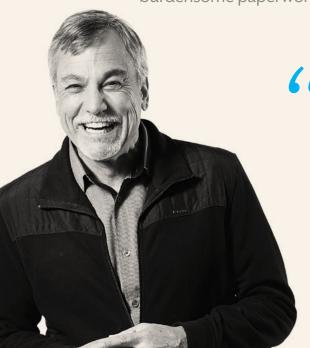
Sharing expertise about ELDs is a great way to strengthen relationships with your existing customer—and a timely topic that can help you engage with prospects. And with our Smart Haul program, it could be a perfect way to help close the sale.

TIP 2 HELP YOUR CUSTOMERS AVOID INVENTORY AND PRODUCT UNCERTAINTY

Many experts expect a rush for ELDs right before the deadline, and while there are 100+ ELD vendors, your customer's ability to get the right device for their needs could be difficult if they wait. Inform your customers with the help of our trusted vendors list—it's a great tool to help them navigate the marketplace.

TIP 3 MAKE SURE YOUR CUSTOMERS KNOW ABOUT THE BENEFITS

While change is never easy, ELD technology should help truckers reduce some of their off the road work. Hours of Service logs, Driver-Vehicle Inspection Records, and IFTA fuel tax reporting are automated by ELDs, helping drivers spend less time on burdensome paperwork, especially if they have a small fleet.



Seal the deal with our Smart Haul program—you can offer your customers the free use of an ELD, just for sharing their driving data with us!

Dave Lubeck

Business Development Consultant Commercial Field Sales



MORE ABOUT SMART HAUL

For a limited time, our free use of an ELD Smart Haul program is available to all For-Hire Transportation business classes with qualifying primary liability coverage and at least one vehicle with model year 2000 or newer with an available diagnostic port.

Check out the resources to the right to enroll your customers and for eligibility criteria and sales tools.

Offer available for a limited time through 11/30/17 while supplies last. App download required. Standard data rates will apply. Data rates will apply.

SMARTHAUL ROGRESSIVE

SMART HAUL RESOURCES

- · Supplemental app enrollment form
- Frequently asked questions
- · Consumer-facing email insert
- Consumer-facing sales letter

 (search for Smart Haul on Progressive Marketing)

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Partner with Progressive Commercial. For marketing support and ideas, call your local Progressive sales rep.