

DeFazio Bill Would Mandate Pay for Excessive Detention Time

Several of the previous industry updates that I have shared with you have touched on the driver hiring & retention challenge, capacity shortage, increasing fuel prices, bankruptcies, CSA, HOS, etc. It has also been well documented that carriers are extremely focused on productivity as well as rates. From a carrier (and driver) perspective, if our wheels aren't rolling, we are LOSING money. Since drivers' and carriers' primary revenue is based on miles, any delays in loading, unloading, stops, and tarps cost carriers/drivers time and miles.

In the trucking industry, these delay factors are referred to as "**Productivity Accessorial Charges.**" Over the coming months, Shippers will see more Carrier emphasis placed on the "Productivity Accessorials" which include:

LOADING TIME Detention: The flatbed industry standard **LOADING time** is 2 hours. Carriers use 2 hrs as the allocated time to load at a Shipper when scheduling trucks, load planning, and delivery times. Carriers calculate these 2 hours into their overall costs and incorporate them into the base Rate per Mile. Loading times in excess of 2 hours cost time and lost miles run for the day; consequently these additional costs must be recovered via detention fees.

UNLOADING TIME Detention: The flatbed industry standard **UNLOADING time** is 2 hours. Carriers use 2 hrs as the allocated time to unload at a consignee when scheduling trucks, load planning, and delivery times. Carriers calculate these 2 hours into their overall costs and incorporate them into the base Rate per Mile. As with loading times, excessive unloading time lost productivity and additional costs must be recovered via detention fees.

STOP Charges: The flatbed industry standard time allocated per **STOP** (in addition to the final stop) is 3 hours. Carriers use 3 hrs as the allocated time to unload and re-secure/re-tarp at a Shipper when scheduling trucks, load planning, and delivery times. Because not all loads have stops, carriers do NOT incorporate the impact of STOPS into the base Rate per Mile. Stop times in excess of 3 hours cost time and lost miles run for the day; consequently these additional costs must be recovered via Stop fees. Note that the more stops on a truckload, the more lost productivity, re-securement, re-tarping is required and must be recovered - this is why progressively higher Stop charges are assessed.

TARP Fee: The flatbed industry standard time allocated to tarp an average load is 1.5 hrs. Carriers use 1.5 hrs as the allocated time to tarp/un-tarp and re-secure/re-tarp as required at a Shipper/Consignee when scheduling trucks, load planning, and delivery times. Because not all loads require tarps, Carriers do NOT calculate these 1.5 hours into their overall costs and do NOT incorporate them into the base Rate per Mile. Drivers also receive an additional Tarp pay stipend for tarping and un-tarping. Consequently, these additional costs must be recovered via Tarp fees.

Not only do these factors that greatly impact trucking productivity have carriers' full attention, ***it now appears that the issue has attracted the attention of Congress!*** Apparently, with the projected negative impact on productivity from the upcoming CSA and HOS initiatives, Congress is becoming increasingly concerned with the lost productivity impact on the total supply chain. See the article below for more information.



2/18/2011 **DeFazio Bill Would Mandate Pay for Excessive Detention Time**
By TruckingInfo Staff

Rep. Peter DeFazio, D-Ore., introduced a bill that would require the Department of Transportation to study industry detention practices and establish a maximum number of hours that drivers may be detained without being paid.

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"Over the years I've heard anecdotes from truck drivers that detention time is a big problem and contributes significantly to inefficiencies in the supply chain productivity," DeFazio said. "I asked (the Government Accountability Office) to study detention time and quantify the results. It's clear from the report that detaining truckers at loading docks is a significant problem that FMCSA needs to regulate."

Besides setting a time limit on pay, the bill would require shippers and receivers to pay a fee for detention of drivers beyond the established time and authorize civil penalties against shippers for failure to pay for unreasonable detention time.

The GAO found that driver detention is a prevalent problem: of over 300 drivers interviewed by GAO, 68 percent reported being detained within the past month. It also found that 80 percent of detained drivers had difficulty complying with hours of service requirements, and 65 percent reported lost revenue.

Shippers and receivers control many factors that lead to detention, such as facility staffing, lack of loading or unloading equipment, poor service, and products not ready for pick-up, GAO found. And shippers often disagree with carriers and drivers about the amount of detention time and some motor carriers choose not to collect detention fees from their customers.

DeFazio said the legislation is needed because shippers and receivers are not held accountable for the roles they play in affecting motor carrier safety.

Also, he said truck drivers have hours of service rules rather than wage and hour laws. Without addressing detention time, hours of service rules do nothing to ensure a driver can make a living even when working a full day, DeFazio said. "If a driver is detained beyond a certain period of time, he should be compensated."

The Owner-Operator Independent Drivers Association hailed the proposal.

"In a just-in-time, deregulated industry, trucking has de-evolved to where truckers are donating their time to the benefit of shippers and receivers. The problem persists because it doesn't cost shippers or receivers to squander drivers' time," said Todd Spencer, OOIDA executive vice president.

If you have any questions or need additional information, please don't hesitate to contact us.

Sincerely,



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