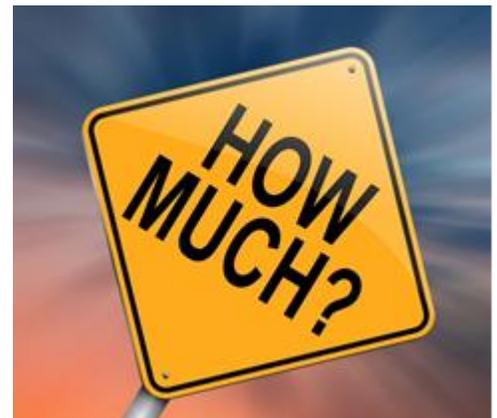




STICKER SHOCK

Shippers should be concerned that a confluence of events will result in Sticker Shock when it comes to buying transportation services in 2018. For many years, small to medium size companies and Fortune 500 corporations have been concerned that the demand for transportation services would exceed the available supply of trucks on the road. The impacts of the recent hurricanes in Texas, Florida and Puerto Rico have shown us how sensitive the balance of supply and demand really is. In addition, carriers are still having trouble recruiting and more importantly retaining drivers. As a result, this fall we have experienced a surge in freight costs.

Now the transportation marketplace is facing a new storm on the horizon. That is the electronic logging device mandate, more commonly known as the ELD mandate. The mandate is being driven by FMCSA's (Federal Motor Carrier Safety Administration) attempt to improve road safety and minimize traffic accidents. With a looming implementation deadline for the ELD mandate of December 18, 2017, for most commercial motor vehicles, smaller fleets and owner-operators are still behind in the ELD implementation race.



There are two major reasons for this: (1) Smaller fleets and independent owner operators are concerned about the cost of installing these devices. (2) There are the cost implications of complying with the Hours of Service regulations, which the device will now document. After December 18, 2017, vehicles without ELDs will get citations

and fines. After April 01, 2018, vehicles will be put out of service for not having compliant electronic logging devices.

The ELD mandate coupled with the lingering effects from the hurricanes, the ongoing shortage of drivers and a strong US economy will leave shippers facing the imbalance of demand vs. the available supply of trucks. This will definitely result in higher freight costs as the New Year begins; the only question is 'how much'.

If you are concerned about the *sticker shock* from rising freight rates, Data2Logistics is here to help. Our Professional Service Team has decades of experience in helping shippers understand the transportation marketplace and identify opportunities for controlling cost.

If you want to learn more about how Data2Logistics can help you in the present freight rate environment contact: Harold B. Friedman at harold.friedman@data2Logistics.com or +1 609 577 3756.