

# HOS Cuts Seen Forcing Supply Chain Changes

By Sean McNally  
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Shippers said potential cuts in driving time and total work hours sought by the opponents of the current hours-of-service rule could force costly changes in the supply chain and further tighten capacity.

The Federal Motor Carrier Safety Administration was expected to send its revised rule to the White House for review by the July 26 deadline.

Eric Morley, director of transportation for Best Buy Co. Inc., Richfield, Minn., said HOS cuts would have a disproportionate effect on the productivity of the supply chain.

"It doesn't just [cut productivity] by 10% or 20%," Morley said, referring to proposals to reduce the allowable driving time. "It really cuts your productivity by 50%, because you'll lose that guy for two days."

Since reaching an agreement last year to review the rule with Public Citizen, the Teamsters union and

other groups, FMCSA has conducted listening sessions and collected feedback. Public Citizen has proposed cutting the daily driving limit to eight hours from 11 and slashing working time to 12 hours from 14 hours (6-28, p. 3).

Morley and other shippers said such cuts would cause them to rethink their supply chains.

"We have a distribution center that's up near Fresno, Calif. . . . that works out to be roughly five hours from the [Los Angeles] market. So a guy can go down, do a store delivery or two and get back home [to] be with his family for dinner that night," Morley explained. "You make a significant cut in that, and the guy might get back as far as Bakersfield and then have to stop for the night."

Wayne Johnson, director of logistics for American Gypsum Co., Dallas, told TRANSPORT TOPICS that shippers adjusted their distribution systems based on the 2003 HOS changes that provided for 11 hours of driving.

Any changes would require the company to "reevaluate our destinations," Johnson said.

If most shippers are forced to change existing delivery schedules, the result could be higher prices for consumers, he warned.

"That's going to cause us to change our deliveries from an overnight delivery to a day and a half," Johnson said, "and if it is drastic enough . . . we'll have to increase the price of our product for those longer destinations."

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## HOS Has Shippers Worried

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John Gentle, a Toledo, Ohio, logistics consultant and a former director of logistics for Owens Corning, Toledo, agreed any HOS change could be costly.

"Manufacturing points are not going to change, but if we have to change distribution points or you have to add distribution points to your supply chain, that would be just a horrific cost," he said.

Johnson said shippers made productivity adjustments to their operations after 2003 changes — modifications that they cannot make again.

"The shippers had to find ways to be more efficient in getting the driver in and out of their plants, and we did that by putting in trailer pools and putting on more loading crews and putting in loading times for our plants," Johnson said.

He added that most plants try to

get trucks out in 60 to 90 minutes and would be unable to move any faster.

Best Buy's Morley said a cutback in hours would require shippers to contract for more trucks, and the continuing capacity crunch would only worsen.

He also said changes could require drivers to stop for a rest period very close to their homes.

Morley said that stop could create a situation for truckers "to almost knowingly be disobedient, and I really worry about the ramifications of that."

He also emphasized he believed the current rules were working properly.

"All of the statistics that I've seen say that accidents per million miles driven have come down significantly with the rules that we have in place, and I just don't see the impetus for making a change at this point," he said.