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What Do the New Federal Motor Carrier Safety Administration Rules Mean for Everybody Else?

The [Federal Motor Carrier Safety Administration](#) had a busy year. When they weren't enacting new regulations, they were busy defending these new regulations in courtrooms and hearings. But after all the discussion, practically everything the FMCSA wanted to pass is now legally in effect. What are these new laws? More importantly, how do these laws affect your business?

FMCSA Regulations Effects on Truck Drivers



Image via [Flickr](#) by KOMUnews

The new [hours of service regulations](#) dictate that truckers have to take rest breaks during certain times of the day, as well as a weekly restart that comprises the primary sleeping hours of one to five a.m. The law is supposed to cut down on fatal traffic accidents caused by fatigued truck drivers, but may be having the opposite effect. Sixty-six percent of operating truck drivers

are [reporting more problems with fatigue](#) under the new hours of service regulations. Sixty-seven percent report receiving smaller paychecks.

The FMCSA may have been trying to stop a problem that didn't exist. Only about 1.4 percent of all fatal accidents involving big trucks were caused by driver fatigue before the law was enacted. Truckers also report a poorer quality of life as a result of the regulations.

FMCSA Regulations Effects on Trucking Companies



Image via [Flickr](#) by russellbernice

The effects of the new hours of service regulations on trucking companies was apparent as soon as the first earnings reports were released following the law going into effect. So far, [80 percent of all trucking companies](#) report decreased productivity, with about half saying they can no longer manage their workloads and maintain profit levels without hiring new drivers.

Trucking companies are already struggling to keep enough qualified drivers on payroll. Stricter insurance regulations combined with tougher medical requirements, a large number of truck drivers reaching retirement age, and a number of other rules and regulations are parking more drivers than truck driving schools and trucking companies can train and put in trucks.

FMCSA Regulations Effects on Freight Brokerage Firms



Image via [Flickr](#) by cote

Aside from the new hours of service regulations, the FMCSA has enacted new regulations governing freight brokerage firms. Unlike the HOS regulations, there is significant evidence that these rules are soundly based on reason and reality. For the past 30 years, brokerage firms have only been required to carry \$10,000 in surety bonds, a type of insurance that protects trucking companies from insolvent or disreputable brokers. This has now been increased to a minimum of \$75,000 in surety bonds, which costs the brokers about \$5,000 to \$6,000 per year.

When the regulations took effect on Dec. 1, two months late due to courtroom battles waged by the brokers, the FMCSA immediately [revoked 6,500 broker licenses](#) of those which were unable or unwilling to comply. This dropped the number of licensed freight brokers from 21,656 to just over 15,000 overnight. Thousands more are likely to leave the market in the next few months. Trucking companies say this is unlikely to have a significant impact on the industry, as most depend on larger brokerage firms, anyway, which were able to pay.

FMCSA Regulations Effects on Shippers, Businesses



Image via [Flickr](#) by ex_magician

The bottom line of the new regulations will soon hit businesses, as the costs of putting more trucks and truckers on the road to meet demands rise. Trucking companies will be forced to [pass on the additional costs](#) associated with reduced productivity to their customers. If the economy continues to recover, driving up demand for freight capacity, this will make the trucker crunch even more evident to the shippers. Businesses can expect to start paying more for shipping as soon as the first quarter of next year.

Do you think the new FMCSA regulations are spot on or way off? Share your thoughts in the comments section online

[Case Study] Family-Owned Business Addresses Issues of Reliable Transportation

For over 100 years, the Bearfield family has specialized in the processing and distribution of high quality hams, gammon, gammon steaks, bacon, and other specialty pork products. The business has been in the same family for five generations, using the principles of service and quality to set themselves apart from the competition. They now own and operate three fully licensed factories, each specifically designed for their tasks with the latest technological innovations. Bearfield's is also approved for exporting their products. Headquartered in London, they service the entire UK region.

Situation



Image via [Flickr](#) by sk8geek

Bearfield's wanted to expand their services by offering same day delivery of their ham and gammon products. Though their facilities were state of the art, the fork lifts used in their outdoor lot to load the trucks were constantly exposed to water and brine, leading to premature corrosion. The corrosion was interfering with the reliability of the fork lifts, often causing delays in filing orders and making on time deliveries.

Since it was so important to Bearfield's to be able to make same day deliveries to their customers, it was crucial for them to have reliable, dependable fork lifts. Their supplier at the

time was simply not meeting their needs in terms of providing reliable transportation and backing it up with high quality service and maintenance.

Approach



Image via [Flickr](#) by garryknight

Bearfield's contacted BT, which analyzed the situation. Since the company needed a fork lift which was capable of operating in a congested area with confined spaces, as well as one which could stand up to the environmental issues at the facility which were causing excessive corrosion, they recommended a Cargo CBD 1.8 four-wheel counterbalance truck. This truck was recommended because it came standard with anti corrosion treatment, and it was capable of working with the company's existing fleet of trucks and other vehicles.

The vehicle was equipped with standard anti-corrosion specs, but BT modified it even further to help make it reliable under any operating conditions. Front mud flaps were added to help protect the front axle and parts. The unit was coated with epoxy paint in a two part process. Then, all the fittings were coated with zinc and pins were plated with chrome. Micro switches were water sealed to keep water and brine out of the electronic components. Finally, a protective underplate was installed below the engine compartment to keep water out.

Impact



Image via [Flickr](#) by Timo_Beil

Bearfields was pleased with the new fork lift, primarily because it was backed by a much better service and maintenance contract agreement. The new vehicle was more reliable, which allowed the pork product supplier to increase productivity at the facility. Workers were able to keep working for longer periods of time without having to stop to fix the fork lift. Most important, the more reliable vehicle allowed Bearfield's to make the transition to same day delivery, which improved their level of customer service. Bearfield's plans to stay with BT for their future needs when it comes to work vehicle needs.

Are Electric Cars Really the Future of Fleet Vehicles?

As more electric car options are made available to consumers and fleet vehicle operators, several things are becoming clear. First, the cost of these automobiles (though often offset by government subsidies) is still higher than the cost of gas powered vehicles. Second, the electric cars may not be as beneficial to the environment as portrayed by environmentalists. Third, the electric car is not about to take over as the fleet vehicle of choice. What do fleet operators need to know about the future of electric cars?

Electric Car Production is More Harmful to the Environment

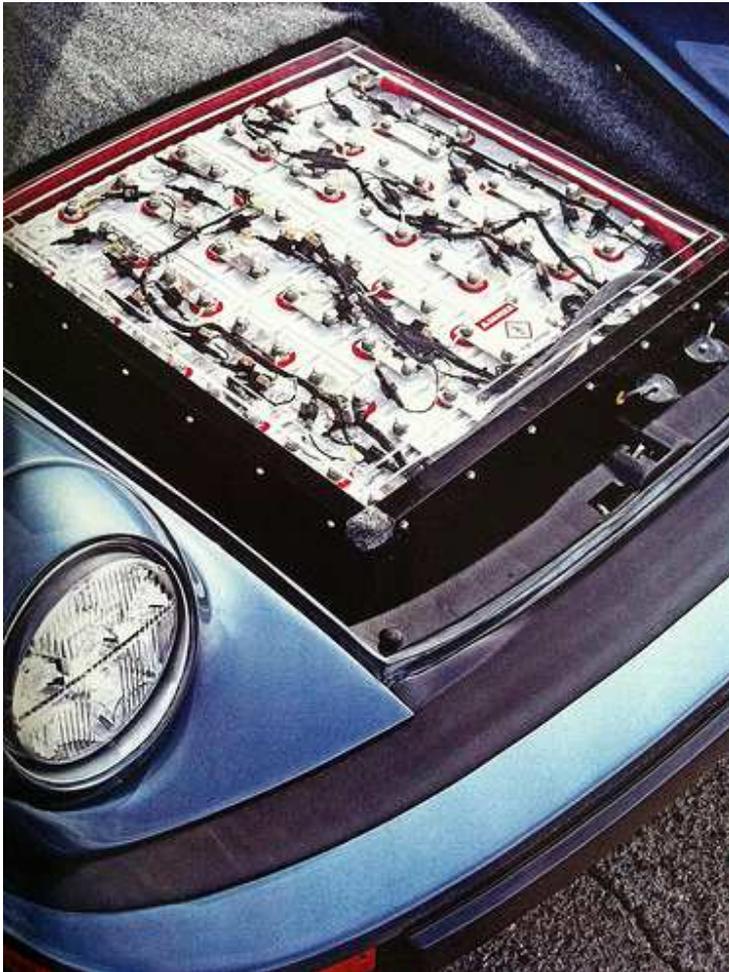


Image via [Flickr](#) by podknox

Building electric cars, especially the batteries, requires the mining, transportation, and processing of a number of rare earth elements. Lithium used in the batteries, as well as other components, emit more pollutants into the air, because high-tech batteries are [more toxic by nature](#) than ordinary car batteries.

While [99 percent of all car batteries](#) from gas-powered vehicles are recycled, there is not yet an effective means for recycling the batteries of electric cars. This means more waste, which is more toxic waste to begin with. Though a few of the electric car batteries can be reused in power plants, this is not adequate for large numbers of lithium batteries, which only last for a few years and cost thousands of dollars to replace when exhausted.

Electric Car Ownership is More Harmful to the Environment



Image via [Flickr](#) by ell brown

Electric cars are not just more harmful during the manufacturing process, the actual ownership of the vehicles may be [more harmful to the environment](#) than gas-powered vehicles. Except for the emissions of greenhouse gasses, electric cars are more polluting because they depend on a large amount of coal power plant generation to operate. This depletes natural resources and contributes to pollution at a greater rate than gas-powered vehicles. The only exception is in regions which depend mostly on renewable power sources, such as in Washington state, where wind turbines and other renewable resources offset dependence on coal power generation.

Electric Cars are More Expensive to Buy



Image via [Flickr](#) by Conveyor belt sushi

The price of any technology usually starts off high and gradually falls as the developers of the product recoup their investment in developing the technology. However, the speed at which this happens depends on how many people buy the product at the initial higher price. If few people make this investment, it takes longer for developers to recoup their investment, and prices for the technology remain high. In the case of the electric car, [prices are still considerably higher](#), even with all of the federal and state incentives and rebates offered.

Electric Cars are Less Expensive to Maintain



Image via [Flickr](#) by West Midlands Police

For fleet operators, the real benefits of an electric fleet is in the maintenance time and costs. Gas powered vehicles require oil changes, filter changes, tune ups, belts and hoses, and other regular maintenance and repair work. Comparatively, the electric fleet needs little more than tire rotations and new windshield wipers. When combined with government incentives, the [labor costs saved in mechanics](#) can tip the scales toward electric vehicles.

While consumers and fleet operators are slow to embrace the electric car, new options in hybrid and electric vehicles continue to [impress reviewers](#). Will it eventually be the mainstay of fleet operations? That remains to be seen.

[Case Study] How the Harvard Drug Group Was Able to Comply With Increased Federal Regulations

The Harvard Drug Group is a drug distribution company, operating from three facilities around the United States. Their primary facility is in Livonia, Michigan, with additional distribution centers in San Diego, California and Indianapolis, Indiana. Harvard Drug is the only company that distributes both generic and name brand drugs. They supply retail pharmacies, as well as medical professionals, and managed care providers. Harvard Drug also distributes over the counter medications.

Situation



Image via [Flickr](#) by bradleyjohnson

In response to numerous instances of drug counterfeiting around the country, the federal and state authorities are cracking down by enacting regulations to electronically track and trace prescription drugs from the manufacturer through distribution, all the way to the end customer. This requires extensive chain of custody documentation. While Harvard Drug was bound to comply with these new Pedigree state and federal regulations, they had to continue to provide on time delivery to their customers.

As a secondary supplier, the ability to meet the customer's needs with a product they cannot find elsewhere means that Harvard Drug becomes their first choice the next time they order. The company did not conduct an ROI, because meeting the mandates while maintaining a high level of customer service was a do or die situation.

Approach



Image via [Flickr](#) by Muffet

Harvard Drug Group chose Vocollect Voice to help implement a voice activated system that would work with their existing warehouse management system to track products and create a legally binding paper trail through the entire process. The system was installed in their 25,000 square foot San Diego facility, as well as their primary operations center in Livonia, Michigan. The system allowed employees to validate product lots and expiration dates, and made it possible to stay within a two-hour window between customer order placement and shipment to the customer while meeting all of the mandates of the Pedigree laws.

The only other alternative, according to Harvard Drug senior vice president of information technology and CIO Dale Swoffer, would have been to tag each bottle of product with a unique LPN and use bar code scanners to select orders. The new voice activated system replaced a RF technology system in one facility and a paper based pick list system in the other facility.

Impact



Image via [Flickr](#) by Jayliz

According to Swoffer, the new system provided the company with 100 percent payback on the first day, because they would have gone out of business without it. The system offered integrated and real-time direct interface with the warehouse management system without the need for middleware software.

It gave the company the ability to validate product lots and expiration dates and allowed them to come into complete compliance with pedigree laws. It also improved order accuracy, and allowed workers to generate the legal oaths necessary to verify each order leaving the facility was correct. Additionally, the new system kept them within the two-hour processing time necessary to meet the demands of their customers. It improved productivity and efficiency within these facilities, even while adding the time-consuming task of validating lots to fulfill the requirements of the law.