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## Total Solar Eclipse August 21, 2017

80<sup>th</sup>

## Missouri Trucking Association Annual Convention

September 27-29, 2017

Mark your calendars and make plans to attend the annual MoTA Convention. It will be held at the Chase Park Plaza in St. Louis, MO.

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## President's Message

For our 80<sup>th</sup> Anniversary of our Annual Convention we are returning to the Chase Park Plaza in St Louis, MO on September 27-29.

We have a great agenda lined up for you – with many of our speakers and topics chosen directly from your feedback from previous meetings. We **Thank You** in advance for your support, attendance & feedback and look forward to seeing you next month!

Please note that we have moved the golf to the beginning of the event, teeing off at 10:30 am on Wednesday. We had received quite a bit of feedback in the past few years about making this change, and we are hopeful the change will bring a few more golfers out to enjoy the beautiful Forest Park golf course.

You won't want to miss this year's opening reception – to be held at Ball Park Village, with a late September game between the Cards and the Cubs and potential post season play on the line for one or both teams! Come out and mix and mingle with your trucking friends while we cheer on the Redbirds to victory!

As usual, Thursday at the MoTA Convention is jam-packed with excellent educational opportunities and speakers. Attendees will hear from Chris Spear, President & CEO of ATA, noted author and pastor Piet Van Waarde, Dr Judy Baker of "Good Dads", illusionist Reza, and comedian Steve Gilliland. Mixed in between all of those presentations will be a presentation by our own Ted Perryman, an "Ask the Experts" panel, and a speaker from FMCSA.

Come prepared to learn and network with some of the industry's best as they gather together, for the 80<sup>th</sup> time in Missouri on September 27-29<sup>th</sup> in St Louis at the Chase Park Plaza!

## Good Luck to the Missouri NTDC Competitors!

- Paul Tyler with XPOLogistics
- Scott Hopper with Walmart Transportation
- Brent Sims with FedEx Freight, Inc.
- Bruce Brewen with Hogan Transports
- Wayne Holder with Walmart Transportation
- Andrew Hunt with FedEx Freight, Inc.
- Glen Horack with Prime, Inc.
- Jerry Bedgood with FedEx Freight, Inc.
- Steven Campbell with FedEx Freight, Inc.

## [Solar Eclipse Could Create Once-in-a-Lifetime Road Hazards](#)

The moon will block out the sun, and day will plunge into night. Birds will stop singing, crickets will start chirping, and many people will gasp, weep, or even howl when they see the sun's corona shimmering in the darkened sky.

And some drivers, inevitably, will stop in the middle of the road to take a selfie.

The Aug. 21 total eclipse will cut directly across 14 states, from Oregon to South Carolina. About 200 million people live within a day's drive of the "path of totality," and millions are expected to flock there for the event. Every other state, including Alaska and Hawaii, will see a partial eclipse. Transportation officials are worried not only about massive traffic jams but potential crashes that could result from drivers focusing on the skies, not the road. Officials across the country say they're doing all they can to put out the word to eclipse-watchers, using press releases, videos, public appearances and social media. But in the end, they caution, it's up to locals and visitors to follow common sense rules to stay safe.

"Don't stand on the interstate. Don't pull your car over. Don't take a selfie from a bridge," said Doug Hecox, a Federal Highway Administration spokesman. "The risk of driver distraction from this once-in-a-lifetime event has never been greater. We don't want anyone to have an 'eclipse in judgment.'"

Lloyd Brown, spokesman for the American Association of State Highway and Transportation Officials, agreed that "an eclipse is clearly a transportation issue. We're concerned that people will be driving down the road and just stop their cars and look up. They need to be safe in a situation like this." Officials are urging motorists to plan ahead and find a safe spot to view the eclipse. They say pulling onto the shoulder of a highway is a bad idea because it could block emergency vehicles from getting through and put drivers who get out to watch the event at risk of being struck by a car. And motorists on local streets need to pay special attention to pedestrians and cyclists, who may themselves be focused on the eclipse.

State transportation officials recommend that people find an event or designated location to safely watch the eclipse. Many state parks, for example, are hosting events or reserving areas to accommodate campers and day visitors. But drivers, whether they follow that advice or not, could find themselves stuck in place for many hours, well after the eclipse has ended.

"People are thinking they're just going to pop in, see it, and then turn around and head back home. They're not," said Dave Thompson, a spokesman for the Oregon Department of Transportation. "They need to be prepared for long backups and have a full tank of gas and stuff in their car like water and food and medications they might need." State transportation agencies are working with police and emergency management officials to plan for the major traffic jams many areas are expecting.

"The best advice is to find a safe location, arrive there early, stay put, and leave late," said Matt Hiebert, a Missouri Department of Transportation spokesman who is heading up an eclipse task force for the state transportation officials association.

### [Eclipse Safety](#)

A total solar eclipse occurs when the moon completely blocks the sun. In the 14 states, there will be darkness for a few minutes in most areas of the eclipse's direct path. In other parts of the country, the sun will be partially eclipsed by the moon. All phases of the eclipse from beginning to end will last up to three hours, depending on the area. For many, the coast-to-coast total eclipse will be a once-in-a-lifetime event. The next one won't occur until 2045. The last time a total eclipse was visible across North America was 1918. That year, there were only 6 million cars in the U.S. In 2015, the latest year data are available, there were nearly 264 million. Twenty-one interstates are going to be in the total eclipse's band, the so-called path of totality. As a safety precaution, many of the 14 states in the direct path plan to suspend road construction projects, according to Hiebert. But motorists who pass through them still need to be alert because there may be merged lanes, cones, barrels and other equipment on-site. Another concern is that people may want to take photos of the eclipse while they're driving, which officials warn would be extremely dangerous.

For anyone viewing the eclipse, the only safe way to observe it directly is by using special-purpose solar filters, such as "eclipse glasses" or hand-held solar viewers. Officials worry some people may wear the glasses while driving — another no-no. "These glasses are designed to look at an intensely bright light, and you can't wear them and drive," Hiebert said. "It's almost like wearing a blindfold. You won't be able to see out of them."

### [Getting Ready](#)

State transportation agencies in the direct path of the eclipse have been gearing up for the big event for months.

In Idaho, officials are estimating as many as a million people could descend on the state. The state transportation department has been working to identify locations that could become bottlenecks and trying to figure out ways to control traffic.

In Missouri, where officials are preparing for as many as 1.2 million eclipse-watchers, the transportation agency is coordinating with the highway patrol, which will monitor the capacity of state rest areas and welcome centers, where hordes are expected to gather. Once those areas reach capacity, troopers will shut them down, barring additional drivers from entering.

And in Oregon, which is expecting up to a million visitors and is experiencing a severe drought, transportation officials are concerned that the eclipse is occurring in the middle of wildfire season. They have issued an alert to drivers about how easily a vehicle can spark a blaze.

"If you pull into a weedy area and the undercarriage is very hot, your exhaust pipe can ignite a fire," said Thompson, the Oregon spokesman. "Oil leaks can start one too."

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•[Click Here](#) to read "SC emergency officials issue warnings for residents, visitors ahead of total eclipse" article

•For more information visit the [State of Missouri Eclipse website](#)

•For the 2017 Solar Eclipse Fact Sheet [Click Here](#)



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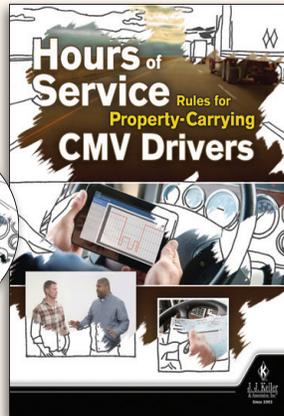
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O' Reilly	Private	\$8,500



## Senate Committee Adopts Meal, Rest Break Provision

A pre-emption provision meant to ensure nationwide uniformity of meal and rest break standards for motor carriers was attached to an aviation reauthorization bill a Senate panel approved June 29.

Sen. Deb Fischer (R-Neb.), the provision's sponsor, said it would clarify the scope of Congress' pre-emption authority regarding meal and rest break requirements. According to her amendment, it would ensure "a state, a political subdivision of a state, or a political authority composed of two or more states may not enact or enforce a law, regulation, or other provision having the force and effect of law relating to meal or rest breaks applicable" to certain employees.

"It's important that we acknowledge trucking is a vital industry to this country. It brings us the products and moves the produce and products that we have across the country," she said before the Senate Commerce Committee adopted the provision along party lines.

Industry groups, such as American Trucking Associations, have called for the pre-emption provision's adoption. ATA emphasized it would clarify a requirement in a 1994 aviation law to block a California law signed in 2011.

ATA president Chris Spear applauded the committee's efforts. "Today, the Senate Commerce Committee took an important step toward recognizing that a uniform set of rules is vitally important to the movement of our nation's interstate goods," Spear said. "The trucking industry and its supply chain partners greatly appreciate Senator Fischer's leadership, and applaud the committee for clarifying that the 1994 federal preemption covers state meal and rest breaks." The California law requires employers to provide a "duty-free" 30-minute meal break for employees who work more than five hours a day as well as a second "duty-free" 30-minute meal break for people who work more than 10 hours a day.

"Without uniform federal laws and regulations governing motor carriers, multiple layers of rules threaten to impair and impede the movement of freight throughout the country, creating a substantially burdensome and redundant system of rules for operation," according to ATA.

Senators who opposed Fischer's amendment to the aviation bill called for additional hearings to further evaluate the provision's possible impact on the trucking industry.

The aviation measure, as amended, advanced to the Senate floor. "This passenger-friendly aviation reform legislation improves safety and incorporates over 50 amendments offered by both committee Democrats and Republicans," committee Chairman John Thune (R-S.D.) said. "In preparing for the future of aviation, our committee has acted to continue advancing unmanned aircraft systems and other aviation innovations while offering airline passengers new protections following recent incidents."

~Transport Topics~

## Crash Preventability Demonstration Program Overview

On August 1, 2017, the Agency began accepting Requests for Data Review (RDRs) into its Crash Preventability Demonstration Program through [DataOs](#). Crashes eligible for the Crash Preventability Demonstration Program must have occurred on or after June 1, 2017. The Crash Preventability Demonstration Program is expected to last a minimum of 24 months.

The following crash types are eligible for participation in the program:

- When the commercial motor vehicle (CMV) was struck by a motorist driving under the influence (or related offense);
- When the CMV was struck by a motorist driving the wrong direction;
- When the CMV was struck in the rear;
- When the CMV was struck while legally stopped or parked, including when the vehicle was unattended;
- When the CMV was struck by an individual committing or attempting to commit suicide by stepping or driving in front of the CMV;
- When the CMV sustained disabling damage after striking an animal in the roadway;
- When the crash was a result of an infrastructure failure, falling trees, rocks, or other debris; or
- When the CMV was struck by cargo or equipment from another vehicle.

FMCSA's safety programs use data from 3.5 million roadside inspections and 150,000 crashes each year to prioritize its enforcement resources on those motor carriers that pose the greatest safety risks on our Nation's roads.

Studies show that crash involvement is a strong indicator of future crash risk. The Crash Preventability Demonstration Program allows FMCSA to gather data to examine the feasibility, costs, and benefits of making crash preventability determinations on certain crash types. FMCSA will use the information from the program to evaluate if these preventability determinations improve the Agency's ability to identify the highest-risk motor carriers

## Operation Airbrake

CVSA's Operation Airbrake Program will hold two annual brake safety campaigns in 2017. There will be a surprise, unannounced brake safety enforcement campaign which will be held at any time throughout the year and there will be a one-day brake safety enforcement campaign which will be held on Thursday, Sept. 7, 2017. During both the announced and unannounced brake safety enforcement campaigns, CMV inspectors will conduct brake system inspections (primarily [Level IV Inspections](#)) on large trucks and buses throughout North America to identify out-of-adjustment brakes and brake-system violations. The week is an annual outreach and enforcement campaign designed to improve commercial vehicle brake safety throughout North America.

Properly functioning brake systems are crucial to safe commercial motor vehicle (CMV) operation. CMV brakes are designed to hold up under tough conditions, but they must be inspected and maintained carefully and consistently so they operate and perform properly throughout the vehicle's life. Brake-related violations comprise the largest percentage of all out-of-service violations cited during roadside inspections. Improperly installed or poorly maintained brake systems can reduce the braking capacity and stopping distance of trucks and buses, which poses a serious risk to driver and public safety. Outreach and educational efforts by CMV inspectors, participating motor carriers and others in the industry also take place during this brake safety campaign and are integral to the success of the campaign. Operation Airbrake is a CVSA program in partnership with the U.S. Department of Transportation's Federal Motor Carrier Safety Administration (FMCSA). More than 3.4 million brakes have been inspected since the program's inception in 1998.



## FMCSA Accepts, Will Act on CSA Recommendations, Agency's Chief Counsel Says

The top attorney for the Federal Motor Carrier Safety Administration said the agency is moving forward with plans in support of recommendations by a panel of elite academics for a new approach to measuring motor carrier safety scores. “We at FMCSA have been waiting for this study for 18 months,” Randi Hutchinson, chief counsel for FMCSA, told Transport Topics in a June 29 interview. “We accept it. That’s what we’re moving toward.” Hutchinson, recently named to the chief counsel post, said the agency is “taking the recommendations to heart” and the agency “intends to immediately start working on them. We have 120 days to prepare an action plan that we will then present to Congress and to the office of the inspector general.” [The study](#), fashioned by a 12-member panel of academics chosen by the National Academies of Sciences, Engineering and Medicine, concluded that FMCSA’s Compliance, Safety, Accountability program’s controversial Safety Measurement System to identify motor carriers at high risk for future crashes is “conceptually sound” but several features need improvement. While the panel’s report was complimentary of the agency for many of its ideas and efforts, it recommended that over the next two years, regulators develop a more “statistically principled approach” based on an “item response theory” — that is, a more detailed data-oriented approach that digs deeper and measures the performance of individual trucks and buses, not just at the motor carrier level. “We were pleased that the National Academy of Sciences study found that the current safety management system is structured in a reasonable way and that its method of identifying motor carriers for alert status is defensible,” Hutchinson said. “We were also pleased that they found that the agency’s overall approach, which is based on crash prevention, rather than prediction, is sound.” She added, “We realize that we can always get better, and the study said that we could get better. They specifically suggested that we move toward an item response theory over the next two years.” The national academy study was mandated by the 2015 Fast Act and was funded by FMCSA. The mandate requires that the agency complete an action plan within 120 days. Hutchinson said on June 29, that FMCSA conducted several briefing phone calls on the national academy study with Senate and House transportation staff members and trucking industry stakeholders, who generally supported the academy recommendations. Hutchinson said the agency told stakeholders they would be soliciting their input as officials work on the action plan and as they work over the next two years to implement the IRT concept. “We’re still setting up the framework of how we’re going to move forward, she said. “I’m sure there are going to be challenges. There are challenges anytime that you do something new.” The agency also plans to work closely with the national academy in creating the new approach. “We’re going to continue to tap into the expertise of the people who were involved in putting this study together,” Hutchinson said. “We’re going to reach out to others in academia and foundations — anywhere we can get some expertise to help us move forward.” She added, “This is not just an FMCSA system. We run the system but we all have a stake in safety on the road. We could argue that no one has more of a stake than the drivers and the companies themselves. They want unsafe drivers and carriers off the road as much as anyone. “We were pleased to have their vote of confidence.” The academies’ panel was charged with analyzing the ability of FMCSA’s SMS to discriminate between low- and high-risk carriers, assess the public usage of SMS, review the data and methodology used to calculate the measures and provide advice on additional data collection and safety assessment methodologies.

~Transport Topics~

## FMCSA Advisory Panel Backs Plan to Eliminate 12 Vehicle Regulations

A Federal Motor Carrier Safety Administration advisory committee agreed to a preliminary plan by the agency to eliminate 12 mostly outdated “nothing burger” commercial vehicle regulations to comply with President Donald Trump’s executive order intended to ease regulatory burdens on businesses. Some of the regulations under the microscope are no longer relevant because electronic technologies are replacing paper, while others are simply no longer being enforced.

The president’s executive order not only calls for a review of the agency’s regulatory landscape but also instructs regulators to eliminate two existing regulations for every new significant rule that an agency adopts.

“It’s a difficult challenge for a safety agency,” Robert Miller, director of FMCSA’s Office of Policy, Strategic Planning and Regulation, told the committee of truck and bus stakeholders at a June 12 meeting at U.S. Department of Transportation headquarters. “Our regulations are safety-driven, and they have a safety purpose.”

But Miller added, “A lot of what you see this afternoon is not going to be a reduction of a lot of dollars. It’s really more of a cleaning up effort. Here’s the big nothing burger, as I think the phrase goes.”

John Lannen, the committee’s chairman, said he was pleased to see the effort to remove some of the unnecessary regulations. “But you could be opposed, as I am, to saying arbitrarily that if you pass one thing, you have to remove two,” Lannen said.

The 12 regulations the agency is considering to eliminate include three Interstate Commerce Commission “remnant” regulations related to carrier routing requirements, loss and damage cargo claims and a preservation requirement for certain records.

Other regulations under consideration include a noise emissions standard, a requirement for about 300 carriers to provide financial statements to the agency, some cooperating agreements with states, a driver qualification rule that has become outdated because commercial driver licenses and medical certificates can now be accessed electronically, and a time card exception for changing workdays to 14 hours from 12 hours for certain drivers. The agency also is considering taking off the books a controversial 1 a.m.-to-5 a.m. restart provision that Congress recently eliminated, a requirement still on the books requiring no-defect driver vehicle inspection reports, a transportation of migrants regulation now under the purview of the Occupational Safety and Health Administration and a rule addressing a number of confusing agricultural requirements.

Miller said that before formally removing the 12 regulations — and possibly others — from the books, there will be a Federal Register posting and opportunity for public comment.

“We’re not 100% sure we’ll remove them all,” he said. “We’ve not done all of the analysis yet, but we thought, from a regulatory cleanup perspective, would this be a helpful approach?” There is a possibility that some could affect carriers’ business operations, or some may have congressional mandates that need to be eliminated first, Miller said. The bottom line is that if the unnecessary rules can be eliminated, they would go into a sort of bank that would open the door for a number of new regulations, said Larry Minor, FMCSA’s associate administrator for policy. And based on the guidance given to the agency, Minor said, the two rules that are eliminated don’t have to be as significant or related to the new rule that is adopted.

~Transport Topics~



## Uber Freight Launches for Owner-Operators, Small Fleets

With the official launch of Uber Freight, an app that matches trucking companies with loads to haul, Uber is looking to transform the world of freight transport much as it has changed the world of taxis with its ride-sharing app. After years of other companies trying to offer what are often nicknamed “Uber for trucking” freight-matching services, Uber itself is launching a load-matching app it says will make “logistics and transportation as magical as pressing a button and getting a taxi,” according to Eric Berdinis, product lead for Uber Freight.

Berdinis emphasized in an interview with HDT that Uber Freight will address many of the pain points faced by owner-operators and small fleets (up to about 10 trucks) as they strive to keep up a flow of well-paying loads and keep their trucks moving profitably. Rumors have swirled about the new service since Uber set up a minimal website for it late last year and hired a number of people from existing brokerage companies. One thing that Uber Freight is not — at least not yet — is shippers using an app to call a self-driving truck to pick up their load. Nor is it running its own fleet of trucks. A widely circulated photo of a rig with an Uber Freight logo on the trailer, recently tweeted by Uber CEO Travis Kalanick, was nothing but a marketing prop, a backdrop for Uber Freight’s recent owner-operator recruiting and driver appreciation events.

“Uber has expanded from moving people to moving food with the UberEats product to moving things with the UberRush product, and Uber Freight is the next foray into the world of transportation and logistics,” Berdinis said.

Here’s how it works: Owner-operators or a dispatcher handling a small fleet (10 trucks or fewer) sign up with Uber Freight. Then they can use a mobile app to find dry van or refrigerated truckload freight meeting the parameters of where and when they want to pick up, where the load is bound, price offered, and other factors. Once they find a load that fits their needs, they push a big “Book Load” button, and they get instant confirmation of the load booking and rate. If they have questions about a load, there’s a phone icon on every page of the Uber Freight app allowing them to reach Uber Freight staff with real-world brokerage experience. Payment is made immediately once the load is delivered, although it may take a few days for the AHC bank payment to clear. Even if the shipper doesn’t pay Uber Freight for 60 days, the truck owner who delivered it gets paid on delivery. There are no near-term plans to mesh Uber Freight with self-driving trucks. “That’s another one of those ideas that has been floating around,” he told HDT, like the viral social media image of the Uber Freight truck. “I can say Uber’s mission is to make transportation reliable, seamless and safe, and it has lots of bets all over the place,” from flying cars to self-driving cars and trucks. “Right now the self driving rucks and Uber Freight are two independent bets on what the future of trucking might look like. Certainly when Uber bought [autonomous truck tech start-up] Otto, it whet its appetite for what it could do in the trucking space. Right now that’s two separate teams working on two separate paths... One day will they cross paths and create something together? Possibly, but it’s not something the team is focused on right now.” The system has been operating in a stealth or soft launch mode for several months in Texas, moving freight between the Dallas/Houston/San Antonio triangle. With the launch of the official site, while loads are still concentrated heavily in this region, there are loads available all around the country. Some users are checking it every day or even hourly, Berdinis said, and may plan out their loads for the next week using nothing but the Uber Freight app.

“Ever since we put up our splash page late last year, we’ve had an overwhelming amount of inbound from carriers, owner-operators up to large carriers, and [on the shipper side] from mom and pop shops up to the Fortune 500 shippers,” Berdinis said. “I can’t reveal numbers, but one of our challenges has been scaling up the team to handle that and start moving freight. We have lots of inbound from shippers as well as a team that handles each account and makes sure everyone has a good experience.”

Berdinis criticized traditional brokerages, saying many take advantage of carriers in a way that has given the word “broker” a bad name. They may gouge truckers on rates, he says, or pull bait-and-switch tactics that result in drivers delivering to facilities that are notorious for long delays and treating drivers poorly. They may offer a load and then take it back when they find a carrier that will move it cheaper. And payments may not be fast in coming, necessitating the need for a factoring service. While legally Uber Freight is a brokerage, he said, it won’t resort to those types of tactics. The point is to create a better experience for drivers, owner-operators and small fleets. What happens if they can’t find someone via the app to take the load? Then Uber Freight relies on a network of medium- to larger-size carriers to get it delivered. Critics of the concept of “Uber for trucking” have contended that moving freight is a lot more complex than moving people. There are different types of freight, different facilities, appointment deadlines, etc. When asked about this, Berdinis called this aspect “one of the more fun challenges of working on this freight product, as we’ve had top engineers coming from the ride side learning how to adapt to those challenges. There are so many more variables in freight, pickup windows, facilities have different requirements, but that’s something Uber has thrived on. There’s a lot more complexity on the ride side that appears on the surface, which is part of what makes Uber so magical. Somehow everyone can find an Uber leaving a Beyonce concert, because of a lot of smart people planning and a lot of smart algorithms. That combination of operational experience as well as technology experience has enabled Uber to expand to over 460 cities around the world, with every city being very different.” The way Uber deals with those challenges, he said, is to tackle each one by one and create a process, and eventually technology to automate those processes. “It is pretty transferable to the freight world, where there are infinite variables and infinite things that go wrong.” One way it addresses the things that go wrong is through accessorial fees. For detention, it’s \$75 after two hours. Layovers are \$300 per day, “Truck Order Not Used” is \$200 per \$2 per mile deadhead, and driver assist is \$75 per load. The Uber Freight app uses GPS to allow Uber to track what’s going on with the load, and it helps prove to shippers when drivers arrived at a facility.

While Berdinis cited UberEats and UberRush in talking about how Uber is addressing the transportation and logistics arena, those services have not been without their problems. Late last year, [a courier in New York filed suit](#), claiming he and other UberRush and UberEats delivery people, were owed unpaid tips and wages. And earlier this month, UberRush [stopped offering the service for restaurants](#), asking them to move to the UberEats platform, and also restructured its pricing. And the original Uber passenger service has been challenged in court with a number of lawsuits by drivers claiming they have been misclassified as independent contractors. There are in fact already a number of load-matching apps out there, ranging from companies that have been doing this a long time like DAT, to new entrants like DOFT, which is billing itself literally as an Uber for trucking. We asked Berdinis what makes Uber Freight different.

“Most of the apps that are out there might show the load, but it’s still on the carrier to pick up the phone to call to see if that load is real,” Berdinis said. “A lot of times that load posted hours or days ago and someone else has taken it, but no one removed the posting. They’re really no different than the current brokerage model; there’s no book it now button, no instant experience.

“There are some other ‘Uber for trucking’ kind of companies, but none of them are providing that completely seamless experience; there’s some hand holding or checking that has to happen. Maybe some are very technology focused, some are very operations focused, but we haven’t seen them take off, because you need both. You need that true defined demand matching experience, and you need the scale so every time you open the app you know there’s a load for you.”



## \$13.7 Billion Amazon Deal for Whole Foods Expected to Benefit Trucking

Amazon.com Inc. said that it will buy Whole Foods Market Inc. for \$13.7 billion, and the deal is expected to benefit trucking. The online powerhouse announced its plans on June 16, offering to pay \$42 per share for the natural foods grocer. The deal follows Whole Foods' announcement a month ago of a board shake-up and cost-cutting plan amid falling sales. The grocery store operator was also under pressure from activist investor Jana Partners. While the purchase could prove disruptive for other industries, trucking should be OK and may even stand to profit, according to industry observer Russell Leo, CEO of RLS Logistics.

"The overall impact is positive for the transportation industry — from the grocery side it's a different answer, and even with that I don't know how negative it would be," Leo said. "For trucking and logistics, I see it as neutral if not a positive impact because Amazon is still showing brick and mortar is still key." Amazon said in its announcement that it will continue to operate stores under the Whole Foods Market brand. Analyst Ben Hartford of Robert W. Baird & Co. cautioned, though, that with Amazon's clear record of disrupting business models, it's impossible to predict exactly how the deal with Whole Foods will play out. "They have said plenty of times on the parcel side that they're working to supplement — not supplant — their existing parcel providers, such as UPS and FedEx, but those statements time and again have not reduced the concern that investors have had as it relates to Amazon's broader logistics ambitions." What's happening with Amazon is part of a phenomenal trend in both industry at large as well as transportation, analysts said. "From our perspective it's not just Amazon, it's this acceleration in e-commerce sales. Last year, those sales accounted for 12% of U.S. retail sales for ex-auto sales and ex-fuel sales," said Amit Mehrotra, lead analyst for U.S. transportation and shipping at Deutsche Bank in New York City.

Estimates by the bank are for e-commerce sales' penetration into retail to increase by 50% over the next three years, representing 18% of total retail sales. "That 50% penetration transfer to 75% increase in sales dollars will mean going from \$390 billion in 2016 to \$690 billion," Deutsche Bank reports.

While Mehrotra didn't think the deal was much about Amazon's yearning to be in the grocery business, Leo said he sees it another way. "I think the buy gives Amazon an instant network of temperature-controlled distribution, which has always been their Achilles' heel. Frozen and refrigerated [goods] are a whole other animal, and with the 460 stores located nationwide they got instant credibility [in this space]." Amazon is retaining Whole Foods CEO John Mackey as well as the grocery chain's headquarters in Austin, Texas. The parties expect to close the transaction during the second half of 2017, the announcement said.

~Transport Topics~



## Capitol Agenda for the Week of June 20: Good for Whom?

When it comes to the federal government's role in highway funding, Rep. Peter DeFazio of Oregon, the top Democrat on the House transportation panel, promotes the idea that a national agency should retain jurisdiction over the flow of commerce between states. This is a rejection of the proposition of delivering to state governments primary control of national funding decisions for freight corridors, transit systems and ports.

The private sector, in a quest for profits, would ignore "a heck of a lot" of rural areas, DeFazio said. If the GOP-led Congress were to back a Trump administration proposal designed to shift primary funding responsibilities to the private sector and enhance the authority of states, the result would reverse Eisenhower's vision for surface transportation. Not so odd, his committee's chairman, Rep. Bill Shuster (R-Pa.), shares the sentiment.

[I sat down with DeFazio](#) last week to learn his perspective on the debate on Capitol Hill regarding infrastructure funding.

"There is a recognition out there with the American people that infrastructure is a public good. And there are other people that don't think it's a public good; that it should be a private good," DeFazio said. "And that's where the White House is hung up: between people who recognize the benefits of an enhanced transportation system as a public good and others who see it as segmented up into little profit centers and ignoring the rest, or pretending that they'll do something for the rest."

~Transport Topics~

# MoTA Photo Album



*Check back . . .  
you could be in  
our next album!*





*Award Recipients*

