



CASE STUDY
Hours
of Service

Cargo Transporters saves more than \$100,000 and decreases non-compliance citations by over 45% with Qualcomm's Hours of Service.

Case Study



The adoption of electronic on-board recorder (EOBR) systems continues to increase in the transportation industry, primarily in response to regulations concerning the accurate recording of driver hours as mandated by the Federal Motor Carrier Safety Administration (FMCSA). However, some fleets remain resistant to adopting EOBRs due to a variety of questions:

- Will the implementation be costly?
- Will automated compliance hinder competitiveness?
- Will fleet efficiency and productivity decrease?
- Will drivers quit?
- Will the data reveal previously unknown risks?

Conquering Concerns about Automated Driver Logs

Cargo Transporters (Cargo), headquartered in North Carolina, faced these concerns when it implemented Qualcomm's Hours of Service (QHOS) EOBR application in October 2008.

"We view ourselves as a premier carrier and technology leader in the industry," says Dennis Dellinger, president of Cargo Transporters. "Over the last few years we've used new technologies to develop some of the best business practices around."

Cargo intended to implement an automated driver log system eventually, but after reviewing the logs of a driver involved in an accident, the company realized it needed to make the change sooner rather than later. "We had little back-office control of HOS compliance because our 500-plus drivers carried the bulk of log-keeping responsibilities. That lack of control exposed us to a lot of risk. We decided to replace a passive situation with a proactive approach to risk management," says Dellinger.

Cargo's HOS Story: From Cumbersome to Compliant

Challenges

- Inaccurate, out-of-date driver logs
- Non-compliance issues costing money and productivity
- Inefficient process resulting in wasted resources

Goals

- Eliminate manual data entry errors
- Streamline back-office administrative processes
- Reduce violations, fines, and suspensions

Solution

- Qualcomm's Hours of Service (QHOS) application for automated, compliant driver logs

Benefits

- Improved regulatory compliance
- Simplified log processes and improved reporting accuracy
- Reduced administrative costs
- Enabled proactive fleet and risk management
- Increased operational efficiency

Results

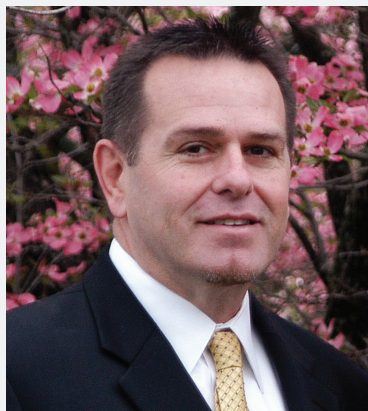
- No drivers placed out-of-service due to non-compliance issues since implementation
- Driver log violation citations reduced by over 45%
- Saved \$100,000 in administrative expenses
- 75% decrease in over-hour violations

Manual Logs: Risking Errors and Non-Compliance

With manual logbooks, Cargo's HOS compliance relied on the record-keeping skills and habits of its drivers. Record-keeping isn't a driver's priority, and manual record-keeping is a time-consuming process. If a driver updates his log for every required event, 20-30 entries in any given day are common. Unfortunately, most drivers make these entries at the end of the driving day. Even with the best intentions, it is unlikely that a driver can maintain an accurate daily log when creating it from memory.

"Now that we have Qualcomm's HOS, we know our driver logs are current and compliant," says Dellinger. "We estimate that we've eliminated two hours of log maintenance tasks per driver, per week."

Cargo has seen a tremendous improvement in compliance since adopting Qualcomm's HOS application. In the year prior to implementation of QHOS, internal log audits found 344 violations. In the first year of using QHOS, Cargo reduced its violations by over 45%, down to just 194. In addition, before the roll-out of QHOS—and in line with internal policies—Cargo was handing out up to 30 driving suspensions each month due to log compliance issues. Now, they average less than two per month.



Dennis Dellinger, President
Cargo Transporters

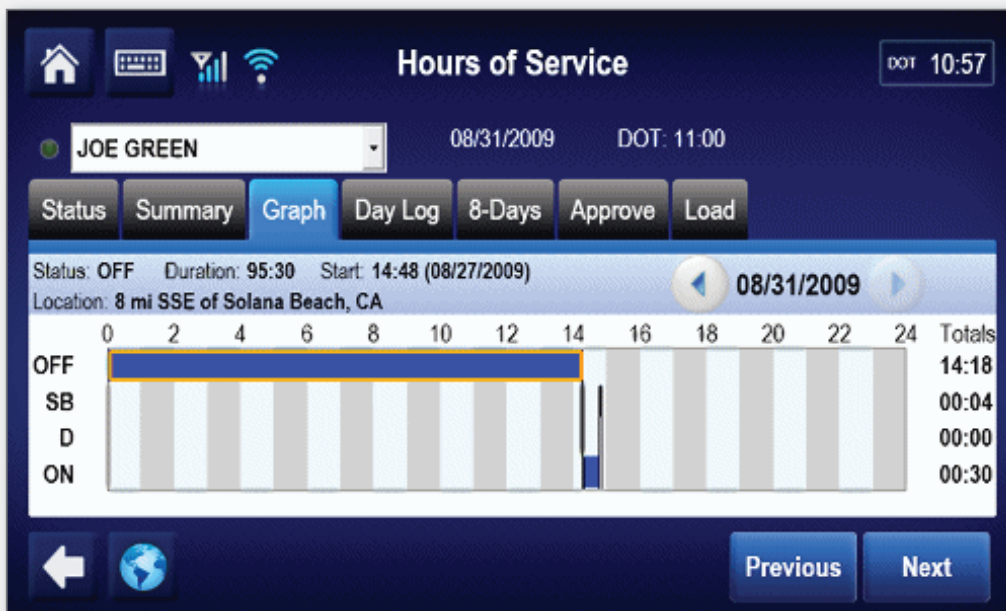
"This is obviously a boon to our productivity and utilization," says Dellinger. "It is a result we can directly link to the implementation of the automated driver log system."

Buy-In From the Top Down — Critical to Successful Implementation

“Like most people, drivers don’t like change; however, we were clear with our drivers that the roll out of Qualcomm HOS was not an expression of any distrust or lack of confidence,” says Dellinger. Cargo wanted to implement the EOBR HOS technology in order to maximize its efficiencies.

“Overall, we run a top-notch company, but the weakest link in our enterprise was the hours of service records. Once we decided it was time to implement electronic logs, we knew the change needed to come from the top. The drivers needed to see this was coming from the president and operations managers not just the safety department.”

“It’s important for drivers to remember that the log requirements haven’t changed since October 2005,” says Jerry Sigmon, Jr., vice president of operations, “We aren’t asking them to do anything new. We’re just trying to make it easier to get the logs done correctly and done on time. Qualcomm HOS is a technology tool that we use to our advantage.”



Hours of Service on MCP200 Platform

Tremendous Efficiency Gains and Cost Reductions

Leah Early, compliance manager, has seen major improvements in the compliance process since the implementation of electronic logs. “It’s like night and day,” she says. “The process is so much simpler. We have been able to work more effectively with Qualcomm’s HOS, and have eliminated a full-time clerk position. Now, even with just one clerk (me), I spend relatively little time on log issues, which gives me more time for my other responsibilities.”

Dellinger adds, "Before the automatic, electronic maintenance of driver logs, we spent an outrageous amount of time and money on scanning, faxing, shipping, and storing the paper logs. But that's all changed with Qualcomm's HOS."

Cargo no longer buys paper logbooks. The company eliminated a salaried position, canceled its log review service, and significantly reduced its scanning services. "We've saved well over a \$100,000 with Qualcomm's HOS," says Dellinger. "And that doesn't include the non-compliance violation fines or accident-related costs we're avoiding as a result of our proactive risk management."

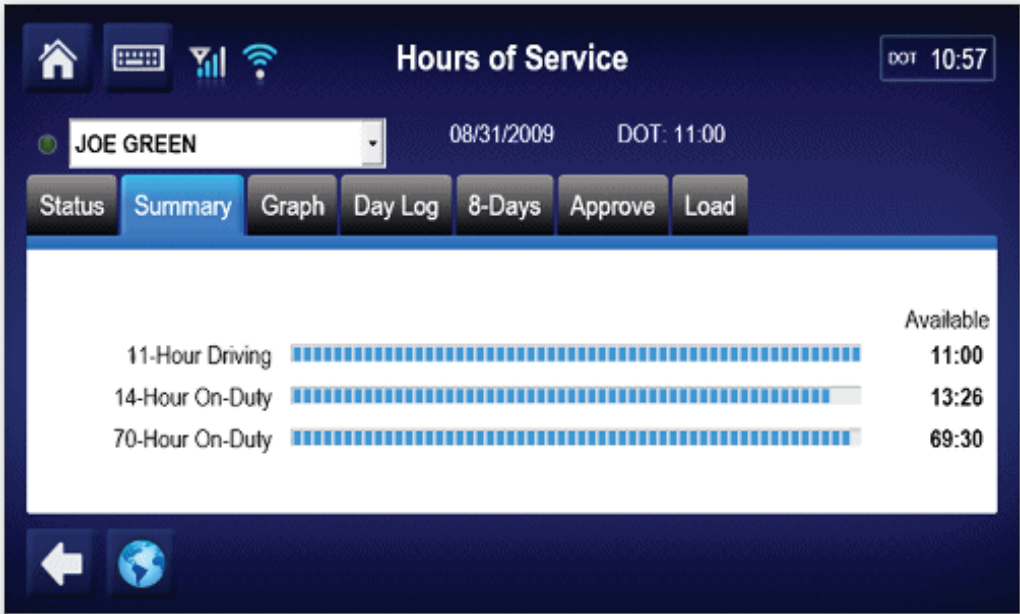
Falsification: The Unknown Variable

Along with substantial gains in efficiencies and reduction of administration costs, Early believes that the issue most impacted by the e-logs automation is driver log falsification.

"The system's design greatly reduces the opportunity for falsification," says Early. "Because the system automatically keeps track, there's no guessing or estimating anymore." In addition, Cargo gives authority to modify logs to a select few people. "This limited editing authority ensures our compliance is consistent," says Dellinger.

Early is one of the few people with editing authority. She checks the "Edited Driving Report" to identify which drivers made edits.

Remaining Time Available Summary on MCP200 Platform



“Typically, they are calling me to correct simple log problems and aren’t asking me to give them more drive time. They’re making appropriate requests. I make the changes and then train the drivers so they won’t repeat the same mistakes,” she says.

With Qualcomm’s Hours of Service management tools the number of errors and requests for edits has decreased.

Dellinger is pleased with the quantitative results he sees with QHOS, even more so because he believes the data Cargo receives is much more accurate than before.

“Prior to Qualcomm’s HOS, we could run a report of over-hour violations and address those drivers, but the truth is, we didn’t know how many falsified logs were slipping by. I’m much more confident in the veracity of our data now because it’s based on 100% compliant logs. The falsification variable isn’t there to muddy up the statistics.”

“For example, in a recent month, we had approximately 475 drivers on board and about 370 of them didn’t have any errors in their logs” says Early. “That’s 75% error-free. That number would just be absurd prior to automated logs.”

Duty Status	Driver Name	Driver ID	Available Driving	Driving Hours	On Duty Hours	Cumulative On Duty Hours	Tractor	Last Duty Change	Last Recalc
Sleeper Berth	Dean, Francis	55114	11h00	11h00	14h00	65h50	7114	12-15 15:23	09-18 13:36
Off Duty	Drummer, Richard	55113	11h00	11h00	14h00	65h50	7113	12-15 15:23	07-01 12:53
Driving	Frost, Greg	4109	-46h49	-37h08	-46h49	-2h42	5788	12-15 11:41	12-15 12:45
Off Duty Driving	Schaper, Bruce	55105	11h00	11h00	14h00	65h50	7105	12-15 15:23	09-18 12:50
Off Duty	Wertz, Wil	WILW	11h00	11h00	14h00	60h00		12-15 23:50	10-19 20:17

Driver Availability on QHOS Portal

HOS Accuracy and Visibility Improve Dispatch Planning

In addition to compliance improvements, Cargo has also realized dispatch efficiency and utilization improvements. All nine fleet managers, as well as two other staff members responsible for back office calls, have access to the QHOS information via the web portal.

“They use this information daily, on an hourly, even minute-to-minute basis if needed,” says Shawn Brown, operations manager. “It’s been a powerful tool in terms of driver management because the critical information is right in front of your eyes. Black and white data removes subjectivity from the equation. This data informs the dispatchers what type of trips to assign to a driver at any given time. It helps driver managers with their planning. They would not want to give up this HOS system.”

Manageable, Proactive Compliance

For the Cargo team, Qualcomm's HOS has made the driver log process and HOS compliance efforts much more manageable. Our current CSA score for fatigue driving further illustrates the fact that QHOS is a highly effective system that can indeed produce positive results.

"Everybody uses their time more efficiently," says Early. "Lots of drivers struggled with the paper logs because the regulations themselves can be confusing. Now they don't have to wonder how many hours they have available, the system tells them what they can and can't do."

Brown is also encouraged by the attitude he has seen in his dispatchers. "They're already enthusiastic about the system and confident as time goes on they will become more efficient leveraging the data to stay in compliance while maximizing utilization."

"We're seeing great numbers that prove this implementation was successful," says Dellinger. "In January 2009, our first month of total QHOS implementation, internal audits found 596 total over-hour violations. Eight months later, the number of similar audit findings had dropped to 145. That's a 75% decrease. The improvement is staggering."

Experience how Qualcomm's Hours of Service gives you the advantage—on the road and in the office.

Qualcomm's Hours of Service (QHOS) application automates driver logs and is fully compliant with the latest rules and regulations of the Federal Motor Carrier Safety Administration (FMCSA rules).

Manage your fleet more efficiently.

- Provides near real-time monitoring of drivers' hours and improves your drivers' reporting accuracy
- Fleet managers receive automatic updates about duty status, driving time, and remaining hours of service
- Supports both individual and team drivers and responds automatically to requests for facsimile copies of records-of-duty status
- Drivers can view, save, and print their logs using a Web browser through the QHOS driver portal
- Drivers enter non-driving duty status changes through the intuitive driver display

Maintain FMCSA regulatory compliance and improve risk management.

- Drivers have easy access to 24/7 hotline support for roadside inspection and audits
- QHOS automatically notifies both your drivers and dispatchers, in near real-time, of impending or actual violations
- Fleet managers and dispatchers can review driver status and availability as well as customized QHOS driver-management and safety-audit reports

A Reliable, Secure Solution for Today's Carriers

With QHOS, your drivers are prepared for roadside inspections, and inspectors can verify drivers' identities and retrieve records-of-duty status. You can view complete reports on demand via Web browser or fax. With our redundant Network Operations Centers (NOCs), uninterruptible power supplies, backup systems, and industry expertise, you can be certain of data security and technological reliability.



Learn how you can use our applications and reports to reduce costs, increase profitability, and stay competitive. Visit qualcomm.com/qes and let us show you how you can save time and money.



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