



## Statement to the NZX

### US Court of Appeals denies ELD legal challenge

A legal challenge to prevent the compulsory installation of Electronic Logging Devices (ELDs) into heavy vehicles in the US has been thrown out in court, clearing the way for the implementation of the new regulations.

The Moving Ahead for Progress in the 21st Century Act or MAP-21 (P.L. 112-141), was signed into law by President Obama on July 6, 2012. In MAP-21, Congress directed the Federal Motor Carrier Safety Administration (FMCSA) to "prescribe regulations ... requiring that a commercial motor vehicle ... be equipped with an electronic logging device ... capable of recording a driver's hours of service and duty status accurately and automatically." FMCSA published a final rule establishing this requirement on December 10, 2015.

The Owner Operators Independent Driver Association (OOIDA) filed the day after the agency published the final rule a petition for reconsideration with the US Court of Appeals for the 7th Circuit seeking to overturn the final rule mandating the use of electronic logs in the trucking industry. That action caused something of a pause in the market for in-vehicle units and services as both motor carriers and potential electronic logging device (ELD) manufacturers considered the ramifications of the legal challenge. The waiting game thereby commenced has now come to a close on this Halloween evening as OOIDA has received a "trick" as opposed to the "treat" it was anticipating.

Coming earlier than anticipated, the United States Court of Appeals for the Seventh Circuit has ended ongoing speculation and published (October 31, 2016) its ruling in the matter of the Petition for Review of the Final Rule (FMCSA-2010-0187) of the Federal Motor Carrier Safety Administration. The Court found in summary:

*ARGUED SEPTEMBER 13, 2016 — DECIDED OCTOBER 31, 2016*

*...the Federal Motor Carrier Safety Administration's final ELD rule codified at 49 C.F.R. Pts. 385, 386, 390, and 395 is not arbitrary or capricious, nor does it violate the Fourth Amendment. The petition for review is DENIED.*

Motor carriers which had been sitting idly by awaiting the court decision will now most likely reengage their efforts to investigate alternative products available on the market and commence and conclude procurement processes intended to equip their fleet with the mandatory ELD devices by December 2017. Similarly, ELD manufacturers which had been waiting on the sidelines delaying action to place their device on the FMCSA internet website listing of "self-certified" ELD offerings will no doubt redouble their efforts to proceed.

EROAD has moved steadily along with its own ELD development effort coupled with the recently announced parallel undertaking unique in the market to date to contract with the PIT Group to perform independent laboratory testing offering assurance that EROAD's ELD offering fully complies with all the FMCSA technical and operational requirements for an ELD. As a result of these efforts EROAD is now well positioned to release its ELD product to the North American market in the first quarter of 2017 at a time which now seems to be perfectly synchronised with reinvigorated interest on the part of motor carriers to make an ELD purchase and comply with the now upheld FMCSA final rule.



Based on publicly available FMCSA database records, it appears that approximately 4 million interstate power units will be required to comply with the ELD mandate. Of course, some fleets are more addressable than others due to a variety of factors. Nevertheless, the opportunity for new and replacement sales is large.

ENDS

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About EROAD

EROAD is a leading transport technology and services company, headquartered in Auckland, New Zealand, with offices in Portland, Oregon. EROAD's in-vehicle technology and global electronic platform provides heavy transport operators with automated solutions to manage and pay road user charges, to meet regulatory and compliance obligations, and to provide a range of commercial services. [www.eroad.com](http://www.eroad.com)