Congressional Subcommittee Holds Hearing on DOL ‘White Collar’ Proposal

At a hearing on July 23, Chairman Tim Walberg (R-Mich.) of the House Workforce Protections Subcommittee called the Department of Labor’s (DOL) “white collar” overtime proposal “misguided.” The proposed rule, issued earlier this year is aimed at reducing the ability of employers to exempt salaried workers from overtime. Chairman Walberg urged the administration to strive for a more balanced approach to strengthening employee safeguards.

NADA is evaluating the proposal’s potential impacts on dealerships and their employees. The administration’s proposal would more than double the salary test threshold and would index that threshold to increase automatically over time. DOL is also considering changes to the duties tests for executive, administrative and professional employees.

NADA has signed on to a coalition letter from the Partnership to Protect Workplace Opportunity to the leadership on the Subcommittee on Workforce Protections raising concerns related to the proposal.

Glider Industry May Lose Business Under GHG Plan, EPA Makers Say

The new federal greenhouse-gas proposal for trucks includes a provision that could reduce the appeal of glider kits if the proposal becomes final. Glider kits are new heavy-duty trucks without complete powertrains. They lack an engine, a transmission, drive axles or some combination of the three. The kits usually are completed with either a remanufactured diesel engine or a diesel-natural gas, dual-fuel power plant, making the finished vehicle a combination of new and old parts.

The Environmental Protection Agency “is proposing to amend our regulations to allow only engines that have been certified to meet current standards to be installed in new glider kits,” the agency said in its rule. EPA would allow an exemption for small businesses, though, which could keep doing glider work at current rates. The Phase 2 greenhouse-gas rule from EPA and the National Highway Traffic Safety Administration says the use of glider kits has increased by a factor of 10 since the early 2000s, to thousands per year from a few hundred, but the agencies did not provide precise numbers. Discovery of language on gliders within the massive proposal published June 19 led a Republican member of the U.S. House of Representatives to introduce an amendment that would ban the agencies from enforcing rule changes affecting glider kits. The amendment by Rep. Diane Black of Tennessee was attached to the fiscal 2016 appropriations bill to fund EPA and the Interior Department. The bill has been stalled and awaits a vote by the full House after passing through the Appropriations Committee.

Much of bringing the glider provision to light came from American Truck Dealers, which sent an e-mail alert to the trade group’s members. “Some of our dealer members do work in glider conversions and others don’t,” said Laura Perrotta, an ATD lobbyist. Perrotta said she and other ATD personnel still are analyzing the proposal and have not yet come to an official position.

June Heavy-Duty Sales Soar

U.S. heavy-duty truck sales soared in June to the third-highest level in history, as manufacturers continued to deliver new vehicles that fleets ordered in huge numbers throughout the fall and winter. Truck makers and their dealers sold 25,369 Class 8 trucks last month, a 31% jump from a year earlier. The only other time sales exceeded last month’s total was in March 2006, when manufacturers sold 25,895 trucks, and the industry’s record 26,462 sales in December 2006, according to figures from WardsAuto. Last month’s sales volume, which was up 18% from May, was the most ever for the month of June, edging past the previous record of 25,240 set June 2006.

June Pricing Unchanged Despite Drop in Volume

The latest retail sales data shows that used Class 8 pricing was mostly unchanged this month. “Despite the dramatic drop in sales volume pricing remained stable,” says NADA senior analyst Chris Visser. According to NADA analysis, 3-year-old trucks are depreciating more heavily than 4-year-old and 5-year-old models. “There were actually more 3-year-old trucks reported sold through June of last year than in the same period this year, so it looks like this is a demand issue,” says Visser. For more information, read the latest Commercial Truck Blog.