MEETING MINUTES

THE INTERMODAL ASSOCIATION OF NORTH AMERICA
OPERATIONS COMMITTEE

Sunday, September 16, 2018
3:30 p.m. to 5:30 p.m.
Hyatt Regency Long Beach, Regency Ballroom ABC

Call to Order

The meeting was called to order by Chairman Bill Hamlin, ITS Technologies & Logistics, at 3:32 p.m. The roll was called, and a quorum was present. A safety briefing was given by Vice Chairman Brant Ring, BNSF Railway. IANA General Counsel Marc Blubaugh provided the anti-trust guidelines.

Approval of the May 3, 2018 minutes

Vice Chairman Dave Hensal, Eagle Systems, asked for a motion to approve. Jeremiah Stokes, Yusen Logistics, moved to approve. Harris Ligon, Uber Technologies, seconded the motion. The minutes were approved unanimously.

Working Group Updates

Automating Container Securement Working Group

Chad Peterson, BNSF Railway, discussed how processes relating to container securement can be automated, since it isn’t realistic at this time to automate the container connection itself via interbox connectors, or IBCs. He identified multiple opportunities to improve operational safety and efficiency for personnel who make those connections. He summarized existing technology, noting significant questions such as retrofits as well as differing container securement approaches in use today.

There is some automation currently in ports, as well as robotics that are being investigated for rail intermodal. A device being used in Germany may have potential that could reduce the need for personnel to climb and dismount rail cars, which may be tested soon.

Mr. Peterson will produce a scoping document to outline the group’s potential work. A meeting is planned for November.

Tolling Working Group

Gerry Bisaillon, Union Pacific Railroad, said the activities were still in the initial stages. He will be reaching out to those who initially expressed interest to participate in an effort to reconvene the
group. Mr. Bisaillon will produce a scoping document to outline the group’s potential work. An initial conference call is planned for mid-November.

Tolls for motor carriers and intermodal equipment providers are an increasingly important issue, including increased rates as well as inaccurate assignment of tolls to equipment. The state of Illinois continues to have challenges and the state of Indiana is imposing some new tolls. Mr. Bisaillon hopes to establish a dialog amongst stakeholders that might be extended to the tolling agencies, if appropriate, and provide a more definitive update at the May meeting of the Operations Committee.

Kevin Lhotak, Reliable Transportation Specialists, said Illinois motor carriers had hoped to be able to get Governor Bruce Rauner to approve a change in the way the state agency assigns tolls to equipment. That will not happen in the short term because the governor currently is in a race for re-election.

AAR Intermodal Committee Update

Mr. Peterson provided an update from the Association of American Railroads Intermodal Committee, which he chairs.

AAR merged two committees to create the Intermodal Committee in 2018, covering both interchange and car equipment specification.

Mr. Peterson described the availability of information from AAR. He related that AAR information is available for no charge to IANA members about interchange, appropriate repair procedures, job codes, condition codes and other data. AAR’s Intermodal Interchange Rules manual that includes all of this information will be updated in 2019, and can be found at [www.aar.com/standards/IntermodalOperations-interchange-rules.html](http://www.aar.com/standards/IntermodalOperations-interchange-rules.html). The manual covers all equipment which is designed for use in TOFC/COFC Service, including trailers, containers and chassis. The appendices also include a glossary.

In addition, Mr. Peterson recommended documents, such as RP 853, which provide guidance for the safe movement of trailers in intermodal service.

Mr. Peterson also described initiatives of the AAR Committee that intersect with the IANA Operations Committee. Among them are practices for moving newly built chassis on rail cars and for specialized equipment such as hoppers.

He concluded by discussing the dangers from repairing multi-part tire rims for intermodal chassis. The AAR has no timeline for banning multi-part rims, but the railroads are planning to stop servicing this equipment in the future, due to safety concerns.

Independent Contractor Status Report

Mr. Alex Cherin, Englander Knabe & Allen, and representing the Intermodal Conference of California Trucking Association, and Mr. Hensal updated the committee on the current status of the two independent contractor initiatives regarding the classification of drivers in California and New Jersey.
CTA has filed state litigation related to a Public Records Act request with the California Department of Labor for the release of communications between the Secretary of Labor and third parties related to the independent contractor classification issue.

The organization has also filed suit against the California State Secretary of Labor challenging the due process implications of the California Department of Labor enforcement hearings. CTA has a related federal court action against the State Secretary of Labor claiming that the Burman Hearings process is preempted by federal law.

Lastly, Mr. Cherin noted that the CTA is also following the progress of State Senate Bill 1402, which imposes joint and several liability on beneficial cargo owners for unsatisfied judgements on trucking companies based on misclassifications claims. CTA is monitoring this and will likely challenge it in some form or fashion. [Note: California State Senate Bill 1402 was approved by the governor on September 22, 2018, and will go into effect January 1, 2019.]

Mr. Hensal asked whether the majority of California’s drivers want to be independent contractors, as opposed to company drivers. Mr. Cherin said yes, noting a survey conducted by the Port of Long Beach and Los Angeles in approximately 2007 that showed nearly 90 percent of drivers wanted to be independent contractors.

Mr. Hensal noted that New Jersey is headed down a similar path as California. He stated that Governor Phil Murphy has appointed a task force to look at independent contractor rules and the state Department of Labor is ruling against independent contractors. However, Mr. Hensal said, state law is strongly in favor of independent contractors. New Jersey truckers filed similar federal suits to those by CTA.

Ted Prince, Tiger Cool Express, asked about the interaction of clean air programs and employee driver status, and truck idling rules. Mr. Cherin said California state legislation has been proposed that would only give clean air funding for new trucks to companies that hire employee drivers.

IANA staff member Steve Keppler said the association is actively involved in efforts to support independent contractor status in California and New Jersey.

**American Trucking Associations Intermodal Motor Carriers Conference Update**

Mr. Lhotak described the IMCC meeting held on May 22, 2018 at Marco Island, Florida where they discussed: trucker choice and the utilization of equipment and drivers’ time, the Federal Maritime Commission investigation into detention and demurrage, the 1994 Federal Aviation Administration Authorization Act, the consistency of rules governing interstate trucking, hours of service and UIIA changes affecting motor carriers. He mentioned the IMCC’s focus on legislative and lobbying efforts to support these important areas. He also noted that Illinois might be the next state to look further into independent contractors.

**Education Session – Intermodal Turn Times: The Driver Experience**

Donna Lemm of IMC Companies, Robert Loya of CMI Transportation and Weston LaBar of Harbor Trucking Association presented a perspective as to how the driver experience varies in different regions of the country.
Mr. LaBar described efforts to measure turn times in all major West Coast port terminals. Real-time reporting of turn time status has improved results, though equipment delays due to condition and the need to shift containers among terminals continue to cause delays.

Ms. Lemm described conditions at inland ports which were extremely challenging in the first quarter. In Memphis, Tennessee, delays arose as trains bunched and chassis weren't available. A working group composed of diverse stakeholders was formed, and determined that the key issue was chassis availability. The group requested that a gray chassis pool be created at Memphis and elsewhere in the region. There also is lack of visibility about equipment availability and chassis whereabouts. This group, called the Memphis Supply Chain Innovation Team, is the first regional group formed under the auspices of the FMC. It includes stakeholders from all sectors (rail, ocean, BCO, truck) that come together with a shared objective to improve commerce fluidity.

Mr. Loya said drayage operators in California were at a similar point in the past. A number of steps have been taken to improve fluidity on the West Coast, though the situation is more difficult in peak season. There still are issues such as missed appointments, lack of available chassis and multiple unproductive moves. An ongoing issue is the payment of demurrage if an appointment is missed or truckers are shut out of a facility. Electronic logging devices have helped truckers. There is still a need for more collaboration.

Mr. LaBar stated that it's HTA's belief that there isn't a driver shortage, as its members are operating with the highest ever number of drayage drivers. The current issue is capacity, resulting from inefficiency.

Mr. Prince asked about how technology will be applied. Mr. LaBar said non-traditional providers of information are entering the industry, resulting in the discovery of an operating system used in the construction industry that has proven to be very successful in the intermodal environment. HTA partnered with Yusen Terminals to apply that system.

Mr. Hamlin noted the importance of improving connectivity of communications among industry participants, and greater interaction.

Mr. LaBar agreed, saying there is more attention needed to hearing drivers’ views and communicating information to them.

Mr. Ring said railroads are aware of the importance of driver turn times. What is needed, he noted, is the ability to see what is coming ahead of time. Greater transparency of information is required, which would allow for predicting when things may suffer and prevent the problem from occurring in the first place. He said that this will take information exchange across the supply chain.

Committee Work Plan

Mr. Hamlin said the committee should be working on steps that improve driver experience, and urged that members should communicate outside the meeting with committee leadership to advance the process. Mr. Hensal and Mr. Ring will outline two potential committee projects/initiatives.

Improving Driver Terminal Experience
Mr. Hensal said there has been much discussion of terminal activity such as turn times, but not enough attention to how the driver experience can be enhanced through greater industrywide involvement. Areas of attention could be communication, information exchange, systems, processes, safety and equipment.

Mr. Prince praised the effort, but said shippers also need to be involved. Mr. Hensal said there have been such efforts and attention is being paid to be inclusive of all parties.

Mr. Prince said the “drop and hook” model won’t be adequate in the future. Ms. Lemm agreed with Mr. Prince, saying shippers have taken the movements by her carrier of first and last mile shipments for granted. Mr. Loya said GPS data has given truckers the ability to assess charges to shippers, and again stressed the need for cooperation. Mr. Hensal concurred.

Mr. Ligon said there are issues for drivers at both intermodal terminals and shippers’ warehouse facilities, and said specific KPIs should be developed—based on facts—which could then be applied elsewhere across the entire intermodal network. Mr. LaBar said most of those metrics already exist, which should be scaled up to a national level rather than a regional one.

A motion was requested to create a task force to address driver terminal experience. Mr. Prince made the motion, and Mr. Stokes seconded it. Creation of the task force was approved, contingent upon a charter and work plan being drafted and approved by the committee. Committee leadership will further discuss how to proceed, and solicited member participation from all appropriate stakeholder groups.

**Data Stakeholders and Information Exchange**

Mr. Ring said the intermodal network needs to enhance the information flow between stakeholders to improve overall efficiency and service for everyone. Specific actions are needed to enhance information flow. This could be accomplished through the identification of three to five actions that could be implemented quickly to use data to help improve driver turn times and overall network performance. Steps need to be taken to understand how to connect those stakeholders and the data being shared to create specific actions to help improve terminal efficiency, velocity and driver throughput. A particular focus in this area would be on chassis availability.

Mr. Hensal agreed, citing examples such as how better information flows could lead to improved efficiency and service.

Mr. Ring and other committee members said the driver experience and data exchange initiatives could effectively interact. Mr. Hensal asked whether two task forces should be established, or if the two initiatives should be combined.

Mr. Prince said that the issues raised in the Improving Driver Terminal Experience discussion and the data exchange issue are intimately connected and the focus should be on one task force. He noted that, if the issue is not addressed holistically, the task force will only come up with a number of sub-optimal recommendations. Mr. Ligon said there is substantial overlap, though data flows from different sources could create challenges if they are significantly different. If this is found to be the case, a second task force could be warranted to standardize data sets across all intermodal settings.
Mr. Ring reiterated that the effort must go beyond merely capturing turn times, but must include the component activities. Mr. Ligon said there needs to be clear definitions of tasks and the data measurements of each component. Ms. Lemm said that, while some information was available on the coasts, it wasn’t as readily available elsewhere in the country and it will take work to capture it.

Mr. Hamlin said based on the discussion that it makes sense to incorporate this activity into the Driver Experience Task Force. The single task force will focus on identifying and quantifying the discreet elements of the driver experience, and the data sharing/information exchange needs relative to those functions due to the drivers’ central involvement in all activities. The committee leadership will review options for moving the task force forward to develop recommendations, actions, and follow-ups to ensure real improvements.

**New Business**

Peter Cooper, Pan-American Railway, asked that IANA address how paper barriers could be removed to enhance rail service in rural communities by creating partnerships between short line railroads and other railroads that can encourage short haul intermodal. Mr. Hamlin thanked Mr. Cooper for the input and said that the committee leadership would review it with IANA staff to see if it was something that the Operations Committee could consider.

Mr. Bisaillon said the industry needs to pay increased attention to both container weights and proper blocking and bracing of loads. Despite the Safe Container Act and SOLAS, there is still a significant problem with containers that are overweight or with loads that are not properly secured. In a double-stack configuration, the significant issue of cargo stability is magnified compared to highways because stacked equipment width is narrower than trucks. Mr. Ring agreed that they are seeing this problem as well and that technology, such as weigh-in-motion, is beginning to be deployed to help. Mr. Hamlin thanked Mr. Bisaillon for bringing the issue to the committee’s attention and said that the committee leadership would review it with IANA staff to see if it was something that the Operations Committee should consider.

A motion was made to adjourn by Mr. Prince and Eric-Jan Bronwasser, Milestone Equipment Holdings, seconded it.

The meeting was adjourned at 5:25 p.m.