MEETING MINUTES
THE INTERMODAL ASSOCIATION OF NORTH AMERICA
OPERATIONS COMMITTEE

Wednesday, Sept. 18, 2019
10:30 a.m. to 12:30 p.m.
The Pike Room, Renaissance Long Beach

Call to Order

The meeting was called to order by Bill Hamlin of Gray Wolf Group at 10:30 a.m. The safety briefing was given by Vice Chairman Dave Hensal of Eagle Systems. IANA General Counsel Marc Blubaugh provided the antitrust guidelines. A quorum was established as being present.

Approval of the May 2, 2019 minutes

Vice Chairman Dave Hensal of Eagle Systems asked for a motion to approve the May 2, 2019 minutes. EJ Bronwasser of Milestone Equipment Holdings moved to approve. Mike Burton of C&K Trucking seconded the motion. The minutes were approved unanimously.

Task Force & Working Group Reports

Driver Experience at Intermodal Facilities Task Force

Gerry Bisaillon of REMPREX said the working group has created a process roadmap in order to provide more structure to the working groups. As part of their next steps they will be looking to ascertain whether drivers need to be the conduit of information and is there a way that information can be exchanged upstream, prior to the interchange, that can streamline the amount of information that the driver must manage throughout his/her mission at the terminal.

Mr. Bisaillon said that a work plan has been created and several brainstorming sessions have been held, and 3 working groups have been formed to look at individual issues. He said the hope is to have the roadmap and structure firmed up by the end of the year, and that the goal is to provide recommendations to the committee in the spring of 2020.
Automated Container Securement Working Group

Chad Peterson of BNSF Railway reported on the research conducted by the working group, investigating solutions to potentially reduce the incidents associated with IBCs in double stack rail service.

One potential solution is semi-automated locks, which differ from the current locks used in rail service. He then showed onscreen a one-piece lock that doesn’t require locking or unlocking, but still must be manually applied and removed from the railcar. The semi-automated lock has a 10-year lifecycle as opposed to a 3–5-year cycle for current locks. The lock can also be applied or removed while a container is on a chassis. This lock does require additional testing to make it a viable option in the rail environment, he said. It would cost roughly $30,000 for testing.

Another potential process automation solution that has been identified is locks that are integrated into container castings. Benefits include that it removes all the ascends and descends on the railcar and manual locking and unlocking, he said, adding that there are some unknowns with this type of lock, such as how it can be repaired if something breaks, the added weight to containers that may contribute to payload reduction, and how to achieve density on the volume of containers that are now in service. More testing is needed, he said, with the cost estimated at $80,000–$100,000.

A third identified potential solution is to make use of robotics to place and remove locks. Currently, locks are stored in bins on railcars, but this solution has the potential benefit of removing locks from railcar storage, thus eliminating the need for people to climb up and down railcars to place locks in and out of storage. Development and testing are still required, he said, with the cost estimated at upward of $500,000.

Mr. Peterson said that whether or not funding is obtained, the working group should be closed out. The research findings should be made available to the AAR for its consideration for testing, as well as the membership. Mr. Hamlin agreed with that assessment.

Tolling Working Group

Mike Burton of C&K Trucking said that the working group researched cost mitigation and strategies related to open road tolling and its unique challenges for intermodal, as well as legal cases between Tropical Trailer vs. the Florida Department of Transportation, which runs the state’s tolling authority. Tropical Trailer filed suit after being aggressively charged with fines, fees and penalties related to not paying tolls. Tropical Trailer contended that it was the owner of the equipment, but not the operator and shouldn’t be charged. In November 2018, a judge ruled in favor of Tropical Trailer.

The working group has also done additional research into understanding the various definitions of different components of the tolling transaction, and how it applies to the processes of the various tolling agencies. It is not standardized across the country. Mr. Burton said the working group was continuing its efforts to educate members on what truckers can do to avoid toll charges inappropriately going to IEPs, such as having
working transponders with a positive balance at all times; making sure plates are registered; and making sure the front plate is visible. They also are educating IEPs on what they could do to minimize being charged for tolls that are not their responsibility.

Mr. Burton said the working group has completed its goal of looking into the tolling issue and providing solutions to this challenge and said at this point in time they see no reason to continue. Mr. Hamlin said he agreed that the task force has done all it can, and that the committee will monitor this issue and work with IANA staff to see how the information that has been gathered can be taken forward.

**Education Session – Open Choice Discussion**

An educational session was held with 6 IEPs on open choice for chassis provisioning. The stated goal of the discussion was ensuring that safe and roadable chassis are available in a timely manner to drivers when they enter an intermodal facility to conduct business. The following companies/individuals participated:

- Than Seeds, CEO, American Intermodal Management
- Ron Joseph, Executive Vice President & COO of DCLI
- Charlie Wellins, FlexiVan President & COO
- Doug Hoehn, President, Milestone Equipment
- Jeffrey Dudenhefer, Executive Vice President of the North American Chassis Pool Cooperative
- Val Noel, TRAC Intermodal Executive Vice President

All the participating IEPs agreed, in principle, with the notion of open choice. However, there was less agreement on just what open choice means or how it could be implemented across the intermodal network. Many felt that there is no-one-size-fits-all solution for open choice, and that it’s more of an operational challenge than a philosophical question of whether it’s a good idea or not. What works in one regional market may not work in another for various operational reasons.

Some speakers felt that there is already de facto choice in the market now. One pointed out that truckers control a substantial number of chassis in the market today, possibly between 30%-40%, and that motor carriers can either use their own chassis’ or long-term leased equipment anytime they want. Another speaker agreed that there was a growing number of privately controlled chassis in the market but felt that it was not always so clear cut as to just when a trucker-controlled chassis could be used.

Some speakers touched on the notion that open choice is, in large part, a commercial issue, but diverged on what that meant for the provisioning models. Others felt that the entity paying the bill should have the right to negotiate in a free and competitive market and to choose their preferred chassis. Others felt that there was too much inherent complexity in the market to make sweeping statements about open choice. All agreed that the chassis provisioning models will continue to evolve along with the intermodal market.
**New Business**

**Hours of Service NPRM**

Steve Keppler of IANA said that the goal of this conversation is to receive feedback from the committee regarding comments on the FMCSA's Hours of Service proposed rule, in which it proposes to extend the short-haul exception from 12 to 14 hours and expand the distance limitation from 100 to 150 air miles. The second element of the proposal is to extend by 2 hours the maximum window in which driving can be permitted during adverse driving conditions.

With the 30-minute break rule, additional flexibility is proposed by using “on duty, not driving,” rather than “off duty” as part of that requirement. With the sleeper berth exception, it would allow for a slip sleeper, with one period of at least 7 consecutive hours and the other of not less than 2 consecutive hours, either off duty or in the berth. Neither period would count toward the driver's 14 hours of driving.

Also included is an off-duty break provision that would allow for at least 1 off duty break of at least 30 minutes and not more than 3 hours, which would basically freeze the driver’s 14-hour driving window.

IANA submitted comments to FMCSA on the previous ANRPM suggesting that short haul exemption be extended from 12 to 14 hours; that the 100 air miles be extended to 150 air miles; to clarify the adverse driving conditions definition and expand it to account for issues intermodal drivers encounter, and to remove the 30-minute rest break requirement. IANA did not comment on the sleeper berth provision, Mr. Keppler said.

Mr. Keppler then opened the topic for comments from committee members.

Several committee members offered comments on several aspects of the proposal. Mr. Keppler responded by suggesting that a small work group could be convened on the matter to suggest recommendations for IANA’s position.

Mr. Hamlin said that some good points were raised, and that the committee would look at the issue more closely. Mr. Hamlin asked for volunteers for a working group to discuss the issue, and a number of members indicated that they would participate.

Mr. Hamlin then opened the floor for general discussion items. Mr. Hensel raised the issue of independent contractor driver model being under threat. He asked if there was something the Committee could do to help raise awareness of the issue in the industry. Mr. Keppler stated that IANA has a policy position that supports the independent contractor business model and has sent letters to various state legislators and executives opposing attempts to require owner operators to become employees of the Motor Carriers. He further stated that IANA is involved in supporting legal actions on the issue in California and New Jersey. Assistance has been provided to lawsuits in both states and IANA has been doing several additional things to raise
awareness, including several articles in Intermodal Insights, Blog Posts, and engaging with other organizations on the issue.

Regarding a question about what IANA’s board has done about the issue of tariffs, Mr. Blubaugh said that the board has submitted letters opposing tariffs on containers but has not at this time decided whether to oppose tariffs on chassis. He said that the organization has received mixed views from members regarding chassis tariffs, with some supporting and others against.

**Housekeeping and Adjourn**

IANA’s Hal Pollard took a moment to publicly thank his colleague, Jim Morrow, for his role in streamlining and rethinking the committee process over the last several years. There was a round of applause for Mr. Morrow.

A motion to adjourn was made by Mr. Prince and was seconded by Mr. Bronwasser. The motion was approved unanimously, and the meeting was adjourned at 12:14 p.m.