



**Driving Trucking's Success** 

# **Agriculture Transportation Coalition Annual Meeting**

Ag Trucking Efficiency/Capacity Nationwide

**Maximizing Trucking Efficiency at the Ports** 

June 13, 2008 San Francisco, CA

## **Trucking Issues**

- Fuel Costs
- Highway-Infrastructure Funding
- Hours of Service
- Equipment Condition and Shortages
- Driver Shortages
- Environment-Equipment & Business Operational Mandates

#### **Environmental-Equipment Mandates**

- LA-Long Beach Clean Air Action Plan (CAAP)
  - Goals: Reduce (1) Port emissions 80% in 5 years;
    - (2) The number of port motor carriers;
    - (3) Competition.
- \$ 2 billion+ proposal would limit motor carrier and driver access to terminal facilities and replace or retrofit 16,800 trucks in 5 years;
- To obtain a port concession, companies would be required to pay an application fee (\$250 or \$2500), an annual fee /\$100/truck and meet port mandated criteria requiring motor carriers to:

#### **CAAP Motor Carrier Business Model**

- Hire only <u>employee</u> drivers (LA);
- Buy/lease your own trucks;
- Ensure compliance-replacement of any truck in its deployed fleet that does not meet the CAAP standards with a new 2007 or retrofitted vehicle meeting 2007 by 2012;
- Comply with numerous financial and safety standards determined by the port-program administrator; and
- Have Deep Pockets!

### **Legal Parameters**

- Federal preemption... 49 U.S.C. § 14501(c) (1), prohibits states-political subdivisions of states from enacting or enforcing a law that relates to the price, route, or services of any motor carrier;
- U.S. Supreme Court-Rowe v. New Hampshire Motor Transport Association, et. al., February 20, 2008

### **Rowe Legal Parameters**

- Federal Preemption goal... "to assure that carrier rates, routes and services are structured via "competitive market forces" and not because of "governmental commands";
- Applies even if impacts are "indirect";
- Vote was... 9-0!

#### **CAAP Flaws**

- Teamsters designed plan;
- No legal basis for dictating motor carrier business model changes-good intentions are not enough;
- Debate-delays over employee-union issue have left insufficient time to develop workable-deployable implementation program;
- Plan impairs ability to efficiently move freight and prevent traffic diversions-raising concerns from Federal Maritime Commission and MarAD.

### **Solutions**

- Litigation-ATA/IMCC will initiate court action later this month;
- Work with CARB, trucking industry and all intermodal stakeholders on clean air requirements and reasonable truck retirement plans that are legal;
- Improve port operational efficiencies.





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#### Thank You!

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