

DATE: April 4, 2005

TO: Senate Transportation Committee

FROM: Gregg Dal Ponte, Administrator,
Motor Carrier Transportation Division

SUBJECT: Senate Bill 1007

INTRODUCTION

Senate Bill 1007 requires ports that handle oceangoing vessels to employ inspectors to check intermodal chassis and order repairs of defective ones. Inspectors who find defective chassis would notify the Oregon Department of Transportation (ODOT) so it may suspend the owner's operating authority and send a recommendation to the U.S. Department of Transportation for other action against interstate operating authority.

WHAT THE BILL DOES

Senate Bill 1007 seeks to address a national problem with the condition of equipment owned by shippers and used for over-the-road hauling by truck. The equipment tends to be older and in worse shape than most trailers. Truckers have complained about the units when they get citations for safety violations or get placed out-of-service when a unit is inspected. Although the truck operator usually does not own the equipment, he or she becomes responsible for it as soon as it hits the road.

The bill calls for inspectors who find defective equipment (chassis) to notify ODOT for purposes of suspending the owner's operating authority. The Department would then notify the U.S. DOT for other action necessary against interstate authority. But since the owners of most chassis are shippers, not motor carriers, there is no operating authority to suspend. Also, restrictions on the use of Highway Funds prohibit the Department from taking action against any shipper. Even if a chassis owner were a motor carrier, it's not possible for Oregon to suspend interstate operating authority and since virtually all intermodal containers move in interstate commerce, it would be somewhat purposeless to suspend the intrastate authority. The Federal Motor Carrier Safety Administration is the only governmental entity that could take action against the interstate motor carrier or shipper.

In past years there have been at least two bills before Congress to address the issue of intermodal chassis safety. In 2004, the Federal Motor Carrier Safety Administration announced that it would create a program to inspect intermodal chassis and hold equipment owners responsible for problems. It would require equipment providers to get a U.S. DOT number and display it on their chassis. The federal agency would use the same penalty and

enforcement system it uses in safety compliance reviews and it would issue out-of-service orders and revoke U.S. DOT numbers. Although the proposed program had the support of the American Trucking Associations, it was never implemented.

Last month it was reported that the Federal Motor Carrier Safety Administration aims to propose a rule in September 2005 that would mandate which companies — ocean and rail carriers or trucking companies — are responsible for the safety of intermodal chassis.

SUMMARY

Senate Bill 1007 calls for the suspension of an intermodal chassis owner's operating authority if a port inspector finds the equipment defective. But since the owners of most chassis are shippers, not motor carriers, there is no operating authority for the Department to suspend. Also, restrictions on the use of Highway Funds prohibit the Department from taking action against any shipper. Even if a chassis owner were a motor carrier, virtually all intermodal containers move in interstate commerce and it's not possible for Oregon to suspend interstate operating authority.