

have literally hundreds of facilities employing over a thousand mechanics and inspectors and that equipment maintenance is their single largest expense. American President Lines (APL) spends over \$36 million annually on 63,000 chassis; Maersk spends \$17 million on 32,000 chassis, a rough average of \$500 per year per chassis. A representative of an ocean carrier explained that this attention to maintenance and comprehensive equipment inspection is driven by the market realities of customer expectations.

Generally, motor carriers agreed that some terminal operators made significant efforts to improve. However, they continue to have concerns about the equipment providers' inbound inspection process. Motor carriers believe it is in the financial interest of equipment providers to let chassis leave the terminal without noting defects or deficiencies and then pointing out mechanical problems when the container chassis is returned. The mechanical problems then are blamed on motor carriers and the costs for repairs are subsequently passed on to them.

Motor carriers argue chassis repair and maintenance should be done before motor carriers arrive at the terminal. They believe roadability lanes offered by some equipment providers are a good idea, but preventative maintenance would be better. Chassis maintenance is too often undertaken on an as-needed basis rather than as part of a scheduled preventive maintenance program.

#### *Adequacy of Roadability/Walk-Around Inspections*

Commenters and participants recognize that roadability lanes are available in some terminals, but they appear to be used by only a small percentage of drivers. If roadability lanes or similar facilities are available, the time involved in using them makes this option problematic since most drayage drivers are paid by the trip, not by the hour. It was observed company drivers who are paid by the hour take advantage of roadability lanes more often than owner-operators who are paid on a per trip basis.

Motor carriers argued that at many rail terminals drivers cannot get out of their trucks to do chassis inspection and they claim that there is no staff available to assist them. However, EIDA members and other terminal operators asserted that they provided drivers with ample opportunity to perform the required walk-around inspection prior to departure.

Commenters emphasized that some vehicle components cannot be inspected by one person working alone. For example, checking brake adjustment typically requires one person to apply the brakes while another person measures the push-rod travel. Motor carriers argue significant mechanical defects typically cited by roadside inspectors cannot be identified during a walk-around inspection. They assert walk-around inspections cannot substitute for routine inspection and maintenance by the terminal operator's mechanics.

Owner-operators agreed walk-around inspections do not typically reveal all the defects that Federal or State inspectors may find during a more thorough inspection. Also, if a defect is found during the walk-around inspection it is likely to generate a costly delay in leaving the terminal. Owner-operators argue the driver's walk-around inspection should be considered a back up to the routine and detailed inspection by the equipment provider, not the primary means to detect defects.

#### *Impacts of Changing Responsibility for Chassis Roadability*

EIDA estimates that the incremental cost of shifting this responsibility to the terminal operators would be about \$200 per chassis per year. This would represent a 40-percent increase in operating costs. These increased operating costs would be ultimately borne by the transportation system and by consumers. These estimates do not include increased equipment, facility, and other capital costs. AAR estimates that it would cost the railroads over \$200 million annually if maintenance responsibilities are shifted to terminals.

Since the current Federal regulations make the chassis' roadability the responsibility of motor carriers, violations concerning chassis defects become part of the motor carrier's safety record. Roadside violations are entered electronically directly into the FMCSA's database of safety performance information about motor carriers. Consequently, motor carriers are concerned about how the chassis violations may affect their safety profiles because: (1) FMCSA's Safety Status Measurement System (SAFESTAT) scores are available to the public and can be used by insurance companies and shippers as a basis for business decisions; and (2) the FMCSA's potential use of the violation data for selecting motor carriers for compliance reviews. Regardless of whether the chassis owner accepts responsibility for the violation and pays for the repairs,

the violation remains on the motor carrier's safety record. As a result, the issue of assignment of responsibility is of importance to motor carriers.

#### *Institutional Issues*

Motor carriers involved in port drayage operations estimate their drivers spend 25 percent or more of their time waiting in line at terminals, without compensation. Motor carriers believe that because of the highly competitive nature of the drayage industry, they have no leverage. If a motor carrier or driver insists on improved business terms he will simply be replaced.

The National Association of Waterfront Employers (NAWE) acknowledged the economic pressures force drivers to leave the terminal as soon as possible. Some of the commenters to the docket and participants in the public meetings believe the situation would change significantly if drivers were paid by the hour.

The Uniform Intermodal Interchange Facilities Access Agreement (the Uniform Agreement) governs the relationship between equipment providers and motor carriers. The Uniform Agreement was initiated 20 years ago, and is continually reviewed by a multimodal committee. IANA estimates that its participants include more than 4,700 motor carriers, 6 railroads and 55 ocean carriers.

A nine-member board administers the agreement: 3 motor carriers; 3 rail carriers, and 3 ocean or water carriers. Participants in the public meetings indicated there is a willingness to re-negotiate terms of the Uniform Agreement but not to shift responsibility from motor carriers.

The Uniform Agreement states:

The user, while in possession of interchange equipment, releases and agrees to hold harmless the owner from and against any and all loss, damage, liability, cost or expenses suffered or incurred arising out of or connected with injuries or death of any persons arising out of the user's use, operation, maintenance or possession of interchange equipment.

A copy of the Uniform Agreement is included in the Through Transport Mutual Insurance Association, Ltd. (TTClub) comments. The agreement specifically states that the equipment provider makes no warranties as to the fitness of the equipment. A common addendum to the Uniform Agreement requires that the driver warrant that the equipment he is receiving is roadworthy.

Equipment providers argue that making motor carriers responsible for