



MINUTES

MAINTENANCE & REPAIR COMMITTEE

INTERMODAL ASSOCIATION OF NORTH AMERICA

FRIDAY, NOV. 10, 2006

1:00 p.m. – 3:00 p.m.

CRYSTAL BALLROOM SALONS III & IV
HYATT REGENCY PIER 66
FT. LAUDERDALE, FLORIDA

Committee Chairman David Manning of Tennessee Express Inc. opened the Maintenance and Repair Committee meeting and called the meeting to order at 1:05 p.m. IANA counsel John Bagileo reviewed the Association's antitrust guidelines.

Tom Malloy, IANA staff, conducted a roll call of the committee and it was determined that a quorum was present. After self-introductions, Committee Vice-Chairman Jim Reo of CMA-CGM Americas Inc., gave a summary of the May 1, 2006, meeting in Oak Brook, Illinois. He then asked for a motion to approve the minutes of that meeting. Mike Murray, CBA Tire, made the motion, which was seconded by Fred Shepherd, PacerStacktrain. The minutes were approved as presented.

Legislative and Regulatory Update

IANA government relation's consultant, Earl Eisenhart, gave a summary of expected federal regulatory developments that could affect Committee members. He said that the Federal Motor Carrier Safety Administration had a target date of November 27, 2006, for releasing its proposed rules that apply to the "roadability" of intermodal equipment. He now expects the rule will be published early in 2007. He further said that he expected the proposed rulemaking to align with a draft of the rules that has been previously discussed at committee meetings. He also said that he expects the rules will follow the statutory requirement contained in the SAFETEA-LU legislation passed August 10, 2005, that directed the FMCSA to issue the rules. **[Subsequently, on December 21, 2006, the FMCSA released a Notice of Proposed Rulemaking (NPRM) Federal register. Copies of the NPRM are available on the IANA website at www.intermodal.org].**

Tom Malloy presented an update on state regulatory activities. He said that there was little activity in the state legislatures during 2006 that has resulted in new legislation that could affect Committee members. With most legislatures adjourned for the year, nothing of major consequence was expected before December 31. He reported that during the 2006 sessions, 17 states considered 34 pieces of legislation that had relevance to the intermodal industry. Most of the issues died in committee.

Two significant actions however were California Senate Bills 927 and 1213. Both of the bills were passed by both houses of the State Legislature, and were vetoed by Governor Arnold Schwarzenegger. SB 927 would have charged a per container fee for international cargo, with the proceeds used for air quality and congestion mitigation programs. SB 1213 would have changed the status of truckers from independent contractors to company employees. The bills likely will be reintroduced in 2007, probably early in the year.

Potential Initiatives- Survey Results

Jim Reo presented the results of a recent committee survey that identified and ranked several initiatives that the committee should address in the near future. A total of 42 members were surveyed, and 28 responses were received, resulting in a 67 percent response rate. Those surveyed were asked to identify and rank eight issues that were developed by the M&R Advisory Group.

Roadability was identified as the most important issue by 64 percent of the respondents. In anticipation of the proposed rulemaking by the FMCSA, it was recommended that a task force be established to understand the implications of the new rules and establish best practices to enable compliance with them. The second most important issue was to explore a potential a working relationship with The Technology & Maintenance Council (TMC) of the American Trucking Associations (ATA). The third-ranked initiative was the development of educational sessions to be conducted at future meetings. The key educational topics were systematic maintenance standards, tires, defining “wear and tear” versus damage, and damage issues in general were listed as the four most-favored topics. **[A copy of the presentation is available via the IANA website at www.intermodal.org. The presentation is located in the M&R Committee section].**

The Roadability Compliance Task Force will be lead by Jim Reo along with four representatives each from the water,, rail and motor carrier divisions.. Mike Niemeyer of Pressure Systems International Inc. will serve as Task Force leader and main interface for the TMC initiative. The M&R Advisory Group will provide leadership relative to the educational presentations. No additional task forces were named at this time.

Committee Task Force Updates

1. Equipment Damage – Billing Process Task Force

Dave Manning provided an update on the Equipment Damage Task Force, with a brief summary of the actions of the Intermodal Interchange Executive Committee’s (IIEC) February and August 2006 meetings. During both meetings the formal recommendations from the M&R Committee were discussed in great detail. The issues have been formally docketed within the procedural ‘actions items’ and continue to be discussed and refined by the group. The IIEC has requested that the M&R Committee clarify several requested modifications to determine if new language addressing M&R invoicing and repair notification thresholds would be acceptable to the committee. The Equipment Damage Task Force will provide the requested clarifications to the full M&R Committee for its approval.

Dave also advised that the committee’s recommendation for a Dispute Resolution Proposal (DRP) had been discussed with the IIEC, and it was agreed that criteria would need to be developed to determine the types of disputes that would be considered under a UIIA DRP, and whether participation in this process would be mandatory for all UIIA participants. It was also agreed that all processes for resolving disputes that are included in EP Addenda, would have to be exhausted before a dispute could be submitted under a UIIA

DRP. A proof of concept would also be necessary before any process could be adopted. Dave further explained that an IIEC subcommittee had been formed and is reviewing a DRP that had been previously discussed by the IIEC. Several sub-committee and staff legal counsel reviews are scheduled for issue updates at the next meeting of the IIEC to take place in early 2007.

2. Tire Issues Task Force

Mike Sanchez of CBA Tire Inc. reported that the Task Force determined during a conference call that the most effective way to advance the issue was to move beyond anecdotal information and conduct a 'field study' of actual tire issues at specific terminals. Six locations, including three in Chicago, and one each in Memphis, Savannah and Houston were selected for the study which will address the following specific issues: tread depth, air pressure and whether the equipment had a valid FHWA decal.

Task force members created a standard form for the collection of data. However, obtaining the information at facilities has been more complicated than expected. Thus far, the study has been completed at one facility in Chicago. The intent is to have the survey completed and results presented by the May 2, 2007 Committee meeting in Oak Brook.

Sanchez also said that the Task Force is working on a recommendation to the AAR IOSC to add a "Why Made" code for tread separations, in order to get a better understanding of whether tread separations are failures that are due to tire production or performance while in service. The Task Force also is reviewing a request to add a verification of tread depth when tires are replaced, as part of a continuing effort to develop best practices.

AAR Intermodal Operations Sub-Committee Report (IOSC)

Tom Kelly, BNSF Railway and Chairman of the AAR IOSC gave a report on the efforts of the Intermodal Operations Sub-Committee (IOSC). He said the IOSC has been in the process of rewriting the interchange rules, which when completed and approved are intended to be posted on the Website of the Chicago Car Interchange Bureau, which has been contracted to handle the administrative aspects for future changes and make periodic updates on their Website when such changes are approved. The intention is to make the rules more accessible, understandable and easier to adjust to changing business conditions. He also said that a task force has been studying the M-930 domestic container specifications, and will suggest modifications to the spec. The modifications would be more stringent than a 1998 version and more understandable than a revision that was completed in 2004. The end result, if the latest modifications are adopted, will be to certify all domestic containers that are in use and a majority of those currently in production. The IOSC is also considering M931 for closed van trailers and M9931 as minimum specifications for van equipment that does not fall under the previous designations.

Commercial Vehicle Safety Alliance Inspection Presentation

As part of the Committee's desire to present continuing educational sessions at its meeting's, Steve Keppler, Director, Policy and Programs, CVSA, and Paul Tamburelli, a partner at ESP, were invited to present the CVSA-endorsed Periodic Inspection Program (PIP). In evaluating a multitude of various preventive maintenance and systematic inspection programs, the CVSA and their partner ESP determined there existed a knowledge gap among inspectors who were utilizing several different standards and specifications to conduct inspections and also a lack of conformity among the various inspectors and their organizations.

The presentation focused on the importance of proper inspections by citing several key statistics. The FMCSA’s study of crash causes for large trucks dramatized the importance of equipment component issues that were a factor in close to 30 percent of those accidents. Proper pre-trip inspection could detect 60 percent of equipment defects, which could potentially reduce accidents. CVSA has found that 23 percent of vehicles are taken out of service after roadside inspections, with an average downtime of 8.7 hours.

Their presentation also included information about out of service rates for vehicles identified by the safety group as intermodal. CVSA found that the out-of-service rate, based on Roadcheck 2004 statistics, was higher for equipment identified by inspectors as intermodal. Comparatively, the out of service rate was 15 percent on Unit 1 for non-intermodal, and 20 percent for intermodal. On Unit 2, the rate was 14 percent for non-intermodal and 24 percent for intermodal.

CVSA has formed a for-profit partnership with ESP, known as iQsafe, Inc. that is designed to improve the inspection process. Currently, iQsafe contracts with several over-the road motor carriers to conduct PIP inspections. Equipment that passes the inspections receives a “gold” standard decal that is valid for 120 days and recognized by all North American enforcement officials and at inspection stations.

CVSA proposed that the intermodal industry could benefit from the iQsafe program, as there would be assurances that inspections would be compliant with minimum roadability requirements once those rules are issued by FMCSA

Next Meeting/ Adjourn

Dave Manning asked if there were any further business issues, and no issues were raised. Dave then requested a motion to adjourn. Scott Smith, APL made that motion and it was seconded by Frank Sonzala, PSI. The meeting adjourned at 3:02 p.m. The next meeting will be on May 2, 2007, in Oak Brook, Illinois, prior to the Annual Operations and Maintenance Seminar.

M& R Committee Action Items

Subject	Item Description	Name	Due
Tire Issues Task Force	Complete Field Survey of Equipment Condition at Six Facilities	Mike Sanchez	April 1, 2007
Roadability Compliance Task Force	Develop best practices for rules compliance once the rules are issued by FMCSA	Jim Reo	2007
TMC Working Group	Contact TMC to explore information sharing about Equipment M & R practices based on TMC task forces	Mike Niemeyer	February 28, 2007
Education Sessions Task Force	Determine organizations that provide subject services and determine scope of potential presentation at May 2 meeting.	M&R Advisory Group	March 15, 2007