



MINUTES

OPERATIONS COMMITTEE

INTERMODAL ASSOCIATION OF NORTH AMERICA

FRIDAY, NOVEMBER 10, 2006

10:00 a.m. – Noon

CRYSTAL BALLROOM, SALON I & II
HYATT REGENCY PIER 66
FORT LAUDERDALE, FLORIDA

Committee Chairman Dave Ware, formerly of CSX Intermodal called the meeting to order at 10:03 a.m. and proceeded to conduct a safety briefing that outlined specific procedures to follow if an emergency would arise. Bill Clement, CSX Intermodal advised that he was CPR certified and Mike Murray, CBA volunteered to contact 911. John Bagileo, IANA's counsel, reviewed the anti-trust guidelines and Tom Malloy of IANA's staff called the roll. Malloy advised a quorum was present allowing business to be conducted.

~~Dave Ware~~ Vice-Chairman, ~~Ed McQuillan~~ reviewed the minutes and activities of the May 2, 2006 Operations Committee meeting in Oak Brook, Illinois. Highlights of that meeting included: a program presented by the Intermodal Freight Technology Working Group (IFTWG) and presentations by Ted Prince, then of Optimization Alternatives Ltd., about private equipment identification, and by Union Pacific Railroad's Ben Shelton on the Gate Operations Efficiency Task Force, Scott Smith of APL, also discussed proposed guidelines on overweight containers being developed by the Ocean Carrier Equipment Management Association (OCEMA). There were no changes to the minutes as presented, and ~~Dave Ed Ware~~ requested entertained a motion to approve. Ted Prince made the motion, and Vince ~~Marino, Marine Repair Services~~, ~~XXXXXX~~s seconded the motion. The minutes were unanimously ~~T~~approved.

Legislative/ Regulatory Update

IANA government relation's consultant, Earl Eisenhart provided an update on pending federal regulations, including hours-of-services rules, roadability, the SAFE Ports Act and Transportation Worker Credentialing (TWIC) program. He stated the SAFE Ports Act was comprehensive maritime security legislation and noted that a summary handout had been distributed to attendees. Of immediate interest was a requirement for the Department of Homeland Security to do a threat assessment screening for drivers, which will include all Commercial Driver's License (CDL) holders. This screening is to be completed within 90 days from the date President George W. Bush signed the bill, requiring the completion of this check of drivers against immigration and terrorist watch lists by the middle of January 2007. Union workers and company employees at ports and their terminal facilities already have been screened against those lists.

Eisenhart said this driver requirement could cause additional confusion, since DHS also is required to implement the Transportation Worker Identification Credential program. In fact, the SAFE Ports Act contained two separate requirements -- the 90-day driver check and the full implementation of TWIC during 2007.

Earl reported that a Government Accounting Office (GAO) report “completely trashed” the DHS progress on the TWIC and indicated that the security issues could become even more complicated with Democratic control of Congress, since some members of that party prefer 100 percent screening of containers. There also could be more radiation screening requirements and more physical security requirements forthcoming from the new Congress. Another possibility is mandatory compliance with the Customs-Trade Partnership Against Terrorism (C-TPAT).

The hours-of-service rule is being debated in an oral argument on December 4 in the U.S. Court of Appeals in Washington DC. Safety groups have challenged the rules, trying to overturn the 11th allowable driving hour and 34-hour “restart” provisions. The Owner Operator Independent Drivers Association (OOIDA) and the International Brotherhood of Teamsters have separate challenges to federal standards that require eight consecutive hours of rest for team drivers. They favor giving drivers the ability to split their shifts as they see fit. **[Subsequent to the meeting, the U.S. Court of Appeals for the District of Columbia Circuit heard arguments on December 4 from the Owner Operator Independent Driver Association, the International Brotherhood of Teamsters, safety groups such as Public Citizen, and the federal government. A decision is expected in the spring of 2007.]**

With regard to the roadability rules, Eisenhart said there were no substantive developments and that it now appears the proposed rules would be published early next year instead of in November, as previously expected. He added that there was no indication that the proposal would be substantively different than the “draft” that was circulated earlier this year. **[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].**

Ted Prince, Kansas City Southern, asked about cargo scanning in light of two tests that were conducted in Hong Kong and the apparent lack of funding to follow up on a prototype scanning test done by Science Applications International Corp. Eisenhart said that DHS has had a problem with multiple programs since Congress has required the agency to take some security steps without providing funds for implementation. Prince asked whether there was a delay in the “Smart Box” program. Eisenhart said that SAFE Ports didn’t mandate that program and that there may be more legislation needed for this item to become a requirement.

Dave Manning, Tennessee Express said that drivers already have had to complete checks identical to the TWIC process to obtain hazardous materials licenses. Eisenhart allowed that there is little sense in having drivers go through the process again and pay additional fees. He said DHS now has indicated that it might make sense to coordinate the licensing background check process. He also predicted that DHS wouldn’t meet the legislation’s time lines.

Task Force Updates

Terminal Efficiencies Task Force Texas Transportation Institute Presentation

Ben Shelton, Task Force leader, introduced Dr. Stephan Roop of the Texas Transportation Institute who then presented a program overview of a technology that the state agency is developing to provide an environmentally friendly cost-effective alternative for short-distance container transportation. The project is being reviewed by the Port of Long Beach, along with other technologies.

The institute came up with the design called the Safe Port Shuttle, which is secure, automated, fast and environmentally sound. The shuttle would take a single container without a chassis, on each vehicle. The vehicle would travel back and forth between two fixed points, using steel wheels on a steel surface and powered by a linear induction motor, the same technology used for commonly available items such as ceiling fans. Cargo could move continuously, in two directions at speeds of between 30 and 70 miles per hour. Roop said the cost of powering the system would be less than 10 cents a mile. The terminal operating costs, land acquisition and compliance/regulatory expenses weren't estimated or included in his presentation. He also said that since public road funds are being depleted, more private capital and partnerships would be needed in the future. He estimated that terminal throughput could double with the shuttle, compared with a current short-haul system that relies on truckers who operate aged vehicles for minimum pay in congested areas.

Private Equipment Data Collection Project

Ted Prince presented the findings of a survey of private equipment file information collected from carriers and leasing companies outside of the rail industry. The purpose was to determine the feasibility of developing a single, unified database for such equipment. He said a number of companies initially volunteered, and five providers responded. A unified database would address the information issues that have emerged due to UMLER files being overly detailed, and not having the capacity to determine the custody of private equipment when it is outside of the railroad network. The survey of two leasing companies, one less-than-truckload carrier and two ocean carriers determined that all five companies collected six common data points, including equipment alpha code, number, type code, outside length, Department of Transportation exemption expiration date and Federal Highway Administration inspection date.

A discussion ensued with regard to UMLER's limitations, private equipment operators' resistance to using that database and the feasibility of maintaining a private equipment database. Prince noted that leasing companies can effectively track private equipment and that the data collected from the five providers suggests that there should not be technical barriers to creating a private equipment database.

Ware said that many companies already had their own proprietary private equipment databases. Prince said that an IANA Board of Director's sub-committee would be making a presentation to the IANA board on November 14 regarding the advancement of a similar project. Prince made a motion that the Committee should make a formal recommendation to the board to proceed to a prototype stage for this project. Barry Michaels seconded the motion and it was unanimously approved.

Association of American Railroads Intermodal Operations Subcommittee Update

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. This group 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 specs. 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.

Committee Focus Discussion

Dave Ware led a discussion of the Committee's future direction. He observed that the Committee should consider working on strategic capacity issues because the expected growth in freight in the years ahead could require the Committee to broaden its focus beyond traditional tactical items. Bob Thull, Milestone Corp. agreed that strategic capacity issues should be addressed. Ted Prince said a number of other groups are considering freight and congestion issues from a strategic standpoint and advocated a continued focus on tactical steps. Barry Michaels of Union Pacific Railroad urged the Committee to focus on specific issues, since it has become more difficult to obtain consensus from all modes on any steps the Committee can take to improve operations. Ed McQuillan, Optimization Alternatives, said the Committee deliberately kept a more narrow focus, with a limited number of task forces. Much discussion took place and Dave Ware suggested returning to the committee survey from late summer of 2005 for additional items to address. Dave advised that he would get the Operations Committee Advisory Group together via conference call to review potential new issues.

Next Meeting/ Adjourn

As it was concluded that there was no further business to be discussed, Dave Ware said the next Committee meeting would be on May 2, 2007 in Oak Brook, Illinois. Ted Prince made a motion to adjourn. John Buteau of Compass Consolidators seconded the motion. The meeting was adjourned at 12:02 p.m.

Operations Committee Action Items November 10, 2006

Subject	Item Description	Name	Date
Prototype IANA Private Equipment Registration	Recommend to board of directors that prototype equipment register for private equipment be developed	Ted Prince	November, 2006
Operations Advisory Group Conference Call	Revisit survey items from 2005 for potential items to address	Dave Ware and Ed McQuillan	January 2007