



MINUTES

JOINT COMMITTEE MEETING INTERMODAL ASSOCIATION OF NORTH AMERICA

FRIDAY, NOVEMBER 14, 2008
11:00 a.m. – Noon

CRYSTAL BALLROOM – SALONS I AND II
HYATT PIER 66 HOTEL
FORT LAUDERDALE, FLORIDA

IANA staff member Tom Malloy introduced the joint meeting as the second such gathering designed to reduce redundancy in the meetings of the four committees invited to participate in this meeting. The first such joint meeting was held April 30, 2008, in Oak Brook, Illinois. IANA Chairman Ted Prince of Consolidated Chassis Management LLC called the meeting to order at 11:05 a.m., opening with IANA counsel, John Bagileo providing the association's antitrust guidelines.

Ted then stated that the minutes from the April 30, 2008 meeting had been distributed to all IANA Committee members in May of 2008, and requested a motion from attendees to approve those as presented. Barry Michaels, Union Pacific, moved for acceptance of the minutes, with Scott Smith of APL Ltd. providing a second. The motion carried unanimously.

Legislative/Regulatory Update

Malloy furnished a state legislative/regulatory update, beginning by explaining that during 2008 many states continued to introduce legislation implementing idling regulations and prohibitions. Several states also have introduced bills that offer tax credits and increased weight limits for vehicles that employ clean air technology. He also noted that in California, Governor Schwarzenegger had once more vetoed a bill to assess a \$30 fee on containers to support transportation infrastructure projects. Malloy added that multiple Committee and Expo educational sessions would be focused on the issues at the Southern California ports and encouraged those in attendance to also attend those sessions for more details.

From a Federal perspective, Malloy stated that there have been some "rumblings" that the final rule on Hours of Service is to come from the U.S. Department of Transportation in the coming two weeks, with the most contentious items being the 11th hour of driving and the 34-hour restart period. **[Subsequent to the meeting, the FMCSA released the HOS rule on November 19, 2008. There were no changes to the interim rules that have been in place since December 17, 2007. The new rules will be effective January 19, 2009.]**

Transportation Worker Identification Credential

Malloy provided an update regarding the federal TWIC program, including a chronological review the 2008 TWIC timeline which included the phased-in compliance dates by specific port zone through the April 15, 2009 national compliance date. He noted that many issues have arisen in connection with TWIC, including the revised implementation schedule, which was announced in May that effectively moved full compliance to April 15, 2009. Malloy said the new schedule could be beneficial due to the lower than expected level of enrollments in 2008 and some recent software challenges that TSA has experienced.

Malloy stated that the real test of the system will take place during the December to April implementation period as ports in the southeast will be rolling out compliance with TWIC being used as a flash pass. Malloy said he believes, with Congressional pressure behind the efforts, the April 15, 2009 nationwide implementation date will be met. Nonetheless, he said there have been recent activation issues, including those caused by a power outage at a TWIC facility that delayed activations for approximately three weeks.

Also, on September 30, 2008, the U.S. Coast Guard issued a policy decision regarding rail worker access to maritime facilities. The USCG position is that all railroad crew members should be in possession of a TWIC. The policy further states that in lieu of presenting a TWIC, advance clearance by a regional or headquarters' office can be facilitated. Each member of a rail crew must have a TWIC or an escort and monitoring situation will be enacted by the port security office.

Malloy also noted that, with 406,659 TWIC cards activated as of Nov. 6, there are some serious "gaps to fill." Smith said that, in Southern California and Oakland, 85 percent of truck drivers have registered, but only 20 percent of Longshoremen had registered and added that he perceives port labor shortages the first week or two following compliance implementation.

Roadability

Malloy moved to the topic of roadability, which he said has been the most discussed topic at IANA meetings over the past 10 years. He again furnished a timeline, reiterated the current DOT schedule for publication and provided a "key issue" bullet point refresher. He said it appears that the roadability rule appears on track for Dec. 1 clearance by the Office of Management and Budget and for Dec. 8 publication in the Federal Register. He cautioned that the final rule may have more or less information than the original proposed rule document published in December 2006. Malloy said the actual effective date of the rule could be anywhere from 6 to 18 months from publication and that IANA will be vigilant on getting the information to its membership once it is published. Also, he said, there exists a possibility that OMB and DOT clearance and publication may be delayed until the new administration takes office.

IANA Information Services

Global Intermodal Equipment Register

Ted Prince moved to the next topic, introducing Peter Klaus, IANA's new vice president of information services and business development. Klaus noted that the backbone of the Roadability rule making is to be able to identify the Equipment Provider responsible for the safety and maintenance of the chassis through a new unique DOT number. He said that IANA has been working with the various trade associations to develop an industry based solution Global Intermodal Equipment Register as an alternative to stenciling every chassis with this new DOT number. GIER would provide a central system to record current ownership and operating control of intermodal chassis that could be used by government parties to determine compliance with the new rules. He went on to say that the rules are scheduled to be released on December 8, 2008 and if the Federal Motor Carrier Safety Administration accepts the proposal solution, the industry stands to save \$60 million initially, based on 850,000 chassis at \$70 each, plus \$2 million on a continuing annual basis.

Drayage Truck Registry

Klaus also made a presentation regarding a proposed Drayage Truck Registry program, a clean air/truck initiative. He said DTR efforts currently are most prominent on the West Coast where there is state and port sponsored clean air initiatives, but may be anticipated to spread nationwide. He noted that these authorities are looking to capture truck data to determine compliance status relative to emissions. IANA's proposal calls for expanding the existing Intermodal Driver Database and providing an online registration system to furnish, update and access DTR information electronically. Klaus cited several benefits of the DTR and said that if authorities want to proceed, IANA is well positioned to implement nationwide.

Prince said a key point is that IANA differs from most trade associations in that it maintains the Uniform Intermodal Interchange and Facilities Access Agreement, including the IDD, and has the information technology infrastructure in place. Angie Baggett of Landstar System Inc. asked about the SmartWay program, and Malloy responded that the voluntary federal SmartWay program differs from what is being proposed by the California Clean Air Resources mandatory SmartWay program for 53' trailers. Mike Winchester of Winchester Consulting LLC asked if any other entity is competing to advance the truck registry effort, and Klaus responded that some individual ports are involved in such efforts, which could provide an alternative to a broader-ranging registry.

AAR Intermodal Operations Subcommittee Update

Paul Dean, Norfolk Southern, and newly-elected Chairman of the AAR IOSC stated the Subcommittee recently met in Seattle, on Oct. 16, 2008 and discussed Association of American Railroads appendix rules regarding update of chassis criteria. Dean said AAR has sought review of documents every two years. Dean noted presentations that were made to the subcommittee, citing technological developments, as well as the fact that an increasing number of 'chassis stacking racks are being built, which, he said, cause concerns to equipment damages.

Other Business

Prince opened the meeting to discussion of other issues. Scott Smith asked about the Clean Truck Programs and operational fees at the ports of Los Angeles and Long Beach, and cited a recently reintroduced bill calling for a \$50 per-container fee for infrastructure financing, and said he anticipates a myriad of such fees being put in place at ports throughout the nation. Prince noted that, at its August board meeting, the IANA board reached agreement on a method for addressing policy issues and has created a Board Policy Committee to evaluate industry positions on issues.

Prince then presented longtime railroad executive Ben Shelton with a special IANA recognition award honoring his contributions and accomplishments during an industry career that spans more than four decades. Shelton, general director for intermodal operations at Union Pacific, has made his most recent contributions as longtime Task Force leader of the IANA Operations Committee's Terminal Efficiencies Task Force, and key contributing member of additional committee task forces, recent Chairman of the AAR Intermodal Operations subcommittee, Co-Chairman of the USDOT Intermodal Freight Technology Working Group and longtime railroad representative to the Intermodal Interchange Executive Committee. Prince cited Ben's superior dedication, commitment, attitude and accountability as traits that set him apart as a contributing member of the Association.

A motion by Robert Huffman of Norfolk Southern, seconded by Jim Reo, CCM to adjourn the meeting was unanimously approved and the meeting adjourned at 11:56 a.m.