



An Electronic Newsletter for the Transportation Industry

Volume XVII, Issue 11

Copyright © 2012

December 2012

Brokers, Electronic On-Board Recorders, Port Labor Problems, & Businesses and Workers at Risk.

Brokers. Last month's Rollin' On discussed the impact that the new transportation bill will have on brokers, who have until October 2013 to comply. That portion of the transportation universe will go through big changes. It's a one size fits all: all brokers, from single owners to multi-billion conglomerates, need to have \$75,000 surety bond limits. Of course, many will be unable to comply. Obviously, this change favors the big guys (and gals).

EOBRs. Another change concerns the mandated use of electronic on-board recorders. Paper log books would go the way of the dinosaur.

The next step is for FMCSA to write regulations implementing the law. That has yet to occur. Also, the House of Representatives passed a bill prohibiting the expenditure of any funds to implement this mandate. The Senate has not taken similar action. It would be peculiar to pass a law and then to later say never mind. But Congress is a peculiar place.

It is common knowledge that there is a large amount of, to be polite, fudging on log books. Some drivers have flat out said that they could not make a living if they confined themselves to the hours allowed by regulation.

There were strange alliances behind the passage of this law, including the American Trucking Association and unions. The squeeze will be on the smaller guys and the independents due in part to the cost of compliance, which the ATA and unions will utilize to their

advantage. The playing field is becoming more uneven for the smaller players. See the trend here?



BEST WISHES FOR THE HOLIDAYS AND FOR A HAPPY AND ENJOYABLE NEW YEAR. AND MAY YOUR TRANSPORTATION TRAUMAS BE TRIVIAL.

Port Standstill:

Businesses and employees at risk.

Grain. As has been widely reported, grain shipments out of the local port are in jeopardy, due to the expiration of the contract with the local longshoremen.

It is unfortunate that a select few people can shut down the local economy, thereby jeopardizing the livelihood of thousands of businesses and hard working employees in

Oregon, along the west coast, to the midwest and beyond. Certainly, area businesses and employees would be better off without the ability of the select few to play the strike blackmail card. That 21st century commerce can be shut down just because is beyond the pale. There are many good local people who would greatly appreciate having that work.

Containers. The container world, with a separate contract, is a different problem. As strikes and slowdowns occur, the Port is less competitive.

Portland is already at a distinct disadvantage being upriver. As it is, on a relative basis, the Port's volume (93K TEUs in 2011) is very small. Seattle had 769K, Tacoma 480K, Prince Rupert 140K (which is doubling its capacity) and Vancouver, B.C. 123K but which is expanding to a capacity larger than Seattle and Tacoma combined. Portland hardly registers with its meager volume.

The reality is that the container business, if interrupted, may never return, which would be devastating to countless local businesses. Strikers can relocate to other ports, a luxury most local businesses don't have.

Solution. Local businesses and workers are better off without labor contracts that expose their businesses to harm by the abuse of power by a select few. The contracts should contain human decency provisions with teeth which preclude strikes and thereby save jobs in the real world. One strike and you're out. This isn't baseball. Area businesses and local jobs are at risk. Or just part ways now and live in the real world.

That's it for now. Until next time, keep the cargo rollin'!

The Obligatory Disclaimer

This newsletter is for informational purposes, does not provide legal advice and does not create an attorney-client relationship.

Larry R. Davidson

Attorney at Law

121 S.W. Morrison Street, Suite 1020

Portland, Oregon 97204

503-229-0199 (telephone) · 503-229-0644 (fax)

larry@rollin-on.com www.rollin-on.com

Short Bio

Admitted to the state bars of Oregon, Alaska and Florida. Practicing law for over 30 years and emphasizing transportation law, business law and related litigation.