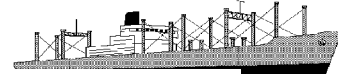




Rollin' On



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Post Holiday Travel Report: Why Bother?

There was speculation last fall that the normal downturn in truck-related shipping activity following the holidays would not occur this year, due to the rail problems and strong economy. Guess what folks: The downturn is here again. The pendulum has swung from a shortage to a surplus of trucks. The unanswered question is how long the downturn will persist. And whether there will be any casualties before it turns around.

Meanwhile, some of the LTL carriers are raising their rates, while the master freight labor agreement is in limbo. With Ron Carey out and Jimmy Hoffa under federal scrutiny, the opportunity is there for other Teamsters to step up to the plate and restore (probably more like initiate) some semblance of credibility. Don't you just feel the vacuum as we all hold our collective breath?

How long will the shippers put up with uncertainty before going to Plan B? You would think that the recent UPS strike would strike a chord, but it is amazing how memories can be good but short. And remember, those disadvantaged UPS pilots still don't have a contract, and they will seek payback from the rank and file for their support if things heat up. It ain't over 'till it's over.

Union Pacific: Why bother (again)?

"I'm from the UP and here to tell you the way it is." This is reminiscent of the line about the government.

The Obligatory Disclaimer

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

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Ever since the STB commenced proceedings concerning UP's operations, we have been hearing the RR claim that the problems aren't that bad, they're getting fixed, things will be ___% of normal by ____, and so on. Meanwhile, the problems persist and shippers are reportedly losing millions of \$\$ a month. The bottom line is that the UP has big problems and the STB probably won't do much about them, other than some saber rattling and paper pushing.

At the same time, the black widow feast of Conrail continues, with CSX and NS drooling over the carcass, the shippers stoking the fire to make sure that it's well done, and the STB presiding over the ceremony.

Phoenix Gold Problems? Some hope so.

The Business Journal reported today that Phoenix Gold International, the spin-off by son Keith Peterson from his father's Tom Peterson's operations, is having financial and management difficulties. Many area businesses got snagged in Tom Peterson's bankruptcy proceedings, due to the timing of the split. These businesses battled it out with the trustee over preference claims (the type where you have to pay the money back if received within 90 days of bankruptcy), while Phoenix Gold did not help out the businesses despite their prior dealings. This is not pay back but for some it will still feel good.

ODOT U-Turn: Is this a one-way or two-way street?

Over the years the trucking industry has tried to get rid of the weight-mile tax, claiming that it is expensive to administer and subject to evasion. ODOT (and its predecessor OPUC) has opposed the elimination of the w/m tax, claiming that it is the most equitable tax and that evasion is not as bad as claimed. Now, according to the Oregon Trucking Association, ODOT wants to mandate the use of transponder technology, stating that it could reduce w/m tax evasion by \$120 million every two years. This is from an agency that says there is no evasion problem. So where does that leave the w/m tax debate?

What Me Worry?

Our recent winter ice/snow storm brought out the chains, studs, and, yes, older vehicles. I have had a 1954 International pickup for over 20 years. Loaded down with concrete blocks, it can move around quite nicely, thank you. The only problem, if it is one, is that the particular shade of oxidized red that it has taken on could use a little spit and polish, if you know what I mean. (A little paint might help too.) Traffic parts like the Red Sea to allow me through; changing lanes is no problem at all. Remember the adage: To take tension out of rush hour or weather-related traffic, just drive a \$20 vehicle.

That's all for now. To shippers, carriers, agents and other third parties, keep the cargo rollin'!!

Short Bio

Admitted to the state bars of Oregon, Alaska, Florida and Massachusetts. Practicing law for over 20 years and emphasizing transportation law, business law and related litigation.