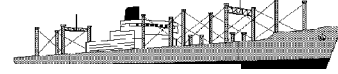




Rollin' On



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OCEAN, MOTOR, RAIL, AIR: Where do we go from here?

It's always interesting to hear what other people, especially those with an agenda, have to say about the goings on in today's world of transportation. This is certainly no less true of those persons involved in the Washington, D.C. scene. With that in mind, I attended the regional NITL meeting at Sea-Tac Airport a few days ago. Once again, Oregon was well represented as several businesses had people in attendance.

Ed Emmet, the league's head hanzo and former ICC commissioner, elaborated on what's happening with the different modes. Although Mr. Emmet had the interests of shippers in mind, he nevertheless presented a portrait of the transportation industry that just about anyone could appreciate.

Ocean. With the Ocean Shipping Reform Act of 1998 taking effect on May 1 of this year, further deregulation is front and center. One of the objectives behind OSRA was to bring the U.S. into sync with the rest of the world. Ironically, other countries or continents, such as Asia, may be reverting to the ways the U.S. has traditionally done business, such as in the area of filed rates. At any rate, NITL sees intermediaries playing a larger role, as shippers can pool their business, with carriers theoretically being grateful for the business. No further ocean reform is on the horizon.

One of NITL's concerns is whether it will be a victim of its own success. To varying degrees, the various modes of transportation have been deregulated. So if you're NITL

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and have no more dragons to slay, what do you do to justify your existence? This is not to say that its battles are over. For example, rail issues still exist, as discussed below. NITL plans to emphasize education more and to remain a voice for shippers.

Rail. There are three bills in the Senate and none in the House. The Rockefeller bill is the shipper friendliest and is believed to be DOA. The McCain bill is rail friendly and is opposed by labor and shippers (remember that Mr. McCain is running for president; I would suspect his bill will get modified, depending on the direction, speed, smell, origin and destination of the wind). The Hutchinson bill is an attempt to compromise the tug-of-war participants.

As we approach the end of the year, we can reflect back on what the century has brought thus far (are you ending the century at the end of 1999 or 2000?). The predominate mode of transportation is unquestionably motor carriage, even though it did not exist before the century arrived. Air transport was also nonexistent. Water and rail are still around and important. What will the picture be at the end of the next 100 years?

Meanwhile, the shippers, who were able to reach a consensus on ocean reform, have had no such luck with rail reform, which railroaders refer to as re-regulation efforts. Shippers respond that rail has never been dereg-

ulated as shippers frequently cannot contact a competing rail carrier.

People will be watching on June 1 to see how the Conrail carve-up goes. If things get gummed up, the rail reformers will yell and scream for changes, and they could find a sympathetic Congress if things get really bad.

Motor. It was interesting to hear a shipper's representative mention that truckers sometimes get bad treatment from shippers and receivers. These truckers suffer through shabby behavior at the docks, such as prolonged waiting. Still, many of those entities are not NITL members, and the prospect of change in behavior is nowhere near. In the meantime, driver shortages continue. And you still hear of some drivers, including owner-operators, being forced to "fudge" on their logbooks to accommodate their dispatchers, shippers, receivers, spouses and recipients of child support payments (as to the latter, you'd almost believe some were NBA players, with a dependent in several cities).

The food fight still continues between the truckers and railroaders. The use of triples will not be broadened. But a policy debate is on the horizon. With increased volume anticipated, does the public want more trucks or bigger trucks on the road? The railroaders will argue that they can absorb more volume, but even assuming that is true and the intermodal folks were willing, the road volume will undoubtedly grow.

Air. To air or not to air. Oh well.

That's all for now. To shippers, carriers, agents and other third parties, 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.

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.