MODULE 6: Transportation Rule and Regulations

WORKSHOP
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Module 6: Learning Outcomes

At the completion of this module students should be:

- Aware of rules and regulation of Rail, Motor Carrier, Air Line, and Ocean Shipping Industry
- Familiar with Shippers and Carriers Duties, HazMat movements, etc.
Sections

Section I: Rules and regulation of Rail, Motor Carrier, Air Line, and Ocean Shipping Industry

Section II: Shippers and Carriers Duties, HazMat movements, etc.

Section III: Evaluate the impact of transportation policy on intermodal operation and economic development

Section IV: Introduction to transportation geography
Transportation Regulation

Transportation Rules & Regulations are for:

- Vehicle operations
- Vehicle dimensions
- Safety of operators
- Safety of general public

Discussion Question: Can you name some transportation rules and regulations and why we have these rules?

Source: http://www.thesafetybible.com/texting-and-driving-a-sure-way-to-have-an-accident/

Creation of Transportation Laws

- Common Law – made by the state and federal courts, e.g., common carrier and its liabilities,
- Statutory Law – enacted by congress, e.g., trade embargos,

Source: http://hamptoncivics.wikispaces.com/Unit+4

http://www.usm.edu/cltt
**Interstate vs. Intrastate Commerce**

- Intrastate commerce is that business that is conducted between business entities that exist within the same state, while interstate commerce is that which is conducted between businesses located in differing states.

Discussion Question: Do you think most of the produce at local farmers markets are intrastate or interstate commerce?

**Common Carrier vs. Contract Carrier**

- A common carrier is legally bound to carry all passengers or freight as long as there is enough space, the fee is paid, and no reasonable grounds to refuse to do so exist. A common carrier that unjustifiably refuses to carry a particular person or cargo may be sued for damages.

- The states regulate common carriers engaged in business within their borders. When interstate or foreign transportation is involved, the federal government, by virtue of the Commerce Clause of the Constitution, regulates the activities of such carriers. A common carrier may establish reasonable regulations for the efficient operation and maintenance of its business.
Common or Statutory law?

Map of States with Statutes Regarding Motorists Passing Bicyclists

- States with 3-feet minimum passing distance
- States with 4-feet minimum passing distance
- States with general "rive distance" passing requirement (‘no’ has a 3-feet minimum)
- States with no specific law for passing a bicyclist

History of Federal Policy and Freight Transportation

- Article One of the Constitution articulates the importance of interstate commerce and allows Congress to regulate these activities.
- In 1808, Secretary of the Treasury Albert Gallatin sent a report to the Senate on potential federal-state-private partnerships to finance canals and roads.
- The federal government operated a land grant system between 1855 and 1871, through which railway companies in the uninhabited West were given millions of acres they could sell or pledge to bondholders.
- In 1941, President Roosevelt appointed the National Interregional Highway Committee, whose recommendation for a “National System of Interstate and Defense Highways”
- The Interstate and Defense Highways Act of 1956, also called the 1956 Federal-Aid Highway Act (Interstate Act), built 41,000 miles of multi-lane, limited access highways.
History of Federal Policy and Freight Transportation Cont’d

• In 1991, Congress passed the Intermodal Surface Transportation Efficiency Act (ISTEA), changing the overall program to allow greater flexibility in project selection and expanding the number of programs.

• Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) in 2005. The $286.4 billion measure contained a host of provisions and earmarks intended to improve and maintain the surface transportation infrastructure in the United States, including the interstate highway system, transit systems around the country, bicycling and pedestrian facilities, and freight rail operations.

• Moving Ahead for Progress in the 21st Century Act (MAP-21) in 2012 does not significantly alter total funding from the previous authorization, but it does include many significant reforms and calls for a national freight policy to be developed.

Initial Regulation

• Railroads provided a needed and valuable service to millions of customers in an unregulated market economy
• Interstate Commerce Commission formed in 1887
  • Regulate railroads
  • Fix price ceilings
  • Prevent them from making a profit that would be deemed excessive
• 1916 was year of peak trackage (254,000 miles)
History of Regulation

1920-1940 – Regulatory formalization, extension to other transportation modes
   Motor Carrier Act (1935)
   Civil Aeronautics Act (1938)
   Civil Aeronautics Board (1940)

1940-1970
   Regulation of water transportation by ICC (1940)
   National Aeronautics & Space Administration (1951)
   Federal Aviation Administration (1958)
   Railroad Revitalization and Regulatory Reform Act of 1976
   AMTRAK
   CONRAIL

History of Deregulation

1970-1980 – prelude to deregulation
   Shift from regulation/control to fostering competition
   Department of Transportation (DOT) 1961
   Airline Deregulation Act 1978

1980-2000 – Deregulation
   Motor Carrier Act 1980
   Staggers (Rail) Act 1980
   Interstate Commerce Commission (ICC) abolished in 1996
   Ocean Shipping & Reform Act 1998
Four Trends of Transportation Policy

1. Deregulation and privatization.

2. A more broad focus of policies, particularly in light of intermodalism and multimodalism.

3. A move towards social and political issues behind transport projects as opposed to technical and engineering issues.

4. Globalization increased interactions at the international level, both for freight and passengers.

Railroads

- Railroad Rates
  - Railroads’ Liability for loss, Damage and Delay – pages 20-21
  - Carmack Amendment – it requires railroads to assume liability for the full value of goods transported, railroads may limit their liability by providing a release rate.

The main purpose of the Carmack Amendment is to relieve shippers of the burden of discovering which carrier, among often numerous carriers, was responsible for damage for goods.
Ocean Shipping

• The Jones Act (1920) requires that all goods transported by water between U.S. ports be carried in U.S.-flag ships, constructed in the United States, owned by U.S. citizens, and crewed by U.S. citizens and U.S. permanent residents.

• Critics note that the legislation results in costs for moving cargo between U.S. ports that are far higher than if such restrictions did not apply. In essence, they argue, the act is protectionism.
  • U.S.-flagged, -built, and -crewed ships cannot compete internationally with vessels built and registered in other nations with crews willing to work for wages that are a fraction of what their U.S. counterparts earn.

Discussion Question: Do you think the Jones Act is a good law or is it outdated?

Ocean Shipping

ISPM 15 requires that all international ocean freight shipments using any species of raw wood packaging must be fumigated or heat treated to kill insects or fungus and stamped with the approved stamp, before international ocean freight is allowed entry or crossing through a participating country.

XX - 000
YY
Motor Carriers

- Current Motor Carrier Regulation –
  - What is a motor carrier?
  - Requirements of motor carrier
- Cargo Insurance –
  - A requirement to operate cargo
  - A minimum of $5,000 per vehicle or $10,000 per incidence

Truck Weight Regulations

Federal regulations limit truck weights to no more than 80,000 pounds (36,287 kg), but many states have passed special provisions allowing exceptions, and more states are considering similar measures.

Source: http://www.moreproductivetrucks.com/heavier_trucks.html
Container Weight Regulations

The rating of a 20' dry cargo container is 24,000 kgs. (52,900 lbs.), and a 40', including the high cube container, is 30,480 kgs. (67,200 lbs.).

A 20' x 8.5' dry cargo container may weigh 1,800 kgs. to 2,400 kgs., a 40' x 8.5' may weigh 2,800 kgs. to 4,000 kgs., and a 40' x 9.5' may weigh 3,900 kgs. to 4,200 kgs.

Payload = Rating - Tare Mass

Maximum cargo volume information is also provided since cargo carried by container tends to "cube out" before it "weights out."

Motor Carriers

- Exemptions from Federal Motor Carrier Regulations:
  - Between Alaska and another state thru Canada
  - Rail/Truck/Water within terminal areas
  - Motor vehicle – school bus, taxi cabs, ...

Discussion Question: Where do you think the TXLC Series Loaded Container Handlers pictured above was made?
Motor Carriers

Motor Carrier Liability for Loss, Damage & Delay: page 85

- Statutory liability – page 85
- Suit filing time limits – min 2 years, page 111
- Concealed loss & damage claims – page 113
- Non-deliveries – page 114
- Litigation issues – page 115
- Arbitration & mediation – page 132

http://www.atlantainjurylawblog.com/truck-wreck-of-the-day/can-you-believe-no-one-was-hurt-in-this.html

Section II:
Shippers and Carriers Duties, HazMat movements, etc.
Shippers’ & Carriers’ Responsibilities

- Shippers’ and carriers’ duties and exposure to lawsuits:
  - page 163
- Shippers’ responsibilities – pages 163 -169
  - Packaging of the goods
  - Duty to accept goods on delivery
  - Liability for injury and death
  - Accurate description of goods
- Carriers’ duties and responsibilities – pages 169 - 176
  - Inspection of goods loaded by shipper
  - Duties in loading and unloading
  - Liabilities or damages for violating Interstate Commerce Act
  - Driver regulations

Federal Motor Carrier Safety Regulations

- General qualifications of drivers –
- Disqualifications of drivers –
- Hours of service of drivers –
  - Maximum driving time
  - Record of duty status
  - Automatic on-board recording devices

CSA 2010 is a point-based Driver Safety- Rating System that tracks the manner in which Driver’s operate Commercial Vehicles.

Enhances visibility to a Driver’s safety record and disqualifies them if they exceed the government-established safety standards for operating a Commercial Vehicle.
Sampling of some of the point values

<table>
<thead>
<tr>
<th>Violation</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Following too close</td>
<td>5</td>
</tr>
<tr>
<td>60/70-hour rule</td>
<td>7</td>
</tr>
<tr>
<td>Failure to include driver signature or certification in duty status records</td>
<td>2</td>
</tr>
<tr>
<td>Failure to list main office address in duty status records</td>
<td>2</td>
</tr>
<tr>
<td>Driver failing to retain previous 7 days' logs</td>
<td>5</td>
</tr>
<tr>
<td>No medical certificate</td>
<td>6</td>
</tr>
<tr>
<td>Inoperative tail lamp</td>
<td>4</td>
</tr>
<tr>
<td>Periodic inspection</td>
<td>4</td>
</tr>
</tbody>
</table>

Electronic-Logging Systems


- By 2014, truck drivers will be required to use electronic log books (e-logs) under a federal mandate by the Federal Motor Carrier Safety Administration (FMSCA).
- Capture hours-of-service (HOS) data, reducing the potential for inaccuracies and risk of violations associated with manual (paper) logs, which negatively impact safety, on-time service, operational efficiencies and CSA scores, among other issues.
- As expected, the transition to e-logs is likely to cause both an operational and cultural shift for drivers, carriers and shippers — after all, paper-based logs have been used in the industry for years.
Electronic Logging Devices

The term ‘electronic logging device’ means an electronic device that … is capable of recording a driver’s hours of service and duty status accurately and automatically

Source: http://www.schneiderjobs.com/company-drivers/equipment-and-technology

HazMat Regulations

- HazMat – materials capable of posing unreasonable risk to health, safety and property according to Secretary of transportation, pages 262 - 266
  - Identification
  - Classification
  - Packaging
  - Leveling
  - Emergency response
  - Training
  - Security requirements
Section III:
Evaluate the impact of transportation policy on intermodal operation and economic development

Driver Shortage

Source: http://www.roadscholar.com/blog/tag/csa-2010/
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Section IV:
Introduction to transportation geography
Questions

What questions do you have about transportation rules, regulations, & their impacts?