

## Privatization (cont. from pg.3)

The top priority of groups like ITR is profit not promoting safety and congestion relief. This means that they would need to jam these roads with as many cars as possible and/or charge as much as possible to drive on them to keep investors happy. In one calculation, listed by The Highwaymen, by Daniel Schulman, ITR stands to make \$11.3 billion on their \$3.85 billion Indiana investment. How this scenario equates into alleviating congestion is yet to be understood.

In Virginia, the Pocahontas Parkway nearly drained the state's reserves to pay for the debt on the highway. Overestimated traffic levels and after effects of 9-11 were blamed for the lack of revenue. Ultimately, the government struck a 99-year lease with the Transurban-DEPFA Bank consortium (an Australian company) who settled all bonds and took over management of the highway. But, why would you take over a project that is not self-supporting? The answer is simple, raise the tolls and increase the traffic. And, that's exactly what is being proposed. The consortium is banking on traffic levels doubling in the next four years - and they're not waiting idly for it to happen. The group is proactively building a connector road to the nearby airport to funnel traffic onto the Parkway and initiating construction of a new linking interchange.

It's quite possible that having someone other than government manage these roads is a good thing i.e., ITR and Transurban. However, the roads belong to the people of the U.S.; their tax dollars have paved the way for the more than 40,000 miles of roads throughout the country. But, who is truly looking out for the public's best interest in these deals? Do we really want desperate politicians making long-term contracts with foreign investors for our nation's infrastructure? With so much to gain personally from these deals, do they themselves make appropriate representatives of the people in these situations? There are quite a few people that think there are ethical reasons to question the motives behind any and all of these deals.

In any case, keep your eyes posted for privatization deals in your state and make sure your voice is heard before these contracts become final.

The information in this newsletter is taken from sources which we believe to be reliable, but is not guaranteed and isn't necessarily a complete statement of all the available data. Conclusions are based solely upon our best judgement and analysis of technical factors and industry information sources.



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AMERICAN HIGHWAY CARRIERS ASSOCIATION

# ROAD TALK

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## FMCSA Proposes Installation Of Electronic On-Board Recorders

As published in the January 18 edition of the Federal Register ([www.fr.cos.com](http://www.fr.cos.com)), the Federal Motor Carrier Safety Administration (FMCSA) is proposing the installation of electronic on-board recorders (EOBRs) in commercial motor vehicles (CMVs) manufactured on or after the date two years following the effective date of a final rule. FMCSA is also encouraging voluntary installation of the EOBRs in all other CMVs.

The actual monitoring of a carrier is based on hours-of-service (HOS) records reviewed during each of two compliance reviews conducted within a 2-year period. If FMCSA determines that a motor carrier has a 10 percent or greater violation rate for any regulation in proposed Appendix C to Part 385 during that period, FMCSA would issue the carrier an EOBR remedial directive. This directive would, under the proposal, mandate motor carriers demonstrating a history of serious noncompliance with the HOS rules to install EOBRs in all of its CMVs and to use the devices for HOS

recordkeeping for a period of 2 years. All violation calculations would be based on, and all proposed remedial directives would apply to motor carriers rather than to individual drivers.

Under its Safety Fitness Rating Methodology (SFRM), the agency assigns points to motor carriers within six distinct analytical categories, or "factors," based on the number of regulatory violations and level of compliance with other criteria, as determined in a compliance review. The ratings for the six factors are then entered into a rating table that establishes the motor carrier's overall safety rating of "satisfactory," "conditional," or "unsatisfactory." Currently, a carrier must maintain either a "satisfactory" or "conditional" safety rating to continue operating in interstate commerce and intrastate operations affecting interstate commerce.

Currently, 49 CFR Part 385 states that the adequacy of safety management controls may be

questioned if their degree of formalization, automation, etc., is found to be substantially below the norm for similar carriers. Violations, accidents or incidents substantially above the norm for similar carriers will be strong evidence that management controls are either inadequate or not functioning properly. Other factors are as follows:

- Frequency and severity of regulatory violations.
- Frequency and severity of driver/vehicle regulatory violations identified in roadside inspections.

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## More Trucks from Mexico May Soon Be Heading Further North into the U.S.

As part of a new program announced February 22 by U.S. Secretary of Transportation Mary E. Peters, truck safety inspectors working for the U.S. Federal Motor Carrier Safety Administration (FMCSA) will soon travel to Mexico to conduct extensive safety audits. Secretary Peters said this step is needed before the U.S. can allow trucks from Mexico to operate beyond the currently existing border commercial zones in bordering states. The move by the FMCSA could mean that Mexican trucking companies would have access to U.S. roads as early as April.

Peters noted U.S. inspection teams will now be able to visit Mexican trucking companies to ensure their trucks and drivers meet the same safety, insurance and licensing requirements that apply to all U.S. truckers. She added the inspectors will evaluate truck maintenance and driver testing for compliance with U.S. requirements.

The inspection teams will check that drivers have valid commercial driver licenses, a current medical certificate, and can comply with U.S. hours-of-service rules. The teams will review driving histories for each driver the company plans to use to operate within the U.S. and verify the company is insured by U.S.-licensed firms. Finally, each inspection team will verify that every U.S.-bound truck has passed a comprehensive safety inspection. Trucks lacking required documentation will be subject to a "hood to tail-lamps" inspection by the teams.

The U.S. trucking industry appears to be staring at a mountain of competition from Mexican drivers who earn 30% - 40% less than U.S. drivers. Additionally, the near \$200 billion imported from Mexico in 2006 makes for a lot of reasons to rethink one's delivery options.

For updated information on this topic, visit [www.fmcsa.dot.gov](http://www.fmcsa.dot.gov).

## AHCA Scholarship Program

Get your application today for AHCA's 2007 Scholarship Award. Children and grandchildren of good-standing AHCA members are eligible to win a \$500 award. Deadline for Entry is May 16.

You can get your application and all the details online at [www.AHCAonline.com](http://www.AHCAonline.com) or by calling AHCA at 877-855-8462.

**Cell Phone Use While Driving Can Be A Major Distraction. Pull Off the Road To Talk.**

## Passports Required For Re-entry By Jan 1, 2008

The Department of Homeland Security's (DHS) Western Hemisphere Travel Initiative (WHTI) requires all citizens of the U.S., Canada, Mexico, and Bermuda to have a passport or other accepted document that establishes the bearer's identity and nationality to enter or re-enter the U.S. from within the Western Hemisphere.

This travel initiative is being implemented in two phases. The first phase will be for air travel followed by land/sea travel.

### Air Travel

As of 1/23/07, citizens of the U.S., Canada, Mexico and Bermuda traveling by air between the U.S. and Canada, Mexico, Central and South America, the Caribbean, and Bermuda are now required to present a valid passport to enter (or re-enter) the U.S.

### Land/Sea Travel

As early as 1/1/08, U.S. citizens traveling between the U.S. and Canada, Mexico, the Caribbean, and Bermuda by land or sea (including ferries), could be required to present a valid U.S. passport or other documents as determined by the DHS in a forthcoming separate rule.

While recent legislative changes permit a later deadline, the Department of State and the DHS are said to be working to meet the January 1, 2008 deadline.

Additional passport information can be found at: [www.travel.state.gov](http://www.travel.state.gov).

### EOBRs

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- Number and frequency of out of service driver/vehicle violations.
- Increase or decrease in similar types of regulatory violations discovered during safety or compliance reviews.
- Frequency of accidents, hazardous materials incidents, accident rate per million miles, preventable accident rate per million miles, and other accident indicators; and whether these accident and incident indicators have improved or deteriorated over time.
- The number and severity of violations of state safety rules, regulations, standards, and orders applicable to commercial motor vehicles and motor carrier safety that are compatible with federal rules, regulations, standards, and orders.

Under the proposed rule, if a motor carrier fails to install and use the EOBRs, it would be prohibited from operating in interstate commerce and intrastate operations affecting interstate commerce. Further, if the motor carrier were a for-hire carrier, it would have its registration revoked.

For access to the docket to read background documents, or to submit/read comments, go to <http://dms.dot.gov>. DOT DMS Docket Number FMCSA-2004-18940. Proposed rulemaking is item No. 357. Public comments will be accepted until April 18, 2007.

**Let your voice be heard!**

## Foreign Investors Leasing U.S. Roads, Good or Bad?

How bad is the government's highway budget management that they would lease the nation's highways to foreign investors for pennies on the dollar? That's right, your roads may soon be controlled by foreign companies looking to make big profits through the privatization of toll roads. Moreover, the U.S. seems very happy to pawn these budget leeches to the highest bidder, it's already happening in Indiana, Chicago, Virginia and Texas. Are these deals in the best interest of the public? And, with so much to gain personally from these deals, do these politicians make for the best representation of the public?

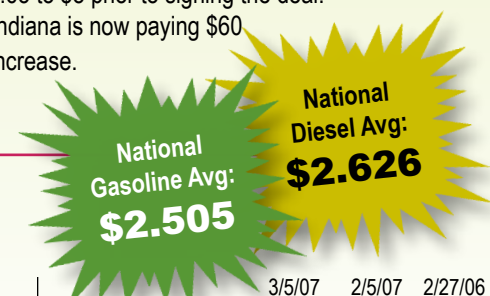
Privatization of toll roads across the world is a very big business. Companies like ITR Concession Co. (ITR), a Spanish construction firm and a group from Australia, make large initial offerings to control/maintain/expand toll roads alleviating the burden on a government's budget. In the case in Indiana, where ITR struck a sweet, 75-year lease for \$3.85 billion, the group negotiated the authority to increase those tolls as it sees fit after 2010, hundreds of millions of dollars in tax breaks and immunity from most local taxes. All this came in spite of a 2-1 public opposition to the deal. The 2010 date is a moot point as the state strategically initiated a price hike from the then current \$4.65 to \$8 prior to signing the deal. However, in a goodwill offering, the state of Indiana is now paying \$60 million to ITR to shelter the public from that increase.

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## FUEL UPDATE

U.S. average retail diesel prices increased 19.1 cents per gallon from a month ago to \$2.626 for the week of March 5. Over the same period, west coast prices rose 7.5 cents per gallon to \$2.795 and California prices rose 7.2 cents per gallon to \$2.897.

U.S. average retail gasoline prices were up 31.4 cents per gallon from a month ago to \$2.505 for the week of March 5. Over the same period, prices for the West Coast were up 28.7 cents per gallon \$2.765 and California prices jumped 36.2 cents per gallon to \$2.897.



	3/5/07	2/5/07	2/27/06
East Coast .....	2.604	2.433	2.571
New England ....	2.693	2.593	2.656
Central Atlantic..	2.668	2.527	2.682
Lower Atlantic ....	2.568	2.378	2.516
Midwest.....	2.606	2.377	2.500
Gulf Coast.....	2.587	2.360	2.499
Rocky Mtns. ....	2.658	2.523	2.545
West Coast .....	2.795	2.720	2.711
California.....	2.897	2.825	2.739

*Prices listed above are diesel averages in dollars per gallon.*

Up-to-date statistics are available from the Department of Energy at: (202) 586-6966 or their website at [www.eia.doe.gov](http://www.eia.doe.gov).

Source: Energy Information Administration - [www.eia.doe.gov](http://www.eia.doe.gov).

## PORT CARGO MOVEMENTS

Have you ever been curious about how international trade works? About the intricate systems that deliver everything from shoes and computers to auto parts and frozen seafood inside cargo shipping containers? The Port of Long Beach has developed a brochure to explain how cargo containers are used to transport goods through the complex global supply chain. The series, Cargo Movement: In Focus, is now available as a special feature on the Port of Long Beach's website, [www.polb.com](http://www.polb.com).