



Meeting Minutes July 18, 2024

FMCSA's Truck Leasing Task Force (TLTF) met virtually on July 18, 2024, via Zoom. Steve Rush, TLTF Chair, called the meeting to order at 10:09 a.m. In accordance with the provisions of Public Law 92-463, the meeting was open to the public.

The following individuals attended the meeting:

TLTF MEMBERS

Steve Rush, Founder, Carbon Express, Inc, Chair
Tamara Brock, Owner, Brock Logistics, LLC
Paul Cullen, Esq., Partner, The Cullen Law Firm PLLC
Jim Jefferson, Owner-Operator Independent Drivers Association (OOIDA)
Joshua Krause, Chief Operating Officer, OTRLeasing LLC
Kaitlyn Long, Chief Economist, International Brotherhood of Teamsters
Lesley Tse, Esq., Attorney, Getman & Sweeney
Steve Viscelli, Ph.D., Professor, University of Pennsylvania

FMCSA AND OTHER GOVERNMENTAL REPRESENTATIVES

Larry Minor, Associate Administrator for Policy, Designated Federal Officer (DFO), FMCSA
Shannon Watson, Senior Advisor and Deputy DFO, FMCSA
Justine Chen, Writer-Editor, FMCSA
Richard Clemente, Transportation Specialist, FMCSA
Travis Ellis, HM/Training Specialist, Missouri DOT
Florence Jett, Director, Virginia DMV
Ryan Kelly, Risk Monitoring Program Manager, Consumer Financial Protection Bureau (CFPB)
Kimberly Lambert, Chief, Strategic Planning and Program Evaluation Division, FMCSA
Wendy Liberante, Director, Office of Policy, Strategic Planning and Regulations, FMCSA
Emma Oppenheim, Senior Fellow, Workers Initiative, CFPB
Jimmy Sanchez, Household Goods Specialist, FMCSA
Julianne Schwarzer, Office of the Secretary, USDOT
Eran Segev, Operations Research Analyst, Volpe Center, USDOT
Rosie Stahl, Management and Program Analyst, FMCSA
Marlon Strain, Transportation Specialist, FMCSA
Heather Walsh, Program Analyst, Volpe Center, USDOT
Angela Weller, Deputy Director, Intrastate Compliance & Operations, Virginia DMV

OTHER ATTENDEES

Lawrence Abee, HCEW Management Services LLC
David Brannan, R.B. Humphreys
Connell Byrd, Mr. Byrd's Trucking LLC
Elizabeth Carson, Sandia National Laboratories
Matthew Clark, No Jingles or Mascots (NJM) Insurance Group
Angela Clark, PAM Transport, Inc.
Robert Esposito, Assured Partners Insurance
Robert Everleigh, Port City Transportation
Cecilia Flores, Global Safety Compliance.com
Ron Griffin, PAM Cartage Carriers
Jay Grimes, Owner-Operator Independent Drivers Association (OOIDA)
Samuel Hall, TCS



Vanessa Harden, W Trucking, Inc.
Jodi Herring, Beagen Trucking LLC
Janelle Jacques, Jacques Trucking Inc.
Edward Kelly, Axiom Products, Inc.
Furqan Khan, Truck Owners and Drivers Association
Andrew King, OOIDA
Anna Lach-Zynwala, Intact Insurance
Kelly Larkin, NJM
Richard Levin, Hurricane Express
Daryl Martin, Peet's Transportation
Matthew Mayfield, AIPSO Insurance
Anthony McAuliffe, Aptive Resources
Ely McNeil, LDJ Logistics
Iana Medvedieva, Total Safety Corp.
Nathan Mehrens, American Trucking Associations
Corey Metelak, Foltz Trucking
Casey Mittag, Foltz Trucking
Jessica Piscia, JP Safety Solutions LLC
Melissa Popp, NJM
Jeffrey Renfroe, Freight Runner Operators
Claudia Rivera, COR Logistics
Jeannine Sargent, 25/8 Logistics
Prasad Sharma, Scopelitis
Jennifer Spencer, Nutra Blend LLC
Charles Sperry, OOIDA
Heather Spring, The Pasha Group
James Stark, Frame Zeller, LLC
Norita Taylor, OOIDA
Masha Tomas, Masha Safety Consulting
Paul Torlina, OOIDA
Shana Vielie, Leavitt
Tom Weakley, OOIDA Foundation
Bryisha Zeigler, Early Byrd Transit

REMARKS AND COMMITTEE ACTION

The Chair gave opening remarks, reminding the committee that its role is to find ways to stop predatory practices in the commercial motor vehicle (CMV) industry. Larry Minor, DFO, welcomed TLTF members and meeting attendees, encouraging their participation. Members approved unanimously the June 13, 2024, meeting minutes.

Presentation: Preliminary Observations based on Submissions to the Truck Leasing Task Force Request for Information

Emma Oppenheim and Ryan Kelly, CFPB

CFPB presented preliminary observations based on submissions to the Truck Leasing Task Force Request for Information (RFI). The presentation identified five differences between light vehicle financing and truck leases that emerged from CFPB's review of responses to the RFI. These differences are as follows:



- Absence of comprehensible financial disclosures;
- Broad default provisions;
- Expansive remedy provisions;
- Use of escrow accounts and personal guarantees; and
- Ease of inducing the driver to relinquish their truck.

The RFI responses suggest there is a feedback cycle among these features of truck leases.

Task 24-4: The opportunity that equitable leasing agreements provide for drivers to start or expand trucking companies.

Members deliberated on Task 24-4, to review the opportunity that equitable leasing agreements provide for drivers to start or expand trucking companies.

Discussion Points:

- Drivers who fail to complete a lease purchase agreement successfully are not always at fault.
- Drivers often enter into multiple lease purchase agreements during their careers as they may believe a lease purchase agreement is their only path to truck ownership.
- Motor carriers often misrepresent lease purchase agreements and benefit from the lack of regulatory oversight.
- Motor carriers who use predatory lease purchase agreements harm drivers, the trucking industry, and the U.S. economy.
- Comparing the lease purchase industry to the traditional auto lending market that operates under consumer lending regulations could be informative.
- Providing drivers with financial education could improve their experience with leases.
- Inclusion of clear disclosures on lease purchase agreements can make them fairer and improve the outcomes for drivers.

PUBLIC COMMENTS

Robert Everleigh, COO of Port City Transportation, noted that his company has had success with drivers being able to complete their lease obligations, particularly with 3- and 4-year leases. Drivers have been able to sell back trucks and purchase new ones with leftover money and sometimes purchase a second truck to become a micro-fleet. Mr. Everleigh asserted that Port City has a high success rate, with 75% of drivers ending up owning the truck. He believes that the bad agreements CFPB has highlighted are not the experience of at least half a dozen leasing companies.

James Stark, Frame Zeller, LLC, noted that carriers are incentivized to skim off of leases, meaning they pay the driver the stated rate but on less than they receive for carrying the freight. Hence, they do not care about the lease rates since they can adjust their own payments downward. This problem hurts the overall market. In addition, lenders use aggressive tactics. Having engaged with well over a thousand drivers, these bad agreements seem to be the norm by far.

ADJOURNMENT



The DFO thanked the members for their contributions. The Chair adjourned the meeting at 3:42 p.m.

Steve Rush, Chair

Larry Minor, DFO