## **Truck Leasing Task Force**

## Minutes Meeting of January 18, 2024

FMCSA's Truck Leasing Task Force (TLTF) met virtually on January 18, 2024, via Zoom. In accordance with the provisions of Public Law 92-463, the meeting was open to the public. Steve Rush, TLTF Chair, called the meeting to order at 10:00 a.m.

The following individuals attended the meeting:

## **TLTF MEMBERS**

Steve Rush, Founder, Carbon Express, Inc, Chair

Tamara Brock, Lewis & Lewis Logistics LLC

Paul Cullen, The Cullen Law Firm PLLC

Jim Jefferson, Owner-Operator Independent Drivers Association (OOIDA)

Joshua Krause, OTRLeasing LLC

Lesley Tse, Of Counsel, Getman, Sweeney & Dunn PLLC

Steve Viscelli, Professor, University of Pennsylvania

## FMCSA AND OTHER GOVERNMENTAL REPRESENTATIVES

Larry Minor, FMCSA, Associate Administrator for Policy, DFO

Shannon Watson, FMCSA, Senior Policy Advisor and Deputy DFO

Ryan Kelly, Consumer Financial Protection Bureau (CFPB), Risk Monitoring Program Manager

Emma Oppenheim, CFPB, Senior Fellow, Workers Initiative

Stephanie Chase, USDOT, Volpe Center

Michael Christopher, FMCSA, Division Administrator, Kansas

Travis Ellis, Training Specialist, MoDOT Motor Carrier Services

Keyanna Frazier, FMCSA, Audit Liaison, Office of Policy

Evangela Hollowell, FMCSA, Equity Program Analyst, Office of Policy

Kimberly Lambert, FMCSA, Chief, Strategic Planning and Program Evaluation Division

Gregory Miller, FMCSA, Ethics Attorney, Office of Chief Counsel

Julianne Schwarzer, USDOT, Office of the Secretary

Eran Segev, USDOT, Volpe Center

Rosie Stahl, FMCSA, Management and Program Analyst, Office of Policy

Ghita Wahdani, FMCSA, Management Analyst, Office of Policy

Heather Walsh, USDOT, Volpe Center

Cicely Waters, FMCSA, Director, Office of Communications

## **OTHER ATTENDEES**

David Brannan, The Evans Network of Companies

Mistee Chance, Gold Runners LLC

Shannon Cohen, Scopelitis, Garvin, Light, Hanson & Feary

Charity Coleman, Changeis

Nicholas Coromelas, Sunbelt Rentals Inc.

Jeffrey Davis, Napa River Insurance Services/Hudson Insurance Group

Todd Dills, Overdrive Magazine

Vontyna Durham, Xcelente Trucking & Logistics LLC

Brooke Elliott, Changis

John Gallagher, FreightWaves

## **Truck Leasing Task Force**

Henry Gonzalez, Argon Truck Services

George Gray, GGRC Inc

Jay Grimes, OOIDA

Steven Groth, Bose, McKinney & Evans LLP

Matthew Haskins, The Evans Network of Companies

Anthony Holman, QFS Transportation

Christopher Howard, P&P Consulting

Ryan Hyer, Texas Based Solutions

Iram Ibrahim, Wheels

Bonnie Johnson, Self

Katrina Jordan, Intact Insurance

Andrew King, OOIDA

Michele Korwin, International Trucking Association

Anna Lach-Zynwala, Intact Insurance

Richard Malchow, J. J. Keller & Associates

Nathan Mehrens, American Trucking Associations

Eric Miller, Transport Topics

Novia Moser, Pearce Renewables

Danielle Nielsen, Wheels

Carlos Palacios, Self Employed Driver

Lewie Pugh, OOIDA

Marc Schmidt, TEL

Mark Schremmer, Land Line Media

Prasad Shawama, Scopelitis, Garvin, Light, Hanson & Feary

Ryan Snyder, Truck Renting and Leasing Association

Tanya Snyder, Politico

James Stark, Frame Zeller LLC

Norita Taylor, OOIDA

Scott Thompson, Land Line Now

Perash Tiwari, NorthPark Place Investments

Rachel Walman, Changeis

Tom Weakley, OOIDA

Robby Wehagen, Truck Renting and Leasing Association

Tomika Willis, TDS Trucking Training & Technology

## REMARKS AND COMMITTEE ACTION

Larry Minor, DFO, welcomed TLTF members with Shannon Watson, Deputy DFO. Committee members introduced themselves and Steve Rush, TLTF Chair, gave opening remarks reminding the committee that its role is to find ways to stop predatory practices in the Commercial Motor Vehicle industry.

Members approved the October 17, 2023, meeting minutes unanimously.

## Truck Leasing Task Force

#### ETHICS TRAINING

Gregory Miller, FMCSA Ethics Attorney, conducted annual ethics training for TLTF members, who serve as Representatives and Special Government Employees under the Federal Advisory Committee Act.

# Introduction of Task 24-1, Inequitable Leasing Agreements and Terms in the Motor Carrier Industry and Whether They Affect the Frequency and Quality of Maintenance Performed on Subjected Vehicles

TLTF deliberated on Task 24-1, asking the committee to examine how equitable truck leasing agreements affect the frequency and quality of maintenance performed on subjected vehicles. The task focuses on vehicle maintenance and repair responsibilities under leasing agreements and terms that adversely impact owner-operators and small trucking companies subject to such agreements.

## **Discussion Points**

- Repair and maintenance costs over time affect the vehicle and livelihood of lease drivers.
- Drivers face various challenges and barriers in obtaining equitable lease agreements. Specifically, carrier-controlled lease agreements can be predatory in nature.
- Current protections from the Truth and Leasing law (49 CFR Part 376) and additional regulations apply to different types of lease or loan agreements.
- Recommended best practices for maintenance.
- Additional requests for information to better understand predatory lease agreements.

#### **PUBLIC COMMENTS**

James Stark, Attorney, Frame Zeller, Chicago, IL, noted that he has seen firsthand on the maintenance side carriers requiring drivers to use the carrier shops for maintenance, which often charge three times the market rate for the same work done somewhere else. There needs to be some reliable metric or standard. Mr. Stark shared that he has seen more than 10,000 drivers experience abusive practices, such as being given a specific rate on interview intake and when costs come in carriers do not adhere to the contracted rates and short pay the drivers. This practice is the standard rather than the exception.

Bonnie Johnson spoke of her brother, an independent owner-operator who was involved in a crash. The crash was not investigated thoroughly and his lease purchase agreement was terminated, costing him a substantial sum. After contacting legal counsel, she was told that in 2017 laws were changed that support carriers and not the truckers.

## **ADJOURNMENT**

Mr. Minor and Ms.	Watson thanked	TLTF for their	contributions	and provided	information for
future meetings.				_	

//Signed//	<u>//Signed//</u>
Steve Rush, Chair	Larry Minor, DFO