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Feds asked to prevent alleged illegal ILWU chassis inspections

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Chassis leasing companies and California truckers are asking federal agencies to act quickly to prevent what they say are illegal chassis inspections by the International Longshore and Warehouse Union at U.S. West Coast ports.

“We’ve definitely seen an uptick in these unnecessary inspections since the contract was ratified last month,” said Alex Cherin, executive director of California Trucking Association’s intermodal conference.

The trucking association has warned the ILWU and Pacific Maritime Association that when longshore mechanics pull over drivers for unwarranted inspections or verifications of ownership, they contribute to congestion at the terminals and this is both time consuming and costly for truckers. The union and the employers understand the impact the mandatory inspection clause is having on truckers, he said. “It’s disappointing. We’re asking both sides to make good on this,” Cherin said

At the national level, the Institute of International Container Lessors, which represents chassis leasing companies, asked the Federal Maritime Commission to “take such actions as are necessary and appropriate to remedy the violations.” Although the IICL letter refers only to the West Coast, chassis jurisdiction is also a major issue for the International Longshoremen’s Association at East Coast ports.

The West Coast waterfront contract that was ratified in late May by the ILWU and the PMA states that ILWU mechanics have the authority to inspect chassis before they are pulled from marine terminals, and to repair any defects before releasing the equipment.

Trucker-owned chassis are exempt from the ILWU inspection requirement, but some longshore mechanics are requiring that the drivers verify trucker ownership before releasing the chassis, Cherin said.

IICL maintains that such actions are illegal under federal law, which states that the intermodal equipment provider, which today is mostly the chassis-leasing companies, must at the time of interchange with the trucker provide a roadworthy chassis and must give the driver an opportunity to perform the required pre-trip inspection for damage, defects or deficiencies.

Under the Federal Motor Carrier Safety Administration regulations “the drivers should make the visual inspection,” before the trucker even brings the chassis to the terminal, the IICL letter stated. Nevertheless, the PMA-ILWU contract states that ILWU labor must in effect re-inspect the chassis and repair any alleged defects at the marine terminal, “the charges for which are passed on to the chassis lessors who own the chassis and who are not parties to the agreement (ILWU coastwide contract).”

Curtis Whalen, executive director of the American Trucking Associations’ intermodal council, said the FMCSA has inspectors at ports and the ATA would like them to immediately respond if truckers believe they are being pulled over for ILWU inspections that should not be taking place.

Additionally, the ILWU contract clause exempting trucker-owned chassis from inspections discriminates against the many truckers that lease chassis under long-term leases, IICL stated.

The letter noted that under the long-term lease between the motor carrier and the chassis leasing company, the trucking company becomes the intermodal equipment provider and is therefore responsible, under federal law, for ensuring roadability and making repairs.

“As a result, there is no logical or reasonable basis upon which to justify mandatory inspection for long-term leased chassis but not require inspections for motor-carrier owned units. The only distinction between the two types of chassis is who owns them,” IICL stated, “This undue and unreasonably discriminatory practice is having a chilling effect on the ability of the leasing companies to lease chassis to motor carriers.”

That charge is borne out anecdotally by a trucking company executive in Southern California that took out a long-term lease for chassis as the rates are much more favorable. The executive ended up returning the chassis to the leasing company and leasing the equipment on the higher daily rate because his drivers were being held up by the ILWU inspections.

The PMA and ILWU suspected that the mandatory inspections would precipitate challenges on the legality of the requirement. The new contract states that the PMA and ILWU would ask the FMC to review the requirement, and if the commission suspects something is illegal, the PMA and ILWU would modify the requirement to remove the illegality. The IICL said the PMA and ILWU have not yet requested that the FMC review the inspection requirement, and a

spokeswoman for the commission said no such review request has crossed her desk. Neither the PMA nor ILWU would comment on the matter.

The IICL is also asking the FMC to look into the legality of the ILWU chassis inspections under the terms of a discussion agreement the commission recently approved that allows West Coast terminal operators to cooperate among themselves in order to improve efficiency.

The Pacific Ports Operational Improvements Agreement includes the Ocean Carrier Equipment Management Agreement and the West Coast Marine Terminal Operators Association. The individual members of both organizations are also members of the PMA and are therefore parties to the ILWU coastwide contract.

In filing for FMC approval of the the Pacific Ports operational agreement, the terminal operators and shipping lines agreed that nothing in the discussion agreement would allow them to impose rates, charges or other fees on non-parties.

The chassis leasing companies are not parties to the PMA-ILWU coastwide contract, yet the contract authorizes the ILWU to perform repairs to their allegedly defective chassis “without the prior knowledge, consent or supervision of the chassis owner lessors.”

As a practical matter, the chassis lessors “have no ability to determine that the repair was necessary or that the work was in fact performed,” the IICL stated. The cost of the parts, repairs and ILWU labor “are charged to the chassis lessors who own the chassis and who are not party to the agreement,” IICL stated.

Even though trucker-owned chassis are exempt from the inspection requirement, ILWU mechanics require that some drivers verify proof of motor carrier ownership. “That is, in and of itself, a significant burden on the motor carrier. The proof of ownership is not required by law and it results in significant delays to the motor carriers and the drivers. In addition, every chassis has a small box affixed that contains the chassis registration card,” the IICL stated.

Whalen of ATA said the ILWU inspections and requests for verification of tucker-owned chassis will continue to cause delays and impose extra costs on motor carriers and drivers until the appropriate federal agencies take a stand. “There are a lot of frustrated drivers out there being harangued for heaven knows how long,” he said.

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