BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of Bridge :
Terminal Transport, Inc. :

Notice of Apparent : Case No. 13-1825-TR-CVF

Violation and Intent to : Assess Forfeiture. :

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PROCEEDINGS

before Mr. Kerry K. Sheets, Hearing Examiner, at the Public Utilities Commission of Ohio, 180 East Broad Street, Room 11-C, Columbus, Ohio, called at 10:00 a.m. on Wednesday, November 13, 2013.

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                  On behalf of Bridge Terminal Transport,
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                  Inc.
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			3
1	INDEX		
2			
3	WITNESSES	PAGE	
4 5	Inspector Thomas L. Michael Direct examination by Mr. Beeler Cross-examination by Mr. Turpening	5 13	
6 7	Joseph Turek Direct examination by Mr. Beeler Cross-examination by Mr. Turpening	15 21	
8			
9	STAFF EXHIBITS	ID'D	REC'D
10	· · · · · · · · · · · · · · · · · · ·	6	26
11	Report	1.0	0.6
12	2 - 8/9/13 Notice of Preliminary Determination	16	26
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			

Wednesday Morning Session,
November 13, 2013.

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EXAMINER SHEETS: The Public Utilities

Commission of Ohio has set for hearing at this time

and place case No. 13-1825-TR-CVF, In the Matter of

Bridge Terminal Transport. My name is Kerry Sheets,

I'm an attorney examiner for the Commission, I've

been assigned to hear this case.

May I now have the appearances of the parties, please, starting with staff.

MR. BEELER: Thank you, your Honor. On behalf of the staff of the Public Utilities

Commission of Ohio, Ohio Attorney General Michael

DeWine, Steven Beeler, Assistant Attorney General,

180 East Broad Street, Columbus, Ohio, 43215.

EXAMINER SHEETS: Thank you.

Now for the respondent, Bridge Terminal Transport, your name and address.

MR. TURPENING: Bridge Terminal
Transport, it's 707 Hart Road, Columbus, Ohio. I'm
Doug Turpening.

EXAMINER SHEETS: Okay.

MR. BEELER: Thank you, your Honor. At this time the staff would call Inspector Thomas

5 Michael. 1 2 EXAMINER SHEETS: Raise your right hand. 3 (Witness sworn.) 4 EXAMINER SHEETS: Be seated. 5 INSPECTOR THOMAS L. MICHAEL 6 7 being first duly sworn, as prescribed by law, was 8 examined and testified as follows: 9 DIRECT EXAMINATION 10 By Mr. Beeler: Good morning, Mr. Michael. 11 Ο. 12 Α. Good morning. Could you please state your full name for 13 Q. 14 the record? Α. Thomas L. Michael. 15 16 Where are you employed? Q. 17 Α. I'm employed with the State Highway Patrol. I am assigned out of the Canton office. 18 Okay. What is your specific position? 19 Q. 20 MCEI, which is Motor Carrier Enforcement Α. 2.1 Inspector. 22 Q. How long have you been with the Patrol? I've been with the Patrol nine years and 23 24 six months. Q. What are your duties for the Patrol? 25

- A. My duties are to go out and enforce commercial motor vehicles to make sure they're safe to travel the roads.
 - Q. And what sort of training do you have?
- A. I went through the basics back when I first was assigned or got this position, passed all the federal tests, and we have additional training on a yearly basis that we go through.
 - Q. So you do have continuing education?
 - A. Yes, sir.

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- Q. Approximately how many motor carrier inspections do you complete in a year?
 - A. Thirteen hundred and above.
- Q. Okay. And would you say a chief reason of your safety inspection is to protect the traveling public?
 - A. Absolutely.

MR. BEELER: May I approach, your Honor?

EXAMINER SHEETS: Yes.

MR. BEELER: I'd like to have marked as Staff Exhibit 1 a driver/vehicle examination report for the inspection date of April 4th, 2013.

(EXHIBIT MARKED FOR IDENTIFICATION.)

- Q. Do you recognize this document?
- A. Yes.

7 Is this document a Patrol record? 1 Q. 2 Α. Yes. 3 Is it kept in the ordinary course of Q. 4 business? 5 Α. Yes. Is it the practice of the Patrol to make 6 Ο. 7 this report? 8 Α. Yes. 9 Do you report on matters observed 10 pursuant to a duty imposed by law which is there is a duty to report? 11 12 Α. Yes. 13 Q. Is this document substantially in the same condition as when you prepared it? 14 Α. Yes. The header's a little bit 15 16 different, but the information contained is the same. 17 Q. Was the reason for you producing this 18 report an inspection of a motor vehicle owned by Bridge Terminal Transport, Inc.? 19 2.0 It was marked on the carrier as the Α. 2.1 carrier being Bridge Transport, that's correct. Do you remember the inspection? 22 Q. Yes, I do. 23 Α.

scene; is that correct?

And you prepared this report at the

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A. Yes.

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- Q. Just briefly describe how you do that, how you prepare these reports.
- A. Well, this was a full Level 1 inspection which means every component including the driver, cargo, and equipment are thoroughly inspected according to FMCSA guidelines, so this was done, a full Level 1. I believe this one was done at the rest area.
- Q. Okay. Do drivers get a copy of the report at the scene?
 - A. Yes.
- Q. Who from Bridge Terminal Transport was present at the inspection?
 - A. The driver.
- Q. Okay. Could you just briefly describe some of the information on the report before the Violations section, just some of the information at the top of the report.
- A. It gives the area, the location of course, Summit County, the county, milepost, where he was going, the type of cargo, in this case it was intermodal.
- Q. Okay. Are there violations listed on this report?

A. Yes, sir, there is.

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- Q. Briefly just go through the violations and which violation is at issue in this proceeding.
- A. The violations that are listed are the brakes out of service, and this was on the chassis only, that's what the first violation noted on the inspection report says. Twenty percent of the brakes on the chassis were out of the adjustment range, hence that vehicle was placed out of service until the brakes were repaired or adjusted.
- Q. And the remaining violations, just briefly go through those. I understand that the violation for the brakes out of service is at issue here, but just briefly explain the other violations.
- A. The second violation shows which type of brake and what the brake stroke was at inspection site. It was a type 30 regular slot, two -- measured at two-and-a-half inches. The brake opposite that particular brake, 4 right type 30 clamp, was allowed a two inch stroke travel, it was measured at two and three-eights. Plate lamp was inoperative on the chassis. And the last violation was for the truck, the right side fastener, fifth wheel to frame, the head bolt was broken off. And that is the extent of the violations noted.

Q. Now, going back to the violation that's at issue here today, and that is Section 396.3(a)(1), brakes out of service, have you inspected that type of violation before?

A. Yes.

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- Q. And just please describe that violation on the day that you did the inspection as you remember it.
 - A. I'm not sure, to describe it how, sir?
- Q. Just explain, could you explain the process of how you discovered the violation.
- A. Okay. All the brakes are checked. First I have to determine what type of brake chamber it is, they're either marked on the clamp end or they'll have a tag distinguishing what type of brake they are and what the stroke is.

Once I determine that, I'll make a fixed-point mark on the pushrod, I'll have -- these are done when the brakes are released, in other words, air is into the system. The parking brakes are released. At that point I'll have the driver step on the brake and I'll go underneath with a tape measure and measure the rod stroke on the pushrod.

Q. Okay. What is your understanding of how Section 396.3(a)(1) works?

- A. Twenty percent of the brakes on the equipment, once they are out of adjustment or inoperative, at that point the vehicle and/or combination will be put out of service until the brakes are repaired.
- Q. Did the driver or carrier dispute this violation at the scene?
 - A. No.

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- Q. What sort of safety risk does this violation create for Ohio drivers?
- A. Very much so, it's how the vehicle stops.

 This is a serious violation as far as stopping capacity of the vehicle.
- Q. Okay. So is your testimony according to your report that the brakes were in violation of 396.3(a)(1)?
 - A. Yes.
- Q. In your experience with intermodal cargo are brake violations normally the responsibility of the carrier?
 - A. Yes.
- Q. In your experience is it possible for a carrier to inspect brakes before the trip?
 - A. Yes.
 - Q. How would that be done?

A. Well, there's several ways you can do it. There's certain devices that they do sell to actually install on the pushrods to check stroke travel prior to leaving the yard and/or point of origin on the brakes.

In addition to -- you can actually, if
the driver does a proper pretrip, you can look
underneath and see the distance between the drums and
the brake linings, and if they're apart
substantially, a quarter inch or more, you can
usually ascertain that the brakes are out of
adjustment. But they do sell certain devices to put
on the pushrods to check stroke travel.

- Q. Are those devices, are they expensive or inexpensive?
- A. Some are. They sell different types, of course, and some of the cheaper ones that we were actually giving away a few years ago, they sell them at the truck stops, I believe they're six bucks for a set of four.
 - Q. Okay.

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- MR. BEELER: One second, your Honor.
- Q. Is there anything else that you would find important to note for the Commission that we haven't talked about?

A. No.

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MR. BEELER: Your Honor, at this point I would reserve Mr. Michael for any rebuttal testimony, but I have no further questions at this point.

EXAMINER SHEETS: Okay. Do you have any questions for this witness?

MR. TURPENING: Yes.

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CROSS-EXAMINATION

By Mr. Turpening:

- Q. Inspector, did you assign those violations to unit 2?
 - A. Yes.
- Q. Okay. Is the IEP, or the intermodal equipment provider, do they get a copy of that inspection to show that there's defects with their equipment?
 - A. Yes.
 - Q. Thank you.

And these were assigned to the intermodal equipment provider in this case?

A. When we enter the information into the ASPEN program, it automatically distinguishes between the violations on who they're attributed to. The report that I generated for the driver and the

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company, which are the same one, shows the differences on the ASPEN report.
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- Q. Right. And in this particular case it showed that it was the intermodal equipment provider's responsibility or it was their defects.
 - A. Yes.
 - Q. Okay.
- A. And I can't control one way or the other which -- I cannot assign them, it does it automatically.
 - Q. Exactly.
 - A. Yes.
- Q. Because it stipulates in section 390.42 as to which ones are assigned to the driver, the motor carrier, or the IEP in this case. All right.

MR. TURPENING: That's the only questions

I have.

18 EXAMINER SHEETS: Any redirect?

MR. BEELER: Could I have a moment, your

20 Honor? Could I have a brief moment?

21 EXAMINER SHEETS: Sure.

MR. BEELER: No further questions, your

23 Honor.

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EXAMINER SHEETS: You're excused.

25 (Witness excused.)

15 MR. BEELER: Again, I would reserve 1 2 Mr. Michael for rebuttal if necessary. EXAMINER SHEETS: Do you have any further 3 4 witnesses? 5 MR. BEELER: I do, your Honor. Staff would call Mr. Joseph Turek. 6 7 8 JOSEPH TUREK being first duly sworn, as prescribed by law, was 9 examined and testified as follows: 10 11 DIRECT EXAMINATION 12 By Mr. Beeler: 13 Ο. Good morning, Mr. Turek. Please state your full name for the record. 14 Joseph Turek. 15 Α. 16 Where are you employed? Q. 17 Α. Public Utilities Commission. 18 Q. What is your position at the Commission? I am the staff attorney for the 19 Α. 2.0 Transportation Department of the Public Utilities 2.1 Commission and also a supervisor within the 22 compliance division of the Transportation Department. How long have you been in that supervisor 23 Q. 24 position? 25 Α. Approximately seven months. I have been

a staff attorney for a little over, about three years now.

- Q. Okay. What are your duties in your position?
- A. Obviously, as an attorney, I advise the staff as to legal issues and assist the attorney general, as I am today, here with matters that go to hearing. In my supervisory role I resolve day-to-day civil forfeiture matters within the department.
- Q. Just explain generally how your staff determines the amount of forfeitures in these cases.
- A. There's a fine schedule that we have and all the violations are on that and they're just assessed per that fine schedule.
- Q. Does the Commission apply that process uniformly to all drivers, carriers, and shippers?
 - A. Yes.

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MR. BEELER: May I approach the witness, your Honor?

EXAMINER SHEETS: You may.

MR. BEELER: I would like to have marked as Staff Exhibit 2 a notice of preliminary determination dated August 9th, 2013.

(EXHIBIT MARKED FOR IDENTIFICATION.)

Q. Do you recognize this document?

A. Yes.

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- Q. What is it?
- A. It's the notice of preliminary determination that was issued in this case.
- Q. Was it prepared by you or under your direction?
- A. It was prepared by our staff in the furtherance of their duties. I have reviewed it for purposes of this case.
 - Q. Is this document a Commission record?
 - A. It is.
- Q. Is it kept in the ordinary course of business?
 - A. Yes.
- Q. Is it the practice of the Commission to make this report and send it to respondents?
 - A. Yes.
 - Q. Is this document -- scratch that.

 What does that document say?
- A. This was the document that was issued to the respondent after they had a staff conference, it basically notifies the respondent that we are assessing a \$100 civil forfeiture for the violation in this matter.
 - Q. So the hundred dollar forfeiture in this

case, is that consistent with the recommended fine or penalty schedule and recommended civil penalty procedure adopted by the Commercial Motor Vehicle Safety Alliance?

A. Yes.

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- Q. And that forfeiture amount is a hundred dollars, correct?
 - A. That is correct.
- Q. Is that a correct forfeiture amount in this case?
- A. Yes. I've reviewed this, it was calculated correctly and in accordance with the fine schedule.
- Q. Okay. Would you recommend this amount to the Commission?
 - A. Yes.
- Q. Okay. Turning to just some more general questions about this type of violation, why has staff historically considered brake violations carrier violations and not intermodal equipment provider violations?
- A. It has been staff's long-standing practice to assess these kinds of violations to carriers regardless if the chassis is an intermodal or if it's a trailer. We see no difference between a

regular trailer and an intermodal chassis; the carrier is the one who has put it on the road.

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There is just simply no difference between these sorts of trailers that a regular trailer should be assessed to the carrier and the other -- I'm sorry, the intermodal chassis should be assessed to the intermodal equipment provider. To us there's no difference. The carrier is responsible for the piece of equipment that it is putting on the road.

- Q. Is the chassis different than any other equipment on the truck?
 - A. No. I mean, it's a trailer.
- Q. Okay. Is this a situation where the carrier could have included some sort of protection in its agreements with the IEP provider?
- A. I don't see why not. Oftentimes we see, especially with owner-operator -- owner-operator contracts whereby the carrier, I'm sorry, whereby it no longer leases on to the carrier and, basically, these agreements always say that if an owner-operator gets fined or penalized for a defect on their equipment, the carrier is going to pass any fine on to that owner-operator.

So it's the same situation we have here.

You're basically leasing a piece of equipment that you don't own and you are going to be held responsible for any violations that are found on that equipment whether or not you own it or you're leasing it. And, again, the intermodal -- leasing this piece of intermodal equipment is no different than leasing a trailer. Even leasing a, you know, a tractor from an owner-operator, what have you, no difference.

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- Q. So that's a good business practice you've seen in your experience in the --
- A. That is what I have seen in my experience in these kinds of agreements. I can't specifically say for intermodal, but I have seen them for owner-operator agreements certainly.
- Q. Do the Federal Motor Carrier regulations specify who should be fined for this type of brake violation?
- A. It does not. The regulations do not state which entity a state agency can fine for violations found on intermodal equipment.
- Q. So nothing in the regulations that you're aware of prevents the Ohio Commission from fining the carrier in this case?
- A. No. And, if I may add, I think as a matter of policy the carrier should be held

responsible, otherwise, what is the incentive for the carrier to do business with IEPs that provide well-maintained equipment, you know, should a carrier be let off the hook, essentially, and not have to, you know, have any responsibility for the equipment it puts on the road and the people -- and the companies they do business with.

- Q. Is there anything else important that you would note for the Commission that we haven't talked about here?
 - A. No.

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MR. BEELER: No further questions at this point, your Honor.

EXAMINER SHEETS: Do you have any questions?

MR. TURPENING: Yes.

CROSS-EXAMINATION

By Mr. Turpening:

- Q. To use your term "let off the hook," so it's the PUCO's position to let the IEP off the hook then?
- A. There is -- traditionally, we have not assessed violations against IEPs. I believe that the -- it is a gray area and I'm not sure that, I am

- not sure that we have statutory jurisdiction over IEPs. I think it's a gray area that has not been addressed.
- Q. And I think that is the issue is that you have not adopted what the federal regulations have put into effect in the past five years where -- holding the IEPs responsible. And the PUCO has not moved forward and adopted those positions. And it's still -- the feds don't regulate who fines anybody anyways, it's up to the PUCO. So the feds have no control over that anyways.
- A. I agree, the feds do not state whose state agency can fine.
 - Q. Okay.

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- A. If I just may -- if I just may respond to one other point you made.
 - O. Sure.
- A. We have adopted the federal regulations up through March of 2011 or so. Even through adoption, though, we would still need statutory jurisdiction to enforce anything against IEPs. You know, the statute talks about motor carriers and drivers, things like that. Whether we can regulate IEPs is a gray area. It's not been decided. It's up in the air.

Q. Okay. The federal regs have spelled it out, though, for you that the IEP is responsible and they have it out there which items are responsible.

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- A. I agree that the federal regulations do talk about that in terms of safety ratings. It has nothing to do with who's getting fined for the violations found.
 - Q. Right, the feds don't control the fines.
 - A. The feds do not control the fines.
- Q. Who is responsible for the equipment is who they've spelled out. And they even designate specific violations, which ones are assigned to the driver, which ones are assigned to the carrier, which ones are assigned to the IEP in this case.
 - A. For purposes of --
 - Q. But the PUCO has not adopted that.
- A. For purposes of safety ratings, that is what the FMCSA does.
- Q. No, it's not a safety rating. That's under the COMPASS program. That's the SAFER program you're talking about. We're talking about the federal regulations that they have in place.
- A. Yes. Yes, there are some violations they did attribute to the IEP, some violations they attribute to the motor carrier.

Q. So it is the PUCO's position, then, to basically let the IEPs off the hook, then, by letting them put equipment out there that is not -- it's not discoverable by a driver doing a pretrip inspection, which they do. If they can't find it on a pretrip inspection, they're not held accountable for it on a roadside inspection, and that's why it's assigned on there. That's why the inspector's program automatically populates it to the IEP, because they know it's not discernible on a pretrip inspection, so it goes to the IEP.

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So you choose not to follow through with that course?

MR. BEELER: Your Honor, I'm just going to object that Mr. Turek wouldn't have the knowledge of how the preinspection works and, also, it was just a -- I'll just leave the objection at that. He wouldn't have the knowledge to answer that question.

EXAMINER SHEETS: Go ahead. If you can answer the question, go ahead. If you can't, then say so.

A. Again, I'll just reiterate, there are some violations that do get attributed to the IEP through the ASPEN program. There are some attributed to the motor carrier. Again, it has nothing to do

with who can be fined and who the state should fine or can be fined for the violations. Again, this has been a long-standing practice of the Commission to fine carriers for violations found on intermodal equipment.

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Q. It has been long-standing because this is a new change.

MR. TURPENING: The IEPs, for the court's information, the ship liners own the chassis, which is -- in this case the trailers are chassis that carries the box. They, traditionally, are just not charged for those. That is part of the agreement that they have with the ocean carriers.

Five years ago the federal regulations have adopted that and found that, okay, now they're holding them responsible for their equipment that they're putting out on the highway.

EXAMINER SHEETS: You have to ask questions.

MR. TURPENING: I'm sorry. I was putting -- all right.

Q. So, anyways, so the PUCO has not adopted those changes, why? Because it's been, what, long-standing you said. So you've never done it before, that's why you're not doing it now?

- A. I'm not sure what you mean by --
- Q. Well, let me rephrase it, then. So you don't hold the IEPs responsible now because you never have before; is that pretty much the premise?
- A. I don't know if I can answer it that way. Again, we have not held IEPs responsible, there may be some questions about statutory jurisdiction over IEPs.
- 9 MR. TURPENING: Okay. Thank you. That's 10 all I have.
- 11 EXAMINER SHEETS: Any on redirect?
- MR. BEELER: No, I don't think I need any redirect.
- 14 EXAMINER SHEETS: You're excused.
- 15 (Witness excused.)

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- MR. BEELER: At this point, your Honor,
 staff would move for the admission of Staff Exhibit 1
 and Staff Exhibit 2 into the record.
- EXAMINER SHEETS: I will admit those exhibits into evidence at this time.
- 21 (EXHIBITS ADMITTED INTO EVIDENCE.)
- MR. BEELER: And also, again, I would
 just renew that I reserve Mr. Turek and Mr. Michael
 for rebuttal if necessary.
- 25 EXAMINER SHEETS: Okay. Now let's go off

the record.

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(Discussion off the record.)

EXAMINER SHEETS: Let's go back on the record.

MR. BEELER: Thank you, your Honor.

Mr. Turpening and myself, attorney with the staff,
just discussed basically kind of the scope of the
hearing before and we would like to stipulate that
there's no disagreement over whether this was a
proper inspection. So the inspection and the fine
are correct in this case, so there's no dispute over
facts.

The only remaining issue is more of a legal nature and that is who should be responsible for the fine in the case, and that's either the motor carrier or the IEP provider. So we can stipulate there's no dispute to the facts and we would just ask that the legal issue be briefed and presented to the Commission.

EXAMINER SHEETS: Do you agree with that?

MR. TURPENING: Yes.

EXAMINER SHEETS: All right. Let's go off the record here briefly and we'll discuss a briefing schedule.

(Discussion off the record.)

EXAMINER SHEETS: Go back on the record. The parties have agreed to file briefs, simultaneous briefs, on January 10th. Is there any more to add? MR. TURPENING: No. MR. BEELER: No, your Honor. EXAMINER SHEETS: I'll consider this matter concluded and submitted on the record, and I thank you all for coming. (The hearing concluded at 10:33 a.m.)

CERTIFICATE

I do hereby certify that the foregoing is a true and correct transcript of the proceedings taken by me in this matter on Wednesday, November 13, 2013, and carefully compared with my original stenographic notes.

Maria DiPaolo Jones, Registered Diplomate Reporter and CRR and Notary Public in and for the State of Ohio.

My commission expires June 19, 2016.

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Armstrong & Okey, Inc., Columbus, Ohio (614) 224-9481

This foregoing document was electronically filed with the Public Utilities

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in

Case No(s). 13-1825-TR-CVF

Summary: Transcript in the matter of Bridge Terminal Transport, Inc. hearing held on 11/13/13 electronically filed by Mrs. Jennifer Duffer on behalf of Armstrong & Okey, Inc. and Jones, Maria DiPaolo Mrs.