



**House
Legislative
Analysis
Section**

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TRUCK SAFETY PACKAGE

House Bill 5676 as passed by the House

Sponsor: Rep. James Docherty
Second Analysis (8-11-88)
Committee: Transportation

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THE APPARENT PROBLEM:

Trucking accidents have increased tremendously within the past decade. Ambiguous inspection requirements have been cited as possible contributing factors to the accident problem. Currently, it is not clear if all motor vehicles put into service by a motor carrier have to be inspected, or only those subject to registration by the Public Service Commission (generally, this includes trucks operating intrastate in Michigan, and excludes interstate trucks, private fleets, and others). As part of a comprehensive package of truck safety legislation, it has been suggested that inspection requirements be clarified.

Further, before the passage of Public Act 399 in 1982, it was not uncommon for carriers to contract or arrange for owner/operators to help them transport their goods during seasonal increases in business. During those busy periods it was not uncommon for owner/operators to use a motor carrier's permit to operate even though the permit was owned by the carrier. The Public Service Commission (PSC), the commission that regulates motor carriers, reportedly frowned upon this practice because of safety concerns about drivers and vehicles. Public Act 399 amended the law to require a motor carrier's contract or arrangement that expanded its equipment to specify that the carrier use only its employees to operate the motor carrier's newly added vehicles. The amendment effectively restricted owner/operators from contracting with motor carriers for the transport of goods. It has been suggested that in some cases motor carriers should be allowed to contract with owner/operators for the transportation of goods.

THE CONTENT OF THE BILL:

The bill would amend the Motor Carrier Act to require a motor carrier to have each licensed motor vehicle that it proposed to put into service inspected by the Department of State Police or a truck mechanic who was certified by the Department of State, beginning January 1, 1989. A copy of the inspection report would be placed in a vehicle maintenance file.

Under the act, motor carriers are required to apply to the Public Service Commission for certificates and permits to operate, and motor carriers that hold certificates or permits to operate may expand their equipment. The act requires a lease, contract, or arrangement for expansion to provide that a vehicle, while being operated under the lease, be operated only by persons who are employees of the holder who stand in relation to the holder as employee to employer. The bill would amend the act to provide an exemption from that provision for persons who owned or operated their own vehicle and who contracted with the holder for the transportation of goods so long as the vehicle met the inspection requirements of the bill.

MCL 478.2

FISCAL IMPLICATIONS:

According to the Department of State Police, the bill's fiscal implications to the state cannot be determined at this time. (8-19-88)

ARGUMENTS:

For:

The bill is part of a comprehensive truck safety package formulated to address truck safety issues and contributing factors to truck accidents. Because of the ambiguous truck inspection requirements, it has been suggested that some trucks that should be inspected are not being inspected. Trucks that are not inspected and not properly maintained can be hazardous to the motoring public. The bill will require motor carriers who propose to put a motor vehicle into service to have the vehicle inspected by the Department of State Police or a truck mechanic certified by the Department of State.

Against:

According to testimony by the Department of State Police and the Motor Carrier Division of the department, the department does not have the personnel or financial capability to perform all of the inspections which are currently required. It would be ridiculous to require the department to perform more inspections given the current situation.

Response: The bill will allow the department or a certified truck mechanic to perform the inspections. Thus, even if the department could not perform an inspection, the truck could still be inspected by a comparable inspector.

For:

Before the Public Act 399 was enacted, the Motor Carrier Act restricted carriers that were expanding their equipment from leasing vehicles from owner/operators. However, the amendment did not address contracts or arrangements. One of the reasons cited for omission of contracts and arrangements from this restriction was that contracts and arrangements between carriers and owner/operators were desirous during seasonal increases of business. Motor carriers were able to hire extra help during busy periods, and owner/operators were able to make extra money by transporting loads for the carriers. The bill will allow the system to accommodate owner/operators once again.

Against:

The Motor Carrier Act should not be changed to allow owner/operators to transport goods. When owner/operators were allowed to contract to transport goods with a motor carrier, several problems allegedly occurred. By some accounts, there were cases in which drivers that had not passed their physicals contracted with carriers to transport goods. It has also been suggested that there were instances in which motor carriers did not pay drivers in full for loads that were transported. Although the bill does require owner/operators to meet inspection requirements, it is still possible for problems such as the ones mentioned above to develop.

POSITIONS:

The Michigan Teamsters Union opposes the bill. (8-19-88)

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