

Memorandum

To: Members

From: Public Policy Team

Re: Talking Points regarding PUCO Rule Change Affecting 10k-26k lb. vehicles

The Public Utilities Commission of Ohio (PUCO) will be holding five listening sessions around the state to take testimony and hear comments regarding recent rule changes which place heavy regulatory burdens upon vehicles of 10,000 to 26,000 lbs GVWR/GCWR which travel intrastate. Previously, such regulation only applied to these vehicles if they traveled in interstate commerce. These new regulations, including the medical card and physical qualifications of drivers, logbook, and hour of service requirements, will apply to farmers whenever they haul items that are not within the narrow definition of a farm product or supply. In addition, it will place many new requirements upon small businesses throughout the state who haul their products to distribution points and consumers.

Talking Points:

Increased Regulatory Burdens on Small Businesses

Due to recent economic downturn, small businesses have struggled to survive. Many of those who will be new to these regulations are small businesses which engage only in transportation of their own products or services to distribution points or direct to consumers. These regulations will substantially increase costs for small business as they attempt to figure out which regulations they must comply with by the end of the year. In addition, small business owners will now be forced to spend substantial time away from running their business to compile driver qualification files, ensure drivers have proper medical identification, and conduct background checks upon those drivers with this and other states. In these listening sessions, the Commission is especially interested in the costs of compliance. If available, members are encouraged to provide information regarding the costs they will incur to comply with these new rules in order to clearly demonstrate the potential financial burden.

Drivers of these newly regulated vehicles are not under the same safety risks as interstate carriers

Although safety is always of utmost concern, those who drive these lighter weight vehicles tend to present a smaller risk than the interstate carriers which they will be lumped with by these regulations. These smaller carriers operate within a definite geographic boundary and often within a short distance from their work location. Additionally, these trucks travel the same routes often and are not subjected to the confusion which can arise when traveling new and unfamiliar routes. The risks of driver fatigue are also not as prevalent, as these drivers are typically not driving for long extended periods of time due

to the nature of their work and the geographic boundary of state lines. In turn, vehicles have more chance to be inspected and properly maintained by qualified staff because more time is spent at the work location than on the road.

Sufficient evidence and assistance has not been put forth to support these new regulations

Data evidencing the necessity of such regulation for these lighter weight vehicles has not been presented to the public. Although this may alleviate some safety concerns, it could also increase safety concerns by shifting private carriage of goods and services to larger, interstate transportation companies and unnecessarily increasing their presence on roadways. In addition to the lack of evidence, sufficient notification and guidance has not been provided on the whole to those affected by these new regulations. Nearly every industry, whether service or manufacturing, can be substantially affected by these regulations. There are not sufficient educational activities or compliance assistance being provided to help these businesses understand their new regulatory obligations. Due to the incorporated nature of the rules, these intrastate carriers have confusion over which regulations apply, what the federal regulations mean applied to their business, and the application to self-employed businessman who also transport their goods or services without employed drivers. Should the rules go forward with a compliance date of January 1, 2012, substantial work must be done by PUCO to provide quality assistance to these newly regulated parties and prevent unfair enforcement.