



## **Transportation Intermediaries Association**

**The voice of the Third Party Logistics industry**

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### **The Transportation Intermediaries Association and the Owner-Operator Independent Drivers Association have joined together to support new legislation to fight fraud in trucking.**

The Transportation Intermediaries Association and the Owner-Operator Independent Drivers Association have joined together in supporting S. 3483 (the "Motor Carriers Protection Act of 2010"), which would address issues of fraud that plague the marketplace. The bill was introduced on June 11 by Senators Olympia Snowe (R-ME) and Amy Klobuchar (D-MN).

Both organizations felt that a united approach was required to correct problems with unscrupulous operators who victimized both brokers and carriers. Past discussions with Congressman Peter DeFazio (D-4<sup>th</sup>/OR), Chairman of the House Subcommittee on Highways and Transit, led both groups to find a shared solution to the problems that members of both organizations were experiencing. "This was a far better approach than attempting to influence legislation and possibly having a solution dictated that would not be in the best interests of either group," said TIA president and CEO Robert Voltmann.

"Few of the provisions in the Snowe-Klobuchar Bill are new. Most exist in federal regulations. Unfortunately, these basic economic regulations were ignored by the Clinton and Bush Administrations. The result has been the growth of crooks that operate unchecked, broker surety companies that offer no surety, carriers that re-broker freight without permission or license, and undercapitalized companies that are ill prepared for the modern transportation marketplace," Voltmann added.

"Brokers, forwarders, owner-operators, and carriers need each other, and the speed of today's logistics marketplace means that companies must be able to reasonably rely on representations made in the terms of their agreement. Unfortunately, the seeping encroachment of fraudulent operations have left the legitimate industry vulnerable. We welcome the opportunity to work with the Owner-Operator and Independent Drivers Association to fight industry fraud so that our members can continue to grow their family businesses," Voltmann said.

Key provisions of the proposed legislation would require brokers and freight forwarders to carry a \$100,000 bond; provide strict regulation of broker surety companies so that they cannot cheat brokers or forwarders; provide greater transparency for those seeking to become brokers or forwarders; establish significant penalties including unlimited liability for freight charges for those operating without the required authority; require motor carriers to hold broker or freight forwarder authority; and require that there must be at least one corporate officer who has met minimum training standards or equivalent experience.

“This is not about big companies versus small companies as some will suggest. This legislation is about well run companies that follow the rules against those that think they can skate on thin ice,” Voltmann said. “This legislation will bring an end to bad bonding companies, carriers brokering without a license or bond, scam artists that come in and out of the market to rip people off, and it will create a competitive playing field for the legitimate industry. This legislation is not about regulating brokers or carriers, it is about fighting fraud in the trucking industry,” Voltmann said.

*The Transportation Intermediaries Association (TIA) is the professional organization of the \$162 billion third party logistics industry. TIA is the only organization exclusively representing transportation intermediaries of all disciplines, doing business in domestic and international commerce. TIA is the voice of transportation intermediaries to shippers, carriers, government officials and international organizations. TIA is the United States member of the International Federation of Freight Forwarder Associations, FIATA.*