



# TIA ON THE HILL

*The Latest News & Updates from TIA's Government Affairs Department*



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## **Secretary Pete Prepares for House T&I Hearing on Priorities**

On Thursday, March 25, newly seated Department of Transportation Secretary Pete Buttigieg will testify before the House Transportation & Infrastructure Committee in a hearing entitled, "The Administration's Priorities for Transportation Infrastructure."

Secretary Buttigieg will lay out, for the first time formally, President Biden's priorities and principles for his plan on addressing the nation's crumbling infrastructure needs. The FAST Act expires on September 30, 2021, and Congress has begun working on the language and hopes to have the re-authorization bill out to the public within the next few months.

Last year, the House T&I Committee passed H.R. 2, the "Moving Forward Act." This will likely serve as the template for the bill in 2021.

TIA will be working with several Members of Congress to ask questions of Secretary Pete regarding the Safety Fitness Determination (SFD) rulemaking, the Motor Carrier Safety Selection Standard (MCSSS), and language to address "dispatch services" who are often companies that illegally broker freight.

## TIA Begins Process of Vetting Legislative Solution to Dispatch Services



There is currently a dangerous loophole in the transportation market of "dispatch services" who are essentially unlicensed brokers. These services handle freight monies but do not meet the statutory licensing or financial security requirements. A legal dispatch service will provide a service on behalf of motor carriers, where they assist on booking loads and other services, not the model that generally applies to brokers (where the shipper pays the broker for their service and the broker pays the motor carrier).

As a first step, some clarification is needed as to how legitimate motor carrier entities are distinguished from unlicensed brokerages (even if it is called "dispatch services"). In examining what a technical definition of "dispatch service" is, you must consider the definition under which they say they operate. The definition is that of a bona fide agent under 49 CFR 371.2(b) which reads:

"Bona fide agents are persons who are part of the normal organization of a motor carrier and perform duties under the carrier's discretion pursuant to a preexisting agreement which provides for a continuing relationship, precluding the exercise of discretion on the part of the agent in allocating traffic between the carrier and others."

Under this definition, the immediate question is whether a company/person could be an agent for multiple motor carriers without violating the last clause of this definition: "precluding the exercise of discretion on the part of the agent in allocating traffic between the carrier and others." In speaking with several DOT officials at the headquarters in Washington, DC, and field offices throughout the country, there is a consensus that the regulation does not directly prohibit a company from representing more than one motor carrier.

To this end, TIA has petitioned the Agency to provide clearer guidance to the public on the role of a dispatch service and the legality of their service. Additionally, TIA is working with Congressional leaders to have language included in the Transportation Reauthorization Bill that seeks a similar solution.

The bottom line is TIA is strongly opposed to any certain of unauthorized brokerage activities that direct impact the 3PL industry by giving our members a bad reputation, skirt federal regulations and have a negative impact on safety. If you have had any experiences with a dispatch service, please contact TIA as we are information gathering as part of our Congressional outreach.

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## Get Involved Today with TIA In-District Meetings

Congress is getting ready to begin a two-week break, with Members returning to their home districts for the Easter Holiday and is a time when they will often meet with their constituents and voters. TIA's Government Affairs team has been busy meeting with all the new freshmen members of the House T&I Committee, and the Members are eager to get out and see what a freight broker does and the important role that you all play.

To that end, if you would be interested in hosting your Member of Congress, please feel free to reach out to us at [advocacy@tianet.org](mailto:advocacy@tianet.org) and we would be happy to facilitate a virtual or in-person meeting (if possible) with your Member.

Remember, this is your Association, and we need your voice! Continue to engage with our government affairs team, there is a role for every single one of you.

