

SFG Business Advisors, LLC

Why grassroots political activity is Important for Brokers

By Steve Fernlund



It was more than 20 years ago when my company was first sued by the trustee of a bankrupt trucking company for freight bill “undercharges.” The lawsuit wasn’t much more than a couple thousand dollars, but I decided to fight it. Trucking had been deregulated and my company was growing fast and doing very well in the new environment. So chalk it up to the principle of the thing—a deal was a deal and I wasn’t going to let some two-bit attorney and his tinhorn auditors threaten my business.

Then we were served again by another trustee. This time the amount was nearly six figures. Facing the prospect that dozens of these claims could soon be filed, I was terrified for our business survival and even more determined to fight this insanity. Paying any part of these claims would only bring more of them and we’d be nickled and dimed to death, if not cast swiftly over the cliff.

Members of Congress needed to clarify a legal doctrine they’d ignored when they wrote and passed the Motor Carrier Act of 1980—the “Filed Rate Doctrine” was left intact. This left a loop hole the size of a Mack truck for lawsuit crazed attorneys and their cohorts in the bankruptcy courts.

But we couldn’t fight this thing alone. The leadership of the TBCA, the predecessor to the TIA, was aware of this problem with freight bill undercharges. With a fledgling Legislative Committee, TBCA knew the undercharge crisis would

only be resolved by getting legislative relief in Congress, and getting it soon.

With no experience in politics, I was offered the Chair of the TBCA Legislative Committee. Energized by my desire to fight this unfair situation for my company, I jumped right into this position and began making periodic visits to Washington, DC. There I joined with fellow TBCA members and a part time government affairs person to lobby members of Congress, meet with relevant Congressional staff, and interact with Commissioners at the Interstate Commerce Commission.

Even the TBCA couldn’t succeed in this effort alone. A real coalition of manufacturers, shippers, brokers, freight forwarders, and right thinking trucking interests was needed to bring sufficient pressure on Congress to act. Even with that coalition on our side, it was not until the ICC Termination Act in that the threat of bogus undercharge claims was finally laid to rest.

One thing became clear to me early on in this process. Members of Congress like to meet real people. They hear from paid lobbyists and self-proclaimed industry experts all the time. They don’t hear enough from people like you and me, people out here scratching to build a business and make a living. So when one of us speaks to a member, we speak with real world authority. Our voice matters.

Today the TIA is attempting to defeat another existential threat to the brokerage industry—the so-called TRUCC legislation that would require brokers to publicly display their margins and fuel surcharges while some how making sure that any funds designated as fuel surcharge are remitted to the person actually paying for the fuel. Even if disclosing margins were a good idea—and it’s not—it is nearly impossible to make sure that any fuel surcharge money paid by a broker

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actually gets to the person who bought the fuel for a particular truck.

There is a very real possibility this proposed could become law before the current Congress adjourns. Now is the time for you and me to step up and do our part. Our Representatives and United States Senators need to hear from us, today, about how this so-called TRUCC legislation will harm our businesses and our industry. Large broker or small, Democrat or Republican, all our voices are needed now to bring an end to this TRUCC insanity.

There are 536 members of the House of Representatives and 100 U.S. Senators. You can count on one hand the number with any experience in brokering freight. Other than some of them working on a loading dock to pay their way through school, most have no experience in trucking. We need to educate them.

Our elected leaders will listen to the people who talk to them. The “no-class” class action lawyers feeding off the trough at OOIDA aren’t bashful about telling them how your actions are killing the truck owner-operators. So don’t be bashful about raising your voice to defend our industry—and your livelihood.

TIA has retained a well respected lobbying firm to make our cause visible in the halls of Congress and the staff at TIA is ready to help you get in touch with your member of Congress. It’s up to you to get involved now. Let your voice, the voice of fair and reasonable business practices in the brokering of freight, be heard today. Please don’t remain on the sidelines while people who would like nothing better than to shut brokers out of the market completely get Congress to help them.

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