

## we wear safety

January 30, 2012

Washington State Legislature House of Representatives

## Dear Representative:

On behalf of the American Apparel & Footwear Association (AAFA) – the national trade association representing U.S. apparel, footwear and other sewn products companies and their suppliers – I am writing to voice concerns over the introduction of H.B. 2527 concerning intermodal container chassis. We are concerned that the bill would adversely impact business in, not only the State of Washington, but in the entire United States.

With more than 98 percent of apparel and 99 percent of footwear sold in the United States being made internationally, ports are extremely important to our industry. They play a significant role in the process by which a product travels from manufacturer to consumer. Our members depend on U.S. ports to be reliable and efficient in the process of moving cargo so that the companies themselves may be reliable and efficient in meeting deadlines and demand to deliver product to consumers. As you know, the inner workings of our Nation's ports are complex and involve many contributing factors that must work together smoothly to allow this process to be successful. One such factor is intermodal chassis ownership.

Current federal law regarding chassis ownership is based on a carefully developed balance of shared responsibilities between equipment owners and the drivers who use the equipment. The simple act of holding both parties accountable for any possible infractions, including weight violations, maintains order and encourages both parties to use safe practices.

H.B. 2527 is burdensome and unnecessary. The responsibilities of both intermodal equipment providers and drivers are already laid out in Federal law which preempts state laws that are inconsistent with the federal requirements. The proposed bill would contradict federal regulations promulgated by the Federal Motor Carrier Safety Administration (FMCSA) and place the liability and responsibility of adhering to regulations solely on the equipment provider. The most obvious flaw with the suggested change to liability is that the equipment provider has no control over the equipment once it is on the road. This means to say once the equipment is issued to a driver and leaves the terminal, the driver could commit a variety of violations of which the equipment provider has no knowledge or way to prevent. The dual accountability built in to the federal regulations accounts for such a challenge by threatening equal penalties to drivers.

Without the threat of punishment for committing infractions, drivers have no reason to follow safety and security regulations or report problems, posing a serious risk to the safety of our roads.

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(703) 524-1864 (800) 520-2262 (703) 522-6741 fax www.wewear.org H.B. 2527 would mandate that any infraction, fine, or penalty for a violation identified by law enforcement on an intermodal container chassis used to move containers be assessed against the intermodal equipment provider. As we have already established that drivers will have no incentive not to make such violations, it is likely the number will increase and with it the number of fines assessed will increase as well. Such a burden imposed on chassis providers will fall heavily in this tough economic climate and the cost will be transferred to consumers.

Alternatively, many chassis providers may decide not to make their equipment available within the state of Washington at all as a way to avoid the extra risks. A loss of available equipment would seriously hurt the state's competitiveness and thus the economy of the region that relies heavily on trade.

The apparel and footwear industry also relies heavily on trade. The success of our members comes from their ability to get products to consumers as quickly and efficiently as possible. For this reason, we strongly oppose H.B. 2527 and the challenges it would instill on not only our membership and the 4 million Americans our industry employs, but on all Americans.

Thank you for accepting our views on this important issue. I hope a positive solution may soon be reached. If you have any questions regarding these comments, please feel free to contact myself or my staff at <a href="mailto:mdavignon@wewear.org">mdavignon@wewear.org</a>. Please let us know if we can be of any help in the coming process.

Sincerely,

Kevin Burke President & CEO

American Apparel & Footwear Association

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