

SURFACE TRANSPORTATION BOARD APPROVES MOTOR CARRIER POOLING AGREEMENT

Surface Transportation Board (Board) Chairman Linda J. Morgan announced today that the Board has issued a decision approving a pooling agreement among several motor carriers handling "bulk" commodities.

Although Federal government involvement with the economic regulation of motor carriers has been sharply curtailed by Congress, the Board continues to have the responsibility to review arrangements in which motor carriers "pool" (share) their services, traffic, or revenues. Under the law, the Board is to approve a pooling arrangement if it finds that the proposed pool is not of major transportation importance, or if it finds that the proposed pool "will be in the interest of better service to the public or of economy in operation and will not unduly restrain competition."

In this case, nine mid-sized motor carriers The nine motor carriers are: Groendyke Transport, Inc.; Manfredi Motor Transit Co.; Miller Transporters, Inc.; Superior Carriers, Inc.; Central Transport, Inc.; Liquid Transporters, Inc.; Quality Services Tanklines, Inc.; Trimac Transportation Services (Western), Inc.; and Universal Transport, Inc.. set up a pooling agreement. The carriers handle bulk commodities that often include hazardous chemical products that cannot be mixed with other cargo in the same load and that require specialized equipment that must usually be cleaned after each delivery. The pooling agreement was set up to (1) coordinate the applicant carriers' operations to avoid traffic imbalances and empty mileage and (2) provide for the shared use of cleaning facilities by the pool members. After public notice was published in the Federal Register, comments in support of the proposed pool were filed by several shipper interests, while opposing comments were filed by three motor carriers that compete with the pool members and by one shipper concerned about its ability to inspect the shared cleaning facilities. The Department of Justice, which was served a copy of the Federal Register notice, did not oppose approval of the pool.

After reviewing the entire record, the Board approved the proposed pool. Noting that several large bulk motor carriers had recently merged, Although pooling agreements are subject to Board approval, mergers of motor carriers of property are subject only to scrutiny under the otherwise applicable antitrust laws. that there are at least 144 other motor carriers transporting bulk commodities, and that competing modes of transportation also handle bulk traffic, the Board found that the pool should produce operating economies that will permit smaller motor carriers to compete with larger bulk carriers. The Board also found that the pool should enhance service to the public and economy of operation by eliminating empty movements and reducing operating costs. The Board stated that it would retain continuing jurisdiction and would take appropriate action in the future if necessary.

The Board's decision was issued on June 7, 1999 in *Groendyke Transport, Inc., Manfredi Motor Transit Co., Miller Transporters, Inc., Superior Carriers, Incorporated, and Trimac Transportation, Inc.--Pooling Agreement*, STB Docket No. MC-F-20941. It is available on the Board's web site at www.stb.dot.gov.

###