



**TRUCK RENTING AND LEASING ASSOCIATION**

**BEFORE THE  
DISPUTE RESOLUTION COMMITTEE  
INTERNATIONAL REGISTRATION PLAN, INC.**

**OPPOSITION OF THE TRUCK RENTING AND LEASING ASSOCIATION,  
INC. TO THE TEXAS DMV REQUEST FOR INTERPRETATION  
REGARDING TRAILER REGISTRATION**

The Truck Renting and Leasing Association, Inc. (“TRALA”) files these comments in opposition to the request from the State of Texas Department of Motor Vehicles (“Texas DMV”) to the Dispute Resolution Committee (“DRC”) of the International Registration Plan (“IRP”) for an interpretation of the IRP’s trailer registration reciprocity provisions that would allow Texas and other states to refuse reciprocity for trailers registered lawfully in other IRP-member states.<sup>1</sup>

TRALA is headquartered in Alexandria, Virginia, and is a voluntary, non-profit national trade association founded in 1978 to serve as a unified and focused voice for the truck renting and leasing industry. Its mission is to foster a positive legislative and regulatory climate within which companies engaged in leasing and renting vehicles and trailers and related businesses can compete fairly in the North American marketplace.

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<sup>1</sup> Although this issue is scheduled to be heard before the DRC at its meeting on May 13, 2010, TRALA just learned of this issue within the last several days and was not able to provide any comments to the DRC until now. TRALA asks that the DRC consider these late-filed comments in its deliberations and notes that no party will be prejudiced by such consideration.

TRALA members engage in commercial renting and leasing of trucks, tractors, trailers and semitrailers, vehicle finance leasing, and consumer truck rental. The membership encompasses the full spectrum of the industry, including major national independent firms such as Ryder System, Penske Truck Leasing, U-Haul, Budget and Enterprise Truck Rental, as well as small and medium-size businesses that generally participate as members of four group systems: Mack/Volvo Truck Leasing, NationaLease, PacLease, and Idealease. In total, these 500-plus companies operate more than 4,000 commercial lease and rental locations and more than 18,000 consumer rental locations throughout the United States, Canada and Mexico.<sup>2</sup>

The truck renting and leasing industry involves a vast network of truck transportation, logistics and related services. In 2003 there were 4,734,964 commercial trucks in classes 3 through 8 registered in the United States. Of that total, some 896,155, or approximately 19 percent, were operated pursuant to some form of lease agreement. Moreover, TRALA members account for upwards of 40 percent of all of the new commercial motor vehicles in classes 3 through 8 purchased each year in the United States.

The Texas DMV complains that some Texas businesses are registering their trailers or semitrailers in jurisdictions other than Texas where the Texas DMV claims the business has no apparent presence or nexus. The business is then able to avoid Texas registration fees and trailer inspection requirements under the trailer reciprocity provisions of the IRP. The Texas DMV claims this practice supersedes Texas law,

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<sup>2</sup> The TRALA membership also includes more than 100 supplier member companies providing equipment, products, and services to TRALA members.

deprives Texas of registration fees, and creates a safety hazard. None of these claims has any merit and should be dismissed by the DRC.

First, this petition requests a substantive change to the IRP's decade-old practice of obligating states to grant full reciprocity for trailers properly registered under the laws of another member jurisdiction. As such, the request is not for an interpretation of existing practices, but for a change in those requirements, and thus requires balloting and voting on the proposal by all of the member states.

Second, the Texas DMV proposal essentially asks that Texas be allowed to second-guess the legal basis for registering trailers and semitrailers in various other jurisdictions and to determine unilaterally that those jurisdictions have not "properly registered" the vehicles if the Texas DMV determines that a registrant does not have a sufficient nexus or presence in the registering state. This approach is contrary to the plain language of § 515 of the IRP and would generate uncertainty throughout the country as to whether any trailing unit was entitled to registration reciprocity from any other states.

Section 515(a) clearly states, "A Trailer, Semi-Trailer, or Auxiliary Axle properly registered in any Jurisdiction *shall be granted* full and free reciprocity." (Emphasis supplied.) There is no provision for another state attempting to question the criteria upon which a member jurisdiction registers vehicles or the judgment used when applying those criteria. If a trailer or semitrailer complies with the registration laws and requirements of a member jurisdiction, that vehicle is "properly registered" for purposes of the registering state, and therefore all of IRP-member jurisdictions are *required* to grant reciprocity.

In its petition the Texas DMV states, "The IRP was not intended for one jurisdiction to govern business in the other jurisdictions." Yet that is exactly what the

Texas DMV wants to accomplish with an “interpretation” that would allow it to set aside the legal registrations in other states because they did not meet Texas registration standards. The Texas DMV approach would allow any state to negate (or at the very least question) the lawful registration of trailers or semitrailers by other member jurisdictions. No registrant could be certain that its trailer or semitrailer would be able to operate in interstate commerce free from interruption of the shipment, impoundment of the vehicle, citations or other penalties. The approach would nullify the purpose of the IRP to impart clarity, certainty and uniformity in the vehicle registration process and to promote the free flow of commerce.

Furthermore, the Texas DMV argument that trailer reciprocity might harm commercial vehicle safety by discouraging vehicle inspections is equally specious. The entire argument is entirely speculative—the Texas DMV has offered no evidence that any uninspected or unsafe trailers or semitrailers have ever caused any collisions in Texas or any other state. In addition, all commercial motor vehicles operating in interstate commerce are subject to roadside inspections as well as annual and periodic inspections under the Federal Motor Carrier Safety Regulations, 49 CFR Part 396. An inspection requirement attached to a state vehicle registration requirement is therefore redundant at best.

In any event, the IRP is not a commercial motor vehicle safety regulatory organization. The Foreword to the Plan states, “The International Registration Plan is an agreement providing for registration reciprocity among Member Jurisdictions.” According to § 105 of the Plan, “The fundamental principle of the Plan is to promote and encourage the fullest possible use of the highway system by authorizing apportioned

registration of Fleets of Apportionable Vehicles and the recognition by each Member Jurisdiction of the registration of Vehicles apportioned by other Member Jurisdictions, thus contributing to the economic and social development and growth of the Member Jurisdictions.” Neither of these statements includes any reference to the IRP as a safety regulatory organization, and there is nothing in the contents of the Plan that authorizes the member jurisdictions to undertake any safety regulatory function.

For these reasons, TRALA respectfully requests that the DRC deny this petition.

Respectfully submitted,

/s/Thomas M. James

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