



# TRANSPORTATION ARBITRATION BOARD, INC.

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## TRANSPORTATION ARBITRATION BOARD, INC. GENERAL INFORMATION

### Background

On August 9, 1975 a new system for the settlement of claims between claimants and carriers was inaugurated with the incorporation of the Transportation Arbitration Board (TAB) jointly sponsored by the National Freight Claim & Security Council (now known as the Transportation Loss Prevention & Security Association (TLP & SA)) of the American Trucking Association's, Inc. and Shippers National Freight Claim Council (now known as the Transportation & Logistics Council, Inc. (TLC)).

TAB is a completely autonomous non-profit corporation designed by its creators to swiftly, fairly, amicably and inexpensively settle controversial freight claims between shippers and receivers on one hand and freight carriers on the other.

### Structure

TAB is governed by a board of directors with an equal number drawn from the ranks of carrier employees and from shipper-receiver rolls. One carrier and one shipper member of the Board of Directors are elected bi-annually as co-chairpersons. The Executive Directors of the sponsoring organizations (TLP & SA and TLC) shall be permanent Board members. An Administrator, appointed by the Board of Directors, conducts the affairs of TAB according to the Board's policies and directives.

### Fees

TAB was initially funded through interest-free loans from the two claim organizations. Minimal fees for each party, for each case arbitrated have been set to cover the operating expenses of the Corporation. The current fee is \$150.00 for each party. A Modified Procedure option is available for claims under \$500.00. There is a fee of \$75.00 per party, per claim, for this option. The Board of Directors reviews the fees annually. The officers and directors of the corporation serve without compensation and the volunteer arbitrators receive only a token fee to cover incidental expenses.

### Arbitrators

The arbitrators are drawn equally from shipper and carrier ranks. Each sponsoring organization provides names of proposed arbitrators to the Administrator who then makes recommendations to the Board for review and appointment. Active arbitrators are reviewed and appointed at the annual meetings of the Board.

Neither Co-Chairpersons, members of the Board of Directors, nor the Administrator may serve as an arbitrator. Arbitrators must be certified by the Certified Claims Professional Accreditation Council (CCPAC)

### Eligibility and Procedure

The procedure is open to any party and membership in TLP & SA or TLC is not required for arbitration. The procedure is simple; whenever a claimant and a carrier agree between

themselves that their differences should be settled by a third unbiased and impartial party, they merely execute the legally binding TAB Arbitration Agreement. This agreement and the fee from each of the parties is mailed to the TAB Administrator. The Administrator acknowledges the receipt of the agreement and fees and assigns a case number.

The claimant then puts together their claim file, including all of the evidence to support their case. They then write a brief, setting forth the reasons why they feel their claim should be paid. The claimant then sends the brief and file to the carrier. The carrier examines the file and brief and attaches whatever documents they feel proves their case, writes a brief, and returns the file to the claimant.

The claimant then has a final opportunity to write a rebuttal brief allowing the carrier a copy of it. No additional evidence or documents may be added to the files after the original assembly by the claimant and carrier. The rebuttal brief of the claimant may only contain a reply to the issues raised by the carrier.

Upon receipt of the files, the Administrator examines the file to verify compliance with TAB procedures, and then selects a team of arbitrators to consider the case. One carrier arbitrator and one shipper arbitrator is selected. The photocopies of the file and briefs are sent to the arbitrators. The Administrator retains the original file. The two arbitrators examine the file and confer with each other to determine and agree upon a unanimous decision. The decision is written by one of them and the files are returned to the Administrator. The Administrator retains the working file copies and a copy of the decision and returns the original file to the claimant and sends a copy of the decision to each party. Compliance with the decision is required within 60 days.

The decision will have the same force as a court decision. In the event the team of arbitrators cannot reach a unanimous decision, they must return the working files to the Administrator, who will then select a second arbitrator team and follow the same procedure. The administrator will also notify the claimant and the carrier of the reassignment. If the second team is also unable to reach a unanimous decision the original file will be returned to the claimant and the Administrator will advise both parties that a decision cannot be reached by TAB and the only recourse left to them must be private compromise or litigation in a court of law.

### **Appeal Procedure**

Either party may appeal a decision by TAB on the basis of error. The appellant notifies the Administrator and sends the fee (currently \$350.00). The Administrator will notify both parties by advising the appeal case number. The original arbitration file will become part of the appeal file that is completed by appellant and appellee using the same procedure for filing an original arbitration case.

When received, the Administrator sends the completed file copies to the Appeals Arbitration team. The decision of the original arbitrators may be upheld, overturned or modified by the Appeal Arbitrators whose decision will be published and sent to the parties.

The decision of the Appeal Arbitrators is final and will have the same force as a court decision.

### **Withdrawal from Arbitration**

A claim to be arbitrated may be withdrawn or settled by mutual agreement of the parties. If such an agreement is reached by the parties after the Administrator has assigned a case number and acknowledged receipt of the Arbitration Agreement and fees, the arbitration will be terminated, but the fees will not be refunded and the case number will not be assigned to another arbitration proceeding.

Wally C. Dammann, Administrator, July,9<sup>th</sup>,2012