

**INFORMATION
PERTAINING TO THE
PUBLIC HEARING**

**HELD IN THE
HENRY A. WALLACE BUILDING AUDITORIUM
900 EAST GRAND AVENUE
DES MOINES, IOWA**

AUGUST 12, 1986



**Iowa Department
of Transportation**

**IN RE: SENATE FILE 505 AND HOUSE FILE 2066
ESTABLISHING THE FINANCIAL RESPONSIBILITY LIMITS
FOR MOTOR CARRIER OPERATORS**

On August 12, 1986, a public hearing was held in the Henry A. Wallace Building Auditorium, 900 East Grand Avenue, Des Moines, Iowa, for the purpose of receiving comments and statements from individuals, groups, and associations that have an interest in the limits of financial responsibility for intrastate passenger motor carriers.

The public hearing was attended by 13 people and lasted 37 minutes.

THE "PURPOSE OF HEARING"
PRESENTED AT THE
AUGUST 12, 1986, PUBLIC HEARING

Tues 8/12/86

PURPOSE OF HEARING

SENATE FILE 505 AND HOUSE FILE 2066, ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA, AMENDED SECTION 325.26, SUBSECTION 1 OF THE CODE OF IOWA AND BECAME EFFECTIVE JULY 1, 1986.

THE PURPOSE OF THIS HEARING IS TO RECEIVE ORAL AND WRITTEN STATEMENTS PERTAINING TO SECTION 325.26, SUBSECTION 1 OF THE CODE OF IOWA AS AMENDED WHICH READS:

"UNLESS THE IOWA DEPARTMENT OF TRANSPORTATION DETERMINES, AFTER AN INVESTIGATION AND HEARING, AND ADOPTS RULES BASED ON THAT DETERMINATION, THAT LESSER LEVELS OF FINANCIAL RESPONSIBILITY WILL PROTECT THE PUBLIC INTEREST, A REGULAR ROUTE MOTOR CARRIER OF PASSENGERS AND A CHARTER CARRIER OPERATING A MOTOR VEHICLE WITH A SEATING CAPACITY OF (16) OR MORE PERSONS SHALL HAVE THE MINIMUM LEVELS OF FINANCIAL RESPONSIBILITY ESTABLISHED UNDER 49 U.S.C. 10927(a)(1)."

THIS HEARING BEING HELD BY THE DEPARTMENT IS THAT CALLED FOR BY SENATE FILE 505 AND HOUSE FILE 2066. THE U.S. CODE STATES, IN EFFECT, THAT THE MINIMUM LEVEL OF FINANCIAL RESPONSIBILITY SHALL BE ESTABLISHED BY THE SECRETARY OF THE U.S. DEPARTMENT OF TRANSPORTATION.

EFFECTIVE OCTOBER 30, 1984, THE SECRETARY ESTABLISHED A MINIMUM LEVEL OF (5) MILLION DOLLARS FOR PASSENGER BUSES WITH SEATING CAPACITIES OF (16) PASSENGERS AND MORE.

WHEN GIVING YOUR STATEMENTS, WILL YOU PLEASE GIVE YOUR NAME, ADDRESS, POSITION AND THE NAME AND ADDRESS OF THE ORGANIZATION/COMPANY YOU REPRESENT? A WRITTEN COPY OF THE TRANSCRIPT OF THIS HEARING WILL BE REVIEWED BY THE DEPARTMENT PRIOR TO ANY ADMINISTRATIVE DISCUSSION ON THE ISSUES INVOLVED.

IN ADDITION TO ORAL STATEMENTS MADE DURING THIS HEARING, THE DEPARTMENT WILL ACCEPT WRITTEN STATEMENTS TODAY OR THROUGH DELIVERY TO THE DEPARTMENT. STATEMENTS RECEIVED NO LATER THAN AUGUST 25, 1986, WILL BE INCLUDED IN THE PUBLIC HEARING TRANSCRIPT. ALL STATEMENTS FORWARDED TO THE DEPARTMENT MUST BE SENT TO:

INSURANCE HEARING
OFFICE OF PROJECT PLANNING
IOWA DEPARTMENT OF TRANSPORTATION
800 LINCOLN WAY
AMES, IA 50010

WE WILL NOT BE PROVIDING ANY FURTHER INFORMATION ON THIS ISSUE FOR THIS HEARING AND WILL NOT BE RESPONDING TO QUESTIONS REGARDING THE ISSUE. WE ASK THAT YOU RESTRICT YOURSELVES TO YOUR OWN STATEMENTS REGARDING S.F. 505 AND ADVICE TO THE DEPARTMENT REGARDING IMPLEMENTATION OF SECTION 325.26(1).

TRANSCRIPT OF THE
PUBLIC HEARING
AS HELD ON
AUGUST 12, 1986
IN THE
HENRY A. WALLACE BUILDING
DES MOINES, IOWA

HAAKE

Tuesday the 12th of August, 1986, Senate File 505 and House File 2066 Hearing.

Our purpose for being here today is Senate File 505 and House File 2066, enacted by the General Assembly of the State of Iowa, amended Section 325.26, Subsection 1 of the Code of Iowa and became effective July 1, 1986.

The purpose of this hearing is to receive oral and written statements pertaining to Section 325.26, Subsection 1 of the Code of Iowa as amended, which reads:

"Unless the Iowa Department of Transportation determines, after an investigation and hearing, and adopts rules based on that determination, that lesser levels of financial responsibility will protect the public interest, a regular route motor carrier of passengers and a charter carrier operating a motor vehicle with a seating capacity of (16) or more persons shall have the minimum levels of financial responsibility established under 49 United States Code 10927(a)(1)."

This hearing being held by the Department is that called for by Senate File 505 and House File 2066. The U.S. Code states, in effect, that the minimum level of financial responsibility shall be established by the Secretary of the U.S. Department of Transportation.

Effective October 30, 1984, the Secretary of Transportation established a minimum level of (5) million dollars for passenger buses with seating capacities of (16) passengers and more.

When giving your statements today would you please give your name, address, position, and the name and address of the organization that you represent. A written copy of the transcript of this hearing will be reviewed by the Department prior to any administrative discussion on the issues involved.

In addition to oral statements made during this hearing the Department will accept written statements today or through delivery to the Department. Statements received no later than August 25th, 1986, will be included in the public hearing transcript. All statements forwarded to the Department must be sent to: Insurance Hearing, Office of Project Planning, Iowa Department of Transportation, 800 Lincoln Way, Ames, Iowa 50010.

We will not be providing any further information on this issue for this hearing and will not be responding to questions regarding the issue. We ask that you please restrict yourselves to your own statements regarding Senate File 505, and advice to the Department regarding implementation of Section 325.26(1).

My name is Gil Haake. I'm with the Iowa Department of Transportation in the Office of Advance Planning. Any of those who wish to make an oral statement today, would you please come forward and again, please give your name, address, the firm or group you represent. Please.

FLECKENSTEIN

My name is Tom Fleckenstein. I'm from Cedar Rapids, Iowa. I'm with a company called Charter Coaches. We're a charter and tour company in Cedar Rapids. I'm the president and chief operating officer of Charter Coaches. We are in the

charter and tour business, started in 1935, so we're about 51 years old. I've been the owner and operator of it since 1972, or about 14 years.

As a charter carrier and tour operator, we operate a very extensive safety program. I have had this program in effect for several years. The monthly training and safety meetings are held without fail each month. We do this in conjunction with the National Safety Council. In 1984, in fact, our company was the recipient of the national award for fleet safety with about a million miles without an accident. Our drivers are instructed in CPR training, in First Aid, and we give them mechanical instruction in the operation of the coach.

I'm also a member of the American Bus Association and active on their safety committee. I'm president of the Iowa Passenger Carriers Association, president-elect of the Iowa Tourism Council, member of the Midwest Coach Operators, and the National Motor Coach Association. I am also a member of the Board of Directors of the Iowa Motor Truck Association.

Our safety program ends up each year with a competitive driving and test or competition, so to speak, in the form of a roadeo, which has become very popular with the trucking industry and also we now have it in the busing industry, where our drivers compete with each other and other companies on occasion, and last year three of them went on to regional competition; one went to national competition and took second in the country.

We purchase all of our coaches new. We operate and maintain them ourselves, and we have a 10-bay maintenance facility in Cedar Rapids staffed with four full-time mechanics. We have 50 employees, and we have operated commuter systems in the past and still do in an airport shuttle situation in Cedar Rapids.

We have talked with our insurance carriers and they feel the highest risk operation we have is our shuttle system that we're operating between the airports in Iowa City and Cedar Rapids. We have been told by our insurance carriers that our commuter-type or shuttle-type operations are the highest risk and I am very convinced that they are. I seriously question, and I can see no logic to the philosophy that the Iowa passengers deserve less protection than passengers in general. I feel that the carriers should all operate by the same rules. I feel that we should have the same criteria, and that the passengers of Iowa should enjoy the same protection as the federal regulations have stipulated for the bus industry. Thank you.

HAAKE

The next statement please.

SHERMAN

My name is David Sherman. I'm president and owner of Iowa Coaches Incorporated, 2300 JFK, Dubuque, Iowa. Iowa Coaches have been in business since 1946. I have been with the company in every facet of the motor coach division from dumping the restrooms to driving to current president. I have 23 years' experience with the bus industry. We have motor coach tours, charters, and we have just abandoned our regular schedule because of lack of interest.

We employ 23 full-time employees and as high as 12 part-time employees. I'm a member of the American Bus Association, United Bus Owners Association, and the Iowa Intercity Bus Association. We employ three full-time mechanics, all having eight years of experience with motor coaches.

We have a very strong and a very good safety program, as well as a very good safety record. As far as insurance companies go, in the past I have just renewed my insurance July 1. Your record doesn't really mean a whole lot right now, but it does down the road and all of our drivers have four years of experience with Iowa Coaches themselves, plus most of the drivers have had experience before they ever came to Iowa Coaches.

We operate 12 modern motor coaches which were all purchased new. We have a new, modern fleet, and we are required by the federal law to carry five million dollars worth of liability insurance. We therefore feel that anyone, that is, the general public, should be protected, and if the Federal Government requires five million dollars worth of general liability I see no reason why the state should require less liability. Because when they talk about seat belt accidents, most of the accidents happen within 25 miles of the home. Therefore, just because we're traveling from state to state doesn't put us at any greater risk than the local carrier that doesn't go over 25 miles away.

The fact that the companies are looking for a reduction in insurance liabilities, in my opinion, is just they are looking for an easier way to budget their money. What we're looking at is not saving money. We want to save money, true, but what we're looking at is, are we insuring the private public, and are we giving them the protection that they really need.

I spoke with Wayne Smith, who is president of the United Bus Owners Association, last week, and five million is available from six different carriers. It is not a problem that people cannot get this insurance. It is available. I feel that the Federal Government put a five million dollar limit on to protect the general public, and why should the state put a lesser burden on carriers and require them to carry less insurance. The State of Michigan is now, I'm not sure if it's now, but I know they are asking by 1987 for all carriers to carry six million. The exposure is there, with the commuter as well as it is the over-the-road driver.

I have with me an example here, this is the Los Angeles Herald, but headlines in the paper are "Ten hurt, two more injured, in two crashes in the rural transit division. Four wrecks and 56 injured within a week." These are the rapid transit district buses that never leave the City of Los Angeles. And when the insurance companies look at buses in general, motor coaches, they group us all into the same category and price us out the same. They don't care whether we travel ten thousand miles, ten million miles, or what. They all put everything in the same perspective.

The only reason I can see anyone asking for a lesser amount of insurance is, as I stated earlier, probably is just because they don't want to pay for a larger amount. Therefore, I feel that we should all play by the same rules and if the Federal Government requires five million I see no reason why the state should accept any less and subject to the public to a lesser amount of insurance because the liability is just as great whether it be a small carrier, a large carrier, intrastate or interstate. Thank you.

HAAKE

Thank you, Mr. Sherman. Next? Are there any others who care to make a statement?

MOORE

My name is Ron Moore from Burlington Trailways in Burlington, Iowa. I am the president and chief operating officer for Burlington. I bought the route five years ago off Continental Trailways. I'm an independent trailways operator. We operate nine buses and employ 30 people.

We have an extensive preventive maintenance program. We have three mechanics. We do our maintenance on a mileage basis at intervals of four thousand miles, eight thousand, thirty-two thousand mile inspections. We have driver training and a driver safety program with monthly meetings, and we're in the trailways safety contest.

We have a very good safety record, and I do not like to think that the other carriers in the state, just because it's intrastate, could have a lesser insurance because we all are out there operating over miles of highways whether it's in-state or interstate, and we're all subject to the same problems out there, so I would like to just put on the record that I would like the insurance to remain the same for everybody and operate under the same conditions. Thank you.

HAAKE

Thank you, sir.

CUMMINS

My name is Wayne Cummins. I operate a one-bus commuter operation called Marway Bus Company from Indianola to Des Moines. Now, I don't question the statements that a bus on the road carrying 16 or more passengers has a liability probably justifying the five million, but where it is difficult for an operation like mine is that my payload amounts to 42 miles a day, less than two hours. But I'm forced to purchase insurance for the 24 hours, which makes it rather difficult to price it in competition with carpools. They are my greatest competition. And I look at it in this manner. I feel that my service is a needed service, provided it's carried on in a safe manner. I have a maintenance program in that I'm my maintenance officer and then I have backup with MTA and their experience.

And in a comparison, if you take the average of 25 people that I carry each day and put them back into the carpools or individual cars, they are no safer, traveling in from 12 to 20 cars, let's say. So as far as the public being protected, I believe that my kind of operation actually protects the public, and I think that there should be some provision for insurance, proper insurance, to cover an operation like mine, so that this kind of enterprise can be encouraged. Thank you.

HAAKE

Thank you, Mr. Cummins. Anybody else interested...?

SHAUL

My name is Jerry Shaul. I operate Industrial Transportation out of Belle Plaine, Iowa. We are a commuter service restricted solely to towns surrounding Amana Refrigeration, operating from these outlying towns directly to the Amana plant located at Middle, Iowa. We are designed to haul employees of this factory only. We've been in operation for ten years, about ten and a half.

I really don't think that anyone has really talked about what this matter actually involves here. First of all, I think we ought to look at the origin of this bill. From what I've been told, the nickname of the bill is the Greyhound Bill. It was sponsored by the big charter carriers and Iowa charter carriers. I think it had a very good purpose behind the sponsoring of it.

This five million dollars liability insurance is imposed on every carrier in Iowa. Should Iowa deregulate it's going to make it a little more difficult for the average John Doe out there to go jump in the charter business. In my opinion, this is one of the main factors behind this bill. I do not believe that we as a commuter service operating 172 miles a day with three active buses need liability insurance limits in excess of one million dollars regardless of what anyone else says, including the Federal Government. For one thing, this liability insurance has gotten far out of hand, not only in the bus business, over all in every other business in the United States today, and I don't believe any bus operator in this room would have any deep regrets if they could have their insurance limits lowered, or their insurance premiums lowered.

One person up here says operation of mileage distance has no effect on premiums. I believe I disagree with that. Our payments are established on the radius of miles that we operate in. I can't give you cost figures, but our premiums are based on a mileage radius, and I would assume that they still are. To have this five million dollars of insurance in effect has cost our passenger a 35 cents a day rate increase right across the board. Our premiums increased roughly sixty-five hundred dollars per year. There's only one way to collect this and that's to pass it on.

I have three different petitions here signed by our passengers that object to this bill. Thirty-five cents a day really isn't much money, but \$77 a year is out of their pocket, for what I feel is excessive liability insurance. I'm wondering if Mr. Fleckenstein, when he operates his smaller than 16-passenger vehicles between Cedar Rapids Airport and Iowa City and Cedar Rapids, if he was not in the charter business, if he was operating that only, he would be in favor of this. Because I'm sure those vehicles come under his fleet insurance. That could have a drastic effect, probably, on his rates between the airport and the two major points he serves.

I can't see the whole point of this. What it looks like it's leading to is a future of a lot less bus service in Iowa as Iowa knows it now, and I can fully comprehend that. But I also can't see this service being replaced by small operators. I think your major bus service, as far as your public service, is going to be confined, one of these days, strictly to your interstate highways or

your major U.S. highways crossing Iowa. I'm sure we all realize that these small towns are no longer going to enjoy public bus service. But I also don't see any replacement, not when you're imposing costs like this on small operators. You could never replace this service with intercity service. Thank you.

HAAKE

Thank you, Mr. Shaul.

THOMPSON

Hi, I'm Sue Thompson. I'm operations manager for Marshall Motor Coach in Marshalltown. We have a charter and tour operation. We have 23 buses in our fleet. We operate mainly out of Iowa. We also have an office in Arizona. We have an extensive safety program.

We, of course, follow all the ICC safety rules and regulations as far as the drivers are concerned. They all have to pass written exams, road tests, driver physical, they have to pass a physical every two years. Their driving records are monitored, as far as accidents or speeding tickets. We feel that you have to do this in order to keep control of your drivers. It's just something that we do on a regular basis, and all ICC regulated carriers do.

We also have a very extensive maintenance program set up for our buses. We have four full-time mechanics who are all ICC qualified as far as the rules and regulations and what needs to be done. After every trip the driver will tell us if there's any mechanical problems with the bus. It's taken care of before the bus turns another wheel. That, I think, is a very important thing, because a lot of these carriers that don't have this kind of program might send that bus out, and not take care of it, and it could cause problems, even accidents, in the long run. So carriers that are federally regulated will have a much stiffer safety and maintenance program. And, of course, it benefits us all.

I said we were basically in the charter business. We also have two buses that run every Monday through Friday on a commuter run between Ames and Des Moines. We take working people from Ames, Huxley, Ankeny, to Des Moines in the morning and back in late afternoon. In March I had to secure new insurance and one of the main problems I had was trying to get insurance for our fleet, mainly because of these two buses, that I run on this commuter run. The two companies that I talked to felt that there was too much of a risk. That was the major flaw. We had good driving records; our drivers are excellent drivers; have very few speeding tickets; we've had very few accidents, very, very minor ones over the last several years. But as long as we have these two buses on the commuter run, they really didn't want to talk to me about it. They felt the risk was too great.

I feel that the five million dollar limit is something that not only protects the general public, it also protects the carrier, because if you have an accident with a bus, and you've got 47 people on that bus and they're all hurt and turn around and sue, and you only have five hundred thousand dollar liability, they're going to go to the carrier and sue, and probably take everything you've got. That's why I feel it's beneficial for not only the general public but for the carrier, because you're putting your company on the

line, so to speak, when you go out, if you don't think that you have enough liability insurance to take care of it. I mean, that's a hundred and fifty thousand dollar bus you're talking about, plus the lives of 47 people, or how many people you have on your bus. So we feel that it protects the general public as well as the carrier.

To our way of thinking we really can't see why the risk of accident would be any less in the State of Iowa, whether we're running a commuter bus from Ames to Des Moines or whether we're headed for Washington, D.C. with a load of people. So I really think it not only protects the general public, it also protects the carriers that are operating. And in this day and age I think that is very important. Thank you.

HAAKE

Thank you, Ms. Thompson. Are there others?

SCHOENEBAUM

My name is Steve Schoenebaum. I'm an attorney at law from Des Moines. My clients include Iowa Coaches from Dubuque, Charter Coaches from Cedar Rapids, Marshall Motor Coach from Marshalltown, Midwest Transportation from Ames, Burlington Stage Lines from Burlington, Iowa.

I'm not going to reiterate the points that my clients have made here today. We may be submitting a written submission by the due date. I think that we should not lose sight of the fact that this law that is an issue here today does provide for an exemption for the five million dollar requirement with respect to carriers that are operating vehicles that carry less than a certain number of persons. It is when that vehicle becomes eligible to carry 16 persons or more is when the federal limit of insurance is being imposed.

Now, why did the Federal Government set the level of five million dollars as an acceptable insurance level for the protection of the public? This figure was not taken out of the midnight air. This figure was set after careful analysis, and investigations of several agencies within the Federal Government. I think that the point that we're trying to make here today, that when someone, when anyone is in the business of transporting passengers, transporting people, this is inherently an occupation that requires a very high degree of responsibility.

Now, my clients have excellent safety records. They've been in business for many years. They're very well schooled and experienced in handling passengers and transporting them, not only adequately, but safely. They have extensive safety programs that they have implemented over many years. They have garages, facilities, mechanics, on their payroll, and yet they must carry the five million dollar level. So it would only make sense that a carrier that has not been in the business as long, or a carrier that is less sophisticated, should carry at least that amount, perhaps even more, as Michigan has gone to a six million dollar limit.

As far as the nature of the risk is concerned, I think it's pretty well settled that it's the frequency of the movement more than anything, that is going to account for the higher degree of risk. For example, and we intend to submit this into the record at a later time, the situation in California, where within a very short period of time, for example, in Los Angeles, two separate accidents happened within 90 minutes of each other, that same system had four accidents inside of one week, coupled with a history of repeated accidents.

I would submit to you that if these clients of mine who spoke here today had a safety record like that they wouldn't be here today, let alone be able to qualify for five million. Maybe someone might write them a policy for a hundred thousand or two hundred thousand, but I don't think anyone would write them a policy for five million. So I think that it only makes sense that these carriers all play by the same rules once they get up to a certain level of operations.

We do not emphasize the economic factor here today. I understand the opponents of this measure do. We don't feel that is the central focus here. The central focus here today is the safety of the public. If there's an accident, I know many individuals who drive their cars that have three hundred thousand and a million dollars of liability insurance just for themselves. So we're not emphasizing the economic factors. We're emphasizing the safety factors and the protection of the public.

But if the economic factors become important, then let me say this. These carriers are not large carriers, by any stretch of the imagination. They're not even medium size carriers, really. Greyhound, Trailways, they're large carriers. Medium size carriers would include carriers, for example like Keeshin, Jackrabbit Lines, etcetera. So these are not large carriers, so let's get that thing out of our minds once and for all. But the point of the matter is, if we're going to talk about economics, these carriers have served this state for many, many years.

Now, the fact of the matter is, that when their buses, and there's a passenger coach out here of one of the opponents that is identical in terms of size to the vehicles that these other people are operating, when that vehicle is sitting there not being used it is available for charter operations. Now, whether or not these particular people engage in charter operations, I don't know. But there are these entities that do. And when you allow them to get by with far lesser levels of insurance you're giving them a direct competitive advantage to compete with these people in their own business, which they know best, perhaps. At least, let's put these people on the same rules of economics. So, while we don't emphasize economics, we are saying, please don't take their services for granted in this state.

Finally, I've noticed, I have nothing to verify this, but I have heard that one of the commuter carriers imposed a rate increase because of his new insurance requirement, and after explaining that to his ridership he found an increase in ridership because people felt safer, more protected, to ride with him as they ever did before. Deregulation, I don't think is a factor here. We're dealing here strictly with the question of what is adequate protection for the public. We feel there is a very good reason that the carriers, when they reach a size of operating at this size of vehicle, should all play by the same rules and have the same protection for the benefit of the public.

And let me say this. Many of the carriers that opposed this rule of five million, at one time or another I have seen financial statements, and they are not very good ones, and from what I have seen, they border on being insolvent, and surely, once the insurance proceeds are exhausted, there's nothing there in terms of assets in the company, really to be taken by judgement creditor. What is there is being pledged to the bank. There isn't much more left. There's not much equity in those companies in many cases.

So, I think we're talking about making sure that people are adequately protected, and the Federal Government has set a limit that was not arbitrarily reached. The State of Iowa's Legislature has passed that limit as a state law, and unless this department can find some very good cause for changing it, it should not be changed, and we would submit there is not good cause, and that the five million dollar limit should be applicable to all carriers with the 16 passenger vehicle capacity or more. Thank you.

HAAKE

Thank you, Mr. Schoenebaum. Anyone else care to make a statement?

SHAUL

I would like to make one more. Once again, my name is Jerry Shaul of Industrial Transportation. What seems to be the major issue here is that Mr. Schoenebaum and all the charter carriers are intimating that they are the only ones that have a safety program and a safety record, and I take offense at that. We've been in business for over 10 years and I'll match our safety record with anybody here in this room. Anyone, mile for mile, and it could very well turn out we might have a better one if you want to put it on that basis.

That you are the only ones that have maintenance programs; the only ones that have qualified drivers, and I do not believe that. We are not running junk. I do not have a full-time mechanic. I don't need one. I am fully qualified to do a lot of it, and what I'm not qualified to do I hire people that are totally qualified. So when you want to start comparing safety records, let's get it on paper. I don't think it has anything to do with this issue in the first place.

HAAKE

Thank you, Mr. Shaw. Anyone else? There being no other statements, this hearing is called adjourned. Thank you, very much.

MATERIAL RECEIVED PRIOR TO
THE AUGUST 12, 1986,
PUBLIC HEARING

- TOURS
- SPORTS
- CONVENTIONS

Scenic Stage Line, Inc.

R. C. SMITH TRANSPORTATION
"The Dependable Line With Comfort In Mind"

- CHARTERS
- VANS — WAGONS
- SCHOOL BUSES
- LIMOUSINES

608 PORTLAND AVENUE — MORRISON, ILLINOIS 61270
PHONE (815) 772-7228

August 8, 1986

Insurance Hearing
Office of Project Planning
Iowa Department of Transportation
800 Lincolnway
Ames, Iowa 50010

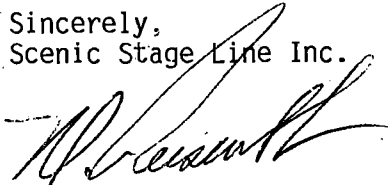
Dear Sir:

RE: Insurance Hearing
Ref. No. 722

This is a follow up to your letter dated August 1, 1986 extending an invitation to a public hearing on August 12th to discuss the financial responsibility limits for motor carrier operators. Since I am unable to attend the hearing I have written a statement as follows.

I do support the (5) million dollars for passengers buses with seating capacities of (16) passengers and more as long as thats the federal requirement.

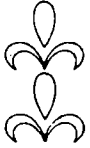
Sincerely,
Scenic Stage Line Inc.



Merle Reisenbigler
President

MR/pl

MATERIAL WHICH WAS RECEIVED AT
THE AUGUST 12, 1986, PUBLIC HEARING



-17-
INDUSTRIAL TRANSPORTATION

JERRY R. SHAUL

210 SEVENTH AVE.

BELLE PLAINE, IOWA 52208

TELEPHONE: 319-444-3565

June 25, 1986

Mr. Dennis Ehlert
Transportation Regulation Authority
Iowa Department of Transportation
5238 N.W. 2nd Avenue
Des Moines, Iowa 50313

Dear Mr. Ehlert,

Please consider this a formal protest to Senate File 505 and its' resulting consequence to Industrial Transportation and/or all other existing intra-state commuter services or inter-city operators.

Industrial Transportation is a sole proprietorship business which provides commuter transportation for the factory employees of Amana Refrigeration, Inc., at Middle Amana, IA. We currently operate 3 active routes, transporting approximately 85 passengers per day on an annual average. This business has been in operation since May 3, 1976 and has operated without a personal injury accident throughout that time.

I am aware that Iowa's current liability limits are extremely low and should be changed. However, I consider the \$5 million liability requirements as called for in SF 505 to be excessive and unjustified when applied to small intra-state services.

If I am required to meet these new (\$5 million) requirements it will mean an increase of \$6063.00 over the cost of our current premiums. Recovery of this amount requires an across the board rate increase of .35¢ per day, per passenger. My personal feeling in regard to this matter is; \$1 million in liability insurance for intra-state carriers would be a justifiable level. This would require a .10¢ per day rate increase. I do not believe it justifiable to impose a \$77.00 per year, per passenger, fare increase to cover limits which I feel are far in excess of those needed for such operations. A .10¢ per day rate increase would mean approximately \$22.00 per year to the individual.

The current revenues of Industrial Transportation are approximately \$60,000 per year. In 1985 our insurance costs were 10.9% of total expenses. It was an actual cost per mile operated of 12.6¢ (per mile) making it the 5th ranking expense item incurred. Under SF 505 our insurance cost per mile would rise to 24.3¢ per mile operated. This is based on an annual mileage rate of 40875 miles, or 183 miles per day of operation. It appears this cost would become our highest cost of operation. For certain other operators this cost may become totally out of proportion.

(continued)

In our 10 years of service to Amana Refrigeration we have made possible for several persons to obtain employment there and be assured of dependable transportation when neither owning a vehicle nor being licensed to drive. Without this service these persons would have been forced to find a reliable car pool or seek lower paying employment in their immediate area. It upsets me to think it may become necessary to inform all of our passengers that the transportation they have relied on (many for the 10 years) may no longer be available to them. Or at the very best it is going to cost them another \$77.00 per year if we are forced into carrying the \$5 million coverage.

Our average daily fare is \$2.91 per day averaged out over the entire system. Based on an average working year, this is \$675.00 in commuting cost to the average passenger. That amounts to 36.4¢ per working hour. An additional \$77.00 in costs raises this to \$3.26 per day, \$752.00 per year or 40.7¢ per working hour.

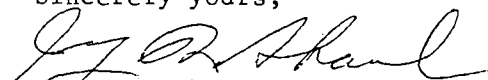
As SF 505 allows deregulation in many areas, I would like to raise these questions. What is going to happen to the inter-city service as is now provided in this state? Do you, Mr. Ehlert, really believe this service will remain in Iowa, with the possible exception of the very major cities, with even that being limited to only major inter-state highway service? Is this the type of transportation system new industry is looking for? Do you feel it would be possible for small intra-state, inter-city carriers to fill these voids which will no doubt occur? I believe it next to financially impossible for such new service to occur.

SF 505 is one of many small steps forward for the large charter carriers which serve Iowa. It is one huge step backward for public transportation in the State of Iowa. Economically Iowa now ranks 4th from the bottom (according to one of our major newspapers). I fail to see where laws such as this serve to improve our economic condition nor our transportation system.

Speaking for myself and the other commuter carriers, I believe we have proven that a need for such services exists, and that they can be profitably run without government subsidy if everything can be held in its' own reasonable perspective. We have carried as high as 240 passengers per day. This was prior to the major lay-offs occurring in Iowa industry in 1980 and 81. It was also at a time when Amana's working force was structurally different than it currently is. It was also done with more operating routes than we now use. I only wish to point it out as a fact for future thought.

As this law takes effect July 1, 1986, I realize time is terribly short. We, as small business, do not have the informative and legal resources of large corporations. Therefore this came very unexpectedly June 18, 1986 when we were all notified of its' existence and provisions. It has taken several days to compile the necessary information needed to determine exactly what effect this bill would have on us. I therefore humbly request, on behalf of myself and all other intra-state carriers who may be affected by SF 505, that your office conduct an investigation and/or feasibility study into the far reaching consequences of SF 505 before allowing such to go into effect. I believe, according to section 325.26, paragraph (d), that your office would have such authority.

Sincerely yours,


Jerry R. Shaul



INDUSTRIAL TRANSPORTATION

-19-

Tom

ROUTE #1

JERRY R. SHAUL

210 SEVENTH AVE.

BELLE PLAINE, IOWA 52208

TELEPHONE:

TO: Iowa Department of Transportation --- Insurance Hearing

We, the undersigned, as passengers of Industrial Transportation of Belle Plaine, Iowa, are opposed individually and as a group to the excessive liability and property damage requirements which resulted from Senate File 505 becoming an effective law July 1, 1986.

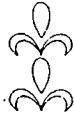
The insurance requirements resulting from SF 505 are excessive and above reasonable limitations when applied to small passenger carriers operating only on an intra-state basis. Compliance with this law on the part of Industrial Transportation resulted in a rate increase of \$1.75 per week, per customer, in order to meet the insurance premium increase of \$6500. An increase of 274%.

We ask that you please consider our objections to Senate File 505 at the public hearing to be held August 12 at 1:00 P.M. in the Henry Wallace Building, Des Moines, IA. Please consider very carefully whether intra-state carriers should be placed in the same category as inter-state carriers.

Name	Town	Date
1. <i>Jessie R. Dadd</i>	<i>Brooklyn</i>	<i>8-7-86</i>
2. <i>James J. Zigler</i>	<i>Brooklyn</i>	<i>8-7-86</i>
3. <i>Arthur P. Williams</i>	<i>Brooklyn</i>	<i>8-7-86</i>
4. <i>Maxine Ash</i>	<i>Brooklyn</i>	<i>8-7-86</i>
5. <i>Connie Brown</i>	<i>Malcom Iowa</i>	<i>8-2-86</i>
6. <i>Thomas M. Glenn</i>	<i>Brooklyn Iowa</i>	<i>8-7-86</i>
7. <i>Corne Roth</i>	<i>Brooklyn Iowa</i>	<i>8-7-86</i>
8. <i>Lee M. [unclear]</i>	<i>Brooklyn IA</i>	<i>8-7-86</i>
9. <i>Gay B. [unclear]</i>	<i>Brooklyn IA</i>	<i>8-7-86</i>
10. <i>Betty [unclear]</i>	<i>Brooklyn IA</i>	<i>8-7-86</i>
11. <i>Roy Schaeffer</i>	<i>Brooklyn Ia</i>	<i>8-7-86</i>
12. <i>John H. Mullan</i>	<i>Journals Ia</i>	<i>8-7-86</i>
13. <i>Robert [unclear]</i>	<i>Victor Ia</i>	<i>8-7-86</i>
14. <i>Edgar [unclear]</i>	<i>Brooklyn Ia</i>	<i>8-7-86</i>
15. <i>John M. [unclear]</i>	<i>Brooklyn Ia</i>	<i>8-7-86</i>
16. <i>Becky Clement</i>	<i>Brooklyn</i>	<i>8-8-86</i>
17. <i>Robert [unclear]</i>	<i>Brooklyn Ia</i>	<i>8-8-86</i>
18. <i>Thomas [unclear]</i>	<i>Brooklyn Ia</i>	<i>8-8-86</i>
19. <i>Jack [unclear]</i>	<i>Brooklyn Ia</i>	<i>8-8-86</i>
20. <i>Judy Calderwood</i>	<i>Brooklyn Ia</i>	<i>8-8-86</i>
21. <i>John [unclear]</i>	<i>Brooklyn Ia</i>	<i>8-8-86</i>
22. <i>John [unclear]</i>	<i>Brooklyn Ia</i>	<i>8-8-86</i>
23. <i>John [unclear]</i>	<i>Malcolm</i>	<i>8-8-86</i>
24. <i>Robert [unclear]</i>	<i>Malcolm</i>	<i>8-8-86</i>
25. <i>John [unclear]</i>	<i>Malcolm</i>	<i>8-8-86</i>
26. <i>Lynn Hansen</i>	<i>Malcolm</i>	<i>8-8-86</i>
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Written protests may be directed to; Insurance Hearing, Office of Project Planning, Iowa Department of Transportation, 800 Lincoln Way, Ames, IA 50010.

Written statements will be received until August 25, 1986 and will be included in the hearing transcript.



INDUSTRIAL TRANSPORTATION

-20-

Keith
ROUTE #14

JERRY R. SHAUL

210 SEVENTH AVE.

BELLE PLAINE, IOWA 52208

TELEPHONE:

TO: Iowa Department of Transportation --- Insurance Hearing

We, the undersigned, as passengers of Industrial Transportation of Belle Plaine, Iowa, are opposed individually and as a group to the excessive liability and property damage requirements which resulted from Senate File 505 becoming an effective law July 1, 1986.

The insurance requirements resulting from SF 505 are excessive and above reasonable limitations when applied to small passenger carriers operating only on an intra-state basis. Compliance with this law on the part of Industrial Transportation resulted in a rate increase of \$1.75 per week, per customer, in order to meet the insurance premium increase of \$6500. An increase of 274%.

We ask that you please consider our objections to Senate File 505 at the public hearing to be held August 12 at 1:00 P.M. in the Henry Wallace Building, Des Moines, IA. Please consider very carefully whether intra-state carriers should be placed in the same category as inter-state carriers.

Name	Town	Date
1. Keith Keith	Victor	8-7-86
2. Melvin Jack	Victor	" " "
3. Don Jack	Victor	" " "
4. Tom Maye	Hartwick Ia	" " "
5. John E. Wade	Marengo Iowa	" " "
6. Rosemary Propp	Victor	" " "
7. Donald Kuntz	Marengo	" " "
8. Henry Eckhard	Marengo Iowa	" " "
9. Curtis Starch	Marengo Iowa	8-7-86
10. Judy McCaw	Marengo	8-7-86
11. Ruth Kuyelman	Marengo	8-7-86
12. Gene Hodges	Victor	8-7-86
13. Gerald Hansen	Victor	8-7-86
14. Tom Lamb	Marengo	8-7-86
15. M. James Allen	Marengo	8-7-86
16. Anthony Weiss	Marengo	8-7-86
17. Gary P. Fish	Victor	8-7-86
18. Pam Stenberg	Victor	8-7-86
19. Russell Macdonald	Victor	8-7-86
20. Tom Carlson	Victor	8-7-86
21. Harb Fields	Victor	8-7-86
22. Bob Barber	Victor	8-7-86
23. Charles Gray	Victor	8-7-86
24. Cindy Simpson	Victor	8-7-86
25. Jimmie Donald	Victor	8-7-86
26. Betty Russell	Barbara	8-7-86
27. Keith Hand	Victor	8-8-86
28. P.D. Lewis	Marengo	8-8-86
29. Ed Hansen	Victor	8-8-86
30. Charlie Rauer	Victor	8-8-86
31. Char. Buehler	"	8-8-86
32. Chris Simpson	"	8-8-86
33. Barb Pedima	Victor	8-8-86
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Written protests may be directed to; Insurance Hearing, Office of Project Planning, Iowa Department of Transportation, 800 Lincoln Way, Ames, IA 50010.

Written statements will be received until August 25, 1986 and will be included in the hearing transcript.



INDUSTRIAL TRANSPORTATION

-21-

Gary
ROUTE #2

JERRY R. SHAUL

210 SEVENTH AVE.

BELLE PLAINE, IOWA 52208

TELEPHONE:

TO: Iowa Department of Transportation --- Insurance Hearing

We, the undersigned, as passengers of Industrial Transportation of Belle Plaine, Iowa, are opposed individually and as a group to the excessive liability and property damage requirements which resulted from Senate File 505 becoming an effective law July 1, 1986.

The insurance requirements resulting from SF 505 are excessive and above reasonable limitations when applied to small passenger carriers operating only on an intra-state basis. Compliance with this law on the part of Industrial Transportation resulted in a rate increase of \$1.75 per week, per customer, in order to meet the insurance premium increase of \$6500. An increase of 274%.

We ask that you please consider our objections to Senate File 505 at the public hearing to be held August 12 at 1:00 P.M. in the Henry Wallace Building, Des Moines, IA. Please consider very carefully whether intra-state carriers should be placed in the same category as inter-state carriers.

Name	Town	Date
1. Lucille Vitek	Belle Plaine Ia	8/7/86
2. Susan Winters	Bogartown, Ia	8/7/86
3. Brenda Schutte	Belle Plaine, Ia	8/7/86
4. James Eckhart	Van Horn Ia	8-7-86
5. Bernice Smith	Chickasaw Ia	8-7-86
6. Ellen J. Mammel	Blairtown Ia	8-7-86
7. E. Barry Wilson	Belle Plaine Ia	8-7-86
8. Shirley J. Shaul	Belle Plaine Ia	8-7-86
9. Janet Kellie	Van Horn Ia	"
10. Shirley J. Shaul	Belle Plaine Ia	7/1
11. Elsie J. Allen	Chickasaw Ia	"
12. Anna TASCHEK	LUTHER Ia	8-7-86
13. Harold G. Gery	Elberon Ia	8-7-86
14. James Tomich	Belle Plaine Ia	8-7-86
15. Joe Tomich	Belle Plaine Ia	8-7-86
16. Darlene Wilson	Van Horn Ia	8-7-86
17. Darlene Wilson	Belle Plaine Ia	8-7-86
18. Josephine Shupe	Blairtown Ia	8-7-86
19. John Miller	Van Horn Ia	8-7-86
20. James H. Brown	Belle Plaine, Ia	8-7-86
21. Beverly Kellie	Blairtown, Ia	8-7-86
22. Margie E. Johnson	Van Horn Ia	8-7-86
23. Pat W. Miller	Blairtown, Ia	8-7-86
24. Rose M. McGinnis	Blairtown, Ia	8-7-86
25. Bob Foster	Blairtown, Ia	8-7-86
26. Beverly Shaul	Blairtown, Ia	8-7-86
27. Gary J. Shaul	Blairtown, Ia	8-7-86
28. Gary E. Shaul	Blairtown, Ia	8-7-86
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Written protests may be directed to; Insurance Hearing, Office of Project Planning, Iowa Department of Transportation, 800 Lincoln Way, Ames, IA 50010.

Written statements will be received until August 25, 1986 and will be included in the hearing transcript.

MATERIAL WHICH WAS RECEIVED AFTER
THE AUGUST 12, 1986, PUBLIC HEARING

WHITFIELD, MUSGRAVE, SELVY, KELLY & EDDY

EDGAR MUSGRAVE
EDWARD J. KELLY
JOHN C. EDDY
HARLEY A. WHITFIELD
ROY W. MEADOWS
A. ROGER WITKE
DEAN DUTTON
GARY GATELY
TIMOTHY J. WALKER
DAVID L. PHIPPS
BENJAMIN B. ULLEM
ROBERT M. KREAMER
ROBERT L. FAINTER
KERMIT S. SUTTON
MARSHALL J. HUNZELMAN
ROBERT KOOP JOHNSON
BERNARD L. SPAETH, JR.
RODNEY P. KUBAT
WILLIAM L. FAIRBANK
JAKI K. SAMUELSON
ROBERT L. KANE
KEVIN M. REYNOLDS
THOMAS H. BURKE
THOMAS HENDERSON
MEGAN M. ANTENUCCI
WENDY CARLSON
GARY A. NORTON

ATTORNEYS AND COUNSELORS AT LAW
1300 FIRST INTERSTATE BANK BUILDING
DES MOINES, IOWA 50309
(515) 288-6041

ALLEN WHITFIELD
(1928-1984)

August 13, 1986

FAX
(515) 246-1474

REFER OUR FILE NUMBER:

Insurance Hearing
Office of Project Planning
Iowa Department of Transportation
800 Lincoln Way
Ames, Iowa 50010

I represent Adventure Coaches, Inc., which is domiciled in Des Moines, Iowa, and is a regulated charter bus carrier authorized to transport passengers, in charter service, between all points in the United States, and also between points in Iowa. I have been requested to submit this letter in connection with the hearing which has been held concerning liability insurance limits imposed upon regular route and charter carriers.

Adventure Coaches, Inc. is required to carry \$5,000,000 of liability insurance because it does conduct operations in interstate commerce. Nevertheless, Adventure believes that these limits should not be imposed upon all charter carriers operating in Iowa intrastate commerce. While the recently enacted legislation would not have a current impact upon Adventure Coaches, it is this company's position that the Federal requirements for liability insurance should not be applicable to all Iowa charter carriers.

There are a limited number of charter bus carriers conducting operations in Iowa which primarily provide commuter service. Some of these companies do not operate in interstate commerce, and would not, therefore, be subject to the \$5,000,000 liability insurance requirements, but for the recently enacted Iowa legislation. These commuter bus operators generally drive very short distances and operate their buses only a few hours per day. When compared with

WHITFIELD, MUSGRAVE, SELVY, KELLY & EDDY
ATTORNEYS AND COUNSELORS AT LAW

Page 2
August 13, 1986

interstate operators who operate seven days per week, the mileage travelled and their exposure is relatively limited.

It has become increasingly more difficult to obtain \$5,000,000 of liability coverage. Additionally, it has become extraordinarily expensive to acquire such a high limit of insurance. As a practical matter, the cost of acquiring this coverage could provide a barrier to a commuter operator being able to render an economically efficient commuter operation.

Commuter bus operators have always operated on a very low margin of profit, if in fact any profit could be generated from such operations. In order to maintain a sufficient ridership to justify a commuter operation, rates must be competitive with costs of private transportation. It is believed that the additional costs which would be incurred by carrying \$5,000,000 of liability insurance coverage would put commuter operators in a position where they could not offer a cost-effective commuter service. The services rendered by commuter buses are very valuable to both the patrons and the smaller communities which enjoy such service.

It is respectfully submitted that individuals or companies which are engaged exclusively in commuter passenger service should not be subjected to the same high liability insurance requirements that are imposed on companies engaged in ordinary charter bus operations. Adventure Coaches believes that it is in the public interest to encourage the utilization of commuter bus service in the State of Iowa. It is also believed that the recent legislation concerning liability insurance will be counterproductive, and result in the discontinuation of a number of commuter operations. As a result, more individuals will be forced to drive their own automobiles between smaller communities and the larger communities in which they are employed. It is legally permissible for an individual driver of an automobile to travel the highways of this state without any liability insurance coverage. It makes little sense to create a situation in which individuals would be forced to drive their own automobiles, potentially with no liability insurance coverage, when they could be enjoying the benefits of commuter bus transportation which would at least have some public liability insurance coverage.

WHITFIELD, MUSGRAVE, SELVY, KELLY & EDDY
ATTORNEYS AND COUNSELORS AT LAW

Page 3
August 13, 1986

Adventure Coaches, Inc. recommends that bus carriers engaged exclusively in commuter service be required to carry public liability insurance in the amount of \$1,000,000. Such insurance coverage would give reasonable protection to the public, and at the same time make commuter operations economically feasible.

Adventure Coaches, Inc. submits this statement because of its interest in bus transportation within the State of Iowa. Again, Adventure Coaches would not benefit by any reduction in the insurance requirements, but believes that the State of Iowa and the travelling public would benefit from such a reduction.

Very truly yours,



William L. Fairbank

WLF/dc

BROWN, WINICK, GRAVES, DONNELLY, BASKERVILLE AND SCHOENEBAUM
ATTORNEYS AT LAW

MARVIN WINICK
RICHARD W. BASKERVILLE
BRUCE GRAVES
JOHN V. DONNELLY
W. KENDALL BROWN
STEVEN C. SCHOENEBAUM
ROBERT A. HUTCHISON
DAVID C. CRAIG
HAROLD N. SCHNEEBECK
PAUL D. HIETBRINK
WILLIAM D. BARTINE II
WILLIAM C. BROWN
RICHARD K. UPDEGRAFF
RICHARD A. MILLER
JILL THOMPSON HANSEN
JOHN G. FLETCHER
PAUL E. CAREY
ROBERT R. SMITH
MONTE R. HANSON
SUZANNE J. KRUSE
DEBORA A. ANDERSON
MICHAEL R. BLASER
JOHN D. HUNTER

SUITE 1100
TWO RUAN CENTER
601 LOCUST STREET
DES MOINES, IOWA 50309

TELEPHONE
(515) 283-2076

OF COUNSEL
WALTER R. BROWN

August 19, 1986

Insurance Hearing
Office of Project Planning
Iowa Department of Transportation
800 Lincoln Way
Ames, IA 50010

Re: Financial Responsibility Intrastate
Passenger Motor Carriers
Ref. No. 722

Gentlemen:

This written submission is being submitted on behalf of Iowa Coaches (Dubuque), Charter Coaches (Cedar Rapids), Marshall Motor Coach (Marshalltown), Midwest Transportation (Ames), and Burlington Stage Lines (Burlington). This statement is being submitted on behalf of said carriers and it is in addition to, and not in substitution of, the statements made by these carriers at the hearing held on August 12, 1986.

These carriers feel very strongly that there should be no exception made from the level of insurance protection as provided by federal law with respect to carriers operating vehicles which can seat 16 passengers or more. In support of the position that no reductions to lesser levels from the federal limits should be authorized, these carriers submit:

1. The federal level was established by federal agencies within the federal government. This level of insurance was not taken out of the air, but was determined after an analysis and investigation of the risk to the public involved. Why should passengers traveling in certain buses be entitled to less protection than passengers that travel in other buses? If the state adopts insurance levels lower than that set by the federal

Insurance Hearing
August 19, 1986
Page 2

government, and if there is a major accident for which there is insufficient insurance to compensate for the injuries and damages to victims thereof, those victims would be dealt a serious injustice which, in this instance, could be directly traced to the fact that Iowa state government reduced the level of insurance required of certain carriers. In that event, who is liable? It may be the state.

2. The argument has been made that since some of these small carriers are only "commuter" carriers, the risk involved is not as great. These carriers operate daily, rain or shine. These carriers are often operating with antiquated equipment that is not in the best of repair. Moreover, their financial conditions are often weak. On the weekends, their equipment is used for charter in direct competition with the same carriers that are submitting this statement. The risk is at least as great. Please note the statement on behalf of Marshall Motor Coach at the August 12, 1986 hearing. The insurance company of that carrier has stated to it that it views the commuter run as involving a very great risk, possibly too great to insure! A letter from Marshall Motor Coach to Dennis Ehlert of the Iowa Department of Transportation stating such fact is incorporated herein by this reference.

3. The carriers on behalf of whom this written statement is being made, have fleets of some of the most modern and best-equipped buses that are on the road today. They maintain facilities for the maintenance of their vehicles and employ not only drivers, but also mechanics, secretaries, etc. These carriers have in place extensive safety programs which apply to all their operations. They have been in the business of transporting passengers for many years and are very experienced in this regard. These carriers must carry a level of insurance equal to that required by federal law for all of their passenger bus operations. If carriers of this caliber must carry such a level of protection, it makes no sense at all to allow lesser insurance levels for carries that are not as sophisticated, either by way of facilities, equipment, management, experience, or financially. Nor is it fair to allow one carrier to compete with another with different levels of insurance at correspondingly different costs.

There are many reasons why the public of the safety dictates that all carriers be required to meet the federal level of insurance. It should be noted that there are already exceptions for lesser limits for passenger carriers carrying less than 16 persons. Neither this proceeding nor this statement applies to such carriers, since the law clearly exempts such smaller carriers

Insurance Hearing
August 19, 1986
Page 3

from those limits. However, with respect to those carriers who operate vehicles which can carry 16 persons or more, the level of insurance should be at the federal level.

Respectfully submitted,


Steven C. Schoenebaum

cc: Gordon Sweitzer
Dennis Ehlert

BROWN, WINICK, GRAVES, DONNELLY, BASKERVILLE AND SCHOENEBAUM
ATTORNEYS AT LAW

MARVIN WINICK
RICHARD W. BASKERVILLE
BRUCE GRAVES
JOHN V. DONNELLY
W. KENDALL BROWN
STEVEN C. SCHOENEBAUM
ROBERT A. HUTCHISON
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SUITE 1100
TWO RUAN CENTER
601 LOCUST STREET
DES MOINES, IOWA 50309

TELEPHONE
(515) 283-2076

OF COUNSEL
WALTER R. BROWN

August 22, 1986

Insurance Hearing
Office of Project Planning
Iowa Department of Transportation
800 Lincoln Way
Ames, IA 50010

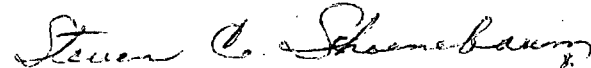
Re: Minimum Levels of Insurance

Gentlemen:

Enclosed you will please find the following:

1. An additional statement being submitted on behalf of Midwest Transportation, Inc., together with two photographs; and
2. A petition circulated by Midwest Transportation, Inc. and which is signed by several citizens.

Very truly yours,



Steven C. Schoenebaum

Enc.

cc: Robert Killam

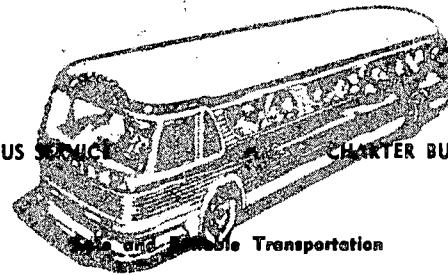
MIDWEST *Transportation, Inc.*

1501 E. Lincoln Way

P. O. Box 643
Ames, Iowa 50010

Phone 232-7270

CITY BUS SERVICE CHARTER BUS SERVICE



August 20, 1986

Dear Sirs,

We have been in the transportation business for forty (40) years, and own eight (8) over-the-road Charter Coaches. We have a garage 80' x 200' with three (3) mechanics and employ ten (10) qualified drivers.

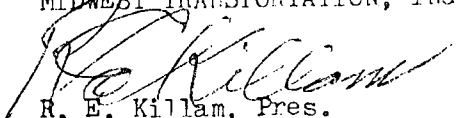
We do most of our traveling on the super four-lane highways, therefore our exposure is small compared to small Vans which travel in heavy traffic and in cities most all of the time.

As you can see by the enclosed pictures, if a car were to hit a Charter Coach (average loaded wt. 34,000 lbs.) you would see that the motor and lower part of the car would go under the floor level of the passengers and into the luggage compartments, compared to a Van (average loaded wt. 8,100 lbs.) where the motor and heavy front end of the car would go into the passenger seats.

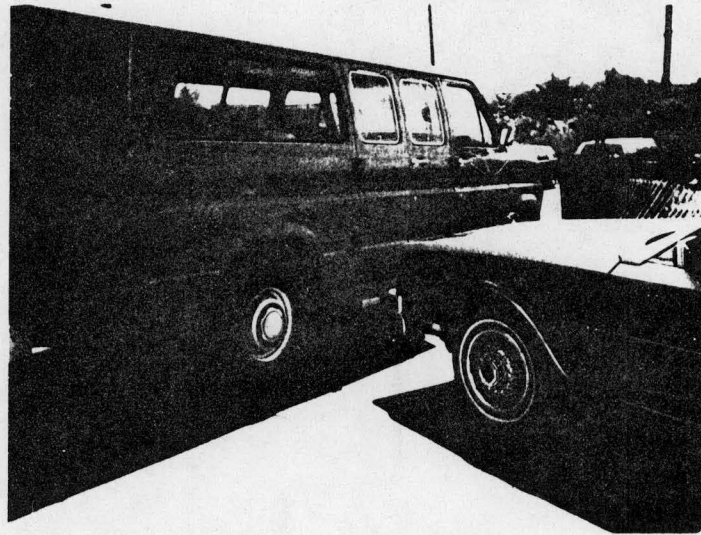
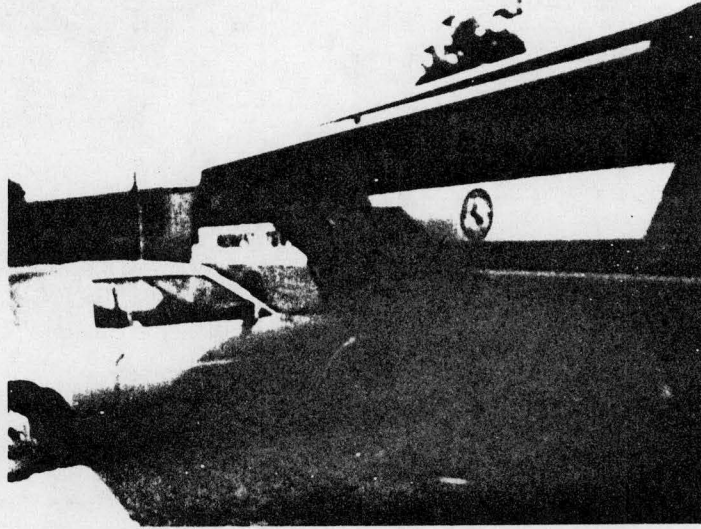
This would prove that Vans, sixteen (16) passenger and under, need to have \$5,000,000 in insurance as they are more vulnerable to serious injuries.

Yours truly,

MIDWEST TRANSPORTATION, INC.


R. E. Killam, Pres.

REK:ck



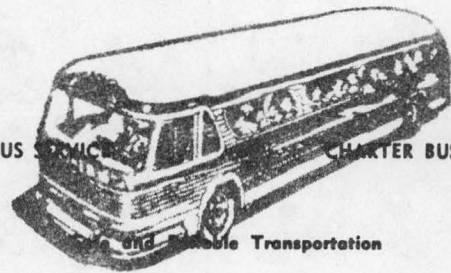
MIDWEST Transportation, Inc.

1501 E. Lincoln Way

Phone 232-7270

P. O. Box 643
Ames, Iowa 50010

CITY BUS SERVICE CHARTER BUS SERVICE



Midwest Transportation

We the Undersigned ask the D.O.T. to set \$5,000,000.00 as the minimum Insurance for Busses operated in Iowa.

Linda Lillebo
 Kent E Bergstrom
 Dan A. Heitz
 Mark Anderson
 Orville Stone
 James C. Kline
 Les J. Campbell
 Tracy A. Cade
 King Burt
 Donald R. Hammett
 J. J. Wise
 Nancy Weets
 L. George Gotts
 Darrin L. Brown
 Shirley Killam

Rich Kieley
 Constance Kellam
 Jim Gro
 Kay Brower