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1958

**REPORT
OF
CITIZENS BUS STUDY COMMITTEE
STATE OF IOWA
DECEMBER 1958**

Committee Members
APPOINTED BY IOWA STATE COMMERCE
COMMISSION

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Waterloo
Chamber of Commerce

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WATERLOO ● IOWA

December 23, 1958

The Honorable Herschel C. Loveless
Governor of Iowa
State Capitol
Des Moines, Iowa

My dear Governor Loveless:

Expressed fear by many Iowa citizens that intercity bus service to many of Iowa's smaller cities is doomed, prompted the Iowa Commerce Commission during September, 1958, to select a committee of thirteen men having diversified interests in Iowa, to study the facts and report their findings. The committee feels the urgency of the situation to justify the personal attention of the State Governor.

The committee has completed its study of circumstances which create the problem; heard many well informed witnesses representing the intercity bus industry from inside and outside Iowa; analyzed hundreds of letters from affected Iowa citizens and collected volumes of testimony and exhibits relevant to the problem matter.

The committee finds that diminishing and loss of transportation to and from populated suburban and village areas of Iowa has become an acute problem of major importance.

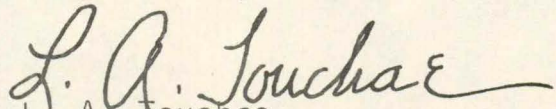
Unless regulatory bodies adopt effective measures to solve the dilemma in which intercity bus companies find themselves, there will be serious consequences.

The committee is seriously concerned that loss of intercity bus service will tend to isolate many thousands of elderly and retired village Iowa citizens. There is no substitute for public intercity bus service to this large group of Iowa citizens.

The committee acknowledges with thanks the assistance given, without limitations, by the Iowa Commerce Commission and the Institute of Public Affairs at the State University of Iowa. The Commerce Commission for accessibility of factual statistics reflecting industry experience and trends; the Institute of Public Affairs for compiling the data collected by the committee and for the assistance given in drafting this report.

The report and recommendations are the unanimous views of the committee. It is hoped that careful consideration will be given to the recommendations and that decisive action will follow.

Respectfully submitted,



L. A. Touchae
Executive Vice President
Waterloo Chamber of Commerce

Chairman, Iowa Intercity
Bus Study Committee.

BEFORE THE IOWA STATE COMMERCE COMMISSION

* * * * *

IN THE MATTER OF THE IOWA
INTERCITY BUS STUDY COMMITTEE.

WHEREAS, the Iowa State Commerce Commission is cognizant of and deeply concerned over the reduction and loss of public intercity passenger transportation services to the communities of Iowa, which are vital to the welfare, growth and economy of the communities and the State; and

WHEREAS, the people of Iowa have not been adequately informed of the existing passenger transportation problem so as to be conscious of remedial legislative action and necessary reforms, and the Commission is not provided with the necessary statutory latitudes to bring about said action, and further that the problem extends considerably beyond the Commission's functions of regulation; and

WHEREAS, the Commerce Commission has caused a committee of citizens of Iowa, recognized for their civic and community interest, to be appointed for the purpose of studying the intercity bus passenger transportation problems; and

WHEREAS, the said committee has made recommendations it deems necessary and advisable to sustain and augment the intercity bus passenger service;

THEREFORE, BE IT RESOLVED that the Iowa State Commerce Commission receives the report of the Iowa Intercity Bus Study Committee and accepts and endorses its recommendations therein.

BE IT FURTHER RESOLVED that the Iowa State Commerce Commission extends its sincere appreciation for the fine work of the Bus Study Committee and commends the Committee for its service to the State of Iowa.

IOWA STATE COMMERCE COMMISSION

R. H. Thompson
Chairman

John A. Tallman
Commissioner

ATTEST:
L. F. Wolfinger
Secretary

John M. Ropes
Commissioner

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THE PUBLIC'S INTEREST IN INTERCITY BUS TRANSPORTATION.

Many Iowa communities today have no public transportation service. Scheduled airlines serve only a few cities in the state; railroads have abandoned passenger service except for larger towns on the main lines. Many other Iowa communities are in serious danger of losing their last remaining form of public transportation--the intercity bus.

Many communities have lost their bus service in the past few years. Bus companies have gone out of business. Other firms, to maintain profitable operations, have discontinued lines, reduced schedules, eliminated stops. Numerous cases were brought to the attention of this committee of the extent of the decline in intercity bus service. Routes have been abandoned; the towns along those routes no longer have service. Schedules have been reduced; where four round trips were offered ten years ago, only one round trip is offered now each day. Towns that are located a few miles off the main highway are no longer served by the bus.

The picture is general throughout the state; indeed, it is part of a national problem. Despite increases in rates, expansion of auxiliary services, and elimination of unprofitable services, the bus companies that serve Iowa are in a desperate financial plight. This committee is convinced that unless adequate legislative measures are taken at once to assist these intercity carriers, many more Iowa communities will lose their last remaining form of public transportation.

As this committee views the problem, it is not only a

question of encouraging the bus firms to expand their services, or to restore service to cities and towns that have been abandoned, it is also a matter of doing whatever is necessary to help the bus companies remain in business and maintain the service they now provide.

Figures presented to the committee show that about one-third of the bus service now provided in Iowa is provided at a loss. Unless action is taken by the General Assembly at once to assist the intercity bus industry, the communities that are served at a loss to the carriers will lose that service.

The communities that have lost their bus service, and those in danger of losing service, for the most part are smaller communities. Small communities that are not located on the main highways that carry bus lines between larger population centers have been and are particularly vulnerable to loss of bus service.

People in the lower income levels comprise a larger proportion of bus patrons than they do of the total population. Also, a large proportion of bus patrons are older people, women, and students.

It is especially unfortunate that the passenger transportation industries should be faced with this bleak financial picture at the very time that the State of Iowa and its communities are making such strenuous efforts to attract new business and industry. If the State and its communities are to grow and prosper, adequate regulation of public transportation is essential.

For these considerations, this committee urges the industry,

the State, and the communities of the state to make every effort to assure Iowans safe, dependable, convenient motor coach transportation. The committee hopes that its recommendations will receive careful study and consideration, and that these recommendations will help provide Iowans the service they need.

THE FINANCIAL PLIGHT OF THE BUS INDUSTRY.

The current financial plight of the intercity bus industry is the familiar picture of declining revenues and increasing costs. These trends have continued to the point where many bus companies, particularly the smaller ones, are in a desperate financial position. Some firms already have been forced out of business. Others have been forced to eliminate unprofitable routes and to reduce other services greatly. The industry's efforts to increase revenues and decrease costs have not been sufficiently effective to offset the unfavorable trends.

Here are some salient facts about the national intercity bus picture that were presented to the committee:*

1. Since the peak traffic of World War II there has been a decrease of more than 55 per cent in the number of passengers carried by intercity buses.
2. In attempts to overcome this loss of revenue, bus service has been reduced by less than 25 per cent in terms of vehicle miles operated.

*Statement presented by Mr. J. R. Neeley, Director of Safety and Personnel, the Greyhound Corporation, Oct. 2, 1958.

3. In 1941 a new intercity bus cost about \$16,000; the two most modern types of buses cost the carriers \$43,000 and \$53,000 today.

4. Over the last thirteen years total operating expenses per vehicle mile have risen 56 per cent. Labor costs have risen 83 per cent in this period.

5. Revenue per vehicle mile has risen only about 13 per cent despite the trend toward the use of larger capacity vehicles and higher fares.

6. The rate of occupancy per vehicle has declined from an average of about 70 per cent during the war to slightly more than 50 per cent today.

7. Intercity bus fares have increased an average of about 38 per cent since 1944, as compared with a rise of about 60 per cent in consumer prices generally.

8. According to figures reported to the Interstate Commerce Commission, the number of bus firms that had gross annual revenues of \$200,000 or more declined from about 200 in 1949 to about 150 in 1957. For the year 1957, forty-one, or more than a fourth of these companies, had net losses. Of the smaller carriers, 41 per cent showed net losses for the year 1955, the latest year for which comparable data are available.

Representatives of the bus firms that operate in Iowa assured the committee that these facts for the industry as a whole apply with equal force to them. If anything, the firms that operate only in Iowa may be in a slightly worse position than the interstate operators.

Operating Ratio.

The yardstick that is commonly used to determine the current financial health of a bus operation is the operating ratio. This ratio is used rather than the rate of return ratio that is used in discussing other industries. The operating ratio is recognized as the proper yardstick to use in determining rates by the Interstate Commerce Commission, the Iowa Commerce Commission, and similar bodies in other states.

The operating ratio is computed by dividing a firm's operating expenses for the year by its operating revenues for the year; the result is stated as a percentage. Thus, if a firm's expenses exceed its income during a given year, the ratio is more than 100; if the firm has a net profit, the operating ratio will be less than 100. Operating expenses do not include federal and state income taxes, and operating revenues do not include revenue from sources other than operations.

The Interstate Commerce Commission recommends an operating ratio of about 90, which results in a ratio of about 96 after taxes. This is regarded as a fair return for rate-fixing purposes.

Detailed Financial Information.

From the statistical data that was made available to the committee, the following information has been selected to show the current financial condition of the bus industry that serves Iowa. While much of the data concerns the

operations of only one company, the committee was assured that almost exactly the same picture is true of the other firms that operate in Iowa. Representatives of nearly all these companies, including officers of the Iowa Intercity Bus Association, concur that these figures represent a true picture of the problems facing them at this time.

It should be noted that all bus firms that operate in this state are required to file detailed, uniform reports with the Iowa Commerce Commission and the Interstate Commerce Commission. These reports are subject to continuing review and analysis by the Commissions and their staffs. Much of the material presented here was drawn originally from information presented in these reports.

Table I is a composite picture of the financial operations of the twelve firms that are members of the Iowa Intercity Bus Association. For the firms that operate through Iowa into other states, the Iowa intrastate mileage and passenger revenues have been allocated proportionately. "Other revenue" includes concession rentals in certain terminals, package storage, etc. The operating ratio may be interpreted as meaning that for these twelve firms combined, it cost the firms \$1.08 in expenses to produce \$1.00 in revenue.

Tables II and III are drawn from the financial reports of Central Greyhound Lines and cover its operations over the fifteen states, including Iowa, in which it operates. The increase in passenger revenue in 1957 over 1956 is largely the result of fare increases, according to a representative

of the company. He pointed out that for these two years operating costs per mile increased from 44.84 to 48.36 cents per mile.

Table IV shows the number of miles operated, and the number of passengers carried, in the state of Iowa by Central Greyhound Lines during the last nine years. These figures show that during this period the amount of service provided by the company decreased only slightly, while the number of passengers carried by the company's buses in Iowa dropped by nearly one-half.

Tables V and VI show in detail the amount of revenue, the miles operated, and the revenue cents per mile for the various route divisions of Greyhound that serve Iowa. These tables include only passenger revenues; revenues from other sources, such as charter operations, are not included.

Representatives of Greyhound and other firms explained to the committee that bus lines are interested in maintaining marginal operations--routes that produce revenues near or only slightly below the break-even point--because this allows them to spread fixed costs over more bus miles.

Greyhound representatives also pointed out that while their interstate operations are operating near or above the break-even point, many of their strictly within-Iowa routes are operating substantially below the break-even point.

Tables VII and VIII point out the obvious reason for the decline in the number of bus passengers and the decline in passenger revenues of the bus companies--the greatly increased

use of private automobiles since World War II. Certainly the private automobile is the strongest competitor of all forms of public transportation, but there is reason to believe that local, short-distance bus routes have been the hardest hit by competition with private automobiles.

Table I.

Consolidated Net Operating Loss from Iowa Operations for the Year 1957 Based on 1957 Annual Reports of Twelve Carriers Reporting to the Iowa Commerce Commission.

	<u>1957</u>	
	<u>Amount</u>	<u>Cents Per Mile</u>
<u>Bus Miles Operated</u>		11,053,396
<u>Operating Revenues</u>		
Passenger Revenue	\$ 3,364,237	30.44
Special Bus Revenue(Charter)	486,109	4.40
Express and Mail	422,315	3.82
Other Revenue	93,015	.84
	<u>\$ 4,365,676</u>	<u>39.50</u>
Total Operating Expense	<u>\$ 4,748,840</u>	<u>42.96</u>
Net Operating Loss	<u>\$ 383,164</u>	<u>3.46</u>
Operating Ratio Before Income Taxes		108.8

Prepared by Iowa Intercity Bus Association

Table II

Central Greyhound Lines Statement Showing Comparison of System Net Income for Twelve Months Ended December 31, 1957 and 1956.

	Twelve Months Ended			
	December 31, 1957		December 31, 1956	
	Amount	Cents Per Mile	Amount	Cents Per Mile
<u>Bus Miles Operated</u>		89,720,096		90,895,270
<u>Operating Revenue</u>				
Passenger Revenue	\$38,199,838	42.58	\$36,801,814	40.49
Special Bus Revenue(Charter)	3,236,127	3.61	3,070,016	3.38
Express Revenue	2,585,556	2.88	2,112,763	2.32
Station Revenue	461,981	.51	588,137	.64
All Other	329,929	.37	371,252	.41
Total Operating Revenue	<u>\$44,813,431</u>	<u>49.95</u>	<u>\$42,943,982</u>	<u>47.24</u>
Total Operating Expense	<u>\$43,389,202</u>	<u>48.36</u>	<u>\$40,759,391</u>	<u>44.84</u>
Net Operating Income	\$ 1,424,229	1.59	\$ 2,184,591	2.40
Other Income & Deductions(Net)	342,804	.39	367,082	.40
Net Income Before Income Tax	<u>\$ 1,081,425</u>	<u>1.20</u>	<u>\$ 1,817,509</u>	<u>2.00</u>
Provision for Income Tax	525,000	.58	916,600	1.01
Net Income	<u>\$ 556,425</u>	<u>.62</u>	<u>\$ 900,909</u>	<u>.99</u>
Operating Ratio Before Income Tax		96.8		94.9
Operating Ratio After Income Tax		98.8		97.9

Prepared by Central Greyhound Lines,
Division of the Greyhound Corporation.

Table III

Central Greyhound Lines Statement Showing Comparison of Net Income For Seven Months Ended July 31, 1958 and 1957.

	Seven Months Ended			
	July 31, 1958		July 31, 1957	
	Amount	Cents Per Mile	Amount	Cents Per Mile
<u>Bus Miles Operated</u>	45,686,733		51,234,783	
<u>Operating Revenues</u>				
Passenger Revenue	\$19,078,150	41.76	\$21,165,146	41.31
Special Revenue	1,838,839	4.02	2,049,752	4.00
Express Revenue	1,640,342	3.59	1,372,399	2.68
Miscellaneous Station Revenue	346,215	.76	269,383	.52
All Other	149,168	.33	179,144	.35
Total Operating Revenue	<u>\$23,052,714</u>	<u>50.46</u>	<u>\$25,035,824</u>	<u>48.86</u>
<u>Operating Expenses</u>				
Equipment Maintenance & Garage	\$ 4,706,917	10.30	\$ 4,978,145	9.71
Transportation	7,628,800	16.70	8,370,490	16.34
Station	3,358,057	7.35	3,153,502	6.15
Traffic Solicitation & Advtg.	1,078,324	2.36	1,243,179	2.43
Insurance & Safety	504,836	1.11	695,823	1.36
Administrative & General	1,956,126	4.28	1,946,413	3.80
Depreciation	1,801,371	3.94	2,046,020	3.99
Operating Taxes & Licenses	2,027,122	4.44	2,135,066	4.17
Operating Rents	125,334	.27	240,870	.47
Total Operating Expenses	<u>\$23,186,887</u>	<u>50.75</u>	<u>\$24,809,508</u>	<u>48.42</u>
Net Operating Income	<u>\$ -134,173</u>	<u>-.29</u>	<u>\$ 226,316</u>	<u>.44</u>
Other Income	\$ 48,053	.10	\$ 37,464	.07
Income Deductions	255,978	.56	205,654	.40
<u>Net Income Before Income Taxes</u>	<u>\$ -342,098</u>	<u>-.75</u>	<u>\$ 58,126</u>	<u>.11</u>
Provision for Income Taxes	225,000	.49	15,700	.03
<u>Net Income</u>	<u>\$ -117,098</u>	<u>-.26</u>	<u>\$ 42,426</u>	<u>.08</u>
Operating Ratio - Before Income Taxes - %	<u>100.6</u>		<u>99.1</u>	
Operating Ratio - After Income Taxes - %	<u>100.5</u>		<u>99.8</u>	

1958 Figures Exclude Capital Gain from the Sale of Dayton and Detroit Suburban Operations.

Prepared by Central Greyhound Lines,
Division of the Greyhound Corporation.

Table IV

Central Greyhound Lines Bus Miles Operated and Passengers Carried in Iowa for the Years 1948 through 1957.

<u>YEAR</u>	<u>MILES</u>	<u>PASSENGERS CARRIED (millions)</u>
1948	6 944 183	1 929 367
1950	6 365 335	1 458 911
1951	6 501 866	1 556 350
1952	6 486 072	1 541 519
1953	6 220 357	1 425 581
1954	6 003 273	1 236 866
1955	6 108 526	1 191 711
1956	5 912 766	1 161 649
1957	5 892 236	1 024 990

Prepared by Central Greyhound Lines,
Division of the Greyhound Corporation.

Table V

Central Greyhound Lines Bus Miles Operated Within Each of Three Revenue Brackets - Divisions That Operated Wholly or Partially Within the State of Iowa - 1957

Total Miles on Division wholly or partially within the State of Iowa	6,915,797
Net Operating Cost or Break-Even Point	44.99 cents per mile
2,923,437 miles (42.3 per cent of total)	produced revenues of more than 44.9 cents per mile
1,799,914 miles (26 per cent of total)	produced revenues between 35.0 and 44.9 cents per mile.
2,192,446 miles (31.7 per cent of total)	produced revenues under 34.9 cents per mile.

Prepared by Central Greyhound Lines,
Division of the Greyhound Corporation.

Table VI

Central Greyhound Lines - Bus Miles, Passenger Revenue and Revenue Cents Per Mile for Divisions Which Operated Wholly or Partially Within the State of Iowa During the Year 1957.

0-34.9 Rev. Cents per Mile

<u>Division</u>		<u>Bus Mile Operated</u>	<u>Revenue</u>	<u>Cents Per Mile</u>
Omaha	-Fairmont(Via Spencer)	645 552	\$ 212 404	32.90
Dixon	-Cedar Rapids	93 623	29 726	31.75
Omaha	-Carroll	66 611	17 406	26.13
Dubuque	-Cedar Rapids	158 065	46 384	29.34
Dubuque	-Davenport	108 066	31 831	29.46
Davenport	-Cedar Rapids	59 791	12 172	20.36
Des Moines	-Cedar Rapids(Via Homestead)	98 763	24 770	25.08
Des Moines	-Cedar Falls	291 874	96 545	33.08
Des Moines	-Ames	68 517	18 222	26.59
Des Moines	-Ames(Via Boone)	42 291	10 339	24.45
Des Moines	-Ottumwa	203 455	63 382	31.15
Omaha	-Davenport(Via Des Moines, Iowa City)	355 838	109 451	30.76
		<u>2 192 446</u>	<u>\$ 672 632</u>	<u>30.68</u>

35.0 to 44.9 Rev. Cents Per Mile

Chicago	-Omaha(Via Cedar Rapids)	931 058	\$ 349 870	37.58
Twin Cities	-Sioux City	259 346	93 011	35.86
Omaha	-Sioux City(Via Onawa)	370 994	160 682	43.31
Des Moines	-Fort Dodge	238 516	94 022	39.42
		<u>1 799 914</u>	<u>\$ 697 585</u>	<u>38.76</u>

Over 45.0 Rev. Cents Per Mile

Chicago	-Omaha(Via Iowa City)	2 923 437	\$1 447 643	49.52
GRAND TOTAL		<u>6 915 797</u>	<u>\$2 817 860</u>	<u>40.75</u>

Prepared by Central Greyhound Lines,
Division of the Greyhound Corporation.

Table VII

Number of Passengers Handled in Iowa by Overland Greyhound Lines for the Years 1948 through 1957.

<u>Year</u>	<u>Number of Passengers Handled in Iowa</u>	Per cent of Increase or Decrease Compared to	
		<u>Prior Year</u>	<u>Year 1948</u>
1948	1 929 367	-	-
1949	1 645 825	-14.7	-14.7
1950	1 458 911	-11.4	-24.4
1951	1 556 350	+ 6.6	-19.3
1952	1 541 519	- 1.0	-20.1
1953	1 425 581	- 7.5	-26.1
1954	1 236 866	-13.2	-35.9
1955	1 191 711	- 3.7	-38.2
1956	1 161 649	- 2.5	-39.8
1957	1 024 990	-11.8	-46.8

Prepared by Overland Greyhound Lines,
Division of the Greyhound Corporation.

Table VIII

Number of Passenger Cars Registered in the State of Iowa for Years 1948 through 1957.

<u>Year</u>	<u>Number of Registrations</u>	<u>Per cent of Increase or Decrease Compared to</u>	
		<u>Prior Year</u>	<u>Year 1948</u>
1948	735 919	-	-
1949	807 536	9.7	9.7
1950	878 606	8.8	19.4
1951	895 948	2.0	21.7
1952	883 298	-1.4	20.0
1953	911 044	3.1	23.8
1954	924 066	1.4	25.6
1955	968 643	4.8	31.6
1956	972 579	.4	32.2
1957	987 298	1.5	34.2

Prepared by Overland Greyhound Lines,
Division of the Greyhound Corporation;
statistics reported by Iowa Motor Vehicle Department.

Competitive Factors in Public Transportation.

Restrictions on the use of private automobiles during World War II resulted in tremendous increases in the passenger traffic of bus and rail lines. It is estimated that in 1944 about a third of all intercity travel was by rail and about ten per cent by bus. It is estimated that today almost ninety per cent of all intercity travel, as measured in passenger miles, is performed by private automobile. The bus and rail shares of this traffic now account for approximately four per cent each.

The basic facts of this competitive situation must be kept in mind when considering the bus industry's efforts to improve its financial position, and in considering proposals for assisting the industry.

Efforts of the Industry to Improve Its Financial Condition.

A rather rigid economic ceiling is imposed on bus fares by the private automobile. This is caused in large measure by the tendency for most motorists to figure their operating costs on the basis of day-to-day cash outlays, rather than on total expense, including taxes, insurance, depreciation, etc. Also, a large proportion of bus patrons are drawn from lower income groups and older people who are least able to pay high rates.

In addition, bus rates must be set in relation to the rates charged by competing forms of public transportation. Traditionally, bus fares have borne a close relation to rail

coach fares, particularly over routes where bus and rail service is roughly parallel.

A study of bus fares in recent years was prepared for the committee by the staff of the Iowa State Commerce Commission. According to this study, basic railroad fares were not increased during the five-year period before 1956; except for minor, selected changes, bus fares also remained stationary. On May 1, 1956, railroad fare increases of approximately five per cent became effective. Bus companies also applied for fare increases, and bus fare increases averaging about six per cent became effective later that month.

Railroad fares were increased about five per cent again in January, 1957. Shortly thereafter, bus carriers obtained general increases of about five per cent.

The average increase in fares over the past five years for the carriers involved in this study amounts to slightly more than eleven per cent. (See page 1 of this report for comparison with increases in costs.)

The railroads are expected to seek another increase in passenger fares late in 1958. The intercity bus companies are expected to request a similar increase to maintain the traditional relationship between the fares of these competing carriers.

Members of the committee engaged in considerable discussion concerning this matter of rates with representatives of the industry and staff members of the Iowa State Commerce Commission. There is some disagreement regarding whether or not bus fares

have reached the saturation point, or the point of diminishing returns.

Certainly, bus fares, whether low or high, have not been a significant factor in the recent declines in the number of bus passengers and passenger revenues. High fares are not the cause of the bus companies' current financial plight. Recent fare increases obviously have not produced sufficient additional revenue to overcome increased costs and declining patronage. Whether or not additional fare increases would drive away more passenger revenue than they would produce is a moot question.

The committee believes that the industry and the state and federal regulatory bodies should give serious, continuing study to the effects of possible fare increases on total passenger revenue.

During recent years the intercity bus carriers have increased their efforts to gain more revenue from charter and special bus operations. Efforts to increase charter business in Iowa are hampered by the lack of state regulation of this field of transportation.

The bus companies also have tried to increase their revenues from auxiliary services, such as express and mail. The committee endorses these efforts and believes that action should be taken to protect the interests of existing services in these and other transportation areas.

Apparently the industry is doing as much as it can to advertise and promote its services in the face of declining revenues. Strenuous efforts have been made to reduce operating

costs through increased efficiency. Much has been done to promote the convenience and comfort of patrons. Certainly the modern coaches now in interstate service are a vast improvement over older models.

The committee recognizes that a special problem exists in relation to many small communities in the state, particularly towns that are located a few miles off the main highways. A large proportion of the bus lines' revenue comes from through passengers -- passengers who are traveling from one large population center to another over a fairly long distance. These passengers are annoyed and inconvenienced when the bus leaves the main highway to go three or four miles to some small town and then returns to the main highway. Often no passengers get off or on the bus at these points.

Apparently the bus lines make many of these stops at a considerable loss. The representative of one firm reported that it cost his firm \$80 a month to provide service to one community from which it derived about \$8 a month in passenger revenue. The committee heard of many similar instances.

Clearly the last step for the bus lines to make in trying to bring revenue in line with expenses is to reduce service. This can be done by eliminating entire routes, by reducing the number of daily round trip schedules on a particular route, or by eliminating stops on particular routes. Some communities have lost their bus service during recent years for this reason.

While reduced service may be the answer for the bus

companies, this committee earnestly believes that this is not the answer for the interests of the people of Iowa. The committee urges the bus industry to continue to strive to improve its financial condition by every possible means short of curtailing essential public service.

Because all the efforts by the industry to reduce costs and to increase revenue have not been enough in recent years to solve the problems of rising costs and declining revenues, the committee realizes that other action is necessary to preserve this industry that provides an essential service to the people of Iowa.

American Buslines.

Since July 1 of this year a strike has been in progress involving American Buslines and its drivers. This firm served 116 Iowa communities, and provided service to nearly all of the southern part of the state. Members of this committee received hundreds of letters from people in the area previously served by this firm. These letters were earnest pleas for action that would restore bus service to these communities.

The committee considered this situation, and conferred with representatives of American Buslines. However, it is the committee's opinion that it ought not make any judgment or recommendations concerning the matter. It is not within this committee's power to make any statement concerning the issues involved in the dispute.

Nevertheless, the facts and discussions of this situation

impressed members of the committee with the urgent need for immediate legislative action to assist the intercity bus industry in solving its financial problems.

PROPOSALS FOR HELPING THE BUS INDUSTRY.

During its deliberations a number of proposals were presented to this committee for its consideration. Proposals for helping the bus industry solve its financial problems were presented by representatives of the industry; members of the Iowa State Commerce Commission and its staff helped explain these proposals and their implications to the committee. The relations of each proposal to existing laws and regulations were considered. In addition, certain matters not strictly of a financial nature were called to the committee's attention. Each of these proposals, and the committee's recommendations concerning it, is discussed below.

The committee wishes at this point to acknowledge with sincere appreciation the untiring assistance and co-operation extended by groups and individuals of state agencies, municipal governments, civic organizations and the many transportation experts made available by the intercity bus industry of Iowa. Without the co-operation and assistance of these groups and individuals, this report would not have been possible.

Apportionment of Registration Fees.

This proposal affects motor carriers that operate both in interstate and intrastate commerce; it would have no affect on carriers that operate only in Iowa.

At the present time Iowa has reciprocity agreements with many other states regarding the licensing of trucks and buses that operate in these various states. These agreements vary in their details, but in general this is how they affect interstate bus operators:

A certificated bus that carries passengers from one point in Iowa to another point in Iowa (intrastate) must be licensed in Iowa; the owner must pay the full Iowa registration fee. However, if a bus that is licensed in Iowa carries passengers from some point in Iowa to a point in another state with which Iowa has a reciprocity agreement, the bus would not have to be licensed in that other state. Also, the bus would not have to be registered in states through which it passes if those states also have reciprocity agreements with Iowa. Iowa extends this same exemption from paying license fees to buses licensed in the states with which it has such agreements.

But every bus that carries passengers from one point in Iowa to another point in Iowa must pay the full Iowa registration fee. This licensing system is very important to bus firms that operate scheduled lines in several states; it means that every bus they own that carries passengers between two points within a given state must be licensed in that state. The amount of each registration fee varies from state to state, and depends on the type and weight of the vehicle. But in most cases the registration fee is several hundred dollars for each vehicle each year for each state in which it is used.

Not only is this a major item of expense to the interstate operator, but it affects the way in which he conducts his

business. If the firm operates in twelve states, and wants to use a particular bus in intrastate service in all of those states, it must be licensed in every one of those states. Because this is a large expenditure, bus firms try to limit their operations so that they must license each bus in as few states as possible. But to do this means that they lose flexibility in the way they can use their equipment. It also means that they have to maintain more buses than if they were able to use every bus in every state in which they operate.

This system of licensing also means that a bus that is used in Iowa must pay the full Iowa license fee regardless of how much of the time it may be in service in Iowa. The operator pays the full Iowa fee even though the bus may be used only a small portion of the time in Iowa.

There is another approach to licensing commercial motor vehicles that perform both an interstate and intrastate service. This second approach is based on the theory that a vehicle should pay license fees based on its size and weight and also on the portion of its total annual mileage in a particular state. That is, the registration fee for a given state should be based in part on the portion of mileage the vehicle accumulates in that state. This approach is referred to as apportionment of registration fees.

Apportionment of license fees originated a few years ago when eleven Western states entered into a joint agreement. Other states have adopted the plan since then. Of the states surrounding Iowa, Minnesota, Illinois, and Missouri may enter into apportionment agreements. Wisconsin and Nebraska, as well

as Iowa, are being urged to adopt apportionment of license fees for buses in lieu of the present restrictive reciprocity agreements.

Under the apportionment system that is being suggested for Iowa, the fees that would be paid by owners of fleets of commercial vehicles would be based on the present Iowa standards of licensing and fee schedule. Each operator would pay fees based on the proportion of in-Iowa fleet miles to total fleet miles. The total fleet miles would be divided into the in-state fleet miles to obtain a pro-rating factor; this factor would be applied to the license fees now being paid by that fleet. Additional vehicles added to the fleet authorized to provide service in Iowa would pay registration fees based on the same factor. In addition, a \$1 fee for identification plates or stickers would be charged for each vehicle registered in Iowa.

The committee was interested to determine how this pro-rating plan would benefit the bus operators, and how the plan would affect state revenues from license fees. Detailed figures were presented by Central Greyhound Lines to show how their operation would be affected.

Based on the first nine months of 1958, Central Greyhound licensed 127 buses in Iowa; license fees totaled \$49,185. The average registration fee per coach was \$387.28. These buses were operated a total of 12,210,238 miles, of which 3,643,655 miles were in Iowa. Thus, the apportionment factor would be 29.8. In other words, 29.8 per cent of the miles these 127 buses traveled were in Iowa. Under the apportionment system,

the company would have paid \$14,657.13 in Iowa license fees (29.8 per cent of \$49,185).

However, this is only part of the story. The greatest advantage to the carriers in apportionment is that they can afford to register more of their equipment in each of the states in which they operate. This gives them much greater flexibility in the use of their equipment, and enables them to increase their per-coach operating mileage. Perhaps even more significantly, with greater flexibility in the use of their equipment, they do not need as much equipment and can eliminate some of the buses now in service. This would reduce capital investment and depreciation costs.

A representative of Central Greyhound Lines estimated that under apportionment his firm would likely register 300 coaches in Iowa instead of the current 127. This would increase the amount of apportioned fees that the firm would pay the state to a total that would result in little or no decrease in license revenue the state would receive from the firm. The increased flexibility and other advantages both to the carrier and to the public would make the change worthwhile.

The Greyhound representative pointed out that before the state of Minnesota had apportionment, his firm qualified 225 buses to operate in that state. After Minnesota adopted apportionment of license fees, the firm qualified 450 buses there.

The committee understands that the Iowa Reciprocity Board intends to sponsor proposed legislation that would amend the Iowa statutes to allow apportionment of license fees. The

committee has studied preliminary drafts of this proposed legislation, and it is the committee's opinion that such legislation should be adopted.

The committee believes that apportionment of registration fees would benefit the interstate carriers greatly, not so much in terms of reducing their licensing costs, but in terms of allowing them to use their equipment more efficiently. The committee endorses the principle of apportionment, and recommends that appropriate legislation be adopted to put it into effect in Iowa.

Assistance for Intrastate Carriers.

Apportionment of license fees provides no relief or assistance to the carrier that operates only in Iowa. Such firms would have to pay the full registration fee on every vehicle, as they do now. There are seven certificated firms that provide bus service only in Iowa; as a group, these firms are operating at a loss at the present time. The committee feels strongly that these firms need relief and assistance of some sort if they are to continue to provide this essential local service to the people of Iowa.

A proposal was presented to the committee that would reduce the license fees paid by these firms. The proposal consists of a basic registration fee of \$5 per vehicle, plus a compensation fee graduated according to weight from \$75 per vehicle to \$250 per vehicle. However, the carriers would be granted reduction in these fees if their operating ratios dropped below certain levels. The maximum relief that would

be allowed would be fifty per cent.

The committee studied this proposal, and its implications, carefully. It considered in detail how it might affect one firm, as representative of the group. The firm now operates nine buses, and pays a total of \$2,280 in Iowa registration fees. If the proposed license rate schedule were adopted, this firm's total annual licensing cost would be \$1,350, a reduction of \$930 from the present licensing cost, assuming that the firm would be entitled to the maximum reduction.

The committee feels that while this proposal, if enacted, would be of some help to these local carriers, it certainly would not solve their financial problems in itself. Indeed, if the intrastate carriers were required to pay no state license fees at all, even that would not be sufficient to overcome their present desperate financial condition.

Therefore, while the committee recognizes that this proposal would be of some slight assistance to the local bus firms, it does not recommend that the proposal be adopted. Rather, the committee urges that stronger measures be adopted to aid the intrastate bus firms.

Regulation of Charter Service.

The State of Iowa exercises no control or regulation over charter bus operations at this time except for the minimum safety requirements set by the Department of Public Safety. Charter buses may operate interstate or intrastate in Iowa -- even if they are licensed in other states. A

charter bus operator does not have to file any evidence of public liability and property damage insurance; there is no control over the cleanliness or sanitation of his equipment; he does not need to provide insurance protection for passengers' luggage; he is not obligated to give service to the public; there are no special requirements on safety equipment in a bus, such as fire extinguisher, first aid kit, etc.; there are none of the other protections given by law to the passengers of a regular-route passenger carrier certified by the Iowa Commerce Commission.

This lack of regulation of charter bus operations is a real hardship to the regular-route carriers, in the opinion of this committee. The Iowa regular-route carriers must not only carry heavy liability insurance but also must comply with strict requirements of state law and regulations of the Iowa Commerce Commission; their operations are inspected regularly by the Commission's field inspectors. Non-certificated operators that provide only charter service do not need to meet these requirements; hence, they enjoy cost advantages over the regular-route carriers who also provide charter service. The regular-route carriers must file statements of fares and rates with the Iowa Commerce Commission; the charter operator does not, and, therefore, can charge whatever fare he wishes.

In the opinion of this committee, this situation presents undue competition to the regular-route certificated passenger bus operators. In recent years these firms have tried strongly

to increase their revenues by building up their charter operations. This is a legitimate business endeavor for these carriers, and provides a needed public service. So that the regular passenger bus firms can compete on an even basis with operators that provide only charter service, the entire charter business ought to be brought under state regulation.

To protect the safety and welfare of the public and to protect the existing bus industry from unfair competition, the committee strongly urges that appropriate legislation be adopted to regulate the charter bus business. Members of the committee have studied preliminary drafts of such proposed legislation that have been prepared by the staff of the Iowa Commerce Commission. While the committee does not believe it should comment on the details of such legislative proposals, it does endorse in principle the purposes that such legislation is intended to achieve.

Municipal Contracts for Intercity Bus Service.

During its deliberations this committee became seriously concerned about the problems facing the many communities in this state that do not have bus service, or that are in grave danger of losing the service they now have. Many of these communities are served by no other form of public passenger transportation. This committee believes that public transportation performs an essential public service, and that there ought to be some way in which the people of a community can provide that their community will continue to be served by adequate public transportation.

The committee was especially impressed with the problems facing small communities that are located a few miles off a main highway. The bus lines derive the major portion of their passenger revenues from through passengers; it inconveniences and annoys these passengers when the bus leaves the main highway to go to a small community and then returns to the main highway to resume its route.

The bus lines get very little revenue from many of these communities, often only a small portion of the amount it costs the company to provide service to these communities. The bus lines will continue to provide service if they can obtain enough revenue to approximate the break-even point of providing the service. When revenues drop significantly below that point, the companies consider eliminating service to reduce total costs.

Several instances were brought to the attention of the committee of communities that were willing to pay a bus line to continue to provide service to the town. However, under present Iowa laws there is no way in which a city or town can spend public money for such purposes. In a few communities, businessmen or business organizations have been willing to pay part of the costs of maintaining bus service on a voluntary basis. This is commendable, but it offers no certain assurance to the company or to the community that payments and service will continue.

There is nothing new or unusual in this proposal. At present many Iowa communities are allocating public money for the development and improvement of municipal airports and air

facilities, and for intracity transit service. Intercity bus transportation provides an essential public service to the community; it should be supported by all citizens of the community, rather than by certain individuals or groups in the community.

Therefore, this committee recommends that appropriate legislation be enacted to authorize cities and towns to enter into contracts with intercity passenger carriers to provide bus service to the community and to make payments under such contracts from municipal funds. This legislation would be optional with the communities; the people in each community should be allowed to decide if they wish to support public transportation from public funds.

To our knowledge Montana is the only state thus far that has granted communities the power to enter into contracts to provide passenger service; an excerpt from the Montana statute is presented in Appendix B of this report.

U. S. Mail Contracts.

The committee investigated the possibility that bus lines might obtain additional revenues by entering into contracts with the U. S. Post Office to haul mail. Officials of the Post Office Department explained how mail contracts are let, and the problems involved in transporting mail by buses. Some bus lines already carry some mail on a limited basis.

In general, there are two obstacles to bus lines handling more mail:

1. The cargo-carrying capacity of most motor coaches now

in service is too small to handle enough mail to be of much real service to the Post Office.

2. Frequently bus schedules and routes do not fit the requirements of the mail service.

The committee urges the bus firms to keep in close touch with postal authorities regarding possible additional mail contracts. Postal officials should be supplied up-to-date time and route schedule information.

Weight Limits.

Several other problems, not strictly of a financial nature, that confront the transportation industries were called to the attention of the committee. The committee believes that two of these matters - -weight limits and speed limits- - merit immediate consideration and action by the Iowa legislature.

The Iowa law regarding axle weight limits is particularly troublesome to the intercity bus industry. Under existing law, a motor coach is permitted a maximum load of 18,000 pounds on each axle, a gross weight of 36,000 pounds. Three per cent tolerance is allowed on each axle, eight per cent on the total weight of the vehicle. Under peak load conditions, the type of bus now in common use will be in violation of the axle load limit on the rear axle, but not in violation of the gross weight limit.

This happens because this type of bus is designed so that two-thirds of its weight will be on the rear axle. The gross weight of the bus ready for the road is 24,000 pounds; loaded to capacity, the gross weight is 30,000 pounds. However, because of the distribution of the weight, about 19,000 pounds is

over the rear axle and 11,000 pounds over the front axle. Even with the three per cent tolerance allowed by the statute, the bus will be overloaded on the rear axle, but not on the front axle or in the over-all weight.

Representatives of the industry insist that these overload conditions exist only rarely and in emergency cases. Under normal operating conditions, the bus firms are able to add additional sections, or provide relief buses, to avoid illegal overloading. However, when unusual passenger traffic conditions arise, the buses may operate at overloads for short distances. If the buses are weighed at these times, violations will be noted and fines will be levied.

Actually, this situation does create serious problems for the industry in scheduling equipment, in providing adequate standby equipment to handle exceptional traffic conditions, and in other ways.

The problem as far as the bus industry is concerned could be eliminated quite easily if buses enjoyed the same exemptions from these axle-weight requirements that livestock haulers enjoy. The law recognizes that the load weight of a livestock truck may shift, and so the trucker is allowed to spread the weight over both axles, and is allowed a ten per cent tolerance. Merely allowing bus operators to distribute the weight over both axles would be sufficient to remove them from danger of violating the law. Rarely does a loaded bus exceed 32,000 pounds in gross weight; the law allows 36,000 pounds.

The committee recommends that the Iowa law be amended so that bus operators would be permitted to distribute their total

weight over both axles.

Speed Limits.

Under Iowa laws, passenger cars may travel at a "reasonable and proper" rate of speed in the daytime. There is a 60 miles an hour speed limit at night. Buses may travel at 55 miles an hour in the daytime, 50 at night.

After discussing the matters with representatives of the industry, the committee believes that this variety of speed limits creates additional traffic hazards and impedes the smooth flow of traffic. The fact that buses are required to travel at slower rates of speed encourages more passing movements, and increased passing movements add to accident dangers.

The committee believes that uniform speed limits would promote safety on the highways and the smooth, orderly flow of traffic. Therefore, the committee recommends that whatever speed limits are set, the limits should apply uniformly.

SUMMARY OF THE COMMITTEE'S RECOMMENDATIONS.

From its discussions with representatives of the bus transportation industry in Iowa, from its consideration of the reports of studies conducted in other states, and from discussion among its own members, this committee is convinced of the need for a firm transportation policy in the state of Iowa. The State itself, through legislative action and administrative regulation, should strive to protect the rights and interests of existing certificated carriers so that they can continue to serve the people of the state. Therefore, the

committee makes as its first recommendation:

I.

In order to prevent the further deterioration of existing motor transportation in Iowa, the committee recommends that the state legislature adopt a firm policy that declares that existing certificated motor carriers of both passengers and goods who are performing a reasonably adequate service to the public shall be protected against undue competition from additional authorized or unauthorized carriers.

As an example of a strong statement of such a policy, the Michigan statute declares:

"Sec. 2. General purpose. It is hereby declared to be the purpose and policy of the Legislature in enacting this law to confer upon the Commission the power and authority to make it its duty to supervise and regulate the transportation of persons and property by motor vehicle for hire upon and over the public highways of this State in all matters whether specifically mentioned herein or not, so as to: (1) relieve all future undue burdens and congestion on the highways arising by reason of the use of the highways by motor vehicles operated by motor carriers; (1a) protect and preserve the highways and protect the safety and welfare of the traveling and shipping public in their use thereof; (2) carefully preserve, foster and regulate transportation and permit the coordination of motor vehicle transportation facilities; (3) restrict the use of the highways by motor vehicles operated by motor carriers to those required by the convenience of the general public; (4) prevent unjust discrimination and insure adequate motor transportation service." (Sec. 2, Art. 1, Michigan Motor Carrier Act, Act 254 P. A. 1933, as amended)

The committee believes that the bus industry itself should continue to do everything in its power to increase its revenues and reduce its costs without reducing service to the people of Iowa.

II.

The committee recommends that the intercity bus industry strive to increase its revenues by advertising and promotion to obtain more passenger patronage and revenue; by continuing to study the possibility of additional fare increases; by expanding charter operations; and by increasing their supplementary activities in hauling express, newspapers, and mail. The committee further recommends that the bus companies strive to obtain more efficiency in their operations and reduce costs through all methods short of reducing service.

The committee believes that legislative action is needed urgently to provide a better climate in which the bus industry can operate more profitably. The committee urges adoption of appropriate legislation to achieve the following purposes:

III.

The Iowa reciprocity statute should be amended to permit motor carriers of passengers and freight to prorate the registration fees they pay to the State of Iowa. This action would affect motor carriers who perform both an interstate and intrastate service. Through apportionment of license fees, the carriers would pay this state in relation to the extent to which they use the highways of this state. This action will enable the carriers to reduce their total registration costs, and to operate more efficiently and thereby reduce their operating costs.

IV.

The entire business of carrying passengers by special

charter ought to be regulated by the state. Firms that conduct only a charter service should be subject to the same laws and administrative regulations and control as regular-route passenger carriers.

V.

Legislation should be enacted that would give cities and towns the power to enter into contracts with intercity passenger carriers to provide bus service to the community and to make payments under such contracts from municipal funds.

VI.

The committee recommends that the Iowa law on axle weights of commercial vehicles be amended so that, for passenger buses, the total weight may be distributed over both axles.

VII.

The committee recommends that, whatever speed limits are set, the limits should apply uniformly.

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APPENDIX A.

RECENT DEVELOPMENTS IN OTHER STATES.

Because the current financial problems of the intercity bus industry are not peculiar to Iowa, the committee was interested in finding out about studies that had been conducted in other states and about recent legislative action in other states. Members of the committee found the following three studies particularly helpful:

Michigan House of Representatives, "Report of Special Committee on Bus Company Failures" (committee created by House Resolution No. 26 of the Regular Session of 1956)

New England Governors' Committee on Public Transportation, "Intercity Bus Service in New England", 1956.

New York State, "1956 Report of New York State Joint Legislative Committee on Carrier Taxation Concerning Intercity Buses."

The general trend of legislative action to assist intercity bus carriers also was studied. The following list of recent legislative acts is intended to be illustrative of the trend, rather than an exhaustive list of all recent legislation on the subject:

Recent Legislation Affecting Bus Operation.

Arkansas - Acts of Arkansas, 1957, Act 206

Intercity motor buses operated in interstate and combined interstate and intrastate movements in Arkansas shall be required to pay license fees on an apportionment basis based on miles traveled and the use made of Arkansas highways.

California - Statutes of California, 1957, Chapter 1067 amends sections 9651 and 9654

Reduces transportation excise tax to 1 1/2 per cent of gross receipts from operations.

Connecticut - Public Acts, 1957 Session, Public Act No. 620

The rate of special gasoline and fuel taxes reduced from six to four cents per gallon.

Public Acts, 1957 Session, Public Act No. 608

Reduces the registration fee for motor buses.

Public Acts, 1957 Session, Public Act No. 668, section 2388(d)

Registration fees on buses to be operated both within and without the state are to be apportioned.

Public Acts, 1957 Session, Public Act No. 671

An excise tax imposed on all users of special fuel within the state at 6¢ per gallon. However, no such tax to be imposed upon any special fuel used by United States, or by multiple state passenger carriers. (see section 2)

Florida - Laws of Florida 57-112

Relates to fee to be paid on application to Florida railroad and public utilities commission for a common or contract carrier certificate of public convenience to operate an auto transportation company.

Georgia - Georgia Law, 1957 Session, No. 508, p. 653

An act to apportion the cost of annual license fees for motor buses on the basis that the total miles operated in Georgia in the prior years bears to total miles operated by the fleet of motor carriers in prior years.

Illinois - Illinois Vehicle Code, 1957, Sec. 3-402(b)(2)

Apportionment of registration of motor vehicle fleet. Gives following bases: ratio of miles in Illinois as

against total in all jurisdictions, situs or base of vehicle, where principally garaged, where dispatched, situs of resident of operator, his business situs, etc., and all other factors deemed important by motor vehicle administrators.

Maine - Public Laws 1957, Chapter 285 amending R. S., Chapter 22, section 16(1)(c)(2)

Proration of registration fees of motor buses in interstate commerce.

Public Law, 1957, Chapter 306, amending R. S. Chapter 22, section 49

Relating to exemptions from excise tax of motor buses used for transportation of passengers for hire.

Maryland - Laws of Maryland, 1957, Chapter 48

Postponed any increase in fees for permits or registration for operation of public passenger motor vehicles or a public freight vehicle in 1958 and thereafter.

Laws of Maryland, 1957, Chapter 842

Fuel use tax law. Defines rate on motor carriers of passengers and property as that currently in effect in the Maryland Motor Vehicle Fuel Tax Law and provides refunds in certain instances.

Massachusetts - Acts, 1957, Chapter 728

Exempts fuel used on turnpike from state tax as the Massachusetts Turnpike Authority in accordance with Chapter 344 of Acts of 1952 is not considered a highway system as provided in Chapter 354, Section 17.

Minnesota - Laws of 1957, Regular Session, Chapter 80, amending 168.61 - .65 (Minnesota Statutes 1953)

Relating to the registration and taxation of motor vehicles; providing for taxation of certain intercity motor buses on an apportionment basis commensurate with the miles traveled by such bus on public highways of Minnesota.

Laws 1957, Regular Session, Chapter 961 amending 168.013 Subdivision 1, paragraph 6 (Minn. Statutes 1953)

Rate schedule for intercity buses, based on gross weight and length of time used.

Laws of 1957, Regular Session, Chapter 962 amending 221.04 Subdivision 2 (Minn. Statutes 1953)

Relating to regulation of rates, charges, and fares for

transportation of passengers by bus by certain class of auto transportation companies.

Montana - 1957 Session Laws, 35th Leg. Assembly, Chapter 231

Apportionment law; provides for proportional licensing in this state of fleets of two or more vehicles engaged in interstate commerce.

1957 Session Laws, 35th Leg. Assembly, Chapter 230

Fuel tax reduction.

Ohio - Laws of Ohio Volume 127, 102nd Gen. Assembly, 1957, p. 539, amending 4503.04

To provide a \$10.00 license tax for each transit bus - - a reduction.

Oregon - Oregon Laws, 1957, Chapter 292, amending ORS 481.162

Allows proportionment of registration fees for fleets of motor vehicles in commercial use. Gives Oregon department authority to determine agreements to be made with other states, the minimum number of vehicles to a fleet, minimum weight, etc.

Pennsylvania - Laws of 1957, Reg. Session, Act No. 437, p. 1140, Pa. Leg. Serv. (Title 75, section 91(b.1) in Purdon's Statutes)

Interstate fleet motor buses--registration provides for apportionment.

Laws of 1957 Reg. Session, Act No. 30, p. 49, Pa. Leg. Serv. (Title 72, Sec. 261(d) in Purdon's Statutes)

Reduction in fuel tax.

Wisconsin - Laws of 1957; 6 Wis. Leg. Serv. 1957, Chapter 518

Relates to operation of foreign owned vehicles in Wisconsin and reciprocity agreements pertinent thereto. Amends apportionment law.

State Statutes Relative to Apportionment of Registration Fees
on Interstate Fleets.

- Arkansas - Act No. 206, Laws 1957.
- California - Sec. 219, Vehicle Code as amended by Ch. 1633,
Laws 1957.
- Colorado - Colo. Revised Statutes, Sec. 13-5-5(3)
- Connecticut - Sec. 2388(d), P. A. 668, Laws 1957.
- Georgia - Act 508, Laws 1957.
- Idaho - Idaho Code, Sec. 49-208.
- Illinois - H. B. 802 (1957), Sec. 3-402(b)(2).
- Iowa - Iowa Code, Sec. 321.56 as amended by Chapter 169,
Laws 1957.
- Kansas - Gen. Stat., Sec. 8-149a as amended by Ch. 59, Laws 1957.
- Louisiana - Special agreement limited to adjacent States.
- Maine - Rev. Stat., Ch. 22, Sec. 16 (1)(c)(2) as amended by
Ch. 285, Laws 1957.
- Massachusetts - Gen. Laws, Ch. 90, Sec. 10 as amended by
Ch. 314, Laws 1955.
- Minnesota - Minn. Stat., Ch. 80, Laws 1957.
- Missouri - Rev. Stat., Sec. 4(2), S. B. 19, Laws, Second
Extra Session 69th Gen. Assembly, 1958.
- Montana - Rev. Code, Sec. 53-625 as amended by H. B. 391,
Laws 1957.
- Nevada - Rev. Stat., Secs. 706-730 - 706.860.
- New Mexico - Stat. Sec. 64-3-3 (2) (c).
- North Carolina - Gen. Stat., Secs. 20-51(a), 20-83(b).
- Oklahoma - Stat., Title 47, Sec. 22.5(c) as amended by
H. B. 873, Title 47 Chapter 1(c), Laws 1955.
- Oregon - Rev. Stat., Sec. 481.162.
- Pennsylvania - P. L. 437, Laws 1957.
- Tennessee - Code, Ch. 77, Sec. 1, Acts 1955.

State Statutes Relative to Apportionment of Registration Fees
On Interstate Fleets (continued).

Utah - Code, Secs. 41-1-89, 41-1-127(d).

Virginia - Code, Sec. 46.1-149(5a).

Washington - Rev. Code, Sec. 46.84.020 as amended by Ch. 273,
Laws 1957.

Wisconsin - Stat., Sec. 341.41(1) as reenacted by Ch. 518,
Laws 1957.

APPENDIX B.

EXCERPTS FROM MONTANA STATUTES THAT AUTHORIZE
CITIES AND TOWNS TO CONTRACT FOR BUS SERVICE.

Chapter 211, Acts of the 34th Montana General Assembly (1955)
as amended by Chapter 120, Acts of the 35th G.A. (1957)

Section 1. Whenever a city or town is not being served by a bus company or operator, operating on a regular schedule, and under the jurisdiction of the Montana railroad and public service commission or if such service is to be or is likely to be discontinued in the immediate future, the city or town council of any incorporated city or town shall have the power to contract an indebtedness of any such city or town upon the credit thereof by borrowing money or issuing bonds for the purchase, development, operation or leasing of motor busses and bus lines for the transportation of passengers within the corporate limits of such cities and towns, and to operate the same to any point or points beyond said limits not to exceed eight (8) miles, measured along the route of said bus line; provided that the total amount of indebtedness authorized to be contracted in any form, including the then existing indebtedness must not at any time exceed five per centum (5%) of the total assessed valuation of the taxable property of the city or town as ascertained by the last assessment for state and county taxes, and provided further, that no money must be borrowed or bonds issued for the purposes herein specified until the proposition has been submitted to the vote of the taxpayers affected

thereby of the city or town, and the majority vote cast in favor thereof.

Section 2. The said city or town council or commission shall have authority to provide for the management and operation of said system; and to do all the things necessary for the successful operation of said transportation system. Such operations shall be subject to all the provisions of the Motor Carrier Act (Sections 8-101 to 8-129, Revised Codes of Montana, 1957) except that such municipality may be issued a certificate of public convenience and necessity without proof of the existence of public convenience and necessity, and except that the municipality shall be exempt from the payment of fees provided by Sections 8-116 and 8-127, Revised Codes of Montana, 1957.

Section 3. (Chap. 211 of 34th G. A. amending Chap. 101 of 32d G.A. of 1951 which previously authorized the incurring of indebtedness up to 3% of the taxable property, but authorized no tax levy. Now this added.) Whenever a city or town is not being served by a bus company or operator, operating on a regular schedule, and under the jurisdiction of the Montana railroad and public service commission or if such service is to be or is likely to be discontinued in the immediate future, the city or town council of any incorporated city or town shall have power to enter into a contract or contracts or to enter into a lease or a lease and operating agreement, with an independent carrier or independent carriers for the transportation of passengers by bus within the corporate limits of such city or town and to and from any point

or points beyond said limits not to exceed eight (8) miles measured along the route of said bus line or lines; and for the purpose of raising the necessary moneys to defray the cost of such transportation service pursuant to such contract or contracts, lease or lease and operating agreement, with such independent carrier or carriers the city or town council shall have power to annually levy a tax on the taxable value of all taxable property within the limits of such city or town; provided, however, that whenever the council of such city or town shall deem it necessary to raise money by taxation for such purpose in excess of the levy now allowed by law the council of such city or town shall in the manner prescribed by law, submit the question of such additional levy to the legal voters of such city or town who are taxpaying freeholders therein, either at the regular annual election held in said city or town, or at a special election called for that purpose by the council of such city or town; provided, however, that such additional levy in excess of the levy now allowed by law shall not exceed one and one-half (1 1/2) mills.

Section 4. The said city or town council shall have power and authority to call for bids from independent carriers for such transportation service, and to do all things necessary or proper for establishment and maintenance of such transportation service by contract, lease or lease and operating agreement.

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COMMITTEE MEMBERS.

Lawrence A. Touchae, Chairman	Executive Vice President Waterloo Chamber of Commerce Waterloo, Iowa
W. S. Breckenridge	President, State Savings Bank Tingley, Iowa
L. O. Brewer	Publisher, Newton Daily News Newton, Iowa
Lt. Col. Nile Cannon	Transportation Officer Iowa National Guard Camp Dodge, Iowa
M. B. Crabbe	Publisher, Eagle Grove Eagle Eagle Grove, Iowa
Wm. E. Darrington	Farmer and State Representative Persia, Iowa
E. A. Hutchinson	Transportation Attorney Sioux City, Iowa
Wm. J. Keller	Union Steward Bus Drivers' Union Des Moines, Iowa
Edward May	Earl May Seed Co. Shenandoah, Iowa
D. C. Nolan	Attorney and State Senator Iowa City, Iowa
Howard Waters	Iowa Farm Bureau Federation Danville, Iowa
Edward Wixon	Secretary Ames Chamber of Commerce Ames, Iowa
Fred C. Worden	President and General Manager Des Moines Transit Company Des Moines, Iowa

Committee Meeting Dates

October 2, 1958	- Commerce Commission Office, Des Moines
October 30, 1958	- Commerce Commission Office, Des Moines
November 14, 1958	- Commerce Commission Office, Des Moines
December 12, 1958	- State University of Iowa, Iowa City, Iowa (Special subcommittee meeting)

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