

The meeting was called to order in Room 323, Legislative Building, at 1:36 p.m.

Senator Blakemore in the Chair.

PRESENT: Senator Richard Blakemore, Chairman  
Senator Wilbur Faiss, Vice Chairman  
Senator Keith Ashworth  
Senator William Hernstadt  
Senator Lawrence Jacobsen  
Senator Clifford McCorkle  
Senator Joe Neal

OTHERS

PRESENT: Dale A. Egbert, Norris Supply Company  
Jack F. Sweeney, Norris Supply Company  
Robert Stanford, Savage Construction, Inc.  
Jack Tedford, Tedford, Inc.  
Robert F. Guinn, Nevada Motor Transport Association and  
Nevada Franchised Auto Dealers Assoc.  
Edward Bris, Nevada Nile Ranch and Nevada Supplement Co.  
Will Scott, Office of Traffic Safety  
Art Wilson, Art Wilson Company  
Joe Midmore, Calif/Nev. Soft Drink Association  
Bill Goddard, D.M.V., Motor Carrier Division  
John Ciardella, D.M.V., Registration Division  
Darly Capurro, Nevada Motor Transport Association and  
Nevada Franchised Auto Dealers Assoc.  
Gene Phelps, Nevada Highway Department  
Joe Souza, Nevada Highway Department  
Don Crosby, Nevada Highway Department  
Chuck King, Central Telephone Company  
Susan King, Central Telephone Company  
John Cercek, Nevada Highway Department  
Stan Warren, Nevada Bell  
Noel Clark, Nevada Department of Energy  
John Borda, Office of Traffic Safety  
Virgil Anderson, American Automobile Association  
Stephen Benna, C.B. Concrete Company

The Committee heard testimony on the following bills:

S.B. 58 CHANGES WEIGHT LIMITS FOR CERTAIN VEHICLES AND WITHDRAWS  
NEVADA FROM MULTISTATE HIGHWAY TRANSPORTATION AGREEMENTS.

Senator Neal explained that S.B. 58, commonly labeled the "pothole bill", is aimed at eliminating some of the potholes in our highways by lowering the weight limits on the trucks allowed on those highways.

Senator Neal submitted copies of several articles from leading newspapers and magazines pointing out the damage done by large trucks to the highway system and showing the cost of the repair

of the damage borne by the taxpayers (see Exhibit A).

Mr. Daryl Capurro, Managing Director of the Nevada Motor Transport Association, spoke in opposition to S.B. 58 (see Exhibits B through G).

Senator Hernstadt asked Mr. Capurro if he felt the deterioration of the highways was caused by excessively heavy loads. Mr. Capurro replied that the Association has always supported vigorous enforcement of overweight violations.

Senator Neal pointed out that the state of the federal highway trust fund, which was previously known as "the bottomless pit", is no longer in a surplus condition. Therefore, the responsibility for these funds will fall to the states.

Senator Ashworth, speaking as the past Chairman of the Transportation Committee of the NCSL, stated that as of six months to one year ago, there was \$4.9 billion surplus in the highway trust fund which came from the trucking industry source of taxes. Congress passed a program for repair, rehabilitation and reconstruction. The problem Nevada is facing is not unique since other states have the same problem.

Senator Ashworth remarked that the problem with the deterioration of the roads comes from the fact that the roads are 10-years-old and have not been repaired because the allocation for the repair has not come from the federal government. Complicating the problem even more is the fact that the interstate freeway system is not yet completed.

Senator Neal asked Senator Ashworth if it is his position that trucks do not damage the highways. Senator Ashworth replied that they do no more harm, proportionately, than automobiles.

Mr. Robert Guinn, Nevada Motor Transport Association, spoke in opposition to S.B. 58. He stated the worst violators are governmental trucks for being overweight.

Mr. Noel Clark, Nevada Department of Energy, spoke in opposition to S.B. 58. He said if trucks were required to haul less weight in would be necessary to make more trips consequently using more energy.

Mr. Joe Souza, Mr. Gene Phelps and Mr. Don Crosby, Nevada Highway Department, spoke in opposition to S.B. 58. They feel the laws do not have to be changed but there should be more enforcement of the present law.

Mr. Art Wilson, Art Wilson Company, spoke in opposition to S.B. 58. He stated that economically it is not feasible to take the risk of overloading since there is a \$500 fine against a possible \$75 difference in an overload. He feels enforcement of the present law is a step in the right direction.

Mr. Jack Tedford, Tedford Inc., spoke in opposition to S.B. 58. He agreed with previous testimony that better enforcement is the answer to this problem. He thought there should be more sets of scales throughout the State.

Mr. Bill Goddard, Department of Motor Vehicles, Motor Carrier Division, spoke in opposition to S.B. 58. He said the federal government's philosophy is that if a lot of trucks are weighed it is a deterrent to overloading. His division is trying to get the job done with the least cost to the State.

The following people stood up in opposition to S.B. 58: Mr. Dale A. Egbert, Norris Supply Company; Mr. Robert Stanford, Savage Construction Company, and Mr. Edward Bris, Nevada Nile Ranch and Nevada Supplement Company.

S.B. 157 REQUIRES DEALERS TO INSPECT CERTAIN USED VEHICLES AND DISCLOSE DEFECTS AND DAMAGE TO PURCHASERS.

Senator Neal spoke on S.B. 157. He said the bill is aimed at permitting prospective purchasers to be aware of defects, previous use and to test drive used cars.

Mr. Daryl Capurro, Nevada Franchised Auto Dealers Association, spoke in opposition to S.B. 157 (see Exhibit H).

Mr. John Ciardella, Department of Motor Vehicles, spoke in opposition to S.B. 157. He stated the bill does not state how long the warranty should be in effect.

There being no further discussion, the following action was taken:

ACTION:

BDR 43-1095 Provides for restricted driver's license for operations of mopeds by certain minors.

Senator Faiss moved that BDR 43-1095 be introduced by the Committee.

Seconded by Senator Hernstadt.

Motion carried.

BDR 58-409 Relating to motor vehicle carriers; providing for a certificate of public convenience and necessity to certain tow car operators.

BDR 58-407 Exempts movers of houses and other buildings from provisions of NRS.

Senator Hernstadt moved that BDR 58-409 and BDR 58-407 be introduced by the Committee.

Seconded by Senator Faiss.

Motion carried.

Senator Neal voted "no" on the motion.

S.B. 157 Senator Hernstadt moved that S.B. 157 be amended and "Do Pass."

Seconded by Senator Faiss.

Motion carried.

Senator Neal voted "no" on the motion.

S.B. 157 Senator Ashworth moved that S.B. 157 be reconsidered and killed.

Seconded by Senator Jacobsen.

Motion carried.

S.B. 157 Senator Ashworth moved that S.B. 157 be "Indefinitely Postponed."

Seconded by Senator Faiss.

Motion carried.

Senator Neal voted "no" on the motion.

S.B. 58 Senator Jacobsen moved that S.B. 58 be "Indefinitely Postponed."

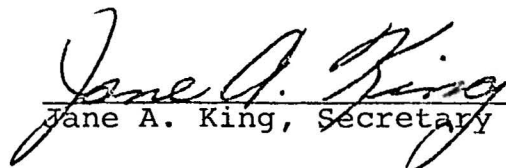
Seconded by Senator Faiss.

Motion carried.


Senator Neal voted "no" on the motion.

There being no further business, the meeting was adjourned at 4:30 p.m.

Respectfully submitted,

  
Jane A. King, Secretary

APPROVED:

  
Richard E. Blakemore, Chairman

## Roadblock Ahead

# Highway Damage by Big Trucks Worries Various Agencies, and Crackdowns Loom

By DAVID M. ELSNER

Staff Reporter of THE WALL STREET JOURNAL

The trucking industry, hampered in recent years by higher fuel prices and lower speed limits, is running into yet-another roadblock.

Various federal and state agencies are blaming the truckers for the fast deterioration of the nation's highways and asserting that they are falling far short of paying for the damage they inflict.

Signs of the impending crackdown are mounting:

—The federal government has threatened to cut off highway-construction money from 14 states accused of inadequately enforcing truck-weight laws. Another 12 states have been warned that their enforcement is marginal.

—A number of states recently have conducted studies to assess the road damage done by heavy trucks. Most have determined that trucks should indeed be paying higher fees to defray repair expenses.

—The Department of Transportation is making plans to restrict big trucks to a limited number of interstate highways—to be known as "freight corridors"—to reduce the number of highway miles needing repair in the future. (According to the Federal Highway Administration, interstate highways are wearing out 50% faster than they are being repaired.)

—Since December, the FHA has clamped down on 30 truck routes of 450 to 500 miles each that the agency doubts can be driven in one day without violating speed limits or FHA restrictions on the number of hours a day that a driver can be on the road. The FHA says that in addition to helping enforce the 55-mile-an-hour speed limit, the agency hopes that its action will reduce the number of trucks on the road and thus road damage.

Moreover, the increased scrutiny of road damage by trucks is hurting the industry's efforts to get all states to adopt the federally approved truck-weight limit of 80,000 pounds.

### Seven-State Barrier

Since Congress raised the federal weight limit from 73,280 pounds in 1974—largely as a fuel-conservation measure—40 states have increased their limits to, or almost to, the new standard. But, running down the center of the country, a bloc of seven Midwestern and Southern states forms an unbroken wall that closes off coast-to-coast operations at the higher weights, "except by a routing so circuitous as to be impractical," according to the American Trucking Associations Inc., the industry's chief trade organization. Lower limits in Pennsylvania and Maryland, for example, seal off operations on the economically important East Coast.

Despite feverish lobbying by the trucking industry, the seven-state blockade is holding firm. Raising the limit to 80,000 pounds in Indiana, for example, would cost the state an extra \$14 million a year in maintenance costs, argues Roger F. Marsh, executive director of the Indiana State Highway Commission. "We're already \$82 million short in keeping up with maintenance, so it doesn't make much sense to add to the problem," Mr. Marsh says.

Echoes Henry C. Gray, director of the Arkansas State Highway and Transportation Department: "The number of trucks on our roads is much greater than we ever ex-

pected. They just aren't capable of handling any more weight." To accommodate 80,000-pound trucks, the state would have to spend \$173 million to improve its primary road system, \$175 million for upgrading 432 structurally deficient bridges and \$33 million over the next 10 years for repair work. "No one in the trucking industry has ever come in here to say they'll pay their own way," Mr. Gray says wryly.

### Repair-Bill Estimate

Overall, the Federal Highway Administration estimates that the heavier truck weights, if authorized throughout the U.S., would increase road-maintenance costs by \$100 million a year—a figure that other transportation experts generally term much too low. And even now, states are hard-pressed to come up with repair money; improved automobile efficiency and lower speed limits have cut the growth of gasoline-tax revenues.

Federal and state officials also are concerned that too many trucks are operating above legal weight limits. An Illinois Department of Transportation study reported that a tractor-trailer only 5% above the maximum permissible weight limit did highway structural damage equal to that of 10,000 automobiles. Other studies conclude that a 20% truck overload does twice the damage of a legal load.

Rep. Sam R. Gibbons, a Florida Democrat who heads the House Ways and Means Oversight Subcommittee, says hearings before his group earlier this year exposed "systematic overloading of trucks by many trucking companies and independent operators, coupled with systematic avoidance of weight stations by truck drivers." Overloaded trucks "routinely" violate federal and state truck-weight laws "with virtual impunity" in the Northeast, industrial Midwest and southern Appalachians, he adds.

### Overloaded Trucks

Committee records show, for instance, that of 1,792 truckloads of coal delivered to three Tennessee Valley Authority power plants on four randomly chosen dates last year, 1,367 were found substantially overweight, some by as much as 25,000 pounds. After a state crackdown, the TVA plant at Kingston, Tenn., announced it would accept coal loads only up to 81,000 pounds, still 10% above the Tennessee limit.

Truckers protest that the incidence of overweight vehicles is exaggerated. Federal Highway Administration data show an average violation rate of about 0.5% of all trucks weighed, notes Edward V. Kiley, an official of the American Trucking Associations. "This can hardly be called excessive or flagrant," he says.

But not all trucks are being weighed. According to one state official, some states threatened with cutoff of federal highway funds were weighing only 10% of the total number of trucks registered in the state. And reporters for the Chicago Tribune, who last fall stationed themselves near the southbound lane of Interstate 55 near Bolingbrook, Ill., discovered that an average of one truck every two minutes left the highway about half a mile before the permanent scale there and, after bypassing it, returned to the road about two miles farther south.

"Fixed scales have been made obsolete by the citizens'-band radio," says Roger Ruark, a South Dakota highway official. "Within an hour after we open one, every truck within 300 miles in each direction knows about it and beats off onto the side roads. It creates a lot of congestion on those side roads."

### Portable Scales

To combat the problem, South Dakota recently purchased two portable scales that can be transported by van and set up and dismantled quickly. Plans call for purchase of eight more within five years.

Some states are stiffening penalties for overweight vehicles. Vermont soon expects to adopt a law that would raise the fine for truckers who refuse to have their vehicles weighted to as much as \$500 from \$75. Fines for overloading could go as high as \$1,000. Under a Mississippi proposal, overweight vehicles would be required to unload part of their cargo immediately. The nuisance of unloading on the spot and sending another truck to pick up the overage should discourage illegal loads, state officials believe.

Truckers aren't losing all the battles, however. With the backing of state transportation officials, Maryland appears likely to raise its weight limit to 80,000 pounds this year and thus to open the way for larger shipments up and down the East Coast. In Iowa, trucking interests have promised to pay the extra \$7 million a year of road repairs that state officials estimate would be necessitated by higher truck weights. The legislation is accorded a fair chance of passing.

In Massachusetts, truckers have won permission to carry up to 100,000 pounds on certain highways by special certificate. State officials, however, regard the measure as a victory for them. "Trucks had been carrying up to 140,000 pounds, even though the legal limit was 80,000," says John J. Carroll, commissioner of public works. "The trucking industry has promised to keep it down to 100,000 pounds now."

### Congressional Plan Dead

There is still the question, however, of where road-repair money will come from. A proposal in Congress to raise diesel-fuel taxes has died for this session, but Transportation Department officials insist that the federal government will have to begin paying for repairs. Repairs, even on interstate roads, are the sole responsibility of the states.

Some states are considering raising heavy-vehicle taxes. Heavy trucks in California, for instance, pay about 21% of all state motor-vehicle user taxes, state officials note, while studies in Oregon, Virginia and the Bureau of Public Roads indicate the percentage should be 34% to 37%.

Higher taxes and fees could hurt the trucking industry in its successful battle with the railroads. Trucks continue to carry even-bigger chunks of the nation's freight each year. Last year, trucks accounted for more than 40% of the nation's total freight ton-miles, and the industry's share is expected to grow.

"But we'll probably get stung a bit by the road-damage issue," concedes the marketing vice president of a Midwest truck freight hauler. "The question is how much it will cost us and how much we'll have to increase rates. It's really too early to make an estimate, though."

San Francisco Op. 12-4-77

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1977, United Press

# BRAKING THE BIG BULLIES

By Robert Sherrill  
Special to The Chronicle

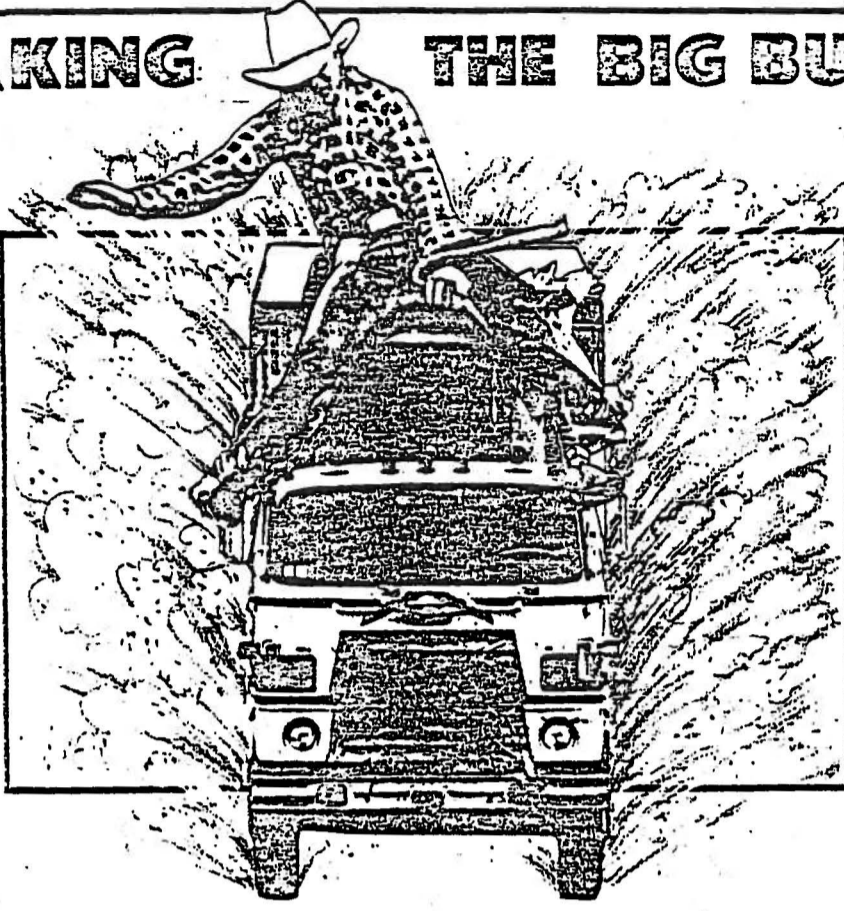
Washington

**A**MERICANS ARE strangely sentimental about the heavy, long-distant truck, the tractor and trailer outfits that wash the highways with waves of terrible noise and vibrations and towering arrogance. They are the great abominations of the Asphalt Age.

And yet they and the men who drive them have unique attraction for many people. Jane Stern hitchhiked with truckers for three years to gather material for her book, "Trucker," subtitled "A Portrait of the Last American Cowboy." She has a point, for truck drivers have inspired as much inflated myth as cowboys of another era, and when you consider the long hours, the bad food, and the casual attitude about law that was and is characteristic of both careers.

Country-western musicians crank out endless variations on the theme of the trucker's lonely road, while hundreds of heavy trucks descend on Washington, D.C., to roam around the capital in support of stripmining. When a congressional subcommittee met on the West Coast to discuss legislation to protect the redwoods, scores of angry truckers drove their vehicles, laden with heavy tree-cutting equipment, into San Francisco to tie up traffic.

The use of trucks in this way, to win economic debating points by paralyzing traffic for hours doesn't seem to offend the politicians and the general public. If they are offended by the ignominy of being bullied, they certainly do not raise much protest and seldom try to get their curses translated into stiffer law enforcement. The new folk-hero is tolerated when not idolized.



"Whatever pleasure Americans get from indulging in the romance of trucking, it comes at a very high price" in lives lost and highways torn up

**WHATEVER PLEASURE** Americans get from indulging in the Romance of Trucking, it comes at a very high price — in lives lost, dollars wanted and driving comfort surrendered. Moreover, it is an indulgence in the veneer, not in the reality of trucking. The reality of this \$108 billion industry can be found at the counter of a one-of-a-kind truckstop, but in the executive suite of the American Trucking Association, the principal Washington voice of the industry, a voice that harmonizes with other rich lobbies representing oil, rubber and highway construction interests.

It is dominated not by the individual trucker, but by the owner-operator, but by corporations owning thousands of rigs each — outfits like Welsch and Yellow Freight and Time-D.C.

And the life they have created for their drivers is not so much an adventure as an ordeal. In lieu of comfortable and safe working conditions, they serve up another version of folk-heroism for their drivers. Says Lincoln Merrill of Wharton-Sales, C.C. for 17 years a line driver for Roadway Express, "Truck drivers are forced to be the unwilling participants in all sorts of unsafe practices because our union and the government are in collusion with the trucking companies."

**THE HIGHWAY Users Federation** — 200 business and industries that feed off the highways — predicts that during the next 15 to 20 years, while auto travel increases 30 to 50 per cent, truck traffic will double.

As trucks have increased their domination of the highways, they have also increased their slaughter. The truck lobby boasts that trucks are the safest vehicles on the highways, if the judgment is based on how many people they kill per million miles. Quite true. But unfortunately, there are getting to be so many big trucks on the highways, and each truck driver travels so many more millions of miles than the typical motorist, that they must be considered just as dangerous as they look and sound.

Of the four million trucks rolling today, about one million are the biggest, weighing up to 80,000 pounds and by special permit, even up to 130,000. These behemoths have an



especially wicked kill rate. Of fatal highway accidents in 1975, 7.3 per cent involved heavy trucks. In 1976 their share of the carnage moved up to 8.8 per cent — a rather impressive score, considering that these heavies constitute less than one per cent of vehicles on the road.

When the collision is between a heavy truck and an auto, it's goodbye motorist. The University of North Carolina's Highway Safety Research Center analyzed 2778 crashes between heavy trucks and autos. They found that seven out of eight times it was the auto's occupant and the truck driver who was killed. Similar death ratios on a national scale are reported by the National Highway Traffic Safety Administration.

Since the trucks are getting bigger and cars smaller all the time, the future will probably produce some interesting statistics.

**MOST STATE** governments have a permissive attitude toward the trucking industry, but the pattern and spirit of this permissiveness is set in Washington. Motor carrier companies are rarely forced to adhere to safety laws, and the laws that they are supposed to adhere to are antiquated.

Jurisdiction over safety in the interstate truck industry is largely in the hands of the Bureau of Motor Carrier Safety. As a policing agency, the BMCS could fairly be described as intentionally set up and perpetuated by Congress in such a way as to give no more than the appearance of concern. The BMCS is demoralized by lack of funds, buried under a slag heap of bureaucracy, and its personnel, absurdly few for the task, are trained to a high degree of inefficiency.

But for all their faults, at least BMCS officials don't compound their failure with hypocrisy. They know they don't amount to beans. Howard L. Anderson, associate administrator for safety at the Federal Highway Administration, and policy boss of the BMCS, gives this honest appraisal of the bureau's work:

"There's around three million heavy trucks we have jurisdiction over. And around four million drivers. We have to set regulations for drivers' physical qualifications, and enforce them. Then we have to take the vehicle and determine whether it is complying with the safety requirements, and whether the driver is operating the vehicle properly."

"We have 128 investigators in the United States. That's right, 128. They handle all enforcement activities." To do the safety job right, says Anderson, would take between 1000 and 2000 investigators.

According to William Russell Fite Jr., head of BMCS's Regulations Division, "Action is taken against only the

most flagrant violators." But in fact, the bureau rarely takes any action against even flagrant violators. The ratio of commercial vehicles to federal safety investigators is about 22,000 to one, and the bureau is inspecting less than one per cent of all interstate commercial vehicles.

The Government Accounting Office concluded that the bureau is ill equipped to do its job, that "little assurance exists that most motor carriers are operating in compliance with federal safety regulations." How many unsafe trucks across the scales without a glance from federal investigators? Nobody knows. "It's a sampling at best," acknowledges Pierson. "If one were going with the probability, the probability of being stopped, inspected and impounded isn't that great."

**NOR IS** the risk of being punished for violating safety regulations. The total fines resulting from court encounters usually amount to considerably less than \$1 million — hardly enough to frighten an industry whose regulated part alone takes in well over \$20 billion a year.

It is more profitable, some companies feel, to keep rolling and pay the pearly fines than to take trucks out of operation for safety repairs.

Although federal law says that no driver can be forced to take out unsafe equipment, drivers have been fired for refusing a citation and the Teamsters Union, which has a cozy relationship with management, does not always fight for their re-employment.

**SOME OF** the bureau's regulations are stunningly outdated. Federal law permits 40 hours of driving in seven days, 70 hours in eight days. It stipulates that driver can be on duty for 15 hours but that he can drive for only ten hours before getting eight hours off. That law is nearly 40 years old. It was put on the books when trucks were half the size and capable of half the speed they are today, and when traffic was half as thick. But until recently federal highway safety officials did not seriously consider imposing more humane working conditions on the industry even though they admit that driver fatigue is the number one safety problem in trucking.

Since profits take precedence over safety, federal officials generally ignore their own hours-on-duty regulations and let the highways fill up with exhausted truckers.

Many independent drivers are willing to undergo great fatigue be-

cause, for the luxury of being their own boss, they are often strapped with a \$60,000 tractor-trailer outfit that they must pay off in three years. They can't afford a weekend at home, can't afford the kind of layovers on the road that permit digestion and enough sleep, and they feel that the 55-mile speed limit violates some primitive compact by which a person should be free to gamble his life (and others' lives) for his livelihood. An Independent Truckers Association press release argues: "If Gary Gilmore can be allowed to kill himself, or be sentenced to death, then the nation's speeding motorists should have the same right."

**ASIDE FROM** the long hours that bring it on, fatigue will also finally envelope drivers as the result of physical punishment inside the cabs. Fumes from defective exhaust stacks, noise levels that damage ears, extremely cramped seating, and so much jolting and bouncing that drivers commonly suffer back and kidney disorders.

In 1971 a group of medical researchers from Michigan outlined the sources of fatigue before a Senate labor committee. They told them how drivers finally become virtually hypnotized from staring at the roadway, how vibrations from high-powered truck engines cause fluid shifts within a driver's body and, from that chronic and permanent lung damage. They also reported that many drivers take drugs to stay awake.

However, virtually no reforms resulted. Drivers today are still hallucinating from exhaustion. Pep pills are still being used though nobody knows to what extent. One of the drivers who was a witness at the 1971 hearings says today, "The only difference our testimony made was it raised the price of goat balls."

**SIXTY PER CENT** of truck industry profits is labor. Profits depend largely on how adept managements are at manipulating that part of their budget. Since it is rather difficult to figure out a way to operate a truck with less than one driver, the objective over the years has been not to cut manpower but to increase the loads pulled per man. In 1973 the industry made its most recent big breakthrough — the increase in truck load limits. It's a breakthrough that will put billions of additional dollars into its treasury but will seriously lessen highway safety and will add enormously to highway maintenance costs.

So most of the nation is struck with 80,000 pound trucks or larger, and with little or no diminution of truck speeds.

**BUT EVEN** if America's motorists are willing to put up with additional costs, it's highly unlikely that they will appreciate the extra cost of highway construction and repairs that will accompany the heavier weights.

Not even the Interstate System, the premier quality highway, has been built to take the axle loads or total loads of the heaviest trucks, which is one reason the \$2,000-mile, \$100 billion Interstate, still unfinished and unpaid for, is already suffering serious decay.

It's the sort of thing highway engineers are warning all over the country, and they're worrying about new roads as well as old.

"When you ride up and down the Interstates, you are beginning to see what 80,000 pound loads are doing to what was supposed to be a perfectly designed pavement," says Howard Schwark of Kansas, the country road adviser for the Federal Highway Administration. "We'll have to back and rebuild, and we keep telling Congress all the time 'Send us more money.'"

**THE STATES** cry for money will grow louder in the years ahead, for the bulk of their repair costs is the state's responsibility, and their highway revenues have been far short of what they had forecast.

All signs point to a worsening of the state's ability to keep up with maintenance. For the first time some states are doing serious engineering studies to find out exactly what kind of devastation can result from big truck traffic; their discoveries are chilling.

It may be that eventually the general public will rebel at having their highways dominated by trucks that operate all too often outside the law, that present social and safety problems, and that raise their industrial bill at the general taxpayers' expense. After all, resources built on discomfort and bullying do have a way of peering out. The "last cowboys" of today may finally inspire a similar response. If not, America will be facing the countless and deadliest romance on record.

## The Now Society



Look, I'll be there if I possibly can—which I can't.

Sights of the Chicago Motor Club, "and many of those in this were built in the 1920s—so figure it out. You would be horrified if you went under some of our older bridges and looked at their undersides."

The worsened conditions of the nation's roads did not occur overnight. Over a period of years, numerous pressures combined to batter the highway system to the point where it now wears out twice as fast as it is being rebuilt or upgraded.

The finger of blame is pointed most frequently at the trucking industry. The California Department of Transportation figures that 99 percent of the damage to pavement structure is caused by vehicles heavier than automobiles. Italy's ancient Appian Way may be proof that roads can last for centuries, but as Hal Rives, Georgia's assistant highway engineer, points out: "The Romans didn't have 18-wheelers running over their highway." Rives contends that a road used exclusively by autos "would never wear out—it would only weather over a period of time."

What has happened is that truck traffic has become not only more frequent than highway designers ever envisioned, but also far heavier than almost any road was meant to withstand. The interstate network, as stoutly built as any of America's highways, was designed for vehicles of total weights not exceeding 73,280 pounds. Yet in 1974, when the U.S. was reeling from the Arab oil embargo, Congress voted to allow states to permit 80,000-pound loads on federally aided roads. All but 10 states have now done so.

Legislation called "unwise," Bowers, the Highway Administration chief, says that the change in the limit was a compromise between government officials, who wanted a 55-mile-an-hour speed limit enacted to conserve oil, and Washington's potent trucking lobby, which wanted to increase efficiency by hauling bigger payloads. Bowers says, in retrospect, that the legislation was "unwise." So does Representative Sam M. Gibbons (D-Fla.), who voted for the measure in 1974 and has since crusaded for states to crack down hard on violators of the 80,000-pound limit.

The reason for such concern is that pavement damage increases exponentially as axle weights are raised. Experts figure that an 80,000-pound truck, for example, causes 10,000 times as much damage to a highway as a 2,000-pound automobile. And a truck that exceeds the 80,000-pound limit by 20 percent destroys pavement twice as fast as one loaded to the legal maximum.

Even the relaxed weight limits are not being adequately enforced by at least 14 states, or so Transportation Secretary Adams declared when he threatened to cut off all their highway funding earlier this year. He relented after each of the 14 states presented plans to beef up their weight-inspection programs. William M. Cox, until recently the head of the Federal Highway Administration, told Congress earlier this year that a fifth of the nation's trucks are probably overloaded.

As it is, Pennsylvania—with a reputation for some of the worst interstate-highway mileage in the nation—operates only one permanent truck-weighing station. Rhode Island weighed only seven trucks in a 12-month period as recently as 1976.

Impact of weight violations. Crackdowns on overweight trucks sometimes create a ferocious backlash. Charles N. Brady, director of the American Automobile Association's highway department, tells of the time the Federal Highway Administration sent a "flying squad" of investigators to a town to check on weight violations. They were accompanied on their rounds by Texas state troopers.

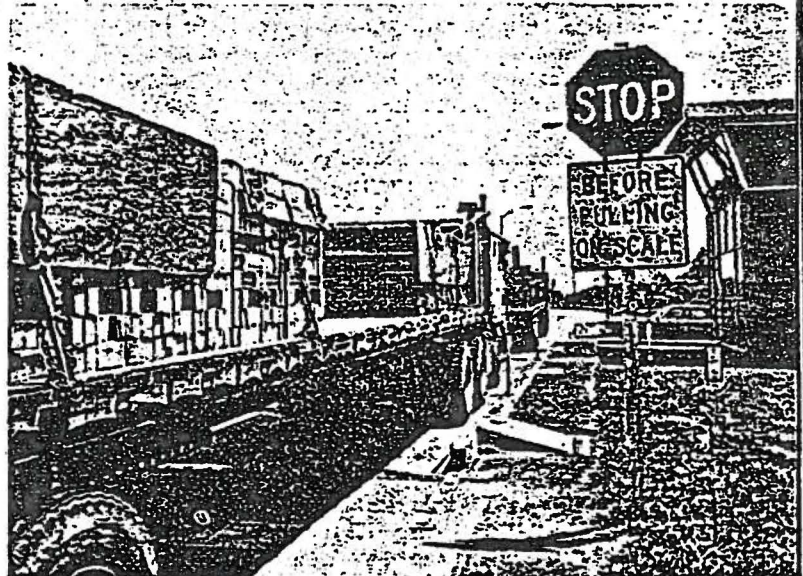
"They were down there for three or four days," says Brady, "and the FHA people were asked to leave because they were picking up so many violators. They were about

ready to close down the Port of Houston if they didn't get out of town."

Coal-truck drivers actually did strike when Tennessee state police tried to enforce weight limits on vehicles making deliveries to a Tennessee Valley Authority power-generating plant. In the end, it was the police, and not the drivers of overweight coal trucks, who backed down.

Where states erect permanent truck scales alongside highways, drivers of overweight trucks need only detour around them. Truckers detour onto U.S. 1 from Interstate 95 in Northern Virginia in such numbers that they constitute a safety hazard to communities along Route 1—all to avoid a weigh station on the interstate road. Reporters for the *Chicago Tribune* last fall observed that half the truck traffic on Interstate 55 exited at Bolingbrook, Ill., to avoid the state scales.

Truckers themselves insist that their rigs are not the cause of highway deterioration. As for the impact on interstate pavements of the new 80,000-pound weight law, Richard A. Lill, an engineer for the American Trucking



Overweight trucks catch part of blame for road deterioration. Some make detours to avoid checks at weight stations.

Associations, Inc., says: "Since the highway engineers design for adequacy and they throw in an extra 2 inches to be sure, the effect of changing these weight limits is absorbed by the safety factor and is not of major significance." Edward V. Kiley, assistant to the president of ATA, says the old weight limit of 73,280 pounds was enacted in 1956 "clearly as a stopgap measure, to be revised upward at the earliest practicable time."

Weather and soil conditions have a lot to do with highway durability, too. Freeze-and-thaw cycles can tear apart pavements just as quickly as the heaviest trucks, engineers say. Salt that is used to clear ice from bridges can cause elevated sections of interstate highways to collapse within a few years, as once happened with a section of Chicago's Dan Ryan Expressway.

The trucks, the winters, the salt—all would be less worrisome if the money were available to fix the damage they do. Until recently, the emphasis was not on upkeep and improvement of older roads, but on building new highways, in particular the interstate network. Now that the priority is shifting away from new roads and toward rehabilitating existing ones, the financial pinch is being felt in both Washington and the state capitals. "The total amount

## Special Report

# America's Highways: Going to Pot

Despite billions being spent on roads each year, they're getting worse instead of better. This is the story of what happened—and why the outlook is gloomy.

Whether judged by government studies or the shock absorbers on the family car, America's roads—the most expensive public-works undertaking of all time—are being battered to pieces.

Hundreds of thousands of miles of highways and more than 100,000 bridges need major overhaul or replacement. But the cost of upkeep and renovation, estimated at 329 billion dollars between now and 1990, is so enormous that nobody knows where enough money can be found.

For many motorists, the spectacle of decaying highways is a personal experience—

Former astronaut James Lovell remarked that he felt safer catapulting toward the moon, as he did twice, than driving down the dilapidated Gulf Freeway between Houston and Galveston.

Robert Dietz, who owns a trucking company in Cheswick, Pa., spent \$1,000 per vehicle last year replacing busted tires and springs. "Every year I seem to pay more," he says.

School-bus drivers in western New York go 27 miles out of their way each day to avoid an unsafe bridge over the Genesee River.

Motorists driving on an elevated stretch of Interstate 95 in Wilmington, Del., encounter gravel where there should be pavement.

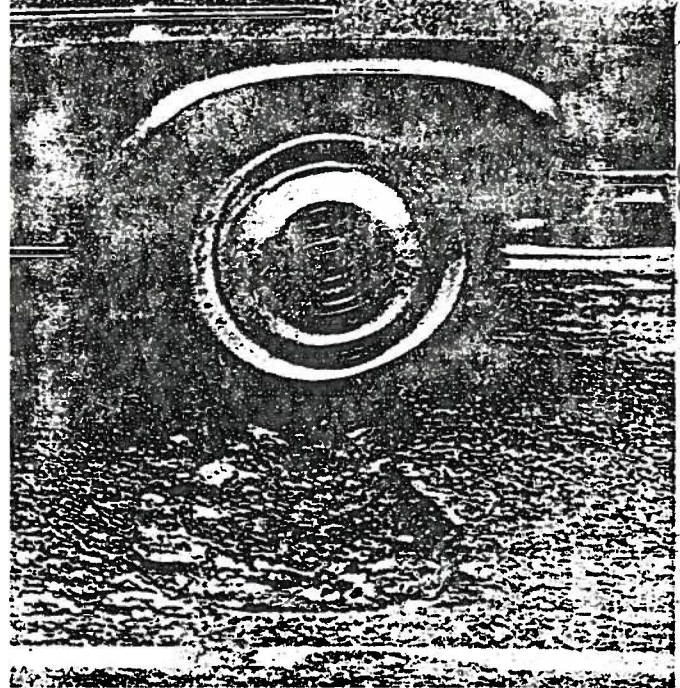
These are but a few of the fears, expenses, irritations and safety hazards caused by a once unexcelled system of roads that is crumbling from years of neglect and heavy usage.

**Rebuilding—the problems of cost.** The concern over road quality is growing in government circles even as the U.S. struggles to finish the 42,500-mile network of interstate highways authorized more than two decades ago.

Now, with interstate routes 92 percent completed and the total cost estimated at 104 billion dollars, taxpayers are learning that still more bills will soon come due—to pay for rebuilding portions of those same highways.

"It will cost at least as much to rebuild the interstates as it did to build them in the first place," declares Karl S. Bowers, acting head of the Federal Highway Administration. Pushed up by inflation, the price tag for resurfacing older interstate segments in Georgia, for instance, runs as much as \$350,000 a mile.

But the roads crisis is by no means limited to the older interstate-highway corridors. In all, the U.S. must maintain 3.8 million miles of streets and highways over which 144 million cars, trucks and buses traveled 1,466 trillion miles in 1977. Although interstates, mile for mile, are the most



heavily used of these roads, some officials are more concerned about the precarious condition of hundreds of thousands of miles of other highways where the upkeep has been neglected.

Just how bad is the nation's highway network? In 1970 and 1975, the government made official assessments of road conditions. Forty-four states submitted data that showed a decline in highway quality in the five-year interval. As of 1975, 42 percent of all paved highways and 27 percent of the interstate pavement were rated either "fair" or "poor."

Pavement classified as fair may seem as smooth to many motorists as a brand-new highway. But engineers warn that a highway can hide its defects for years as it deteriorates—and then seem to collapse overnight.

"The rate of deterioration accelerates as the condition of a pavement declines," William A. Bulley, secretary of transportation in Washington State, told a congressional hearing. "Thus, it takes less time for a road to go from 'fair' to 'poor,' than to go from 'good' to 'fair.'"

**Who'll pay the tab?** By most accounts, the money needed merely to maintain roads in their present condition is nowhere in sight. The federal government's Highway Trust Fund, once viewed as a bottomless reservoir of money to be spent on highways, is not generating cash from gasoline taxes as quickly as planners once envisioned, largely because of fuel-conservation measures of the past several years. State governments, which are responsible for ordinary maintenance of all roads, say they are in no better position than Washington to foot the repair bills.

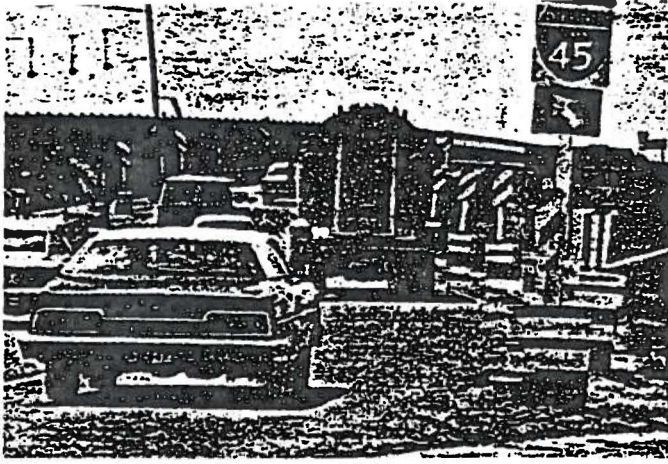
Regardless of who pays, the tab will be huge. The Department of Transportation figures that to maintain the levels of highway quality that existed in 1975 will cost an average of 21.8 billion dollars a year in capital outlays until 1990—or twice as much as is being spent in 1978. That estimate does not take into account inflation since 1975, and the cost of resurfacing has risen 9.7 percent in the past year alone.

"Unless something happens," concludes Transportation Secretary Brock Adams, "we can't keep all the highways in good shape."

As highways age, so do bridges. Three fourths of the country's 564,000 highway bridges were built before 1935. A recent government inventory found 106,000 spans to be inadequate or unsafe. The cost of replacing 39,920 of those bridges located on federally aided highways is estimated at almost 12 billion dollars.

"A bridge is usually good for 50 years," remarks Matthew





Interstate 45, the Gulf Freeway, frightened a spaceman.

of money that we are talking about is not within anybody's sight," says Transportation Secretary Adams.

States are obligated to perform day-to-day maintenance, but the Highway Trust Fund can be tapped for 70 to 75 percent of the cost of improvement projects, such as rehabilitation work on rundown roads. Still, with billions of dollars in anticipated revenue lost to the Highway Trust Fund as a result of the energy crunch, federal grants for highway work are not as large as some states need. Furthermore, other states are so short of tax dollars that they cannot afford to put up matching funds to claim the federal money that is available.

When Alabama most recently surveyed its state highway network, 40 percent of the pavement was judged in need of immediate repair, at a cost of 100 million dollars. "With a budget each year of about 12 million dollars for resurfacing, we'll be a long time overcoming the need for repairs," says Thomas H. Espy, Jr., assistant state highway director.

Pennsylvania officials figure they should repave about 2,600 miles of that state's 45,000-mile highway network each year in order to keep up with decay. But last year they could afford to resurface only 1,200 miles. New York City is repaving at a rate that would reach each street about once every 200 years. Charles M. Aull of the South Carolina Highway Department says new pavement is being laid on old roads every 30 years or so, "but we figure we need, in most cases, to do so every 12 to 15 years."

**Matching federal moneys.** Several states are in a better financial position to do road work. The Texas Legislature last year allocated 200 million dollars in emergency funds for badly needed repairs and major rehabilitation projects. Until then, says R. L. Lewis, the state's chief engineer of highway design, roads "were heading downhill rapidly." Florida officials told Bowers of the Federal Highway Administration that they were prepared to match every dollar of federal highway funds made available to them.

Legislation in 1976 put more emphasis on rebuilding of the older interstate mileage by making 175 million dollars a year available to states on a ratio of 90 federal dollars to each 10 state dollars spent, rather than the usual 70-30 formula. The Carter administration proposes raising the federal share to 275 million dollars beginning in 1979.

But the overall direction of federal spending on highways in years ahead remains undecided. Virtually all federal spending for roads and bridges comes from the Highway Trust Fund. That fund's receipts, from fuel and other taxes, are expected to range from 7 to 8 billion dollars annually over the next several years.

Despite this, the House Surface Transportation Subcommittee originally sought to peg highway spending at 11 billion dollars annually, from 1979 to 1982. This would be done by extending the life of the Highway Trust Fund, due to expire this year, until 1984, but authorizing obligations only through 1982. Thus, revenues in the last two years

would be used to cover obligations made in the first four. In the face of opposition, however, Subcommittee Chairman James J. Howard (D-N.J.) has begun to shave down his proposal—by 1 billion a year so far. The Carter administration is seeking a 7.8 billion-dollar limit on trust-fund spending in the coming year, and Adams calls the Howard plan "buy now, pay later" financing "founded on imaginary dollars." But Howard retorts: "I haven't had a governor yet say to me, 'Your bill is too big.'"

Additional Highway Trust Fund revenue could come from an increase in the present 4-cents-a-gallon federal tax on gasoline and diesel fuel. But when a gas-tax boost was most recently attempted in the House last year, "we got slaughtered," recalls Howard. State legislatures seem no more inclined than Congress to raise gasoline taxes.

Few motorists or politicians dispute the need to plow billions into improving the existing system of roads. The rub comes in finding the money to pay for it.

"One of two things will have to happen," predicts Richard Adorjan of the Illinois Highway Department. "Roads will have to get worse, or the taxes will have to go up." □

*This special report was written by Associate Editor Fred W. Frailey, with assistance from the magazine's bureaus.*

## 10 of America's Worst Superhighways

Even before completion of the interstate-highway network, attention is being drawn to its deterioration in many spots. The staff of the Highway Users Federation, a coalition of 500 companies and associations that campaigns for better roads, has picked these 10 stretches of the interstate-highway system as among the worst in the nation, with the following comments:

- I-95, in Wilmington, Del., is "deplorable, especially in approach to Wilmington. Surface has come off the elevated section; vehicles ride on aggregate."

- I-70, from Wheeling, W.Va., to near Pittsburgh. "Deterioration is so bad, it poses a safety hazard."

- I-287, in New York State from Tappan Zee Bridge to White Plains. "Surface consists of little more than aggregate and steel."

- I-278 (the Brooklyn-Queens Expressway), in Queens, N.Y., from LaGuardia Airport to the Midtown Tunnel. "That road is incredible for an interstate. It's god-awful."

- I-55, for 20 miles south from Jackson, Miss. "Potholed, with shoulders gone. Base is disintegrating, producing a roller-coaster effect for the motorist."

- I-80 North, from the Idaho-Oregon border to Caldwell, Idaho. "Asphalt overlay is breaking up and heavily pitted."

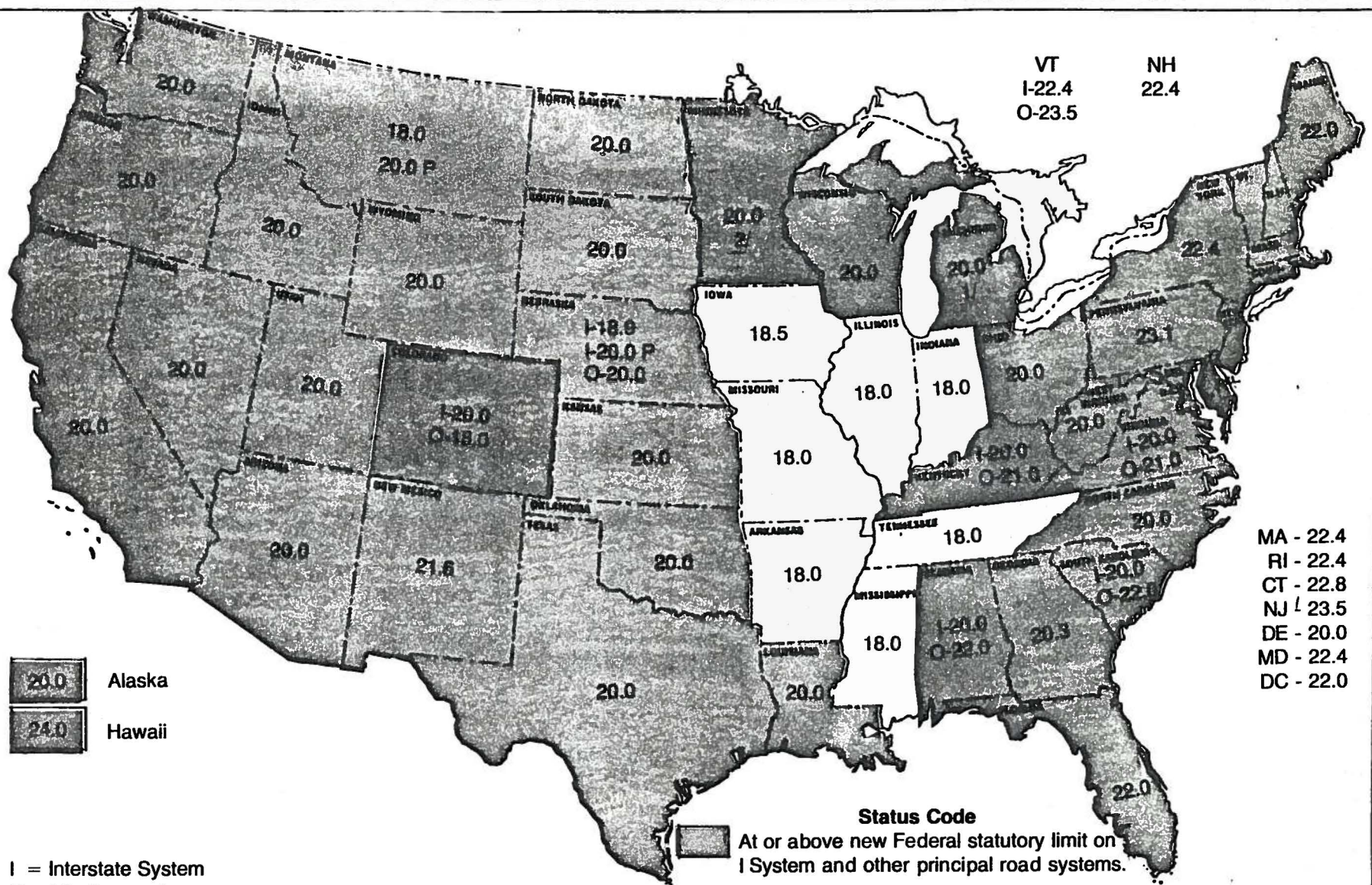
- I-94, from the Mississippi River toward St. Paul. "Maintenance forces fight a losing battle as potholes reappear immediately and the joint filler shoots up. Wear from heavy traffic is worsened by frequent freeze-thaw cycles."

- I-40, 5 or 6 miles west from Winston-Salem, N.C. "Breaking up along the sides. Joints are gapped."

- I-77, near Statesville, N.C. "A fairly new road, but with many potholes."

- I-94, in Detroit (the Edsel Ford Freeway), from the airport to the downtown area. "Old, beat-up and generally dilapidated."

Single Axle Load Limits in Thousands of Pounds (Including tolerances) in Effect January, 1979



20.0 Alaska  
24.0 Hawaii

I = Interstate System  
O = All other systems  
P = By permit, other than single trip permits  
1/ Lower limits apply to certain roads and combinations  
2/ On Interstate and other designated highways

**Status Code**  
 [Light Gray Box] At or above new Federal statutory limit on I System and other principal road systems.  
 [Medium Gray Box] At or above new Federal statutory limit on I System and designated highways, below on Other highways.  
 [White Box] Below new Federal statutory limit on all roads.

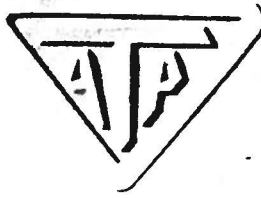
MA - 22.4  
RI - 22.4  
CT - 22.8  
NJ - 23.5  
DE - 20.0  
MD - 22.4  
DC - 22.0

Compiled by the Department of Interstate Cooperation - American Trucking Associations,

EXHIBIT A

**AMERICAN  
TRUCKING  
ASSOCIATIONS, INC.**

1616 P Street, N.W., Washington, D. C. 20036

INDUSTRY RELATIONS DIVISION  
**J. R. Halladay,**  
Managing DirectorDEPARTMENT OF INTERSTATE COOPERATION  
**J. L. Reith,**  
Director  
(202) 797-5401**STATE GROSS AND AXLE WEIGHT LIMITS  
AS OF JANUARY, 1979**

There are now 40 states at or near the Federal maximum weight limits on the Interstate System. As the maps which follow graphically portray, however, the 10 remaining states effectively deny to the Nation the fuel savings and reduced costs which the increased weights will bring. The six states along the Mississippi River plus Indiana continue to close off coast to coast operations at the higher weights, except by a routing so circuitous as to be impractical. Pennsylvania and Maryland stretching from Lake Erie to the Atlantic Ocean seal off operations on the East Coast. So a small minority of states prevent the overwhelming majority (80%) from obtaining the full benefits of the Federal legislation.

Weights shown are the maximum permitted for regular operation on the Interstate System and/or other road systems where differing limits apply. Several states allow higher limits by annual or other long-term permit. In each of these instances, the maximum allowed without permit is shown as well as the maximum allowed under long-term permit. Permits must be obtained for any weights between the two figures.

In many instances, particularly with regard to operations conducted in the West, the maximum weights allowed by long-term permit are applicable only to special equipment traveling over designated highways. More specific information concerning the types of equipment and designated highways may be obtained from the appropriate state trucking association. Also, nearly all states have some type of axle spacing requirements to achieve the maximum weight allowed for regular or permit operations.

The limits shown include statutory and administrative tolerances that have been published and are generally applicable. There are special exceptions which cannot be adequately depicted on maps of this type such as discretionary tolerances described as "scale error" and "ice and snow", different weight limits for specific types of vehicles and/or commodities, and special weight limits that vary with the season. A few states also have lower limits for axle and gross weight on secondary or farm to market road systems. Finally, several toll roads permit higher weights than those shown on these maps. For more detailed information concerning any state, we urge that you check with the appropriate state trucking association.

Maximum Gross Weight Limits in Thousands of Pounds (including tolerances) In Effect January, 1979

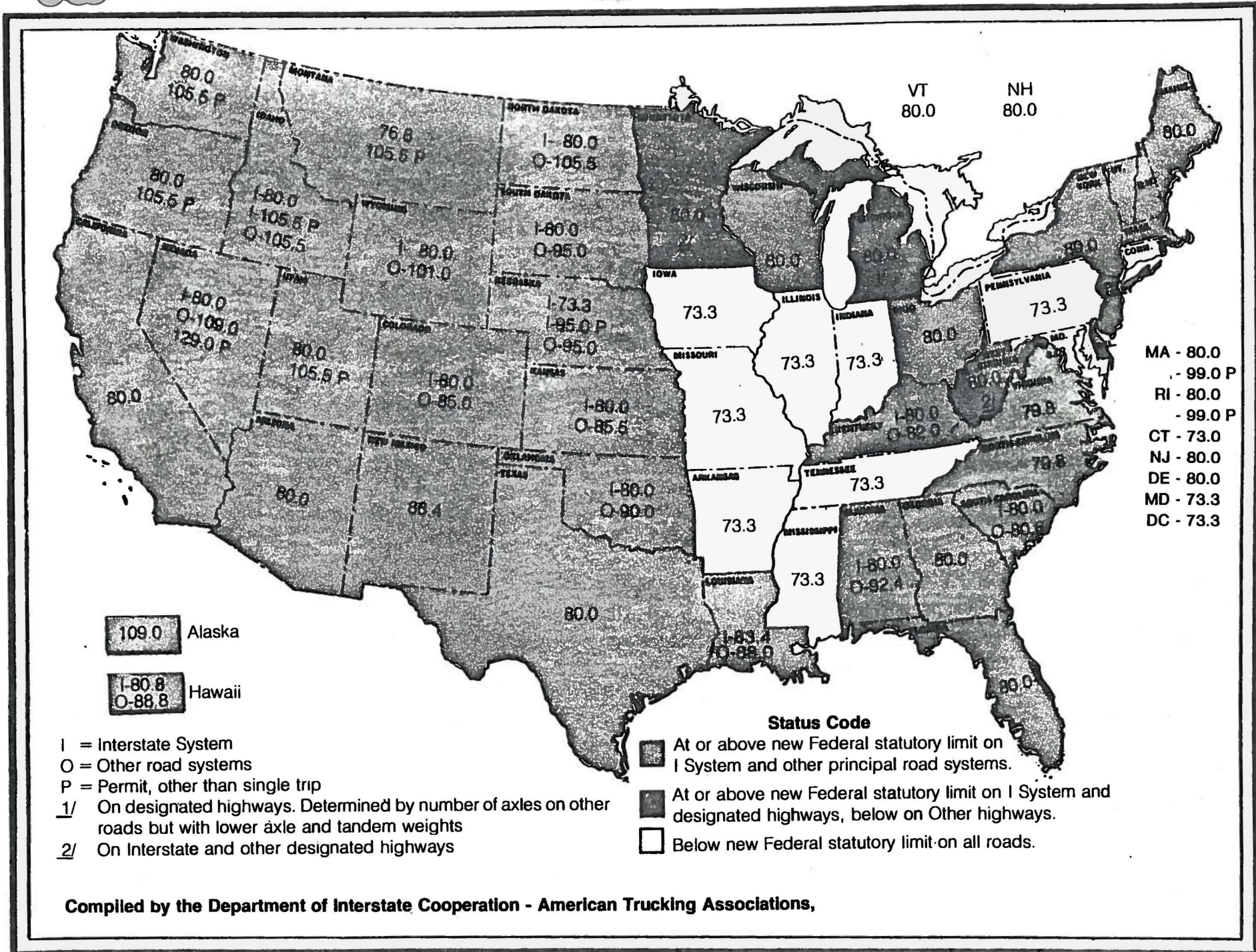


EXHIBIT B



## INTERAGENCY STUDY OF POST - 1980 GOALS FOR COMMERCIAL MOTOR VEHICLES

## EXECUTIVE SUMMARY

This study was requested by the President's Energy Resources Council to set motor vehicle fuel economy goals compatible with environmental, safety, and economic objectives. This document presents the key elements of the volume concerned with commercial motor vehicles, buses and trucks, with gross vehicle weight ratings of over 10,000 pounds.

At the request of the Chairman of the Energy Resources Council, the Secretary of Transportation has served as the leader of the task force which has prepared this study. The following agencies have served as task force members and participated in the preparation of this document:

Department of Transportation

Federal Energy Administration

Environmental Protection Agency

Energy Research and Development Administration

Interstate Commerce Commission

National Science Foundation

United States Postal Service

This study is not, at this juncture, an official policy statement of any of the participating agencies, but rather it is to serve as a focus for policy development for all organizations which must deal with the energy problem. Final actual recommendations will result from the ongoing debates, analyses, and discussions surrounding the potential improvements to commercial vehicles which the studies and analyses of the task force, and the information furnished by industry and others have shown.

## SIMPLIFIED FEDERAL SIZE AND WEIGHTS LAWS

	Actual 1956 - 1974	Present	FHWA Research Finding	Possible Futures*
Single Axle	18,000 lbs	20,000	26,000	26,000
Tandem Axle	32,000	34,000	44,000	44,000
Maximum GVW or GCW	73,280**	80,000**	120,000	120,000
Width	96 in	96	102	102
Single trailer length	--	--	--	45 ft
Double trailer length (ea.)	--	--	--	28 ft
Single-Unit vehicle length	--	--	40 ft	--
Single-Unit vehicle cargo unit length	--	--	--	35 ft
Overall combination vehicle length	--	--	65 ft	--
Tractor-semitrailer length	--	--	55 ft	--

\*Used for analytical purposes in this study for 1985 and beyond; subject to ongoing evaluation as noted earlier.

\*\*Subject to bridge formula.

Single and Tandem Axle Limits and Maximum  
Gross Vehicle Weight, By States,  
As of Jan. 1, 1979 1/

	SINGLE AXLE LOAD		TANDEM AXLE LOAD		GROSS VEHICLE WEIGHT	
	Interstate System	Other Highways	Interstate System	Other Highways	Interstate System	Other Highways
* Alabama	20,000	22,000	36,000	44,000	80,000	92,400
* Alaska <u>2/</u>	—	20,000	—	34,000	—	109,000 <u>2</u>
* Arizona	20,000	Same	34,000	Same	80,000	Same
Arkansas	18,000	Same	32,000	Same	73,280	Same
* California	20,000	Same	34,000	Same	80,000	Same
* Colorado	20,000	18,000	36,000	Same	80,000	85,000
Connecticut	22,848	Same	36,720	Same	73,000	Same
* Delaware	20,000	Same	34,000	40,000	80,000	Same
District of Columbia	22,000	Same	38,000	Same	73,280	Same
* Florida	22,000	Same	44,000	Same	80,000	Same
* Georgia	20,340	Same	40,680	Same	80,000	Same
* Hawaii	24,000	Same	34,000	Same	80,880	88,000
* Idaho - Without Permit	20,000	Same	34,000	Same	80,000	105,500
- By Long Term Permit					105,500	105,500
Illinois	18,000	Same	32,000	Same	73,280	Same
Indiana	18,000	Same	32,000	Same	73,280	Same
Iowa	18,540	Same	32,960	Same	73,280	Same
* Kansas	20,000	Same	34,000	Same	80,000	85,500
* Kentucky	20,000	21,000	34,000	35,700	80,000	82,000
* Louisiana	20,000	Same	34,000	Same	83,400	88,000
* Maine	22,000	Same	34,000	38,000	80,000	Same
Maryland	22,400	Same	40,000	Same	73,280	Same
* Massachusetts - Without Permit	22,400	Same	36,000	Same	80,000	Same
- By Long Term Permit					99,000	99,000
* Michigan	20,000 <u>3/ 4/</u>	20,000 <u>4/</u>	34,000 <u>3/ 4/</u>	34,000 <u>4/</u>	80,000 <u>3/ 4/</u>	80,000 <u>4/</u>
* Minnesota	20,000 <u>3/</u>	Same	34,000 <u>3/</u>	Same	80,000 <u>3/</u>	Same
Mississippi	18,000	Same	32,000	Same	73,280	Same
Missouri	18,000	Same	32,000	Same	73,280	Same
* Montana - Without Permit	18,000	Same	32,000	Same	76,800	Same
- By Long Term Permit	20,000	Same	34,000	Same	105,500	Same
* Nebraska - Without Permit	18,900	20,000	33,600	34,000	73,280	95,000
- By Long Term Permit	20,000	Same	34,000	Same	95,000	Same
* Nevada - Without Permit	20,000	Same	34,000	Same	80,000	109,000
- By Long Term Permit					129,000 <u>5/</u>	Same
* New Hampshire	22,400	Same	36,000	Same	80,000	Same
* New Jersey	23,520	Same	34,000	35,700	80,000	Same
* New Mexico	21,600	Same	34,320	Same	86,400	Same
* New York	22,400	Same	36,000	Same	80,000	Same
* North Carolina	20,000	Same	38,000	Same	79,800	Same
* North Dakota	20,000	Same	34,000	Same	80,000	105,500
* Ohio	20,000	Same	34,000	Same	80,000	Same
* Oklahoma	20,000	Same	34,000	Same	80,000	90,000
* Oregon - Without Permit	20,000	Same	34,000	Same	80,000	Same
- By Long Term Permit					105,500	Same
Pennsylvania	23,072	Same	37,080	Same	73,280	Same
* Rhode Island - Without Permit	22,400	Same	36,000	Same	80,000	Same
- By Long Term Permit					99,000	99,000
* South Carolina	20,000	22,000	35,200	39,600	80,000	80,600
* South Dakota	20,000	Same	34,000	Same	80,000	95,000
Tennessee	18,000	Same	32,000	Same	73,280	Same
* Texas	20,000	Same	34,000	Same	80,000	Same
* Utah - Without Permit	20,000	Same	34,000	Same	80,000	Same
- By Long Term Permit			36,000	Same	105,500	Same
* Vermont	22,400	23,520	36,000	37,800	80,000	Same
* Virginia	20,000	21,000	34,000	35,700	79,800	Same
* Washington - Without Permit	20,000	Same	34,000	Same	80,000	Same
- By Long Term Permit					105,500	Same
* West Virginia	20,000	Same	34,000	Same	80,000 <u>3/</u>	Same
* Wisconsin	20,000	Same	34,000	Same	80,000	Same
* Wyoming	20,000	Same	36,000	Same	80,000	101,000

\* States at or above new Federal Weight Limits. Gross weight 79,800 lbs. in North Carolina and Virginia

1/ Includes tolerances.

2/ No Interstate System - Gross weight determined by the number and spacings of axles within 70 feet (9 axles at 66 feet equals 109,000 lbs.)

3/ On Interstate and other designated highways.

4/ Higher gross weight allowed, determined by number and spacing of axles within 55 feet, with a maximum of 11 axles, but with lower axle and tandem weights.

5/ Gross weight determined by number and spacing of axles within 105 feet (9 axles at 101 feet equals 129,000 lbs.)



## SUMMARY OF STATE AND FEDERAL HIGHWAY-USER TAXES IN THE UNITED STATES BY YEARS

(All dollar amounts expressed in 1,000's)

EXHIBIT D

Calendar Year	STATE HIGHWAY-USER TAXES			FEDERAL HIGHWAY-USER TAXES*			TOTAL HIGHWAY-USER TAXES*		
	All Motor Vehicles	Trucks	Truck % of Total	All Motor Vehicles	Trucks	Truck % of Total	All Motor Vehicles	Trucks	Truck % of Total
1957	\$ 4,568,463	\$ 1,492,816	32.7	\$ 1,926,635	\$ 611,909	31.8	\$ 6,495,098	\$ 2,104,725	32.4
1958	\$ 4,666,668	\$ 1,529,129	32.8	\$ 1,907,122	\$ 641,287	33.6	\$ 6,573,790	\$ 2,170,416	33.0
1959	\$ 5,090,916	\$ 1,653,874	32.5	\$ 2,108,887	\$ 732,037	34.7	\$ 7,199,803	\$ 2,385,911	33.1
1960	\$ 5,320,719	\$ 1,709,428	32.1	\$ 2,712,015	\$ 898,575	33.1	\$ 8,032,734	\$ 2,608,003	32.5
1961	\$ 5,509,512	\$ 1,772,428	32.2	\$ 2,767,867	\$ 919,135	33.2	\$ 8,277,379	\$ 2,691,563	32.5
1962	\$ 5,822,245	\$ 1,898,503	32.6	\$ 3,003,040	\$ 1,093,856	36.4	\$ 8,825,285	\$ 2,992,359	33.9
1963	\$ 6,154,129	\$ 1,991,662	32.4	\$ 3,326,435	\$ 1,282,971	38.6	\$ 9,480,564	\$ 3,274,633	34.5
1964	\$ 6,581,355	\$ 2,149,693	32.7	\$ 3,517,685	\$ 1,384,695	39.4	\$ 10,099,040	\$ 3,534,388	35.0
1965	\$ 7,007,140	\$ 2,296,191	32.8	\$ 3,639,093	\$ 1,442,843	39.6	\$ 10,646,233	\$ 3,739,034	35.1
1966	\$ 7,518,545	\$ 2,465,355	32.8	\$ 4,043,658	\$ 1,707,269	42.2	\$ 11,562,203	\$ 4,172,624	36.1
1967	\$ 7,898,371	\$ 2,599,420	32.9	\$ 4,075,180	\$ 1,681,596	41.3	\$ 11,973,551	\$ 4,281,016	35.8
1968	\$ 8,634,411	\$ 2,830,068	32.8	\$ 4,350,768	\$ 1,821,592	41.9	\$ 12,985,179	\$ 4,651,660	35.8
1969	\$ 9,502,056	\$ 3,145,026	33.1	\$ 4,854,357	\$ 2,109,278	43.5	\$ 14,356,413	\$ 5,254,304	36.6
1970	\$ 10,279,275	\$ 3,429,468	33.4	\$ 5,105,776	\$ 2,202,861	43.1	\$ 15,385,051	\$ 5,632,329	36.6
1971	\$ 10,955,007	\$ 3,668,598	33.5	\$ 5,291,377	\$ 2,299,066	43.4	\$ 16,246,384	\$ 5,967,664	36.7
1972	\$ 12,010,496	\$ 4,045,269	33.7	\$ 5,315,032	\$ 2,092,554	39.4	\$ 17,325,528	\$ 6,137,823	35.4
1973	\$ 13,142,618	\$ 4,568,163	34.8	\$ 5,949,122	\$ 2,533,373	42.6	\$ 19,091,740	\$ 7,101,536	37.2
1974	\$ 13,123,714	\$ 4,629,327	35.3	\$ 5,846,038	\$ 2,518,419	43.1	\$ 18,969,752	\$ 7,147,746	37.7
1975	\$ 13,460,139	\$ 4,818,630	35.8	\$ 5,602,676	\$ 2,350,924	42.0	\$ 19,062,815	\$ 7,169,554	37.6
1976	\$ 14,995,227	\$ 5,456,249	36.4	\$ 6,031,064	\$ 2,523,164	41.8	\$ 21,026,291	\$ 7,979,413	37.9
<b>20-Year Total</b>	<b>\$172,241,006</b>	<b>\$58,149,297</b>	<b>33.8</b>	<b>\$81,373,827</b>	<b>\$32,847,404</b>	<b>40.4</b>	<b>\$253,614,833</b>	<b>\$90,996,701</b>	<b>35.9</b>

\* Federal taxes include only those excises paid by highway users that were dedicated to the Highway Trust Fund.

SOURCE: Based on data compiled for the annual editions of "Truck Taxes by States," Department of Interstate Cooperation, American Trucking Associations, Inc.

## 1976 SPECIAL MOTOR VEHICLE TAXES PAID BY TRUCKS

State	State Highway User Taxes (\$1,000)	Truck % of Total	Federal Highway User Taxes (1) (\$1,000)	Truck % of Total	Total Special Taxes (\$1,000)	Truck % of Total
Alabama*	\$ 106,395	47.6%	\$ 63,620	55.4%	\$ 170,015	50.2%
Alaska	17,018	53.7	7,677	65.7	24,695	56.9
Arizona	87,636	50.8	36,607	50.6	124,243	50.8
Arkansas	74,246	44.5	38,235	50.5	112,481	46.4
California	694,966	38.2	214,154	36.3	909,120	37.7
Colorado	67,098	44.1	39,853	48.0	106,951	45.5
Connecticut	36,293	15.9	14,319	19.9	50,612	16.9
Delaware	16,303	32.4	7,792	44.0	24,095	35.5
District of Columbia	5,712	10.7	2,049	16.1	7,761	11.7
Florida	176,053	29.6	87,237	37.8	263,290	31.9
Georgia	98,013	33.7	67,293	40.7	165,306	36.2
Hawaii	10,564	24.7	5,005	32.0	15,569	26.7
Idaho	42,581	56.0	17,666	60.5	60,247	57.3
Illinois	267,405	36.1	104,683	36.2	372,088	36.2
Indiana*	165,768	47.0	89,941	54.0	255,709	49.3
Iowa	108,608	43.5	47,265	49.3	155,873	45.1
Kansas	78,745	48.3	41,856	52.4	120,601	49.6
Kentucky	128,503	40.5	51,909	49.5	180,412	42.8
Louisiana	93,011	42.8	55,689	49.1	148,700	44.9
Maine	28,230	36.3	12,690	40.2	40,920	37.4
Maryland*	89,498	25.1	35,821	34.8	125,319	27.2
Massachusetts	58,157	21.7	32,475	25.6	90,632	23.0
Michigan*	198,065	33.3	109,193	42.6	307,258	36.1
Minnesota*	114,651	38.1	58,106	50.2	172,757	41.5
Mississippi	69,459	42.5	36,100	49.4	105,559	44.7
Missouri	111,532	37.1	67,966	44.5	179,498	39.6
Montana	38,314	57.5	18,254	62.3	56,568	59.0
Nebraska	61,577	49.6	29,184	54.7	90,761	51.1
Nevada	26,143	44.9	12,250	48.1	38,393	45.9
New Hampshire	16,392	25.8	7,619	34.0	24,011	28.0
New Jersey	114,974	22.4	48,144	26.3	163,118	23.5
New Mexico	47,072	50.7	25,462	54.7	72,534	52.1
New York	186,504	22.3	82,802	26.9	269,306	23.5
North Carolina*	167,195	41.1	78,100	46.9	245,295	42.8
North Dakota*	26,117	47.9	13,075	56.9	39,192	50.6
Ohio*	234,724	38.5	104,425	36.1	339,149	37.8
Oklahoma	91,082	40.6	57,699	56.9	148,781	45.7
Oregon	73,460	40.5	33,691	43.3	107,151	41.3
Pennsylvania	260,875	32.3	115,852	41.6	376,727	34.7
Rhode Island	13,330	24.0	5,988	29.7	19,318	25.5
South Carolina*	58,896	34.1	34,436	39.4	93,332	35.9
South Dakota*	28,095	47.1	13,169	53.2	41,264	48.9
Tennessee	119,544	39.1	58,528	42.8	178,072	40.2
Texas*	437,981	43.4	215,060	47.2	653,041	44.6
Utah	34,428	49.7	21,028	54.7	55,456	51.5
Vermont	16,812	33.7	5,714	40.0	22,526	35.1
Virginia*	143,375	34.9	64,159	43.4	207,534	37.1
Washington	135,710	39.6	50,651	48.5	186,361	41.7
West Virginia	59,318	36.5	24,534	46.8	83,852	39.0
Wisconsin	86,272	32.9	44,560	35.8	130,832	33.8
Wyoming	33,549	64.4	13,579	63.8	47,128	64.3
<b>United States</b>	<b>\$5,456,249</b>	<b>36.4%</b>	<b>\$2,523,164</b>	<b>41.8%</b>	<b>\$7,979,413</b>	<b>37.9%</b>

(1) Federal taxes include only Highway Trust Fund collections paid by highway users.

\* State tax payments derived in part from special tax studies.

1976 SUMMARY OF HIGHWAY-USER TAXES IN THE UNITED STATES

STATE HIGHWAY-USER TAXES

	All Motor Vehicles	Trucks	Truck % of Total
Registrations*	141,401,285	26,524,412	18.8
Registration Fees	\$ 4,411,566,000	\$1,881,726,000	42.7
Miscellaneous Fees	1,454,403,000	475,462,000	32.7
Motor Fuel Taxes	8,891,460,000	2,867,855,000	32.3
Motor Carrier Taxes	237,798,000	231,206,000	97.2
<b>Total User Taxes</b>	<b>\$14,995,227,000</b>	<b>\$5,456,249,000</b>	<b>36.4</b>

STATE TRUCK TAXES AND EXPENDITURES ON STATE-ADMINISTERED HIGHWAYS\*\*

Total Truck Taxes (\$5,456,249,000) are equivalent to:

- 160.1% of capital outlay of \$3,408,761,000 (excluding \$6,100,843,000 in Federal Highway Funds) . . . or
- 204.2% of maintenance expenditures of \$2,671,389,000 . . . or
- 59.8% of total expenditures of \$9,124,991,000 (which includes \$3,044,841,000 of other expenditures on the state systems).

\* Registrations exclude publicly-owned vehicles. Truck registrations include only power units. Total registrations include motorcycles.  
 \*\* Includes expenditures on local roads and streets for the District of Columbia. The state-administered systems include 155,093 miles of county roads and 131,323 miles of secondary roads under state control. Includes expenditures of \$59,086,000 for park, forest, institutional and reservation roads.

\*\*\*\*\*

FEDERAL HIGHWAY-RELATED EXCISE TAXES AND THE HIGHWAY TRUST FUND

Taxes Dedicated to Highway Trust Fund	1976 Collections Paid by Highway Users	
	All Motor Vehicles	Trucks
Motor Fuel (a) . . . . .	\$4,508,815,000	\$1,454,899,000
Lubricating Oil (b) . . . . .	63,208,000	26,654,000
Motor-Vehicle Use Tax (c) . . . . .	205,867,000	202,576,000
New Trucks, Buses, & Trailers (d) . . . . .	405,802,000	402,059,000
Parts & Accessories (e) . . . . .	140,003,000	138,620,000
Tires and Tubes (f) . . . . .	680,862,000	287,176,000
Tread Rubber (g) . . . . .	26,507,000	11,180,000
<b>TOTAL DEDICATED FEDERAL USER TAXES . . .</b>	<b>\$6,031,064,000</b>	<b>\$2,523,164,000</b>

(a) Tax rate: 4 cents per gallon. Collections include tax on special fuels used on highways.  
 (b) Tax rate: 6 cents per gallon. Prior to 1/1/66, the lubricating oil tax went to the U. S. general fund. Beginning 1/1/66, this tax (excluding cutting oil) was dedicated to the Trust Fund.  
 (c) Tax rate: \$3.00 per 1,000 lbs. per year. Annual use tax on vehicles over 26,000 pounds gross weight (vehicle plus load); levied on total weight, not just on excess over 26,000 pounds.  
 (d) Tax rate: 10% of mfg's. sales price. From 7/1/56 to 7/1/62 only half the tax on new trucks, buses, and trailers was dedicated to the Trust Fund. Effective 9/23/71 new trucks and trailers having a gross vehicle weight of 10,000 pounds or less are tax exempt. Effective 12/11/71 local transit buses in urban use are tax exempt.  
 (e) Tax rate: 8% of mfg's. sales price. Prior to 1/1/66, the tax on motor-vehicle parts and accessories went to the U.S general fund. Effective 1/1/66, the tax on automobile parts and accessories was repealed; the tax on truck and bus parts and accessories remains in effect, with revenue dedicated to the Trust Fund.  
 (f) Tax rate: 10 cents per pound. (g) Tax rate: 5 cents per pound.

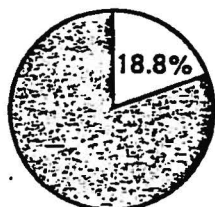
**TOTAL 1976 STATE AND FEDERAL HIGHWAY-USER TAXES  
PAID BY UNITED STATES VEHICLES**

	State	Federal*	Total
All Motor Vehicles	\$14,995,227,000	\$6,031,064,000	\$21,026,291,000
Trucks	\$ 5,456,249,000	\$2,523,164,000	\$ 7,979,413,000
Truck Percent	36.4%	41.8%	37.9%

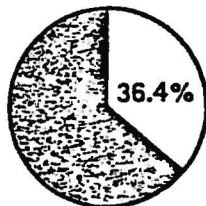
\* Federal taxes include only Highway Trust Fund collections paid by highway users.

**In the United States 38 of every 100 tax dollars collected for highway use during 1976 were paid by trucks . . . yet, only 19 of every 100 vehicles registered were trucks!**

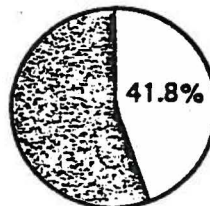
**TRUCK PERCENTAGE OF VEHICLE REGISTRATIONS AND  
SPECIAL VEHICLE TAX PAYMENTS**



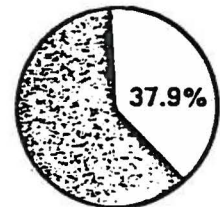
**Vehicle Registrations**



**State User Taxes**



**Federal User Taxes**



**Total User Taxes**

**DISTRIBUTION OF TRUCK HIGHWAY USE PAYMENTS 1976**

These charts show how each dollar paid by truck owners and operators in highway use taxes was divided among the various special levies.

**TOTAL STATE USER TAXES (All States)**

52.6¢	34.5¢	8.7¢	4.2¢
Motor Fuel Taxes	Truck and Trailer Registration Fees	Miscellaneous Fees	Motor Carrier Taxes

**TOTAL FEDERAL USER TAXES**

57.7¢	15.9¢	11.8¢	6.6¢	8.0¢
Motor Fuel Taxes	Excise Tax on New Trucks and Trailers	Excise Tax on Tires & Tubes, Tread Rubber	Excise Tax on Lubricating Oil, Parts and Accessories	Truck Use Tax

# FOREWORD

EXHIBIT E

In 1976 a great deal of attention was focused on our nation's highway building program, and how it is being financed. The twin forces of inflation and the oil cartel have driven up the prices of motor fuel and highway construction and maintenance costs, while highway user revenues have increased only marginally. At the same time, strident efforts were made to divert road-user revenues to other than highway purposes. However, a recent poll by the Gallup Organization shows that most Americans believe that roads and bridges are wearing out faster than they are being rebuilt, and the public would like to see more federal money spent to improve them.

As proponents of the highway program, the trucking industry believes that a growing public awareness of our highway needs and how they are financed will be beneficial to all. The truth is, the more people learn about our highways . . . who uses them and who pays for them . . . the less vulnerable they will be to "fiction" circulated by opponents of good highways.

A great deal of the propaganda being circulated by anti-highway forces concerning our highways, particularly as to who is paying for them is misleading. For example, statements have been made concerning the source of money for highway construction and maintenance which indicate that the general taxpayers . . . through real estate, income and other general levies . . . are footing a large share of the highway bill. Charges that trucks in particular are enjoying a "free ride" on the nation's highways have also been given wide publicity. Of course these statements are false, and the facts refute them. It is, therefore, imperative that these myths about highway transportation, and highway finance be dispelled.

It is a fact that highways have more than paid their own way. From 1917 through 1956, motor vehicle owners and operators paid nearly \$25.5 billion in *special* federal taxes on fuel, equipment, parts and accessories. These taxes, paid *only* by highway users, went into the U.S. general fund. During that same period, the federal government spent only \$9.2 billion in federal-aid highway programs . . . \$16.3 billion less than motor vehicle owners and operators paid in these *special* taxes.

The Federal Highway Trust Fund, established by the Highway Revenue Act of 1956 as amended, has financed the entire federal highway portion of the national highway program by the utilization of exclusive taxes on motor vehicle owners and operators. In other words, if a person does not own or use a motor vehicle, he or she makes *no state or federal tax contribution to the highway program.*

In the 20 years (calendar years 1957-1976) since the enactment of the Highway bill, highway users have paid \$106.8 billion in *special* federal taxes. Some \$25.4 billion of these collections continued to go into the U.S. general fund, with \$81.4 billion being dedicated to the Highway Trust Fund. During this period, trucks paid \$32.8 billion, or 40.4% of the dedicated funds.

In addition to the above *special* federal taxes, all motor vehicle owners and operators, during this 20-year period, paid \$172.2 billion in state highway-user taxes. Trucks paid 33.8% of the total user taxes collected by the states . . . an amount exceeding \$58.1 billion.

Over this 20-year span, trucks paid nearly \$91.0 billion in combined state and federal highway-user taxes (excludes those federal tax payments that went into the U.S. general fund). This is hardly being "subsidized" or enjoying a "free ride" on the nation's highways.

This, the 26th annual edition of TRUCK TAXES BY STATES, includes a state-by-state breakdown of state and federal user taxes paid by all highway users, as well as the portion of these taxes paid by trucks. This issue is based on calendar year 1976 statistics which were the latest complete data available at time of publication.

Regular users of *Truck Taxes by States* will recognize that publication of this edition is much later than usual. We regret the delay which resulted from problems encountered by the Federal Highway Administration in the compilation of state data. An explanation of the data as well as sources for this publication are given in the explanatory remarks at the end of the state tables.

# THE 1976 HIGHWAY-USER TAX PICTURE AT A GLANCE

## HIGHWAY RECEIPTS VERSUS HIGHWAY EXPENDITURES

When the total amount of money collected from *special* taxes on highway users is compared with the total money spent on highways, over any representative period, highway users have paid in more than has been spent on highways at the state and federal level. In addition, highway users have also paid more than their share of local road and street expenditures. For example, in 1976 the several states collected \$14,995,227,000 in *special* highway-user taxes and spent \$9,124,991,000 in state monies for state-administered highways. Fortunately, today most of this excess of collections over outlays for state roads finds its way to local roads and streets through state assistance to local jurisdictions.

## DIVERSION

While it is true that in some cases money is appropriated for highways out of the states' general fund, it is also true that in other cases funds derived from *special* state taxes on highway users are placed in the general funds. In fact, data published by the Federal Highway Administration indicate a continuing diversion of state highway-user revenues to non-highway purposes. Latest reports indicate that \$1,801,559,000 of the receipts from state imposts on highway users were devoted to non-highway purposes during 1976. This situation exists despite wide recognition that the benefits of good highways extend to the public in general and not just to users.

## FORECAST FOR 1977

It is estimated that total 1977 private and for-hire motor vehicle registrations will reach 146,642,400 units. Private and for-hire trucks are expected to increase to 19.1% of total registrations, totaling an estimated 27,956,500 units. This represents a 5.2% increase over the 26,524,412 trucks registered in 1976.

The Federal Highway Administration has estimated total 1977 state highway-user revenues at \$15,235,165,000. Based on our 1976 findings and other factors, it is estimated that trucks will pay \$5,560,835,000 in state highway-user taxes in 1977.

## TRUCKS PAY THEIR WAY

In 1976, trucks which comprised 18.8% of total motor-vehicle registrations, paid 36.4% of all *special* motor-vehicle taxes collected by the several states. The \$5,456,249,000 in such taxes collected from truck owners and operators was equivalent to 160.1% of the \$3,408,761,000 in capital outlay from state sources and 204.2% of the \$2,671,389,000 for maintenance on the state-administered systems of all the states. It represents 59.8% of the total expenditures for capital outlay, maintenance, administration, police and financing on the state systems.

## TOTAL TRUCK TAXES

Truck owners and operators paid an additional \$2,523,164,000 in federal highway user taxes in 1976. Exclusive of special county and municipal taxes, and bridge, tunnel, ferry and road tolls, for which data are not available, trucks paid a total of \$7,979,413,000 at the federal and state level in *special* taxes and fees in 1976. Truck payments amounted to 37.9% of the combined state highway-user taxes and federal highway-user automotive excises earmarked for highways. Trucks' share of total federal funds was 41.8% in 1976.

## TRUCKING IS NOT EXEMPT

All of the above taxes are in addition to regular taxes such as real and personal property taxes, income taxes, sales taxes and other levies assessed against truck owners and operators in common with other taxpayers.

Reports for 1977 show truck factory sales (trucks weighing over 10,000 pounds GVW) up 14.6% over 1976. Truck trailer shipments, for 1977, were up 52.4% over 1976 . . . 160,706 units compared with 105,437 units.

Based on reports on the Federal-Aid Highway Program for the first three quarters of 1977 from the U. S. Department of Transportation, as well as the above trends in sales and shipments of automotive equipment, our preliminary estimate indicates that trucks will pay over \$2.8 billion in federal Highway Trust Fund taxes in 1977, or about 42% of the total collections from highway users.

# SUMMARY OF STATE AND FEDERAL HIGHWAY-USER TAXES IN THE UNITED STATES BY YEARS

(All dollar amounts expressed in 1,000's)

EXHIBIT E

Calendar Year	STATE HIGHWAY-USER TAXES			FEDERAL HIGHWAY-USER TAXES*			TOTAL HIGHWAY-USER TAXES*		
	All Motor Vehicles	Trucks	Truck % of Total	All Motor Vehicles	Trucks	Truck % of Total	All Motor Vehicles	Trucks	Truck % of Total
1957	\$ 4,568,463	\$ 1,492,816	32.7	\$ 1,926,635	\$ 611,909	31.8	\$ 6,495,098	\$ 2,104,725	32.4
1958	\$ 4,666,668	\$ 1,529,129	32.8	\$ 1,907,122	\$ 641,287	33.6	\$ 6,573,790	\$ 2,170,416	33.0
1959	\$ 5,090,916	\$ 1,653,874	32.5	\$ 2,108,887	\$ 732,037	34.7	\$ 7,199,803	\$ 2,385,911	33.1
1960	\$ 5,320,719	\$ 1,709,428	32.1	\$ 2,712,015	\$ 898,575	33.1	\$ 8,032,734	\$ 2,608,003	32.5
1961	\$ 5,509,512	\$ 1,772,428	32.2	\$ 2,767,867	\$ 919,135	33.2	\$ 8,277,379	\$ 2,691,563	32.5
1962	\$ 5,822,245	\$ 1,898,503	32.6	\$ 3,003,040	\$ 1,093,856	36.4	\$ 8,825,285	\$ 2,992,359	33.9
1963	\$ 6,154,129	\$ 1,991,662	32.4	\$ 3,326,435	\$ 1,282,971	38.6	\$ 9,480,564	\$ 3,274,633	34.5
1964	\$ 6,581,355	\$ 2,149,693	32.7	\$ 3,517,685	\$ 1,384,695	39.4	\$ 10,099,040	\$ 3,534,388	35.0
1965	\$ 7,007,140	\$ 2,296,191	32.8	\$ 3,639,093	\$ 1,442,843	39.6	\$ 10,646,233	\$ 3,739,034	35.1
1966	\$ 7,518,545	\$ 2,465,355	32.8	\$ 4,043,658	\$ 1,707,269	42.2	\$ 11,562,203	\$ 4,172,624	36.1
1967	\$ 7,898,371	\$ 2,599,420	32.9	\$ 4,075,180	\$ 1,681,596	41.3	\$ 11,973,551	\$ 4,281,016	35.8
1968	\$ 8,634,411	\$ 2,830,068	32.8	\$ 4,350,768	\$ 1,821,592	41.9	\$ 12,985,179	\$ 4,651,660	35.8
1969	\$ 9,502,056	\$ 3,145,026	33.1	\$ 4,854,357	\$ 2,109,278	43.5	\$ 14,356,413	\$ 5,254,304	36.6
1970	\$ 10,279,275	\$ 3,429,468	33.4	\$ 5,105,776	\$ 2,202,861	43.1	\$ 15,385,051	\$ 5,632,329	36.6
1971	\$ 10,955,007	\$ 3,668,598	33.5	\$ 5,291,377	\$ 2,299,066	43.4	\$ 16,246,384	\$ 5,967,664	36.7
1972	\$ 12,010,496	\$ 4,045,269	33.7	\$ 5,315,032	\$ 2,092,554	39.4	\$ 17,325,528	\$ 6,137,823	35.4
1973	\$ 13,142,618	\$ 4,568,163	34.8	\$ 5,949,122	\$ 2,533,373	42.6	\$ 19,091,740	\$ 7,101,536	37.2
1974	\$ 13,123,714	\$ 4,629,327	35.3	\$ 5,846,038	\$ 2,518,419	43.1	\$ 18,969,752	\$ 7,147,746	37.7
1975	\$ 13,460,139	\$ 4,818,630	35.8	\$ 5,602,676	\$ 2,350,924	42.0	\$ 19,062,815	\$ 7,169,554	37.6
1976	\$ 14,995,227	\$ 5,456,249	36.4	\$ 6,031,064	\$ 2,523,164	41.8	\$ 21,026,291	\$ 7,979,413	37.9
<b>20-Year Total</b>	<b>\$172,241,006</b>	<b>\$58,149,297</b>	<b>33.8</b>	<b>\$81,373,827</b>	<b>\$32,847,404</b>	<b>40.4</b>	<b>\$253,614,833</b>	<b>\$90,996,701</b>	<b>35.9</b>

\* Federal taxes include only those excises paid by highway users that were dedicated to the Highway Trust Fund.

SOURCE: Based on data compiled for the annual editions of "Truck Taxes by States," Department of Interstate Cooperation, American Trucking Associations, Inc.

1976 SPECIAL MOTOR VEHICLE TAXES PAID BY TRUCKS

State	State Highway User Taxes (\$1,000)		Federal Highway User Taxes (1) (\$1,000)		Total Special Taxes (\$1,000)		State	State Highway User Taxes (\$1,000)		Federal Highway User Taxes (1) (\$1,000)		Total Special Taxes (\$1,000)	
	Taxes (\$1,000)	Truck %of Total	Taxes (1) (\$1,000)	Truck %of Total	Taxes (\$1,000)	Truck %of Total		Taxes (\$1,000)	Truck %of Total	Taxes (1) (\$1,000)	Truck %of Total	Taxes (\$1,000)	Truck %of Total
Alabama*	\$ 106,395	47.6%	\$ 63,620	55.4%	\$ 170,015	50.2%	Montana	38,314	57.5	18,254	62.3	56,568	59.0
Alaska	17,018	53.7	7,677	65.7	24,695	56.9	Nebraska	61,577	49.6	29,184	54.7	90,761	51.1
Arizona	87,636	50.8	36,607	50.6	124,243	50.8	Nevada	26,143	44.9	12,250	48.1	38,393	45.9
Arkansas	74,246	44.5	38,235	50.5	112,481	46.4	New Hampshire	16,392	25.8	7,619	34.0	24,011	28.0
California	694,966	38.2	214,154	36.3	909,120	37.7	New Jersey	114,974	22.4	48,144	26.3	163,118	23.5
Colorado	67,098	44.1	39,853	48.0	106,951	45.5	New Mexico	47,072	50.7	25,462	54.7	72,534	52.1
Connecticut	36,293	15.9	14,319	19.9	50,612	16.9	New York	186,504	22.3	82,802	26.9	269,306	23.5
Delaware	16,303	32.4	7,792	44.0	24,095	35.5	North Carolina*	167,195	41.1	78,100	46.9	245,295	42.8
District of Columbia	5,712	10.7	2,049	16.1	7,761	11.7	North Dakota*	26,117	47.9	13,075	56.9	39,192	50.6
Florida	176,053	29.6	87,237	37.8	263,290	31.9	Ohio*	234,724	38.5	104,425	36.1	339,149	37.8
Georgia	98,013	33.7	67,293	40.7	165,306	36.2	Oklahoma	91,082	40.6	57,699	56.9	148,781	45.7
Hawaii	10,564	24.7	5,005	32.0	15,569	26.7	Oregon	73,460	40.5	33,691	43.3	107,151	41.3
Idaho	42,581	56.0	17,666	60.5	60,247	57.3	Pennsylvania	260,875	32.3	115,852	41.6	376,727	34.7
Illinois	267,405	36.1	104,683	36.2	372,088	36.2	Rhode Island	13,330	24.0	5,988	29.7	19,318	25.5
Indiana*	165,768	47.0	89,941	54.0	255,709	49.3	South Carolina*	58,896	34.1	34,436	39.4	93,332	35.9
Iowa	108,608	43.5	47,265	49.3	155,873	45.1	South Dakota*	28,095	47.1	13,169	53.2	41,264	48.9
Kansas	78,745	48.3	41,856	52.4	120,601	49.6	Tennessee	119,544	39.1	58,528	42.8	178,072	40.2
Kentucky	128,503	40.5	51,909	49.5	180,412	42.8	Texas*	437,981	43.4	215,060	47.2	653,041	44.6
Louisiana	93,011	42.8	55,689	49.1	148,700	44.9	Utah	34,428	49.7	21,028	54.7	55,456	51.5
Maine	28,230	36.3	12,690	40.2	40,920	37.4	Vermont	16,812	33.7	5,714	40.0	22,526	35.1
Maryland*	89,498	25.1	35,821	34.8	125,319	27.2	Virginia*	143,375	34.9	64,159	43.4	207,534	37.1
Massachusetts	58,157	21.7	32,475	25.6	90,632	23.0	Washington	135,710	39.6	50,651	48.5	186,361	41.7
Michigan*	198,065	33.3	109,193	42.6	307,258	36.1	West Virginia	59,318	36.5	24,534	46.8	83,852	39.0
Minnesota*	114,651	38.1	58,106	50.2	172,757	41.5	Wisconsin	86,272	32.9	44,560	35.8	130,832	33.8
Mississippi	69,459	42.5	36,100	49.4	105,559	44.7	Wyoming	33,549	64.4	13,579	63.8	47,128	64.3
Missouri	111,532	37.1	67,966	44.5	179,498	39.6	<b>United States</b>	<b>\$5,456,249</b>	<b>36.4 %</b>	<b>\$2,523,164</b>	<b>41.8 %</b>	<b>\$7,979,413</b>	<b>37.9 %</b>

(1) Federal taxes include only Highway Trust Fund collections paid by highway users.

\* State tax payments derived in part from special tax studies.



This study is concerned with the overall tax burden borne by motor trucks. This point is stressed because frequently attempts are made to compare taxation in one state with that in another. There may be reasons for such comparisons, but they have no place in a study of this type. The elements of highway cost in a given state, which must be recovered through highway-user taxation, are governed by the policies of each state in recognition of the particular needs of the state. A number of other factors also differentiate the truck tax story from one state to another, such as the portion of the total fleet made up by trucks, and the types of trucks registered.

**UNITED STATES**

**1976 STATE HIGHWAY-USER TAXES**

	All Motor Vehicles	Trucks	Truck % of Total
Registrations*	141,401,285	26,524,412	18.8
Registration Fees	\$ 4,411,566,000	\$1,881,726,000	42.7
Miscellaneous Fees	1,454,403,000	475,462,000	32.7
Motor Fuel Taxes	8,891,460,000	2,867,855,000	32.3
Motor Carrier Taxes	237,798,000	231,206,000	97.2
<b>Total User Taxes</b>	<b>\$14,995,227,000</b>	<b>\$5,456,249,000</b>	<b>36.4</b>

**STATE TRUCK TAXES AND EXPENDITURES ON STATE-ADMINISTERED HIGHWAYS\*\***

Total Truck Taxes (\$5,456,249,000) are equivalent to:

- 160.1% of capital outlay of \$3,408,761,000 (excluding \$6,100,843,000 in Federal Highway Funds) . . . or
- 204.2% of maintenance expenditures of \$2,671,389,000 . . . or
- 59.8% of total expenditures of \$9,124,991,000 (which includes \$3,044,841,000 of other expenditures on the state system).

<b>TOTAL 1976 STATE AND FEDERAL HIGHWAY-USER TAXES PAID BY UNITED STATES VEHICLES</b>			
	State	Federal***	Total
All Motor Vehicles	\$14,995,227,000	\$6,031,064,000	\$21,026,291,000
Trucks	\$ 5,456,249,000	\$2,523,164,000	\$ 7,979,413,000
Truck Percent	36.4%	41.8%	37.9%

- \* Registrations exclude publicly-owned vehicles. Truck registrations include only the power units. Total registrations include motorcycles.
- \*\* Includes expenditures on local roads and streets for the District of Columbia. The state-administered systems include 155,093 miles of county roads and 131,323 miles of secondary roads under state control. Includes expenditures of \$59,086,000 for park, forest, institutional and reservation roads.
- \*\*\* Federal taxes include only Highway Trust Fund collections paid by highway users.

**NEVADA**

**1976 STATE HIGHWAY-USER TAXES**

	All Motor Vehicles	Trucks	Truck % of Total
Registrations	510,536	123,702	24.2
Registration Fees	\$20,234,000	\$ 6,909,000	34.2
Miscellaneous Fees	3,931,000	2,770,000	70.5
Motor Fuel Taxes	28,252,000	10,962,000	38.8
Motor Carrier Taxes	5,843,000	5,502,000	94.2
<b>Total User Taxes</b>	<b>\$58,260,000</b>	<b>\$26,143,000</b>	<b>44.9</b>

**STATE TRUCK TAXES AND EXPENDITURES  
ON STATE-ADMINISTERED HIGHWAYS\***

Total Truck Taxes (\$26,143,000) are equivalent to:

- \*\* of capital outlay of \$36,750,000 . . . or
- \*\* of maintenance expenditures of \$18,735,000 . . . or
- \*\* of total expenditures of \$34,442,000 (which includes \$21,924,000 of other expenditures on the state system, but excludes \$42,967,000 in Federal Highway Funds).

**TOTAL 1976 STATE AND FEDERAL HIGHWAY-USER TAXES  
PAID BY NEVADA VEHICLES**

	State	Federal***	Total
All Motor Vehicles	\$58,260,000	\$25,467,000	\$83,727,000
Trucks	\$26,143,000	\$12,250,000	\$38,393,000
Truck Percent	44.9%	48.1%	45.9%

- \* The state-administered system includes 4,588 miles of secondary roads under state control.
- \*\* Federal Highway Funds for Nevada include payments for 1975 projects. Percent-of-truck tax figures are not comparable to those in other states.
- \*\*\* Federal taxes include only Highway Trust Fund collections paid by highway users.

STATE	TRUCKS REGISTERED	EMPLOYMENT IN TRUCKING	TRUCKING WAGES AND SALARIES	TRUCK PAYMENTS OF FEDERAL AND STATE HIGHWAY USERS TAXES
Alabama	595,957	163,100	\$ 1,688,900,500	\$ 170,015,000
Alaska	86,763	15,300	283,952,700	24,695,000
Arizona	390,381	115,500	1,300,530,000	124,243,000
Arkansas	429,549	135,000	1,228,500,000	112,481,000
California	2,690,495	1,190,000	15,483,090,000	909,120,000
Colorado	491,638	146,500	1,659,405,500	106,951,000
Connecticut	142,456	127,200	1,555,274,400	50,612,000
Delaware	60,210	29,900	366,843,100	24,095,000
District of Columbia	12,926	10,900	165,636,400	7,761,000
Florida	922,327	283,000	3,028,666,000	263,290,000
Georgia	700,246	216,500	2,279,312,000	165,306,000
Hawaii	66,578	21,200	240,450,400	15,569,000
Idaho	240,210	49,500	495,594,000	60,247,000
Illinois	1,094,482	341,000	4,364,118,000	372,088,000
Indiana	763,985	321,000	3,769,182,000	255,709,000
Iowa	560,484	165,100	1,737,182,200	155,873,000
Kansas	568,193	149,200	1,527,808,000	120,601,000
Kentucky	596,768	154,100	1,624,522,200	180,412,000
Louisiana	620,692	167,800	1,797,305,800	148,700,000
Maine	132,181	55,400	517,823,800	40,920,000
Maryland	342,206	123,200	1,441,809,600	125,319,000
Massachusetts	299,873	167,700	1,913,121,600	90,632,000
Michigan	921,917	317,600	4,331,428,800	307,258,000
Minnesota	659,071	191,500	2,127,373,500	172,757,000
Mississippi	387,627	106,400	959,089,600	105,559,000
Missouri	684,595	241,400	2,703,197,200	179,498,000
Montana	237,713	50,900	507,014,900	56,568,000
Nebraska	369,403	92,000	909,052,000	90,761,000
Nevada	123,702	42,400	495,359,200	38,393,000
New Hampshire	75,183	28,500	284,886,000	24,011,000
New Jersey	354,087	212,400	2,678,576,400	163,118,000
New Mexico	275,655	56,600	598,148,800	72,534,000
New York	824,203	408,300	5,385,068,700	269,306,000
North Carolina	812,676	313,600	3,014,636,800	245,295,000
North Dakota	219,612	37,300	358,303,800	39,192,000
Ohio	907,277	334,100	4,077,356,400	339,149,000
Oklahoma	683,197	168,000	1,745,352,000	148,781,000
Oregon	332,410	120,700	1,379,601,000	107,151,000
Pennsylvania	1,114,504	452,800	5,334,436,800	376,727,000
Rhode Island	68,419	35,800	369,205,400	19,318,000
South Carolina	342,809	145,000	1,376,485,000	93,332,000
South Dakota	187,081	38,000	339,948,000	41,264,000
Tennessee	617,286	143,300	1,441,311,400	178,072,000
Texas	2,248,660	683,000	7,357,959,000	653,041,000
Utah	262,066	60,000	634,620,000	55,456,000
Vermont	56,397	18,700	185,616,200	22,526,000
Virginia	506,267	181,400	1,956,943,200	207,534,000
Washington	668,046	194,800	2,390,585,600	186,361,000
West Virginia	224,560	88,200	999,129,600	83,852,000
Wisconsin	412,499	156,900	1,761,673,200	130,832,000
Wyoming	138,890	25,300	280,526,400	47,128,000
U. S. TOTAL	26,524,412	9,093,000	\$104,451,913,100	\$7,979,413,000

SOURCE: Data developed by the Department of Interstate Cooperation, American Trucking Associations, Inc.

## Summary and Conclusion

Clearly the "vehicles that have a large percentage of their travel on the (Interstate) system" are the combination trucks. The 1969 study reported that combinations traveled 46 percent of their total miles on the Interstate System as compared to only 21 percent for automobiles. Curiously, the 1975 study found that combination trucks traveled only 35 percent of their total miles on the Interstate System as compared to approximately 18.5 percent of automobile travel.

The second reason advanced by FHWA analysts for the different results of the 1975 Highway Cost Allocation update was the increased proportion of total Federal highway user taxes paid by combination trucks as the prices of new vehicles and parts and accessories have substantially increased. Federal taxes on vehicle parts and accessories and new trucks, both of which are based on the price of the items, are the only Federal highway user taxes which have significantly changed during the period 1965 to 1976. As a consequence, while the 5-axle combination paid 30 times the taxes paid by an average passenger car in tax payments to the Highway Trust Fund in 1964, the same 5-axle combination in 1976 paid 43 times as much in taxes as did the average passenger car.

This review of the findings of the highway cost allocation studies conducted by the Federal Highway Administration since 1964, in the view of the trucking industry, clearly demonstrates that heavy trucks are now paying, and throughout this period have paid, their fair share of the Federal highway program. In 1961, the Congress concluded that Federal highway taxes imposed on the various vehicle classes should fall between the cost responsibility found by the differential-benefit and incremental-cost studies "insofar as possible." The results of the exhaustive 1964 studies showed that for a great majority of vehicle classes, including the heaviest trucks, this was the case.

The updating of the 1969 incremental study produced no evidence that the situation had changed significantly since 1964. Finally, the 1975 updating of the incremental study produced the conclusion that combination trucks were exceeding their cost responsibility under this method as well, presumably, as under the differential-benefit method.

Since the beginning of the Federal Highway Trust Fund, the proportion of total Federal taxes paid by trucks has increased from 31.8 percent in 1957 to a current level of more than 42 percent in recent years. In total, trucks have paid more than \$35 billion into the Trust Fund since its inception. The evidence is clear: trucks are more than paying their way.

This decline in combination truck travel as a percent of total travel between 1964 and 1969 has never been understandable to the trucking industry. All indicators of freight transportation during this period showed substantial growth in truck traffic both in absolute terms and in the percent of total traffic handled by combination trucks. Yet, according to the 1969 incremental analysis, combination truck travel and taxes declined while single unit trucks showed a significant increase in total travel and tax payments over the period and automobiles remained virtually unchanged.

The 1975 analysis of incremental costs which continued to rely on the basic highway cost relationships developed in the 1964 Federal study found several significant changes from the earlier studies. For the first time, combination trucks were found to be over paying their highway cost responsibility under the incremental method in the 1975 analysis. A summary of the findings of the 1975 analysis is shown in Table 4.

In 1975, automobile travel declined slightly to 79 percent of the total, cost responsibility dipped slightly to 63.5 percent and tax payments into the Trust Fund declined more rapidly to 57 percent. Accordingly, the under payment of taxes by automobiles was substantially larger in 1975 than in either of the earlier analyses.

All trucks in 1975 traveled 20.7 percent of vehicle miles, were charged with nearly 36 percent of cost responsibility but paid more than 42 percent of all Highway Trust Fund taxes.

The most significant change occurred for combination trucks which in 1975 were found to account for 4.3 percent of vehicle travel, were assigned 18.6 percent of cost responsibility and paid 18.9 percent of Federal highway taxes. This resulted in an over payment of \$14 million for combination trucks in the latest update of the incremental study.

This change in the findings from 1965 and 1969 to the most recent 1975 updating of the incremental cost study was brought about, according to the FHWA analysts, by two changes in the situation since 1969. In terms of highway costs, the proportionate share of costs which are allocated to combination vehicles declined slightly from 1969 levels "primarily due to the reduction in program emphasis directed to the Interstate System." By 1975, the Federal-aid program was spend-

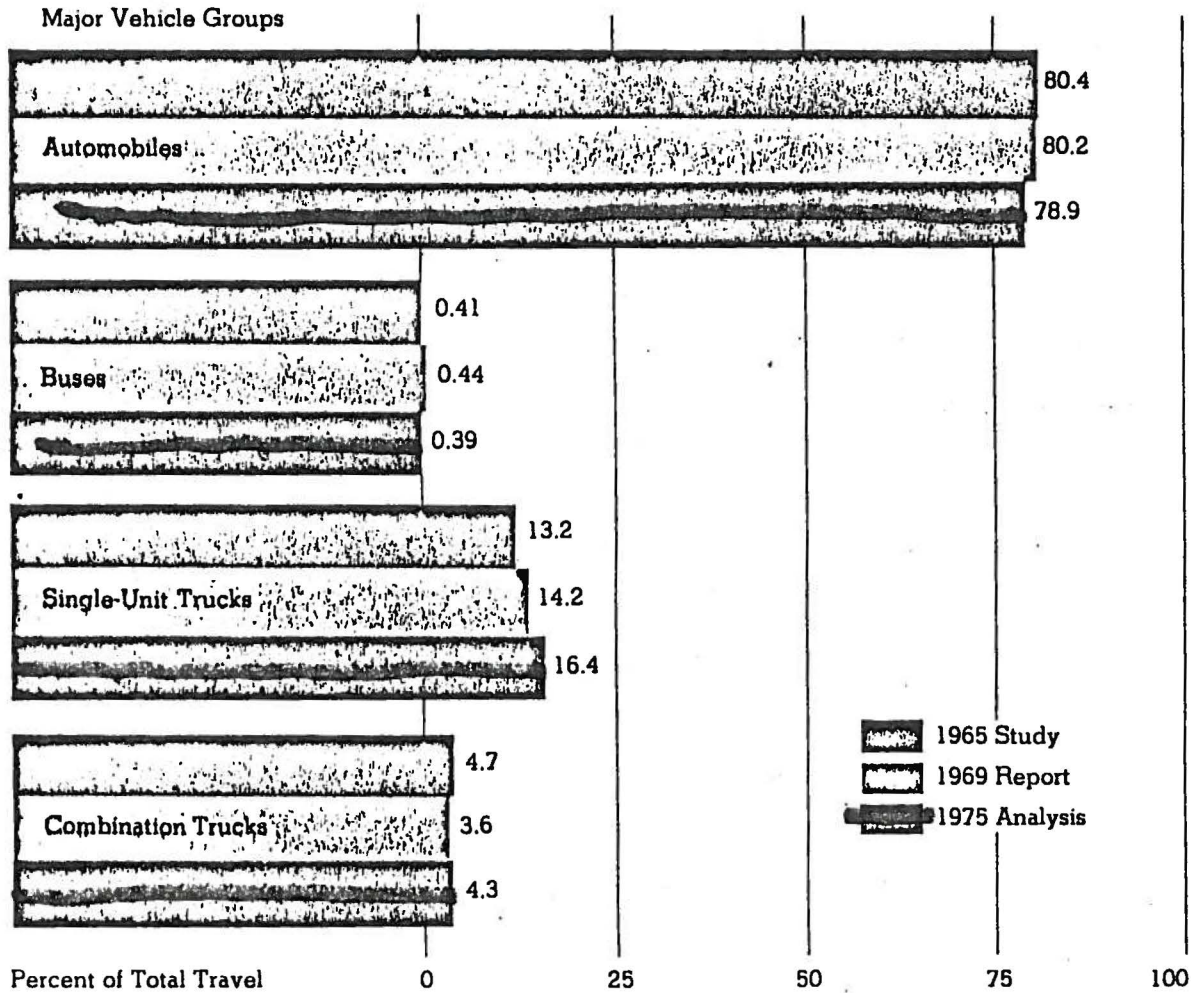
ing only 54 percent of total Federal funding on the Interstate System as compared to more than 70 percent in the two previous cost allocation studies. This shift has resulted in spending a larger portion of Federal-aid funds on highways on which combination vehicles have a lower proportionate share of responsibility than they do on the Interstate System.

This issue was, in fact, recognized and commented on in the 1969 updating of the incremental study, as follows:

*"Finally, one aspect of the present situation which affect the study findings is worth noting. Very large expenditures are presently being made for Interstate System construction, financed out of current revenue with the Federal Government paying 90 percent of the cost. If these costs were amortized over the long investment lives anticipated for Interstate right-of-way and construction elements, appreciably lower charges probably would be attributable to those vehicles that have a large percentage of their travel on the system. Such an approach was not taken in this study, however, since it deals entirely with current income, expenditures, and cost responsibilities."*

# Appendix

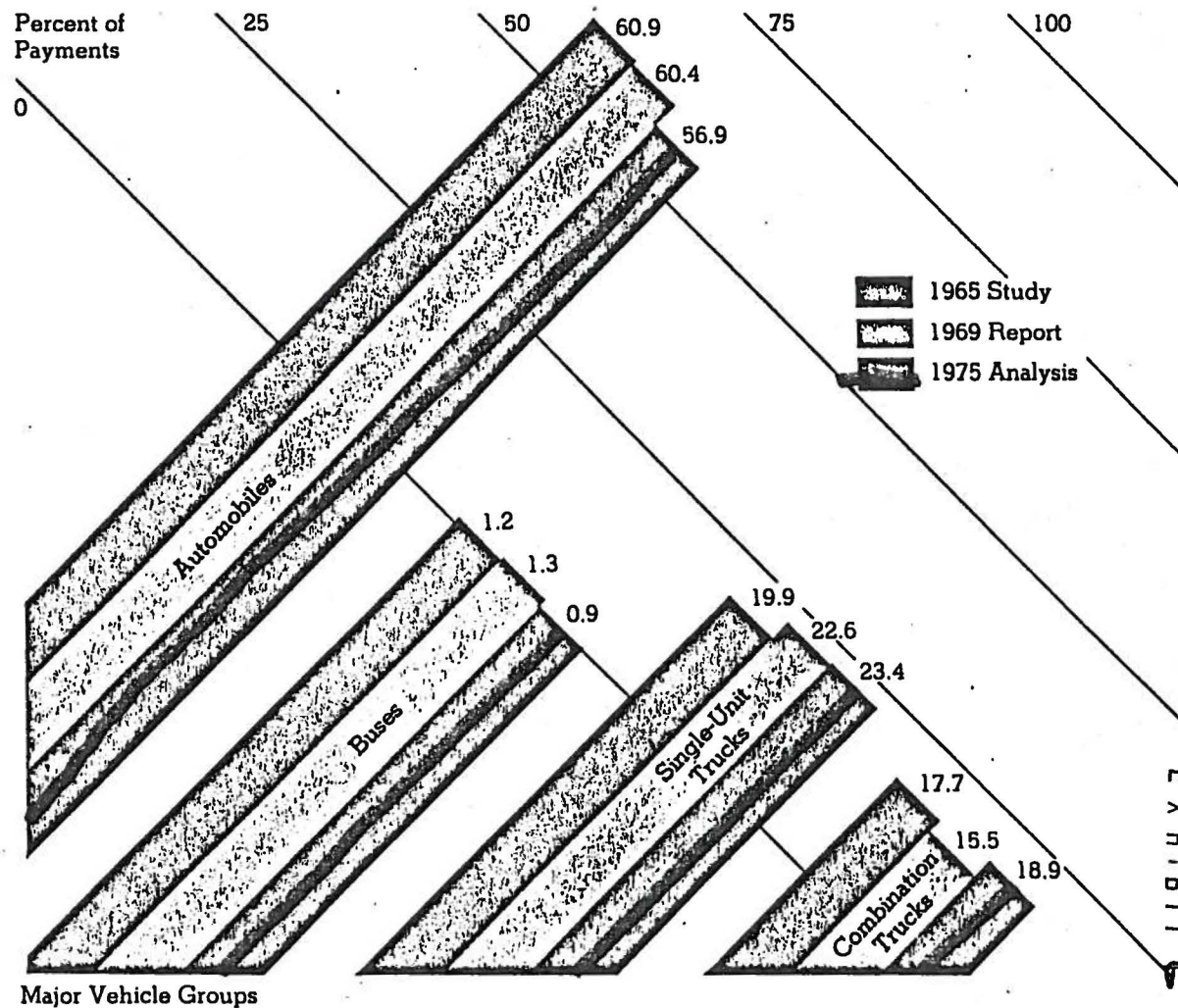
**Appendix A**  
**Comparison of total travel by major vehicle groups**  
**among the three recent cost allocation studies<sup>1</sup>**



<sup>1</sup>Percentages shown for 1965 and 1969 studies fail to add to 100 percent total since both studies separately identified publicly-owned vehicles (approximating 1.5 percent).

Source: Federal Highway Cost Allocation: An Examination of Current Trends, 1975, p. 23.

**Appendix B**  
**Comparison of estimated payments to the Highway Trust Fund by major vehicle groups among the three recent cost allocation studies.**



Source: Federal Highway Cost Allocation: An Examination of Current Trends, 1975, p. 32.

EXHIBIT 6

**Appendix C**  
**Comparison of allocated cost responsibility for**  
**major vehicle groups by the incremental cost**  
**method among the three recent allocation studies<sup>1</sup>**

100

Percent of Allocated Cost



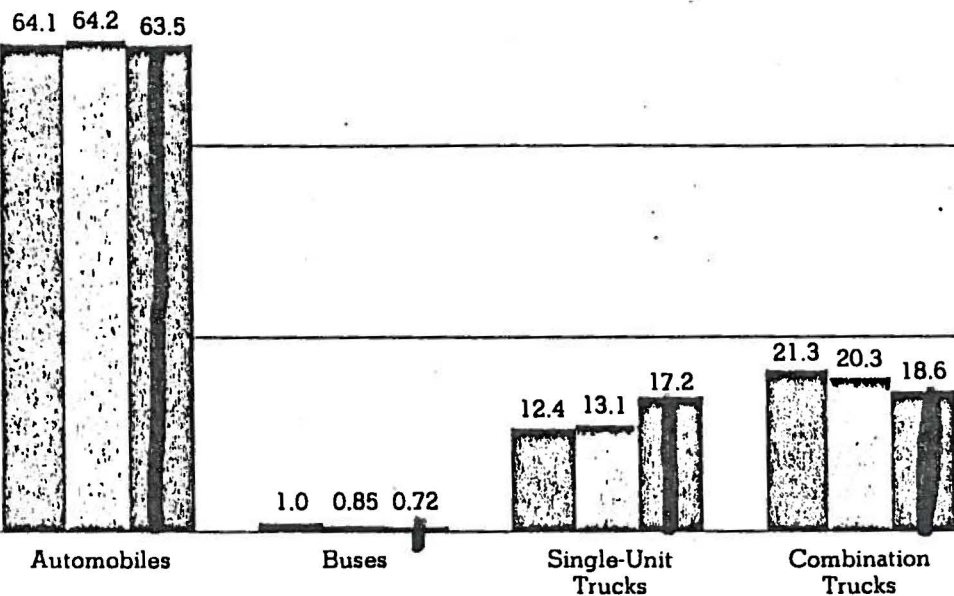
75

50

25

0

Major  
 Vehicle  
 Groups



<sup>1</sup>Percentages shown for 1965 and 1969 studies fail to add to 100 percent total since both studies separately identified publicly-owned vehicles, approximating 1.2 and 1.6 percent of cost responsibility respectively.

Source: Federal Highway Cost Allocation: An Examination of Current Trends, 1975, p. 33.

EXHIBIT 6





# National Automobile Dealers Association

8400 WESTPARK DRIVE · MCLEAN, VIRGINIA 22101

WILLIAM G. TURNBULL, Chairman  
Governmental Relations Committee

November 17, 1978

RECEIVED

NOV 2 1978

## MEMORANDUM

TO: NADA Directors, ATAM Managers, State Association Presidents

FROM: W. G. Turnbull, Chairman  
Governmental Relations Committee

SUBJECT: FTC Used Car Proceeding

On November 13th, the Federal Trade Commission Staff made public its final recommendations with respect to the Used Car Rule. The purpose of this memorandum is to inform you of the major aspects of the Staff's final proposed recommendation, and to discuss NADA's future strategy in this proceeding.

The FTC Staff's final recommendation on a rule and the accompanying window sticker forms are attached for your review.

### STATUS OF PROCEEDING

The Presiding Officer's Findings of Fact and the FTC Staff's Report have now been placed on the public record. Under the rules of the Commission, NADA, as an interested party in this proceeding, will now have sixty days to prepare written comments for the Commission on these two reports. At the close of the sixty-day comment period, the reports of the Presiding Officer and the FTC Staff, along with the comments of interested parties, will be forwarded to the five FTC Commissioners for their consideration.

RECOMMENDATION

WHO'S COVERED: Any person or business selling more than five used motor vehicles in any twelve-month period.

VEHICLES COVERED: All used motor vehicles with a GVW of less than 8,500 pounds, except motor cycles or self-propelled motor homes.

"USED" VEHICLES: Demonstrators and any vehicle previously titled.

WINDOW STICKER: The form developed by the Staff and included in the material provided you herein will have to be placed on the used vehicle when offered for sale. The form will come in two versions, one for use in states that still permit "AS IS" sales and a second version for states such as Maryland which do not permit "AS IS" sales.

DISCLOSURE  
REQUIRED ON THE  
FORM:

DEFECT DISCLOSURE: Most systems of the vehicle will have to be inspected and checked "OK" or "NOT OK." For the safety items listed on the right column of the form, the in-use inspection requirements developed by the Department of Transportation must be utilized. If a system is marked "NOT OK," then the form provides a space for the dealer to indicate what is wrong with the system and an estimate of the repair cost.

WARRANTY DISCLOSURE: The form provides boxes to be checked to indicate whether the dealer is selling the car "AS IS," with a full or limited warranty (as those terms are defined under the Magnuson-Moss statute), and whether or not a service contract is being offered in connection with the sale.

PAST USE: Boxes on the form are provided to indicate the type of past use which the dealer has knowledge of.

ODOMETER DISCLOSURE: Boxes are provided to indicate whether the odometer reading is "Right," "Wrong" or "Unknown."

DEALER/VEHICLE IDENTIFICATION:

E X H I B I T H

The name and address of the dealership must be indicated on the form, along with the name of the individual at the dealership who should be contacted by the purchaser if any problems arise with the vehicle. The make, model, model year and vehicle identification number must also be disclosed on the form.

DEALER-TO-DEALER DISCLOSURES

The form discussed above will only be required for retail sales. In wholesale transactions, dealers will be required only to disclose in writing the prior use or uses of the vehicle known to the dealer and whether or not the vehicle has been flooded or wrecked (if known to dealer).

## USED MOTOR VEHICLE TRADE REGULATION RULE

455.1

## (A) General duty

It is an unfair or deceptive act or practice for any used vehicle dealer to fail to comply with § 455(2)-(8) when that dealer sells or offers for sale a used vehicle in or affecting commerce as "commerce" is defined in the Federal Trade Commission Act.

(B) The following definitions shall apply for purposes of this part:

- (1) "Vehicle" means any motorized vehicle, other than a motorcycle, with a gross vehicle weight rating (GVWR) of less than 8500 lbs., a vehicle curb weight of less than 6000 lbs., and a frontal area of less than 46 sq. ft.
- (2) "Used vehicle" means any vehicle driven more than the limited use necessary in moving or road testing a new vehicle prior to delivery to a consumer.
- (3) "Dealer" means any person or business which sells or offers for sale more than five (5) used vehicles in any twelve (12) month period.
- (4) "Consumer" means any person (or business) who is not a used vehicle dealer.
- (5) "Warranty" means any undertaking in writing in connection with the sale by a dealer of a used vehicle to refund, repair, replace or take other

action with respect to such used vehicle in the event that vehicle fails to meet the specifications set forth in the undertaking.

- (6) "Service contract" means a contract in writing to perform, over any period of time or for any specified mileage, services relating to the maintenance or repair (or both) of any used vehicle.
- (7) "You" means any dealer, or any agent or employee of a dealer, except where it appears on the window forms required by 455.2(A) and .7(A).

#### 455.2 Consumer Sales - Window Form

##### (A) General duty

Before you offer a used vehicle for sale to a consumer you must prepare, fully fill in and display on that vehicle a form just like Form 1 shown below (If you sell used vehicles in Kansas, Maryland, Massachusetts, Mississippi, or West Virginia, or any other state that prohibits "as is" sales (disclaimers of implied warranties) by law, you must use a form just like Form 2 below). - Use a side window to display the form so someone outside the vehicle can read it. You can remove a form temporarily from the window during any test drive, but you have to put the form back on the window as soon as the test drive is over.

The capitalization, punctuation and wording of all items, headings, and text on the form must be exactly as shown below.

The entire form must be printed in 100% black ink on a white background in the type styles and sizes indicated.

# Here's Who Pays if Something Doesn't Work

## When You Buy

### Items Marked "OK"

If anything we've marked "OK" is not OK, state law says we have to fix it or give you back some money. And, if the problem's bad enough, you can make us take the car back.

This is true whether you buy with a warranty or "as is". You get a reasonable time after you buy to make sure that items marked "OK" are really OK. Tell us as soon as you know that something's not OK.

### Items Marked "Not OK"

You pay all the costs to fix things marked "not OK".

OK NOT OK

- Frame & Body
- Engine
- Transmission & Drive Shaft
- Differential
- Cooling System
- Electrical System
- Fuel System
- Accessories

OK NOT OK

- Brake System
- Steering System
- Suspension System
- Tires
- Wheels
- Exhaust System

NO YES  
 Flooded or Wrecked (once an insurance "total loss")

What's wrong with things marked "not OK" and how much repairs should cost: \_\_\_\_\_

(Look at the back of this form for the details of our inspection.)

## After You Buy

No Warranty ("As Is") This means you will pay all costs to fix things that break after you buy. And you will also pay all costs to fix things marked "not OK" above. But we have to pay to fix things marked "OK" if you find the problem in a reasonable time after you buy.

A seller's spoken promises may be no good when you buy "as is". Ask us to put all promises in writing. You can make a seller keep written promises even when you buy "as is".

You lose your implied warranties when you buy "as is".

### About Implied Warranties

State law gives you an "implied warranty" that your vehicle will be good enough for ordinary use. And, if you tell us to pick out a vehicle for some special use, you get another implied warranty that your vehicle will meet those special needs.

Full/Limited Warranty on: \_\_\_\_\_  
for \_\_\_\_\_ We will pay \_\_\_\_\_ of the cost to repair these items if they break down during the warranty period.

Ask us for a copy of the warranty. This warranty adds to our responsibilities for items marked "OK".

A seller's spoken promises may be no good. Ask us to put all promises in writing.

Implied warranties may give you more rights than this warranty.

A Service Contract is available from \_\_\_\_\_ for \$ \_\_\_\_\_ extra. Ask us for a copy.

### Past Use(s)

- Private Owner
- Private Lessee
- Commercial Owner
- Commercial Lessee
- Daily/Weekly Rental
- Driver Education
- Dealer Demonstrator
- Police
- Taxi
- Unknown
- Other: \_\_\_\_\_

### Mileage

Right The mileage on the odometer is correct.

Wrong The mileage on the odometer is not correct. The true mileage was \_\_\_\_\_ miles when we bought this vehicle.

Unknown We don't know the true mileage for this vehicle.

Dealer: \_\_\_\_\_

NAME	ADDRESS	SEE FOR COMPLAINTS
Vehicle: _____	_____	_____
MAKE	MODEL	MODEL YEAR
_____	_____	_____
VEHICLE ID NUMBER	_____	_____

The information on this form is part of any contract to buy this vehicle.

# Here's Who Pays if Something Doesn't Work When You Buy

**Items Marked "OK"** ← Helios Bold 10 pt  
 Helios 8 pt If anything we've marked "OK" is not OK, state law says we have to fix it or give you back some money. And, if the problem's bad enough, you can make us take the car back. ← Helios 8 pt  
 Helios Bold 8 pt This is true no matter what the warranty says below. You get a reasonable time after you buy to make sure that items marked "OK" are really OK. Tell us as soon as you know that something's not OK. ← Helios 8 pt

**Items Marked "Not OK"** ← Helios Bold 10 pt  
 You pay all the costs to fix things marked "not OK". ← Helios 8 pt

- |                 |                             |                                 |                             |                                 |   |
|-----------------|-----------------------------|---------------------------------|-----------------------------|---------------------------------|---|
| Univers 67 8 pt | <input type="checkbox"/> OK | <input type="checkbox"/> NOT OK | <input type="checkbox"/> OK | <input type="checkbox"/> NOT OK |   |
|                 | <input type="checkbox"/>    | <input type="checkbox"/>        | <input type="checkbox"/>    | <input type="checkbox"/>        | Frame & Body  |
|                 | <input type="checkbox"/>    | <input type="checkbox"/>        | <input type="checkbox"/>    | <input type="checkbox"/>        | Engine  |
|                 | <input type="checkbox"/>    | <input type="checkbox"/>        | <input type="checkbox"/>    | <input type="checkbox"/>        | Transmission & Drive Shaft                          |
| Helios 8 pt     | <input type="checkbox"/>    | <input type="checkbox"/>        | <input type="checkbox"/>    | <input type="checkbox"/>        | Differential  |
|                 | <input type="checkbox"/>    | <input type="checkbox"/>        | <input type="checkbox"/>    | <input type="checkbox"/>        | Cooling System                                      |
|                 | <input type="checkbox"/>    | <input type="checkbox"/>        | <input type="checkbox"/>    | <input type="checkbox"/>        | Electrical System                                   |
|                 | <input type="checkbox"/>    | <input type="checkbox"/>        | <input type="checkbox"/>    | <input type="checkbox"/>        | Fuel System   |
|                 | <input type="checkbox"/>    | <input type="checkbox"/>        | <input type="checkbox"/>    | <input type="checkbox"/>        | Accessories   |
|                 |                             |                                 | <input type="checkbox"/>    | <input type="checkbox"/>        | Brake System  |
|                 |                             |                                 | <input type="checkbox"/>    | <input type="checkbox"/>        | Steering System                                     |
|                 |                             |                                 | <input type="checkbox"/>    | <input type="checkbox"/>        | Suspension System                                   |
|                 |                             |                                 | <input type="checkbox"/>    | <input type="checkbox"/>        | Tires   |
|                 |                             |                                 | <input type="checkbox"/>    | <input type="checkbox"/>        | Wheels  |
|                 |                             |                                 | <input type="checkbox"/>    | <input type="checkbox"/>        | Exhaust System                                      |
|                 |                             |                                 | <input type="checkbox"/>    | <input type="checkbox"/>        | Flooded or Wrecked (once an insurance "total loss") |
- Univers 67 8 pt

Helios 8 pt What's wrong with things marked "not OK" and how much repairs should cost: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

(Look at the back of this form for the details of our inspection.) ← Helios 8 pt

Helios Bold 12 pt → **After You Buy**

Helios Bold 10 pt  Full/Limited Warranty on: \_\_\_\_\_ ← Helios 8 pt  
 for \_\_\_\_\_ We will pay \_\_\_\_\_ of the cost to repair these items if they break down during the warranty period. ← Helios 8 pt  
 Helios 8 pt Ask us for a copy of the warranty. This warranty adds to our responsibilities for items marked "OK". ← Helios Bold 8 pt  
 Helios Bold 8 pt A seller's spoken promises may be no good. Ask us to put all promises in writing. ← Helios 8 pt  
 Helios Bold 8 pt Implied warranties may give you more rights than this warranty.

Helios Bold 10 pt → **About Implied Warranties**

Helios 8 pt State law gives you an "implied warranty" that your vehicle will be good enough for ordinary use. And, if you tell us to pick out a vehicle for some special use, you get another implied warranty that your vehicle will meet those special needs.

Helios Bold 10 pt  A Service Contract is available from \_\_\_\_\_ ← Helios 8 pt  
 for \$ \_\_\_\_\_ extra. Ask us for a copy.

Helios Bold 12 pt → **Past Use(s)**

- Helios 8 pt
- |  |  |                                       |
|--|--|---------------------------------------|
| <input type="checkbox"/> Private Owner     | <input type="checkbox"/> Daily/Weekly Rental | <input type="checkbox"/> Taxi         |
| <input type="checkbox"/> Private Lessee    | <input type="checkbox"/> Driver Education    | <input type="checkbox"/> Unknown      |
| <input type="checkbox"/> Commercial Owner  | <input type="checkbox"/> Dealer Demonstrator | <input type="checkbox"/> Other: _____ |
| <input type="checkbox"/> Commercial Lessee | <input type="checkbox"/> Police              |                                       |

Helios Bold 12 pt → **Mileage**

Helios Bold 9 pt  Right The mileage on the odometer is correct. ← Helios 8 pt  
 Wrong The mileage on the odometer is not correct. The true mileage was \_\_\_\_\_ miles when we bought this vehicle.  
 Unknown We don't know the true mileage for this vehicle.

Helios 8 pt Dealer: \_\_\_\_\_ NAME ADDRESS SEE FOR COMPLAINTS  
 Vehicle: \_\_\_\_\_ MAKE MODEL MODEL YEAR VEHICLE ID NUMBER ← Helios 8 pt

The information on this form is part of any contract to buy this vehicle.



If a system is marked "OK",  
It doesn't have the problems listed below:

Helios Bold 10 pt

Helios Bold 8 pt

Helios 7 pt

**FRAME & BODY**

Frame - apparent cracks, corrective welds,  
or rusted through  
Dogtracks - bent or twisted frame  
Inoperative doors

**ENGINE**

Known or visible oil leakage,  
excluding normal seepage  
Cracked block or head  
Belts missing or inoperative  
Knocks or misses  
Abnormal visible exhaust discharge

**TRANSMISSION & DRIVE SHAFT**

Improper fluid level or visible leakage,  
excluding normal seepage  
Cracked or damaged case, which is visible  
Abnormal noise or vibration  
Improper shifting or functioning in any gear  
Manual clutch slips or chatters

**DIFFERENTIAL**

Improper fluid level or visible leakage,  
excluding normal seepage  
Cracked or damaged housing, which is visible  
Abnormal noise or vibration

**COOLING SYSTEM**

Improper fluid level or visible leakage  
Leaky radiator  
Improperly functioning water pump  
Inadequate antifreeze strength for season of year

**ELECTRICAL SYSTEM**

Improper fluid level or visible leakage of battery  
Battery fails to start engine  
Improperly functioning alternator,  
generator, or starter

**FUEL SYSTEM**

Visible leakage

**BROKEN ACCESSORIES**

Gauges or warning devices  
Radio  
Air conditioner  
Heater & defroster  
Windows  
Dash lights

**BRAKE SYSTEM**

Failure warning light broken  
Pedal not firm under pressure (DOT specs.)  
Not enough pedal reserve (DOT specs.)  
Does not stop vehicle in straight line  
(DOT specs.)  
Hoses damaged  
Drum or rotor too thin (mfr. specs.)  
Lining or pad thickness less than 1/32 inch  
Power unit not operating or leaking  
Structural or mechanical parts damaged

**STEERING SYSTEM**

Too much free play at steering wheel  
(DOT specs.)  
Free play in linkage more than 1/4 inch  
Steering gear binds or jams  
Front wheels aligned improperly (DOT specs.)  
Power unit belts cracked or slipping  
Power unit fluid level improper

**SUSPENSION SYSTEM**

Ball joint seals damaged  
Structural parts bent or damaged  
Stabilizer bar disconnected  
Spr. g broken  
Shock absorber mounting loose  
Rubber bushings damaged or missing  
Radius rod damaged or missing  
Shock absorber leaking  
Shock absorber functioning improperly

**TIRES**

Tread depth less than 2/32 inch  
Sizes mismatched  
Visible damage

**WHEELS**

Visible cracks, damage or repairs  
Mounting bolts loose or missing

**EXHAUST SYSTEM**

Apparent leakage

Inspection procedures and "DOT specs." are printed in  
Vol. 16 C.F.R. (Code of Federal Regulations) Part 455.

Helios Bold 10 pt

When filling out the form, follow the directions in (B) through (J) and 455.4 below.

(B) As is

If you offer the vehicle "as is," mark the box provided. If your state law does not allow "as is" sales, that state law overrides this part and this form will not give you the right to sell "as is." If you offer the vehicle "as is," but sell it with a warranty, cross out the "as is" disclosure, fill in the warranty terms in accordance with § 455.2(C)(1) below on the form you displayed on the vehicle, and initial the change.

The "as is" description must appear exactly as it does on the form in the type styles and sizes indicated.

(C)(1) Warranty

If you offer the vehicle with a warranty, mark the warranty box and briefly describe the warranty terms in the space provided. This description must include the following warranty information:

1. Whether the warranty offered is "Full" or "Limited".  
A "Full" warranty must meet the "Federal Minimum Standards for Warranty" set forth in § 104 of the Magnuson-Moss Warranty Act, 15 U.S.C. § 2304 (1975). Cross out the inappropriate designation. The Magnuson-Moss Act does not apply to vehicles manufactured before

(C)(2) Service Contract

If you make a service contract available on the vehicle, mark the appropriate box and fill in the identity of the provider and the cost in the spaces provided.

Give the buyer a copy of any service contract sold with a used vehicle.

(D) Implied Warranties

You must include on each window form a description of implied warranties. Use the exact description in Form 1 or 2 shown.

(E) Condition

Inspect the vehicle following the procedures in Part 455.8. If a system passes its inspection completely, mark that system "OK" on the form. If some part of the system fails the inspection, and you don't repair the problem, mark the system "Not OK" on the form. Use the space provided to briefly explain the problem with each system marked "Not OK" and give your estimate of the cost to repair the problem. If you don't know the exact repair cost, you can provide the range of probable repair costs. If you repair all problems in a system, mark that system "OK" in the space provided.

Examples of repair cost estimate

1. Sufficient: "Brake master cylinder leaking \$50 - \$75."

Insufficient: "Brakes need work."

2. Sufficient: "Engine burns oil \$200 - \$500."

Insufficient: "Engine bad."

You must include on each window form a description of "OK Items."  
Use the exact description in the form shown above.

Mark whether or not the vehicle has ever been declared an insurance total loss from a flood or wreck in the appropriate box. For this rule, you can rely on the information you get from the last owner for this information.

(F) Prior Use

Mark the boxes to show each type of use you know the vehicle has had. For example, if you know that the vehicle was used first as a daily/weekly rental car and then as a privately owned car, mark both "daily/weekly rental" and "private owner." If you do not know the prior use, mark the box for "unknown."

(G) Mileage

If the odometer reading is correct, mark the box provided. If you believe that the correct mileage may be different from the mileage shown on the odometer, write the correct mileage at the time you bought the vehicle in the space provided or, if you do not know the correct mileage, mark that the true mileage is "Unknown."

You must still comply with all other federal, state and local laws regarding odometer statements or disclosure.

(H) Name and Address

Put the name and address of your dealership in the space provided. If you do not have a dealership, use the name and address of your place of business (for example, your service station) or your own name and home address.

(I) Complaints

Put the name and phone number of the person who will settle any complaints after sale where it says "See for complaints." This person must have full authority to negotiate and settle complaints for you.

(J) Make, Model, Model Year, VIN

Put the vehicle's make (for example, "Chevrolet"), model (for example, "Vega"), model year, and Vehicle Identification Number (VIN) in the spaces provided.

455.3 Consumer Sales - Contract

(A) "As is"

(1) If the vehicle is sold "as is," the following words must appear on the front page of all contracts of sale (sales agreements):

"NO WARRANTY ('As Is'). This vehicle has no warranty.

This means you will pay all costs to fix things that break after you buy. And you will also pay all costs to fix things marked 'Not OK' on the window form. But we have to pay to fix things marked 'OK' on the window form if you find the problem in a reasonable time after you buy.

A sellers' spoken promises may be no good when you buy 'as is.' Ask us to put all promises in writing. You can make a seller keep written promises even when you buy 'as is.'

You lose your implied warranties when you buy 'as is.'"

- (2) The text of this notice must be printed in 12 point boldface type and the heading in 16 point extra boldface type. The capitalization, punctuation and wording must appear exactly as shown above using Roman letters.
- (3) The entire notice must be boxed and printed in 100% black ink on a white background. [If the notice is printed on the front page of a sales agreement on which other information is emphasized by the use of colored type, the notice must then be printed in the most conspicuous colored type used.]

If your state law does not allow you to sell "as is," that portion of your state law overrides this part and you cannot sell "as is." Also, if your state law requires particular "as is" language not required by this part, you must also comply with that state law.

(B) Window Form - Part of Contract

Incorporate by reference the information on the window form into the contract of sale (sale agreement) for each used vehicle you sell to a consumer by using the following language in each consumer sales contract:

"The information you see on the window form for this vehicle is part of this contract. If anything in this contract is different, the window form has the correct information."

The capitalization, punctuation and wording of this notice must appear exactly as shown above. The notice must be printed in 12 point extra-boldface type using Roman letters with 100% black ink against a white background.

(C) Window Form - Copy to Buyer

Give the buyer of a used vehicle sold by you the original of the window form displayed under Section 455.2. If the original is permanently attached to the window, give the buyer a second copy, completed just like the original, for his or her records.

455.4 Contrary Statements

(A) You may not make any statements, oral or written, or do anything which takes away from or contradicts the disclosures in Sections 455.2, .3 or.5. You may still negotiate over warranty coverage, as provided in 455.2(B) and (C) of this part, as long as the final warranty terms are written in the contract of sale and the window form you give to the buyer.

(B) You may not make any false, misleading, or deceptive statements about the condition or history of any used vehicle you offer for sale.

455.5 Dealer Sales

When you sell a used vehicle to another dealer, you must tell him in writing:

- (1) All the prior uses you know of (for example, police, taxi, private owner, commercial lease, daily/weekly rental, dealer demonstrator); and
- (2) Whether the vehicle has ever been declared a total loss by an insurance company because of flooding or accident. You can rely on the knowledge you get from the last owner for this information.

You may give the dealer this information on the same form you use to tell him about the odometer reading.



If the state title that you give the dealer has this information on it, that title is a sufficient writing for this subpart.

#### 455.6 Records

When you sell a used vehicle, keep a fully filled-in, legible copy of each document that you used or received (when buying from another dealer) under Sections 455.2, .3, .5 and .7. Keep these copies for three years from the date of sale. You must give these copies to any Federal Trade Commission employee who asks for them.

#### 455.7 Foreign Languages

##### (A) General duty

If you conduct a sale in a language other than English, the window form required by 455.2 and the contract disclosures required by 455.3 must be in that language. You may display on a vehicle both an English language window form and foreign language translation(s) of that form. Where possible, follow the layout requirements of 455.2 and .3 (type, type size, color and format).

##### (B) Spanish language sales

Use the following translation for Spanish language sales:

**Quién Tiene Que Pagar Si Algo No Funciona**

**Al Comprar El Automóvil**

**Los Artículos Marcados "OK"**

Si algo que hemos marcado "OK" no está bien, la ley del estado nos obliga a repararlo o que le devolvamos dinero. Y, si el problema es suficientemente grave, Ud. puede obligarnos a aceptar el automóvil de vuelta.

Este criterio se aplica tanto si compra el automóvil con garantía o "tal cual está". Ud. debe asegurarse, dentro de un período razonable después de la compra, que las cosas marcadas "OK" realmente lo están.

Avisenos tan pronto como sepa que algo no está bien.

**Los Artículos Marcados "Not OK"**

Ud. paga el arreglo de las cosas marcadas "not OK".

- |                             |                                 |   |                             |                                 |  |
|-----------------------------|---------------------------------|---|-----------------------------|---------------------------------|--|
| <input type="checkbox"/> OK | <input type="checkbox"/> NOT OK | <input type="checkbox"/> Chassis y Carrocería                     | <input type="checkbox"/> OK | <input type="checkbox"/> NOT OK | <input type="checkbox"/> Sistema de Frenos   |
| <input type="checkbox"/>    | <input type="checkbox"/>        | <input type="checkbox"/> Motor                                    | <input type="checkbox"/>    | <input type="checkbox"/>        | <input type="checkbox"/> Sistema de Conducción   |
| <input type="checkbox"/>    | <input type="checkbox"/>        | <input type="checkbox"/> Caja de Cambio y Eje de Caldán           | <input type="checkbox"/>    | <input type="checkbox"/>        | <input type="checkbox"/> Sistema de Suspensión   |
| <input type="checkbox"/>    | <input type="checkbox"/>        | <input type="checkbox"/> Diferencial                              | <input type="checkbox"/>    | <input type="checkbox"/>        | <input type="checkbox"/> Neumáticos  |
| <input type="checkbox"/>    | <input type="checkbox"/>        | <input type="checkbox"/> Sistema de Enfriamiento                  | <input type="checkbox"/>    | <input type="checkbox"/>        | <input type="checkbox"/> Ruedas  |
| <input type="checkbox"/>    | <input type="checkbox"/>        | <input type="checkbox"/> Sistema Eléctrico                        | <input type="checkbox"/>    | <input type="checkbox"/>        | <input type="checkbox"/> Sistema de Escape   |
| <input type="checkbox"/>    | <input type="checkbox"/>        | <input type="checkbox"/> Sistema de Abastecimiento de Combustible | <input type="checkbox"/>    | <input type="checkbox"/>        | <input type="checkbox"/> Inundado o Arruinado ("Pérdida total" según una póliza de seguro) |
| <input type="checkbox"/>    | <input type="checkbox"/>        | <input type="checkbox"/> Accesorios                               | <input type="checkbox"/>    | <input type="checkbox"/>        |  |

Los artículos que no están bien y cuánto costaría el arreglo: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

(Encontrará los detalles de nuestra inspección al otro lado de este formulario.)

**Después De Comprar**

**Sin Garantía ("Tal Cual Está")** Esto quiere decir que Ud. será el que pague el arreglo de lo que se rompa después de comprar el automóvil. Ud. también pagará los arreglos de las cosas marcadas "not OK" arriba. Nosotros tenemos que pagar por el arreglo de las cosas marcadas "OK" si Ud. se da cuenta de un defecto dentro de un período razonable después de la compra.

Es posible que la palabra del vendedor no valga al comprar un automóvil "tal cual está". Pídanos que pongamos por escrito todas nuestras promesas. Se puede obligar al vendedor que cumpla las promesas escritas aun si se compra "tal cual está".

Ud. no cuenta con garantías implícitas al comprar un automóvil "tal cual está".

**Sobre Las Garantías Implícitas**

La ley del estado asegura una garantía implícita que significa que su automóvil sirve para el uso ordinario. Y, si Ud. nos pide que seleccionemos un automóvil para uso especial, Ud. recibe otra garantía implícita de que su automóvil satisface tales necesidades particulares.

**Garantía Completa/Limitada para:** \_\_\_\_\_ por \_\_\_\_\_

Pagaremos \_\_\_\_\_ del costo para arreglar estas partes si se rompen durante el período que dura la garantía. Pídanos una copia de la garantía. Esta garantía es en adición a nuestras responsabilidades usuales por las cosas marcadas "OK".

Es posible que la palabra del vendedor no valga. Pídanos que pongamos por escrito todas nuestras promesas.

Las garantías implícitas pueden darle a Ud. más derechos que esta garantía.

**Un Contrato De Servicio:** Se pueda comprar un contrato de servicio de \_\_\_\_\_ por \$ \_\_\_\_\_ extra. Pídanos una copia.

**Uso(s) Anterior(es)**

- |   |  |                                      |
|---|--|--------------------------------------|
| <input type="checkbox"/> Dueño Particular       | <input type="checkbox"/> Alquiler Diario/Semanario | <input type="checkbox"/> Taxi        |
| <input type="checkbox"/> Arrendatario           | <input type="checkbox"/> Escuela de Conducir       | <input type="checkbox"/> No Se Sabe  |
| <input type="checkbox"/> Dueño Comercial        | <input type="checkbox"/> Demostración del Vendedor | <input type="checkbox"/> Otro: _____ |
| <input type="checkbox"/> Arrendatario Comercial | <input type="checkbox"/> Policía                   |                                      |

**Millaje**

- Correcto** El millaje del odómetro está correcto.
- Incorrecto** El millaje del odómetro está incorrecto. El millaje verdadero era \_\_\_\_\_ cuando compramos este vehículo.
- No Se Sabe** No sabemos el millaje verdadero.

Vendedor: \_\_\_\_\_  
 NOMBRE DIRECCIÓN CONSULTE PARA LAS QUEJAS

Vehículo: \_\_\_\_\_  
 MARCA MODELO AÑO DEL MODELO NÚMERO DE IDENTIFICACIÓN

La información en este formulario es parte de a cualquier contrato para comprar este vehículo.

# Quién Tiene Que Pagar Si Algo No Funciona

## Al Comprar El Automóvil

EXHIBIT 1

### Los Artículos Marcados "OK"

Si algo que hemos marcado "OK" no está bien, la ley del estado nos obliga a repararlo o que le devolvamos dinero. Y, si el problema es suficientemente grave, Ud. pueda obligarnos a aceptar el automóvil de vuelta. Lo anteriormente señalado es cierto a pesar de lo que diga la garantía abajo. Ud. debe asegurarse, dentro de un periodo razonable después de la compra, que las cosas marcadas "OK" realmente lo están. Avisenos tan pronto como sepa que algo no esta bien.

### Los Artículos Marcados "Not OK"

Ud. paga el arreglo de las cosas marcadas "not OK".

- |   |                                 |   |                                 |
|---|---------------------------------|---|---------------------------------|
| <input type="checkbox"/> OK                                       | <input type="checkbox"/> NOT OK | <input type="checkbox"/> OK   | <input type="checkbox"/> NOT OK |
| <input type="checkbox"/> Chasis y Carrocería                      | <input type="checkbox"/>        | <input type="checkbox"/> Sistema de Frenos  | <input type="checkbox"/>        |
| <input type="checkbox"/> Motor                                    | <input type="checkbox"/>        | <input type="checkbox"/> Sistema de Conducción  | <input type="checkbox"/>        |
| <input type="checkbox"/> Caja de Cambio y Eje de Caldán           | <input type="checkbox"/>        | <input type="checkbox"/> Sistema de Suspensión  | <input type="checkbox"/>        |
| <input type="checkbox"/> Diferencial                              | <input type="checkbox"/>        | <input type="checkbox"/> Neumáticos   | <input type="checkbox"/>        |
| <input type="checkbox"/> Sistema de Enfriamiento                  | <input type="checkbox"/>        | <input type="checkbox"/> Ruedas   | <input type="checkbox"/>        |
| <input type="checkbox"/> Sistema Eléctrico                        | <input type="checkbox"/>        | <input type="checkbox"/> Sistema de Escape  | <input type="checkbox"/>        |
| <input type="checkbox"/> Sistema de Abastecimiento de Combustible | <input type="checkbox"/>        | <input type="checkbox"/> Inundado o Amuinado ("Pérdida total" según una póliza de seguro) | <input type="checkbox"/>        |
| <input type="checkbox"/> Accesorios                               | <input type="checkbox"/>        |   |                                 |

Los artículos que no están bien y cuánto costaría el arreglo: \_\_\_\_\_

(Encontrará los detalles de nuestra inspección al otro lado de este formulario.)

## Después De Comprar

**Garantía Completa/Limitada para:** \_\_\_\_\_

por \_\_\_\_\_. Pagaremos \_\_\_\_\_ del costo para arreglar estas partes si se rompen durante el periodo que dura la garantía.

Pídanos una copia de la garantía. Esta garantía es en adición a nuestras responsabilidades usuales por las cosas marcadas "OK".

Es posible que la palabra del vendedor no valga. Pídanos que pongamos por escrito todas nuestras promesas.

Las garantías implícitas pueden darle a Ud. más derechos que esta garantía.

### Sobre Las Garantías Implícitas

La ley del estado asegura una garantía implícita que significa que su automóvil sirve para el uso ordinario. Y, si Ud. nos pide que seleccionemos un automóvil para uso especial, Ud. recibe otra garantía implícita de que su automóvil satisface tales necesidades particulares.

**Un Contrato De Servicio:** Se puede comprar un contrato de servicio de \_\_\_\_\_ por \$ \_\_\_\_\_ extra. Pídanos una copia.

### Uso(s) Anterior(es)

- |  |  |                                      |
|--|--|--------------------------------------|
| <input type="checkbox"/> Dueño Particular        | <input type="checkbox"/> Alquiler Diario/Semanano  | <input type="checkbox"/> Taxi        |
| <input type="checkbox"/> Arrendatario            | <input type="checkbox"/> Escuela de Conducir       | <input type="checkbox"/> No Se Sabe  |
| <input type="checkbox"/> Dueño Comercial         | <input type="checkbox"/> Demostración del Vendedor | <input type="checkbox"/> Otro: _____ |
| <input type="checkbox"/> Arrendatario Comercial. | <input type="checkbox"/> Policía                   |                                      |

### Millaje

- Correcto** El millaje del odómetro está correcto.
- Incorrecto** El millaje del odómetro está incorrecto. El millaje verdadero era \_\_\_\_\_ cuando compramos este vehículo.
- No Se Sabe** No sabemos el millaje verdadero.

Vendedor: \_\_\_\_\_

Nombre: \_\_\_\_\_ Dirección: \_\_\_\_\_ Consulte para las quejas: \_\_\_\_\_

Vehículo: \_\_\_\_\_

Marca: \_\_\_\_\_ Modelo: \_\_\_\_\_ Año del Modelo: \_\_\_\_\_ Número de Identificación: \_\_\_\_\_

La información en este formulario es parte de cualquier contrato para comprar este vehículo.

Si un sistema está marcado "OK",  
no tiene los problemas siguientes:

Helios Bold 10 pt

Helios Bold 8 pt

#### CHASSIS Y CARROCERÍA

Chassis - Trizaduras visibles, soldaduras correctivas u oxidado  
Chassis torcido o doblado  
Puertas dañadas

Helios 7 pt

#### MOTOR

Escape de aceite visible, excluyendo gaseo por uso normal  
Bloque o cabezal quebrado o trizado  
Correas dañadas o inoperantes  
Golpeteos del motor o bridas desgastadas  
Descarga visible y anormal del escape

#### CAJA DE CAMBIA Y EJE DE CALDÁN

Nivel de líquido insuficiente o escape de fluido visible, excluyendo pérdida por uso normal  
Trizadura o quebradura visible de la caja  
Ruido o vibración anormal  
Malfuncionamiento en cualquier cambio  
Eje de transmisión manual patina o viera

#### DIFERENCIAL

Nivel de líquido insuficiente o escape de fluido visible, excluyendo pérdida por uso normal  
Trizadura o quebradura visible de la caja  
Ruido o vibración anormal

#### SISTEMA DE ENFRIAMIENTO

Nivel de líquido insuficiente o escape visible de fluido  
Escape en el radiador  
Bomba de agua dañada  
Calidad o cantidad de anticongelante inadecuada para la estación del año

#### SISTEMA ELÉCTRICO

Nivel de líquido insuficiente o escape visible de líquido de batería  
Batería no hace funcionar al motor.  
Generador, alternador o motor de arranque dañados

#### SISTEMA DE ABASTECIMIENTO DE COMBUSTIBLE

Escape visible de combustible

#### ACCESORIOS ROTOS.

Medidores en el panel o sistemas de alarma  
Radio  
Aire acondicionado  
Calentador y descongelador  
Ventanas (ventanillas)  
Luces en el tablero

#### SISTEMA DE FRENOS

Luz de alarma quebrada  
Pedal suelto (especificaciones Depto. de Transporte)  
Pedal muy bajo (especc. DOT)  
Vehículo no se detiene en línea recta (especc. DOT)  
Mangueras dañadas  
Tambor o rotor muy delgados (especc. de fábrica)  
Arbores o balatas de los frenos muy desgastadas - menos 1/32 de pulgada  
Recipiente al vacío dañado o con escape  
Partes estructurales o mecánicas dañadas

#### SISTEMA DE CONDUCCIÓN

Mucho juego en el volante (especc. DOT)  
Mucho juego en el varillaje - más de 1/4 de pulgada  
Piñones desgastados o se iraden  
Ruedas delanteras desalineadas (especc. DOT)  
Correas dañadas o flojas (sueftas)  
Bajo nivel del líquido

#### SISTEMA DE SUSPENSIÓN

Sellos de bolas esféricas dañadas o rotos  
Partes estructurales dobladas o dañadas  
Barra estabilizadora desconectada.  
Resorte quebrado  
Amortiguador desconectado  
Gomas del amortiguador dañadas  
Bujes de goma dañado o no lo tiene  
Escape en el amortiguador  
Malfuncionamiento del amortiguador

#### NEUMÁTICOS

Profundidad del caucho menor de 2/32 de pulgada  
Tamaño de neumáticos diferentes  
Caño visible

#### RUEDAS

Trizaduras visibles, daños o reparaciones  
Pernos de montaje sueltos o que faltan

#### SISTEMA DE ESCAPE

Escapes visibles

Los procedimientos de inspección y las "especc. DOT" están impresos en  
Vol. 16 C.F.R. (Código de Reglamentos Federales) Parte 455.

Helios Bold 10 pt

## 455.8 Inspection Standards

The inspection for Part 455.2(E) must include the items listed below. For items that have a special inspection procedure, use that procedure to decide if the item passes or fails. For items that do not have special procedures, decide if the item is in repair or not after you have test driven the vehicle, examined the chassis, examined under the hood, and walked around the vehicle. When deciding whether or not an item is in repair, treat all vehicles the same; don't use lower standards for older or cheaper vehicles.

## (A) Frame and body

- (1) Frame - apparent cracks, corrective welds or rusted through
- (2) Dogtracks - bent or twisted frame
- (3) Inoperative doors

## (B) Engine

- (1) Known or visible oil leakage, excluding normal seepage
- (2) Cracked block or head
- (3) Belts missing or inoperable
- (4) Knocks or misses
- (5) Abnormal visible exhaust discharge

## (C) Transmission and drive shaft

- (1) Improper fluid level or visible leakage, excluding normal seepage
- (2) Cracked or damaged case, which is visible.
- (3) Abnormal noise or vibration
- (4) Improper shifting or functioning in any gear
- (5) Manual clutch slips or chatters

## (D) Differential

- (1) Improper fluid level or visible leakage, excluding normal seepage
- (2) Cracked or damaged housing, which is visible.
- (3) Abnormal noise or vibration

## (E) Cooling system

- (1) Improper fluid level or visible leakage
- (2) Leaky radiator
- (3) Improperly functioning water pump
- (4) Inadequate antifreeze strength for season of year

## (F) Electrical system

- (1) Improper fluid level or visible leakage of battery
- (2) Battery fails to start engine
- (3) Improperly functioning alternator, generator, or starter

(G) Fuel system

- (1) Visible leakage

(H) Broken accessories

- (1) Gauges or warning devices
- (2) Radio
- (3) Air conditioner
- (4) Heater and defroster
- (5) Windows
- (6) Dash lights

(I) Exhaust system

- (1) Apparent leakage

(J) Brake system

General Procedure

Use 25 lbs. of force to test power-assisted or full-power brakes (50 lbs. for non-power brakes) unless a different force is given below.

- (1) Failure warning light (if original equipment)

Procedure: Apply the parking brake and turn the ignition to "start" or test by other means set by the manufacturer to make sure the light works.

(2) Brake system integrity

Procedure: With the engine running on vehicles equipped with power brake systems, and the ignition turned to "on" in other vehicles, apply a force of 125 pounds to the brake pedal and hold for 10 seconds. Make sure that there is no decrease in pedal height and that the failure lamp does not light.

(3) Brake pedal reserve

Procedure: Depress the brake pedal fully (with the engine running in vehicles equipped with power assisted brakes). The pedal travel must not be more than 80 percent of the distance from the pedal's free position to the floorboard or pedal stop. This test is not needed for full power (central hydraulic) brake systems or for vehicles with brake systems designed to work with more than 80 percent of pedal travel.

(4) Service brake performance

Procedure: With the tire pressure at the manufacturer's specification, test by either procedure (a) or (b):

(a) Roller type or drive-on platform procedure:

Using either a drive-on platform or a roller-type brake analyzer which can measure equalization, make sure that the forces applied by the front brakes are within 20 percent



of each other and that the rear brakes are within 20 percent of each other. Follow the directions of the maker of the test equipment.

EXHIBIT I

(b) Road test procedure: Drive on a road that is level (not more than one percent grade), dry, smooth, hard-surfaced and free from loose material, oil or grease. Make sure that the vehicle stops from 20 miles per hour within 25 feet staying in a 12 foot-wide lane.

(5) Brake hoses and assemblies

Procedure: Look at all the brake hoses to make sure that the hoses do not touch the vehicle's body or chassis and that the hoses are not cracked, chafed or flattened. Do not count a protective device like a "rub ring" as part of the hose or tubing. Examine the front brake hoses through all wheel positions from full left to right.

(6) Disc and drum condition

Procedure: Remove at least one front and one rear wheel and look (measure as needed) to see if the drum diameter and rotor thickness are within the manufacturer's specifications. (Vehicles built after January 1, 1971 and some earlier models have drums embossed with the maximum safe drum diameter dimension and the rotors embossed with the minimum safe rotor thickness dimension.)

(7) Friction materials

Procedure: With at least one front and one rear wheel removed, look to see if the brake linings or pads have cracks or breaks that extend to rivet holes, except minor cracks that do not impair attachment. See if the drum brake linings are securely attached to the brake shoes and the disc brake pads are securely attached to the shoe plate. Measure to see if there is at least one thirty-second of an inch of lining left. (With riveted linings, measure the thickness of the lining over the rivets heads. With bonded linings or pads, measure the lining thickness over the shoe surface at the thinnest point on the lining or pad.)

(8) Brake structural and mechanical parts

Procedure: With at least one front and one rear wheel removed, look to see if backing plates and caliper assemblies are deformed or cracked; whether system parts are broken, misaligned, missing, are binding or are severely worn; and if automatic adjusters and other parts are assembled and installed correctly.

(9) Power brake unit

Procedure: With the engine running, look and listen to make sure vacuum hoses are not collapsed, scraped, broken, improperly mounted or leaking that you can hear. Stop

the engine and apply the service brakes several times to destroy vacuum in the system. Depress the brake pedal with 25 pounds of force and start the engine while maintaining that force. The power assist is defective if the brake pedal does not fall slightly when the engine starts. (This test is not needed for vehicles with full power brake systems. The service brake performance test is enough for those vehicles.)

(K) Steering system

(1) System play

Procedure: With the engine on and the wheels in the straight ahead position, turn the steering wheel in one direction until there is a slight movement of a front wheel. Turn the steering wheel the other way until the same wheel again moves slightly. If you had to turn the steering wheel more than the distance shown in Table 1, there is excessive lash or free play in the steering system.

TABLE 1 - Steering System Free Play Values

Steering wheel diameter (inches);	Lash (inches)
16 or less.....	2
18.....	2 1/4
20.....	2 1/2
22.....	2 3/4

(2) Linkage play

Procedure: Elevate the front end of the vehicle to load the ball joints. Insure that the wheel bearings are correctly adjusted. Grasp the front and rear of a tire and attempt to turn the tire and wheel assembly left and right. If the free movement at the front or rear tread of the tire exceeds one-quarter inch there is excessive steering linkage play.

(3) Free turning

Procedure: Turn the steering wheel through the limit of travel in both directions. Feel for binding or jamming in the steering gear mechanisms. (The wheel should turn freely.)

(4) Alignment

Procedure: Toe-in or toe-out must not be greater than 1.5 times the values listed in the vehicle manufacturer's service specification for alignment settings as measured by a bar-type scuff gauge or other toe-in measuring device. Values to convert toe-in readings in inches to scuff gauge readings in feet/mile side-slip for different wheel sizes are provided in Table II. Tire diameters are used in computing scuff gauge readings are based on the average maximum tire dimensions of grown tires in service for typical wheel and tire assemblies.

TABLE II

Toe-in settings from vehicle MFR's Service Specifications

Wheel size (included)	Nominal tire diameter (inches)	Readings in feet per mile sideslip								
		1/16"	1/8"	3/16"	1/4"	5/16"	3/8"	7/16"	1/2"	9/16"
13	25.2	13.1	26.2	39.3	52.4	65.5	78.6	91.7	104.8	117.9
14	26.4	12.5	25.0	37.5	50.0	62.5	75.0	87.5	100.0	112.5
15	28.5	11.5	23.0	34.5	46.0	57.5	69.0	80.5	92.0	103.5
16	35.6	9.3	18.6	27.9	37.2	46.5	55.8	65.1	74.4	83.7

(5) Power steering system

Procedure: Examine the fluid reservoir to see that it has enough fluid. Check to see that the pump belts are not cracked or slipping.

(L) Suspension system

(1) Suspension

Procedure: Examine the front and rear suspension parts to make sure that the ball joint seals are not cut or cracked; the structural parts are not bent or damaged; the stabilizer bars are connected; the springs are not broken or extended by spacers; the shock absorber mountings, shackles and U-bolts are securely attached; rubber bushings are not cracked, extruded out from or missing from suspension joints; and the radius rods are not missing or damaged.

(2) Shock absorber

Procedure: Look at the shock absorbers to make sure their seals are not leaking (oil on the housing leaking from within). Make sure the vehicle does not rock freely more than two cycles by pushing down on one end of the vehicle, releasing and counting the cycles. Repeat at the other end of the vehicle. Test on a level surface.

(M) Tires

(1) Tread depth

Procedure: Make sure that the tread on each tire is at least two thirty-seconds of an inch deep. On passenger cars look for exposed tread depth indicators (check two adjacent major grooves at three points about equally spaced around the tire). On other vehicles, you may have to measure tread depth with a tread gauge.

(2) Type

Procedure: Look to make sure that the tires on each axle are matched in tire size designation, construction and profile, and are not a major deviation in size from the manufacturer's recommendation. (Given on a glove box sign in 1968 or later passenger cars.)

(3) General condition

Procedure: Look to make sure that the tires are free from clunking, bumps, knots, or bulges evidencing cord, ply, or tread separation from the casing or other adjacent materials.

(4) Damage

Procedure: Look at and use a blunt instrument (to probe cuts or abrasions) to make sure that tire cords or belting materials are not exposed.

(N) Wheels(1) Integrity

Procedure: Look at the wheels (tire rim, wheel disc, and spider) to make sure that there are no visible cracks, elongated bolt holes, or signs of repair welding.

(2) Deformation

Procedure: Use a runout gauge and stand to make sure that the lateral and radial runout of each rim bead area is not more than one-eighth of an inch of total indicated runout. (Measure each wheel through a full rotation.)

(3) Mounting

Procedure: Make sure all wheel nuts and bolts are in place and tight.

## 455.9 Declaration of Commission Intent

(A) These Rules are intended to require disclosure of information about the condition and history of used vehicles sold by dealers. In requiring these affirmative disclosure, it is not the Commission's intent to preempt federal, state or local laws, or rules or regulations which require title or other disclosures or other affirmative actions by dealers as to:

- (1) Defects existing in used vehicles offered for sale
- (2) Prior uses (or prior owners)
- (3) Odometer reading



- (4) Motor Vehicle Inspection
- (5) Dealer name and address, and complaint handler
- (6) Flooding or accident damage
- (7) Vehicle make, model, model year or serial number (VIN)
- (8) Disclaimers of implied warranty ("as is" sales);  
provided that state law shall prevail in any conflict  
arising by application of these Rules between written  
express warranties and disclaimers of warranty.

(B) These Rules, requirements and declarations of intent and their application are each separate and severable.