

DISPATCH

KANSAS MOTOR CARRIERS ASSOCIATION AFFILIATED WITH THE AMERICAN TRUCKING ASSOCIATIONS
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June 2017

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2017 TDC Sponsors

Human trafficking bill signed



2017 session of the Kansas Legislature finally comes to an end

This year's session of the Kansas Legislature adjourned in the early evening on Saturday, June 10th after completing their 113th day of work, making it the second longest session in history. (The record was set in 2015 with a 114-day session.)

They did not adjourn until tackling some major policy decisions, including passage of a comprehensive tax reform package and a new K-12 school finance formula to address a recent ruling by the Kansas Supreme Court. The Kansas Motor Carriers Association lobbyists, Executive Director Tom Whitaker and Director of Governmental Relations/Safety Melissa Kershner, were there until the end.

2017 legislation important to the Kansas trucking industry

The Kansas House and Senate overrode the Governor's veto of the tax reform measure effectively ending Governor Brownback's economic "experiment" which was approved in 2012. This reform puts the state back onto more stable financial ground. So much so that just hours after passing the reform package Moody's returned Kansas credit rating to stable outlook from negative watch.

The tax measure creates a three-bracket system for married-filing-jointly of \$30,000 and less (now 2.7%) to 2.9% for this year and 3.10% for tax year 2018; \$30,000 to \$60,000 (now 4.6%) to 4.9% for the current tax year and 5.25% for tax year 2018, and more than \$60,000 (now 4.6%) to 5.2% for this tax year and 5.7% for tax year 2018 and after. The bill also eliminates the tax-free status on non-wage income from LLC's, effectively putting some 330,000 taxpayers back on the tax rolls. The measure is expected to raise \$591 million in Fiscal Year 2018 (which begins July 1, 2017) and \$633 million for FY 2019. What's not included in the tax reform package was extremely important to KMCA.

There was a concentrated effort to end the sales tax exemption for

services. This included applying the sales tax to towing services, commercial cleaning services, barbers, cosmetologists, pet daycare services and custom designed computer software. KMCA was extremely concerned the Legislature would expand the towing services sales tax to include all transportation services. KMCA testified in the House Taxation Committee strongly opposing the measure sponsored by Representative Kristey Williams, a Republican from Augusta. The House committee never acted on the bill. However, Representative Williams brought an amendment to the House floor during debate on a tax reform proposal which was subsequently passed by the narrowest of margins, 63-61. KMCA continued its opposition in the Senate where the amendment did not pass. At one point during negotiations on a tax bill, House and Senate conference committee members included the sales tax on services in an earlier report that ultimately failed. KMCA wishes to thank those members of the Towing and Recovery Division that reached out to lawmakers and expressed their opposition to the sales tax on towing services.

Additionally, there were efforts during the 2017 Session to increase the tax on motor fuels by \$.03, \$.05 and \$.11 per gallon to provide some funding for Kansas Department of Transportation. Over the past six years, the Governor and the Legislature have transferred almost \$3.4 billion in sales tax revenue from the State Highway Fund to the State General Fund to help pay for the Governor's 2012 income tax plan. Motor fuel taxes are constitutionally protected and can only be spent on highways. KMCA testified three separate times against the increase in motor fuel taxes because of the continued transfers of funds that were dedicated to the State Highway Fund during the 2009 Legislative Session in the T-Works program.

In the final budget bill of 2017, both the House and Senate passed language allowing KDOT to bond up to an additional \$400 million to address critical maintenance needs. While debt isn't an ideal solution, it will ensure KDOR has the funds to keep our roads in good condition over the next two years.

KDOT to begin issuing Annual Overweight Divisible Load Permits on July 1

House Bill No. 2095 was passed by the Legislature and signed by the Governor during the 2017 Session. The bill allows KDOT to issue an annual overweight divisible load permit for a truck-tractor semitrailer combination vehicle with a gross weight of more than 85,500 pounds but not more than 90,000 lbs. transporting divisible loads on six or more axles. The permits will cost \$200 per year and will be available beginning July 1, 2017, at www.k-trips.org.

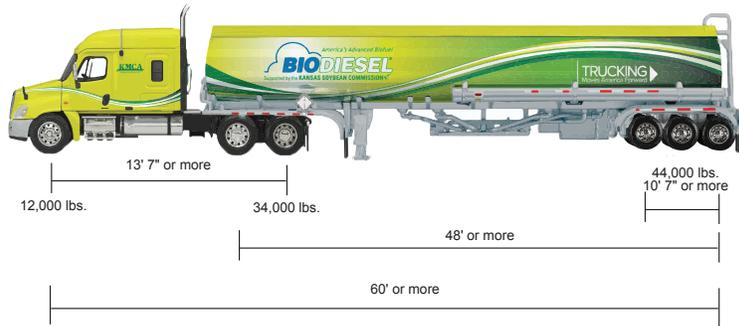
This permit has no effect on the operating under a special permit for non-divisible oversize/overweight loads.

Those operating with the special divisible load permit are subject to the following requirements:

1. The vehicle when loaded in excess of 80,000 lbs. may not be operated on the interstate system.
2. The vehicle must be registered at the maximum category or 85,500 lbs.
3. The vehicle shall not be operated on any bridge or highway that has a posted gross weight limit or posted axle weight limit less than that which the vehicle is operating.
4. The permit must be carried in the vehicle when the vehicle is operating at a weight over 85,500 lbs.
5. Any vehicle operating under an overweight divisible load permit cannot violate the maximum width provision or the maximum height provision in Kansas law.
6. The vehicle when operated in excess of 85,500 lbs., must not operate when highway surfaces have ice or snowpack or drifting snow.
7. The vehicle, when operating in excess of 85,500 lbs., shall only carry agricultural inputs, farm supplies, biofuels, feed, raw or processed agricultural commodities, livestock, raw meat products intended by the shipper for further processing or farm products.
8. The vehicle operating under this permit shall comply with the Federal Bridge Formula.

Triple Axle Tractor Trailer Combination

90,000 lbs.



Distance in feet between the extremes of any group of 2 or more consecutive axles

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	6 axles	7 axles	8 axles
35			86,000
36			86,500
37			87,000
38			87,500
39			88,500
40			89,000
41			89,500
42			90,000
43			
44			
45		86,000	
46		87,000	
47		87,500	
48		88,000	
49		88,500	
50		89,000	
51		89,500	
52		90,000	
53	86,000		
54	86,500		
55	87,000		
56	87,500		
57	88,000		
58	89,000		
59	89,500		
60	90,000		

To read the entire HB 2095 and see the formula visit www.kmca.org.

For information on these and other legislative issues please contact:

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 tomw@kmca.org
 (785) 267-1641

-or-

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KMCA would like to thank all the different agriculture organizations for their efforts and support of this legislation.

Discount offered

A 20 percent discount is being offered to all Kansas Motor Carriers Association members for Security Solutions products. Keep your cargo secure and your security handles personalized with the wide range of products. The sales ends Monday, July 31, 2017. To order, visit the link on the KMCA home page - www.kmca.org.

Sponsorship Opportunity

Add your company logo to the KMCA trailer

The Kansas Motor Carriers Association is looking for carrier companies to sponsor the official KMCA trailer. The trailer has been wrapped with a superhero-themed design that features the KMCA and Trucking Moves America Forward logos prominently. The trailer will be unveiled at this month's Truck Driving Championship and will be on display at the annual convention in September as well as other events. When not in use, the trailer will be parked at Kansas Van and Storage Criqui Corp.'s parking lot and will be visible to drivers on Interstate 470.

The KMCA is looking for six carrier companies to sponsor the trailer.

Sponsorship is \$1,000 and would include two

logos - one on each side of the trailer. The size of the logo would be equivalent to the sizing of a logo on a tractor trailer door. Sponsorship opportunities will be given on a first come, first served basis. The sponsorships will help defray the costs of rehabbing the trailer and installing the advertising wrap.

The Kansas Motor Carriers Association thanks Walmart Transportation for their donation of the trailer, Great Plains Trucking, Inc. for their donation of time and space to get trailer in working condition, Miller Trucking LTD. for their donation of side skirts and Kansas Van and Storage Criqui Corp. for their donation of a parking location.

Please contact Shelby Stacy at [sstacy@kmca.org](mailto:ssstacy@kmca.org) if you are interested in sponsoring the trailer.



Pictured: The soon-to-be completed KMCA trailer. The trailer will receive a new paint job and other improvements before its unveiling.

Ports of entry notice

Beginning July 1, the New Mexico Ports of Entry will no longer accept cash for permits. Please keep in mind that all permits can be purchased ahead of time online at <https://mtdpermits.dps.state.nm.us> including oversized/overweight permits, trip and fuel permits, caravan permits and others.

The Ports of Entry will continue selling most permit types as well, but will not be accepting cash after July 1. If you would like to save time and order online, please contact the permit office for assistance setting up an account and ordering a permit. The permit office can be reached at (505) 476-2475.

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Additional notes from the American Trucking Association leadership meeting in San Antonio -

by Jason Hammes

Attendees: Mike Miller, KMCA ATA State Vice President, Jason Hammes, KMCA Alternate State Vice President and Tom Whitaker, KMCA Executive Director

Highway Policy

- Fuel tax is on the table for infrastructure funding. A .20 per gallon increase will be equivalent to \$80 annual cost to average consumer. This is considered a favorable option by Transportation industry as it is not exclusively placed on carriers to fund. It is spread across all “users”.
- Recent Presidential visit by ATA staff drove significant interest in ATA social medial presence. Average Facebook views of ATA page went from 1,400/day to 47,000 hits after media coverage.
- Autonomous trucks will happen. Vehicle to vehicle communication will most likely be a mandate as a requirement for manufacturers in near future. In addition, Vehicle to Infrastructure signage (road signs/ road construction signs) is not necessarily a mandate but is considered “guidance” to prepare for.
- Tolling of public highways is becoming a theme in the east. Rhode Island has added two. They have added 33 potential. They are putting first ones in to test the “legality”. There is also a bridge tolling exemption they have found to add tolls and they are adding just for trucks.
- Connecticut is considering “congestion pricing” based on time of day for traffic.
- Indiana has loosened requirements for tolling. More to come.
- Proposal in California for a Bill of Lading tax. One percent of freight on truck/rail shipments. There is another proposal for just trucks in California for 6.25% of freight cost. Finally, the carrier must collect and report to IRS.



Mike Miller



Jason Hammes

New Members

Leo J. Waechter Jr. dba V-8 Hauling – Emporia
Wolverine Hydrovac LLC – Pratt
Fuel Express LLC – Montezuma

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OOIDA to push forward with fight against ELD mandate

Appeal on ELDs will not be reviewed by U.S. Supreme Court

Reprinted from Owner-Operator Independent Drivers Association

Grain Valley, Mo., June 12, 2017 - An appeal to the U.S. Supreme Court by a national association of small-business truckers will not be reviewed. The Owner-Operator Independent Drivers Association contends that a mandate to electronically track commercial truck drivers was never about safety and that the government was never able to demonstrate how such a mandate would improve safety.

“We are extremely disappointed that the Supreme Court does not see the merit in reviewing our case with so many questions about its constitutionality,” said Jim Johnston, president and CEO of OOIDA.

Johnston said that the Association will continue to pursue the issue on the congressional side and will continue to communicate with the Administration about this and other regulations.

OOIDA had filed the petition seeking a review of a ruling from the U.S. Court of Appeals for the Seventh Circuit regarding the electronic logging device mandate. The court had ruled against the Association last year on its lawsuit against the Federal Motor Carrier Safety Administration.

OOIDA says mandating electronic logging devices (ELDs) is the equivalent of warrantless surveillance of truckers and that the government’s weak excuses for doing so fail to justify violating their Fourth Amendment rights.

“That intrusion on the rights of hard-working Americans cannot be justified. The mandate will not improve safety. It will, however, be another costly regulatory burden heaped upon an already over-regulated industry,” said Johnston.

The Association also says there are still many questions about the technical specifications and

enforcement aspects of the mandate.

“The mandate has everything to do with large, economically motivated entities using the government to impose their will on small businesses which comprise the majority of the trucking industry. Until the government is able to answer many fundamental and basic questions about the mandate, they should at least delay its implementation,” said Johnston.

Commercial truck drivers are restricted to a limited number of working and driving hours under current regulations. The FMCSA’s mandate requires that truck drivers use ELDs to track their driving and non-driving activities even though such devices can only track movement and location of a vehicle. OOIDA contends that requiring electronic monitoring devices on commercial vehicles does not advance safety since they are no more reliable than paper logbooks for recording compliance with hours-of-service regulations.

In its petition to the Supreme Court, OOIDA asked the court to determine whether the ELD rule violated the Fourth Amendment by failing to establish a regulatory structure at the state and federal levels that serves as a substitute for a warrant.

The Owner-Operator Independent Drivers Association is the only national trade association representing the interests of small-business trucking professionals and professional truck drivers. The Association currently has more than 158,000 members nationwide. OOIDA was established in 1973 and is headquartered in the Greater Kansas City, Mo., area.

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Great Plains Trucking, Inc. - *Flatbed Trailers*
Frito Lay - *Storage Trailer*
Groendyke Transport, Inc. - *Tank Trailers*
XPO Logistics - *Tractor and Trailers*
RedGuard - *AC Trailer*

ATRI seeks for-hire motor carrier operational cost data

It's that time of year again – the annual data call for ATRI's 2017 Operational Costs of Trucking. This is one of the most requested studies produced at ATRI and the data collected populates a number of other analyses including the annual Cost of Congestion. We encourage for-hire motor carriers to participate. All carriers who provide data will be provided with an advance copy of the final Ops Costs report before it is released publicly. The survey can be completed at atri-online.org.

- Thank you.

Kansas Motor Carriers Association

Arlington, VA - The American Transportation Research Institute (ATRI) today issued a data call for the annual update to its Operational Costs of Trucking report. The brief online questionnaire seeks to capture basic cost information from for-hire motor carriers such as driver pay, fuel costs, insurance premiums and lease or purchase payments. Carriers are asked to provide full-year 2016 cost per mile and/or cost per hour data.

The results of this data collection, combined with the previous Operational Costs of Trucking reports, will yield nine full years (2008 - 2016) of trucking cost information derived directly from fleet operations. This research provides carriers with an important high-level benchmarking tool and government agencies with real world data for future infrastructure improvement analyses.

"We rely on ATRI's research to inform so much of our operations and the Operational Costs of Trucking is no exception. The annual report provides a critical benchmark for us to identify where we can improve our operating efficiency across a number of key metrics. I certainly encourage my colleagues throughout the trucking industry to support ATRI in this critical data collection," said Dennis Dellinger, president of Cargo Transporters.

For-hire motor carriers are encouraged to provide confidential operational cost data through ATRI's survey by Friday, June 29, 2017 available online at atri-online.org. The results of this study will be available later this year, but survey respondents will receive an advance copy of the report.

Reprinted from ATRI online.

Calendar of Events

September 26-28, 2017

KMCA Annual Convention & Board Meeting - Wichita, KS

November 29, 2017

KMCA Board Meeting - Wichita, KS

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Human trafficking bill signed

The trucking industry took a positive step toward curbing human trafficking with the official signing of House Sub for SB40, a bill requiring all truck drivers to take a course in identifying and reporting possible human trafficking activity.

The bill, endorsed by Kansas Motor Carriers Association, is tied to the renewal process for truck drivers. They must have certification showing they completed the online course before being granted a commercial drivers license renewal.

Truckers are in a unique position to identify illegal activity. For years rest stops and truck plazas have been known as shopping grounds for the dangerous trade. According to statistics from Ark of Hope for Children, human trafficking is a \$32 billion a year industry where 4.5 million people are being sexually exploited. In the face of these staggering numbers more industries are stepping up efforts to be the eyes and ears on the road.



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