

inside



TRALA

August 2003

Legal Action Fund critical to tort reform victories

Vicarious liability laws in a small number of states hold truck renting and leasing companies liable for the actions of the vehicle operator, even when there is no negligence on the part of the vehicle owner.

TRALA's recent victories in Connecticut, Florida and Rhode Island to reform vicarious liability laws were made possible through the financial contributions of association members during last year's Legal Action Fund campaign.

To build on these successes, the 2003 Legal Action Fund campaign is again dedicating every dollar to fight for complete repeal nationwide.

A single multi-million dollar verdict could make some TRALA member companies uninsurable or even put them out of business.

In 2002, a Rhode Island court ordered a non-negligent finance lessor to pay \$28 million to an individual involved in an accident with a leased vehicle.

This May, Florida Governor Jeb Bush signed the TRALA-supported House Bill 1017 into law, eliminating the opportunity for constitutional challenges which arose from a technical error in the original 1999 law that capped vicarious liability awards against vehicle renting companies.

In June, the Connecticut legislature responded to TRALA's legislative effort and approved a bill eliminating vicarious liability for truck lessors providing the vehicle is insured for \$2 million - either through the lessor, lessee or any combination of coverage. The bill's truck provisions are limited to apply only to vehicles with a Gross Vehicle Weight Rating of 10,000 pounds or more under lease agreements of one year or more.

And in July, TRALA succeeded in temporarily repealing Rhode Island's unlimited vicarious liability law thereby protecting companies that rent or lease trucks connected to Rhode Island from vicarious liability claims.

Under the new Rhode Island law, a lessee is considered the owner of a vehicle under a long-term lease of 12 months or more if the lessee at the time of the accident carries minimum coverage of \$100,000/\$300,000/\$50,000. If the lessee at the time of the accident does not hold the required minimum level of insurance, the lessor's liability would be limited to the difference between the amount of coverage held by the lessee and \$100,000/\$300,000/\$50,000. If the vehicle is rented under an agreement of less than 12 months, the vicarious liability of the lessor is limited to \$250,000 per person, \$500,000 per incident and \$25,000 for property damage.

But despite these victories, there are still problems. For instance, a sunset provision inserted into the Rhode Island bill in the final hours by the trial lawyers' lobbyists will cause it to be repealed on July 1, 2004. The Connecticut legislation does not include protection for truck rentals. In addition, all rental and leased vehicles traveling in New York, Maine and Washington, D.C., remain

Vicarious liability laws hold vehicle renting and leasing companies liable for the actions of the vehicle operator, even when there is no negligence on the part of the vehicle owner.

Where can you be held liable under vicarious liability?



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|-------------|------------------|
| California | Minnesota |
| Connecticut | Nebraska |
| Florida | Nevada |
| Idaho | New York |
| Iowa | Rhode Island |
| Maine | Washington, D.C. |
| Michigan | |

exposed to unlimited vicarious liability, while California, Florida, Idaho, Iowa, Michigan, Minnesota, Nebraska and Nevada maintain limited forms of vicarious liability.

The only way to permanently eliminate vicarious liability is to get federal legislation that exempts both truck renting and truck leasing from the state vicarious liability laws. TRALA's proposal to repeal state vicarious liability laws could be considered by the U.S. Senate in September under an aggressive timetable announced by Chairman James Inhofe of the Committee on Environment and Public Works as part of the reauthorization of federal highway programs in the 2003 Highway Bill.

Through its founding role in the Vehicle Renting and Leasing Fairness Alliance, TRALA is leading the effort to include a provision in the Senate bill that would repeal vicarious liability laws in the few states that still hold onto these antiquated statutes. As part of its Senate strategy, TRALA has met with the offices of Senators Inhofe, George Allen, Christopher Bond, John Breaux, Hillary Clinton, Byron Dorgan, Ernest Hollings, Kay Bailey Hutchison, John McCain, Harry Reid, John Rockefeller and John Sununu.

TRALA is launching its 2003 Legal Action Fund in the coming weeks. The association is continuing its battle cry of 2002 by earmarking every dollar raised to strictly fund TRALA's tort reform efforts. Last year, more than 100 companies donated to the Legal Action Fund, providing TRALA with the financial ammunition to combat trial lawyers and others who want to keep vicarious liability alive.

"We've made great strides in the last year on the reform of state vicarious liability laws. TRALA must continue to push for complete federal preemption of existing state laws while pro-business lawmakers maintain a majority in Congress and while the White House is in our corner," said Peter J. Vroom, TRALA's president and CEO. "Our window of opportunity may only be open for a very limited period of time."

To contribute to the 2003 Legal Action Fund, visit www.trala.org. Every donation of \$250 or more will receive a free copy of TRALA's 2003 State Tax Guide, a \$99 value.

Wise working to attract truck technicians of the future

Bert Wise was appointed to the TRALA Board of Directors in April. His dealership has been recognized with numerous performance and quality awards.

What are the biggest challenges facing the trucking industry?

There are two major challenges that I see facing the trucking industry. One, it's getting more difficult to find qualified truck and trailer technicians. Two, the cost of insurance keeps increasing, which makes it more difficult for us to afford.

How and when did you get involved in the trucking business? When did you get involved with TRALA?

I'm actually a second generation dealer. On April 1, 1986, I purchased the Mack truck dealership in Omaha, Nebraska. Shortly after that, I attended a Mack Leasing System annual business meeting that was held in conjunction with TRALA's annual meeting.

A FEW MINUTES WITH...



NAME: Bert Wise
AGE: 40
TITLE: President of Mack Lease of Omaha L.L.C.
PERSONAL: Children Tara, 20; Claire, 15; Alex, 12.
IF HE'S NOT WORKING: Playing golf

How can TRALA members overcome these challenges?

To get more qualified truck and trailer technicians, we need to first become more involved with local technical schools. We also need to

Why do you find that your customers are interested in leasing?

The customer wants to be relieved of the ever increasing burdens of paperwork and maintenance so they can focus on their core business. Leasing does that for customers.

educate our children at a younger age about the benefits of a technical education. For instance, Mack Truck Inc. has a traveling educational unit that travels to elementary schools showing children the benefits of pursuing a technical education. I personally serve on a foundation board that funds scholarships for diesel technicians.

As for our industry's insurance problems, it's extremely difficult for me to predict how we will find a way to decrease the cost of insurance while maintaining the same standards of coverage.

What do you see in the future of the trucking industry?

In the future, there's going to be increased partnerships with customers and transportation providers in the form of dedicated logistics.

2003 TRALA MEMBERSHIP DIRECTORY

COMING SOON



The TRALA Vehicle, the association's official buyer's guide and membership directory, is nearing completion. The book is scheduled to ship around Labor Day. This year's advertisers include:

Allison Transmission • ArvinMeritor • Bridgestone /Firestone North American Tire • Caterpillar On-Highway Engine Division • Chevy Trucks • ExxonMobil • Fontaine International • Freightliner LLC • General Motors Fleet and Commercial Operations • Goodyear Tire & Rubber Co. • Great Dane Trailers • Harco National Insurance Company • HD America Parts Network •Hendrickson International • Horton • International Truck & Engine Corp. • Johnson Truck Bodies • Kenworth Truck Company • Mack Trucks • MBB Interlift • Michelin North America. • Mitsubishi Fuso Truck of America • Morgan Corp. • National Seating Co. • Ottawa Truck• Peterbilt Motors Company • Peterson Manufacturing Company • R. L. Polk & Co. •Roadranger •Quick Fuel Fleet Services, LLC • Richer Systems Group Inc. • Sterling Truck Corporation • Thieman Tailgates •Truck-Lite Co. • Tuthill Transport Technologies - ReycoGranning Suspensions • Volvo Trucks North America, Inc.

Joining Us...



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Merit Resources, LLC is a management services company based in Roswell, Ga., geared specifically to the full service truck leasing industry that provides management resources to assist organizations achieve improved bottom-line profits. Their services entail branch improvement plans, temporary on-site management, maintenance training, management search and placement, acquisition due diligence, administrative audits. Contact Paul De Gance at (770) 645-0608 or pdegance@bellsouth.net.

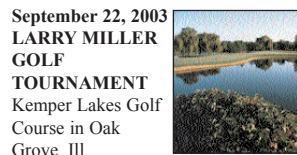
TRALA CALENDAR



October 8-12, 2003
FALL LEADERSHIP MEETING
 The Ritz-Carlton, Half Moon Bay, California



March 31-April 4, 2004
TRALA'S 26TH ANNUAL MEETING
 Arizona Biltmore Resort in Phoenix, Arizona



September 22, 2003
LARRY MILLER GOLF TOURNAMENT
 Kemper Lakes Golf Course in Oak Grove, Ill.



October 13-17, 2004
FALL LEADERSHIP MEETING
 Southampton Princess in Hamilton, Bermuda

Have a question about an event?

Contact Leslie Hummel at

lhummel@trala.org or (703) 299-9120.

Have a calendar item?

Send it to Igarland@trala.org