AMENDMENT TO H.R. 4745, AS REPORTED
OFFERED BY MR. DAINES OF MONTANA

At the end of the bill (before the short title), insert the following:

SEC. ____. None of the funds made available by this Act may be used to develop, issue, or implement regulations that increase levels of minimum financial responsibility for transporting passengers or property as in effect on January 1, 2014, under regulations issued pursuant to sections 31138 and 31139 of title 49, United States Code.

Congress Must Not Undercut FMCSA Minimum Insurance Requirements: Oppose the Daines Amendment to H.R.4745

When a person suffers life threatening injuries due to the negligence of motor carriers, the costs of long term care and the loss of his or her livelihood are often pushed to the background. For families that undergo this ordeal, it often comes as a surprise that despite a Congressional mandate in the 1980s, minimum insurance requirements for interstate truckers and bus carriers have remained unchanged. In April of this year, the Federal Motor Carrier Safety Administration (FMCSA) released a report to Congress that examined the adequacy of the current financial responsibility requirements for motor carriers. The conclusion was clear: today, the costs of injuries and fatalities arising from crashes far exceed the minimum insurance levels interstate operators are required to carry. As a result, victims are often not appropriately compensated for injuries. The Daines Amendment is an attempt to stop FMCSA rulemaking in its tracks by taking away the resources necessary for the Agency to evaluate appropriate levels of financial responsibility for the motor carrier industry.

<u>**Background: The Motor Carrier Act of 1980 and the Bus Regulatory Reform Act of 1982**</u>

Congress has long recognized the connection between the issue of financial responsibility and the fitness of carriers operating in interstate commerce. The Motor Carrier Act of 1980 specifically set out to ensure public safety by requiring insurance minimums to be updated regularly. A similar bill, the Bus Regulatory Reform Act of 1982, was passed for the segment of the industry transporting passengers interstate. While the minimum insurance levels in 1985 for general freight carriers and small bus operators were $750,000 and $1.5 million respectively (with higher liability limits for carriers of hazardous materials and large bus carriers), the intent of Congress was to increase the minimums regularly, on pace with inflation.

<u>**Why FMCSA Rulemaking is Necessary**</u>

Current insurance limits do not adequately cover crashes, primarily because of increased medical costs. Opposition by the trucking industry has led to stagnation in Agency efforts to periodically increase the financial responsibilities of motor carriers. <u>To be on par with medical consumer price index inflation, the liability limit for general freight carriers today would be 4.4 million calculated from the 1980 passage date of the Motor Carrier Act and around 6.5 million for small bus operators.</u> Moreover, the April FMCSA report found that in real terms, insurance premiums have actually decreased for the same level of coverage since the 1980s. The result is that thousands of crash victims are left without the financial resources to pay medical bills or restore the quality of life that he or she enjoyed before the trucking or bus accident. In many cases, the burden of health care costs are passed on to taxpayers as Medicare and Medicaid shoulder millions of dollars of medical care each year due to inadequately insured carriers.

Keep the Trucking Industry Accountable for Safety: Oppose the Daines Amendment