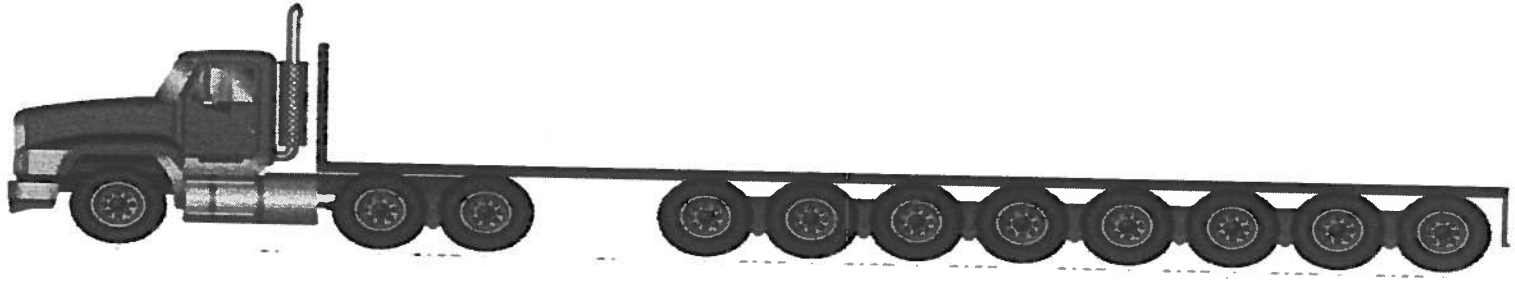
## Fuel Tax & Registration Fee Increases - Negative Impacts on Independent Contractor

- My name is Brandon Sloan from Jackson, MI. Contact information: 517-764-5444 email: bsloan@gosloantrans.com.
- I am the owner/manager of BK Sloan & Company, LLC; A flatbed trucking company acting as an Independent Contractor for Universal Am-Can.
- I also manage the operations and sales for Sloan Agency, Inc. out of Jackson, MI. Sloan Agency is a 2nd generation flatbed trucking agency located in Jackson, MI representing hundreds of Independent Contractors in and around Michigan.
- Grew up in the trucking industry. 7 years of management experience.

## Snap shot of fees / Costs per truck 2012 Figures

E.I. - **Truck #4921-101** – Local Driver Jackson to Detroit Metro. All miles in Michigan

- IRP Plate Fees = $1800.00
- United Carrier Registration (UCR) Fee $187.00
- State Licensing Fees: $300.00 Trailer
- Fed Heavy Highway Use Tax / 2290: $550.00
- All other employment / Income taxes
- Excise tax on purchases
- Cost of Truck (New): $150,000.00
- Cost of Trailer (New): $95,000.00
- Driver Pay: roughly $0.75/mile per operating mile
- Insurances (Bob Tail / Phys. Damage / Workers Comp): $3806.92
- Insurances (Cargo):
- Cost to fill up tanks (dual 150 gallon tanks) = $1200.00 ($0.80/operating mile @ 5MPG)
- Cost of virgin tire : $500.00 average
- Costs approx $21,000.00 to replace all tires on an 11-axle tractor/trailer rig.



## New Fuel Tax / Registration Increase Cost Comparison per truck (average):

Truck # 4921-101 - Current Rates
Registration: $1500.00
Fuel Tax: ($0.369 per mile) @ 110,200 Michigan Miles driven divided by 5 MPG = Tax of $8,132.76

Truck $4921-101 – Proposed Rates
Registration: $1875.00
Fuel Tax: ($0.549 per mile) @ 110,200 Michigan Miles driven divided by 5 MPG = $12,099.96

FUEL TAX INCREASE OF $3,967.20
REGISTRATION INCREASE OF $375.00
TOTAL: $4,342.20
**FLEET OF 10: *$43,422.00***

## Options as Owner / Operator

1. Pass along costs to Shipper / Manufacturer – Not Guaranteed and not healthy for our already unstable state economy
2. Take away from drivers / employee wages
3. Be forced to buy fuel outside of state (Toledo, etc).
4. Put a for sale sign in the windows of the trucks and close our business for good.

# ALL SCENARIOS RESULT IN LESS OVERALL REVENUE FOR STATE