<u>Workshop #2 Industry Check-in – Evergreen Trails/Gray Line Response</u>

| | Issues | Industry Comments |
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| Rate/Fares Methodologies | | |
| 1. | Establish a banded rate methodology. (As proposed, this option would remove the need for fuel surcharge filings). | Second choice, preferred within a 10% range so the low end is he 93% operating number. Commission oversight to remain the same |
| 2. | Establish a return on investment methodology. | First choice. |
| 3. | Maintain status quo – entry and ratemaking methodology (Operating Ratio 93). | Third choice |
| 4. | Develop alternative approaches within the operating ratio method using Lurito/Gallagher and Kosh turnover ratio methodology. | Fourth choice, too complicated for so little money |
| 5. | Rate base rate of return. | |
| Proposals to change current UTC procedures | | |
| 6. | Create a pass-through process for fuel expenses with true up. Allow carriers to file | Not unless treated as cost being 93% such we get the 7% on the cost of fuel. Not necessary with a banded rate. |
| 7. | promotional rates on one-day notice. Valid for 90 days. | Yes |
| Operations | | |
| 8. | Maintain strict entry standards. | Yes, stricter if possible |
| 9. | Create rules outlining ratemaking methodology. | No as may be less flexible |
| 10. | Increase enforcement against illegal carriers. | Yes, please |
| 11. | Additional emphasis on safety standards and service quality. | There seems to be enough of this with us but we are high profile. |
| Legislation | | |
| 12. | Propose legislation to eliminate entry and rate regulation, but maintain registration, safety standards and insurance. | No, we are in favor of entry and thus rate regulation. Without it we would be cherry picked to death |
| Other issues for consideration | | |
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