



June 4, 2012

JAMES BURG TRUCKING COMPANY

On time. Time and again.

Chairman Paul Opsommer
House Transportation Committee
124 N. Capitol Avenue
Lansing, MI 48909-7514

RE: S/B 873

Dear Chairman Opsommer:

I began my trucking career in 1984 with one truck and have driven over 1.3 million miles. I have built my operation to an 85 truck fleet. With experience, I have witnessed an ever growing practice of the shipping community to shift their risk to us. Anti-Indemnification language in contracts goes beyond holding truckers accountable for our own poor decisions, but theirs as well.

We had an incident where our customer's employee pushed our driver off the trailer bed and onto the ground, injuring our employee. The anti-indemnification language in our contract left us with the expense of our injured worker. Following this event, the amount paid out by our insurance company negatively impacted our renewal rates. Our customer's expense for their negligence was to 'change their policy' and require us to keep our people from harm's way.

The proposed legislation would ensure blame rests where fault is created. It will demand our customers take responsibility to improve the safe operations of their plants. Our customers that run safe operations would benefit from this legislation by requiring all shippers to maintain safe facilities or be responsible for their actions.

In most cases, I prefer government to stay out of private contracts. What makes this situation unique and in need of legislative resolve is to restore fairness and balance. I will speak for myself and others like me when I say that the trucking industry is unsophisticated. The industry is made up of over 500,000 small businesses, like mine. In fact, 85% of the entire North American trucking capacity is made up of fleets with 5 trucks or less. Regrettably, we don't pay as much attention to the fine contractual print of sophisticated shipper contracts as we should. And while it is easy to spot this language and decide 'not to engage' under these terms, my experience is that this language is revised into contracts after we are already invested in equipment, employees and overhead.

This may seem like a small measure, but I believe it is because these events don't grab widespread attention. They are, in fact, important. So much so that 31 other states have adopted similar language to what is being proposed. I urge this committee to advance this legislation and encourage your colleagues to vote for its adoption into law.

Best regards,

James D. Burg
President

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