



Truckers Express, inc.

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Bureau of Transportation Statistics
U.S. Department of Transportation
K-27
400 Seventh Street, SW
Washington, DC 20590
CERTIFIED RETURN RECEIPT REQUESTED

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APPLICATION FOR EXEMPTIONS UNDER 49 C.F.R. 1420.8 AND 49 C.F.R. 1420.9

To Whom It May Concern:

This correspondence is being forwarded to the Bureau of Transportation Statistics as the request of Truckers Express, Inc., a motor carrier, for exemption from filing financial reporting information under 49 C.F.R. §1420.8 and/or in the alternative, an exemption from public disclosure of financial reporting information pursuant to 49 C.F.R. §1420.9.

This request for an exemption extends to the 1998 Annual Report, Form M, and the quarterly reports for calendar year 1999 and subsequent years.

Request for Exemption from Public Release (49 CFR 1420.9)

Truckers Express, Inc. is a privately held corporation with its principal office located in Missoula, Montana. Truckers Express, Inc. has three shareholders. It is not a publicly held corporation and Truckers Express, Inc. is not subject to financial reporting requirements of the Securities and Exchange Commission.

The financial information required in Form M and Form QFR is confidential proprietary information that is privileged and is considered by Truckers Express, Inc. as a trade secret. This information is sensitive and protected by Truckers Express, Inc. from disclosure to the public. The information is protected from disclosure to most employees of Truckers Express, with the exception of certain corporate officers and accounting personnel on a need-to-know basis.

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The measures taken by Truckers Express to protect this information include limiting financial information availability to only those persons that have a need for the information to perform their job duties. Further, financial statements and financial information are kept in locked filing cabinets on the Truckers Express, Inc. premises. Once audited financial statements are completed, no copies of the statements are made. All available copies which are received from the auditors are in the personal and exclusive possession of the President of Truckers Express, Inc., and stored in locked filing cabinets. Computer access to accounting and financial information is restricted by passwords and individualized menu selections.

The financial information of Truckers Express, Inc. is not disclosed to any person, organization or company other than the carrier with the exception of specific lenders, auditors, in-house legal and accounting staff and selected other entities with which Truckers Express has financial transactions that require this information. These additional parties are limited severely, and the information is only disclosed where it promotes the best interests of Truckers Express, Inc.

The majority interest of Truckers Express, Inc. is held by a parent corporation which has operated in Montana for more than 50 years and has a substantial presence in the state together with significant assets. The relationship between the parent corporation and Truckers Express, Inc. is also treated as confidential proprietary information. Truckers Express, Inc. takes steps to avoid the disclosure of the relationship between Truckers Express and its parent corporation. This relationship is only disclosed as necessary between Truckers Express, Inc. and its lenders, auditors and other entities that have significant dealings on a financial level with Truckers Express, Inc. Form M would disclose the relationship between the parent corporation and Truckers Express, Inc.

This disclosure would have a detrimental effect on Truckers Express, Inc. and/or its parent company. As a result of the confidential nature of this relationship, it is an unusual experience for the parent corporation of Truckers Express to be involved in litigation matters. However, should this relationship be subject to disclosure, it is reasonable to anticipate that the parent corporation will be included needlessly in pending litigation matters, partially due to the name recognition of the parent corporation and partly due to the litigation claimant's desire to name as many "deep pocket" corporations as possible.

The financial condition of Truckers Express, Inc. and its parent company allow it to extend credit terms to its customers that are

more liberal than its competitors. Further, Truckers Express, Inc. gains a competitive edge by its ability to maintain a strong financial backing through its parent corporation. The disclosure of the information in Form M and Form QFR would create competitive harm to Truckers Express, Inc. should that information fall into the hands of its competitors. Primarily, Truckers Express, Inc. operates a portion of its fleet in specialized heavy haul, over dimensional and super sized loads. The revenues associated with this specialized service, if disclosed, would defeat Truckers Express, Inc.'s competitive edge over its competitors. Further, the pricing of the specialized services, if disclosed, would have a detrimental effect to Truckers Express, Inc. since the vast majority of the over dimensional loads involve competitive bidding between carriers.

In addition to the foregoing, the private nature of the financial condition of Truckers Express, Inc. is extremely sensitive, particularly in the course of defending legal actions that are filed against Truckers Express, Inc. throughout the United States. As with any other trucking company, litigation filed against it tends to take the character of a target defendant, and therefore the trucking company is often required to defend claims of punitive damages that are without merit. However, the disclosure of the financial condition of Truckers Express, Inc. would encourage such claims. Further, the disclosure of the information would provide claimants with the information regarding the parent corporation of Truckers Express, Inc. Truckers Express has adopted a policy regarding litigation matters where punitive damages are alleged. In the event the claimant serves discovery requests seeking the financial information regarding Truckers Express, Inc., the same information that would be disclosed on Form M and Form QFR, Truckers Express, Inc. files a Motion for Summary Judgment on the issue of punitive damages in order to isolate the issue. The Motion for Summary Judgment seeks to have the Court rule that punitive damages are not available to the claimant as a matter of law. Following the filing of the Motion for Summary Judgment, it is Truckers Express Inc.'s policy to file a Motion for a Protective Order in the litigation to prevent the disclosure of financial information pending the ruling on the Motion for Summary Judgment as to punitive damages.

By utilizing this approach, Truckers Express has been completely successful in avoiding the disclosure of financial information in litigation cases it has defended in the past 15 years. To date, this information has never been disclosed in a litigation matter. The disclosure of the information contained in Form M and Form QFR will entirely defeat the significant efforts that have been taken by Truckers Express, Inc. to protect this information both in the past and in the future. On one occasion, Truckers

Express, Inc. voluntarily resolved a disputed liability claim as a result of a Court ruling that the financial information be disclosed. While the claim certainly would have been settled at some point in time, the settlement value was slightly inflated due to the Court's requirement that the financial information be disclosed. It is easy to appreciate the importance Truckers Express, Inc. places on the confidentiality of this information, and the efforts taken to preserve it.

The successful defense of litigation matters is a prime concern to Truckers Express, Inc., and the disclosure of financial information would hamper those efforts as described in the preceding paragraph. It should be noted that the situation described in the previous paragraph regarding the settlement of a case is an example of the substantial harm that would result should this information be disclosed.

Having demonstrated that Truckers Express, Inc. is not publicly held and not subject to the reporting requirements of the Securities and Exchange Commission, and having shown that the exemption from disclosure is necessary and critical to avoid competitive harm and to preserve confidential business information and Truckers Express, Inc.'s position in the industry, Truckers Express, Inc. states that an exemption from disclosure is required and further requests that it be granted an exemption from public disclosure of the financial reporting information.

Request for Exemption from Filing (49 CFR 1420.8)

In support of Truckers Express, Inc.'s request for an exemption from filing the financial information under 49 C.F.R. 1420.8, Truckers Express incorporates by reference all of the information set forth above. Truckers Express requests that it be exempted from filing on the grounds that the disclosure of the information would cause substantial harm to Truckers Express, Inc.'s competitive position as set forth above, in addition to the burden the reporting obligation places on Truckers Express, Inc. as set forth below.

The financial information of Truckers Express, Inc. is kept in a format which is materially different than that of the Form M. Truckers Express, Inc. files consolidated financial statements with its parent company and sibling subsidiary corporations, and the extraction of the financial information for the preparation of the forms from the consolidated statement would take an extreme amount of staff time, far more than contemplated by the Bureau of Transportation Statistics as the anticipated average. Therefore, the filing itself would be burdensome and not in the best interests of Truckers Express, Inc. due to the time which is

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required to extricate the information for the preparation of the form. The competitive harm has been described above, and applies to the request for exemption from filing.

This request for an exemption from filing the financial information reports extends both to Form M and Form QFR's due during calendar year 1999 and subsequent years.

Please consider these requests most favorably in due course. Should you have any questions or concerns or need further information, please do not hesitate to contact the undersigned at your convenience.

Enclosed you will find the Form M reporting for calendar year 1998 which is being submitted consistent with the regulations regarding the reporting obligations. Accept these forms together with this request for exemption. According to the regulations, Truckers Express, Inc. understands this information will not be disclosed while the exemption request is pending.

Sincerely,



Brian J. Smith
General Counsel

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Enclosure