



Maryland Motor Truck Association

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HEARING DATE: February 5, 2021

BILL NO/TITLE: **House Bill 581: Labor and Employment - Employment Standards During an Emergency (Maryland Essential Workers' Protection Act)**

COMMITTEE: House Economic Matters Committee

POSITION: **Oppose**

Maryland Motor Truck Association (MMTA) believes that there are many valid concerns about the negative impact HB581 will have on all businesses; however, the association offers the following specific concerns to the trucking industry.

Industry diversity will make it impossible for some segments to absorb the cost increases.

The trucking industry's operations are extremely diverse. Our 1,000+ members reflect that diversity. They include household goods movers, gas haulers, grocery store haulers, construction companies, package delivery, and more. Our members include single truck owner operators, small to mid-size fleets, and large international companies. The impact of the COVID-19 pandemic on the industry has been equally diverse. For some companies (e.g., those delivering to restaurants or retail stores), business has fallen off a cliff, while for others (e.g., those in e-commerce or servicing grocery stores) business has skyrocketed. Some segments may be able to absorb the mandatory pay increases for essential workers, but others will have no choice but to shut down or lay off workers because they simply cannot afford the additional costs when there is such reduced demand for their services. Additionally, the mandatory \$3/hour increase for hazard pay is impossible to calculate given that hourly pay is relatively rare in trucking. It is much more common to pay by the load or by the mile.

It applies to contractors and subcontractors.

Motor carriers commonly use independent contractors to meet varying levels of demand. It is estimated that at least 75% of the drivers serving the Port of Baltimore are independent contractors. For the use of such contractors, who own and operate their own equipment, the motor carrier does not incur the expense of a capital investment for equipment that may only be needed on a temporary basis. These drivers own their own trucks and are contracted to deliver a load for a set price. They can turn the load down if they so choose. It is impossible to understand how the mandatory pay increases would apply in this legislation.

The right of refusal for dangerous work will cause major supply chain disruptions.

The trucking industry is playing a vital role in the effort to end the pandemic. As witnessed at the onset of the pandemic, when supply chains are disrupted, supply shortages are quick to follow. This bill will disrupt and delay delivery of products by allowing drivers and other essential employees (dispatchers, safety personnel, etc.) to refuse work they perceive as dangerous. Trucks are the hub of Maryland's distribution wheel, playing a vital role in support of the state's manufacturing, agricultural, grocery and retail industries. Without the trucking industry's heroes, there is no food on the grocery shelves, there are no medical supplies in hospitals, and there are no vaccines in pharmacies. Now more than ever, the resilience and integrity of our supply chain needs to be protected.

For the reasons noted above, Maryland Motor Truck Association urges the Committee for an unfavorable report.

About Maryland Motor Truck Association: Maryland Motor Truck Association is a not-for-profit trade association representing the trucking industry since 1935. In service to its 1,000+ members, MMTA is committed to supporting and advocating for a safe, efficient, and profitable trucking industry across all sectors and industry types, regardless of size, domicile, or type of operation.

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