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HEARING DATE: February 10, 2022

BILL NO/TITLE: House Bill 487- Commercial Vehicles- Nonconsensual Towing – Requirements

COMMITTEE: House Environment and Transportation

POSITION: Support

Cowan Systems, LLC strongly supports HB487. Maryland business is being preyed upon by unscrupulous tow operators who avoid normal competitive market forces with the unwitting assistance of law enforcement. HB 487 would shine the light of competition on the rates and billing practices of tow operators utilized by law enforcement, provide Maryland business with a mechanism for adjudicating complaints and remove unscrupulous operators from the process.

After a simple one-vehicle rollover accident in 2020, Cowan Systems received an invoice for \$72,000 from the tow operator. Invoices for this sort of tow currently average about \$25,000 to \$30,000. The invoice in question used a fictitious “per pound” billing method, and included “misc. truck restocking fees” and charges for food and drink for the tow operator’s employees.

Recently we received an invoice from a Maryland tow operator charging \$2,500 per hour for a rotator crane. Customarily, invoices range from \$900 up to \$1,250 per hour for this equipment.

After a recent crash, the tow company sent us two invoices, one for the tractor and one for the trailer, each in excess of \$25,000, just for *towing* a slightly damaged tractor and a completely undamaged trailer approximately three miles. These invoices were also calculated using the fictitious “per pound” billing method, and a fictitious 80,000 pound weight for the tractor-trailer (our truck actually weighed less than 36,000 pounds at the time of the crash).

Invoices often include hourly charges for time spent waiting. Often an “administrative fee” of thousands of dollars is appended, seemingly as a throw-away which is removed if challenged. Equipment and cargo is unlawfully detained to compel payment.

These practices unfairly prey on small business and require larger businesses like ours to expend time and money on unnecessary litigation.

Thank You.

Cowan Systems, LLC and its related companies are the largest transportation, logistics and warehousing provider headquartered in Maryland. We operate over 2,300 power units.

For Further Information, please contact: Herman Funk, Jr. at 443.297.1314