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HEARING DATE: February 24, 2022

BILL NO/TITLE: **Senate Bill 613 – Commercial Vehicles - Nonconsensual Towing – Requirements**

COMMITTEE: Senate Finance Committee

POSITION: **Support**

Good Afternoon, and thank you for the opportunity to voice our strong support for Senate Bill 613. I am Herman Funk, General Counsel at Cowan Systems. Cowan Systems, LLC is headquartered in Baltimore, County, Maryland and is the largest transportation provider headquartered in Maryland, with 2,900 employees and contractors, operating 2,300 power unit nationwide.

Maryland business is being preyed upon by unscrupulous operators who avoid competition with the unwitting assistance of law enforcement. SB 613 would provide transparency and competition in rates and billing practices, give Maryland business a mechanism for adjudicating complaints and remove unscrupulous operators from the process.

After a simple one-vehicle rollover accident in 2020, Cowan Systems was invoiced \$72,000 by the tow operator. This sort of tow ordinarily costs \$25,000 to \$30,000. The invoice in question used a fictional “per pound” billing method, and included “misc. truck restocking fees” and charges for food and drinks for the tow operator’s employees.

Recently we received an invoice from a Maryland tow operator charging \$2,500 per hour for use of a rotator crane. Customarily, invoices for this equipment range from \$900 to \$1,250 per hour. Currently, there is no competition and no mechanism for regulating these rates.

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 fictional “per pound” billing method, and a fictional 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. 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.

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