



“SHIP TO SHORE AND BEYOND”

Hearing Date: February 24, 2022

Bill No./Title: Senate Bill 613 – Commercial Vehicles - Nonconsensual Towing - Requirements

Committee: Senate Finance Committee

Position: Support

Lightning Transportation Inc., has been in business since 1987 and is a For-Hire – Property Carrying Motor Carrier, based in Hagerstown, MD, that provides ocean container drayage services, including imports and exports through the Ports of Baltimore, MD, Norfolk, VA, Charleston, SC, Savannah, GA and rail service in Atlanta, GA. Lightning Transportation Inc. provides delivery service with approximately 335-350 Owner Operators and their trucks, to a variety of customers, delivering furniture, tires, machinery, equipment, and a multitude of other various goods. We utilize over 75 drivers in the Baltimore Port Region, each of which is a small business owner, who depend on their truck as their sole livelihood.

I am Kenneth Bishop, Safety Manager for Lightning Transportation Inc. I have over 37 years in the trucking industry in the state of Maryland. I have 11 years in the Safety arena and have responded to and investigated numerous road accidents and dealt with the recovery of cargo and equipment on many occasions.

I am writing to you in support of Bill 613, which will help protect Maryland’s Motor Carriers and Owner Operators against predatory towing fees charged by towing companies in Non-Consensual Tows dispatched by the Maryland State Police (MSP) or other law enforcement agencies. These tows can place a tremendous financial demand on the carrier, the Owner Operators and delay the delivery of goods to both Maryland and outlying state’s customers, further encumbering our vital supply chain.

When a towing company is called out by the police, without the consent or knowledge of the motor carrier, it allows the towing company to monopolize their services and charge literally any price they want to, to the motor carrier. Usually, by the time the motor carrier is notified of the accident, their equipment may have already been towed or the towing company could already be on the scene, leaving the motor carrier with no option or means to control their cost. In almost every case I have been associated with, the towing company holds both the truck and trailer, including the cargo inside, until the entire bill is paid. Even when different insurance companies are responsible for the

equipment and offers to pay a partial invoice for the trailer and cargo release are requested, they are usually denied. This is leveraged to force you to pay the outrageous price or accrue more storage fees for each piece of equipment. I would also add that it typically takes days, if not weeks, to even receive an invoice, which is also a tactic to accrue more storage fees. I believe strongly that the other reason for the delay in providing an invoice is because there are no guidelines or regulatory perimeters set for towing companies to provide standard fees, so they take their time creating an invoice with exorbitant fees, hoping the carrier will want their equipment badly enough to just pay it.

I want to provide you with a few examples:

1. Baltimore City - Truck and trailer, loaded with cargo, that was leaning against a utility pole on the driver side. Police called a towing company, local response, and they brought two rotator trucks out to hook cables to the truck and trailer and lower it down on the passenger side wheels. They were on scene under 1 hour! Our driver then drove his truck and trailer less than 1 mile to our yard and dropped the loaded trailer. The towing company called and demanded \$11,000 for payment over the phone. We declined to pay the charges over the phone until the charges could be discussed further. The tow company then came onto our property, hooked to the loaded trailer with no permission, and took it to their yard to hold hostage until payment was made. We paid \$1,000 to an attorney to send the tow company a letter, demanding release of our cargo, which they refused. Since the chassis was damaged, the loaded container needed to be lifted onto another chassis to deliver it to our customer, which they agreed to do if we paid the \$11,000. It took nearly a week to have this work completed before our load and equipment was released.
2. Hagerstown – MD State Police - Empty trailer and a truck fire on I70, just a few miles from our home office in Hagerstown. MSP called a towing company without giving us the opportunity to call someone on our own and we were charged \$10,182.50 and the trailer was not released for nearly two weeks.
3. Myersville – MD State Police - Loaded container and another truck fire resulting in a driver fatality in Myersville, MD., MSP called a tow company from Gaithersburg, MD., who charged \$30,155.39 just for the initial towing and response.

These are just some examples of actual events that occurred. Keep in mind, that there are many other costs associated with the delays caused by these tows. The steam ship line imposes daily per diem fees

on containers not returned to the port of \$150-\$300 after the free time allowed has expired. Chassis providers charge \$15+ per day for rentals, which can add up over time. Not only is the carrier losing potential for revenue, so is the Owner Operator, while they are waiting for their truck to be released and damages assessed before repairs or settlement can be made. During this time the driver is not working, not making money, not paying bills!

The laws of supply and demand and free market do not apply in the case of the "Non-Consensual tow". There is no competition here, only a monopolizing towing company that had the good fortune to be called out by the police and given a blank check to fill out for the motor carrier to get their equipment returned.

Thank you for the opportunity to provide testimony on this issue.

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