The Voice of America's Towing Industry

TOWING AND RECOVERY ASSOCIATION OF AMERICA, INC.®

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The Towing and Recovery Association of America, Inc.® (TRAA) is the voice of the towing industry. The towing and recovery industry in the United States is comprised of over 35,000 towing companies operating more than 210,000 commercial motor vehicles and employing over 350,000 professionals nationwide. As the only national association for the industry, TRAA represents every one of them.

Tow operators perform an essential service in clearing the roadways as quickly as possible. According to the National Highway Traffic Safety Administration (NHTSA), nearly 35% of all secondary incidents occur because of congestion related to an original incident. Furthermore, motor vehicle crashes on our nation's roadways cost society roughly \$7,300 per second. Clearing roadway incidents in a safe and expedient manner must be performed by professional tow operators with the proper equipment.

TRAA has reviewed the proposed Commercial Vehicles – Nonconsensual Towing – Requirements legislation (SB0613). TRAA shares in your desire to promote public safety, professionalism, and uniformity in the towing industry as it relates to non-consensual towing and recovery in the state of Maryland. The current legislation has some admirable proposals and language, such as creating a fair and equitable tow list, establishing certain requirements, and making the rates available to the public (pg. 1, line 3). However, we have serious concerns regarding the implementation of those requirements and rates:

- 1. Firstly, the definition of "Approved Rates" raises concerns (pg. 2, sec. 2). While on the surface this seems simple, the reality is much more complicated. The cost of performing a towing and recovery for the service provider varies greatly by region. For example, operating in a large city requiring more equipment, staff, and higher overhead costs than a small town. The current legislation does not address how the rates will be determined or by whom. Rate regulation must be done in a fair and equitable manner allowing for a reasonable profit margin. In the same way as our incident management fire, police, and EMS partners, towing companies must be ready to respond to an incident at a moment's notice. That readiness to respond 24/7 generates additional staffing and equipment costs. As with any small business, towing companies will not be able to keep providing the service if companies are not allowed to realize a reasonable profit and the safety of both roadside responders and the motoring public will suffer.
- 2. Second, the definition of heavy and medium-duty towing is inaccurate (pg. 2 sec. 4 & 5). Medium-duty is defined as 14,001-26,000 lbs. and heavy-duty is 26,001-59,999 lbs. Additionally, the legislation does not mention ultraheavy-duty tow trucks over 60,000 lbs.
- 3. The definition of "Non-Consensual Towing" is contradictory (pg. 2, sec. 6). A customer request is when the customer gives consent for the tow company to perform a service and, therefore, is by definition a consensual tow.
- 4. The "Per Pound Billing" method has been utilized for decades within the industry (pg. 2, sec. 7). In fact, the acceptance of this method has already been set with the Maryland DMV using weight to determine registration fees. Note, the Maryland DMV currently bills tow trucks by the pound using five different weight categories. Additionally, United States Postal Service (USPS), FedEx, and United Parcel Service (UPS) all use per pound

billing. TRAA questions the legality of banning an independent business billing practice, especially one that is utilized in other industries and by Maryland state agencies (pg. 3, sec. D, 1).

- 5. Lastly, the proposed legislation gives a great deal of latitude to the Department of State Police without reasonable check and balances (pg. 2 sec. 8 pg. 3). A few of the most egregious sections are:
 - a) There is no mention of how the requirements and qualifications will be determined or who is going to adjudicate complaints. Other states with compliant resolution mechanisms in place clearly defined in the legislation.
 - b) Has law enforcement been consulted regarding the consensual towing response to a scene within 30-minutes from when law enforcement arrives on-scene? Per the National Highway Traffic Safety Administration (NHTSA), every 1 minute a travel lane is shutdown causes a 6% increase in secondary incidents which seriously endangers both roadside responders and the motoring public.
 - c) It is unrealistic to expect towers to provide an emergency response service in clearing the roadway and risking their own safety without being compensated. While towing companies prefer to be paid through standard methods, sometimes a lien on a vehicle is the only way a tower can get compensated for providing the service. The proposed legislation prevents a towing company from placing a lien on a vehicle involved in a non-consensual tow (pg. 4, sec. B, 2). Additionally, the legislation also states that, "the tow company shall release a vehicle and any cargo that was the subject of a non-consensual towing immediately" (pg. 5, sec. 2, II). The proposed legislation even prevents towing companies from charging storage to cover the overhead on the land or space holding and protecting the towed vehicle (pg. 5). Who decides the reasonableness or amount of the fees? As mentioned above, other states with compliant resolution mechanisms and parameters in place clearly defined in the legislation. Towing companies cannot provide a reasonable service without the assurance that they will be paid for those services.

The current version of Commercial Vehicles – Nonconsensual Towing – Requirements legislation (SB0613) would have a devasting effect on the Maryland towing industry and result in delayed roadway clearance, increased secondary crashes, and create an unsafe environment for all roadside responders.

In closing, TRAA would like to work cooperatively with the state legislature and the Towing and Recovery Professionals of Maryland (TRPM) for the betterment towers and the motoring public of Maryland. We are available to discuss our mutual concerns and assist in drafting a fair and reasonable version of this legislation.

Thank you for your time and consideration.

Jeanne H. Blyton

Sincerely,

Joanne Blyton President