



Maryland Motor Truck Association

9256 Bendix Road, Suite 203, Columbia, MD 21045
Phone: 410-644-4600 Fax: 410-644-2537



HEARING DATE: February 24, 2022

BILL NO/TITLE: **SB565 – Public Safety – Emergency Management – Price Gouging Consumer Protections**

COMMITTEE: Senate Finance Committee

POSITION: **Oppose**

Although Maryland Motor Truck Association appreciates the intent to prevent excessive charges by unscrupulous actors who might take advantage of emergency situations, our organization opposes this legislation due to the complexity of compliance, and multitude of factors that impact charges for transportation services.

Although not specifically designated as “essential goods and services” in the legislation, SB565 includes a provision for “any other goods or services designated as essential by the Governor.” During any emergency declaration, transportation is always included as essential because trucks are needed to deliver food, fuel, medicine, and other supplies as part of any relief efforts. The provisions of this bill are virtually impossible for a trucking company to comply with because, during a state of emergency, companies are frequently running irregular routes and providing spot transportation services as opposed to normal contracted deliveries. Pricing in the spot delivery market fluctuates greatly based on a variety of factors. These include:

- How quickly the delivery needs to be made.
- Current supply of drivers.
- Additional miles driven – many geographic areas under a state of emergency are difficult to access using normal routes.
- Costs that fluctuate daily (e.g. fuel).

Based on the 60-day lookback period and extension for 90 days beyond the end of the emergency, the passage of this bill essentially hamstring a company by preventing it from changing its pricing by more than 10% for at least five months, unless it can demonstrate its own cost increases. Last year many trucking companies were forced to increase driver salaries three times to keep pace with demand. Tires experienced a sizeable increase as oil prices continued to rise, and fuel is now more than \$1 per gallon higher than it was one year ago. Unless a company can demonstrate these increases, it may be subjected to an unfair or deceptive trade practice violation.

The legislation also opens up questions about normal transportation deliveries that may occur in an area under a state of emergency declaration. Are those covered under the legislation or is transportation only included when delivering an essential good?

For the reasons noted above, MMTA respectfully asks for an unfavorable report.

About Maryland Motor Truck Association: Maryland Motor Truck Association is a non-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.

For further information, contact: Louis Campion, (c) 443-623-4223