



Maryland Motor Truck Association

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HEARING DATE: March 1, 2023

BILL NO/TITLE: **SB542 – Public Safety – Emergency Management – Consumer Protections Against Price Gouging**

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 SB542 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, SB542 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 SB542 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 diesel fuel costs continue to be elevated. Unless a company can demonstrate these increases, it may be subjected to an unfair or deceptive trade practice violation.

For the reasons noted above, MMTA respectfully asks for an unfavorable report on SB542.

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 support, advocate and educate for a safe, efficient and profitable trucking industry in Maryland.

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