

HOUSE BILL REPORT

HB 1707

As Reported By House Committee On:
Transportation

Title: An act relating to the registration and regulation of motor carriers and the collection of fees relating to motor carrier operations.

Brief Description: Regulating motor carriers.

Sponsors: Representatives R. Fisher, Schmidt, R. Meyers and Johanson; by request of Utilities & Transportation Commission.

Brief History:

Reported by House Committee on:
Transportation, February 18, 1993, DPS.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 24 members: Representatives R. Fisher, Chair; Brown, Vice Chair; Schmidt, Ranking Minority Member; Mielke, Assistant Ranking Minority Member; Brough; Brumsickle; Cothorn; Eide; Finkbeiner; Forner; Fuhrman; Hansen; Heavey; Horn; Johanson; J. Kohl; R. Meyers; Miller; H. Myers; Quall; Sheldon; Shin; Wood; and Zellinsky.

Staff: Mary McLaughlin (786-7309).

Background: The Utilities and Transportation Commission (UTC) is funded wholly from the Public Service Revolving Fund (PSRF) into which regulatory fees, paid by the industries it regulates, are deposited. The legislative intent is that each industry, or class of industry, pay its own way. For most industries, the regulatory fee is a percentage of the company's annual gross intrastate revenues. The exception is the for-hire trucking industry.

Federal law allows the states:

(1) To require interstate carriers to register their operating authority with the state and pay a registration fee. Our annual regulatory fee is based on the gross weight of each truck and is imposed on both intrastate and interstate common and contract carriers operating in the

state. The fee ranges from \$7 to \$34, depending on the weight of the truck.

(2) To issue an annual identification or "bingo" stamp to all interstate and intrastate carriers. Washington's stamp fee is \$10. Currently, 39 states require interstate carriers to carry such a stamp in the cab of each truck operating within its borders.

The Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991: (1) prohibits the states from charging a fee for the registration of a carrier's interstate operating authority, and (2) repeals the bingo stamp program effective January 1, 1994.

ISTEA does allow those 39 states that participated in the bingo stamp program to require the carriers to submit proof of liability insurance and charge a filing fee that is no greater than the bingo stamp fee in place as of November 15, 1991 (not to exceed \$10). The fee must be collected through the "single state" or "base state" registration system. Under base state registration, a carrier will pay its annual fees to a single state (its base state) and that state will distribute the collections to other participating states in which the carrier operates.

This change in federal law means that beginning in January 1994, the UTC will be unable to impose and collect a gross weight per vehicle regulatory fee on interstate carriers. The net effect is a revenue shortfall of approximately \$3.7 million per year which is more than 50 percent of the agency's revenues used to support safety and economic regulation of the trucking industry.

Interstate carriers who do not register their authority with the UTC but occasionally do business in this state may purchase a temporary single trip transit permit, which authorizes a one-way trip into, through or point to point within the state for a fee of \$10. The permit is valid for 10 days. The trip permit is now issued in lieu of interstate carriers registering their operating authority with the commission. After January 1, 1994, the single trip permit will be issued in lieu of interstate insurance registration.

An applicant for a single trip transit permit must show proof of insurance statutorily set at \$25,000/\$100,000/\$10,000. For carriers registered with the commission, the insurance level is set by commission rule in an amount that parallels the U.S. Department of Transportation standards.

The annual maintenance fee the UTC charges its intrastate carriers for publication of the revised tariff pages cannot exceed the cost of issuing and mailing the supplements.

Summary of Substitute Bill: The Utilities and Transportation Commission (UTC) may participate in a base state registration plan for collection of the insurance registration fee authorized by the Intermodal Surface Transportation Efficiency Act (ISTEA). No regulatory fees, other than a \$10 identification fee based on proof of insurance, are imposed on interstate carriers operating in the state. An insurance registration receipt must be carried in the cab of the truck.

Certain fees imposed by the commission are modified:

(1) Effective January 1, 1994, the annual operating authority regulatory fee for an intrastate carrier is changed from a vehicle gross weight fee to .0025 percent of the carrier's gross income from intrastate operations for the previous calendar year. The fee approximates the cost of regulation, and the commission may reduce the fee if the revenue exceeds the reasonable cost of supervision. This is comparable to the percentages imposed on utility companies (gas, water, electric, telephone) regulated by the UTC.

(2) The costs associated with the annual maintenance fee are expanded to include other factors that contribute to the cost of intrastate tariff revisions (i.e., hearing costs, rate examiners' travel time, and analytical time in determining if the rates are fair and just).

(3) The intrastate operating authority application fee and extension fee are increased from \$200 to \$550.

(4) Effective January 1, 1994, the single trip transit permit, issued in lieu of insurance registration for interstate carriers, is increased from \$10 to \$20. The amount of insurance required is changed from a statutorily set amount to an amount determined by the commission. This makes the insurance level the same as required for carriers registered with the commission.

An administrative relief procedure is established so any carrier alleging overpayment need not resort to court. A petition for a refund must be filed within six months from the due date of payment. Currently there is no time limit on refund petitions.

The bingo stamp program and gross weight regulatory fee are repealed. The trip permit, intrastate regulatory fee and repealers take effect January 1, 1994.

Substitute Bill Compared to Original Bill: Technical changes are made to remove obsolete language.

Fiscal Note: Available.

Effective Date of Substitute Bill: Ninety days after adjournment of session in which bill is passed, except section 2 (relating to the intra/interstate insurance fee), section 3 (relating to the new intrastate regulatory fee), and section 7 (repealers) which take effect January 1, 1994.

Testimony For: Changes are needed to comply with federal law and continue, at a reduced rate, the commission's economic and safety regulation of the for-hire trucking industry.

Testimony Against: None.

Witnesses: Bud Pardini, Utilities & Transportation Commission; and Larry Pursley, Washington Trucking Association.