

SENATE BILL REPORT

SB 6069

As Reported By Senate Committee On:
Natural Resources, Ocean & Recreation, February 26, 2007

Title: An act relating to the establishment of advisory rates for log haulers.

Brief Description: Establishing advisory rates for log haulers.

Sponsors: Senators Hargrove, Hatfield and Rasmussen.

Brief History:

Committee Activity: Natural Resources, Ocean & Recreation: 2/22/07, 2/26/07 [DPS-WM].

SENATE COMMITTEE ON NATURAL RESOURCES, OCEAN & RECREATION

Majority Report: That Substitute Senate Bill No. 6069 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Rockefeller, Vice Chair; Morton, Ranking Minority Member; Fraser, Hargrove, Poulsen, Spanel, Stevens and Swecker.

Staff: Curt Gavigan (786-7437)

Background: Until 1995, the Utilities and Transportation Commission (UTC) regulated rates for intrastate motor carriers, including log haulers. The UTC ended this practice in 1995 after the United States Congress passed legislation limiting state authority to enact or enforce laws relating to price, route, or service by motor carriers with respect to the transportation of property [49 U.S.C. 14501].

Summary of Bill: The UTC, in conjunction with the Northwest Log Truckers Cooperative, may establish reasonable advisory rates of compensation for log hauling services. In approving the advisory rates with respect to any given forest landowner, the UTC must consider such factors as the log hauler's costs, highway laws, the impact of the advisory rate on the competitive position of the landowner, a fair return for all parties, and safety considerations.

The UTC may inspect the accounts and documents of any forest landowner or log hauler seeking to use the advisory rates. The UTC may also examine forest landowners or log haulers under oath regarding factors relevant to advisory rate setting.

The bill provides for special procedures regarding disclosure of public records received by the UTC that contain valuable commercial information. Before inspection or copying, notice must be provided to the landowner who may seek a protection order in superior court.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Advisory rates may be set for each of two labor market areas, generally divided into eastern and western Washington.

Terms are defined.

EFFECT OF CHANGES MADE BY RECOMMENDED SUBSTITUTE AS PASSED COMMITTEE (Natural Resources, Ocean & Recreation): The UTC must publish advisory rates of compensation for log hauling services annually instead of quarterly.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: Although some allege that this law would be overturned in court, it neither violates antitrust laws or is preempted by federal transportation law. Log haulers are experiencing large expense increases, are working extremely hard, and often cannot afford health care. Under the current situation, log haulers have little bargaining power with large companies. Many log haulers do not understand their bottom line, and setting advisory rates would be of great value. As long as the company is getting its logs moved, it has no reason to compromise. Log haulers who can barely get by cannot afford to properly maintain trucks, creating a potential safety issue.

CON: The forest products industry needs stable trucking to move its product. The forest products industry has met with log haulers and is agreeable to continued conversations. Although the bill says a current imbalance of power exists between log haulers and owners of over 100,000 acres in a labor market area, there are very few owners of such extensive acreage.

OTHER: The UTC is open to taking legislative direction and doing whatever is assigned. However, the legislation does present some red flags in terms of federal preemption and antitrust issues. The bill also generates significant fiscal impact.

Persons Testifying: PRO: Tracey Lutton, Lutton Trucking; Brian Gallagher, Northern Transport, Inc.; Sherrie Bond, Violet Bond, Bond Trucking; Lon Michaelis, Michaelis Trucking; Wayne Tuthill, Tuthill Trucking; Rick Smith, T&D Gruhn Trucking; Steve Fluke, Woodworkers; Ken Rollins, K&K Trucking; John Matisons, John Matisons Hauling.

CON: Debora Munguia, Washington Forest Protection Association.

OTHER: Dave Danner, Utilities and Transportation Commission.