
HOUSE BILL 2247

State of Washington 60th Legislature 2007 Regular Session

By Representatives Conway, Blake, Takko, Hurst and Simpson

Read first time 02/14/2007. Referred to Committee on Commerce & Labor.

1 AN ACT Relating to forestry resources and rural development,
2 establishing a compensation system for haulers of logs; and adding a
3 new chapter to Title 19 RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** The legislature finds that:

6 (1) Washington's agricultural forest products industry is a vital
7 component of Washington's economy and has a direct relationship to the
8 economic health and welfare of workers, rural communities, and
9 businesses.

10 (2) Central to the viability of the forest products industry is a
11 stable workforce of skilled, experienced log haulers available to
12 transport wood from Washington's forests.

13 (3) Stability of this workforce is endangered when inadequate wage
14 compensation rates for log haulers induce haulers to shortchange safety
15 through inadequate equipment maintenance, inadequate investment in new
16 equipment, and violation of hours of service limitations in order to
17 take home a living wage.

18 (4) The safety of citizens using the public highways is endangered

1 when log haulers are induced to compromise safety in order to take home
2 a living wage.

3 (5) Many log haulers serving Washington's forest industry own and
4 operate a single vehicle, such that their wage compensation from forest
5 landowners compensates for both their personal services and the costs
6 to maintain and operate their log-hauling equipment.

7 (6) The costs of maintaining log-hauling equipment in safe
8 operating condition are increased by the necessity of operating such
9 equipment on nonpaved roadways in forest areas.

10 (7) Based on patterns and configurations of forest landownership,
11 the hauling of forest products is performed by numerous truckers who
12 are economically dependent on a small group of large commercial forest
13 landowners.

14 (8) An imbalance of market power exists when one forest landowner
15 owns, possesses, or acquires economic control over more than one
16 hundred thousand acres of forest in a labor market area.

17 (9) The inequity of power in determining compensation and the lack
18 of opportunity to join together in bargaining over compensation
19 prevents the log-hauling labor market from operating in a manner
20 suitable for the public interest of Washington citizens and results in
21 inadequate compensation for log haulers.

22 (10) It is in the public interest to ensure a reasonable minimum
23 rate of compensation for log haulers to ensure that log haulers earn a
24 reasonable living wage without compromising the safety of their
25 vehicles or the safety of their operation.

26 (11) The legislature therefore enacts this chapter to create a
27 process whereby the department of labor and industries is to oversee a
28 system to ensure adequate wage rates of compensation for log haulers in
29 order to ensure that the public welfare of the state of Washington is
30 protected.

31 NEW SECTION. **Sec. 2.** The definitions in this section apply
32 throughout this chapter unless the context clearly requires otherwise.

33 (1) "Cooperative association" includes a nonprofit membership-based
34 entity, such as a cooperative, association, or union, whose purpose is
35 to promote the interests of those engaged in the agricultural
36 activities of hauling logs through participation in the compensation-

1 setting process and is registered as such with the state of Washington
2 and represents at least fifty haulers in a labor market area.

3 (2) "Department" means the department of labor and industries.

4 (3) "Economic control" means the legal right, whether through
5 ownership, contract, or otherwise to make or influence decisions
6 regarding the harvest of trees and disposition in general of logs on
7 subject land.

8 (4) "Forest land" means agricultural forest land used primarily for
9 the growth of trees to be harvested for commercial use.

10 (5) "Forest landowner" means:

11 (a) A person, corporation, limited partnership, government,
12 municipality, or any form of business organization registered with the
13 state of Washington that owns directly, or through affiliated persons,
14 or possesses economic control over, more than one hundred thousand
15 acres of forest land in a labor market area; or

16 (b) An agent or subsidiary of a person described in (a) of this
17 subsection if that agent or subsidiary is involved in contracting or
18 negotiating contracts or other arrangements, written or oral, with
19 forest products haulers.

20 (6) "Forest products hauler" means a person having a place of
21 business in this state who is engaged in the agricultural activity of
22 hauling harvested trees from forest land in the state to a point of
23 delivery within the state under a contract or subcontract, directly or
24 indirectly, for a forest landowner.

25 (7) "Labor market area" means those counties in one of two forest
26 excise tax hauling areas set forth by the Washington state department
27 of revenue for the purposes of applying the forest excise tax as
28 follows:

29 (a) Those counties located in hauling areas 1, 2, 3, 4, 5, and 10
30 are in one labor market; and

31 (b) Those counties located in hauling areas 6 and 7 are in a second
32 labor market area.

33 NEW SECTION. **Sec. 3.** (1) The department will establish
34 compensation rates for log haulers from forest lands in the state of
35 Washington to a point of delivery within the state of Washington when
36 petitioned to do so by either landowners or qualified cooperative
37 associations or labor unions.

1 (2) In approving compensation rates with respect to any given
2 commercial forest landowner, the department must consider the following
3 criteria:

4 (a) Prevailing wage rates for log truck drivers in the same labor
5 market area;

6 (b) Prevailing wages for similar types of hauling in the same labor
7 market area;

8 (c) The log hauler's costs, including but not limited to, overhead,
9 fuel, health insurance, other insurance, pensions, or other retirement
10 costs;

11 (d) Environmental and highway laws and rules;

12 (e) The impact of the award on the competitive position of the
13 landowner in the labor market area or competing market areas;

14 (f) The amount of hauling conducted on private roads and the amount
15 of hauling conducted on public roads including travel time from the
16 hauling site to the delivery site and the conditions of the road;

17 (g) The cost to comply with all applicable safety regulations
18 including, but not limited to, regulations for safety equipment and
19 regulations for maintenance of vehicles;

20 (h) The number of hours normally worked each day and each week by
21 log-hauling drivers; and

22 (i) Limitations imposed by statute or rule on the number of hours
23 per day and per week that a log hauler may drive or work.

24 (3)(a) Request for compensation rates may be submitted to the
25 department for review and approval in one of the two following ways:

26 (i) Joint petitions may be submitted by corporate forest landowners
27 and cooperative associations who may meet and agree on a common rate of
28 compensation request; or

29 (ii) Individual petitions may be submitted by forest landowners or
30 cooperative associations. In order to reduce costs, the department
31 shall adopt a compensation rate from among the petitioners which best
32 reflect the criteria set forth in this subsection. If, in the opinion
33 of the department, none of the petition-proposed compensation rates is
34 in the best interest of the state of Washington, the department may set
35 a different compensation rate based on the criteria in subsection (2)
36 of this section.

37 (b) State agency commercial forest landowners may use a

1 compensation rate that is the average of: (i) Joint petitions for the
2 past twelve months; or (ii) file its own joint petition with a hauling
3 cooperative.

4 (4) All submissions to the department for review and approval of
5 compensation rates shall be accompanied by the following information:

6 (a) The identity of the corporate forest landowner, agent, or
7 contractor who owns or possesses economic control over the land on
8 which the wage compensation rates are to apply and the geographic area
9 in which the rates are to apply;

10 (b) The submissions may take into consideration alternative pay
11 systems such as pay per mile, pay per weight, percentage of truck
12 revenue, and pay per hour;

13 (c) A summary of relevant meetings and minutes;

14 (d) Information required to be considered by the department as set
15 forth in subsection (2) of this section; and

16 (e) Other information relevant to the factors needed for the
17 department to make its decision, and as otherwise requested by the
18 commission.

19 (5) When the department receives a compensation rate petition, it
20 must notify all persons who have requested to be notified of any
21 submissions. These persons have thirty days to comment on the
22 submission, and the department must review these comments in approving
23 compensation rates. The department must reject any submission that
24 resulted from a negotiation or arbitration that was not conducted at
25 arm's length.

26 (6) The department shall approve a petition only upon finding that
27 the compensation rates requested are adequate to assure the vehicle
28 driver a living wage without compromising the safe maintenance and
29 operation of the vehicle on the public highways of the state of
30 Washington.

31 (7) Once rates of compensation have been approved by the
32 department, the rates shall remain in effect for that corporate
33 landowner for one calendar year.

34 NEW SECTION. **Sec. 4.** A forest landowner violates this chapter if
35 that forest landowner:

36 (1) Pays rates for hauling services that result in wage levels
37 below those established by the department; or

1 (2) Discriminates against any person or organization for initiating
2 or participating in a compensation rate determination proceeding under
3 this chapter.

4 NEW SECTION. **Sec. 5.** This chapter does not prohibit the
5 negotiation and execution of a contract between a forest landowner and
6 an individual forest products hauler that provides for the payment of
7 compensation rates higher than those determined under this chapter, as
8 long as no commission's approved rates applicable to the service or
9 area being provided exist.

10 NEW SECTION. **Sec. 6.** This chapter is intended to displace
11 existing market forces based on a legislative finding that such forces
12 are insufficient to permit the affected market to function normally to
13 ensure the safety and stability of this industry and the safety of the
14 general public. Activities carried out under this chapter do not
15 constitute a conspiracy, or a combination in restraint of trade or an
16 illegal monopoly, nor are they carried out for the purposes of
17 lessening competition or fixing prices arbitrarily, as long as the
18 activities are carried out for the purpose of preparing, initiating, or
19 participating in a compensation rate determination process under this
20 chapter. A contract or agreement entered into under negotiations
21 between a forest landowner and a cooperative group of forest products
22 haulers is not an unlawful restraint in trade or part of a conspiracy
23 or combination to accomplish an improper or illegal purpose or act, as
24 long as the resulting compensation rate is approved by the department.

25 NEW SECTION. **Sec. 7.** The legislature finds that the practices
26 covered by this chapter are matters vitally affecting the public
27 interest for the purpose of applying the consumer protection act,
28 chapter 19.86 RCW. A violation of this chapter is not reasonable in
29 relation to the development and preservation of business and is an
30 unfair or deceptive act in trade or commerce and an unfair method of
31 competition for the purpose of applying the consumer protection act,
32 chapter 19.86 RCW.

33 NEW SECTION. **Sec. 8.** If any provision of this act or its

1 application to any person or circumstance is held invalid, the
2 remainder of the act or the application of the provision to other
3 persons or circumstances is not affected.

4 NEW SECTION. **Sec. 9.** Sections 1 through 8 of this act constitute
5 a new chapter in Title 19 RCW.

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