



Statewide Towing Association, Inc.

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October 16, 2015

Lisa Dixon

Special Counsel for Regulatory Reform

Executive Office for Administration & Finance

Dear Ms. Dixon:

On behalf of the Massachusetts Statewide Towing Association (STA), I am writing relative to the proposed rate filing application (D.P.U. 13-124) currently before the Massachusetts Department of Public Utilities (DPU). Filed August 5, 2013, this rate petition is more than two years old. It is our understanding the rate increase petition is being held up by Administration and Finance though a waiver has been requested relative to Governor Baker's Executive Order 562 commissioning a thorough review of every Executive Branch regulation. Can you confirm this?

Statewide Towing Association (STA) represents over 200 tow companies registered with the DPU in the Commonwealth and is the only entity recognized by the DPU to file a rate increase petition. In accordance with S 6B of c. 159B, the Commonwealth of Massachusetts, Executive Office of Energy and Environmental Affairs, the Department of Public Utilities establishes maximum rates and charges applicable to police ordered towing, public authority ordered towing, and trespass towing also known as involuntary towing, in 220 CMR 272.00.

The towing industry last received an overall involuntary tow rate increase in 2004 which was based on 2003 Data. See Order Adopting Final Regulations, D.T.E. No. 03-70(2004), amending 220 CMR 272.00 et seq. The involuntary tow rates are designed to cover costs. Since 2003, Massachusetts businesses have seen a significant increase in costs. The towing industry is comprised of small, family owned businesses who are struggling to meet those increased costs. Inaction on the rate increase petition is forcing companies to curtail investment in new equipment and to reduce the number of secure, local, good paying jobs.

In February 2008, the DPU amended the subject regulation to allow for a fuel price surcharge adjustment. See Order Adopting Final Regulations, D.T.E. / D.P.U. No. 06-43-A (2008). The fuel surcharge adjustment only covers the cost of fuel.

Lack of action on STA's rate petition impacts public safety. The towing industry is a vital partner in Public Safety. As a signatory on the Commonwealth of Massachusetts Unified Response Manual (URM) for Roadway Traffic Incidents and as defined in the Mover Over law, MGL Chapter 89, Section 7C, tow trucks and their operators are designated as first responders. Tow companies provide 24/7 service to public safety organizations. The rate established by the DPU is supposed to insure sufficient compensation for tow companies to provide the level of services essential to public safety. Working with rates based on 2003 data is not sufficient compensation.

As a regulated industry and recognized public safety first responder, should the towing industry attend the Regulatory Review Listening Sessions in order to expedite our rate increase petition? If so should we attend the Municipal sessions as a public safety provider or the Competitiveness and Business Issues or both? How can we assist Administration & Finance in order to expedite our rate petition to a fair resolution?

Thank you for your prompt attention to this matter. If I can be of any assistance, please feel free to contact me.

For the Association,

A handwritten signature in black ink, appearing to read "William E. Johnson". The signature is written in a cursive, flowing style.

William E. Johnson
President