

Presidents Letter  
January 2012

There have been many accusations regarding the TRPC's involvement with the bond. I feel the need to set the record straight.

There have been many conversations about deregulating from the PUC over the past few years, and setting up our own towing board, which is very similar to the dealer board here in Colorado. The towing board would be made up of towing carriers from each sector of our industry; law enforcement tower, PPI tower, commercial tower, repo, transporter, etc. It would also have a couple of citizens, law enforcement and DORA assigned by the governor. It would also require a building, enforcement officers and a staff, which is going to cost money. Some ask why DORA, what do we need them for?

Here is why we need DORA: for one it's federal regulation that non-consensual tows are regulated by a state entity, and if we plan to integrate abandon vehicles into a fine system within DMV here in Colorado in future legislation, then it's a perfect fit. So, for example, when a person abandons a vehicle in a tow yard the state can fine and refuse to register other vehicles, suspend drivers licenses etc... until the towing and storage bill is paid to the tow carrier.

With tow carriers on the board we can have direct input on regulations that make sense to our industry. There wouldn't be these ridiculous proposed rule makings coming from people who know nothing about our industry. The concept sounds easy enough, but in reality it's a very large task when looking at our industry. To integrate into state affairs requires extreme discipline in our *own* industry first. Now when talking to senators, law enforcement, DMV and others about this tower board concept, a bond always comes up, just like a dealer bond or repo bond. It's not that uncommon of an item in today's world. So now you have some history in mind when we move to HB1198 and the bond.

When TRPC found out about this bill, Rob Mooney our treasurer, and myself, along with Chuck Ford, our lobbyist, went to the capitol and met with three senators. We were very angry that the industry was not informed of this prior to this bill being brought forward, and we voiced that very strongly to those senators. Amazingly PUC called the next day and wanted a meeting right away. At that meeting there were six people, Ron Jack, Bob Laws, Ted Barrett, John Connolly, Rob Mooney, and Chuck Ford. We began talking about HB1198 and what language we didn't like and so on. We then started talking about rules and what changes we would all like to see in rule making. At that time PUC wanted towing carriers to have an annual permit fee ranging from \$750.00 to \$1,500.00. They also wanted annual truck fees along with driver background checks and possibly annual driver fees. Their reasons for this was to help their budget so that they could better enforce the industry and control the quality of the drivers. A long discussion took place on how companies were screwing the system. For example: PUC issued a fine to a company on Tuesday. That company would belly up and on Wednesday apply for a new T-permit under a different name and be right back in business with the same trucks, drivers, etc.... So how do we stop that problem?

After adding up the cost of annual permit fees, truck fees, backgrounds etc... we realized it was going to be very expensive on the towing carriers, and create a huge hassle with drivers. Not to mention there was no guarantee that the money would be used for enforcement. Also it did nothing to stop the same thing from happening.

A bond is the cure for most of these problems and this is why: With a bond PUC must enforce to get money, and if the company bellies up PUC has the bond to draw fines from. Also by putting it in statute the PUC could not change it whenever they wanted. On the other side, legitimate tow carriers don't normally get fines so their bond would never be drawn upon and it would be cheaper than annual permit fees, truck fees, driver fees etc... And when we deregulate from the PUC we're going to need a bond anyway, so at this time the bond is a very good idea compared to the alternatives.

So we worked with PUC on the language of the bond during emergency rulemaking to make sure it was for *finest only* and not an open bond for anyone to go after. What we didn't count on was the bonding companies setting the base price at \$500.00, which is absurd when you look at how the bond requirement is written. It's not an open civil bond like a dealer bond, its only function is for fines not paid that are issued by the PUC. Most towers don't know that you can appeal a fine to a district court (up to the Supreme Court) if you feel you have been given a fine unjustly. The odds of a legitimate tow carrier having their bond tapped are billions to one. Unfortunately the bonding companies see dollar signs and they're not going to take any chances. So we have no real way of fighting that price cap until we can prove it's an extremely low risk bond, which will take a couple years of no bonds being tapped. The biggest problem is nowhere in this country is there a bond that is for fines only.

Someone, when complaining about the bond, complained that their credit score was bad and it made getting a bond difficult. I'd like to address that. As far as credit scores go, I'm sorry, that's just the way our system in the United States works. I didn't build the system. Credit scores effect everything in our lives, insurance, bank loans, interest rates etc... So as smart business people we have to adapt and learn how to exist within the system and its rules. If you want to run a cash business then you will have consequences along with your benefits. If you don't pay your bills on time, that's your fault nobody else's. It's time that people in this country start taking responsibility for their own actions. If your credit score is low then you have no one to blame but yourself. If you're not a smart business person then maybe you shouldn't be in business. Most tow carriers in this state are good hard working people. It is not, and was not, the intention to hurt anyone with the bond. The intent was to save many from useless regulations and money wasted to an agency that does not regulate anything outside their office, and to prepare the industry for deregulation.

I feel it's my duty as president of the TRPC to do what's right for the greater good of our industry. It is unfortunate that our health system in this country is what it is. I know there are towing carriers in this state that have had medical and financial burdens placed upon them, but I firmly believe the bond is the first stepping stone towards deregulation and re-regulation under the towing board concept. It's also our ammunition to keep the PUC from trying to place annual fees upon us.

I'd also like to take a moment to set straight several misunderstandings (or rumors) about the TRPC. First, the board and executive board are elected positions. *None of us get paid* to do what we do, and all our time and money is donated. We do this because we have a passion for our industry. We strive to make things better for *all* tow carriers in this state *not just for members*. Second, we push membership not for your \$20.00 a month; we push it for your input. What you're paying for as a member is being a well informed business person (through mailings and meetings), and the benefit of giving input when it comes to industry law and rulemaking. There are a lot of overhead costs in keeping the membership informed of what's going on. Third, our widows and orphans fund is for *any* tower in this state (not just members) who made the ultimate sacrifice in the line of duty, and sadly that fund was used six times this last year. I challenge anybody to show me an organization or person that does more for Colorado's towing industry than the TRPC.

I hope this puts things in perspective.

Thank you for your time.

John Connolly  
TRPC State President