

# MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

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ONE HUNDRED AND NINTH LEGISLATURE

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Legislative Document

No. 1321

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H. P. 1069

House of Representatives, March 19, 1979

On Motion of Mr. Carroll of Limerick, referred to the Committee on Public Utilities. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. Michael of Auburn.

Cosponsors: Mr. J. Reeves of Newport, Mr. D. Brown of Livermore Falls and Mr. Leighton of Harrison.

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STATE OF MAINE

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IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-NINE

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AN ACT to Deregulate Intrastate Trucking.

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Be it enacted by the People of the State of Maine, as follows:

Sec. 1. 13-A MRSA § 1405 is enacted to read:

§ 1405. Registration of motor carriers

Every motor carrier, as defined in Title 36, section 2961, operating in Maine shall register annually with the Secretary of State and provide information as required by the State Tax Assessor pursuant to Title 36, section 2962. Every motor carrier shall pay an annual registration fee of \$6 for every vehicle operated in Maine. The revenues from this registration fee shall be deposited in the General Fund.

Sec. 2. 35 MRSA cc. 91, 93, 95 and 97 as amended, are repealed.

Sec. 3. 36 MRSA § 2962 is repealed and the following enacted in its place:

§ 2962. Names of motor carriers furnished to State Tax Assessor

The Secretary of State shall provide the State Tax Assessor with the names of all motor carriers operating in Maine and any other information the State Tax Assessor may require pursuant to this chapter.

## STATEMENT OF FACT

This bill will eliminate the Public Utilities Commission, Transportation Division, and the license and permit fees that currently fund the Transportation Division. It will also generate \$510,000 annually which will be deposited in the General Fund.

The purpose of the bill is to deregulate intrastate trucking, including common and contract carriers and bus service. Interstate trucking will continue to be regulated by the Interstate Commerce Commission. At the present time, the Public Utilities Commission regulates common and contract carriers which operate within Maine. The trucking industry in Maine, according to an investigation report by the Attorney General in 1978, is not competitive and is controlled by a very small number of firms. The report states that the 3 largest carriers transport 85% of the total volume of freight transported by truck between points within Maine. The next 3 largest carriers, together, transport 10% of the total volume of freight carried by common carrier within the State. In most cases, routes are protected and there is no or little competition on each route.

The Attorney General's report points out that PUC regulation of common and contract carriers protects each carrier, creates higher costs of service, increases rates and promotes inefficiency. For example, "...the carriers apply as a group for the same increase, regardless of differences in expenses, efficiency, route structures, and type of service. In addition, arbitrary price charges, interlining regulations, back haul restrictions etc., significantly affect consumers and the business world in a very adverse way. Rates do not reflect cost of service."

At the present time, New Jersey and Delaware have deregulated intrastate trucking. The result has been that intrastate trucking costs have been reduced by as much as 20% in some cases. In New Jersey, 97% of the shippers have indicated that intrastate trucking service is better than interstate service, according to a study conducted by Dr. W. Bruce Allen.

This bill will promote competition in intrastate trucking and thereby reduce costs to consumers, including the business world. This bill reduces motor carrier registration fees from \$8 to \$6.