

Predatory Towing

The towing and recovery (T&R) industry is an essential partner to trucking, as breakdowns and crashes can occur at any time. However, conflicts do arise between these two industries due to differing objectives and priorities, which can lead to miscommunication, disagreement, and far too often, predatory practices.

The big picture: Predatory towing is defined as any incident in which a T&R company egregiously overcharges, through either excessive costs or charges for unnecessary additional equipment, illegally seizes assets, damages assets by use of improper equipment, or illegitimately withholds release of a truck, trailer, and/or cargo.

- Even if insurance covers T&R charges, excessive invoices often exceed the applicable limits, leaving carriers and/or drivers responsible for the difference.

1 big thing: OOIDA recently teamed up with the American Transportation Research Institute (ATRI) in their efforts to research predatory towing, including causes, frequency, and strategies for mitigation.¹

By the numbers: The report found that 29.8% of crash-related tows included some form of predatory billing. However, this percentage more than doubles (66%) when invoices totaled more than \$30,000.

- These percentages only represent predatory billing; they do not include other forms of predatory towing, such as vehicle seizure without cause, cargo release delays, or fraudulent billing of extra hours, as these cannot be determined from invoices alone.

When comparing predatory towing bills to non-predatory bills, the overall total pre-tax average for a crash-related tow was \$8,925.90, while the average bills identified as predatory were \$18,154.52

- When surveyed, 82.7% of motor carriers listed “excessive rates” and 81.8% listed “unwarranted additional service charges” as the two most common and impactful forms of predatory towing.

In response, groups in multiple states, including OOIDA, have been pushing for more regulation over the T&R industry.

- Several states and municipalities have recently pursued new laws and regulations pertaining to towing, including Arkansas, Colorado, Maryland, Tennessee, etc.

Initiatives generally fall into one of three categories:

1. Initiatives focusing on regulating exact rates for different vehicle classes.
2. Initiatives focusing on setting protocols for when or how different types of towing can occur.
3. Initiatives focusing creating procedures for complaints or reparations after a predatory towing incident.

Go deeper: If you would like to learn more, the OOIDA Foundation recommends reading ATRI’s research found here: <https://truckingresearch.org/2023/11/causes-and-countermeasures-of-predatory-towing/>

¹ Alex Leslie and Alexa Pupillo, *Causes and Countermeasures of Predatory Towing*, ATRI (Nov 2023), <https://truckingresearch.org/2023/11/causes-and-countermeasures-of-predatory-towing/>