

Feasibility and Effects of Implementing a
Maximum Fee for Incident Management Towing
in Texas

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Prepared for

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I. Executive Summary

Background

Rider 15 to House Bill 1 (82nd Texas Legislature, Reg. Session, 2011), Article VIII, Texas Department of Licensing and Regulation (TDLR) requires the study of non-consent towing fees and compliance with local consumer regulations. The study is to develop recommendations for incident management (IM) towing services, including but not limited to the charges shown in the table below. The table also indicates where each charge is addressed in this report.

Table 1 Overview of Study Content	
Legislative Charge	Addressed in Section
The fees charged for motor vehicles towing services related to IM towing	Section V
The feasibility and effects of the implementation of a fee schedule or establishment of a maximum fee for motor vehicle towing services	Section II
The terms and timing of payment to IM towing companies for towing services including payment for the release of semitrailers and other motor vehicles	Sections III and IV
The identification and evaluation of any other relevant aspect of IM towing that may arise in the course of conducting this study.	Sections III and IV

On August 16, 2011, Senator Juan Hinojosa, the author of Rider 15, sent a letter to TDLR clarifying his intent that the study include input from motor carrier vehicle associations and insurance companies; this study includes both.

TDLR is to report the findings of the study, including any recommendations for state regulation of towing fees, by January 1, 2013. This study fulfills that requirement.

Findings and Recommendations

This study was completed with significant input and data collected from the towing industry including a sample of more than 700 IM towing tickets, survey responses from almost 800 towing companies, interviews with towing industry representatives, and comments from Texas towing associations. Based on the data collected, the study identified the following issues:

- IM towing is critical to roadway safety and traffic management
- There are two types of IM tows: heavy-duty and light-duty
- IM towing fees are not regulated in many areas of Texas
- Towing charges are a significant source of dispute between vehicle owners and towing companies

- The definition of an IM tow may not be clear
- Vehicle owners cannot easily recoup overcharges

The following recommendations are intended to address the findings listed above:

- Consider regulating IM towing fees in Texas
- Require itemized invoices and appropriate documentation
- Clarify the definition of IM towing in Texas statute
- Allow recoupment of overcharges

Interviews and Industry Comments

To better understand issues related to IM towing, representatives from the towing industry, law enforcement, insurance industry and other stakeholders were interviewed. The interview guide used to conduct these interviews is shown in Appendix A. A list of the 21 individuals interviewed is shown in Appendix B.

There are significant differences in opinion between the towing industry, motor carrier vehicle associations, insurance companies, and other stakeholders on billing and payment issues and the impact of regulation, but all groups generally agree on other issues such as the importance of safety at incident scenes and the need to clearly define the equipment and procedures used for IM towing.

Survey Results

Towing companies had an opportunity to provide comments for this study through a Web-based survey that included questions related to IM towing. The survey was sent electronically by TDLR to the 1,929 licensed IM towing companies in Texas. The survey instrument is shown in Appendix C.

Survey results, including towing companies' opinions on existing local regulations, cost drivers, equipment and procedures, billing and payment issues, and other challenges for IM towing, are discussed beginning on page 18.

Towing Tickets

TDLR staff collected IM towing tickets from towing companies that were randomly selected from the list of all towing companies licensed to perform IM towing. Towing fees and other charges for IM towing were reviewed. Average charges on towing tickets by region and metropolitan area are shown beginning on page 30.

Existing Local Regulations

City, county, and legal publishing Websites were examined to identify towing regulations in place in cities and counties across the state of Texas. The regulations were reviewed in order to identify towing fees and other charges allowed for additional equipment and procedures used during IM towing.

Locally regulated IM towing fees are discussed beginning on page 37.

II. Findings and Recommendations

Incident Management Towing

In the Texas Occupations Code, Title 14, Chapter 2308, incident management (IM) towing is defined as “any tow of a vehicle in which the tow truck is summoned to the scene of a traffic accident or to an incident, including the removal of a vehicle, commercial cargo, and commercial debris from an accident or incident scene.” The following types of IM tows are defined:

- Standard (light-duty) tows (gross weight rating of 10,000 pounds and less)
- Medium-duty tows (gross weight rating between 10,000 and 25,000 pounds)
- Heavy-duty tows (gross weight rating of 25,000 pounds and more)

Findings

This study was completed with significant input and data collected from the towing industry including a sample of more than 700 incident management (IM) towing tickets (detailed beginning on page 30), survey responses from almost 800 towing companies (detailed beginning on page 18), interviews with towing industry representatives, and comments from Texas towing associations (detailed beginning on page 10).

Based on the results of the research conducted for this study, a number of issues emerged. Those issues are discussed below.

1. Incident Management Towing is Critical to Roadway Safety and Traffic Management

Towing operators are responsible for clearing roadways quickly to allow normal traffic to resume and to prevent further accidents. Towing operators are also responsible for cleaning up spills, cargo, and debris from accident scenes.

In addition to towing from accident scenes, IM tows also include towing vehicles of people who have been arrested, towing stolen vehicles, and any other scenario where a tow is initiated by a law enforcement official.

Law enforcement agencies depend on the availability of licensed towing companies with appropriate, functioning equipment to respond quickly and professionally to varied accident and law enforcement incidents.

2. There are Two Different Types of Incident Management Tows: Heavy-Duty and Light-Duty

According to 2011 data from the Texas Department of Transportation (TXDOT), approximately 714,000 vehicles crashed on roadways throughout the state of Texas. About 97 percent (694,000) of

crashes involved passenger cars and trucks while 3 percent (20,000) involved heavy-duty vehicles such as tractor-trailers, fire trucks, buses, and farm equipment.¹ Most of these accidents require a tow truck to remove one or more vehicles from the scene of the crash.

Extrapolating from the results of a survey conducted for this study, licensed IM operators report conducting about 678,000 IM tows, which is similar to the number of crashes in the TXDOT database. However, IM towing companies report a much higher percentage of heavy-duty IM tows. According to the 41 percent of licensed IM towing operators who responded to the survey, approximately 22 percent of the IM tows are heavy-duty tows and 21 percent of their IM towing revenue comes from heavy-duty tows. The reason for the discrepancy between TXDOT data and the survey responses is unknown.

2a: Heavy-Duty Towing Issues

While heavy-duty towing constitutes a small portion of the IM towing conducted in Texas, heavy-duty towing requires a significant investment in equipment and training, takes longer to clear the scene of an accident, and involves more time to prepare invoices and receive payment. Some of the issues with heavy-duty IM towing include the following:

Equipment. The equipment used to right over-turned tractor trailers and other large vehicles is expensive and can involve multiple pieces of specialized equipment and multiple individuals. Law enforcement agencies may specify the equipment that a towing operator must have on hand in order to be placed on a rotation list, which is a list of towing companies that are called to incident scenes to perform IM tows for the law enforcement agency on a rotating basis.

The capital investment in heavy-duty towing equipment is especially burdensome in rural areas. In urban areas, the equipment is used more frequently and capital and maintenance costs can be more easily recouped. In rural areas, this equipment is needed less frequently and it is more difficult for towing companies to recoup the costs of their investment. Survey respondents report that 72 percent of the heavy-duty IM tows their company conducted in the past 12 months required special equipment or procedures compared to 43 percent for light- and medium-duty IM tows.

Towing companies subcontract some specialized equipment and procedures, which complicates invoicing when they have to receive invoices from subcontractors before preparing a towing ticket for the vehicle owner(s).

Cargo issues. While Texas statute allows vehicle owners to retrieve personal documents necessary for identification from vehicles in storage facilities (Texas Occupations Code Section 2308.158), the retrieval of cargo that is not owned by the owner of the vehicle is not addressed in statute. Towing companies will hold towed vehicles and cargo until the towing bill is paid. Trucking companies must pay the towing bill in order to recover equipment and cargo without having the opportunity to dispute any charges.

Receipt of payments. When conducting heavy-duty IM towing, towing companies are often communicating with multiple owners of vehicles, equipment, and cargo. This can affect the time and effort it takes to bill for heavy-duty IM towing as well as the time it takes the towing company to be

¹ 2011 Count of Vehicles in Crashes by Body Style. Texas Department of Transportation. Web. http://ftp.dot.state.tx.us/pub/txdot-info/trf/crash_statistics/2011/27_2011.pdf. Accessed October 2012. A crash is defined as “any crash involving a motor vehicle in transport that occurs or originates on a traffic way, results in injury to or death of any person, or damage to the property of any one person to the apparent extent of \$1,000.”

paid for services. Towing companies indicate in a survey that 23 percent of all IM tows are billed to more than one entity, typically multiple insurance companies, and this leads to delays in payments – preparing invoices takes four or more days for 26 percent of all heavy-duty IM towing compared to 2 percent of light-duty and 8 percent of medium-duty IM towing.

These same issues also result in delays in payments to towing companies; 13 percent of payments for heavy-duty IM towing tickets are received within one week compared to 44 percent of payments for light-duty and 35 percent of payments for medium-duty IM towing.

2b: Most Incident Management Tows are Light-Duty

While heavy-duty IM tows can be more complex and expensive, it is important to note that the majority (97 percent) of crashes on Texas roadways involve light-duty passenger cars and trucks.

3. Incident Management Towing Fees Are Not Regulated in Many Areas of Texas

The state of Texas regulates private property towing fees but not IM towing fees. This leaves regulation of IM towing to local jurisdictions. A review of local regulation indicates that towing fees are not consistently regulated. And even within areas with fee regulation, there are wide variations in fees and gaps in addressing issues such as fees for equipment, procedures, and other charges that may be added to towing tickets.

The regulations of 47 local governments were searched to identify regulations related to towing. Of those searched, regulations governing towing fees in 25 cities and counties were found and reviewed for this study. Twelve of these locations specify towing fees for IM towing and/or police rotation lists. The other 13 locations have fees for non-consent towing, which includes both private property towing and IM towing. Local regulations are discussed in detail beginning on page 37.

When average charges on the more than 700 towing tickets collected for this study are compared to average locally regulated fees for IM towing, towing fees on towing tickets exceed locally regulated fees statewide and by zone for both light-duty and heavy-duty IM towing (with one exception). And total towing ticket charges, which include a number of charges in addition to the towing fee, far exceed the regulated fees reviewed for this study. This suggests that a considerable amount of towing occurs outside of regulated areas.

In addition, survey responses from towing companies indicate that there is confusion and misunderstanding within the industry about existing local regulations and state rules related to IM towing.

4. Towing Charges Are a Significant Source of Dispute Between Vehicle Owners and Towing Companies

As found in a previous study of private property towing in Texas, there are many differing opinions about how IM towing charges should be billed and what constitutes a fair fee for IM towing. Fee disputes are cited by all stakeholders as a significant issue, although opinions differ on whether or not statewide regulation is needed. Most of the individuals interviewed for this study agree that towing tickets are difficult to understand by vehicle owners, insurance companies, and others outside of the towing industry.

The basis for determining local towing fees varies. Of the regulations reviewed in 25 localities, IM towing fee regulations are typically based on a flat fee for towing, often based on the weight of the vehicle.

Some jurisdictions set hourly rates rather than flat fees. Very few jurisdictions use price-per-pound, which is based on the weight of the vehicle being towed or the cargo it is carrying, or both. Some individuals consider flat fees and price per pound to be the best options for ensuring that an accident is cleared quickly. Hourly rates are seen as possibly slowing down a clean-up, but may reflect more accurately the work that is involved in clearing the accident. The towing industry has advocates for each method.

Price per pound is the most controversial method. This study found two regulations that allow towing companies to use price-per-pound rates. The Fort Bend County ordinance allows towing companies the option to charge price per pound of cargo or the regulated fee plus a \$50 labor charge. The Galveston ordinance allows towing companies to charge a price per pound of the vehicle, cargo, and trailer in addition to the regular fee. Price per pound may not reflect the amount of work done at an accident scene, since payment is dependent on the weight of the truck, not on the complexity of the tow or the time it takes to complete a tow.

Charges in addition to the towing fee inflate total towing invoices. The array of other fees charged for IM towing in addition to the towing fee can significantly increase the cost of the tow as shown in the analysis of more than 700 towing tickets reviewed for this study. In the areas of the state that have local regulations governing IM towing, there are great variations in the fees charged for tows. Even in jurisdictions that regulate towing fees, the use of other charges is often not addressed. While this study did not attempt to determine what the reasonable cost of an IM tow should be, there are numerous examples of what appear to be excessive charges for towing a vehicle and the widespread use of fees in addition to the tow fee.

Towing companies and other stakeholders who were surveyed and interviewed agree that IM towing involves “recovery”, which is described as the procedures and activities that must take place before a vehicle can be hooked to or placed on a tow truck. Recovery typically refers to rollovers and cars in any off-road location. However, there is no agreement on what equipment and subsequent charges are necessary for recovery. Some law enforcement personnel consider recovery to be a catch-all term used by towing companies to justify extraneous charges on towing tickets.

The review of towing tickets conducted for this study indicates that there is a pattern among most towing companies to increase the amount of the towing ticket beyond the towing fees. Consistent with a previous study of private property towing, most (73 percent) of the 663 light- and medium-duty IM towing tickets reviewed include other charges that increase the total amount on the ticket by an average of \$193 and range from \$1.25 to \$960. Of the 53 heavy-duty towing tickets reviewed, 53 percent include other charges that increase the total amount on the ticket by an average of \$1,028 and range from \$13 to \$3,500.

5. The Definition of an Incident Management Tow May Not Be Clear

There are three issues that emerged in the study related to the definition of an IM tow:

First, as discussed above and in more detail beginning on page 13, the definition of “recovery” is unclear. While state statute suggests that “towing” encompasses all activities that involve getting a vehicle hooked to or on a tow truck, information collected for this study indicates that there is a widely accepted distinction within the towing industry between “towing” and “recovery”. This distinction is clearly reflected in tow ticket charges, as discussed above.

Second, state statute provides categories of towing that refer to the gross vehicle rate ratings. This definition of weight classes does not specify whether these gross weight ratings apply only to the vehicle itself or to the vehicle, trailer, and/or cargo.

Third, a previous study of non-consent towing, which refers to both private property towing and IM towing, found that some towing companies “flip” a tow from the scene of an accident from a non-consent tow to a consent tow (which is not regulated) by getting the consent of the owner at the scene of an accident. While TDLR is clear regarding their interpretation of state law, this interpretation may not be widely understood or practiced and appears to be contradicted in some local regulations.

6. Vehicle Owners Cannot Easily Recoup Overcharges

Currently, vehicle owners must pay towing charges before retrieving a vehicle and have no opportunity before paying to dispute what are often significant charges. Although TDLR has authority under Section 86.458 of the Towing Administrative Rules to refund vehicle owners for excessive charges for any non-consent tow, towing industry representatives and lawyers who handle towing disputes indicate in interviews that complaints to TDLR typically result in a fine to the towing company, not a refund to vehicle owners.

Vehicle owners can file claims of overcharging by towing companies in local Justice of the Peace courts, but these courts can only hear cases in which the disputed amount is less than \$10,000. This excludes complex heavy-duty towing charges, which can exceed \$10,000. To dispute charges over \$10,000, the only option is to file a civil suit in District Court, which is expensive for both parties and very time consuming.

Recommendations

The following recommendations are intended to address the findings listed above. These recommendations may result in a cost to state government to implement and enforce. This study did not attempt to estimate the costs or revenue that may result from the implementation of these recommendations.

While Texas could continue to maintain voluntary local regulation of IM towing, there are compelling indications that the current system of local regulation is not sufficient to ensure that vehicle owners pay fair and consistent fees for IM towing. Some of the indications that the current system is flawed include: reports of towing ticket disputes, the variations in towing charges across the state, many areas of the state that do not have local regulations, and inconsistencies among local regulations that do exist. These issues are similar to the issues previously found for private property towing; IM towing has the added complexity of additional equipment and procedures that are often necessary to complete IM tows. There are not many options that will achieve the goal of more consistent and uniform IM towing fees across the state without making adjustments to the state statute.

1. Consider Regulating Incident Management Towing Fees in Texas

There are three options that can be considered for regulating IM fees in Texas:

Option 1: Set a statewide maximum towing fee, with or without further regulation of the “other charges” that are added to towing tickets for the additional equipment and procedures that are often necessary when conducting an IM tow.

To ensure more consistent and uniform IM towing fees in Texas, address the issues raised in this study, and to reduce disputes involving fees, the Texas legislature should consider modifying the Texas

Occupations Code Chapter 2308 to set a maximum fee for all IM tows. The statute should require that the maximum fees for towing be developed by TDLR with input from the Towing and Storage Advisory Board and adopted by the Texas Commission of Licensing and Regulation. The statute should require that TDLR set maximum fees for each of the following weight classes of the vehicle to be towed:

- Standard (light-duty) tows (gross weight rating of 10,000 pounds and less)
- Medium-duty tows (gross weight rating between 10,000 and 25,000 pounds)
- Heavy-duty tows (gross weight rating of 25,000 pounds and more)

The statute should further specify that local regulations may not set higher fees than state maximum fees in order to avoid conflict between local regulations and state law. Local governments and law enforcements agencies may set lower maximum fees.

As with private property towing, this recommendation allows fees to be set outside the legislative process, which will provide more flexibility in adjusting fees and modifying the fee schedule. How those fees should be structured (hourly or flat fees, rural vs. urban variations, for example) should be determined by TDLR.

Regulated fees should allow towing companies to receive fair and sufficient compensation for IM tows. This is particularly true for heavy-duty towing and in rural areas where the volume of IM tows is less than in urban areas.

Option 2: Allow towing fees to be set at the local level and address only the “other charges” that inflate towing tickets. In order to create transparency in towing charges and ensure that vehicle owners and insurance companies can clearly understand towing charges, TDLR should be given authority to develop definitions for standard light-duty as well as heavy-duty IM towing equipment and procedures to include in Chapter 2308. Definitions for recovery equipment and procedures should also be developed and included in Chapter 2308. “Recovery” should be addressed and should either be included in the definition of towing, and therefore included in the towing fee, or should be clearly defined as recovery of the vehicle, cargo, or both. Any new regulations should specify that towing companies may only charge for equipment and procedures as defined by TDLR.

As discussed in Section III of this report, most towing fee disputes arise when vehicle owners do not agree with or understand the charges on towing tickets. Defining standard equipment and procedures would clarify charges for vehicle owners and reduce fee disputes between vehicles owners and towing companies. Addressing this issue is important for IM towing of all vehicle weight classes.

As with Option 1 above, the statute should further specify that local regulations may not set higher fees than state maximum fees in order to avoid conflict between local regulations and state law. Local governments and law enforcements agencies may set lower maximum fees.

Option 3: Regulate both the towing fee and other charges in state statute. This option incorporates both of the options above and would result in the most comprehensive and complete regulation of IM towing fees in Texas.

2. Require Itemized Invoices and Appropriate Documentation

Specify in Chapter 2308 that IM towing tickets must be itemized and invoices over a certain amount, i.e. \$1,000 or \$5,000, must include photo documentation of the incident. Invoices that are itemized and use standard definitions for equipment and procedures will reduce complaints, aid in the resolution of disputes, and reduce delays in payments to towing companies.

3. Clarify the Definition of Incident Management Towing in Texas Statute

Clarify the definition of an IM tow to include definitions of IM towing equipment and procedures, including recovery equipment and procedures. Clarify whether existing gross vehicle weight ratings include only the vehicle or the vehicle, trailer, and/or cargo. Clarify the definition of an IM tow to prohibit the following:

- The owner of a vehicle involved in an accident requesting a specific towing company, and
- The owner of a vehicle involved in an accident directing the towing company to take the vehicle to a location other than a licensed vehicle storage facility.

4. Allow Recoupment of Overcharges

Address the ability of heavy-duty vehicle owners to recoup the costs of overcharges by towing companies, which can be in the thousands of dollars. One option would be change Texas statutes to allow all towing-related disputes to be heard in Justice of the Peace courts, regardless of the amount of the disputed invoice. An alternative would be to consider allowing disputes for towing charges that exceed \$10,000 to be addressed through an expedited administrative process before state administrative law judges.

III. Interviews and Industry Comments

Methodology

To better understand issues related to incident management (IM) towing, representatives of the following groups were interviewed:

- Texas and national towing industry associations
- Texas trucking associations
- Texas highway authorities
- Consumer interest groups
- Lawyers who mediate and litigate towing disputes
- Insurance industry
- Law enforcement

The interview guide used to conduct these interviews is shown in Appendix A. A list of the 21 individuals interviewed is shown in Appendix B.

Overview

The interviews focused on heavy-duty IM towing, which interviewees agree can be difficult and complex. Towing industry representatives say that accidents involving heavy-duty vehicles are typically more serious incidents than fender-bender accidents involving light-duty vehicles. Heavy-duty towing requires more equipment, more labor, and more time than light-duty towing. As a result, billing and invoicing for heavy-duty IM towing can be complicated, especially when cargo is involved. Towing industry representatives describe complicated cargo situations such as towing operators having to herd loose livestock, dispose of rotting meat, and having to use a front-end loader to off-load cargo before a trailer can be towed.

There are significant differences in opinion between the towing industry and other stakeholders on billing and payment issues and the impact of regulation, but all groups generally agree on other issues such as safety at incident scenes and the need to clearly define the equipment and procedures used for IM towing.

The themes that emerged from discussing IM towing with these individuals are summarized below.

Billing

Multiple property owners. Towing industry representatives describe the invoicing complications that arise from heavy-duty tows as a result of having different owners of the truck, trailer, and cargo. One towing industry representative says that working any heavy-duty wreck means that the towing

company may be dealing with at least three insurance companies. This can prolong the amount of time and effort it takes for the towing company to receive payment for towing services.

Releasing cargo. Towing industry representatives argue that they are required to release cargo involved in heavy-duty incidents to the property owner even though the cargo is often the only leverage the towing operator has to receive payment for towing services. This is especially problematic when the cargo is worth more than the wrecked vehicle or trailer. According to towing industry representatives, once they have released the cargo, it can be difficult to get insurance companies to pay for towing services.

On the other hand, insurance company representatives and lawyers who handle towing disputes describe situations in which towing companies hold cargo “hostage.” According to lawyers who handle towing disputes, it is legal for towing companies to hold vehicles and cargo based on a mechanic’s or possessory lien, however they still believe that towing companies use this in order to demand unreasonable payment for towing services. One lawyer who handles towing disputes describes this scenario as racketeering and pursued a court case against a towing company under federal anti-racketeering laws. This case did not go to trial, but was mediated and settled in the trucking company’s favor.

Trucking industry representatives also indicate that cargo represents a complex issue. Typically, the trucking company involved in a crash does not own the cargo they are transporting. Although the cargo belongs to a third party, the cargo owner rarely gets involved in towing disputes because the trucking company is considered responsible for the cargo. The trucking company must pay the towing bill to obtain the cargo and transport it to its destination in order to receive payment.

Overcharging and fee disputes. Representatives of the insurance industry, trucking industry, law enforcement, lawyers who handle towing disputes, and consumer interest groups who were interviewed consider overcharging to be a significant issue for IM towing. Most describe situations in which towing companies include extra charges on towing tickets that appear to be unnecessary. One insurance industry representative lists examples of fees that he sees often and considers to be unnecessary: hookup fee, administrative fee, and transfer fee.

One trucking industry representative explains that it is difficult to understand what special equipment was or was not needed by looking at a towing ticket unless you are in the towing business. Most vehicle owners would not be aware of what certain charges on towing tickets mean or know whether these charges were necessary for completing the tow.

Towing industry representatives acknowledge the prevalence of fee disputes but advocate for negotiation between the towing company and the vehicle owner(s). According to towing representatives, disputes typically arise from confusion about the charges and are usually negotiated successfully. Towing industry representatives stress the need for towing companies to fully explain charges on towing tickets to avoid disputes.

Recourse for vehicle owners. Currently, vehicle owners can request hearings with local Justice of the Peace courts to resolve towing disputes. Towing industry representatives and lawyers who handle towing disputes who were interviewed agree that this is an efficient system for resolving towing disputes because it is fast and inexpensive for the vehicle owner. However, according to Texas state statute (Texas Government Code, Title 2, Subtitle A, Chapter 27, Section 27.031), Justice of the Peace courts can only hear cases in which the disputed amount is less than \$10,000. This excludes complex

heavy-duty towing charges, which can exceed \$10,000. To dispute charges over \$10,000, the only option is to file a civil suit in District Court, which is expensive for both parties and very time consuming. Both towing industry representatives and lawyers who handle towing disputes agree that if Justice of the Peace courts could hear all towing dispute cases, more vehicle owners could take action.

Aside from requesting tow hearings, vehicle owners and their insurance companies can file complaints with TDLR. Although TDLR has authority under Section 86.458 of the Towing Administrative Rules to refund vehicle owners for excessive charges for any non-consent tow, towing industry representatives and lawyers who handle towing disputes indicate that complaints to TDLR typically result in a fine to the towing company, not a refund to vehicle owners.

Safety and Efficiency at Incident Scenes

Towing operators work alongside emergency responders at incident scenes. Towing operators are responsible for clearing the roadway in a safe and timely manner in order to keep traffic moving and prevent more accidents. Towing industry representatives are concerned with the safety of towing operators at incident scenes; towing operators have been killed or injured at accident scenes and safety and cooperation with law enforcement officers and other emergency responders is critically important.

Law enforcement representatives expressed concern for the practicality of getting the roadway cleared and preventing more accidents during an incident. One law enforcement representative gave the example of a multi-car pile-up on the freeway. At this particular accident scene, law enforcement officers instructed towing operators to quickly “stash” vehicles in a nearby parking lot in order to get the roadway cleared quickly. Technically, current state regulations prohibit towing operators from towing vehicles to any location except a licensed vehicle storage facility, but in this case it was considered more important to clear the roadway quickly for safety purposes. This law enforcement representative says that towing companies in his area would like to see more flexibility in towing rules to increase safety and efficiency at complex incident scenes.

Equipment and Procedures for Incident Management Towing

Towing industry representatives explain that IM towing is unpredictable by nature. They say it is difficult or impossible to accurately quantify the number of simple tows versus difficult tows that require special equipment or procedures. For example, in large cities, most IM tows may occur on the roadway, but in rural areas there may be more potential for vehicles to crash into ditches, mud, trees, or other off-road locations.

One law enforcement representative pointed out that not all IM tows are due to accidents. Any arrest of a driver would also be an IM tow since the tow was requested by law enforcement. These are typically simple tows that would not require special equipment or procedures. One consumer interest group representative stated that fees for simple arrest tows should be comparable to private property towing fees since it is essentially the same procedure.

Expensive equipment required. Towing industry and law enforcement representatives who were interviewed mention that the high cost of purchasing, maintaining, and insuring heavy-duty towing equipment directly affects the cost of performing heavy-duty tows. Law enforcement agency regulations along with federal and state safety regulations require towing companies to have extensive heavy-duty towing equipment available to be able to conduct heavy-duty IM tows. Towing industry representatives point out that this equipment is expensive to own, maintain, and insure. Law

enforcement representatives want towing companies to have as much equipment as possible in order to be able to handle any situation that may arise. Both towing industry representatives and law enforcement representatives express concerns that it is hard for towing companies to own and maintain heavy-duty equipment when the volume of heavy-duty tows may be low. This is especially a concern in rural areas with less highway traffic and less towing in general, including heavy-duty towing.

Defining recovery. Interviewees were asked how they define “recovery” in order to better understand the types of activities and components of towing that they consider to be above and beyond the basic towing of a vehicle. Towing industry representatives generally define recovery as any tow that requires additional time or effort before a vehicle can be hooked to or put on a tow truck. The most frequently described scenarios are overturned or off-road vehicles. One towing industry representative explains that the vehicle does not necessarily have to be wrecked to require recovery. For example, car thieves drive stolen cars miles deep into drainage tunnels under the city; the cars are not wrecked but retrieval requires the use of special equipment and hours of time.

Law enforcement representatives generally define recovery the same way as towing industry representatives: off-road vehicles, overturned vehicles, or other extreme situations outside the typical hook-up and towing of a vehicle. However, some law enforcement representatives do consider recovery to be a catch-all term used by towing companies to justify extraneous charges.

Impact of Regulation

Interviewees were asked about the impact of potential statewide regulation of IM towing fees. Opinions are largely divided between towing industry representatives who generally oppose statewide regulation and other stakeholders who generally support statewide regulation.

Existing local regulations. According to one towing industry representative, about half of all IM towing fees in the entire United States are regulated; most of which falls under law enforcement contracts (i.e. rotation lists). Based on the survey results discussed in Section IV of this report, about 85 percent of all IM towing in Texas is regulated by local governments or law enforcement agencies.

Law enforcement representatives who were interviewed say that existing local regulations reduce instances of overcharging and fee disputes. One law enforcement representative explained that their agency considered not regulating heavy-duty IM tows due to the variety of possible situations at incident scenes. Ultimately however, this agency decided to regulate heavy-duty IM tows due to the amount of complaints received. The representative of this agency says that there have been no complaints from vehicle owners since the regulations were implemented.

Statewide regulation. Some law enforcement representatives support statewide regulation of IM towing fees. They say that statewide regulation would simplify the work that they have to do to regulate fees locally. One law enforcement officer explains that vehicle owners in his area are often not aware of the local regulations and that statewide regulations would be more visible to vehicle owners. Other law enforcement representatives fear that if a statewide maximum fee is set too high, towing companies will automatically start charging exactly that fee.

Other stakeholders, including insurance industry representatives, lawyers who handle towing disputes, trucking industry representatives, and consumer interest groups all support statewide regulation of IM towing fees. These representatives feel that statewide regulation would protect vehicle owners from

overcharging and “level the playing field” among IM towing companies.

Towing industry representatives who were interviewed believe that IM towing is already heavily regulated and that the industry as a whole has been trying to move away from regulation. They believe that more regulation would result in towing companies no longer being able to afford to conduct IM tows which would, in turn, place the burden on local law enforcement agencies. They argue that there will still be just as much demand for IM towing from law enforcement agencies, but fewer towing companies available to provide the service.

Industry Comments

Prior to the start of this study, Texas towing industry representatives were invited to submit comments to TDLR during a December 2011 meeting of the Texas Towing and Storage Advisory Board and via email. The comments from the Texas Towing and Storage Advisory Board meeting and the comments emailed to TDLR by the Texas Towing and Storage Association are shown below. These comments were reviewed and considered for the study and many are reflected in findings and recommendations. These comments are shown as they were provided, although they have been lightly edited for consistency in formatting and readability. These comments have not been verified for accuracy.

Texas Towing and Storage Advisory Board Comments

The following comments about IM towing are from a December 2011 Texas Towing and Storage Advisory Board meeting:

- Towing is dangerous work.
- Rates study must be done carefully.
- No way to set rates for IM tows. Could be at a site working all day.
- IM has many situations that can occur – hazardous materials, cargo etc.
- High dollar equipment used for clean ups.
- Against IM study.
- Every 15 minutes of backed up traffic = \$200,000.
- Using Texas Department of Transportation (TxDOT) contract requires ~\$3 million in equipment. [Editor’s note: no existing TxDOT contract was found]
- Trucking companies do not have enough insurance.
- Submit studies/statistics to TDLR to use in study.
- Texas is a large state – ice/snow issues increases time.
- Take Panhandle/West Texas into consideration – distances/time.
- Cannot cap IM rates – too many different factors/issues.
- Industry and all areas of costs/input need to be considered in study.
- Talk to the professionals doing the work.
- Suggest study group members and insurance representatives do ride-alongs.

Texas Towing and Storage Association Comments

The following comments were submitted by email to TDLR by the Texas Towing and Storage Association in October 2011:

General Incident Management Towing Comments

- The ultimate goal at every scene is to clear the incident safely and quickly to prevent secondary accidents that endanger lives.
- A law enforcement agency or the TxDOT are in charge of the scene; IM towing operators are expected to clear the vehicles and debris from the scene and do so as quickly as possible to prevent secondary accidents and restore traffic flow that impedes commerce.
- IM towing is often complicated, no two scenes are alike and an operator has no idea what he will face until he is on the scene; heavy-duty IM towing is more complicated.
- IM towing is generally conducted under towing agreements or contracts with government agencies and “are often proprietary.”

Incident Management Towing Costs

Below are most of the direct costs associated with IM towing, the first five items are generally the same as the operating cost for any type of towing business. However, it should be recognized that many of these cost are higher because of the nature of IM towing.

- Labor – Salaries; payroll taxes; employee benefits; licenses; drug testing; training; uniforms and safety vests; contract labor.
 - The cost of labor is generally higher for the IM towing businesses -- the operators are the most highly skilled and experienced, training is more extensive and additional staff is necessary to deal with the complexities of IM towing transactions and insurers.
- Vehicles – Vehicle repair and maintenance; fuel; truck purchase or lease; state sales tax; federal excise tax; insurance; tools; truck equipment required by federal, state and local laws; contracts or agreements; annual inspection and registration; radio; GPS; and cameras.
 - The vehicle costs are generally higher for the IM towing businesses – the IM towing trucks are more equipped and the equipment is often dictated by agreement or contract, the trucks are often larger because of contractual requirements especially for heavy-duty towing (a new heavy-duty tow truck cost around \$300,000); cost of repair and maintenance are also higher because of truck sizes and the additional equipment.
- Owner Compensation.
- Office - Business mortgage/rent (state law prohibits parking of tow trucks at residences), utilities, telephone, office furniture and equipment, security.

- Business Operations - Federal, state and local fees and taxes; credit card fees; licenses and permits; professional fees; credit card fees.
 - An IM towing company spends considerably more on professional services (i.e. legal, accounting) because of the complexities of the business, bidding and contracting, and dealing with insurance companies.
- Equipment for Recovery – purchased or rented equipment specifically required by ordinance; other purchased or rented equipment necessary to remove vehicle and debris from accident scene.
 - Clearing vehicles and debris from incident scenes often requires more than a tow truck and broom; it may be necessary to use heavy-equipment such as cranes, front-end loaders and flat-beds. A recently published TxDOT – East Region *Invitation for Bid for Freeway Incident Response & Recovery* includes a representative list of types of equipment that may be needed to clear a scene. [Editor’s note: no existing TxDOT contract was found] While this bid solicitation is for heavy-duty IM towing, this type of equipment is often necessary at light-duty and medium-duty accident scenes. As with many IM towing agreements or contracts, it specifies which equipment the towing company must own and which equipment may be rented.
 - The renting of equipment is one of the greatest variables in the cost of doing IM towing and one of the primary reasons it is virtually impossible to set rates. Unlike heavy equipment for a construction job, a towing company cannot plan in advance and does not have time to comparison shop or negotiate. Equipment rental businesses are not regulated and the prices are not fixed. The cost of a particular piece of equipment may vary depending on availability, cost of transport and delivery and time of week or day. For instance the cost of forklift midday on a Wednesday may be considerably less than the cost of the same forklift at midnight on a Wednesday or on a Saturday. If that same forklift is not available in Austin and must be transported from San Antonio it is going to be more expensive. Or if a 12ft/6,000lbs forklift is required at the scene but there is not one available, then the towing company may have to rent a 14ft/8,000lbs forklift at a higher cost. Another variable factor in the rental of equipment is the operator cost; again, the cost may be more at midnight or on the weekend than at 10am on a weekday.
- Contract Services for Recovery.
 - The towing company is responsible for all clean-up at the scene and frequently that means contracting for services such as when livestock or hazardous materials are involved. It is also the responsibility of the company to contract for disposal services. Again, the prices charged by subcontractors are not regulated and there is no real opportunity for negotiation. Many of the same factors affect the cost of clean-up services as for equipment rental – availability, travel, time of day or week and labor.
- Delayed Compensation, Under Compensation and Uncompensated Services.
 - When the IM tow truck is called to an incident scene by a law enforcement agency or

TxDOT, the agency is in charge of the scene and the towing company is responsible for all vehicle and debris removal including contracting for equipment and clean-up and disposal services. However, the entity that requested and directed the towing and recovery is not responsible for paying the bill; under law the vehicle owner is responsible but usually the towing company ends up dealing with an insurance company or multiple insurers for heavy-duty accidents. Battling with insurance companies to be paid for services already rendered and expenses incurred is an everyday experience for most IM towing companies and every one of them has been slow-paid and paid less than cost. While towing companies often come out on the short end in dealing with insurers; when dealing with an uninsured individual, trucking company or cargo, the towing company commonly ends up with no compensation.

IV. Survey Results

Methodology

Towing companies had an opportunity to provide comments on this study through a Web-based survey. The survey included questions related to incident management (IM) towing. The survey was sent electronically by the Texas Department of Licensing and Regulation (TDLR) to the 1,929 licensed IM towing companies in Texas. The survey invitation was sent to towing companies on September 10, 2012, and they had until September 25 to respond. Two reminders were sent: one on September 17 and one on September 24. The survey instrument is shown in Appendix C.

Overview of Survey Respondents

Of the 1,929 towing companies who received an invitation to the survey, 796 companies responded to all or part of the survey. Table 2 shows the overall survey response rate and the ratio of IM tows to all tows performed.

Table 2 Overview of Survey Respondents	
Total licensed IM towing companies	1,929
Number of survey respondents	796
Percent of survey respondents	41%
Number of respondents who have conducted IM tows in the past 12 months	710
Percent of respondents who have conducted IM tows in the past 12 months	89%
Total tows in the past 12 months	1,241,517
Total IM tows in the past 12 months	278,095

Respondents by Region

Towing companies were asked to provide the zip code of their company headquarters in order to determine the company's location and metropolitan status. The towing companies who provided a zip code were sorted into the five zones shown on the map in Appendix D. The map shows 5 traditional zones used for over 20 years by Texas state government.¹ Zip codes were also used to determine whether the companies are located in metropolitan (urban), micropolitan (suburban), or nonmetropolitan (rural) areas.

A total of 186 companies provided the zip code of their company headquarters. Of these companies, 132 indicated that they have conducted IM tows in the last 12 months.

¹The Texas Comptroller of Public Accounts, Geographic Regions for Supply and Delivery. Web. http://www.window.state.tx.us/procurement/tools/proc_forms/county-list/. Accessed November 2012.

Table 3 shows the ratio of IM tows to all types of tows performed by zone and metropolitan status.

Table 3 Overview of Survey Respondents That Provided a Zip Code							
	Number That Provided Zip Code	Total Tows	Total IM Tows	Percent IM Tows	Percent of Respondents in Urban Areas	Percent of Respondents in Suburban Areas	Percent of Respondents in Rural Areas
Zone 1	31	139,631	27,120	19%	74%	13%	13%
Zone 2	5	28,186	21,165	75%	60%	0%	40%
Zone 3	4	8,775	1,833	21%	50%	50%	0%
Zone 4	47	226,010	59,458	26%	74%	17%	9%
Zone 5	45	136,309	19,900	15%	78%	11%	11%
Total	132	538,911	129,476	31%	67%	18%	15%

Note: The high percentage of IM tows in Zone 2 is mostly due to 1 company that reported performing a high volume of tows, most of which were IM tows.

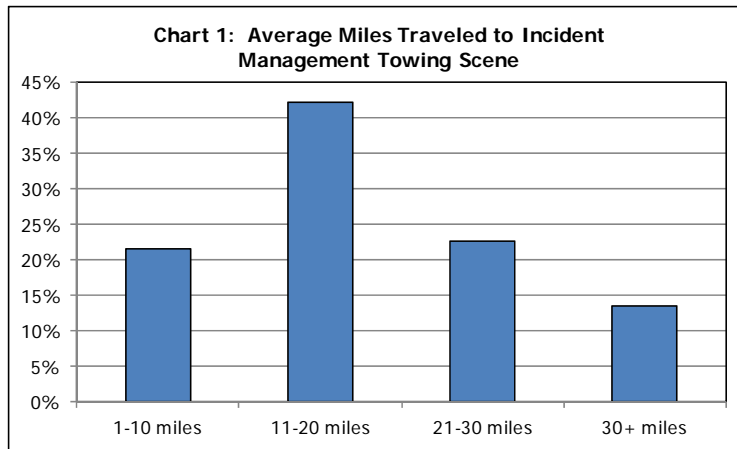
Existing Local Regulations

Overall, 656 (82 percent) of respondents reported that the IM tows they conduct are regulated by an ordinance or a law enforcement rotation list and 124 (16 percent) reported that IM tows they conduct are not regulated. A few companies indicated that they serve multiple locations and have to comply with the regulations within the city or county where the tow occurred. A few companies indicated that they have contracts for towing that specify fees that may be charged.

Law enforcement agencies often contract with local towing companies for IM towing. The towing companies are placed on a rotating list to be called to incident scenes. Of the 504 companies who responded to this question in the survey, 397 (79 percent) are on a law enforcement rotation list. For these companies, about 70 percent of all IM tows are generated by the rotation list.

Distance Traveled

Distance impacts the cost of fuel, vehicle maintenance, and time spent in route to the scene of an incident. Chart 1 on the following page shows the average distance companies report traveling for IM tows.



Types of Incident Management Towing

The weight distinctions used for the recommended towing fees are based on the weight of the vehicle being towed and are based on the following:

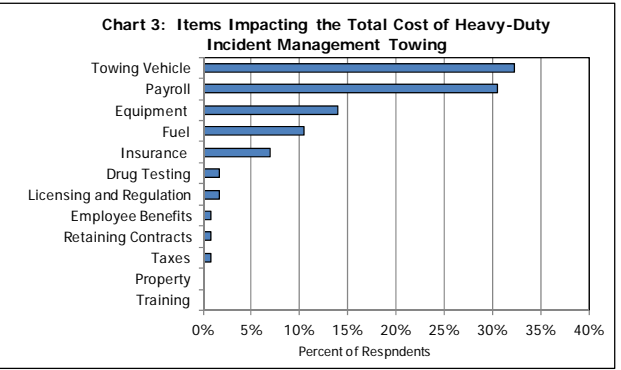
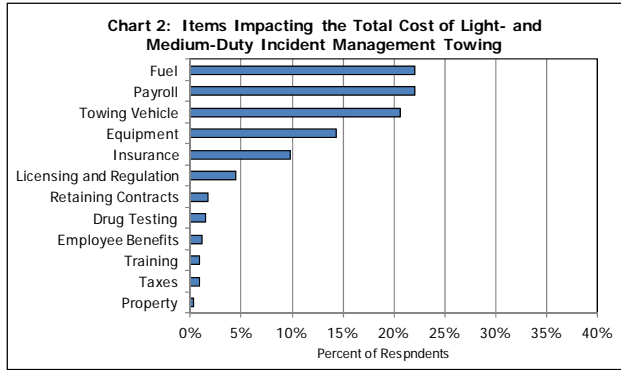
- Light-duty tows: gross weight rating of 10,000 pounds or less
- Medium-duty tows: gross weight rating of more than 10,000 pounds but less than 25,000 pounds
- Heavy-duty tows: gross weight rating that exceeds 25,000 pounds

When asked whether their company performed any light or medium-duty tows in the last 12 months, 441 (97 percent of the 453 respondents to this question) reported that they had. Of all IM tows performed in the last 12 months, 83 percent were light- and medium- duty tows. For these companies, about 55 percent of total revenue in the last 12 months came from light- and medium-duty IM towing.

When asked whether their company performed any heavy-duty tows in the last 12 months, 142 (41 percent of 344 respondents to this question) reported that they had. Of all IM tows performed in the last 12 months, 22 percent were heavy-duty tows. For these companies, about 21 percent of total revenue in the last 12 months came from heavy-duty IM towing.

Cost Drivers for Incident Management Towing

Respondents were asked to rank several expense items in order of how much impact each has on the total cost of performing IM tows. Charts 2 and 3 on the following page show the percent of respondents who feel that each expense item has the greatest impact on cost.



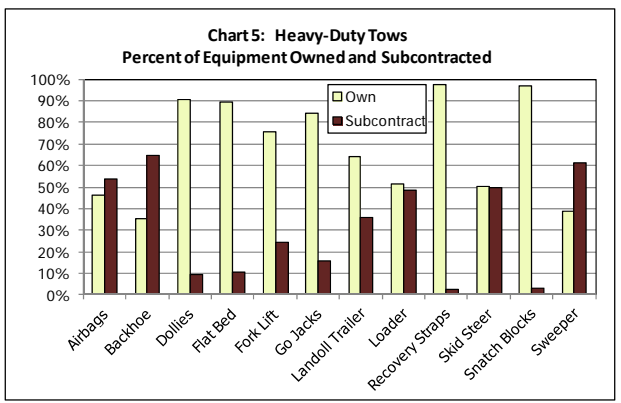
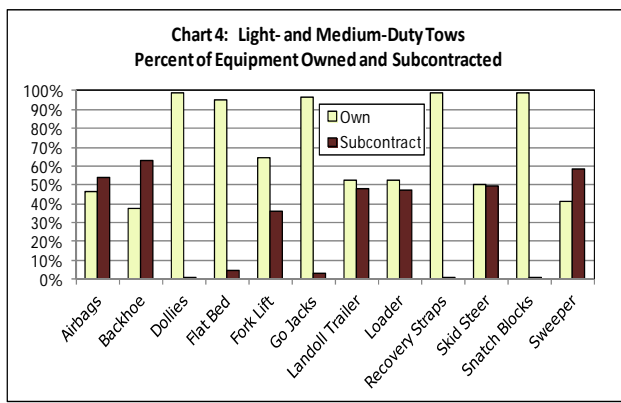
Respondents were given the opportunity to write in additional items that impact the cost of performing IM towing. Additional items for light- and medium-duty towing included: marketing, uniforms, rotation list fees, the disposal of uninsured and unclaimed vehicles, business maintenance (office supplies, utilities, accountants, attorneys), and loss of time due to law enforcement officers requesting the wrong type of tow truck at an accident scene or cancelling the tow after the tow truck has already arrived.

Additional items for heavy-duty towing included: uniforms, business maintenance (office supplies, utilities, accountants, attorneys), and the lack of reimbursement from insurance companies.

Equipment Used for Incident Management Towing

Considering IM tows in the last 12 months, respondents reported that 43 percent of the light- and medium-duty tows required special equipment or procedures compared to 72 percent for heavy-duty tows.

Respondents were asked to indicate whether they own or subcontract for the equipment they use. The list of equipment shown in the survey was compiled from company fee schedules on file with TDLR. Charts 4 and 5 below show the percentage of respondents who report whether each piece of equipment is owned by their towing company or subcontracted from another entity.



Respondents were asked how often they used equipment that they own or subcontracted over the last 12 months. Figures 1 and 2 below and on the following page show how often each piece of equipment was used for IM towing.

Figure 1: Equipment Used for Light- and Medium-duty Incident Management Towing

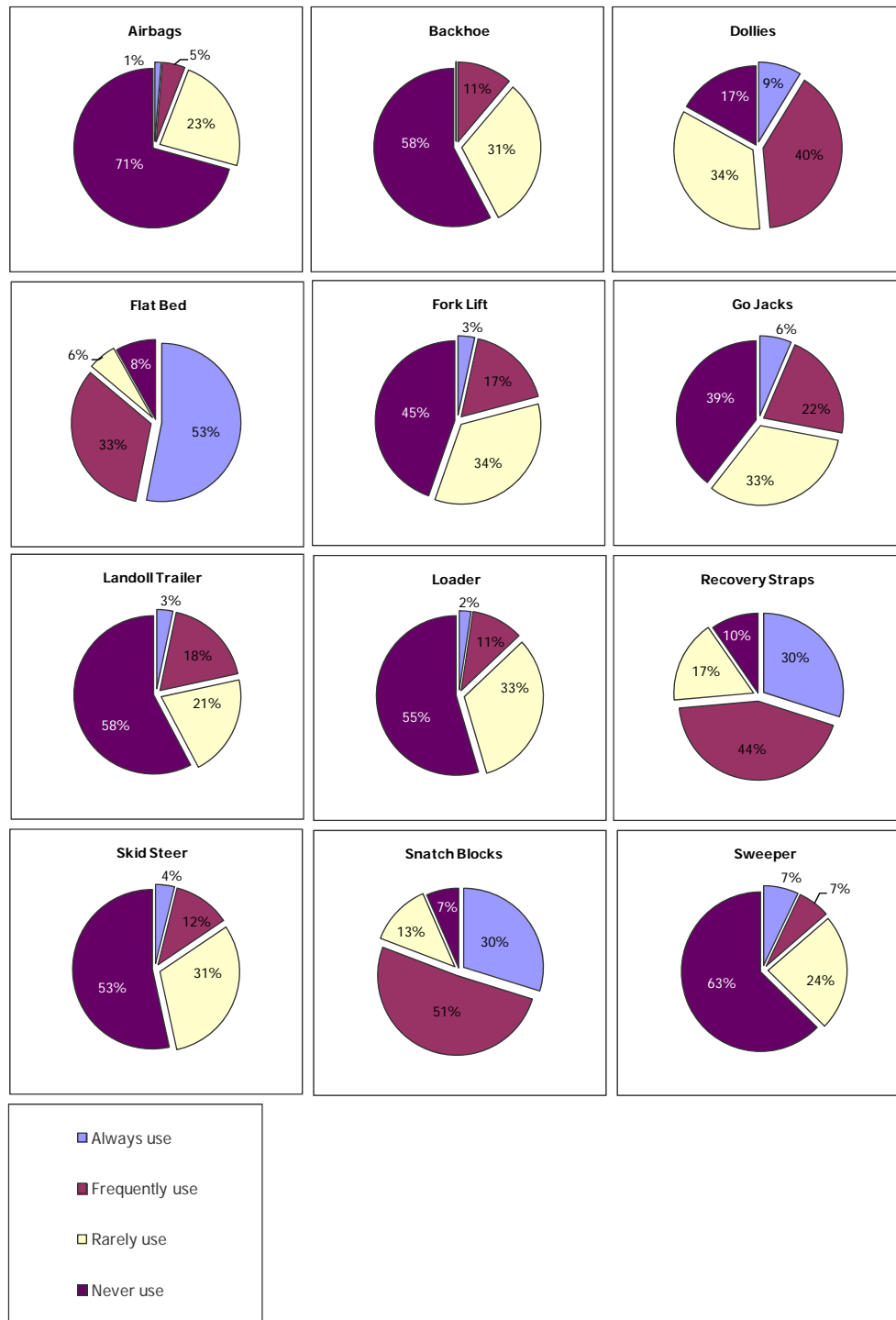
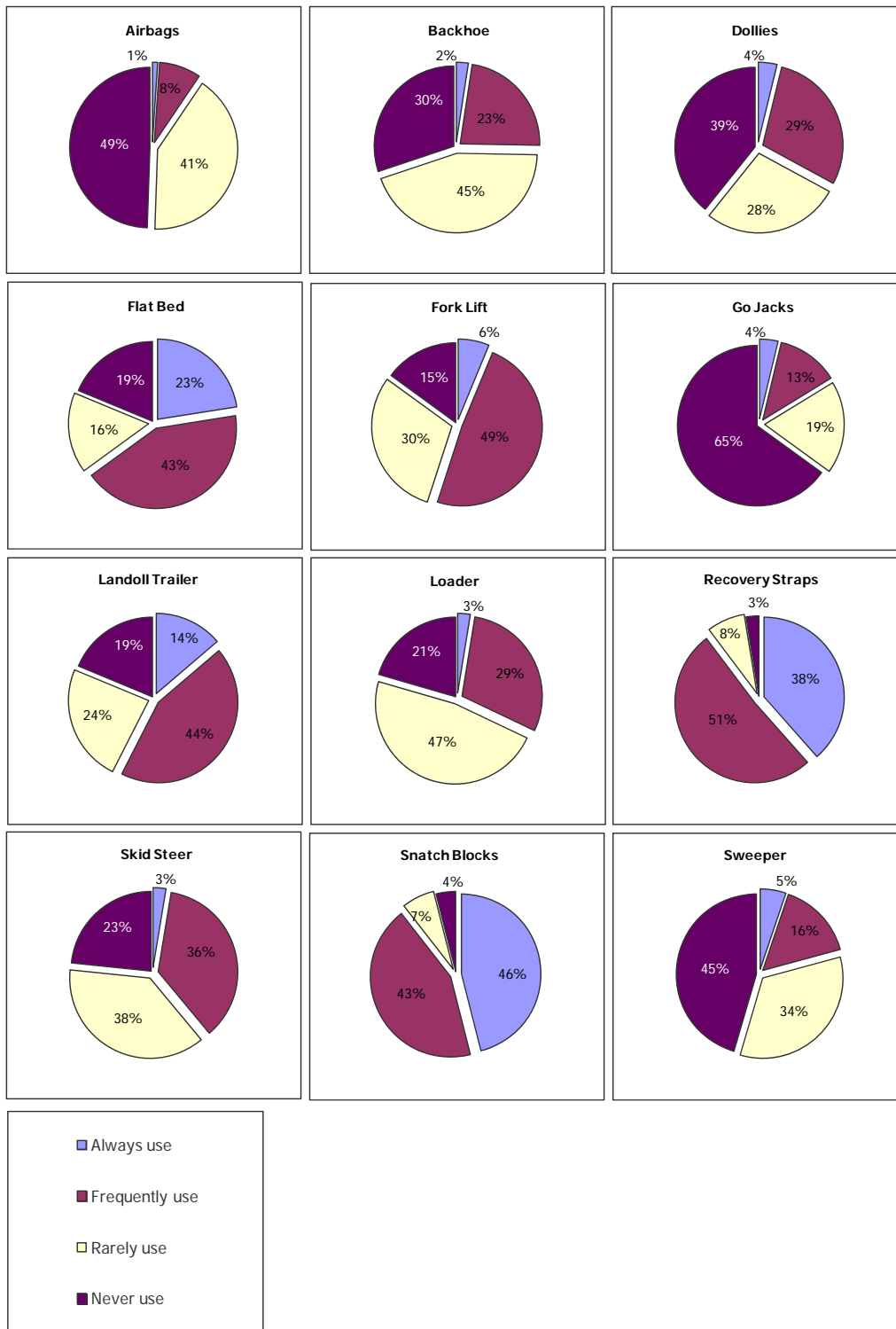


Figure 2: Equipment Used for Heavy-duty Incident Management Towing



Respondents were given the opportunity to provide written comments about additional equipment that they owned or subcontracted for IM towing over the last 12 months. Additional equipment for light- and medium-duty towing included: cleaning and safety supplies, winch, rotator, dump truck, generator, skates, and chain saw. Several respondents also reported the use of additional items to assist in unusual recovery cases such as a boat for water recovery or a 4-wheel drive vehicle if the vehicle to be towed is not on a paved road. Additional equipment for heavy-duty towing included: cleaning and safety supplies, dump truck, generator, rotator, and a van or trailer to transport cargo.

Procedures Used for Incident Management Towing

Respondents were asked whether they perform or subcontract for special procedures that they use. The list of procedures shown in the survey was compiled from company fee schedules on file with TDLR. Charts 6 and 7 below show the percentage of respondents who report whether each procedure is performed by their towing company or subcontracted from another entity.

Respondents were asked how often they used procedures that they perform or subcontracted for over the last 12 months. Figures 3 and 4 on the following page show how often each procedure was performed for IM towing.

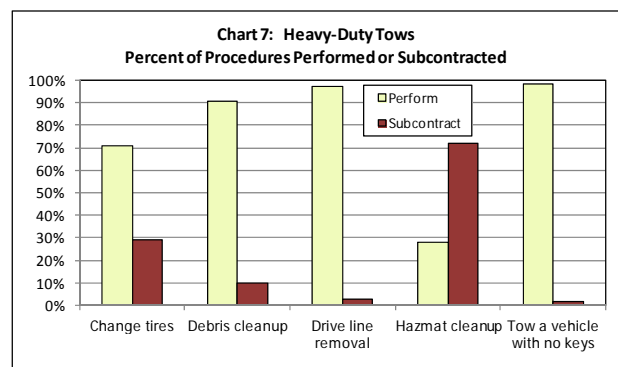
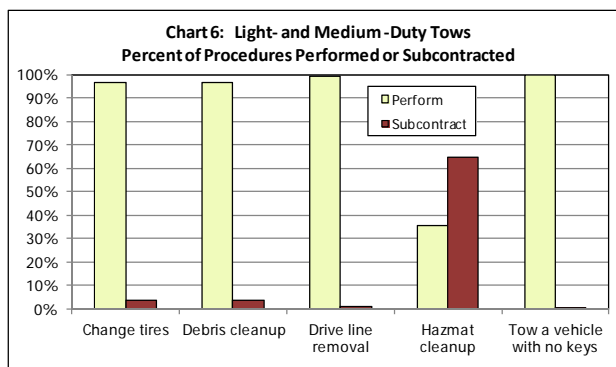


Figure 3: Procedures Used for Light- and Medium-duty Incident Management Towing

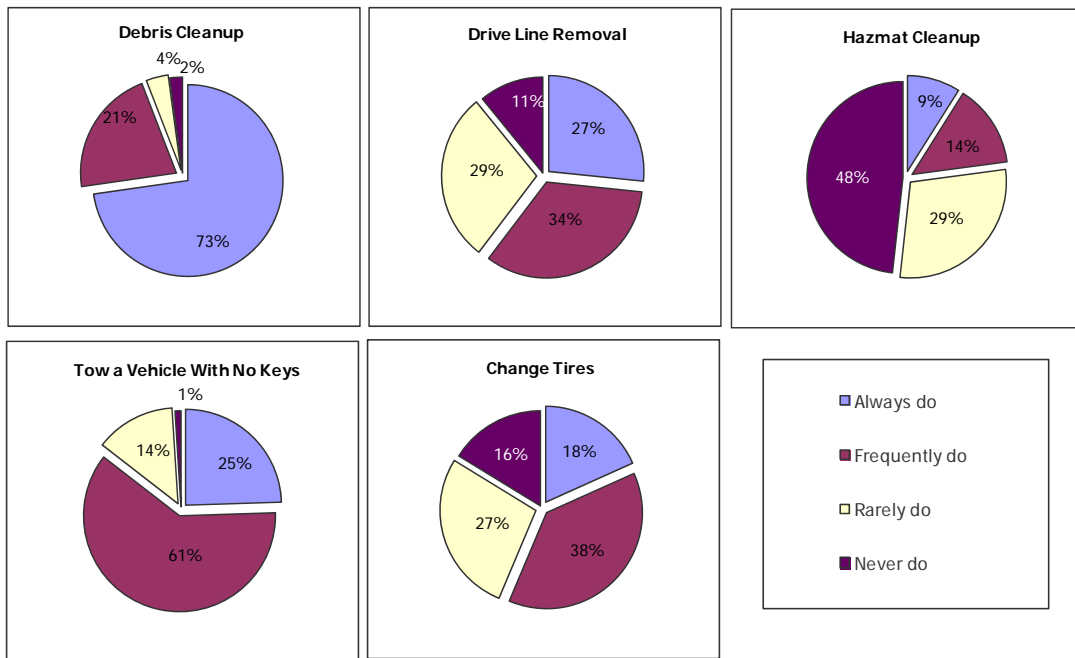
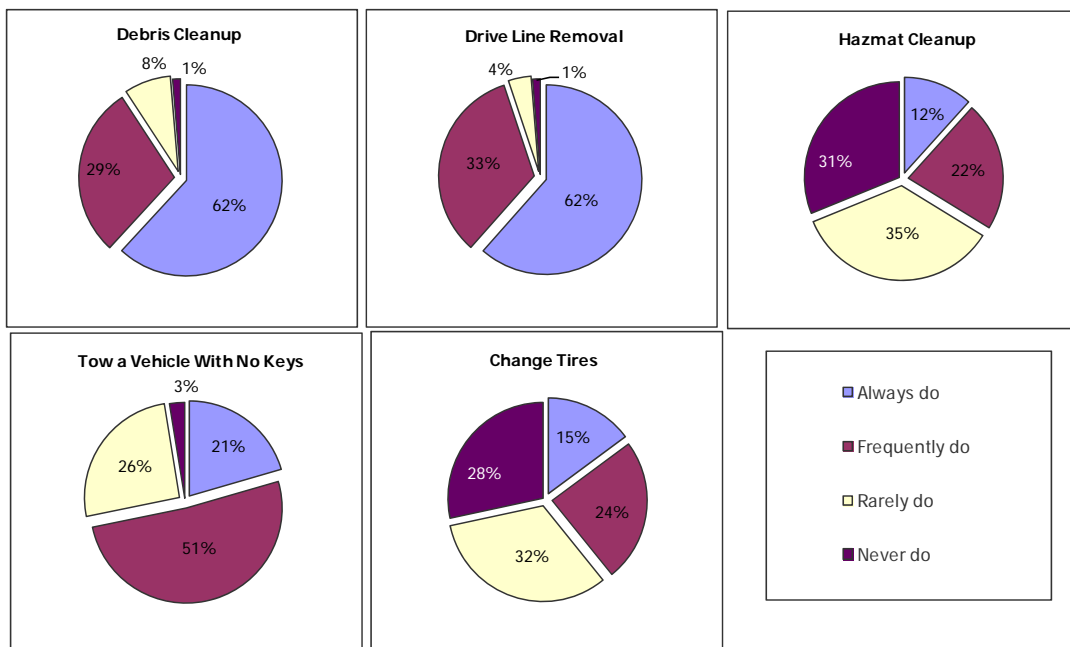


Figure 4: Procedures Used for Heavy-duty Incident Management Towing



Respondents were given the opportunity to provide written comments for additional procedures that they performed or subcontracted for IM towing over the last 12 months. Additional procedures for light- and medium-duty towing included: winching, rollovers, additional labor, locksmith, and fuel delivery. Additional procedures for heavy-duty towing included: additional man power, fuel delivery, locksmith, rollover, cage breaks, and removing wheel axles.

Defining Recovery

Towing companies were asked an open-ended question about how they define “recovery” in order to better understand the types of activities and components of towing that they consider to be above and beyond the basic towing of a vehicle. Most of the 353 responses to this question included multiple activities and components, all of which were categorized for analysis.

Of the 496 categorized components, 52 percent defined recovery as involving any off-road or overturned vehicle. Respondents listed several off-road scenarios, including towing vehicles located in a ditch, lake, pond, pasture, down an embankment, lodged in trees, stuck in mud, stuck in snow, and other scenarios in which the vehicle is not on a paved road. Another 20 percent of the components describe recovery as the towing of any vehicle that has been in an accident or collision or is disabled. Ten percent of the response components define recovery as anything other than hooking up the vehicle to be towed and driving away with it. Other components of recovery that were mentioned include: debris cleanup, special equipment, extra labor time, stolen vehicles, and dangerous situations.

Billing and Payment Issues

When conducting heavy-duty IM towing, towing companies are often dealing with multiple owners of vehicles, equipment, and cargo. This can affect the time and effort it takes to bill for heavy-duty IM towing as well as the time it takes the towing company to be paid for services. Respondents report that 23 percent of all IM tows are billed to more than one entity; typically multiple insurance companies. In addition, towing companies often have to handle cargo that the heavy-duty vehicle was hauling, which may also have a separate owner. Towing companies report that 22 percent of IM tows require the handling or disposal of cargo.

Chart 8 on the following page shows the average amount of time it takes for towing companies to calculate charges for IM towing services in order to prepare an invoice. According to survey respondents, preparing invoices takes four or more days for 26 percent of all heavy-duty IM towing compared to 2 percent of light-duty and 8 percent of medium-duty IM towing.

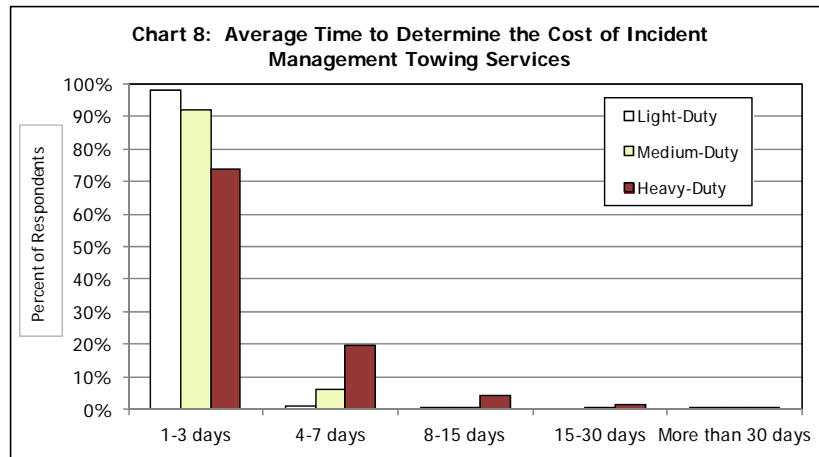
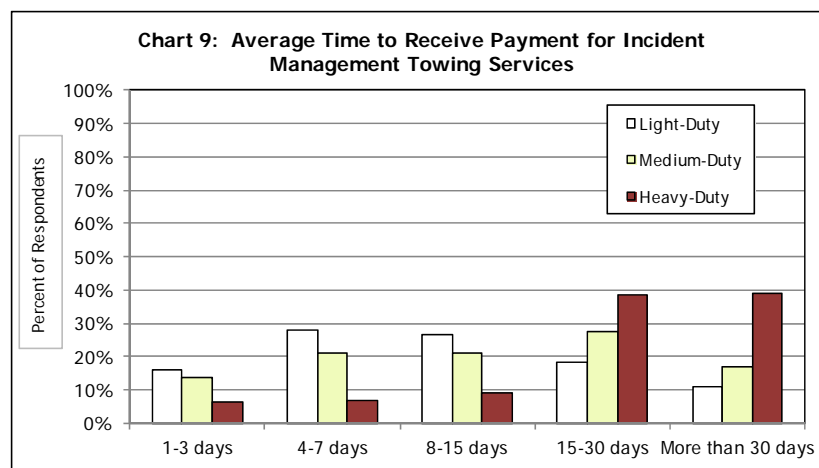


Chart 9 below shows the average amount of time it takes for towing companies to receive payment for IM towing services. Thirteen percent of payments for heavy-duty IM towing tickets are received within one week compared to 44 percent of payments for light-duty and 35 percent of payments for medium-duty IM towing.



Billing and Payment-Related Comments

The following additional items were discussed by towing companies when asked an open-ended question about issues that complicate the process of billing and receiving payment for IM towing. A total of 172 towing companies responded to this question.

Multiple owners and timely payment. Twenty-seven percent of respondents reiterated the complications of billing to multiple owners and waiting for payment as discussed above.

Abandoned vehicles. Another 27 percent of respondents mentioned the storage and disposal of abandoned vehicles as a problem. They say that typically these vehicles are abandoned by owners who do not have insurance. Often, abandoned vehicles result in the towing company not being paid for the tow and, in addition, having to pay to dispose of the vehicles.

Collecting from insurance companies. Another 27 percent of respondents explain that the amount of time it takes them to receive payment is typically due to the processing of insurance claims. Several of these respondents mention that insurance companies want to negotiate every aspect of the towing bill which prolongs the payment process.

Other billing and payment issues. Of the 172 respondents, 10 percent discuss being burdened by TDLR guidelines about what must be included on an invoice. They say that these rules are cumbersome and that they have to spend too much time making sure that everything is accounted for so that they are not fined.

A few towing companies (4 percent) discuss irate customers as an issue that complicates billing and payment, stating that no one ever wants to pay the towing bill after they have been arrested.

Other Challenges for Incident Management Towing

In response to an open-ended question about other challenges they face in conducting IM tows, 198 towing companies provided comments which are discussed below.

Safety

About one-fourth of the comments from towing companies mention safety issues at the scene. Safety issues include highway traffic and on-lookers during an incident, amount of responders and heavy equipment at incident scenes, weather conditions, and being threatened by irate owners of vehicles.

Complying with Existing Local and State Regulations

Another quarter of the respondents believe that operating under local and state regulations is challenging. Many of these respondents feel that the regulated fees for IM towing in their area are too low. Others say that keeping up with changing state rules and regulations is the most difficult aspect of IM towing.

Issues with Law Enforcement Personnel

Another quarter of the respondents discuss challenging issues related to working with law enforcement personnel. These challenges include being rushed at the incident scene, not being allowed enough response time to get to incident scenes, not being aware of what equipment will be required at an incident scene, and law enforcement agencies having too many towing companies on rotation.

Receiving Payment

About 12 percent of respondents say that the most challenging aspect of IM towing is receiving payment for services. As discussed in previous sections of this report, negotiating with insurance companies is a factor that can prolong the amount of time it takes for towing companies to be paid. Respondents also reiterated here that they often have to deal with customers who do not have insurance so they abandon their vehicle. In this situation, the towing company does not receive payment for towing services and must dispose of the abandoned vehicle.

Staffing Issues

About 10 percent of respondents discuss the challenge of dealing with a high turnover in drivers and other staff. Most state that this turnover is due to the 24-hour on call nature of IM towing. The drivers must be on call 24 hours a day to respond to incidents and they must have staff at their storage lots 24 hours a day to take in and release vehicles.

Reasons Why Licensed Companies Choose not to Perform Incident Management Tows

All of the 796 survey respondents answered the question about whether they had performed any IM tows in the last 12 months; 86 companies indicated that they had not. Of these 86 companies, 26 provided a reason why their company chooses not to conduct IM tows even though they are licensed to do so.

About half of these 26 respondents have IM towing licenses, but towing is not their main business—they use tow trucks to tow their own vehicles used in another line of business (i.e. construction).

About 35 percent of companies that do not perform IM tows say that their main reason for not performing IM towing is that there are too many rules and restrictions in place that make it not worth the effort. Some respondents cite the high cost of local city and county licenses required for inclusion on a law enforcement rotation list. A few companies say that the rotation list is too hard to get on. A few companies say that local regulated fees for IM towing are too low. One company says that IM towing is “too political.”

The remaining 15 percent of these 26 respondents only do repossessions.

V. Towing Tickets

Methodology

Staff from the Texas Department of Licensing and Regulation (TDLR) collected incident management (IM) towing tickets from towing companies that were randomly selected from the list of all towing companies licensed to perform IM towing. Using a beginning date and time of 12:01 am on February 23, 2012 (this date was randomly selected), TDLR staff pulled the first ten towing tickets indicating an IM tow from the records of the towing companies on the list. Some companies had more than ten IM towing tickets for that date, others had less. For companies that had fewer than ten IM towing tickets for that date, TDLR continued to pull IM towing tickets from the following day or days until ten IM towing tickets had been collected. A total of 716 IM towing tickets from 84 companies were collected and reviewed. Most of the tickets collected were light-duty IM towing tickets; 53 (7 percent) of the 716 towing tickets were for heavy-duty IM towing and 6 (1 percent) were for medium-duty IM towing.

Light- and Medium-Duty Towing Ticket Charges

TDLR collected 663 light- and medium-duty IM towing tickets from 74 towing companies. The towing fee on the towing tickets was separated from other charges for analysis. The towing fee is the amount identified on the towing ticket as the charge for towing the vehicle and excludes other charges for additional procedures or equipment.

The tables on the following page show the geographic and metro area breakdown of the 74 towing companies from which light- and medium-duty IM towing tickets were collected. On the tables, the average towing fee is the sum of all towing fees divided by the total number of towing tickets. The average towing ticket charge is the sum of the towing fee and additional charges divided by the total number of towing tickets.

Averages by Zone

As shown in Table 4 on the following page, towing companies in West Texas, North Texas, and South Texas charge less, on average, for light- and medium-duty IM tow than the statewide average towing fee. The Panhandle and Southeast Texas have average fees above the statewide average. The Panhandle has the highest average towing fee with an average of \$195.45 per tow. West Texas has the lowest average fee at \$75 per tow.

Table 4 Light- and Medium-Duty Incident Management Towing Ticket Averages by Zone				
Zone	# of Towing Tickets	Companies Represented by Ticket Count	Average Towing Fees	Average Total Towing Ticket Charges
Statewide	663	74	\$155.93	\$296.37
Zone 1 - South Texas	213	22	\$152.93	\$277.27
Zone 2 - West Texas	10	1	\$75.00	\$84.00
Zone 3 - Panhandle	11	2	\$195.45	\$458.82
Zone 4 - North Texas	248	27	\$150.51	\$339.37
Zone 5 - Southeast Texas	181	22	\$169.11	\$261.78

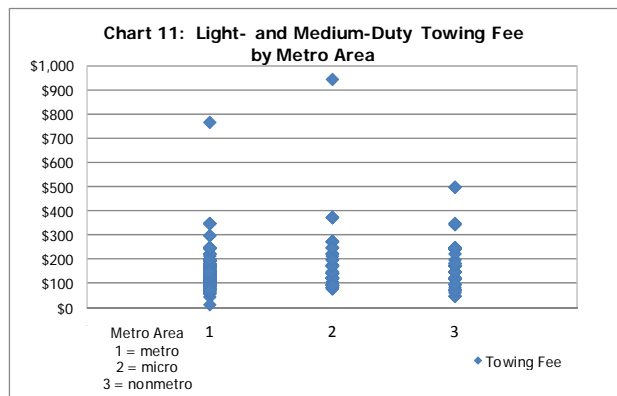
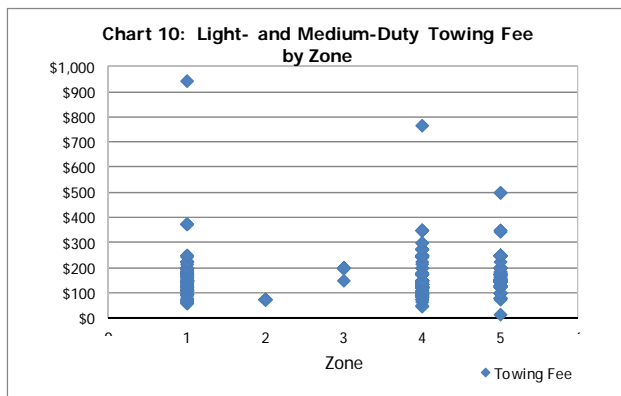
Averages by Metro Area

As shown in Table 5, metropolitan areas have the lowest average towing fee at \$149.09. The non-metropolitan areas have the highest towing fee, charging an average of \$174.77 per tow, which is 11 percent higher than the statewide average.

Table 5 Light- and Medium-Duty Incident Management Towing Ticket Averages				
Zone	# of Towing Tickets	Companies Represented by Ticket Count	Average Towing Fees	Average Total Towing Ticket Charges
Statewide	663	74	\$155.93	\$296.37
Metropolitan	456	50	\$149.09	\$259.96
Micropolitan	117	12	\$168.42	\$373.00
Non-Metropolitan	90	12	\$174.77	\$381.24

Distribution of Fees

Charts 10 and 11 below show the distribution of towing fees (excluding other charges for additional procedures and equipment) on towing tickets by zone and metro area.



Other Charges on Light- and Medium-duty Towing Tickets

In addition to the towing fee on each of the 663 light- and medium-duty towing tickets that were collected, 481 tickets, or 73 percent, contained other charges. The towing fee on tickets with other charges is slightly higher than the towing fee on tickets without other charges; the average towing fee (excluding other charges) for the 182 light- and medium-duty towing tickets that do not include other charges is \$136.89, while the average towing fee for the 481 tickets that do include other charges is \$163.17.

Table 6 below and on the following page lists the other charges that appear on towing tickets, the frequency of occurrence of each charge, and the average and range of fees.

The 693 additional, non-towing charges from the towing tickets fall into 33 categories. Of these 33 categories, 6 appear only once among all 663 towing tickets. Mileage and labor are the two charges found most often in the towing tickets collected. The average fee for mileage is \$53.99 and the average fee for labor is \$130.54. Fees for mileage and labor also have the largest ranges: mileage fees range from \$2 to \$496 and labor fees range from \$28 to \$960.

The highest fee on the towing tickets analyzed is a \$960 labor fee. In 17 instances, the name of the other charge on the towing ticket is either illegible or listed as “other”; these fees are listed under “miscellaneous” on the table and range from \$1.25 to \$106.30.

Other Charges	Count	Percent of Total Other Charges	Average Fee	Minimum Fee	Maximum Fee
Mileage	160	23.1%	\$53.99	\$2.00	\$496.00
Labor	113	16.3%	\$130.54	\$28.00	\$960.00
Fuel	87	12.6%	\$37.23	\$10.00	\$310.00
Cleanup	46	6.6%	\$80.38	\$15.00	\$225.00
Hook Up	46	6.6%	\$67.39	\$20.00	\$300.00
Winching	38	5.5%	\$103.42	\$35.00	\$250.00
Second Tow	31	4.5%	\$108.60	\$35.00	\$250.00
DMV	22	3.2%	\$20.00	\$20.00	\$20.00
City/Government Fee	19	2.7%	\$40.69	\$9.90	\$225.00
Miscellaneous	17	2.5%	\$37.67	\$1.25	\$106.30
Special Equipment	16	2.3%	\$75.94	\$15.00	\$85.00
Off Road	13	1.9%	\$46.54	\$5.00	\$225.00
Wait Time	12	1.7%	\$68.54	\$17.50	\$225.00
Preservation	10	1.4%	\$19.00	\$10.00	\$20.00
No Keys	9	1.3%	\$38.33	\$25.00	\$85.00
Load	8	1.2%	\$63.13	\$50.00	\$65.00
After Hours	7	1.0%	\$44.29	\$35.00	\$100.00

**Table 6 (continued)
Other Charges on Light- and Medium-duty Towing Tickets**

Other Charges	Count	Percent of Total Other Charges	Average Charge	Min	Max
Dollies	5	0.7%	\$39.00	\$10.00	\$75.00
Bed Fee	5	0.7%	\$50.00	\$50.00	\$50.00
Additional Truck	4	0.6%	\$163.75	\$40.00	\$350.00
Sweep	4	0.6%	\$75.00	\$75.00	\$75.00
Tarp	3	0.4%	\$26.67	\$20.00	\$35.00
Roll Back	3	0.4%	\$60.00	\$50.00	\$80.00
Absorbant	3	0.4%	\$26.67	\$20.00	\$30.00
Credit Card Fee	2	0.3%	\$7.67	\$3.00	\$12.34
Lien	2	0.3%	\$50.00	\$50.00	\$50.00
Recovery	2	0.3%	\$222.50	\$145.00	\$300.00
Snatch Block	1	0.1%	\$100.00	\$100.00	\$100.00
Roll Over	1	0.1%	\$150.00	\$150.00	\$150.00
Paid Out	1	0.1%	\$50.00	\$50.00	\$50.00
Tire Does Not Roll	1	0.1%	\$15.00	\$15.00	\$15.00
Flat Bed	1	0.1%	\$75.00	\$75.00	\$75.00
Ax	1	0.1%	\$19.80	\$19.80	\$19.80
Total	693				

Heavy-Duty Towing Ticket Charges

TDLR collected 53 heavy-duty IM towing tickets from 10 towing companies. The towing fee on the towing tickets was separated from other charges for analysis. The towing fee is the amount identified on the towing ticket as the charge for towing the vehicle and excludes other charges for additional procedures or equipment.

Tables 7 and 8 on the following page show the geographic and metro area breakdown of the 10 towing companies from which heavy-duty IM towing tickets were collected. On the tables, the average towing fee is the sum of all towing fees divided by the total number of towing tickets. The average towing ticket charge is the sum of the towing fee and additional charges divided by the total number of towing tickets.

Averages by Zone

On average, between 5 and 10 heavy-duty IM towing tickets were collected from each company. Two companies had only one heavy-duty IM towing ticket collected. As shown in Table 7, tickets from North Texas account for 47 percent of the 53 tickets received from all five zones. Thirty-two percent of the tickets are from South Texas.

One ticket was collected from one company in Southeast Texas. The towing fee for that ticket is 53 percent lower than the statewide average. The Panhandle average is also less than the statewide average. Both North Texas and South Texas have averages that are higher than the statewide average.

Table 7 Heavy-Duty Incident Management Towing Ticket Averages by Zone				
Zone	# of Towing Tickets	Companies Represented by Ticket Count	Average Towing Fees	Average Total Towing Ticket Charges
Statewide	53	10	\$528.68	\$1,312.62
Zone 1 - South Texas	17	4	\$591.56	\$1,026.77
Zone 2 - West Texas	0	0	N/A	N/A
Zone 3 - Panhandle	10	1	\$317.50	\$1,597.90
Zone 4 - North Texas	25	4	\$610.12	\$1,419.73
Zone 5 - Southeast Texas	1	1	\$250.00	\$641.65

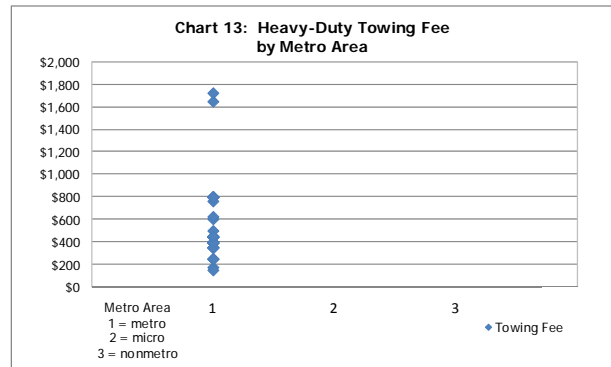
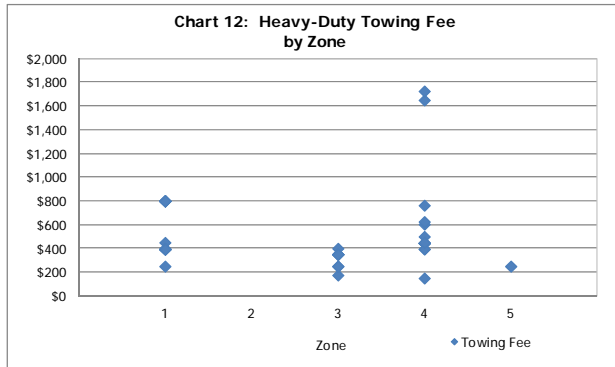
Averages by Metro Area

As shown in Table 8 below, 9 of the 10 towing companies are located in a metropolitan area and one is located in a micropolitan area. No towing tickets were collected from rural towing companies. The average towing fee was not included on the one ticket collected from a micropolitan area, however the total ticket charge was lower than the statewide average. Ninety-eight percent of the heavy-duty IM towing tickets are from the nine towing companies in metropolitan areas.

Table 8 Heavy-Duty Incident Management Towing Ticket Averages by Metro Area				
Zone	# of Towing Tickets	Companies Represented by Ticket Count	Average Towing Fees	Average Total Towing Ticket Charges
Statewide	53	10	\$528.68	\$1,312.62
Metropolitan	52	9	\$528.68	\$1,319.85
Micropolitan	1	1	N/A	\$937.00
Non-Metropolitan	0	0	N/A	N/A

Distribution of Fees

Charts 12 and 13 below show the distribution of towing fees (excluding other charges for additional procedures and equipment) on towing tickets by zone and metro area.



Other Charges on Heavy-Duty Towing Tickets

Of the 53 heavy-duty IM towing tickets received, 28 (53 percent) contain 64 charges in addition to the towing fee. The average heavy-duty towing fee for the 25 towing tickets without other charges is \$700 while the average heavy-duty towing fee for the 28 towing tickets with other charges is \$1,728.

Table 9 on the following page lists the other charges that appear on towing tickets, the frequency of occurrence for each charge, and the average and range of fees.

Work time accounts for 27 percent of the other charges. As with light-duty towing tickets, fuel and mileage are among the most frequent additional charges. Average fees for recovery and work time are the highest at \$2,150.00 and \$1,252.94, respectively. Work time has the largest range from \$100 to \$3,500.

Eight charges occur only once each among the 28 tickets reviewed with other charges: tolls, straps, driveline, cleanup, call out, batteries, battery disposal, and after-hour calls.

**Table 9
Other Charges on Heavy-Duty Towing Tickets**

Other Charges	Count	Percent of Total Other Charges	Average Fee	Minimum Fee	Maximum Fee
Labor	21	32.8%	\$1,038.33	\$100.00	\$3,500.00
Fuel	10	15.6%	\$64.65	\$25.00	\$195.00
Mileage	9	14.1%	\$113.06	\$45.00	\$306.00
Second Tow	5	7.8%	\$607.00	\$200.00	\$1,017.50
Winching	4	6.3%	\$117.50	\$70.00	\$200.00
Additional Truck	3	4.7%	\$231.00	\$150.00	\$393.00
Recovery	2	3.1%	\$2,150.00	\$1,400.00	\$2,900.00
Snatch Blocks	2	3.1%	\$225.00	\$150.00	\$300.00
Tolls	1	1.6%	\$13.50	\$13.50	\$13.50
Strap	1	1.6%	\$150.00	\$150.00	\$150.00
Driveline	1	1.6%	\$65.00	\$65.00	\$65.00
Clean Up	1	1.6%	\$75.00	\$75.00	\$75.00
Call Out	1	1.6%	\$100.00	\$100.00	\$100.00
Batteries	1	1.6%	\$379.56	\$379.56	\$379.56
Battery Disposal	1	1.6%	\$16.00	\$16.00	\$16.00
After Hours	1	1.6%	\$100.00	\$100.00	\$100.00
Total	64				

VI. Local Regulations

Methodology

City, county, and legal publishing Websites were examined to identify towing regulations in place in cities and counties across the state of Texas. The regulations were reviewed in order to identify towing fees and other charges allowed for additional equipment and procedures used during IM towing. Of the 47 locations reviewed, 25 have regulations that specify fees for towing.

Table 10 shows the 20 cities and 5 counties with published towing fees that were reviewed. Twelve of these locations specify towing fees for IM towing and/or police rotation lists. The other 13 locations set fees for non-consent towing, which includes private property towing as well as IM towing.

Zone 1 South Texas	Zone 2 West Texas	Zone 3 Panhandle	Zone 4 North Texas	Zone 5 Southeast Texas
Corpus Christi	El Paso	Amarillo	Brownwood	Fort Bend County
Del Rio	Fort Stockton	Lamesa	College Station	Freeport
Hays County			Eastland	Galveston
Laredo			Kaufman County	Houston
San Antonio			Rockwall	Jasper
Travis County			Wichita Falls	Montgomery County
				Nacogdoches
				Orange
				Texas City

Regulated Towing Fees by Zone

Light-Duty Towing

Of the 25 locations with regulated fees, 12 have regulations specific to light-duty IM towing. The remaining 13 locations have fees for light-duty non-consent towing which includes private property towing as well as IM towing. Table 11 shows the average light-duty towing fee for cities and counties by zone. Light-duty towing fees range from \$30 to \$250. All of these local regulations have towing fees that are set per tow, with the exception of the City of Wichita Falls in Zone 4, which has an hourly light-duty towing fee of \$120 and is not included in Table 11.

The cities of Galveston and Texas City specify exceptions to the regulated fees. In Galveston, if a tow occurs over the seawall or in the water, a company may charge a maximum of \$250. In Texas City, if a tow occurs in the water or over the rocks on the Texas City Pike, a company may charge a maximum of \$250. The City of Galveston is the only location reviewed to specify a fee for motorcycles (\$135).

Table 11 Light-Duty Average Maximum Towing Fee by Zone		
Zone	# of Regulations Reviewed	Average Maximum Towing Fee
Statewide	24	\$118.33
Zone 1 - South Texas	6	\$105.83
Zone 2 - West Texas	2	\$60.00
Zone 3 - Panhandle	2	\$125.00
Zone 4 - North Texas	5	\$104.00
Zone 5 - Southeast Texas	9	\$146.11

Medium-Duty Towing

Of the 25 locations with regulated fees, three have regulations specific to medium-duty IM towing. Six locations regulate fees for medium-duty non-consent towing, which includes private property towing as well as IM towing. Table 12 shows the average fees for medium-duty towing by zone. Medium-duty maximum towing fees range from \$50 to \$400. The cities reviewed in the Panhandle did not provide fees specific to medium-duty towing. The City of Wichita Falls in Zone 4 has an hourly rate of \$150 and is not included in Table 12.

Table 12 Medium-Duty Average Maximum Towing Fee by Zone		
Zone	# of Regulations Reviewed	Average Maximum Towing Fee
Statewide	8	\$255.38
Zone 1 - South Texas	3	\$306.00
Zone 2 - West Texas	2	\$200.00
Zone 3 - Panhandle	0	N/A
Zone 4 - North Texas	2	\$212.50
Zone 5 - Southeast Texas	1	\$300.00

Heavy-Duty Towing

Of the 25 locations with regulated fees, eight have regulations specific to heavy-duty IM towing. Eight locations regulate fees for heavy-duty non-consent towing, which includes private property towing as well as IM towing. Table 13 shows the average fees for heavy-duty towing by zone. Heavy-duty maximum towing fees range from \$100 to \$600. Of the 16 local regulations that specify heavy-duty towing fees, 4 have hourly rates: the City of Wichita Falls in Zone 4 has an hourly rate of \$300; Kaufman County in Zone 4 has an hourly rate of \$350; Fort Bend County in Zone 5 has an hourly rate of \$225; and the City of Houston in Zone 5 has an hourly rate of \$235.50. These locations are not included in Table 13. The cities reviewed in the Panhandle did not provide fees specific to heavy-duty towing.

Table 13 Heavy-Duty Average Maximum Towing Fee by Zone		
Zone	# of Regulations Reviewed	Average Maximum Towing Fee
Statewide	12	\$345.25
Zone 1 - South Texas	5	\$378.60
Zone 2 - West Texas	2	\$225.00
Zone 3 - Panhandle	0	N/A
Zone 4 - North Texas	1	\$250.00
Zone 5 - Southeast Texas	4	\$387.50

Regulated Fees for Equipment and Procedures

Other Regulated Charges

In addition to the towing fee, many locations regulate other charges for equipment and procedures used by towing companies. Of the 25 locations with regulated fees, 19 list fees for equipment and procedures other than towing. Four locations permit the use of equipment and procedures, but do not specify fees. The cities of San Antonio and Texas City state that no additional fees may be charged.

Table 14 lists the other charges that locations regulate, the frequency of occurrence of each regulation, and the range of fees. This table includes light-duty charges, medium-duty charges, and charges that are not specific to a weight class. Other charges specific to heavy-duty are shown in Table 15.

Other charges are only included in the tables if the regulations specifically list the item and the regulated amount. The 46 additional, non-towing charges fall into 18 categories. Of these 18 categories, 9 appear only once. Labor, winching, and dollies are found most often in the local regulations. Charges for labor have the largest range of fees, from \$30 to \$200.

**Table 14
Other Regulated Charges for Towing**

Description	# of Occurrences	Lowest Maximum Fee	Highest Maximum Fee
Labor	11	\$30.00	\$200.00
Winch	6	\$35.00	\$150.00 per hour
Dollies	5	\$10.00	\$40.00
Wait Time	4	\$30.00 per hour	\$125.00 per hour
Drop	3	\$40.00	\$75.00
Tire Change	2	\$15.00	\$50.00
After Hours	2	\$50.00	\$20.00
Fuel	2	\$3.50 per gallon	\$10.00
Go Jacks	2	\$25.00	\$30.00
Additional Truck	1	\$105.00	\$105.00
Air Bags	1	\$75.00 per hour	\$75.00 per hour
Lockout	1	\$65.00	\$65.00
Preservation	1	\$20.00	\$20.00
Hook-Up	1	\$35.00	\$35.00
Impound	1	\$20.00	\$20.00
Flare	1	\$3.50 per flare	\$3.50 per flare
Second Tow	1	\$3.00 per mile	\$3.50 per mile
Skates	1	\$30.00	\$30.00
Total	46		

Fort Bend County allows winching and/or backup assistance only if determined necessary by the peace officer at the scene.

Other Regulated Charges for Heavy-Duty Towing

Of the 25 locations with regulated fees, 9 list fees for equipment and procedures other than towing that are specific to heavy-duty towing. Fourteen locations do not prohibit additional charges, but do not specify fees for the use of equipment and procedures for heavy-duty towing. The cities of San Antonio and Texas City state that no additional fees may be charged.

Table 15 lists the other charges that locations regulate, the frequency of occurrence of each regulation, and the range of fees. The charges are specific to heavy-duty towing and do not include other charges that were not listed by weight class. Fees are only included if the regulations specifically list the item and the regulated amount. The 27 additional, non-towing charges fall into 15 categories. Of these 15 categories, 10 appear only once. Labor is the charge found most often in the heavy-duty regulated fees. Fees for labor also have the largest range, from \$15 per hour per person to \$360 per hour.

Fort Bend County allows towing companies to charge a recovery fee in place of the \$225 per hour towing fee if two or more heavy-duty wreckers are needed; the allowable recovery fee is \$0.035 per

pound for cargo that is contained or \$0.045 per pound for cargo that is not contained. If multiple heavy-duty wreckers are required at a scene, the City of Galveston allows companies to charge \$0.125 per pound in addition to the towing fee and \$200 per hour to prepare the vehicle.

Table 15 Other Regulated Charges for Heavy-Duty Towing			
Description	# of Occurrences	Lowest Maximum Fee	Highest Maximum Fee
Labor	9	\$15.00 per hour per person	\$360.00 per hour
Additional Truck	2	\$100.00	\$150.00
Dollies	2	\$55.00 per hour	\$75.00 per hour
Winch	2	\$35.00	\$250.00
Wait Time	2	\$20.00 per hour	\$250.00 per hour
Air Bags	1	\$75.00 per hour	\$75.00 per hour
Drop	1	\$250.00	\$250.00
Vehicle Preparation	1	\$25.00	\$25.00
Remove Drive Shaft	1	\$32.00	\$32.00
Large Truck Slide	1	\$200.00	\$200.00
Cargo Trailer	1	\$75.00 per hour	\$75.00 per hour
Fork Lift	1	\$75.00 per hour	\$75.00 per hour
Go Jacks	1	\$55.00 per hour	\$55.00 per hour
Second Tow	1	\$4.00 per mile	\$4.00 per mile
Other Equipment	1	\$75.00 per hour	\$75.00 per hour
Total	27		

North Texas Tollway Authority Contract

In addition to city and county regulations, a contract for incident management towing between the North Texas Tollway Authority and two towing companies was reviewed. The contract allows towing companies to charge a flat fee of \$115.50 for light-duty tows and \$420 for heavy-duty tows. Towing companies may also charge \$35.00 per 15 minutes of “recovery winching” and \$15.00 for the use of “recovery straps.” The contract allows towing companies to charge \$2.36 per mile in excess of 15 miles for light-duty tows and \$4.46 per mile in excess of 15 miles for heavy-duty tows.

Appendix A: Interview Guide

1. In what capacity have you come in contact with incident management towing? Does your organization deal with incident management towing on a regular basis?
2. Are incident management towing fees regulated in your area? Who regulates the fees?
3. Do you encounter or hear about any issues with incident management towing? Fee disputes, issues surrounding regulations, etc.
4. What are the components of an incident management towing fees that you have seen?
 - a. Tow charge
 - b. Special equipment
 - c. Labor
5. How would you define 'recovery'? What makes an incident management tow a recovery tow?
6. What impact do you think state-level regulation of incident management towing fees would have?
 - a. On towing companies
 - b. On vehicle owners
 - c. On local governments
7. How big an issue is heavy-duty towing? (18 wheelers, large machinery, motor homes, etc)
 - a. What are those issues?
 - b. What are the issues related to collections and invoicing?
 - c. Various owners of the cab, trailer, and cargo.
 - d. Issues with the use of subcontractors (for special equipment or procedures)
8. Who else should we talk to about this issue? (what people or organizations)
9. May we follow up with you if we have additional questions?

Appendix B: Interview Bibliography

Interviewees

Alcantar, Ray. Trooper, Department of Public Safety — Highway Patrol. Telephone Interview. November 9, 2012.

Anderson, Tommy. Executive Director, Southwest Towing Association. Telephone Interview. August 22, 2012.

Bronsell, Chris. Deputy, Traffic Unit, Fort Bend County Sheriff's Department. Telephone Interview. October 16, 2012.

Cooley, Harriet. Executive Director, Towing and Recovery Association of America. Telephone Interview. August 7, 2012.

Cotton, Jim. Traffic Information Specialist, Texas Department of Transportation. Telephone Interview. November 9, 2012.

Digman, Robert. System and Incident Management Department Assistant Director of Operations, North Texas Tollway Authority. Telephone Interview. August 14, 2012.

Findeisen, Les. Director of Policy and Governmental Affairs, Texas Motor Transportation Association. Telephone Interview. October 8, 2012 and November 14, 2012.

Forester, Gene. Deputy Constable, Dallas County Precinct 4. Member of the Texas Towing and Storage Advisory Board. Telephone Interview. September 13, 2012.

Fuentes, Robert. Attorney, Bair Hilty Law Firm. Telephone Interview. September 13, 2012 and November 9, 2012.

Griffin, Richard. Attorney, Bair Hilty Law Firm. Telephone Interview. November 9, 2012.

Griffin, Vince. Assistant Chief of Police/Patrol, Nacogdoches Police Department. Member of the Texas Towing and Storage Advisory Board. Telephone Interview. September 8, 2012.

Johnson, Pat. Founder, Texas Towing Compliance. Telephone Interview. August 9, 2012.

Miller, Herb. Regional Purchasing Manager, Texas Department of Transportation. Telephone Interview. December 10, 2012.

Norred, Warren. Attorney, Norred Law. Telephone Interview. August 13, 2012.

Rash, Jeanette. Government Affairs, Texas Towing and Storage Association. Member of the Texas Towing and Storage Advisory Board. Telephone Interview. August 23, 2012.

Remmert, Doug. Central Salvage Team Manager, State Farm. Member of the Texas Towing and Storage Advisory Board. Telephone Interview. August 30, 2012.

Scott, Mike. Committee Member, National Traffic Incident Management Coalition. Telephone Interview. August 23, 2012.

Sexton, Linda. Toll Operations Specialist. Texas Department of Transportation. Telephone Interview. August 23, 2012.

Haschel, Lonny. Public Information Specialist. Department of Public Safety. Telephone Interview. November 15, 2012.

Tuttle, Robert. Owner, Complete Incident Response Training. Telephone Interview. August 6, 2012.

Woodrum, James. Lieutenant, Department of Public Safety — Highway Patrol. Telephone Interview. November 12, 2012.

Appendix C: Survey of Incident Management Towing Companies

TDLR Survey of Incident Management Towing Operators

The Texas Department of Licensing and Regulation would like your input on a legislatively required study of incident management towing fees. All towing companies licensed to perform incident management tows in Texas have been invited to take this survey. Your responses are confidential; no individuals or companies will be identified. The survey should take no more than 20 minutes to complete. We appreciate you taking the time to complete this survey. Your input is very valuable. Thank you.

*** 1. Did your company perform any incident management tows in the last 12 months?**

[Definition: An incident management tow is any tow of a vehicle in which the tow truck is summoned to the scene of a traffic accident or to an incident, including the removal of a vehicle, commercial cargo, and commercial debris from an accident or incident scene.]

- Yes
- No

TDLR Survey of Incident Management Towing Operators

2. How many tows did your company perform in the last 12 months?

2011 Total tows (all types)

2011 Incident management tows

3. Are incident management towing rates regulated in the areas you serve? If so, who regulates the rates? (please check all that apply)

- No regulation
- City ordinance
- County ordinance
- Law enforcement rotation list

Other (please specify)

*4. Is your company on a law enforcement rotation list for incident management towing?

- Yes
- No

5. If so, approximately what percent of your incident management tows are generated by the rotation list?

% of incident management tows generated by law enforcement rotation list

6. How far do you travel on average for most incident management tows?

- 1-10 miles roundtrip
- 11-20 miles roundtrip
- 21-30 miles roundtrip
- Greater than 30 miles roundtrip

7. What is your definition of 'recovery'?



TDLR Survey of Incident Management Towing Operators

Equipment and Procedures for Incident Management Towing

The following section of the survey covers equipment and procedures that you may use for incident management tows. Please read each question carefully and indicate how often you use each item on the list of equipment/procedures for each type of incident management tow.

***8. In the last 12 months, did your company perform LIGHT or MEDIUM DUTY incident management tows?**

[Definitions: LIGHT DUTY means the tows of motor vehicles with a gross weight rating of 10,000 pounds or less; MEDIUM DUTY means the tows of motor vehicles with a gross weight rating of more than 10,000 pounds, but less than 25,000 pounds.]

Yes

No

TDLR Survey of Incident Management Towing Operators

9. Please rank the items below in order of how much impact each has on your total cost for performing a LIGHT or MEDIUM DUTY incident management tow. 1=greatest impact 12=least impact. Each number may only be entered once.

<input type="text"/>	Payroll
<input type="text"/>	Fuel
<input type="text"/>	Equipment
<input type="text"/>	Towing vehicle (purchase, depreciation, maintainance)
<input type="text"/>	Insurance for towing trucks
<input type="text"/>	Training employees
<input type="text"/>	Property (rent, mortgage)
<input type="text"/>	Taxes (property taxes, payroll taxes)
<input type="text"/>	Retaining customers/contracts
<input type="text"/>	Employee benefits
<input type="text"/>	Licensing and regulation costs
<input type="text"/>	Drug testing

10. Are there any other items that have an impact on your total cost for performing a LIGHT or MEDIUM DUTY incident management tow?

TDLR Survey of Incident Management Towing Operators

11. Of all of your incident management tows in the last 12 months, approximately what percent were for LIGHT or MEDIUM DUTY vehicles?

% LIGHT or MEDIUM DUTY incident management tows

12. What is the approximate percentage of your total revenue that comes from LIGHT and MEDIUM DUTY incident management towing?

% of revenue from LIGHT and MEDIUM DUTY incident management towing

TDLR Survey of Incident Management Towing Operators

13. Of all of your LIGHT or MEDIUM DUTY incident management tows in the last 12 months, approximately what percent required recovery equipment or procedures?

% 2011 LIGHT or MEDIUM DUTY incident management tows that required recovery equipment or procedures

14. Do you own or subcontract for the following pieces of equipment? In the last 12 months, how often did you use each piece of equipment for LIGHT or MEDIUM DUTY incident management tows? If you own AND subcontract for any items listed below, please mark both.

	I own this equipment	I subcontract for the use of this equipment	Always use	Frequently use	Rarely use	Never use
Airbags	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Backhoe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dollies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Flat Bed	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fork Lift	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Go Jacks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Landoll Trailer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Loader	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Recovery Straps	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Skid Steer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Snatch Blocks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sweeper	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other 1 (describe below)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other 2 (describe below)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other 3 (describe below)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other 4 (describe below)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other 5 (describe below)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please describe the other equipment you listed above:

TDLR Survey of Incident Management Towing Operators

15. Do you perform or subcontract for the following procedures? In the last 12 months, how often did you perform each procedure for LIGHT or MEDIUM DUTY incident management tows? If you perform AND subcontract for any items listed below, please mark both.

	My company performs this procedure	I subcontract for this procedure	Always do	Frequently do	Rarely do	Never do
Debris cleanup	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Drive line removal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hazmat cleanup	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tow a vehicle with no keys	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Change tires	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other 1 (describe below)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other 2 (describe below)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other 3 (describe below)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other 4 (describe below)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other 5 (describe below)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please describe the other procedures you listed above:

***16. In the last 12 months, did your company perform HEAVY DUTY incident management tows?**

[Definitions: LIGHT DUTY means the tows of motor vehicles with a gross weight rating of 10,000 pounds or less; MEDIUM DUTY means the tows of motor vehicles with a gross weight rating of more than 10,000 pounds, but less than 25,000 pounds.]

- Yes
- No

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17. Please rank the items below in order of how much impact each has on your total cost for performing a HEAVY DUTY incident management tow. 1=greatest impact 12=least impact. Each number may only be entered once.

<input type="text"/>	Payroll
<input type="text"/>	Fuel
<input type="text"/>	Equipment
<input type="text"/>	Towing vehicle (purchase, depreciation, maintainance)
<input type="text"/>	Insurance for towing trucks
<input type="text"/>	Training employees
<input type="text"/>	Property (rent, mortgage)
<input type="text"/>	Taxes (property taxes, payroll taxes)
<input type="text"/>	Retaining customers/contracts
<input type="text"/>	Employee benefits
<input type="text"/>	Licensing and regulation costs
<input type="text"/>	Drug testing

18. Are there any other items that have an impact on your total cost for performing a HEAVY DUTY incident management tow?

TDLR Survey of Incident Management Towing Operators

19. Of all of your incident management tows in the last 12 months, approximately what percent were for HEAVY DUTY vehicles?

% HEAVY DUTY incident
management tows

20. What is the approximate percentage of your total revenue that comes from HEAVY DUTY incident management towing?

% of revenue from HEAVY
DUTY incident
management towing

TDLR Survey of Incident Management Towing Operators

21. Of all your HEAVY DUTY incident management tows in the last 12 months, approximately what percent required recovery equipment or procedures?

% of 2011 HEAVY DUTY incident management tows that required recovery equipment or procedures

22. Do you own or subcontract for the following pieces of equipment? In the last 12 months, how often did you use each piece of equipment for HEAVY DUTY incident management tows? If you own AND subcontract for any items listed below, please mark both.

	I own this equipment	I subcontract for the use of this equipment	Always use	Frequently use	Rarely use	Never use
Airbags	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Backhoe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dollies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Flat Bed	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fork Lift	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Go Jacks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Landoll Trailer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Loader	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Recovery Straps	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Skid Steer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Snatch Blocks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sweeper	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other 1 (describe below)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other 2 (describe below)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other 3 (describe below)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other 4 (describe below)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other 5 (describe below)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please describe the other equipment you listed above:

TDLR Survey of Incident Management Towing Operators

23. Do you perform or subcontract for the following procedures? In the last 12 months, how often did you perform each procedure for HEAVY DUTY incident management tows? If you perform AND subcontract for any items listed below, please mark both.

	My company performs this procedure	I subcontract for this procedure	Always do	Frequently do	Rarely do	Never do
Debris cleanup	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Drive line removal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hazmat cleanup	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tow a vehicle with no keys	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Change tires	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other 1 (describe below)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other 2 (describe below)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other 3 (describe below)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other 4 (describe below)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other 5 (describe below)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please describe the other procedures you listed above:

TDLR Survey of Incident Management Towing Operators

Billing and Payment Issues for Incident Management Towing

24. Approximately what percentage of your incident management tows are billed to more than one entity?

% of incident management tows billed to more than one entity

25. Approximately what percentage of your incident management tows require the disposal or handling of cargo?

% of incident management tows that require the disposal or handling of cargo

26. On average, how long does it take to determine the cost of an incident management tow in order to prepare an invoice?

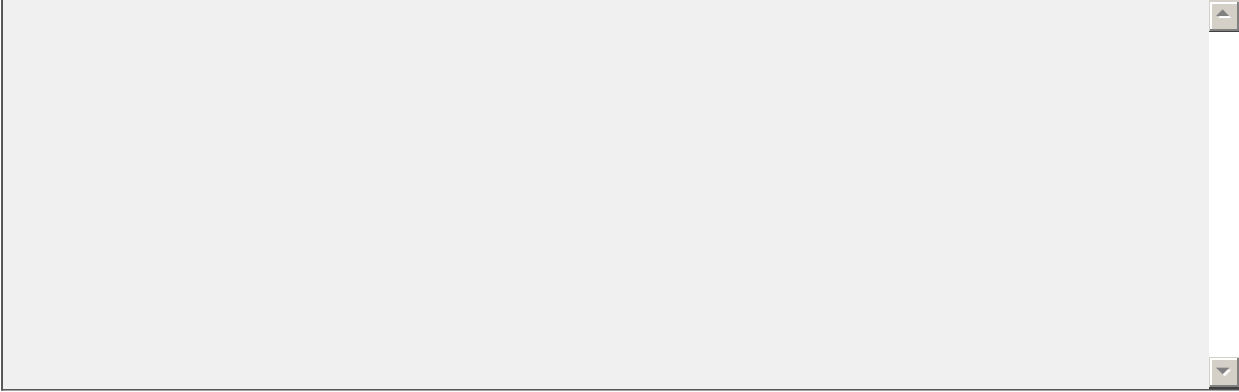
	Light Duty	Medium Duty	Heavy Duty
1-3 days	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4-7 days	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
8-15 days	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
15-30 days	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
More than 30 days	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

27. On average, how long does it take to get paid for incident management towing services?

	Light Duty	Medium Duty	Heavy Duty
1-3 days	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4-7 days	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
8-15 days	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
15-30 days	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
More than 30 days	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

TDLR Survey of Incident Management Towing Operators

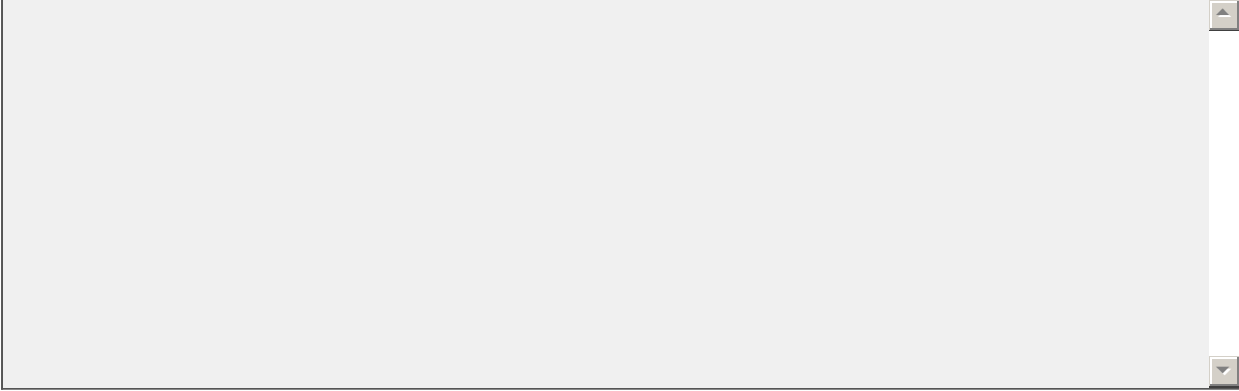
28. What are the difficult issues with billing, invoicing, and payments for incident management towing?



29. What are the biggest challenges you face in conducting incident management tows?



30. What is the primary reason that your company does not perform incident management tows?



TDLR Survey of Incident Management Towing Operators

Optional Company Information

In order for us to better analyze the results of this survey, it would be helpful if you would provide some information about your company below. This information is not required. Any information you provide will remain confidential.

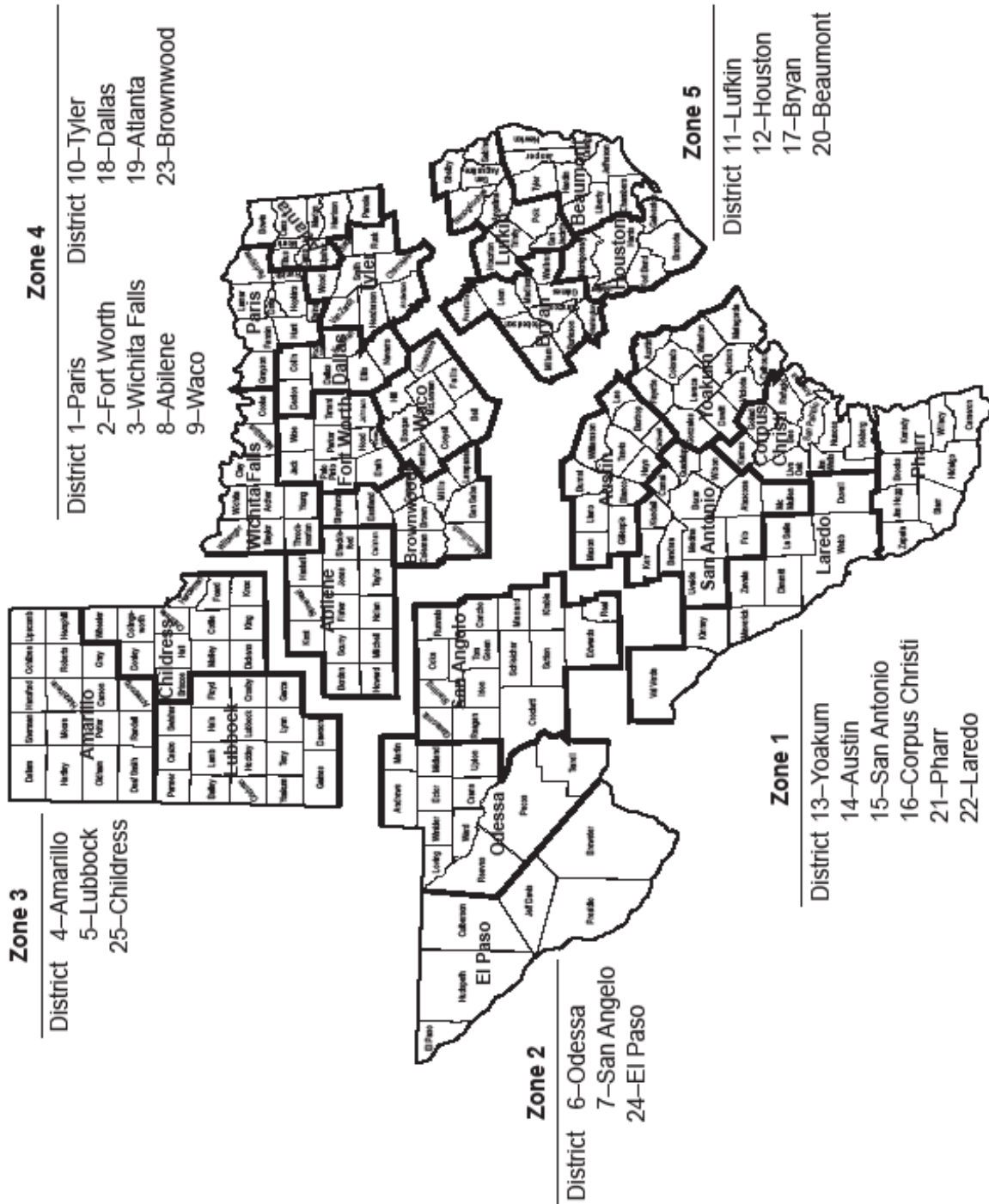
31. What is the name of your towing company as registered with TDLR?

32. What is your company's TDLR certificate number?

33. What is the ZIP code of your company headquarters?

34. If we have questions about this survey, may we contact you? If so, please provide your name and phone number:

Appendix D: Map of Texas Zones



Source: The Texas Comptroller of Public Accounts, Geographic Regions for Supply and Delivery. Web. http://www.window.state.tx.us/procurement/tools/proc_forms/county-list/. Accessed November 2012.