

SENATE BILL REPORT

SHB 2005

AS REPORTED BY COMMITTEE ON TRANSPORTATION, APRIL 3, 1991

Brief Description: Regulating freight brokers and forwarders.

SPONSORS: House Committee on Transportation (originally sponsored by Representatives Jones, Wilson, R. Fisher and Schmidt).

HOUSE COMMITTEE ON TRANSPORTATION

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass.

Signed by Senators Patterson, Chairman; Nelson, Vice Chairman; von Reichbauer, Vice Chairman; Erwin, Madsen, Oke, Skratek, Snyder, Thorsness, and Vognild.

Staff: Mary McLaughlin (786-7309)

Hearing Dates: April 3, 1991

BACKGROUND:

A broker arranges transportation for compensation and a forwarder consolidates freight for a fee. Currently brokers and forwarders who perform intrastate services are required to obtain operating authority from the Utilities and Transportation Commission (UTC) and post a bond or other security. However, the amount of financial security required varies as it is established at the time authority is granted.

In 1989 legislation was enacted which required all interstate brokers conducting business in this state to register with the UTC and post a bond. In 1990 implementation of the bonding and registration requirements were delayed until June 30, 1991. The delay is intended to give the brokers and trucking industry time to reach a compromise on the type of broker that would be affected by the bonding and registration requirements.

SUMMARY:

A bond or deposit of security in a minimum amount of \$5,000, as determined by the Utilities and Transportation Commission (UTC), is established for brokers or forwarders engaged in intrastate commerce.

An interstate broker or forwarder who conducts business in this state is required to register with the commission, pay a one-time \$25 fee and provide satisfactory proof of financial responsibility. Brokers and forwarders registered with the Interstate Commerce Commission (ICC) may file a copy of their ICC-approved surety bond or trust fund as proof of financial

responsibility. "Conducting business in this state" means a broker or forwarder who is physically present in the state when acting as a broker or forwarder.

Appropriation: none

Revenue: none

Fiscal Note: none requested

TESTIMONY FOR:

Requiring interstate brokers to register with the commission provided added protection for the shipping and trucking industries.

TESTIMONY AGAINST: None

TESTIFIED: PRO: Marty Sangster, WTA; Spender D. Ryals, Allen Lund Co.; Wally Farbo, CSI