

Statement of

Chris Spear
President & Chief Executive Officer
American Trucking Associations

Before the

Subcommittee on Transportation & Infrastructure
Committee on Environment & Public Works

United States Senate

Hearing on

Freight Movement: Assessing Where We Are Now and Where We Need To Go

December 20, 2017

Chairman Inhofe, Ranking Member Cardin, and members of the subcommittee, thank you for giving the American Trucking Associations (ATA)[1] an opportunity to testify on the current status and future of freight transportation mobility.

Trucking is the fulcrum point in the United States' supply chain. This year, our industry will move 71 percent of the Nation's freight tonnage.[2] In 2012 the goods moved by trucks were worth more than $10 trillion.[3] Without trucks, our cities, towns and communities would lack access to food or drinking water; there would be no clothes to buy, and no parts to build automobiles or fuel to power them. The rail, air and water intermodal sectors would not exist in their current form without the trucking industry to support them. Trucks are central to our Nation's economy and our way of life, and every time the government makes a decision that affects the trucking industry, those impacts are also felt by every American and by the millions of businesses that could not exist without trucks.

There have been times in our Nation's history when governments have been tasked with making transformational decisions that affected the movement of freight to such an extent that it changed the course of our economy and our very way of life. Construction of the Erie Canal, initiated by New York State, enabled western migration, opened vast markets to Midwestern farmers and lowered food costs in Eastern cities. The transcontinental railroad, facilitated by Acts of Congress, allowed people and freight to move quickly and at low cost from coast to coast. Construction of the Interstate Highway System, conceptualized by President Dwight D. Eisenhower and enabled by the Federal-Aid Highway Act of 1956, significantly lowered the cost of moving freight and transformed our cities. Finally, federal deregulation of the trucking, air and railroad industries unleashed Americans' entrepreneurial spirit, significantly reducing the cost of moving and warehousing freight, allowing U.S. manufacturers to better compete with their global competitors and lowering the cost of finished products.

Mr. Chairman, we are once more on the cusp of a transformation in the movement of freight, one that you and your colleagues will greatly influence. Radical technological change will, in the near future, allow trucks to move more safely and efficiently, and with less impact on the environment, than we ever dared to imagine. Yet we are facing headwinds, due almost entirely to government action or, in some cases, inaction, that will slow or cancel out entirely the benefits of innovation. Shortsighted attempts to prevent the trucking industry from utilizing new technology will make driving jobs less safe, not preserve them. Failure to maintain and improve the highway system that your predecessors helped to create will destroy the efficiencies that have enabled U.S. manufacturers and farmers to continue to compete with countries that enjoy far lower labor and regulatory costs. Eradicating trade policies that have created a North American trading bloc that has benefited all three countries will severely hamper our industry's customers' ability to compete globally. And federal inaction to ensure that truly cost-beneficial regulations enable the efficient movement of interstate freight will unnecessarily add costs to every delivery.

---

[1] *American Trucking Associations is the largest national trade association for the trucking industry. Through a federation of 50 affiliated state trucking associations and industry-related conferences and councils, ATA is the voice of the industry America depends on most to move our nation's freight. Follow ATA on Twitter or on Facebook. Trucking Moves America Forward.*

[2] *Freight Transportation Forecast 2017 to 2028*. American Trucking Associations, 2017.

[3] *2012 Commodity Flow Survey*. U.S. Census Bureau, Feb. 2015.

Mr. Chairman, we are at a critical point in our country's history, and the decisions made by this subcommittee over the next few months will impact the safety and efficiency of freight transportation for generations. ATA looks forward to working with you to develop and implement sound policy that benefits, not just our industry, but also millions of Americans and businesses that rely on an efficient supply chain.

INFRASTRUCTURE IMPROVEMENT

A well-maintained, reliable and efficient network of highways is crucial to the delivery of the Nation's freight and vital to our country's economic and social well-being. However, the road system on which we travel is rapidly deteriorating, and costs the average motorist nearly $1,500 a year in higher maintenance and congestion expenses.[4] Highway congestion also adds more than $63 billion to the cost of freight transportation each year.[5] In 2015, truck drivers sat in traffic for nearly one billion hours, equivalent to more than 362,000 drivers sitting idle for a year.[6] Most troubling is the impact of underinvestment on highway safety. In nearly 53 percent of highway fatalities, the condition of the roadway is a contributing factor.[7] In 2011, nearly 17,000 people died in roadway departure crashes, over 50 percent of the total.[8]

The Highway Trust Fund (HTF), the primary source of federal revenue for highway projects, safety programs and transit investments, is projected to run short of the funds necessary to maintain current spending levels by FY2021.[9] While an average of approximately $40 billion per year is expected to be collected from highway users over the next decade, at least $60 billion will be required annually to prevent significant reductions in federal aid for critical projects and programs.[10] It should be noted that a $60 billion annual average federal investment *still* falls well short of the resources necessary to provide the federal share of the investment needed to address the Nation's surface transportation safety, maintenance and capacity needs.[11] According to the American Society of Civil Engineers, the U.S. spends less than half of what is necessary to address these needs. As the investment gap continues to grow, so too will the number of deficient bridges, miles of roads in poor condition, number of highway bottlenecks and, most critically, the number of crashes and fatalities attributable to inadequate roadways.

Build America Fund

ATA's proposed solution is the Build America Fund. The BAF would be supported with a new 20 cent per gallon fee built into the price of transportation fuels collected at the terminal rack, to be phased in over four years. The fee will be indexed to both inflation and improvements in fuel efficiency, with a five percent annual cap. We estimate that the fee will generate nearly $340

---

[4] *Bumpy Roads Ahead: America's Roughest Rides and Strategies to make our Roads Smoother,* The Road Information Program, Nov. 2016; see also *2015 Urban Mobility Scorecard.* Texas Transportation Institute, Aug. 2015.

[5] *Cost of Congestion to the Trucking Industry: 2017 Update*. American Transportation Research Institute, May 2017.

[6] *Ibid.*

[7] *Roadway Safety Guide*. Roadway Safety Foundation, 2014.

[8] *Ibid.*

[9] *Projections of Highway Trust Fund Accounts – CBO's June 2017 Baseline*, Congressional Budget Office.

[10] *Ibid.*

[11] *2015 Status of the Nation's Highways, Bridges, and Transit: Conditions & Performance*. USDOT, Dec. 2016; see also *2017 Infrastructure Report Card*. American Society of Civil Engineers, 2017.

billion over the first 10 years. It will cost the average passenger vehicle driver just over $100 per year.

Under the proposal the first tranche of revenue generated by the new fee would be transferred to the HTF. Using a FY 2020 baseline, existing HTF programs would be funded at authorized levels sufficient to prevent a reduction in distributed funds, plus an annual increase to account for inflation.

Second, a new National Priorities Program (NPP) would be funded with an annual allocation of $5 billion, plus an annual increase equivalent to the percentage increase in BAF revenue. Each year, the U.S. Department of Transportation would determine the location of the costliest highway bottlenecks in the nation and publish the list. Criteria could include the number of vehicles; amount of freight; congestion levels; reliability; safety; or, air quality impacts. States with identified bottlenecks could apply to USDOT for project funding grants on a competitive basis. Locations could appear on the list over multiple years until they are addressed.

The funds remaining following the transfer to the HTF and the NPP would be placed into the Local Priorities Program (LPP). Funds would be apportioned to the states according to the same formula established by the Surface Transportation Block Grant Program, including sub-allocation to local agencies. Project eligibility would be the same as the eligibility for the National Highway Freight Program or National Highway Performance Program, for highway projects only.

ATA believes that this approach would give state and local transportation agencies the long-term certainty and revenue stability they need to maintain and begin to improve their surface transportation systems. They should not be forced to resort to costly, inefficient practices – such as deferred maintenance – necessitated by the unpredictable federal revenue streams that have become all too common since 2008. Furthermore, while transportation investment has long-term benefits that extend beyond the initial construction phase, it is estimated that our proposal would add nearly half a million annual jobs related to construction nationwide, including more than 7,500 jobs in Oklahoma and over 7,000 jobs in Maryland (see Appendix A for a full list of state-specific employment figures).[12]

Alternative Revenue Sources

We believe that the fuel tax is the most fair and efficient method for funding highways. Just 0.2 percent of fuel tax revenue goes to collection costs.[13] We are willing to consider other funding options, provided they meet the following criteria:

- Be easy and inexpensive to pay and collect;
- Have a low evasion rate;
- Be tied to highway use; and
- Avoid creating impediments to interstate commerce.

[12] *A Framework for Infrastructure Funding.* American Transportation Research Institute, Nov. 2017.
[13] *Ibid.*

While ATA is open to supporting a wide range of funding and financing options, we will oppose expansion of Interstate highway tolling authority and highway "asset recycling." Interstate tolls are a highly inefficient method of funding highways. Tolling also forces traffic onto secondary roads, which are weaker and less safe. Asset recycling involves selling or leasing public assets to the private sector. Where asset recycling has been utilized on toll roads in the U.S., toll payers have seen their toll rates increased, only to subsidize projects with little or no benefit to them. Our position on asset recycling pertains only to the highway sector.

ATA is aware of proposals to create a new freight fee that taxes the cost of freight transportation services. While we believe that such a proposal is attractive in concept, we have identified several issues that have yet to be resolved to our satisfaction, and therefore we cannot support it at this time. Our primary (though by no means only) concerns are: high administrative costs; significant potential for evasion; and difficulty imposing the fee on private carriers.

We do support a new federal *registration* fee on all vehicles. Since states already collect registration fees, the infrastructure is already in place to collect such a fee at a very low cost. The fee could be charged initially on electric and other alternative fuel vehicles that do not currently pay a fuel tax. The cost to motorists would be relatively small; a $110 annual fee per passenger vehicle, for example, would be roughly equivalent to the average amount of federal fuel tax currently paid by these vehicles each year. Yet, this $110 registration fee would raise nearly $29 billion annually if charged to all motorists, which exceeds the amount of revenue collected from the federal gasoline tax.

Future Revenue Sources

While ATA considers the BAF the most immediate means for improving our nation's roads and bridges, ATA also recognizes that due to improvements in fuel efficiency and the development of new technologies that avoid the need to purchase fossil fuel altogether, the fuel tax is likely to be a diminishing source of revenue for surface transportation improvements. We encourage Congress, in consultation with the Executive Branch, state and local partners and the private sector, to continue to work toward identifying future revenue sources. As you know, the FAST Act created a new grant program designed to accomplish this objective, and we hope that this research will continue. ATA encourages Congress to include in a future infrastructure package or surface transportation reauthorization bill a plan to bolster and, if necessary, ultimately replace current highway funding mechanisms with new, more sustainable revenue sources. We recommend a ten-year strategy that could include creation of a blue-ribbon commission to explore the results of pilot programs already completed or underway, with recommendations for either further research or a proposal for Congress to adopt a new funding approach.

The Administration's Infrastructure Proposal

While the Trump Administration has not yet released its infrastructure funding proposal, we can anticipate its major elements based on public statements and release of official documents, most notably the FY2018 Budget Proposal. ATA is encouraged by the President's focus on infrastructure, and we are thankful that it is a stated priority. When it comes to specific plans, however, we are troubled by what we seen in the Budget Proposal.

Most disturbing is a policy outlined in the Budget Proposal to *reduce* the federal-aid highway program by tens of billions of dollars each year, forcing state and local agencies to cancel, delay or scale back critical projects and eliminating hundreds of thousands of jobs. These proposed cuts, along with other features of the anticipated plan, align with statements we have heard from Administration staff (but not the President) that indicate a philosophy in support of devolution. As you have recognized on several occasions, Mr. Chairman, the U.S. Constitution charges the federal government with responsibility for ensuring the free movement of interstate commerce, and such movement is not possible without an efficient roadway network.

Some argue that with completion of the Interstate system, the federal government no longer has a valid reason to maintain a significant role in providing financial support for highway improvements. However, this belies the fact that the federal government has an interest in ensuring that the system is not only properly maintained, but also expanded, to accommodate economic and population growth, for the same reasons that it led the construction of the network in the first place. Mr. Chairman, there is a commonly used mantra that is applicable here: "hope is not a strategy." The federal government cannot on the one hand establish a policy goal of promoting safer, more efficient surface transportation systems and then hope that others will fill the funding gap when it fails to provide the resources necessary to achieve these objectives.

It is ironic that an administration which supports the idea of devolving more responsibility for meeting infrastructure needs to state and local governments has proposed a strategy that would have the opposite effect. The Budget Proposal has essentially suggested replacing a portion of the Federal-Aid Highway Program (FAHP) with a new discretionary program administered by the federal government. Currently, virtually all of the money flowing from the FAHP is apportioned directly to state and local governments, and they have very wide discretion on how the funds are spent. In contrast, under the White House proposal as we understand it, the disposition of the discretionary money will be determined by the policies and subjective preferences of whichever administration happens to be in power at the time.

As I suggested earlier, we are also very concerned with the Budget Proposal's statement in support of eliminating federal restrictions on Interstate tolls. Toll collection costs are significantly greater than the cost of collecting other user fees.[14] Furthermore, tolls cause motorists to use alternative routes that are generally less safe and not as well constructed. ATA strongly opposes expansion of Interstate tolling authority and we support rolling back existing exceptions to the current restrictions on tolling existing Interstates (other than HOV lanes). We cannot support any transportation proposal that so radically alters the treatment of Interstate tolls. Congress has for decades recognized the need for restrictions on tolling authority in order to maintain the efficient flow of interstate traffic and we strongly encourage the subcommittee to roll back, not expand, Interstate highway tolling authority.

The administration has also promoted asset recycling, which involves a long-term lease of publicly owned infrastructure assets to investors in exchange for an upfront payment, the proceeds of which can be used for new infrastructure projects. In the U.S., similar schemes were used for long-term leases of the Indiana Toll Road and Chicago Skyway a decade ago. In both cases, toll rates skyrocketed, with little or no benefit for the users of those facilities. ATA will

[14] *Ibid.*

oppose any proposal that incentivizes asset recycling of highway infrastructure, although we have not taken a position on use of this strategy for non-highway assets.

FREIGHT TRANSPORTATION IMPROVEMENT

While trucks move the vast majority of freight, it is important to recognize the critical nature of the multimodal supply chain. The seamless interchange of freight between trucks, trains, aircraft, ships and waterways operators allows shippers to minimize costs and maximize efficiencies. While carriers do what they can to make this process as smooth as possible, some things are largely out of our hands and require government action.

Importance of the Federal Role

The federal government has a critical role to play in the supply chain. Freight knows no borders, and the constraints of trying to improve the movement of freight without federal funding and coordination will create a drag on all freight providers' ability to serve national and international needs. As the former mayor of Tulsa, Mr. Chairman, I'm sure you can appreciate the advantages of that great city's geographic location and good access to the Interstate highway system. As the map in Appendix B shows, trucks originating in Tulsa move products produced in Oklahoma to all corners of the country, and no doubt to international markets as well. Appendices C and D show truck movements from Oklahoma City and Baltimore, respectively.

These maps demonstrate that parochial debates over how much funding each state receives is ultimately destructive to shippers no matter where they are located. The cost of congestion for a truck that moves freight from Tulsa to Chicago is no different whether that congestion occurs in Tulsa or in Chicago. There is little advantage to a truck moving a load of cars from the Port of Baltimore to a dealership in Northern Virginia if roadway improvements are made around the port, only to experience severe congestion on the Beltway in Virginia. The critical role that only the federal government can play is to look at investment decisions in the context of national impacts and determine which investments can produce the greatest economic benefits regardless of jurisdictional considerations. Only the federal government can break down the artificial constraints of geographic boundaries that hamper sound investment in our Nation's freight networks. Only the federal government can provide the resources necessary to fund projects whose benefits extend beyond state lines, but are too expensive for state or local governments to justify investment in at the expense of local priorities.

Freight Intermodal Connectors

Freight intermodal connectors – those roads that connect ports, rail yards, airports and other intermodal facilities to the National Highway System – are publicly owned. And while they are an essential part of the freight distribution system, many are neglected and are not given the attention they deserve given their importance to the Nation's economy. Just nine percent of connectors are in good or very good condition, 19 percent are in mediocre condition and 37 percent are in poor condition.[15] Not only do poor roads damage both vehicles and the freight they carry, but the Federal Highway Administration found a correlation between poor roads and vehicle speed. Average speed on a connector in poor condition was 22 percent lower than on

[15] *Freight Intermodal Connectors Study*. Federal Highway Administration, April 2017.

connectors in fair or better condition.[16] FHWA further found that congestion on freight intermodal connectors causes 1,059,238 hours of truck delay annually and 12,181,234 hours of automobile delay.[17] Congestion on freight intermodal connectors adds nearly $68 million to freight transportation costs each year.[18]

One possible reason connectors are neglected is that the vast majority of these roads – 70 percent – are under the jurisdiction of a local or county government.[19] Yet, these roads are serving critical regional or national needs well beyond the geographic boundaries of the jurisdictions that have responsibility for them, and these broader benefits may not be factored into the local jurisdictions' spending decisions. While connectors are eligible for FAHP funding, it is clear that this is simply not good enough. We urge Congress to set aside adequate funding for freight intermodal connectors to ensure that these critical arteries are given the attention and resources they deserve.

Port Congestion

Unfortunately, long wait times have become epidemic for trucks serving our Nation's ports. For example, harbor drayage companies at the Ports of Los Angeles-Long Beach often wait 100 minutes to make their turn at the Ports. When they ask the terminal operators about this, they are often told this is the new normal at the Ports. This wait time needs to be reduced to allow for the drayage/intermodal truckers to make more turns on a daily basis.

As of now, many of the drayage/intermodal truckers do not make more than one or two turns at the Ports on a daily basis. Along with their wait times at the Ports, many of the truckers have up to a 250-mile drive before returning to the Port for another turn. Within the industry, it is assumed that close-to-optimum-turn-times should be 75 to 80 minutes.

The maps in Appendices E and F illustrate the daily struggle facing trucks. The Port of Newark, part of one of the largest port complexes in the country based on volume, is plagued by congestion, both in the facility and throughout the region that trucks servicing the port operate in. As Appendix G shows, these congestion impacts are felt throughout the nation, as far away as the West Coast.

MAP-21 and FAST Act Freight Provisions

We are grateful to the subcommittee for supporting the inclusion of significant freight provisions in the most recent authorization bills. These new programs recognize the centrality of freight transportation to the federal-aid program. We encourage Congress to build on this progress in future legislation.

Most notably, the FAST Act established the Nationally Significant Freight and Highway Projects (NSFHP) program, which provided $4.5 billion in dedicated discretionary funds specifically for projects that improve freight transportation safety and mobility. We encourage Congress to

---

[16] *Ibid.*

[17] *Ibid.*

[18] *An Analysis of the Operational Costs of Trucking: 2016 Update*. American Transportation Research Institute, May 2017. Estimates average truck operational cost of $63.70 per hour.

[19] *Ibid*.

continue the program with at least as much funding as was provided by the FAST Act. We also suggest narrowing the eligibility criteria to ensure that the most critical projects receive funding and that selected projects are truly those that serve significant freight transportation purposes. We oppose lowering existing cost thresholds or increasing the amount of funding available for non-highway projects.

We are troubled by certain aspects of the USDOT's July 5, 2017 Notice of Funding Opportunity (Docket No. DOT–OST–2017–0090) for the NSFHP (renamed INFRA by the notice). The agency is attempting to use the program to promote its support for public-private partnerships by suggesting that applicants who use this financing strategy would receive favorable treatment. This policy is not supported by the FAST Act and it will not in any way advance the goals of the program. In fact, the policy will limit the number of good proposals submitted for consideration, especially those in rural and other low-density areas. We encourage the subcommittee to express opposition to USDOT's approach and, if necessary, add statutory language to prevent USDOT from usurping Congressional intent.

We are also pleased with creation of the National Highway Freight Program, which dedicated more than $6 billion to freight-related projects. Similar to the NSFHP program, we encourage the subcommittee to revise the program to ensure that investments are better targeted to critical freight projects, especially the major highway bottlenecks that disproportionately impact the cost and efficient movement of goods. We also encourage Congress to avoid increasing the share of apportioned revenue that states may use for non-highway projects.

On October 18, 2015, USDOT released, for comment, a draft National Freight Strategic Plan (NFSP) in response to a requirement in MAP-21. However, the plan was not finalized, nor has it been revised to incorporate new provisions in the FAST Act. The Plan was due to be finalized on December 4, 2017. We encourage USDOT to reissue a new draft for comment as soon as possible. Some of ATA's concerns with the draft are as follows:

1. The document identifies highway bottlenecks as a significant barrier to the efficient movement of freight. However, while it suggests low-cost approaches to mitigate the impacts of bottlenecks, the NFSP does not acknowledge the need for significantly greater investment to address those projects that require substantial capacity expansion or interchange realignment.

2. The NFSP suggests the establishment of a new multimodal freight funding program. While ATA could support the general concept under the right circumstances, we are concerned about how such a program would be funded and how the revenue would be distributed. Today, the vast majority of freight user-fee revenue comes from the trucking industry, with a significantly smaller amount of revenue coming from airfreight and waterborne freight transportation sources. Freight railroads do not pay any user fees at all and have consistently opposed the imposition of fees. Any multimodal freight fund that derives its revenue wholly or partially from user fees is therefore likely to create an imbalance in the amount of revenue contributed by the trucking industry and the benefit the trucking industry gets from its investment. It would be both inappropriate and unfair to force the trucking industry to subsidize other freight modes, particularly if those modes

compete with trucking companies. We are also concerned about the potential distribution of a freight funding program whose revenue comes from General Fund or other non-user fee revenue. Based on past experience with TIGER and similar programs, it is apparent that the money is more likely to be invested according to an administration's policy goals than based on an unbiased assessment of national needs.

3. While the Plan calls for a new multimodal freight program, it fails to acknowledge that the most important part of the freight infrastructure system – the National Highway System – already has a dedicated federal funding source (the HTF) that is woefully underfunded. The NFSP offers no solutions for addressing this shortfall, a critical oversight.

4. ATA is very concerned with the proposal to require that vehicles servicing federal-aid freight infrastructure projects must meet certain EPA requirements and NHTSA's fuel economy and GHG emissions standards. While the vast majority of vehicles will likely meet model year 2010 standards, the NHTSA requirements will take effect many years in the future, and it will likely take decades for the heavy duty vehicle fleet to fully incorporate the new regulatory requirements. Furthermore, it is possible that additional requirements for heavy duty vehicle criteria emissions standards will be adopted in the future, with vehicles servicing federal-aid projects presumably being forced to meet the new standards. This proposal is likely to increase highway project costs at a time when additional spending is desperately needed to meet even basic needs.

Finally, MAP-21 also began the process of moving toward a performance-based planning and programming environment, including for freight-related investments and other key factors such as highway safety and bridge and pavement condition. This approach will help to focus limited resources on the most beneficial projects. We are concerned, however, about the potential lack of uniformity involved in allowing state and local agencies to establish their own measures. We are also concerned that without additional incentives, this new approach will fall short of its goals. Nonetheless, ATA is encouraged by the actions taken by Congress and the USDOT thus far, and we urge implementation of performance measures without delay.

Truck Driver Parking Shortage

Research and feedback from carriers and drivers suggest there is a significant shortage of available parking for truck drivers in certain parts of the country. Given the projected growth in demand for trucking services, this problem will likely worsen. There are significant safety benefits from investing in truck parking to ensure that trucks are not parking in unsafe areas due to lack of space.

Funding for truck parking is available to states under the current federal-aid highway program, but truck parking has not been a priority given a shortage of funds for essential highway projects. Therefore, we support the creation of a new discretionary grant program with dedicated funding from the federal-aid highway program for truck parking capital projects.

ADDITIONAL PRODUCTIVITY IMPEDIMENTS

While the subcommittee does not have jurisdiction over trucking regulations, it is helpful to understand the full range of productivity constraints we are facing in the context of addressing infrastructure-related impediments. There are a host of actions that Congress can take to improve freight mobility without compromising important societal goals such as safety and air quality.

While ATA supports state flexibility on certain matters, it should be recognized that Congress has a Constitutionally mandated responsibility to ensure the flow of interstate commerce. Where appropriate, federal preemption may be necessary. Unfortunately, federal avoidance of preemption in the name of states' rights or to avoid controversy sometimes leads to a patchwork quilt of state regulations that creates significant inefficiencies. Where appropriate, the federal government must act to protect the public interest from the parochial demands of narrow constituencies.

Automated Technology in Trucking

Automated vehicle technologies have the potential to dramatically impact nearly all aspects of the trucking industry. These technologies can bring benefits in the areas of safety, environment, productivity, efficiency, and driver health and wellness. The safety gains achievable by removing human error, a factor in 94 percent of all vehicle crashes,[20] could be transformative in reducing fatalities and injuries on our roadways, as well as in preventing even minor crashes, which would reduce traffic congestion and pollution, providing additional economic and societal benefits. This technology can also help to alleviate the truck driver shortage and prevent driver fatigue.

ATA believes that the driver will retain an important role in trucking, even with fully automated trucks. In addition to monitoring the automated driving systems and manually driving in the cityscape and at loading docks, drivers will retain their current responsibilities for securing the cargo, particularly hazardous cargo, as well as for customer interaction with the shipper and receiver.

In addition, ATA sees great potential for vehicle connectivity using the 5.9 GHz Safety Spectrum to improve the performance of automated vehicles. Vehicle-to-vehicle (V2V) and vehicle-to-infrastructure (V2I) communication using the Safety Spectrum can save lives and reduce traffic congestion and vehicle emissions. The benefits of V2V/V2I technology will grow when coupled with automated vehicle technology, and vice versa. As the Federal Communications Commission (FCC) considers action that would allow other uses of the 5.9 GHz spectrum that was allocated for V2V and V2I communication, we believe it is important that any decisions over sharing the Safety Spectrum should be driven first and foremost by public safety, preserving all seven channels of spectrum for safety. The FCC should take no action that could jeopardize the vehicle safety initiatives that the DOT is pursuing with this spectrum.

Mr. Chairman, the federal government must serve as a catalyst for technology development and deployment. Actions that delay or otherwise impede this progress are shortsighted.

---

[20] Singh, S. (2015, February). *Critical reasons for crashes investigated in the National Motor Vehicle Crash Causation Survey.* (Traffic Safety Facts Crash Stats. Report No. DOT HS 812 115). Washington, DC: National Highway Traffic Safety Administration

Trade Reform
ATA supports free trade, including the North American Free Trade Agreement (NAFTA) and the Department of Transportation's cross-border trucking program. Trade and trucking are synonymous, and the increased movement of freight yields more good-paying jobs and growth in American companies.

Since 1995, the U.S. has been in a trade bloc agreement with Mexico and Canada through NAFTA. Data shows that the U.S. trucking industry is a large beneficiary of NAFTA. Since 1995, the value of goods traveling via truck across both the northern and southern borders jumped 164% and totaled nearly $700 billion in 2016. This increase in trade has created or supported tens of thousands of jobs in the United States with motor carriers, suppliers, and shippers, underscoring the benefits of free trade. The value of goods traded with Canada transported by truck equaled $327.2 billion in 2016, 76 percent more than in 1995 when NAFTA was enacted. It required nearly 5.9 million truck movements across the U.S.-Canadian border to haul the $327.2 billion worth of merchandise. In 2016, trucks moved $372.8 billion in merchandise across the Mexican border, which equates to 372 percent more than in 1995. Today, trucks haul 82% of the value of goods moving across the southern border via surface transportation. In 2016, this required 5.8 million truck movements across the U.S.-Mexican border. Annually, trade with Mexico moved by truck supports nearly 26,000 direct jobs in the U.S. trucking industry, including more than 17,000 U.S. truck driver positions, and generates $3.7 billion in annual revenue to U.S. trucking companies. While ATA has not completed the same analysis for U.S.-Canada trade, it is likely to be similar in magnitude.

Any change restricting trade between the U.S., Mexico and Canada could be detrimental to the cross-border industry. ATA will support trade policies that help create well-paid American jobs, including in the trucking sector.

Transportation Worker Identification Card
Since the Maritime Transportation Security Act (MTSA) of 2002 (Sec 102 of PL 107-295) authorized the Transportation Worker Identification Card (TWIC), ATA has advocated a "one credential or screening, many uses" policy to balance the flow of commerce without compromising the security of our Nation's supply chain. ATA strongly believes that the TWIC can serve as a universal credentialing/background check as well as a physical access control security mechanism at regulated port facilities. If the goal for TWIC is to prevent acts of terror from occurring and to stop possible terrorists from obtaining access to secure areas of MTSA-regulated facilities, the timeline for achieving this goal is unsatisfactory at best. It has been 15 years since MTSA was enacted, 9 years since the TWIC final rule became effective, and still America has to wait two more years before TWIC readers are to be fully implemented. ATA believes that we can and must do better.

Regulations like this should continually seek to effectively balance national security interests without hindering the efficient movement of goods throughout our economy by placing undue burdens or costs on industry and subsequently, consumers. Our increasingly connected world and trucking industry require a recognition that cyber threats to our nation's infrastructure can be just as consequential to public safety and our economy as physical attacks. ATA stands ready to

support Congress and the Department of Homeland Security to ensure that enhanced national security and the unencumbered flow of commerce remain compatible priorities.

CONCLUSIONS

Mr. Chairman, over the next decade, freight tonnage is projected to grow by more than 40 percent.[21] The trucking industry is expected to carry more than two-thirds of the nation's freight in 2028. It will be tasked with hauling 3.2 billion *more* tons of freight in 2028 than it moved this year.[22] Without federal support and cooperation, the industry will find it extremely difficult to meet these demands at the price and service levels that its customers, American businesses, need to compete globally. It is imperative to our nation's economy and security that Congress, working with the administration, invest in critical highway freight infrastructure and make the reforms necessary to create an improved regulatory environment that fosters greater safety and efficiency in our supply chain.

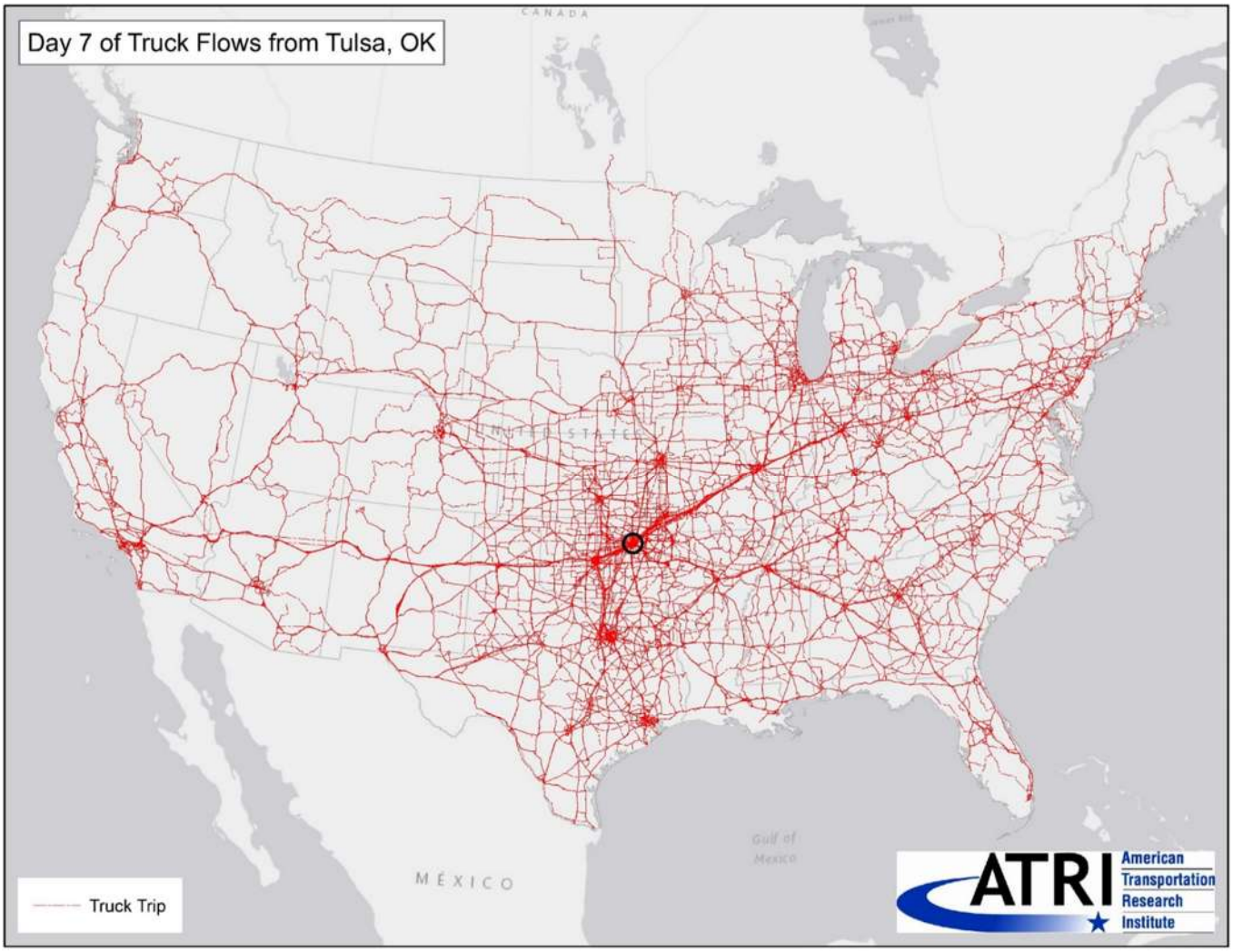
Thank you once again for the opportunity to testify on this important subject. We look forward to working with the subcommittee to advance legislation that enables the trucking industry to continue to provide safe and efficient services to its customers.

[21] *Freight Transportation Forecast 2017-2028*. IHS Global Insight, 2017.
[22] *Ibid.*

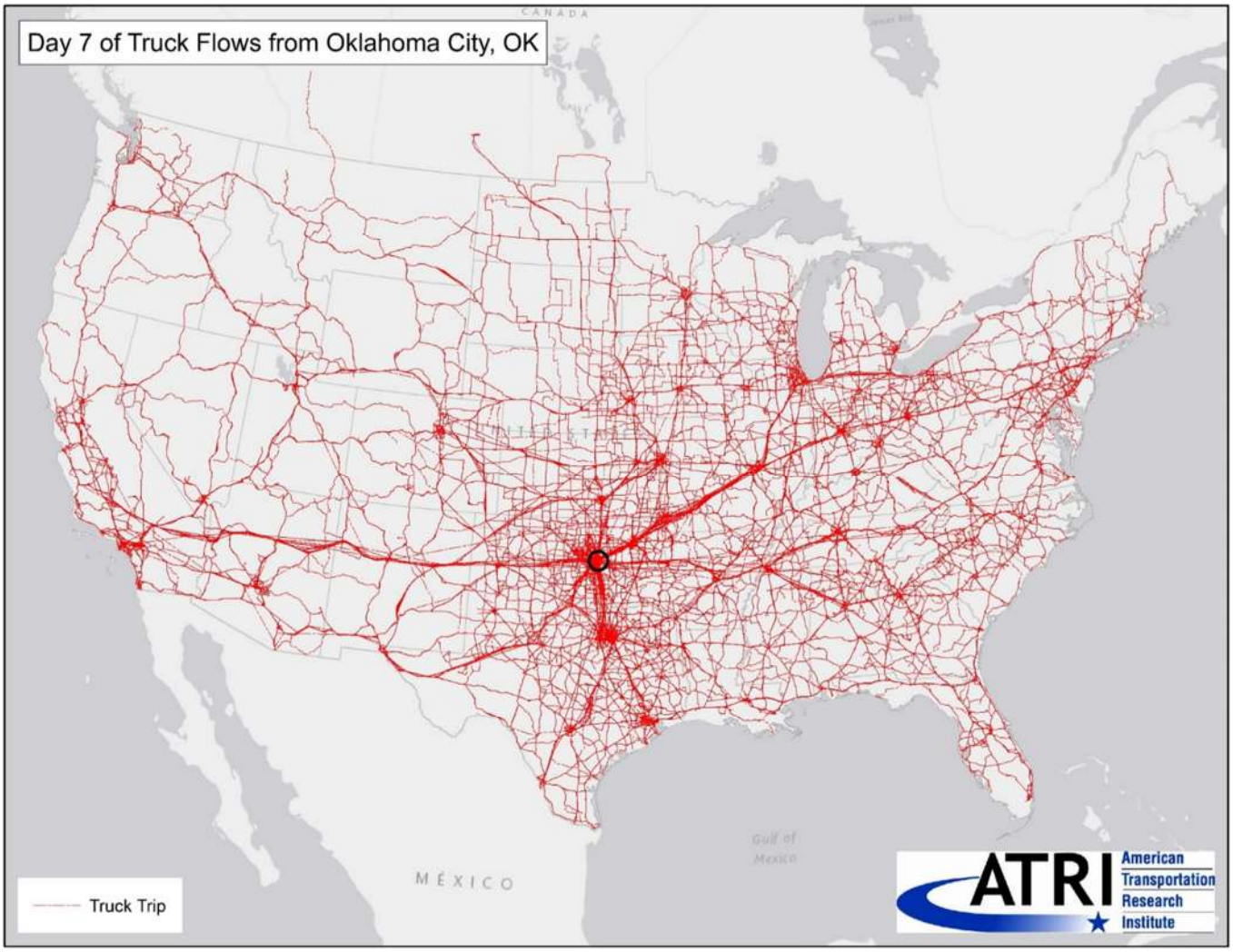
APPENDIX A: FUNDING IMPACT MATRIX - ANNUAL STATE-LEVEL JOB AND REVENUE INCREASES RESULTING FROM FEDERAL FUEL TAX INCREASES

	Current Annual Allocation		Ten Cent Increase - Federal Motor Fuels Tax Annual Benefits				Twenty Cent - Increase Federal Motor Fuels Tax Annual Benefits			
STATE	FAST ACT Apportioned Funds (in milions)	Percent of Total	Additional $15 Billion Federal Funding (in millions)	State Match (20%) (in millions)	Total New Funds (in millions)	# of Jobs	Additional $30 Billion Federal Funding (in millions)	State Match (20%) (in millions)	Total New Funds (in millions)	# of Jobs
ALABAMA	$ 770	1.9%	$ 291	$ 58	$ 349	4,533	$ 581	$ 116	$ 697	9,067
ALASKA	$ 509	1.3%	$ 192	$ 38	$ 230	2,996	$ 384	$ 77	$ 461	5,992
ARIZONA	$ 742	1.9%	$ 280	$ 56	$ 336	4,372	$ 560	$ 112	$ 673	8,744
ARKANSAS	$ 525	1.3%	$ 198	$ 40	$ 238	3,094	$ 397	$ 79	$ 476	6,187
CALIFORNIA	$ 3,723	9.4%	$ 1,406	$ 281	$ 1,687	21,931	$ 2,812	$ 562	$ 3,374	43,862
COLORADO	$ 542	1.4%	$ 205	$ 41	$ 246	3,195	$ 410	$ 82	$ 492	6,390
CONNECTICUT	$ 509	1.3%	$ 192	$ 38	$ 231	3,001	$ 385	$ 77	$ 462	6,002
DELAWARE	$ 172	0.4%	$ 65	$ 13	$ 78	1,011	$ 130	$ 26	$ 156	2,022
DIST. OF COL.	$ 162	0.4%	$ 61	$ 12	$ 73	953	$ 122	$ 24	$ 147	1,907
FLORIDA	$ 1,922	4.8%	$ 726	$ 145	$ 871	11,321	$ 1,451	$ 290	$ 1,742	22,642
GEORGIA	$ 1,310	3.3%	$ 495	$ 99	$ 593	7,715	$ 989	$ 198	$ 1,187	15,430
HAWAII	$ 172	0.4%	$ 65	$ 13	$ 78	1,011	$ 130	$ 26	$ 155	2,021
IDAHO	$ 290	0.7%	$ 110	$ 22	$ 131	1,709	$ 219	$ 44	$ 263	3,418
ILLINOIS	$ 1,442	3.6%	$ 545	$ 109	$ 653	8,495	$ 1,089	$ 218	$ 1,307	16,990
INDIANA	$ 967	2.4%	$ 365	$ 73	$ 438	5,693	$ 730	$ 146	$ 876	11,387
IOWA	$ 499	1.3%	$ 188	$ 38	$ 226	2,937	$ 376	$ 75	$ 452	5,873
KANSAS	$ 383	1.0%	$ 145	$ 29	$ 174	2,258	$ 289	$ 58	$ 347	4,516
KENTUCKY	$ 674	1.7%	$ 254	$ 51	$ 305	3,970	$ 509	$ 102	$ 611	7,940
LOUISIANA	$ 712	1.8%	$ 269	$ 54	$ 323	4,194	$ 538	$ 108	$ 645	8,387
MAINE	$ 187	0.5%	$ 71	$ 14	$ 85	1,103	$ 141	$ 28	$ 170	2,206
MARYLAND	$ 610	1.5%	$ 230	$ 46	$ 276	3,591	$ 460	$ 92	$ 552	7,181
MASSACHUSETTS	$ 616	1.6%	$ 233	$ 47	$ 279	3,629	$ 465	$ 93	$ 558	7,258
MICHIGAN	$ 1,068	2.7%	$ 403	$ 81	$ 484	6,291	$ 807	$ 161	$ 968	12,582
MINNESOTA	$ 661	1.7%	$ 250	$ 50	$ 300	3,896	$ 500	$ 100	$ 599	7,793
MISSISSIPPI	$ 491	1.2%	$ 185	$ 37	$ 222	2,890	$ 370	$ 74	$ 445	5,780
MISSOURI	$ 960	2.4%	$ 363	$ 73	$ 435	5,657	$ 725	$ 145	$ 870	11,313
MONTANA	$ 416	1.0%	$ 157	$ 31	$ 189	2,452	$ 314	$ 63	$ 377	4,903
NEBRASKA	$ 293	0.7%	$ 111	$ 22	$ 133	1,727	$ 221	$ 44	$ 266	3,454
NEVADA	$ 368	0.9%	$ 139	$ 28	$ 167	2,170	$ 278	$ 56	$ 334	4,339
NEW HAMPSHIRE	$ 168	0.4%	$ 63	$ 13	$ 76	987	$ 127	$ 25	$ 152	1,974
NEW JERSEY	$ 1,013	2.5%	$ 382	$ 76	$ 459	5,966	$ 765	$ 153	$ 918	11,932
NEW MEXICO	$ 372	0.9%	$ 141	$ 28	$ 169	2,194	$ 281	$ 56	$ 338	4,389
NEW YORK	$ 1,703	4.3%	$ 643	$ 129	$ 772	10,030	$ 1,286	$ 257	$ 1,543	20,059
NORTH CAROLINA	$ 1,058	2.7%	$ 399	$ 80	$ 479	6,232	$ 799	$ 160	$ 959	12,464
NORTH DAKOTA	$ 252	0.6%	$ 95	$ 19	$ 114	1,483	$ 190	$ 38	$ 228	2,967
OHIO	$ 1,360	3.4%	$ 513	$ 103	$ 616	8,009	$ 1,027	$ 205	$ 1,232	16,019
OKLAHOMA	$ 643	1.6%	$ 243	$ 49	$ 292	3,790	$ 486	$ 97	$ 583	7,579
OREGON	$ 507	1.3%	$ 191	$ 38	$ 230	2,987	$ 383	$ 77	$ 459	5,973
PENNSYLVANIA	$ 1,664	4.2%	$ 628	$ 126	$ 754	9,804	$ 1,257	$ 251	$ 1,508	19,608
RHODE ISLAND	$ 222	0.6%	$ 84	$ 17	$ 101	1,307	$ 168	$ 34	$ 201	2,614
SOUTH CAROLINA	$ 679	1.7%	$ 256	$ 51	$ 308	4,001	$ 513	$ 103	$ 616	8,002
SOUTH DAKOTA	$ 286	0.7%	$ 108	$ 22	$ 130	1,685	$ 216	$ 43	$ 259	3,370
TENNESSEE	$ 857	2.2%	$ 324	$ 65	$ 388	5,049	$ 647	$ 129	$ 777	10,098
TEXAS	$ 3,501	8.8%	$ 1,322	$ 264	$ 1,587	20,625	$ 2,644	$ 529	$ 3,173	41,250
UTAH	$ 352	0.9%	$ 133	$ 27	$ 160	2,075	$ 266	$ 53	$ 319	4,150
VERMONT	$ 206	0.5%	$ 78	$ 16	$ 93	1,213	$ 155	$ 31	$ 187	2,425
VIRGINIA	$ 1,032	2.6%	$ 390	$ 78	$ 468	6,080	$ 780	$ 156	$ 935	12,161
WASHINGTON	$ 688	1.7%	$ 260	$ 52	$ 312	4,051	$ 519	$ 104	$ 623	8,101
WEST VIRGINIA	$ 443	1.1%	$ 167	$ 33	$ 201	2,611	$ 335	$ 67	$ 402	5,223
WISCONSIN	$ 763	1.9%	$ 288	$ 58	$ 346	4,496	$ 576	$ 115	$ 692	8,992
WYOMING	$ 260	0.7%	$ 98	$ 20	$ 118	1,531	$ 196	$ 39	$ 235	3,061
TOTAL	**$ 39,724**	**100.0%**	**$ 15,000**	**$ 3,000**	**$ 18,000**	**234,000**	**$ 30,000**	**$ 6,000**	**$ 36,000**	**468,000**

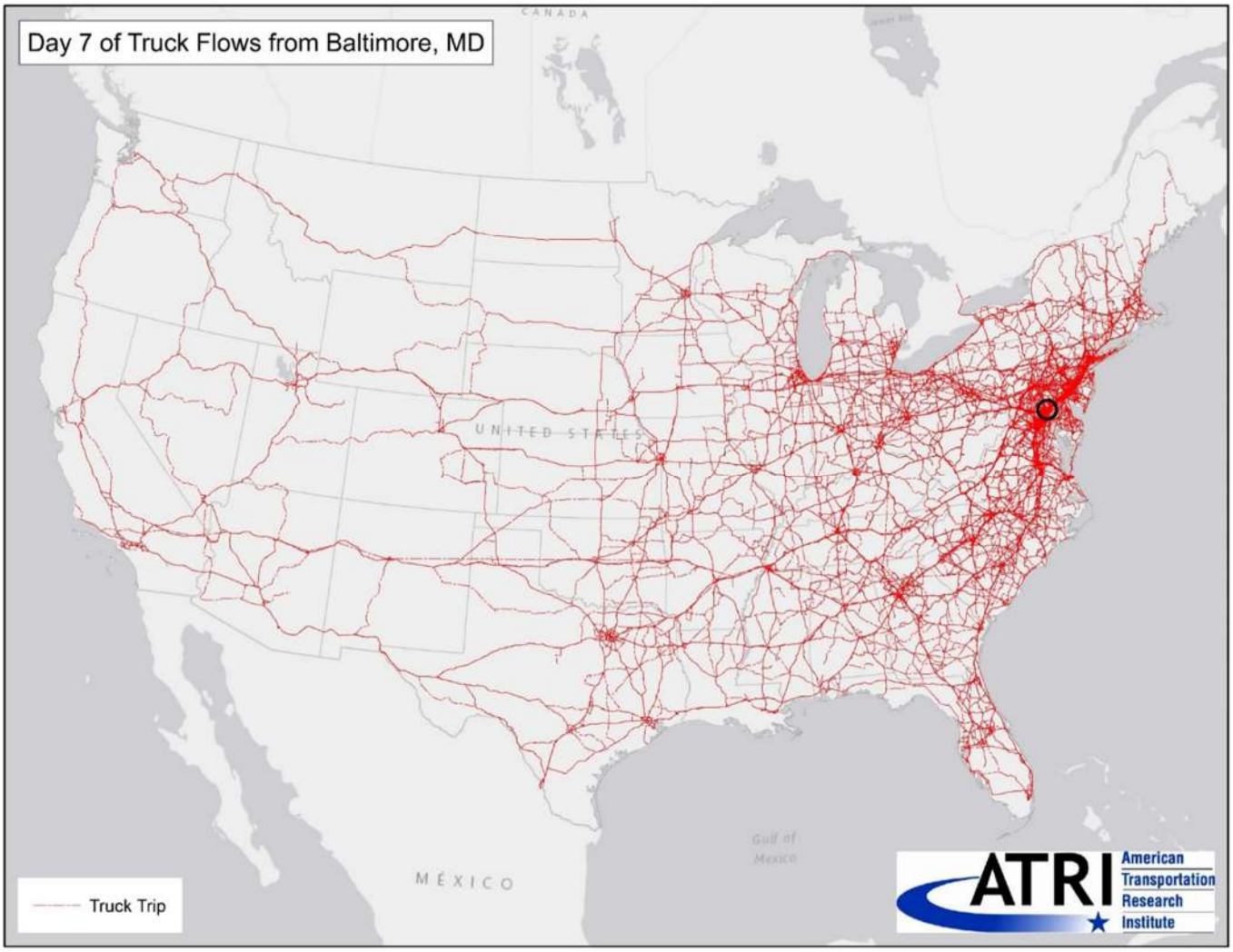
APPENDIX B: TRUCK FLOWS ORIGINATING IN TULSA, OK



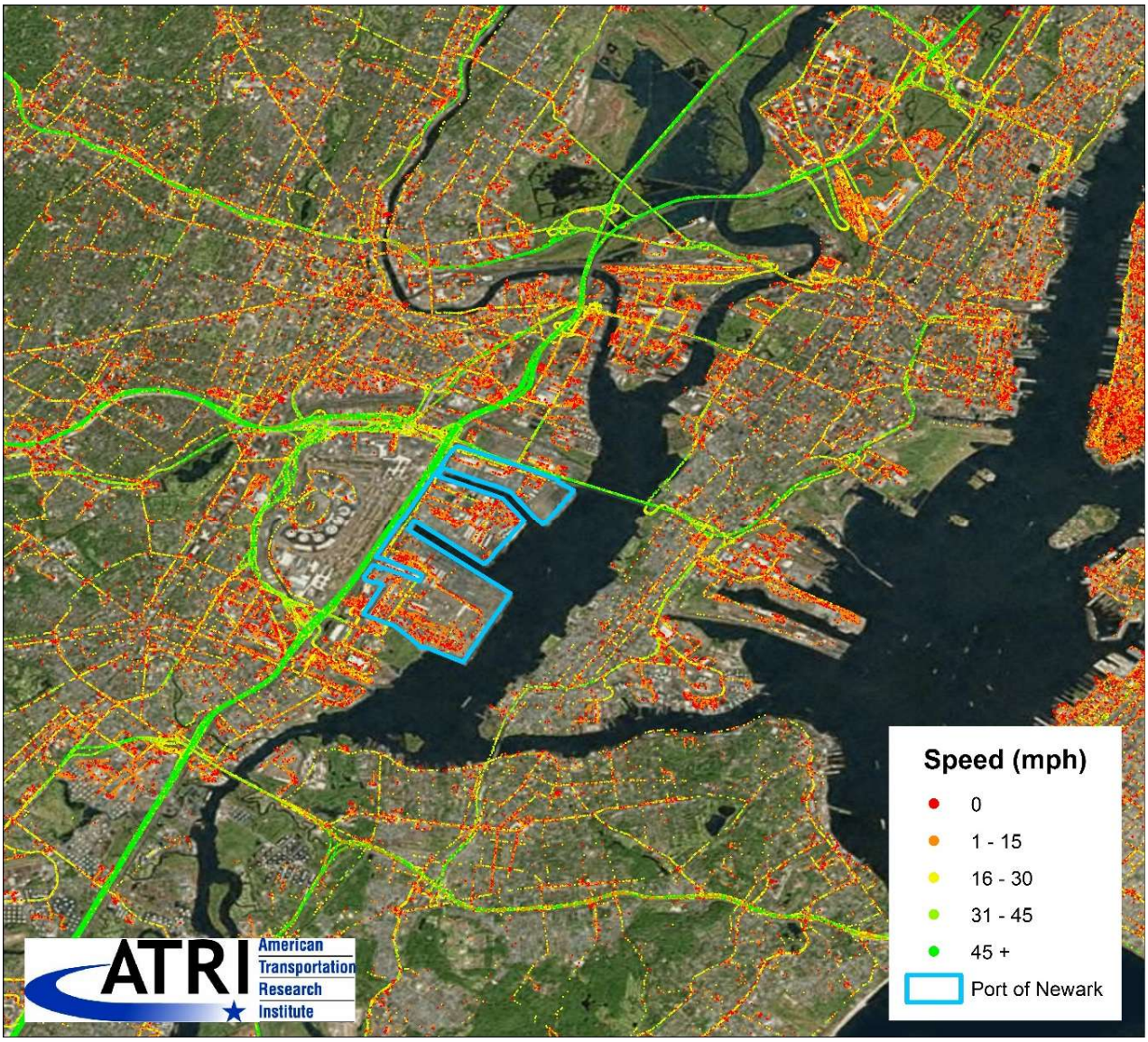
APPENDIX C: TRUCK FLOWS ORIGINATING IN OKLAHOMA CITY, OK



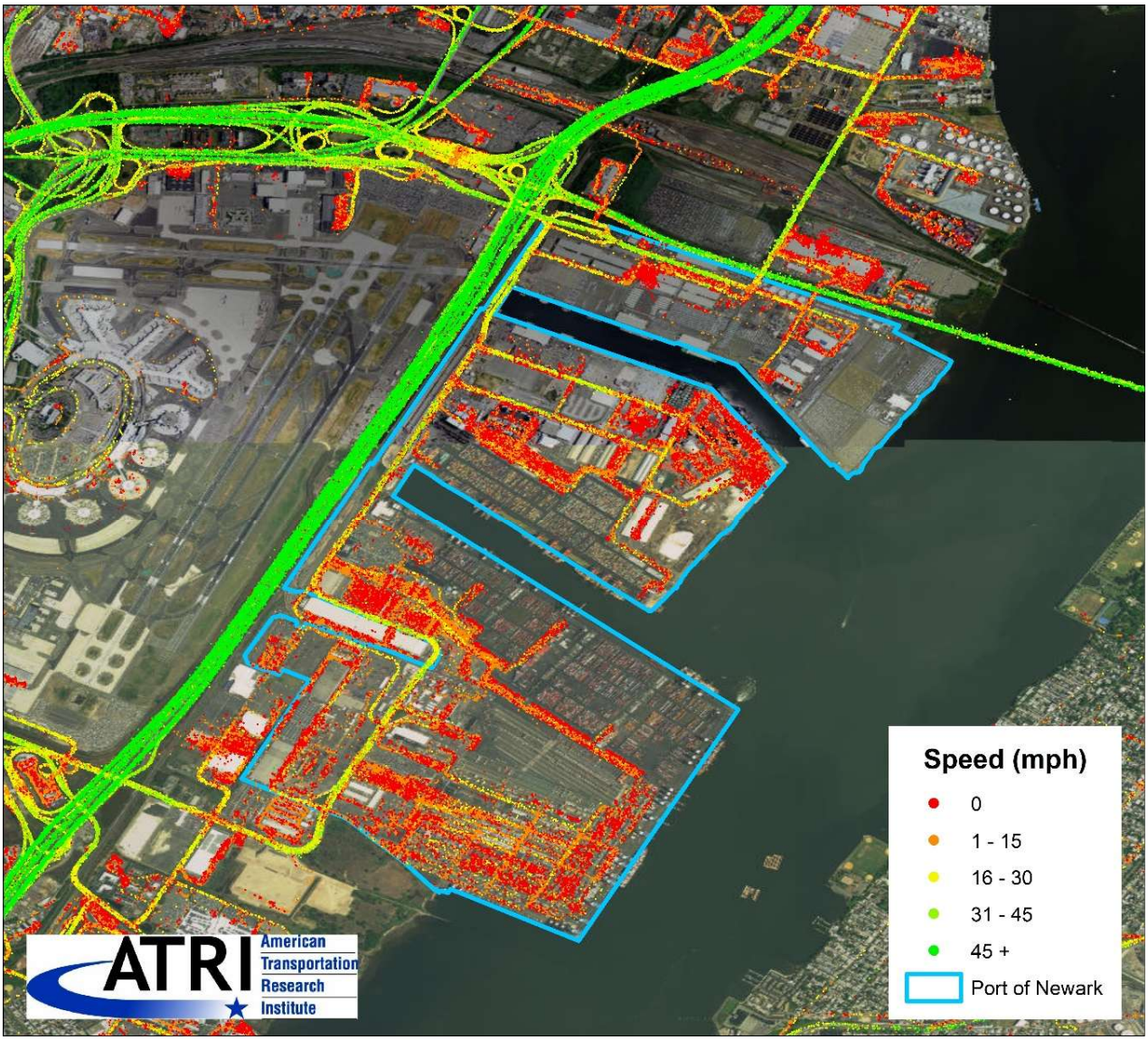
APPENDIX D: TRUCK FLOWS ORIGINATING IN BALTIMORE, MD



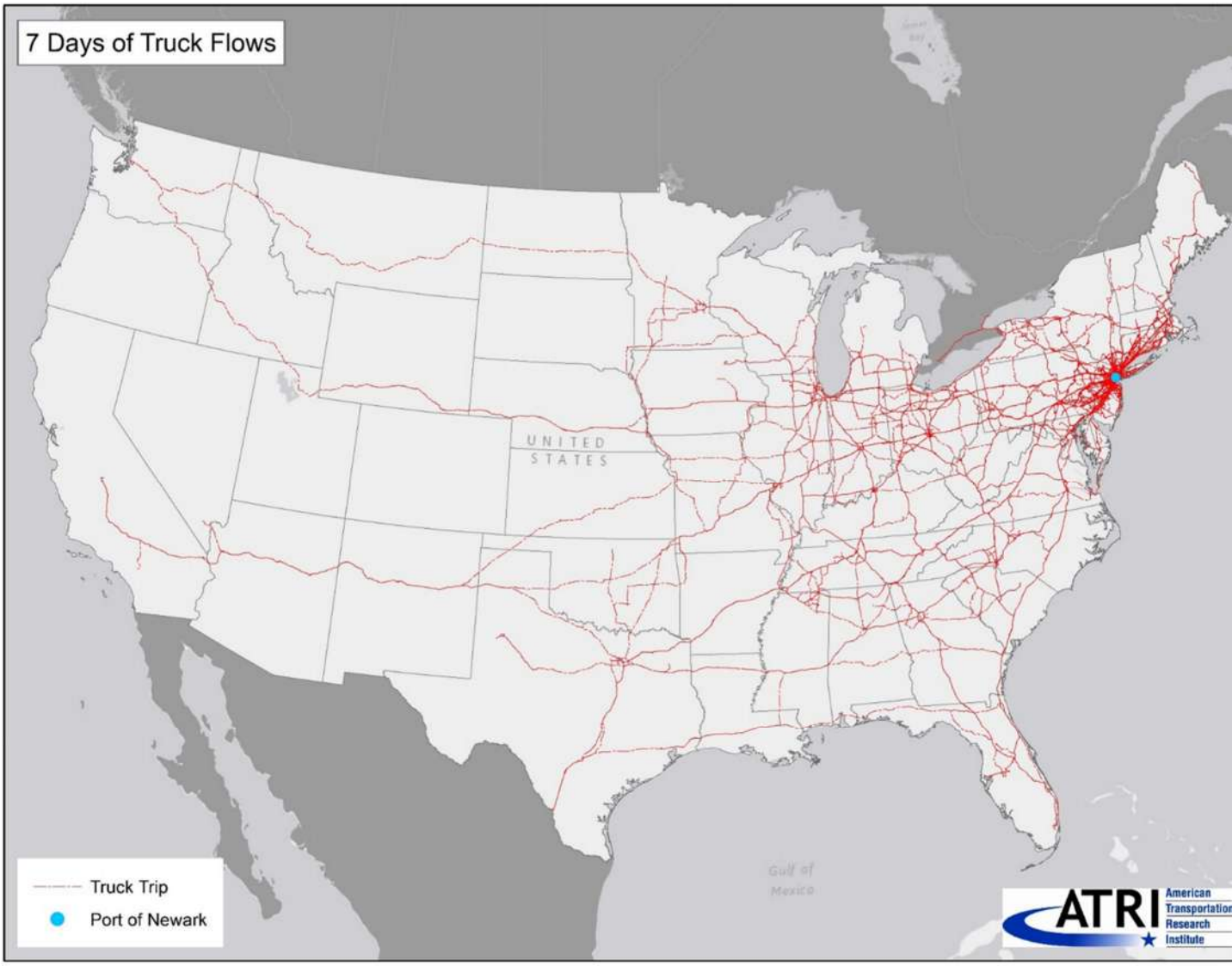
APPENDIX E: TRUCK CONGESTION PORT OF NEWARK REGION



APPENDIX F: TRUCK CONGESTION PORT OF NEWARK



APPENDIX G: TRUCK FLOWS FROM PORT OF NEWARK



AMERICAN TRUCKING ASSOCIATIONS
950 N. Glebe Road ★ Suite 210 ★ Arlington, VA ★ 22203-4181
www.truckline.com

ILLUSTRATIVE FEDERAL SURFACE TRANSPORTATION FUNDING OPTIONS

PROPOSAL	RATE	APPROXIMATE ANNUAL REVENUE (FIRST YEAR)[i]	ADMINISTRATIVE/ COLLECTION COSTS
Increase gas and diesel tax	1 cent/gallon	$1.8 billion	LOW
Increase gas tax only	1 cent/gallon	$1.3 billion	LOW
Increase diesel tax only[ii]	1 cent/gallon	$400 million	LOW
Index gas and diesel tax[ii]	3% annually over 10 years	$1.17 billion average per year	LOW
Sales tax on motor fuels	1% of sales	$3.7 billion	LOW
Light duty vehicle registration fee	$1	$249 million	MEDIUM
All vehicles registration fee	$1	$260 million	LOW
Increase HVUT	1%	$9.5 million	LOW
Share of U.S. Customs Revenue	1% of receipts	$350 million	LOW
Freight waybill charge – (Truck, rail, water)	1% of sales	$8 billion	MEDIUM
Freight waybill charge – trucks	1% of sales	$7 billion	MEDIUM
Vehicle sales tax on new passenger cars/light duty trucks	1% of sales	$4.9 billion	LOW
Vehicle sales tax on new/used passenger cars/light duty trucks	1% of sales	$9 billion	LOW
Vehicle miles traveled fee – all vehicles	1 cent/mile	$30 billion	HIGH
Vehicle miles traveled fee – trucks	1 cent/mile	$2.8 billion	HIGH
Driver's License Surcharge	$1	$214 million	LOW

[i] Does not factor in collection/administrative costs or leakage due to evasion.
[ii] Includes all taxable special fuels, including natural gas.