

**THE STATE OF TRANSPORTATION
AND CRITICAL INFRASTRUCTURE: EXAMINING
THE IMPACT OF THE COVID-19 PANDEMIC**

HEARING

BEFORE THE

**COMMITTEE ON COMMERCE,
SCIENCE, AND TRANSPORTATION
UNITED STATES SENATE**

ONE HUNDRED SIXTEENTH CONGRESS

SECOND SESSION

JUNE 3, 2020

Printed for the use of the Committee on Commerce, Science, and Transportation



Available online: <http://www.govinfo.gov>

U.S. GOVERNMENT PUBLISHING OFFICE

52-673 PDF

WASHINGTON : 2023

SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

ONE HUNDRED SIXTEENTH CONGRESS

SECOND SESSION

ROGER WICKER, Mississippi, *Chairman*

JOHN THUNE, South Dakota	MARIA CANTWELL, Washington, <i>Ranking</i>
ROY BLUNT, Missouri	AMY KLOBUCHAR, Minnesota
TED CRUZ, Texas	RICHARD BLUMENTHAL, Connecticut
DEB FISCHER, Nebraska	BRIAN SCHATZ, Hawaii
JERRY MORAN, Kansas	EDWARD MARKEY, Massachusetts
DAN SULLIVAN, Alaska	TOM UDALL, New Mexico
CORY GARDNER, Colorado	GARY PETERS, Michigan
MARSHA BLACKBURN, Tennessee	TAMMY BALDWIN, Wisconsin
SHELLEY MOORE CAPITO, West Virginia	TAMMY DUCKWORTH, Illinois
MIKE LEE, Utah	JON TESTER, Montana
RON JOHNSON, Wisconsin	KYRSTEN SINEMA, Arizona
TODD YOUNG, Indiana	JACKY ROSEN, Nevada
RICK SCOTT, Florida	

JOHN KEAST, *Staff Director*

CRYSTAL TULLY, *Deputy Staff Director*

STEVEN WALL, *General Counsel*

KIM LIPSKY, *Democratic Staff Director*

CHRIS DAY, *Democratic Deputy Staff Director*

RENAE BLACK, *Senior Counsel*

CONTENTS

Hearing held on June 3, 2020	Page 1
Statement of Senator Wicker	1
Statement of Senator Cantwell	3
Statement of Senator Fischer	55
Statement of Senator Udall	57
Statement of Senator Blackburn	58
Statement of Senator Baldwin	60
Statement of Senator Thune	61
Statement of Senator Rosen	63
Statement of Senator Capito	65
Statement of Senator Scott	67
Statement of Senator Duckworth	68
Statement of Senator Lee	70
Statement of Senator Blumenthal	72

WITNESSES

John Bozzella, President and Chief Executive Officer, Alliance for Automotive Innovation	4
Prepared statement	6
Randy Guillot, Chairman of the Board, American Trucking Associations	25
Prepared statement	26
Ian N. Jeffries, President and Chief Executive Officer, Association of American Railroads	38
Prepared statement	40
Alex Oehler, Interim President and Chief Executive Officer, Interstate Natural Gas Association of America	42
Prepared statement	44
Larry I. Willis, President, Transportation Trades Department, American Federation of Labor and Congress of Industrial Organizations (AFL–CIO)	46
Prepared statement	47

APPENDIX

Letter dated June 1, 2020 to Hon. Roger Wicker from Christopher J. Cooper, President and CEO, American Association of Port Authorities (AAPA)	77
Letter dated June 2, 2020 to Hon. Roger F. Wicker and Hon. Maria Cantwell from CJ Evans, Executive Director, Alternative Fuels & Chemicals Coalition (AFCC)	79
Letter dated June 2, 2020 to Hon. Roger Wicker and Hon. Maria Cantwell from Allen R. Schaeffer, Executive Director, Diesel Technology Forum	87
Letter dated June 3, 2020 to Hon. Roger Wicker and Hon. Maria Cantwell from John Bozzella, President and CEO, Alliance for Automotive Innovation	91
Letter dated June 3, 2020 to Hon. Roger Wicker and Hon. Maria Cantwell from Robyn Boerstling, Vice President, Infrastructure, Innovation and Human Resources Policy, National Association of Manufacturers	100
Letter dated June 3, 2020 to Hon. Roger Wicker and Hon. Maria Cantwell from Shailen Bhatt, President and CEO, The Intelligent Transportation Society of America	102
Letter dated June 3, 2020 to Hon. Roger Wicker and Hon. Maria Cantwell from Bill Long, President and CEO, Motor & Equipment Manufacturers Association	105
Letter dated June 3, 2020 to Hon. Roger Wicker and Hon. Maria Cantwell from Michael W. Johnson, President and CEO, National Stone, Sand and Gravel Association	109

IV

	Page
Prepared statement of Catherine Chase, President, Advocates for Highway and Auto Safety	110
Prepared statement of American Bus Association	119
Prepared statement of The Transportation Alliance (TTA)	120
Prepared statement of David H. Fialkov, Vice President, Government Affairs, Legislative and Regulatory Counsel, National Association of Truckstop Operators (NATSO)	130
Letter dated June 4, 2020 to Hon. Roger Wicker from K.N. Gunalan, Ph.D., P.E., D.GE, F.ASCE, ASCE President 2020	134
Prepared statement of American Society of Civil Engineers	135
Prepared statement of Chuck Baker, President, American Short Line and Regional Railroad Association (ASLRRA)	136
Response to written questions submitted to John Bozzella by:	
Hon. Roger Wicker	139
Hon. Dan Sullivan	140
Hon. Marsha Blackburn	141
Hon. Maria Cantwell	141
Hon. Kyrsten Sinema	142
Response to written questions submitted to Randy Guillot by:	
Hon. Dan Sullivan	143
Hon. Maria Cantwell	143
Hon. Kyrsten Sinema	144
Response to written questions submitted to Ian N. Jefferies by:	
Hon. Dan Sullivan	146
Hon. Marsha Blackburn	149
Hon. Maria Cantwell	149
Hon. Jacky Rosen	151
Hon. Kyrsten Sinema	152
Response to written questions submitted to Alex Oehler by:	
Hon. Dan Sullivan	155
Hon. Marsha Blackburn	156
Response to written questions submitted to Larry I. Willis by:	
Hon. Maria Cantwell	157
Hon. Amy Klobuchar	158
Hon. Kyrsten Sinema	159

THE STATE OF TRANSPORTATION AND CRITICAL INFRASTRUCTURE: EXAMINING THE IMPACT OF THE COVID-19 PANDEMIC

WEDNESDAY, JUNE 3, 2020

U.S. SENATE,
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION,
Washington, DC.

The Committee met, pursuant to notice, at 2:33 p.m. in room SD-G50, Dirksen Senate Office Building, Hon. Roger Wicker, Chairman of the Committee, presiding.

Present: Senators Wicker, Thune, Fischer, Sullivan, Blackburn, Capito, Lee, Young, Scott, Cantwell, Blumenthal, Udall, Peters, Baldwin, Duckworth, Tester, Sinema, and Rosen.

OPENING STATEMENT OF HON. ROGER WICKER, U.S. SENATOR FROM MISSISSIPPI

The CHAIRMAN. The Committee will come to order.

Today the Committee convenes for a hearing on the State of Transportation and Critical Infrastructure: Examining the Impact of the COVID-19 Pandemic.

I welcome our panel of witnesses and thank them for participating. Today we will hear from Mr. John Bozzella, President and CEO, Alliance for Automotive Innovation; Mr. Randy Guillot, Chairman of the Board, American Trucking Associations; Mr. Ian Jeffries, President and CEO, Association of American Railroads; Mr. Alex Oehler, Interim President and CEO, Interstate Natural Gas Association of America; and Mr. Larry Willis, President, Transportation Trades Department, AFL-CIO.

Thank you all for being here, and I understand Mr. Guillot is testifying remotely. So welcome to each and every one of you.

The Committee has conducted several oversight hearings on COVID-19, including a comprehensive look at the aviation industry. We are continuing those discussions by considering the impact of the COVID-19 virus on surface transportation and its critical infrastructure employees. The pandemic has underscored the importance of our transportation network in moving goods and people safely and efficiently, as well as ensuring supply chain fluidity in response to the unexpected events.

We are grateful for the many frontline workers who have shown remarkable resilience and resourcefulness to help deliver critical care, services, and supplies to those in need. The transportation sector has countless numbers of these unsung heroes.

Ranking Member Cantwell and I recently introduced the Critical Infrastructure Employees Protection Act, along with Senators Sullivan and Young, to provide support for our frontline critical infrastructure employees. The bill would direct the Department of Transportation to coordinate with the Centers for Disease Control and Prevention and the Federal Emergency Management Agency to support State and local governments in making sure that critical infrastructure employees have access to testing and personal protective equipment.

The COVID-19 crisis has had dramatic effects on the transportation sector. U.S. rail traffic has seen some of the weakest levels since the great recession. The American Trucking Associations' for-hire truck tonnage index dropped 12.2 percent in April. Automotive production reached its lowest level since World War II. In Mississippi, we saw the closure of auto and truck manufacturing plants affecting thousands of employees and families.

Yet in the face of adversity, our transportation network and its hardworking employees have persevered. During the pandemic, some automakers have been producing ventilators and they continue to do so as they reopen manufacturing plants. Freight railroads prioritized movement of essential materials to manufacturers who are making protective gear for hospital staff. Truck drivers have continued delivering goods to hospitals, markets, and homes. And pipeline employees have ensured their operations keep our homes, businesses, and hospitals running.

The transportation sector has also embraced technology in responding to COVID-19. We have seen the use of automated vehicle systems and ride-hailing vehicles to deliver food to frontline workers and transport medical supplies and testing equipment.

The U.S. DOT has worked diligently to support the transportation sector through emergency actions, stakeholder guidance, and regulatory relief.

The CARES Act provided help to Amtrak, aviation, and transit. We included language to give states flexibility on highway safety grants, and two weeks ago, the Committee passed legislation, which Ranking Member Cantwell and I introduced with Senators Thune, Fischer, and Duckworth, that would give states flexibility on their use of Federal funds for commercial motor vehicle safety activities.

Today's hearing provides an opportunity for witnesses to discuss how COVID-19 has affected the transportation sector, including its employees and customers, and further, to discuss how Congress can support these efforts. I would ask our witnesses to describe the work of their members to provide critical services throughout this crisis and how they see transportation policy being affected as our Nation begins to move forward.

This hearing highlights only a few elements of the transportation sector. To gain additional insight, Ranking Member Cantwell and I are sending a letter to other transportation groups to solicit their feedback as well.

Again, I would like to thank our witnesses for participating in this hearing, as well as the entire transportation sector and their workers for their response to this pandemic.

I now recognize my dear friend and ranking member, Senator Cantwell, for her comments.

**STATEMENT OF HON. MARIA CANTWELL,
U.S. SENATOR FROM WASHINGTON**

Senator CANTWELL. Thank you, Mr. Chairman, and thank you for holding this hearing on the state of our critical infrastructure and thank you to the witnesses for being here today to give testimony on these issues.

Our frontline workers have been tirelessly working to help contain and mitigate the spread of the virus and to keep America functioning with our critical areas like health care, infrastructure, and transportation. And so I am glad to hear from you today about these issues.

Transportation workers in particular have been critical for getting people to and from work, getting lifesaving goods out to hospitals and to first responders. Transportation workers have also kept food moving through our supply system to our kitchen tables, and they have stocked our stores with essential goods. Those workers have put themselves in harm's way on a daily basis to try to keep America running during this pandemic.

Unfortunately, we have lost transportation workers and their families have been impacted. I want to bring one to mind, Samina Hameed, from my home state of Washington. Samina drove a bus in King County and she leaves behind a husband, who was also a bus driver, with three children. So my heart goes out to her and her family and the loved ones that are impacted by this.

We held a hearing recently on how our airports and airlines were doing as it related to public health, and we heard from Dr. Godwin of the University of Washington about the need for guidelines. We sent a letter to the task force for the COVID-19 crisis including, Vice President Pence, Secretary Chao, and to other members asking for such guidelines. I think they still have not been issued, and I am not sure they are going to be issued, which I think is a mistake. Guidelines can help us move forward. They can help us put the right safety measures in place so our economy can move forward.

Our colleagues also last month, as the Chairman was saying, introduced the Critical Infrastructure Employee Protection Act. I was glad to join Chairman Wicker on this bill with Senators Young, Sullivan, and Blunt. And this bill would direct the Federal Government to support states in prioritizing testing and access to personal protective equipment for those brave people who are on the front line.

I want to mention that that includes fire fighters in my state. One thing that has gotten left out in some of the PPE funding has been those fire fighters. You would not think that they would, but they have. And it is so important since they are essential in transporting individuals from our nursing home facilities into hospitals, and we have had a high, high number of deaths occur in nursing homes. That transport is done by fire fighters, and they deserve access to personal protective equipment.

I am also pleased to co-sponsor the Senator Blumenthal Essential Transportation Employee Safety Act. This bill would require

passengers and freight transportation companies to abide by the CDC recommendations, including mandatory cleaning, disinfecting areas, and provisions for personal protective equipment to our frontline workers.

I also want to especially thank Larry Willis for being here, speaking on behalf of millions of transportation workers who are also on the front lines of this pandemic and delivering service. The transportation sector has been critically impacted and the COVID-19 pandemic has turned our transportation trade into a small impact of what it was before. And so, again, I believe that if we want to get this right moving forward, having good guidelines, continuing to open the prospects for not just the movement of people but freight capacity, our shipping vessels and moving forward so commerce can continue is really important.

I also want to mention that having the right personal protective equipment is critical. Ventec Life Systems, a company based in Bothell, Washington, partnered with the auto manufacturer, GM, to increase the production of ventilators. Other auto workers have been producing masks and shields, and the Boeing company has been producing shields. So these efforts of frontline workers to help produce the products that we need to keep safe as the pandemic continues is also something we should talk about because, as we see those transportation sectors moving or having people not fully employed, thinking about what we could do to use their talents in helping us get this product and security of PPE right in the supply chain is a national priority.

So we need to do more to continue to reopen. So I look forward to hearing the discussion and the impacts on these infrastructure areas today. A lot of the previous legislation has focused on the aviation transportation sector, and I am sure today we are going to hear about other infrastructure not just transportation infrastructure, but broadband, hospitals, housing, and education should also be on the list.

So again, Mr. Chairman, thank you very much. I look forward to hearing from our witnesses today.

The CHAIRMAN. Thank you, Senator Cantwell.

And we will now move to our witnesses. Your entire testimony will be included in the record at this point, and we ask each of you to summarize for no more than 5 minutes. So thank you very much. And we will begin with Mr. Bozzella.

**STATEMENT OF JOHN BOZZELLA, PRESIDENT
AND CHIEF EXECUTIVE OFFICER, ALLIANCE FOR
AUTOMOTIVE INNOVATION**

Mr. BOZZELLA. Thank you, Chairman Wicker, Ranking Member Cantwell, and distinguished members of the Committee. On behalf of the Alliance for Automotive Innovation, I thank you for the opportunity to share my perspective on how COVID-19 has affected the automotive industry and how our industry continues to respond to this public health crisis.

We are meeting today during a time of great stress within our country. As we watch what is happening following the deaths of George Floyd, Ahmaud Arbery, and Breonna Taylor, we need to reaffirm our commitment to justice and peace, to safe communities,

and to workplaces where we are all valued and respected. Recent events weigh heavily on us as we enter this hearing room today.

The workforce of the American auto industry fully represents the diversity of our country, and for generations, the auto industry has been a powerful engine for economic advancement and mobility for Americans of all races, creeds, and backgrounds. The leaders of our member companies have spoken out with powerful words reiterating their values and emphasizing that racism and hate have no place in their organizations, in our industry, in our society. We stand in solidarity against racism and advocate for diversity, equity, and inclusion.

Let me turn now to the topic of today's hearing, COVID-19. It will take months, if not years, to fully comprehend the toll the COVID-19 pandemic has inflicted on individuals, families, communities, the economy, and the Nation. But I am proud of how the industry and the men and women we employ across the country have stepped up to this challenge. And they are counting on all of us to care just as deeply about the future of their industry.

Following the Great Recession, the auto sector's strength was key to our national recovery. After 7 years of growth, nearly 40,000 more Americans work in our industry than when the recession began. Then the pandemic hit. In just weeks, strong industry sales in February dropped 33 percent in March and nearly 50 percent in April. By then and for the first time since World War II, all major North American production facilities were idle.

While the gears of motor vehicle manufacturing ground to a halt, the automotive industry did not stop working. Instead, our members continued to innovate. They redeployed supply chains, leveraged purchasing networks, and utilized their precision manufacturing prowess to make and distribute medical devices and personal protective equipment to those on the battle's front lines, as well as their own employees. Mobility companies deployed automated vehicles to provide contactless delivery of supplies and meals to individuals and communities in need. They have contributed and retrofitted vehicles to provide transportation for health care workers and community members. The contributions of Auto Innovators member companies underscore why motor vehicle manufacturing and associated supply chains are designated critical infrastructure.

Today I shared with the Committee a list of those contributions in response to a May 12 letter from the Chairman. I would ask that they be submitted for the record. These are a few examples of hundreds across the industry, and behind each are the incredible stories of the men and women, the amazing ingenuity, and the collective spirit that made them possible.

As we speak, production facilities and suppliers are responsibly resuming operations, but it is not business as usual.

Over the past 2 months, our companies have worked closely with public health authorities, collaborated with industry partners, and observed lessons learned from around the globe to develop and implement a broad range of precautions.

As employees adapt to new work environments, the industry is bringing supply chains back to life. This requires extensive collaboration among suppliers, the states, and trading partners such as

Mexico and Canada to facilitate a safe and reliable restart to vehicle production.

Public health issues will remain a challenge moving forward, and we must be prepared to adapt and evolve to protect our employees, customers, and suppliers.

There is still a high degree of uncertainty when it comes to the supply base, consumer confidence, and the overall economy. Before the public health crisis, analysts were projecting 2020 sales of almost 17 million units. Current market projections suggest we will not reach those levels until 2023. Fairly optimistic assumptions of a 14 million unit year this year could result in industry job losses of nearly 100,000 and result in nearly 2 million jobs lost across the entire economy. We are working hard to avoid that.

The reality is absorbing COVID-related losses while investing in future technologies will be a challenge for the industry. Yet the comeback of the U.S. auto industry from this crisis can once again drive a broader economic resurgence.

I look forward to working with you as we find ourselves on the cusp of this transformative moment in the future of the U.S. auto industry.

[The prepared statement of Mr. Bozzella follows:]

PREPARED STATEMENT OF JOHN BOZZELLA, PRESIDENT AND CEO,
ALLIANCE FOR AUTOMOTIVE INNOVATION

Chairman Wicker, Ranking Member Cantwell and distinguished members of the Committee: on behalf of the Alliance for Automotive Innovation (Auto Innovators) and our members, I thank you for the opportunity to appear today to share my perspective on how COVID-19 has affected the automotive industry and our members, and how our industry continues to respond to this public health crisis.

The Alliance for Automotive Innovation was formed at the beginning of this year to serve as the singular, authoritative, and respected voice of the automotive industry in the United States. Our 38 members include auto manufacturers producing nearly 99 percent of the cars and light trucks sold in the U.S., along with original equipment suppliers, technology companies, and other automotive-related value chain partners. In total, our industry employs roughly 10 million Americans, in addition to those who are employed in the technology and mobility sectors directly.¹ We account for nearly 6 percent of our country's gross domestic product and represent our country's largest manufacturing sector.²

The mission of Auto Innovators can be distilled to three words: cleaner, safer, smarter. We work with policymakers, including each of you on this Committee, to find intelligent solutions to reduce crashes, improve the environment, and enhance personal transportation. Our commitment to those core pillars remains steadfast, even during these abnormal times.

It will take months, if not years, to fully comprehend the toll this pandemic has inflicted on individuals, families, communities, the economy and the Nation. But I am proud of how the industry and the men and women we employ across the country have stepped up to meet this challenge. And they are counting on all of us to care just as deeply about the future of their industry.

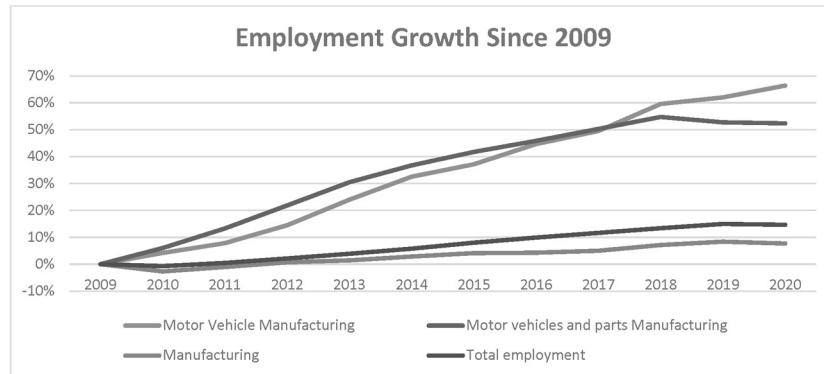
Auto Innovators was formed on the heels of an unprecedented seven years of growth.³ Even with modest declines in the past two years, sales still hovered near record levels. This growth emerged from one of the greatest hits the industry every took: the economic collapse that was the Great Recession.

¹ Auto Alliance multi-industry contribution analysis: the economic impact of automotive manufacturing, selling, repairing, renting, and additional maintenance modeled using IMPLAN economic analysis data software, 2017 data year.

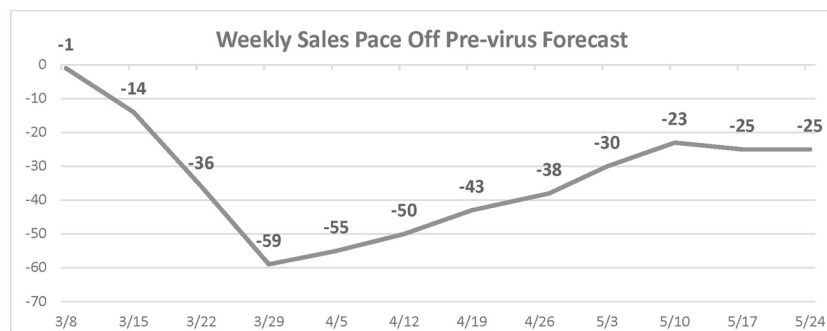
² *Id.*; Bureau of Economic Analysis, Gross Output by Industry, <https://apps.bea.gov/iTable/iTable.cfm?ReqID=51&step=1>, Last accessed June 1, 2020; Bureau of Labor Statistics, Employment and Output by Industry, <https://www.bls.gov/emp/tables/industry-employment-and-output.htm>, Accessed June 1, 2020

³ U.S. Light Vehicle Sales, 2009–2016, Wards Intelligence

The auto sector's strength was key to our national recovery. Autos formed the leading edge of economic growth which rippled throughout the economy.⁴ The auto sector accounted for nearly a quarter of all manufacturing jobs added since the recession.⁵ In the four years following the Great Recession, automakers and parts manufacturers added nearly 200,000 jobs.⁶ All told, since 2009, auto and parts makers added more than 342,000 jobs.⁷ Nearly 40,000 more Americans work in our industry than when the recession began.⁸ The jobs recovery in motor vehicle manufacturing and parts manufacturing far outpaced our Nation's recovery in both manufacturing and total jobs.



Then the COVID-19 pandemic hit. In just weeks, industry sales went from above average in February to a 33 percent drop in March and nearly a 50 percent reduction in April.⁹ These depressed levels were mitigated, in part, by manufacturer incentives on new vehicle purchases.¹⁰ By April—for the first time since World War II—all major North American production facilities were idled. Auto dealers were unable to accept orders they had already placed with OEMs. Rental fleets were parked due to the precipitous drop in travel and tourism. Nationwide, vehicle use dropped dramatically as federal, state, and local governments imposed a range of restrictions focused on reducing the spread of the coronavirus.



11

⁴ Jerry Hirsch, "Auto Industry Has Soared Since 2010, Leading Economic Recovery," *Los Angeles Times*, Jan. 14, 2014.

⁵ Bureau of Labor Statistics, *Automotive Industry: Employment, Earnings, and Hours*, Last Accessed May 8, 2020; Bureau of Labor Statistics, *Current Employment Statistics*, Last Accessed May 8, 2020.

⁶ *Ibid.*

⁷ *Ibid.*

⁸ *Ibid.*

⁹ Wards Intelligence, *U.S. Light Vehicle Sales, March 2020*, April 1, 2020; Wards Intelligence, *U.S. Light Vehicle Sales, April 2020*, May 1, 2020.

¹⁰ J.D. Power, Presentation, *COVID-19: J.D. Power Auto Industry Impact Report*, May 13, 2020.

While the gears of motor vehicle manufacturing ground to a halt, the automotive industry did not stop working. Instead, our members continued to innovate. They put their decades of experience in precision manufacturing, supply networks, logistics, purchasing, and innovation to use in combatting the coronavirus.

With lightning speed, automakers and suppliers developed new partnerships in the healthcare community and retooled manufacturing facilities to aid in the response. Within weeks, companies were dedicating facilities and people to making ventilators and personal protective equipment for those on the battle's front lines, as well as their own employees. They redeployed supply chains, leveraged purchasing networks and *utilized their manufacturing prowess to make equipment at break-neck speed*. Similarly, technology companies and new entrants to the mobility ecosystem deployed automated vehicles to provide contactless delivery of supplies and meals to individuals and communities in need.

In addition to making complex and specialized medical equipment, our member companies have donated and delivered millions of meals to those in need. They have contributed and retrofitted vehicles to provide transportation for health care workers and community members. They have assisted customers with flexible payment options on existing loans, as well as preferential financing terms for new vehicle purchases.

The contributions of Auto Innovators member companies remind us all why this industry is such a national asset. It was not just a handful of participants or large corporations stepping forward—it was the entire value chain, working together, to help the national response. Our partners in the supplier community, from the tier ones to the mom-and-pops, have also stepped forward and been tremendous partners throughout this crisis. Likewise, our auto dealership partners nationwide developed new and creative ways to provide sales and service to address Americans' transportation needs. In short, the automotive industry not only answered the Nation's call but also demonstrated the innovative spirit and resilient commitment that will help it survive and once again thrive.

While our members focused on the health and safety of their employees and supporting the national response, Auto Innovators devoted our attention to supporting those efforts, as well as the industry's long-term health. We quickly formed a high-level industry task force to coordinate information sharing, identify emerging challenges, and collaborate with industry and government partners. This included a weekly "Read the Meter" summarizing key statistics and metrics to track the state of the industry (Attachment 1). We supported Federal and congressional efforts to provide market liquidity that has been tremendously important for individuals and businesses across the country. We worked closely with the Cybersecurity and Infrastructure Security Agency (CISA), to ensure the country's state and local governments had clear and consistent guidance regarding the essential nature of motor vehicle manufacturing and associated supply chains. We are continuing to work with the Department of Commerce, Department of State and countless others across the Federal government to support collaboration and engagement with regional trading partners. In addition, we partnered with the Motor and Equipment Manufacturers Association/Original Equipment Suppliers Association to develop health and safety guidance for suppliers throughout the value chain. These efforts serve one goal—the auto industry's safe and coordinated restart as part of our Nation's economic recovery.

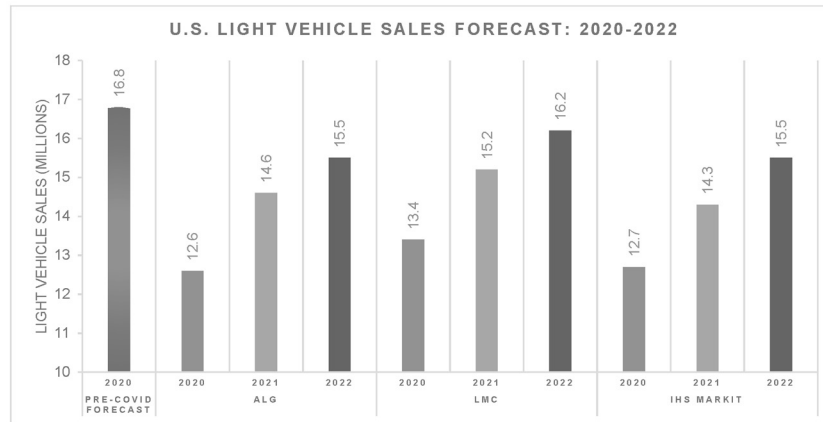
As we speak, that process is underway. Across the country, production facilities and suppliers are responsibly resuming operations. *But it is not business as usual.*

Employees are returning to a very different work environment. Over the past two months, our companies have worked closely with public health authorities, collaborated with industry partners, and observed lessons learned from around the globe to develop and implement a broad range of precautions. This includes, but is not necessarily limited to, a combination of: temperature scans, safety goggles, face shields and masks, physical changes to the work environment, hand sanitizers and lotions, more time between shifts, and proper distancing.

As employees adapt to new work environments, the industry is bringing supply chains back to life. With more than 10,000 components in an average vehicle, this requires extensive collaboration among suppliers, the states, and trading partners such as Mexico and Canada, to facilitate a safe and reliable restart of motor vehicle production. This will not happen overnight as the entire value chain implements and socializes new health and safety guidelines for their operations. But to be clear, we recognize that the public health issues will remain a challenge moving forward.

¹¹J.D. Power, Presentation, *COVID-19: J.D. Power Auto Industry Impact Report*, May 28, 2020.

Even with the re-start of our industry, we know it will take time to recover from COVID-19's impacts. Before the public health crisis, analysts were projecting 2020 sales of almost 17 million units. *Current market projections estimate that 2019 sales level might not return until 2023.*¹²



Today, the projections anticipate a roughly 25 percent annual sales drop in light-duty vehicles. Even under the more optimistic scenarios—a drop in sales to about 14 million units—the industry's job losses could total nearly 100,000 and result in nearly 2 million jobs lost across the entire economy.¹³



14

The economic reality of the combined hit to auto production and sales is, in some respects, simple. Although restart efforts are underway, there is still a high degree of uncertainty when it comes to supply chain challenges, consumer confidence and overall economic signals. As automakers, suppliers and others absorb COVID-related losses, the industry will have less capital to invest in future technology development. In this highly competitive, capital-intensive industry, policies that support

¹²Haig Stoddard, Wards Intelligence, *U.S. Sales Outlook Brightens Slightly for 2020-2021 But Still a Lot of Uncertainty as to How the Recovery Ultimately Plays Out*, May 18, 2020; IHS Markit, E-mail, *Markit Monthly Automotive Update—May 2020*, Rec'd May 14, 2020; ALG, Press Release, *ALG Provides Third Revision of 2020 New Vehicle Sales Forecast Scenarios Based on Latest Impact of COVID-19*, April 20, 2020

¹³Center for Automotive Research, *Economic Study of Baseline Loss at 14.3 Million SAAR* (Forthcoming).

¹⁴*Ibid.*

market stability will become even more critical as we take on the simultaneous challenge of recovering from the pandemic and sustaining investments in the innovations that will define the future of personal mobility. *As evidenced by our response to this public health crisis, the auto industry is up to the challenge—but we cannot do it alone. Maintaining U.S. leadership in automotive innovation requires a shared commitment from both industry and our partners in government.*

Despite various factors outside our control, one thing is certain: the auto industry is prepared and in position to make an essential contribution to all aspects of our national recovery from this pandemic. Motor vehicle manufacturing and associated supply chains are Critical Infrastructure for a reason—this industry has proven its ability to fuel our national economy. We will continue our part to protect public health and build future prosperity.

Today, we find ourselves on the cusp of a transformative moment in the future of the U.S. automotive industry. We must safely restart the industry amid significant economic uncertainty, while continuing to invest in new propulsion systems that reduce emissions and automated and connected vehicle technologies that save lives on America's roadways. It will require creativity and commitment, including from Congress and this committee, for the U.S. to retain its important leadership role when it comes to automotive innovation.

On behalf of this great industry, I look forward to continue working with this Committee to harness the innovative spirit of our members—and the entire auto ecosystem—to emerge from this public health crisis stronger, more resilient and an engine of U.S. leadership and prosperity, both now and in the future.

ATTACHMENT 1: “READING THE METER” (MAY 28, 2020) ALLIANCE FOR AUTOMOTIVE INNOVATION



READING THE METER

May 28, 2020

Contents

Forecast Meter.....	2
Forecast Summary (Updated 5/27)	2
U.S. Light Vehicle Sales Outlook (Updated 5/27)	2
North American Production Outlook (Updated 5/20)	3
Work Stoppage Meter	3
North American Assembly Facility Operating Status (Updated 5/27)	3
Market Meter	4
U.S. Light Vehicle Sales (Updated 5/28).....	4
Segments vs. Gas Prices (Updated 5/20).....	6
ZEV Powertrain Sales (Updated 5/6)	7
Seasonally Adjusted Annual Rates (Updated 5/27).....	8
Average Transaction Price (Updated 5/28).....	8
Auto Loan Financing (Updated 5/27)	9
Crude Oil and Gas Prices (Updated 5/28)	9
Production Meter	10
U.S. Light Vehicle Production (Updated 5/20)	10
U.S. Light Vehicle Inventory and Days' Supply (Updated 5/27)	11
Global Meter (New 5/28).....	12



Forecast Meter

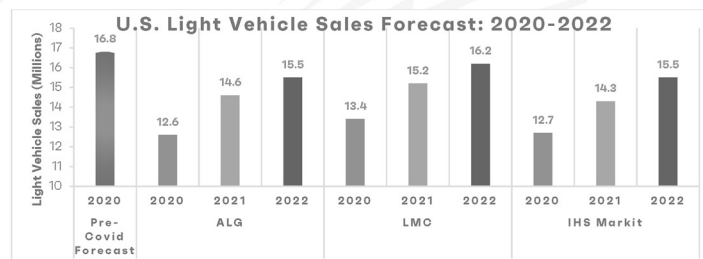
Forecast Summary (Updated 5/27)

2020 March & April Sales, ¹ Extended Sales Forecast ^{II} and Production Forecasts ^{III}		
	U.S. Sales & Forecasts	North American Production Forecast
March	992,392 (-33% YoY)	1.01 million units (-34% YoY)
April	707,852 (-48.7%YoY)	8,463 (-99.4% YoY)
May (through 5/17)	427,000 (-26% from forecast)	N/A
May Forecast	1,070,000 (-32.5% YoY)	N/A
June	13.2M SAAR	N/A
1 st Quarter	3,476,512 (-12.7% YoY)	3.86 million units (-11.7% YoY 2019)
2 nd Quarter Estimate	11.2 Million SAAR	
2020 Full Year	12.5-14.3 million	12.3

U.S. Light Vehicle Sales Outlook (Updated 5/27)

Wards Intelligence^{IV}: “Wards Intelligence partner LMC Automotive has upwardly revised its 2020 U.S. light-vehicle sales forecast to 13.4 million units. Previously, LMC was targeting 12.9 million units. The forecast for 2021 was raised slightly to 15.2 million units from 15.1 million, while 2022 remains at 16.2 million. On a seasonally adjusted basis, sales are not expected to resume pre-virus strength, or the 16.8 million forecast for 2020 prior to the virus's impact, until sometime in 2023. Overall, sales in 2023 are pegged at 16.7 million units.”

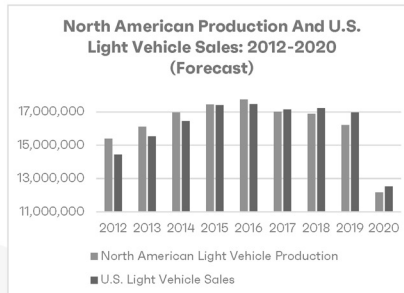
J.D. Power Forecast: “J.D. Power May retail sales outlook is 961,000-1,064,000 units. This is a decline of 18-26% from our pre-virus forecast, or a sales drop of 239,000-341,000 units. Sales through May 17 were 427,000 units. . . . The virus is projected to remove 1.0-1.5million sales over the five months of March -July.”





North American Production Outlook (Updated 5/20)*

North America Production: "The May 2020 forecast fine-tuned the previous nine-week shutdown across North America with production resuming the week of May 18 or earlier depending on the manufacturer and country. As a result, North America production for 2020 was revised up 167,000 units to total 12.3 million units that remains the lowest level since 2010. . . . With production in North America forecast to decline nearly 4.0 million units in 2020 to 12.3 million units, 87% or 3.45 million units of the total volume loss is projected to occur between March and June 2020. Despite heading into an uncharted market, manufacturer's robust production plans for third quarter 2020 are supported by the more than total US inventory being wiped out over the course of four-months and US sales projected to total roughly 3.5 million units over the same time span."



Work Stoppage Meter

North American Assembly Facility Operating Status (Updated 5/27)

Most automakers have resumed production at plants across North America, but the extent to which production has begun or employment has been reinstated is unknown. The summary chart assumes full employment for those plants that have reopened. As plants come back online, we will continue to monitor additional closures due to outbreaks or parts shortages.

To view the most updated information on plant operating status, please click [here](#).



North American Assembly Facilities (5-27-20)			
Country	Metric	Number	Percent of totals
U.S.	U.S. Employment	176,070	
	Closed 5/27/2020	20,700	12%
	Number of plants total	44	
	Number of plants Closed 5/27/2020	5	11%
Mexico	Mexico Employment	70,665	
	Closed 5/27/2020	57,212	81%
	Number of plants total	18	
	Number of plants Closed 5/27/2020	13	72%
Canada	Canada Employment	31,626	
	Closed 5/27/2020	-	0%
	Number of plants total	7	
	Number of plants Closed 5/27/2020	-	0%
North America	Total Employment	278,361	
	Closed 5/27/2020	77,912	28%
	Number of plants total	69	
	Number of plants Closed 5/27/2020	18	26%

*Assumes full employment at open plants

Market Meter

U.S. Light Vehicle Sales (Updated 5/28)

Weekly Sales^{vi}

J.D. Power Weekly Update: "Retail sales through May 24 are 670,000 units, a decline vs. pre-virus forecast of 25% or 219,000 units.

"After six weeks of consecutive growth, the recovery has been stable for three weeks.

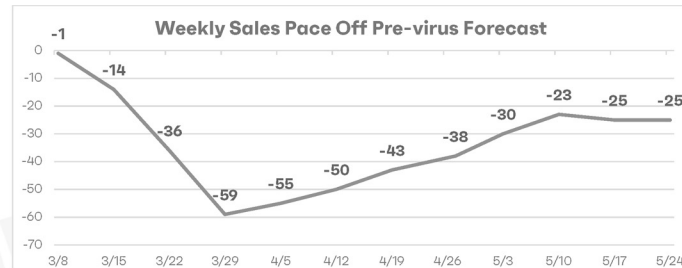
"Performance of the top 5 segments remained flat in week of May 24. Demand for midsize and light duty pickups remained strong, roughly even with forecast. SUV performance aligned with industry performance while demand for cars continued to lag.

"Incentives hit record levels at over \$5,000 per unit during the week ending May 03. Week-over-week decreases in the week ending May 10 were driven by vehicle mix and lower supported finance incentive mix. Spending remained roughly flat in the following two weeks.

"While still elevated, 84-month loans are now halfway back to pre-virus levels at 13% for the week ending May 24.



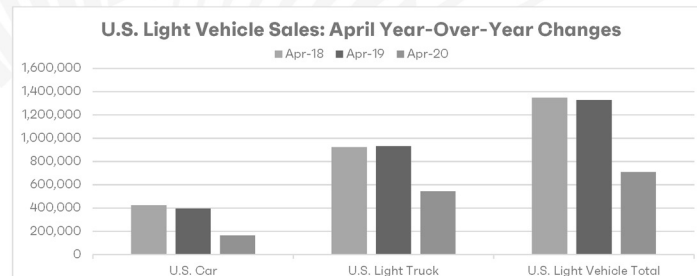
"22% of buyers during the week ending May 24 took a lease, the best weekly performance since mid-March, but still well below pre-virus levels. Many lessees who extended their leases have not yet returned to market, due to the monthly cadence of lease extensions."



Monthly Sales ^{vii}

According to J.D. Power's analysis, retail sales in April were 629,300 units, a decline vs. pre-virus forecast of 42% or 455,600 units.^{viii}

Year over year, April light vehicle sales are down 47% from 2019. The segment trend continues to favor light trucks over cars, with trucks capturing more three-quarters of the market (76.9%), and gaining nearly 5% market share over 2019, however the overall truck volume was down more than 387,000.



Fleet Sales



The baseline forecast from J.D. Power called for 13.4 million in retail sales and 3.4 million in fleet/other sales. With the revised forecast of 13-14.5 in total sales, fleet sales fall to a range from 1.6 million to 2.1 million, a decline of 38%-53% from the baseline.

J.D. Power Retail and Fleet Sales Forecast			
	Pessimistic Forecast	Optimistic Forecast	Pre-COVID Baseline Forecast
Retail Sales Forecast (million)	11.4	12.4	13.4
Fleet/Other Sales Forecast (million)	1.6	2.1	3.4
Total Sales Forecast (million)	13	14.5	16.8
Fleet Percent of Total Sales	12%	14%	20%
Retail Percent of Total Sales	88%	86%	80%
Fleet Loss From Baseline of 3.4 (million)	-1.8	-1.3	-
Fleet Loss as % Baseline Fleet Sales	-53%	-38%	-
Fleet Loss as % Total Sales	-13.8%	-9.0%	-

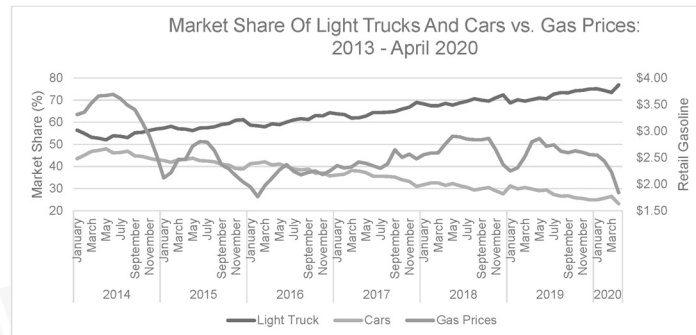
Rental Fleets: "Rental volume, which would have accounted for roughly 10% of new-vehicle sales in a 16.8 million-unit market, has all but dried up, and not coming back until business and vacation travel does. Additionally, automakers are trying to fill existing commercial orders but might not be able to meet all orders for '20 model-year vehicles if production can't be ramped up fast enough – some could be delayed until the '21 model year, if not create more cancellations."^{ix}

Segments vs. Gas Prices (Updated 5/20)

Monthly Sales For April: Light trucks accounted for nearly 77% of sales in April, a 3.5% gain in market share over March.

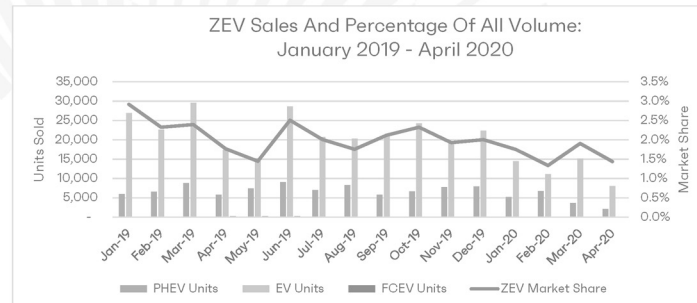
Historic Perspective: The upward trend in the popularity of light trucks over cars has been steady since 2013, when only 2% of annual market share separated the two segments.^x and gas was over \$3.00.^{xi} a gallon. As fuel prices dropped below the \$3.00 mark in mid-September 2014, light truck sales began to take off – and never looked back. Gas prices since have averaged only \$2.47 a gallon (through April 2020) and when combined with increased fuel economy for light trucks, an increase of 4 mpg since 2013.^{xii}, the perfect conditions existed to continue fueling light truck market growth.

As gas prices are predicted to average only \$1.58 through the summer season^{xiii}, a further hit to the car segment is entirely possible.



ZEV Powertrain Sales (Updated 5/6)

Sales of zero emission vehicles (BEV, PHEV, & Fuel Cell) accounted for only 1.4% of total vehicle sales in April 2020, down .4% from a year ago and .5% from March 2020. Sales of battery electric vehicles led the way for ZEVs accounting for 1.1%, but down from 1.31% in April 2019. Plug-in hybrids accounted for .3%, down .1% in market share, year-over-year.

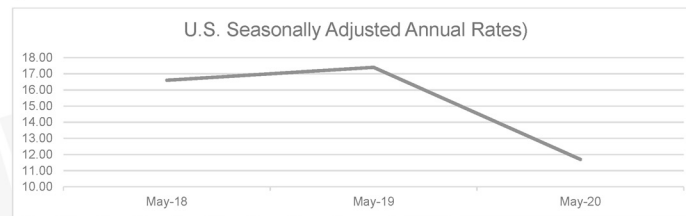




Seasonally Adjusted Annual Rates (Updated 5/27)

"Although still near rock-bottom levels, U.S. light-vehicle sales are coming back faster than expected from the economic damage caused by the Covid-19 pandemic since mid-March, with May's results forecast to rise sharply from April's 8.6 million-unit seasonally adjusted annual rate to 11.7 million."

"Wards Intelligence is penciling in a 13.2 million-unit SAAR for June, which would finalize the second quarter at an 11.2 million-unit SAAR."^{iv}

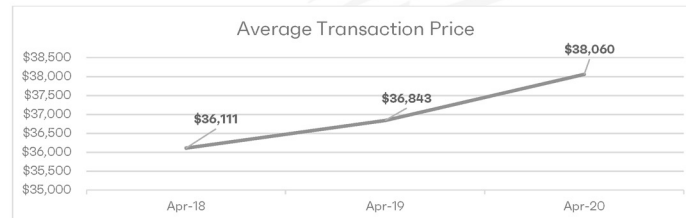


Average Transaction Price (Updated 5/28)

The average vehicle transaction price in April 2020, per Kelley Blue Book, was up 3% over April 2019, and 5.4% over April 2018.^{xv}

Additional Insight From J.D. PowerTM: "Transaction prices reached their highest-level on record at \$35,700 during the week ending April 5, but have since declined. Average transaction prices declined again in the week ending May 24, with the variance driven largely by segment mix."

"Incentives hit record levels at over \$5,000 per unit during the week ending May 03. Week-over-week decreases in the week ending May 10 were driven by vehicle mix and lower supported finance incentive mix. Spending remained roughly flat in the following two weeks."





Auto Loan Financing (Updated 5/27)

Financing Down Nearly A Quarter Percent From The Beginning Of The Year, but remains stable.

Financing for the week of May 20, 2020 was unchanged from the previous week on the 60-month new car financing interest rate and has been mostly unchanged over the last seven weeks. Rates are down .24% since the beginning of the year. Rates have remained similarly stable on the 48 and 36-month used car loans over the past several weeks as well.^{ix}

Additional Insight From J.D. Power: "May month-to-date percentage of buyers taking 84-month loans was 15%, nearly double the level in the same period last year.

"Captive lenders captured 73.6% of loans and leases in week ending May 24, up from the previous week."^{xii}

Auto Loan Financing			
Dates	60-month new car	48-month new car	36-month used car
5/20/2020	4.36%	4.33%	4.74%
5/13/2020	4.36%	4.34%	4.74%
5/6/2020	4.37%	4.35%	4.75%
4/29/2020	4.37%	4.35%	4.75%
4/22/2020	4.37%	4.35%	4.75%
4/15/2020	4.37%	4.35%	4.75%
4/8/2020	4.37%	4.35%	4.75%
4/1/2020	4.42%	4.39%	4.89%
3/25/2020	4.42%	4.38%	4.90%
3/18/2020	4.43%	4.39%	4.91%
3/11/2020	4.46%	4.42%	4.95%
3/4/2020	4.49%	4.45%	4.98%
2/26/2020	4.56%	4.51%	5.02%
1/2/2020	4.60%	4.55%	5.10%
5/15/2019	4.75%	4.71%	5.25%
One Week Change	0.00%	-0.01%	0.00%
Two Week Change	-0.01%	-0.02%	-0.01%
Change since 1/3/20	-0.24%	-0.22%	-0.36%
One Year Change	-0.39%	-0.38%	-0.51%

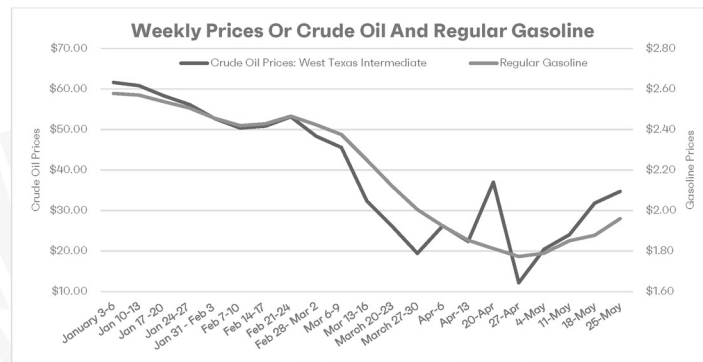
Crude Oil and Gas Prices (Updated 5/28)

Oil Forecasts For The Year Down More Than A Million Barrels A Day. "The U.S. cut its 2020 oil production forecast by more than 1 million barrels a day, as collapsing crude prices and plummeting demand threaten to shutter production in the country's biggest fields. Production is expected to average 11.76 million barrels a day through December, down from a previous forecast of 12.99 million barrels, the Energy Information Administration said on Tuesday."^{xix}



Retail Gas Forecast To Average \$1.58 For The Summer Driving Season. "For the April–September 2020 summer driving season, EIA forecasts U.S. regular gasoline retail prices will average \$1.58 per gallon (gal), down from an average of \$2.72/gal last summer".^{xs}

Oil And Gas Remain Low: Oil prices, as benchmarked at West Texas Intermediate, as well as gasoline prices, both continued their slight rebound. For the week beginning May 18, Oil was up to nearly \$32; for the week of 5/25, was up to \$1.96. Since the start of the year, crude oil has fallen 44%, while gas prices has fallen 24%.^{xi}

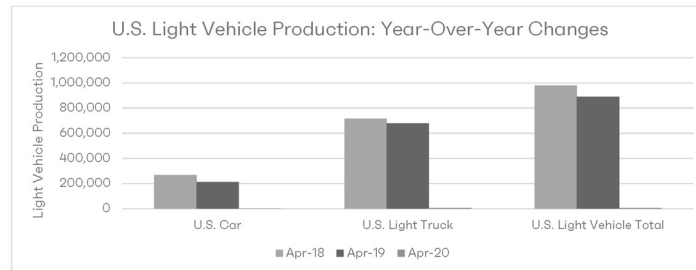


Production Meter

U.S. Light Vehicle Production^{xxii} (Updated 5/20)

U.S. Light vehicle production dropped 99.47% year-over-year in April. Only General Motors, Mercedes-Benz and Hyundai produced any vehicles in the U.S. during the month, for a light vehicle total of less than 5,000 (897 cars; 3,844 light trucks).

"North America light-vehicle production shrank 99.4% to 8,463 units in April, with most plants closed the entire month to slow the spread of the coronavirus. . . . Closures in the region began at the end of March, leaving the year-to-date tally down 32.2% at 3,772,027 LVs. It was the lowest 4-month total since 2009's 2,341,925."



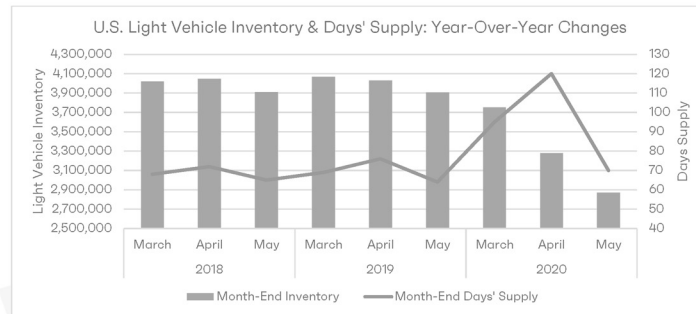
U.S. Light Vehicle Inventory and Days' Supply^{xxiii} (Updated 5/27)

May Inventory Update: "A consequence of stronger sales is that inventory will dry up faster than expected while manufacturers struggle to ramp-up production after a nearly complete shutdown of all North American operations in April.

"Thanks to the higher sales, combined with a drawdown in expectations of production for the U.S. market, Wards Intelligence expects inventory to end May at 2.87 million units, 26% below like-2019. In general, that should be enough to meet demand in June, but dealers will start experiencing more shortages on individual vehicles as they head into the month.

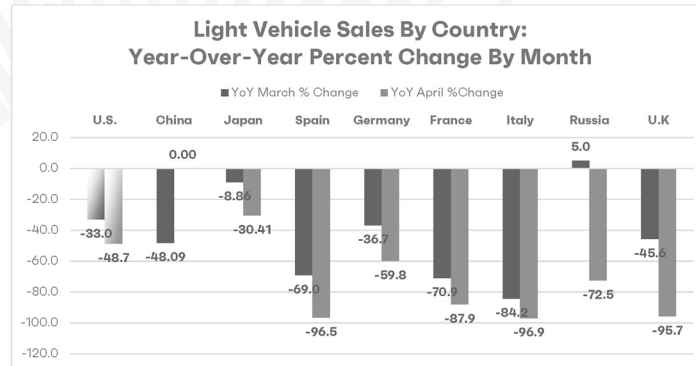
"Demand in June should rise from May. How strong could depend on the whiplash effect of more consumers being able to get out of total isolation and purchasing goods and services they denied themselves or had to put off while in lockdown. Even better weather could induce more optimism in the economy.

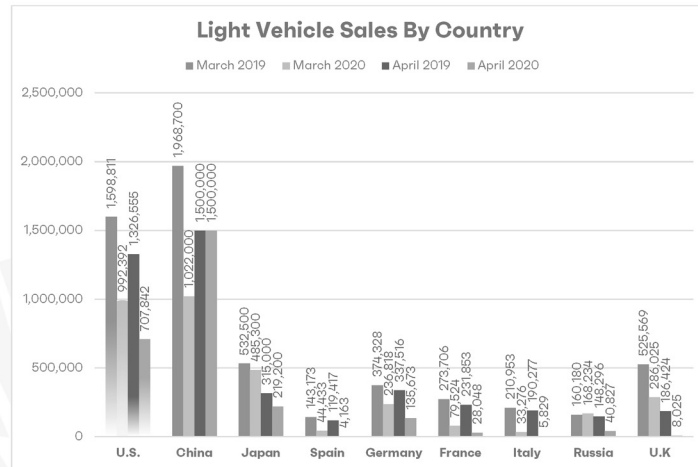
"On the downside, tighter inventory, and the prospect of not getting voids filled in the near-term, could put a damper on the rebound, and perhaps even get some automakers to temporarily out back on incentives."



Global Meter (New 5/28)

Sales in select countries around the globe, including year-over-year percent change by month as well as raw volume by month:







- ¹ WardsIntelligence, "U.S. Light Vehicle Sales, March," 4/1/2020; WardsIntelligence, "U.S. Light vehicle Sales, April," 5/1/2020
- ² Haig Stoddard, "COVID-19 Impact Will Tank March, Second-Quarter U.S. Light-Vehicle Sales," *WardsIntelligence*, 3/25/20; Haig Stoddard, "March 25 COVID-19 Update: 2020 North America Production, U.S. Sales Forecasts," *WardsIntelligence*, 3/30/20; Haig Stoddard, "U.S. Light-Vehicle Sales Start on the Road Back in May," *WardsIntelligence*, 5/21/20
- ³ Haig Stoddard, "COVID-19's Toll on North America Vehicle Production in March, Q2," *WardsIntelligence*, 3/30/20
- ⁴ Haig Stoddard, "U.S. Sales Outlook Brightens Slightly for 2020-2021 But Still a Lot of Uncertainty as to How the Recovery Ultimately Plays Out," *WardsIntelligence*, 5/18/20
- ⁵ IHS Markit, "North America Production Update Short-term implications of COVID-19," 5/18/2020
- ⁶ J.D. Power, Presentation, "COVID-19: J.D. Power Auto Industry Impact Report," 5/28/20
- ⁷ WardsIntelligence, "U.S. Light Vehicle Sales, April 2020," 5/1/20; WardsIntelligence, "U.S. Light Vehicle Sales, April 2018, 5/1/18
- ⁸ J.D. Power, Presentation, "COVID-19: J.D. Power Auto Industry Impact Report," 5/6/20
- ⁹ Haig Stoddard, "U.S. Light-Vehicle Sales Start on the Road Back in May," *WardsIntelligence*, 5/21/20
- ¹⁰ WardsIntelligence, U.S. Light Vehicle Sales, January 2013 – December 2019
- ¹¹ U.S. Energy Information Administration, Weekly Retail Gasoline and Diesel Prices, Regular price per gallon, including taxes
- ¹² WardsIntelligence, Fuel Economy Index, December 2013 & 2019
- ¹³ U.S. Energy Information Administration, Press Release, "Short-Term Energy Outlook," 4/7/20
- ¹⁴ Haig Stoddard, "U.S. Light-Vehicle Sales Start on the Road Back in May," *WardsIntelligence*, 5/21/20
- ¹⁵ Kelley Blue Book, Press Release, "Average New-Vehicle Prices Up Nearly 3% Year-Over-Year in March 2020, Despite COVID-19 Impact on the Economy, According to Kelley Blue Book," 4/1/20; Kelley Blue Book, Press Release, "Average New-Car Prices Jump 2 Percent for March 2018 on SUV Sales Strength, According to Kelley Blue Book," 4/3/18
- ¹⁶ J.D. Power, Presentation, "COVID-19: J.D. Power Auto Industry Impact Report," 5/28/2020
- ¹⁷ Bankrate, "Current Car Loan Interest Rates," Accessed 5/27/20; Internet Archive, Bankrate, "Current Car Loan Interest Rates, cached image from July 24, 2019
- ¹⁸ J.D. Power, Presentation, "COVID-19: J.D. Power Auto Industry Impact Report," 5/28/20
- ¹⁹ Stephen Cunningham, "U.S. Slashes 2020 Oil-Output Forecast Ahead of OPEC+ Meeting," *Bloomberg*, 4/7/20
- ²⁰ U.S. Energy Information Administration, Press Release, "Short-Term Energy Outlook," 4/7/20
- ²¹ U.S. Energy Information Administration, Regular Gasoline, https://www.eia.gov/dnav/pet/dnav/pet_pri_and_dgas_nus_m.htm, Accessed 5/27/20; U.S. Energy Information Administration, Daily Cushing, OK WTI Spot Price, <https://www.eia.gov/dnav/pet/hist/leafHandler.csh?n=PET&a=RWTC&f=W>, Accessed 5/28/20; YCharts, https://ycharts.com/indicators/wti_crude_oil_spot_price, Accessed 5/20/20
- ²² Sarah Petit, "North America Light-Vehicle Production All But Stopped in April," *WardsIntelligence*, 5/19/2020
- ²³ Haig Stoddard, "U.S. Light-Vehicle Sales Start on the Road Back in May," *WardsIntelligence*, 5/21/20
- ²⁴ WardsIntelligence, "U.S. Light Vehicle Inventory, March 2020," 4/2/2020; WardsIntelligence, "U.S. Light Vehicle Inventory, April 2018," 5/3/18; WardsIntelligence, "U.S. Light Vehicle Inventory, May 2020," 5/21/2020; WardsIntelligence, "U.S. Light Vehicle Inventory, May 2018,"

The CHAIRMAN. Thank you very much, Mr. Bozzella. You mentioned in your remarks an additional document which you asked to be included in the record. If it can simply be attached to your written statement, without objection, it will be admitted into the record at this point.

Mr. BOZZELLA. Thank you.

The CHAIRMAN. And now testifying remotely is Mr. Randy Guillot. Chairman Guillot, you are welcome. Can you hear us?

Mr. GUILLOT. Yes, sir, I can. Thank you.

The CHAIRMAN. Welcome.

**STATEMENT OF RANDY GUILLOT, CHAIRMAN OF THE BOARD,
AMERICAN TRUCKING ASSOCIATIONS**

Mr. GUILLOT. Thank you, Chairman Wicker, Ranking Member Cantwell, and members of the Committee. My name is Randy Guillot, and I am the President of Triple G Express and Southeastern Motor Freight, motor carriers based in Jefferson, Louisiana. It is my honor to speak with you today as Chairman of the American Trucking Associations.

For 87 years, ATA remains the largest national trade organization representing the trucking industry. With affiliates in all 50 states, our membership encompasses more than 34,000 motor carriers and suppliers representing every segment of the industry.

Since the onset of the COVID-19 pandemic, the trucking industry has been thrust into the forefront of our national consciousness. While most activity ground to a halt across the country, America's 3.5 million professional truck drivers kept moving. These heroes continue serving on the front lines, ensuring everyone has the goods they need to get through these challenging times.

We hear the term "essential" more frequently of late as America wakes up to the gravity of what "essential" really means. Truckers are the difference between a fully stocked grocery store and one lined with empty shelves. They are why doctors and nurses have PPE to protect themselves. They are how test kits get to hotspots for local officials to use to fight the virus' spread. The resilience of our supply chain rests on the courage and dedication of these heroes. Perhaps the President said it best when he recently proclaimed from the south lawn of the White House, thank God for truckers.

But beyond such recognition, lawmakers would be wise to look at our industry for answers. There are several reasons why.

First, as the crisis has illustrated, the health of our Nation and the viability of our entire economy rests on the strength of the trucking industry. When our industry lacks the capital resources or clearance it needs to get from point A to point B, the impact is felt immediately far and wide not only by us but by the people we serve, our customers, grocery stores, pharmacies, hospitals, first responders, farmers, manufacturers, business owners, and the consumer, the American people, just to name a few.

Second, as we have demonstrated over the last few months, truckers by nature are industrious and forward-looking. We know how to get the job done. We do not complain about problems. We propose concrete solutions. We do not point to obstacles. We work together to find and clear the way forward.

As our country turns from crisis to recovery, our industry is ready to lead. With that in mind, here are three policy points for Congress and this committee that I would like to emphasize.

Number one, invest in infrastructure. It will create jobs and advance our recovery while improving our nation's crumbling roads and highway safety. Make no mistake. This can and should be fully paid for. We have a plan to generate hundreds of billions of dollars in new revenues without adding a dime to the Federal deficit.

Number two, provide incentives to trucking companies to invest in newer, cleaner, and safer trucks and equipment. A temporary holiday from the Federal excise tax through calendar year 2021 and other proposals outlined in my testimony would deliver a direct boost to the economy, bringing certainty to manufacturing jobs and improve road safety and the industry's environmental impact.

Number three, provide reasonable protections against excessive litigation. Trial lawyers will not lead this economic recovery. They do not create jobs. They destroy them. The trucking industry, however, will create jobs, one in 18 in the U.S. today. We will continue delivering essential goods and supplies to help weather this health crisis, and trucking will lead the way to recovery.

Thank you for working with us to ensure that America's trucking industry has the support it needs to serve our country through these tough times and into a better tomorrow.

I look forward to answering any questions. Thank you.

[The prepared statement of Mr. Guillot follows:]

PREPARED STATEMENT OF RANDY GUILLLOT, CHAIRMAN, AMERICAN TRUCKING ASSOCIATIONS AND PRESIDENT, TRIPLE G EXPRESS, INC. AND SOUTHEASTERN MOTOR FREIGHT

Chairman Wicker, Ranking Member Cantwell, and members of the distinguished Committee, thank you for providing the American Trucking Associations (ATA) with the opportunity to testify before you today. My name is Randy Guillot, and I currently serve as the 75th Chairman of the ATA. And, on behalf of the trucking industry, including the approximately 7.4 million men and women employed by trucking in the United States, I am grateful for the opportunity to share how these heroes have risen and responded to the COVID-19 pandemic—and how they're positioned to now lead our Nation's economic recovery.

As you know, ATA is an 87-year old federation and the largest national trade organization representing the trucking industry, with affiliates in all 50 states. ATA's membership encompasses over 34,000 motor carriers and suppliers directly and through affiliated organizations. Our association represents every sector of the industry, from Less-than-Truckload to Truckload, agriculture and livestock to auto haulers, and from the large motor carriers to the owner-operator and mom-and-pop one truck operations. In fact, 80 percent of our membership is comprised of small-sized carriers, whereas only 2 percent of our membership would be considered large-sized carriers.

Outside of my service as Chairman of the ATA, I am the President of Triple G Express, Inc. and Southeastern Motor Freight, Inc., with more than 33 years of experience working in the trucking industry. These two family-owned-and-operated companies, which date back to 1945 and 1985 respectively, haul mostly intermodal containers primarily servicing the Port of New Orleans, but also operate short-haul dry-vans. Throughout my career, I have worked in all aspects of the business, ranging from sales and driving to dock work and safety.

Before detailing the content of my testimony, I would like to thank and recognize this Committee's leadership and unwavering support in ensuring that America's trucking industry has the Federal support it needs to serve our country through the COVID-19 pandemic. Your outreach and partnership are appreciated and valued by the millions of patriotic men and women who work in trucking.

Since the onset of the COVID-19 pandemic, most economic, social, and cultural activity in our country has ground to a halt. But one group hasn't stopped: truckers.

America's 3.5 million truck drivers—and the countless men and women who support them, such as technicians, dispatchers and truckstop operators—have kept our country running despite the enormous challenges caused by the pandemic.

Truckers have been the difference between a fully-stocked grocery store and one lined with empty shelves. They're why doctors and nurses have PPE to protect themselves while treating the sick. They're why test kits arrive at hot-spots for use by local officials to mitigate the virus' spread. Perhaps the President of the United States said it best when he recently proclaimed from the South Lawn of the White House: "Thank God for Truckers."

Our industry is proud to do its part to help fellow Americans get through this crisis. What we need—is for government officials at all levels to permit them to do so without unnecessary delay or interruption. As the "essential critical infrastructure worker" designation suggests, it's essential that trucks keep rolling through whatever tough and necessary measures are taken to protect public health.

It's also true that the trucking industry is struggling to cope with serious economic challenges precipitated by the pandemic and public health response efforts. Some trucking companies are busy, like those primarily hauling essential groceries, home delivery, e-commerce and medical supplies. However, many industry sectors have slowed or shuttered for the duration of the pandemic, which means that companies hauling fuel for cars and airlines, food supplies for restaurants, steel and cars for the auto manufacturers, and grain and commodities for agricultural exports have fewer loads to transport.

Safely reopening our economy based on sound science and data will be the ultimate resolution to our economic challenges, and we support the meticulous efforts of public officials to get our Nation back to work, balancing safety with the economic and social needs of modern life. And when the economy begins to turn back on, the first step will be repositioning and delivering supplies that fuel commerce and communities, which means the trucking industry will play a critical role as we turn toward recovery. Trucking holds the keys to restarting America's economic engine, and as an industry, we are prepared to meet that challenge.

For the purpose of this hearing, I will focus my testimony on the impact of COVID-19 on the trucking industry, and the steps that this Committee and Congress should consider to ensure that the trucking industry is well positioned to lead the way from response to recovery. Because that's what truckers do—despite the numerous obstacles in our path and the risks posed by the public health crisis—we keep rolling.

ATA looks forward to continued, diligent work with this Committee, and each of the industries testifying before you today. We believe that together we can achieve the legislative and regulatory framework that will best facilitate uninterrupted COVID-19 response and relief efforts, as well as future recovery measures. Ensuring that the essential critical infrastructure workforces have the resources and flexibility to continue to supply the Nation with necessary goods and supplies throughout this health crisis and into the recovery phase will help define our country's resiliency and ability to overcome the pandemic.

1. The Impacts of COVID-19 on the Trucking Industry:

- *The Economic and Supply Chain Impacts of COVID-19 on the Trucking Industry:*

The impact of COVID-19 on the trucking industry has been substantial as freight demand has declined significantly since the outbreak of the pandemic. After an initial surge for groceries and other consumer staples to big-box retailers, freight levels have generally fallen since. For example, the spot market, which is where overflow freight goes when shippers have more loads than their contract carriers can handle, fell 54 percent in April on a year-over-year basis.¹ ATA recently reported that its for-hire truck tonnage index, which is dominated by contract freight, not spot market, fell 12.2 percent in April from March. This was the largest month-to-month decline since April 1994.² In a recent COVID-19 survey conducted by ATA, 85 percent of nearly 500 fleets said that truck freight levels were somewhat or much lower than would be expected during this time of year. In fact, 62 percent said freight was "much" lower.

This big drop in freight has many implications for trucking, which is a high-cash flow, low-profit industry. One of the major supply chain impacts we see is how less freight throws carriers' networks off balance. For example, in normal times, if a carrier has a customer with freight from Indianapolis to Savannah, GA, the carrier will find a customer(s) with freight from or near Savannah back to Indiana. But under

¹ DAT.com

² <https://www.trucking.org/news-insights/ata-truck-tonnage-index-plunged-122-april>

these current circumstances, the carrier might still have freight to Savannah—but no return freight for the backhaul. Thus, the carrier is forced to drive long, “deadhead” miles or take a load in the spot market for well below sustainable rates. Either way, this situation puts added financial pressures on fleets.

In ATA’s COVID-19 survey, 32 percent of responding fleets, which equates to roughly 200 carriers, said they were forced to lay off or furlough drivers due to the current coronavirus economic situation. Our data shows that this group released a total of 6,364 drivers. Additionally, data from the Department of Labor showed that payrolls for the for-hire trucking industry fell by 88,000 in April. ATA’s Economics Department estimates that 65,000 of those were truck drivers.

Outside of these challenges to freight networks, the transportation portion of supply chains seem to be faring relatively well. In the ATA-conducted COVID-19 survey, only 18 percent of the nearly 600 responding fleets indicated that they had at least one driver infected with the virus. Truck drivers, due to their line of work, are accustomed to social distancing during normal times. While we continue to cautiously assess, at this point we do not foresee any supply-chain breakdowns because of illness among trucking companies.

Moving forward, we expect the trucking industry will continue to deliver freight as it has been under COVID-19, and that supply chains will hold strong, thanks to the fortitude of the trucking workforce. However, should the steep economic downturn continue its slide into June and July—when funds from the Paycheck Protection Program (PPP) run out for many smaller fleets—we could see an increasing number of motor carriers forced to close down. This would noticeably impact supply chains as the economy labors to restart. It could create a situation where, at least temporarily, the number of loads outnumbers the number of drivers and equipment available to haul them.

- *The Operational Impacts of COVID-19 on the Trucking Industry:*

Since the onset of the COVID-19 pandemic, ATA’s member companies have been forced to react to many state and local restrictions, which, while well-intentioned, have negatively impacted fleets’ ability to operate efficiently. Specifically, the closure of state-run facilities, such as rest areas and service plazas, had a serious impact on the health and wellness of truck drivers transporting freight in response to COVID-19. For example, in Pennsylvania, both rest areas and service plazas closed across the entire state, just days into the pandemic. Truck drivers were suddenly left with few options when searching for a place to park and rest, use restroom facilities or find something to eat—all while delivering critical goods that keep our communities safe and fed. Truck parking options on a normal day are scarce, and the closing of these state-run facilities at a time of heightened urgency for freight deliveries was a devastating blow. Shortly after the sudden closing of these facilities, ATA educated Pennsylvania policymakers on the serious impact of their decision. The result was the reopening of a limited number of rest areas and service centers across the state.

Like other critical infrastructure workers, ATA’s member companies have struggled to obtain non-medical grade personal protective equipment (PPE), so that their drivers can reduce their exposure to COVID-19 while ensuring the supply chain remains intact. Several states have required “face coverings” when in public, and truck drivers are not exempt from these requirements. In light of these requirements, ATA was able to obtain over 100,000 face coverings and distributed those masks to various trucking companies and trucking associations throughout the country.

Additionally, the ability for drivers to refill their personal hand sanitizer bottles was critical. Through a partnership with Protective Insurance and a custom distillery, Hotel Tango of Indianapolis, 550 gallons of hand sanitizer was distributed to 10 different truck stop and truck companies throughout the country. The hand sanitizer was transported via ATA member companies to these various locations. ATA is currently in the process of procuring additional hand sanitizer to be distributed throughout the country. By distributing these supplies to several public facilities, all truck drivers have access to these supplies.

- *The Trucking Industry’s Collaborations with the Department of Transportation (DOT) in Responding to the Pandemic:*

Since the onset of COVID-19, ATA collaborated closely with the U.S. DOT/FMCSA to ensure drivers providing direct relief in response to COVID-19 were afforded the appropriate regulatory relief. The prompt response by U.S. DOT/FMCSA in issuing an emergency declaration that waived Hours of Service (HOS) and other regulations ensured that grocery store shelves remained stocked during the panic buying that ensued during the early days of COVID-19. The collaboration between

U.S. DOT/FMCSA and the trucking industry has been unprecedented, with numerous stakeholder conference calls, guidance documents, and countless correspondence when specific situations arose.

ATA appreciates and supports the steps agencies have taken by issuing emergency waivers and declarations. ATA urges caution, however, that any waivers or exemptions are limited in scope and duration, and only apply to those operations providing direct emergency support. As many of these waivers expire in the coming weeks, we encourage Federal agencies to continue industry outreach to ensure that drivers—throughout the country—are able to comply with existing regulations, such as renewing a commercial driver's license or medical certificate. While the country takes steps to reopen, our motor carrier members are concerned that in some locations, the ability to comply with regulatory requirements may be hindered due to state and local restrictions. Continued outreach between U.S. DOT/FMCSA and our industry will ensure a smooth transition.

Just as U.S. DOT/FMCSA has acted swiftly to provide regulatory relief during the COVID-19 pandemic, we also applaud their efforts in expeditiously publishing an HOS final rule that will provide targeted flexibility for our industry. As the trucking industry adjusted to the December 2017 implementation of Electronic Logging Devices (ELDs), concerns were raised by varying segments of the industry regarding the need for greater flexibility in commercial motor vehicle operators' HOS. While HOS regulations are designed to provide the framework for the safe and efficient movement of goods, ELD implementation made clear the need to provide drivers an improved ability to adjust to changing road and weather conditions, congestion and sensitive truck loads.

As such, ATA applauds FMCSA's recent publication of an HOS Final Rule, which, in various ways, will give drivers the flexibility necessary to safely and efficiently manage operations. This final rule includes flexibilities to the *existing* HOS regulations that have been in place for several years, including, expansion of the short-haul exemption, changes to the adverse driving conditions exception, changes to the 30-minute rest break requirement, and greater flexibility for how a driver splits their off-duty time in a sleeper berth. ATA filed public comments regarding each of these provisions, which can be located on the public docket.³ ATA thanks DOT and FMCSA for their thoughtful and thorough rulemaking effort, which included significant stakeholder engagement, to produce a final rule based on science, data and safety. ATA looks forward to the September effective date for this final rule.

With regard to the additional waivers issued by FMCSA related to Commercial Learners Permits and Third Party Testing, we encourage the Agency to consider pursuing permanency of these waivers, which could assist in easing the current delays associated with the testing of drivers who wish to obtain their Commercial Driver's License (CDL). These delays existed prior to COVID-19 and have only been exacerbated by this pandemic. ATA anticipates that the existing backlog of testing appointments will steadily increase in the future and encourages FMCSA to harmonize state licensing procedures, including, for example, state of domicile requirements and Third-Party Testing. FMCSA has mandated that an individual's state of domicile must accept the results of a CDL *skills* test that was administered out-of-state; however, the rule does not require the state of domicile to also accept the results of an out-of-state *knowledge* test. As a result, driver candidates who obtain training out-of-state are required to travel back to their state of domicile to obtain their credentials, creating an unnecessary burden. It has become all the more important to allow trainees to test, train, and receive their relevant credentials—be it a CLP or a CDL—without having to travel back and forth to their state of domicile.

2. Trucking Industry Priorities for COVID-19 Relief and Response Efforts:

- *Limited Liability Protection Through COVID-19 Relief and Recovery Efforts:*

Motor carriers and commercial drivers are crucial to ensuring that the Nation remains supplied with essential goods—from food to medical supplies—during the public health crisis. Given the unprecedented nature of this crisis, motor carriers and commercial drivers are, in the course of that essential work, exposing themselves to enhanced risks that are not yet fully understood. While the safety of our drivers, our customers, and those we share the highway with is always paramount for the trucking industry, the fact remains that the risks associated with keeping the Nation supplied during the crisis cannot be completely mitigated. In order to ensure motor carriers are not punished for stepping up in the face of the national emergency, and are not dis-incentivized from doing so, Congress should impose rea-

³<https://www.regulations.gov/document?D=FMCSA-2018-0248-8025>.

sonable limitations on the liability of motor carriers for these enhanced, crisis-related risks that they cannot fully mitigate. Such protections should be temporary and tailored to the scope of the pandemic response and recovery, and preserve recourse for those harmed by truly bad actors who engage in willful misconduct.

Specifically, Congress should provide motor carriers with protections like those it conferred on certain health care professionals in the CARES Act, where it ensured that they would not be held liable for good-faith efforts to provide care during the crisis. Similarly, Congress should provide that motor carriers will not be held liable if—despite reasonable safety precautions consistent with Federal guidelines, and absent willful misconduct or gross negligence—they are alleged to have exposed customers or employees to the coronavirus in the course of serving the Nation’s supply needs during the crisis.

In addition, as we recognize the central role the trucking industry is playing in seeing the Nation through this crisis, I want to make this committee aware of a longer-term problem that has threatened the industry’s ongoing ability to cost-effectively move the vast majority of the Nation’s freight. Motor carriers in recent years have become favored targets of the plaintiffs’ bar and third-party litigation financing companies, who treat highway accident litigation as a potential jackpot rather than a means of assessing fault and fairly compensating victims. That trend, in turn, has led to skyrocketing insurance rates that risk putting many carriers out of business, and by raising the cost of shipping takes money out of the pockets of American consumers only to line those of the unscrupulous trial lawyers who seek to profiteer of the trucking industry’s efforts to keep the supply chain running.

- *Enact S. 3728, the Critical Infrastructure Employee Protection Act:*

The transportation systems sector is one of the 16 critical infrastructure sectors whose assets, systems, and networks are considered so vital that their incapacitation would have a debilitating effect on security, economic stability, public health, and safety.⁴ Accordingly, functioning and stable critical infrastructure is imperative as our Nation responds to the COVID–19 public health emergency. The Cybersecurity and Infrastructure Security Agency (CISA) identified trucking in its list of essential critical infrastructure workers⁵ because our industry helps to maintain the services and functions Americans depend on daily to operate resiliently during the COVID–19 pandemic response.

The trucking industry is proud to serve in this role, and will continue to deliver essential goods and supplies to communities so that our Nation can confront and defeat this pandemic. We sincerely appreciate the work of this Committee to ensure that the trucking industry, and other essential critical infrastructure workers in the transportation systems sector, have the resources they need to maintain their essential operations. Specifically, we support the Committee’s work on S.3728, the Critical Infrastructure Employee Protection Act. Your thoughtful and timely legislation would require the Secretary of Transportation to support the efforts of State and local governments to provide essential critical infrastructure workers with prioritized access to testing and non-medical grade equipment. Ultimately, this type of investment in our frontline heroes is an investment in our Nation’s long-term well-being because essential critical infrastructure workers are leading our Nation’s response and recovery efforts on the ground. Keeping our frontline transportation workers healthy is how we ensure that grocery stores remain stocked, medical supplies remain available in urban and rural communities, and how we maintain critical infrastructure viability.

Accordingly, we applaud the leadership of Chairman Wicker, Ranking Member Cantwell, and Senators Young, Sullivan and Blunt in championing the Critical Infrastructure Employee Protection Act, and look forward to working with the Committee, as well several of the witnesses before you today, to see the bill through to enactment.

- *Provide Detention and Demurrage Fee Relief & Chassis Choice for the Intermodal Trucking Community:*

Despite the economic slowdown caused by the public health crisis, intermodal motor carriers continue to bring products and materials to and from ports around the country. These efforts help deliver critical supplies to frontline health care work-

⁴ Cybersecurity and Infrastructure Security Agency, “Critical Infrastructure Sectors,” <https://www.cisa.gov/critical-infrastructure-sectors>, 24 March 2020.

⁵ Cybersecurity and Infrastructure Security Agency, “Advisory Memorandum on Identification of Essential Critical Infrastructure Workers During COVID–19 Response,” https://www.cisa.gov/sites/default/files/publications/Version_3.1_CISA_Guidance_on_Essential_Critical_Infrastructure_Workers.pdf, 319 May 2020.

ers, as well as the myriad materials and products needed to drive nearly every aspect of the country's economic supply chain.

Unfortunately, the current coronavirus outbreak has impacted access to shipping containers, leading to delays outside the control of motor carriers. These trucking companies have been assessed demurrage and detention fees unfairly by ocean carriers and marine terminals in the past, and with the current health crisis affecting operations at ports around the nation, detention and demurrage fees should be prohibited until more normal operations of port and intermodal freight return.

Under current practice, a fee is typically charged if a motor carrier is responsible for a delay of intermodal containers being picked up or delivered. If the motor carrier is the cause of such a delay, this penalty might make sense, since the global supply chain depends on the movement and repositioning of these containers. In many cases, delays result from other factors—such as port or ocean line delays, and the trucking companies are charged for inefficiencies they have no control over. While these practices are unfair in normal times, they are debilitating during this pandemic, which has caused historic disruptions in ocean shipping and port operations. Temporarily prohibitions on these charges against motor carriers will protect a vital American supply chain link and assist the recovery from our economic challenges.

Such a waiver or prohibition will help reduce confusion and disputes between intermodal carriers and the ocean lines, and expedite freight movement at ports and container terminals, thereby allowing critical products and materials to move more quickly during this time of national need.

Recently, the Federal Maritime Commission (FMC) finalized an interpretive rule on Detention and Demurrage. It will take effect after it is published in the Federal Register, which we hope will be soon. "Under the new interpretive rule, the commission will consider the extent to which detention and demurrage charges and policies serve their primary purpose of incentivizing the movement of cargo and promoting freight fluidity," the FMC said recently.

The detrimental impacts of COVID-19 makes the FMC interpretive rule on detention and demurrage very timely, because one of the main functions of the rule is to determine if certain detention and demurrage fees are reasonable or support freight fluidity. If they do neither of these, then no fee should apply. It should also bring clarification as to how the ocean carriers and marine terminals provide notice to truckers when their cargo is available for retrieval, clearly defined demurrage and detention policies, and dispute resolution. This increased clarity will help resolve disputes when they arise, and it is through this reasonableness aspect laid out in the interpretive rule that the FMC will be able to better evaluate these disputes when they arise, which they will in different situations around the Nation.

Therefore, we encourage the Committee to oversee the implementation of the FMC's interpretive rule, to ensure that motor carriers are not being improperly charged detention and demurrage fees, particularly as a result of impacts from the pandemic. Additionally, should this interpretive rule delay in implementation, we encourage the Committee to provide intermodal motor carriers with detention and demurrage fee relief during the response to and recovery from the pandemic.

A further issue I'd like to raise with the Committee is chassis availability or chassis choice, which has become a much bigger problem at many of our Nation's ports and terminals. If intermodal motor carriers are unable to get the chassis they need to move containers to and from ports or if the process for obtaining a chassis is inefficient, then freight fluidity will be affected. For over 10 years, although the ocean carriers have sold their chassis, they still control chassis rules at intermodal facilities to deny trucking companies choice when leasing this essential equipment. Foreign-owned ship lines require U.S. motor carriers to only lease chassis from the steamship line designated chassis providers at a daily rate that is more than double the cost of providing a chassis, which increases costs for the motor carriers. At the same time, steamship lines have negotiated with their designated chassis provider for a daily chassis price when the steamship line pays the bill that is half the cost of providing a chassis. This rebate practice must stop.

The increased cost on the motor carrier is punitive and will lead to increased costs for the consumer. The lack of chassis choice prevents the motor carriers from making decisions on the quality of the equipment. It is important that chassis choice is available at ports and terminals throughout the country.

3. Trucking Industry Priorities for COVID-19 Recovery Legislation:

- *Create Jobs and Stimulate the Economy While Improving our Nation's Infrastructure:*

The COVID-19 pandemic has significantly reduced travel, driving down fuel use and with it, fuel tax collection. In addition, truck and trailer purchases have

dropped considerably, reducing the revenue collected through the Federal excise tax on equipment.⁶ For the week of May 16–22, personal travel was down a seasonally adjusted 30 percent compared with normal travel, while long-haul truck travel declined 5 percent and local trucking fleet travel was down 6 percent.⁷ These declines have resulted in similar reductions in fuel consumption, with gasoline purchases down by approximately 30 percent in May compared with the same period in 2019.⁸ While the likely effects on transportation budgets are unclear, ATA estimates that Federal and state user fee revenue could be depleted by at least \$32 billion over the next year. This does not include losses to states that rely on retail sales tax revenue for their transportation budgets. This loss of revenue will force cancellation of critical transportation projects, putting more than 400,000 people out of work. Furthermore, it will accelerate the insolvency of the Federal Highway Trust Fund (HTF), which was previously projected by the Congressional Budget Office to begin to go into the red by FY2021.

ATA supports a short-term infusion of revenue that will allow states to avoid furloughs and to maintain capital investment schedules, saving thousands of jobs. We also urge Congress to avoid delays in reauthorization of the FAST Act, and ensure that the surface transportation program is provided with sufficient long-term revenue to address critical infrastructure deficiencies.

Even before the current crisis, a severe lack of investment has caused the road system to rapidly deteriorate, costing the average motorist nearly \$1,600 a year in higher maintenance and congestion expenses.⁹ Highway congestion also adds nearly \$75 billion to the cost of freight transportation each year.¹⁰ In 2016, truck drivers sat in traffic for nearly 1.2 billion hours, equivalent to more than 425,000 drivers sitting idle for a year.¹¹ This caused the trucking industry to consume an additional 6.87 billion gallons of fuel in 2016, representing approximately 13 percent of the industry's fuel consumption, and resulting in 67.3 million metric tons of excess carbon dioxide (CO₂) emissions.¹²

The current situation represents the greatest opportunity in decades to make great strides toward addressing these challenges. With traffic down (allowing for more lane closures), unemployment at historic highs, and interest rates and fuel prices at historic lows, now is the perfect time to accelerate transportation projects, not starve them of revenue.

It is challenging to spot silver linings amid a global pandemic, but if there is something working Americans can be grateful for during a lockdown, it's a reprieve from the wretched traffic that's plagued daily commutes for years. But what happens when life returns to a new normal? America's sagging roads and cracking bridges will still be there, causing the bottlenecks and accidents that are the signature of everyday gridlock. Whatever the future holds, it is clear we can no longer rely on yesterday's roads to get us there. What if there was a smart way forward that finds common ground? What if we could jumpstart our economy, putting hundreds of thousands of Americans back to work in good-paying, private sector jobs—without adding another dime to the deficit? What if we could capitalize on this rare moment in the global oil market—paying dividends to working Americans for decades to come? There is. And we can. All that's needed now is the political courage to get there.

President Trump and Speaker Pelosi have made rebuilding roads and bridges a top priority. Leader McConnell has insisted that any infrastructure package be fully paid for. Truckers agree with all three. Where pundits see conflict, we see alignment—and the way forward. In one package, infrastructure offers a singular solution to the tangled web of policy challenges woven by COVID-19. It would generate powerful economic stimulus in the near term, providing hundreds of thousands of good-paying, private sector jobs. It would lay a strong foundation for long-term economic growth, strengthening our supply chain and securing America's preeminent

⁶Gilroy, Roger, *April Class 8 Orders Reach 25-Year Low*, *Transport Topics*, May 5, 2020.

Gilroy, Roger, *US Trailer Orders Tumble to All-Time Low in April*, *Transport Topics*, May 25, 2020.

⁷INRIX U.S. National Traffic Volume Synopsis Issue #10 (May 16–May 22, 2020)

⁸Weekly U.S. Product Supplied of Finished Motor Gasoline

⁹*Bumpy Road Ahead: America's Roughest Rides and Strategies to make our Roads Smoother*, The Road Information Program, Oct. 2018; *2015 Urban Mobility Scorecard*. Texas Transportation Institute, Aug. 2015.

¹⁰*Cost of Congestion to the Trucking Industry: 2018 Update*. American Transportation Research Institute, Oct. 2018.

¹¹*Ibid.*

¹²*Fixing the 12 percent Case Study: Atlanta, GA*. American Transportation Research Institute, Feb. 2019.

position in the global economy. Most importantly, it can be done responsibly—and fully paid for—without adding a dime to the Federal deficit.

While the COVID-19 crisis will pass, one of its lasting legacies has already been written. The U.S. has added \$3 trillion onto our Nation's credit card bill in a matter of weeks. These actions were necessary to prevent a catastrophic economic collapse, but their steep cost will reverberate for many years to come. America's total national debt now tops \$25 trillion—another crisis decades in the making. It is a heavy price dropped on our kids and grandkids, which they'll pay throughout their lives in the form of higher taxes and fewer economic opportunities.

Moreover, an infrastructure bill without a dedicated funding stream has no teeth. Without budget certainty over a multi-year window, transportation officials cannot move projects from the planning phase to the construction phase. Ground cannot be broken, jobs are frozen and any progress is bogged down by Congress' annual appropriations cycle. In order to create value, infrastructure has to be funded.

President Reagan twice oversaw increases in the Federal fuel tax during his Presidency, and for good reason. It is the most conservative, efficient and viable funding mechanism readily available for infrastructure improvement. That is because the fuel tax is collected at the wholesale level—at what is known as a “terminal rack”—well before it reaches the retail pump. There are roughly 1,300 racks across the country, but collectively they're operated by only about 300 entities.¹³ The result is a tried-and-true system that minimizes overhead costs and maximizes efficiency—value—for road users. Ninety-nine cents of every dollar collected flows straight into the Highway Trust Fund.¹⁴ Compare that to alternatives like tolling, where as much as 35 cents of every dollar is squandered on administrative and collection costs.¹⁵

Yet Congress has not adjusted the fuel tax since 1993. As COVID-19 roils oil markets, the present moment offers an enormous investment opportunity to recoup the economic losses inflicted on our country. As of May 26, the national average price for a gallon of gas is \$1.96, compared to nearly \$3.00 one year ago.¹⁶ Increasing the Federal fuel tax by only a nickel each year, over four years, would generate \$340 billion in new revenue over the next decade. A five-cent increase in the fuel tax would cost the average motorist merely an extra 50 cents at the pump each week. Even if a 20-cent increase took effect immediately, motorists today would still be paying 80 cents less on each gallon of gas than they were paying a year ago. More importantly, a well-maintained and responsibly funded surface transportation funding program would create significant savings for motorists by steadily reducing the \$1,600 and 54 hours they are currently losing every year as roads and bridges fall deeper into disrepair and no longer meet the needs of 21st century America.

When it comes to funding the roads and bridges that Americans use every day, the trucking industry more than carries its weight—and we're proud of that fact. While trucks account for only four percent of vehicles on our Nation's roads, they pay nearly half of all Highway Trust Fund user fees. And truckers are willing to pay more to get this job done. But we're not alone. America's farmers, manufacturers, building trades, steel workers, business and labor leaders all stand in unison behind this national goal. Together we can rebuild America—faster, better and stronger than ever before. Investing in our Nation's failing infrastructure will ensure that we are better equipped to respond to this and future national emergencies. Additionally, investing in infrastructure will provide a direct stimulus into our Nation's weakened economy.

We urge Congress to provide an immediate infusion of additional money to states for surface transportation. We believe that approximately \$32 billion will be necessary to offset losses from Federal and state user fee reductions over the next year. The money should initially come from the General Fund, to be distributed through existing federal-aid programs, and replenished over four years by an immediate 5 cent increase in the Federal fuel tax. With additional five cent increases in each of the following three years, sufficient revenue can be generated to ensure long-term funding stability for the Highway Trust Fund.

Enactment of a robust long-term surface transportation reauthorization bill will ensure the solvency of the HTF and give states the certainty they require to make the major investments necessary to address maintenance and congestion needs. Among other funding priorities, ATA recommends direct funding for top freight bottlenecks that will ensure that trucks can deliver goods more swiftly in response to

¹³https://www.irs.gov/pub/irs-utl/tcn_db.pdf

¹⁴*A Framework for Infrastructure Funding*, American Transportation Research Institute, Nov. 2017.

¹⁵*Ibid.*

¹⁶Gasbuddy.com

future emergencies. We also recommend the inclusion of H.R. 6104, the *Truck Parking Safety Improvement Act*, which makes \$755 million available to states for increased truck parking capacity. Finally, ATA supports Federal grants of up to \$2 million per state for the purpose of creating or upgrading automated permitting systems. While these expenses are eligible under FMCSA's High Priority Innovative Technology Deployment (ITD) Program, this program is over subscribed. While the lack of adequate automated permitting systems in more than half the states creates inefficiencies during normal times, the COVID-19 experience has exposed even more harmful effects during times of crisis.

• *Incentives to Promote Investments in Cleaner, Safer & More Fuel-Efficient Truck & Equipment:*

COVID-19 is placing severe economic strain on trucking fleets and truck and trailer manufacturers due to cash flow uncertainties. As a result, investments in cleaner, more fuel-efficient, and safer trucks and equipment have steeply declined.

New Class 8 heavy-truck orders in April 2020 were the lowest since 1995.¹⁷ The spread of COVID-19 led all four major heavy-duty truck makers to suspend normal production schedules beginning as early as March.¹⁸ Production in 2020 will likely be a 50–60 percent decline in sales below the near-record build rate of 345,000 trucks in 2019.¹⁹ The global Class 8 downturn in 2020 will be worst felt in the U.S. as it often exhibits deeper cyclical troughs.²⁰ Fleets are delaying ordering trucks until the economic uncertainty over the COVID-19 crisis abates and a significant number of orders scheduled for near-term deliveries have been cancelled due to financial uncertainty and/or lack of freight to haul.

Fleets have also curtailed ordering new trailers due to COVID-19. U.S. trailer orders in April hit an all-time low after heavy cancellations and the industry's rapid reaction to the unprecedented business conditions generated by the economic shutdown.²¹ While often overlooked, new trailers typically provide significant environmental and energy savings benefits as exemplified under the U.S. EPA SmartWay program which helps companies advance freight transportation efficiency.²²

As the economy looks to recover from COVID-19, fleets must be incentivized to place orders for new, cleaner, safer, and more fuel-efficient equipment. Providing such incentives will result in a direct economic stimulus, certainty for jobs in truck and equipment manufacturing, and improvements to highway safety and fuel efficiency. As Congress considers COVID recovery legislation, relief is sought on these three fronts:

- (1) Temporary suspension of non-fuel use taxes for the trucking industry;
- (2) Establishment of an immediate freight truck stimulus package; and
- (3) Short-term financial incentives to kick-start the purchase of new U.S. manufactured trailers.

A Temporary Suspension of Non-Fuel Use Taxes:

Non-fuel Federal use taxes cost the trucking industry more than \$6 billion annually.²³ These taxes include the 12 percent Federal excise tax (FET) assessed on new truck and trailer purchases, an antiquated tax on trucks and equipment adopted in 1917 as a World War I revenue source, which remains the highest excise tax imposed by the Federal government on any product or service. The FET imposes an average additional \$18,000 price tag on a new Class-8 truck (assuming an average purchase price of \$150,000) and close to a \$4,000 up-charge on a new 53-foot box trailer (assuming an average purchase price of \$33,000). These excessive tax charges limit the amount of actual physical equipment fleets can afford to purchase. The 97 percent of the Nation's trucking companies that are small businesses are especially impacted by these high taxes given that they already operate on razor-thin profit margins.²⁴ While the permanent elimination of the FET is clearly justified, a temporary suspension of this tax through the end of CY2021 would greatly incentivize carriers to purchase new trucks and trailers, save manufacturing jobs, and put cleaner, safer, more fuel-efficient equipment on the road.

¹⁷ Gilroy, Roger, "April Class 8 Orders Reach 25-Year Low", *Transport Topics*, May 5, 2020.

¹⁸ Hitch, John, "Pandemic's Impact on Current Truck Production", *Fleet Owner*, April 7, 2020.

¹⁹ "COVID-19 Will Further Slow Demand for Heavy Trucks", *S&P Global Ratings*, May 5, 2020.

²⁰ *Id.*

²¹ Gilroy, Roger, "US Trailer Orders Tumble to All-Time Low in April", *Transport Topics*, May 25, 2020.

²² See: <https://www.epa.gov/smartway>.

²³ See: <https://www.fhwa.dot.gov/policyinformation/statistics/2018/fe210.cfm>.

²⁴ *American Trucking Trends 2019*, American Trucking Associations, July 2019.

A second non-fuel Federal use tax involves the FET assessed on tires that only applies to the trucking industry. It was also imposed to assist in paying for the war effort during World War I. While tires account for two percent of fleet operating expenses, the annual tax burden on the industry is approximately \$500 million.²⁵ A temporary tax holiday through CY2021 for truck tire purchases would save the industry approximately \$800 million and go far in the economic recovery efforts of the trucking sector.

The final non-fuel Federal use tax is the Heavy Vehicle Use Tax (HVUT), assessed annually on heavy vehicles at a rate of up to \$550. Though drivers are still on the road delivering vital supplies and food, they remain subject to a tax burden that places enormous stress on their businesses at the very time when there are agonizing decisions made every day related to equipment and workforce. This tax is especially burdensome because fleets must pay it in a single lump sum, straining company cash flows. Suspending the HVUT through CY2021 would save the trucking industry nearly \$2 billion.

Establishment of a Freight Truck Stimulus Package:

To help rebuild and stabilize the trucking sector, creating a freight truck stimulus package under the highly-successful Diesel Emissions Reduction Act (DERA) would throw a lifeline to many trucking fleets seeking to purchase cleaner equipment. DERA has become one of the most cost-effective Federal clean air programs for reducing emissions and saving fuel. EPA's most recent estimates indicated that every \$1 in Federal assistance is met with \$3 in non-federal matching funds, including significant investments from the private sector. Furthermore, every Federal dollar generates between \$5 to \$21 in health and economic benefits.

Using DERA to stimulate the economy is not without precedent. EPA received \$300 million through the American Recovery and Reinvestment Act (Recovery Act) for clean diesel projects in 2009. These funds expanded the program's ability to establish large-scale projects that could deliver additional reductions through investments in cleaner and more fuel-efficient technologies. This program was also credited with sustaining and creating over 3,000 jobs. Many DERA-related jobs advance green employment opportunities through the development, manufacturing, and installation of clean diesel technologies.

While DERA has made tremendous progress in improving air quality nationwide, annual dollars are stretched thin due to competition for funding between school buses, ports, airports, rail, construction equipment, and trucking. Given that approximately 57 percent of the heavy-duty truck fleet is not equipped with technology meeting the most current emissions standards adopted for model year 2010, and given the expected downturn in new truck purchases into the foreseeable future, developing and funding an on-road freight truck component under the DERA program would be a win-win proposition to jump-start new truck purchases and reduce emissions. ATA therefore supports an additional \$250 million in annual DERA funding be appropriated and specifically set aside for new on-road freight vehicle purchases to accelerate fleet turnover rates and to help renew truck manufacturing jobs.

New Trailer Purchase Incentives:

A single 53-foot standard box-type trailer can set a trucking company back \$33,000 on average. It is not uncommon for fleets to have trailer to tractor ratios of 3:1, meaning they require three trailers per power unit due to the frequent repositioning of empty, partially loaded, and fully-loaded units. Other trailers designed for specialty hauling operations—such as tank trucks, flatbeds, refrigerated units, and automobile haulers—can sometimes cost upwards of \$100,000.

Given the economic recovery needed for the pummeled trailer manufacturing industry, ATA proposes a temporary \$5,000 Federal voucher program for the purchase of new North American manufactured trailers that achieve either a U.S. EPA SmartWay, U.S. EPA Phase 2 Heavy-Truck Greenhouse Gas Rule, or comparable state fuel-efficiency designation through the end of CY2021. Today's new generation trailers are both more fuel-efficient and provide significant associated emission reductions. In fact, emission reductions and associated fuel savings benefits from a new 53-foot trailer can achieve as much as a 10 percent improvement.

In order to inject new life into what used to be a \$12+ billion U.S. industry, the establishment of a short-term Federal voucher program is critical. Not only will such a program instantly help U.S.-based trailer manufacturers and trucking companies rebound financially, but incentivizing new trailer purchases will help continue the historical progress the trucking industry has made over the last 35 years to advance the Nation's energy and clean air goals.

²⁵ See: <https://www.fhwa.dot.gov/policyinformation/statistics/2018/fe210.cfm>.

- *Support Workforce Development Initiatives and Invest in Retraining the Unemployed:*

The trucking industry’s successful mobilization in response to the COVID–19 emergency demonstrates how critical workforce development is to the economy and our emergency response supply chain. Prior to the COVID–19 emergency, the most recent statistics showed 7.4 million people working in various occupations in the trucking industry, accounting for 1 in 18 jobs in the U.S. “Truck driver” has been reported to be the top job in 29 states.²⁶

These are good middle-class careers that do not require the debt that often comes with getting a college degree. The Bureau of Labor Statistics reported a mean salary of \$46,850 for truck drivers in a May 2019 report.²⁷ An industry survey shows the average truck driver makes over \$53,000 per year, plus benefits like health insurance, a retirement plan (e.g., 401(k)), and paid time off.²⁸ A private fleet driver similarly saw pay rise to more than \$86,000 from \$73,000 or a gain of nearly 18 percent from 2014.²⁹ In addition to rising pay, many fleets were offering generous signing bonuses and other expanded benefit packages to attract and keep drivers as recently as February of 2020.

The most recent jobs report, however, showed overall 14.7 percent unemployment, and labor participation dropping to 60.2 percent—the lowest since 1973. While portions of the trucking industry have somewhat weathered the economic storm, according to the BLS May 2020 Report, 88,300 jobs were lost in the for-hire trucking industry in April, or about 6 percent. That puts overall employment in the for-hire trucking industry at the lowest level since November 2014. Part of the reason for that, as this Committee well knows, is that we depend on our customers to sustain our business—and, when they hurt so do we.

Prior to the current emergency, there was already a significant need for more truck drivers. In July 2018, half of the Nation’s twelve Federal Reserve Districts specifically reported trucking capacity and truck driver shortage issues.³⁰ The industry faced a shortage of more than 60,000 qualified drivers as of 2020, and will need to hire 1.1 million new drivers over the next decade, taking into account retirement and the industry’s aging workforce (7 years older than that of your typical U.S. worker). Any further workforce attrition could cripple the industry’s ability to effectively and swiftly deliver goods and supplies in a national emergency. Furthermore, there is a major backlog in Commercial Drivers License issuance in many states due to closures of many schools and testing facilities. As a major source of national employment, however, we expect to be a leader in returning Americans to work and have several proposals designed to maximize opportunity for all Americans in this critical industry as the economy recovers.

1. ***H.R. 1374/S.569, the DRIVE Safe Act:*** This bipartisan legislation, which is currently cosponsored by over one fourth of the House and one third of the Senate, allows young Americans to become truck drivers—a good paying job in an industry that badly needs them. Though 49 states currently allow individuals to obtain a commercial driver’s license at 18, they remain prohibited from driving in interstate commerce until they are 21. The bill establishes an apprenticeship program to train qualified 18–20 year old CDL holders to safely operate in interstate commerce.
2. ***H.R. 5145/S.2858, the Promoting Women in Trucking Workforce Act:*** Through the establishment of a Women of Trucking Advisory Board, we expect to be able to place greater focus on the recruitment, training, and mentorship of women. This will lead to greater industry diversity, while providing another tool to stem the driver shortage.
3. ***H.R. 5118/S.3303, the Promoting Service in Transportation Act:*** This legislation will raise awareness of great career opportunities in the transportation sector. Through enhancing the use of broadcast, digital and print media in public service campaigns, we can ensure that the workforce is available and equipped to respond to emergencies.

²⁶ <https://www.marketwatch.com/story/keep-on-truckin-in-a-majority-of-states-its-the-most-popular-job-2015-02-09>.

²⁷ Occupational Employment and Wages, May 2019, 53–3032 Heavy and Tractor-Trailer Truck Drivers, available at <https://www.bls.gov/oes/2019/may/oes533032.htm>

²⁸ ATA Driver Compensation Study (2017); American Trucking Associations. <https://www.atabusinessolutions.com/ATA-Store/ProductDetails/productid/3852684>.

²⁹ Id.

³⁰ The Federal Reserve Board, The Beige Book: Summary of Commentary on Current Economic Conditions by Federal Reserve District, July 18, 2018, https://www.federalreserve.gov/monetarypolicy/files/BeigeBook_20180718.pdf.

4. *Workforce Investment and Opportunities Act (WIOA) Reforms:* Training opportunities will play a critical role in helping the unemployed or underemployed return to work, and Congress should pursue improvements to WIOA, which is up for reauthorization this year, in both the short-and long-terms.
 - a. *Improved Payment Efficiency Will Speed Up Training:* Truck driver training schools currently train between 13,000–14,000 Americans each year under WIOA. With many workforce boards temporarily closing due to the COVID–19 pandemic coupled with various accounting requirements, outstanding reimbursements were not timely processed, which delayed entire classes of new drivers. Congress should consider changes to ensure training reimbursements continue in the event of a temporarily closed workforce board.
 - b. *Expand WIOA Funding and Ensure Vital Industries Have Access:* In order to ensure opportunities for those who may not be able to return to their prior jobs, ATA believes a one-time infusion of WIOA funds with certain parameters is in order, and that truck driving should be considered a nationally “in-demand” occupation. While some states and local workforce boards include truck driving as an in-demand occupation with access to WIOA funding, many do not. A directive that funds should be prioritized for workforce training for defined critical industries, including trucking, would remedy this disparity. Additionally, during the recovery period, Congress should streamline the intake process at state and local workforce boards to ensure people are being trained swiftly for open jobs.
5. *Ensure Focusing on Safety Does Not Impact Independent Contractor Relationships:* Safety is always paramount for the trucking industry, and many motor carriers rely on independent owner-operators for their businesses and work with them to ensure they are operating safely. Congress should ensure that efforts on the part of a motor carrier to assist an independent owner-operator in maintaining health and safety during the crisis cannot be used as evidence of an employer-employee relationship and resulting liability of the carrier.

These suggestions will help ensure the trucking industry has access to a workforce that is able to support the critical needs of the country as we cover from this crisis.

- *Provide for the Use of Electronic Shipping Papers:*

Both the U.S. Centers for Disease Control and Prevention (CDC) and the Occupational Safety and Health Administration (OSHA) recommend that individuals practice social distancing to slow the spread of COVID–19. Further, it is recommended that drivers, inspectors, shippers, and the entirety of the hazardous materials (hazmat) supply chain avoid touching documents whenever possible to reduce the likelihood of virus transmission. Unfortunately, truck drivers hauling hazmat do not have the option to apply this best practice due to certain Federal shipping paper requirements.³¹ Specifically, the rigid procedures related to the preparation and retention of shipping papers inadvertently prevent truck drivers from taking precautionary measures intended to mitigate the spread of the virus. Transitioning to electronic shipping papers would enable truck drivers, their customers, law enforcement personnel, and first responders to avoid the risks associated with passing hazmat documents back and forth.

We recommend that Congress amend these Federal shipping paper requirements to provide truck drivers hauling hazmat with the option to utilize electronic shipping papers. Such an amendment is long overdue, and is especially timely given the current public health emergency. Highway carriers should have the option to utilize electronic shipping papers if they are able to comply with comparable electronic shipping paper regulations governing hazmat transportation by air and rail.

Transitioning to electronic hazmat shipping papers is not simply about leveraging technology for technology’s sake. Shippers and carriers, as well as law enforcement officers and first responders, stand to benefit from the efficiencies yielded by electronic shipping documentation.

The current Hazardous Materials Regulations place great emphasis on physical documentation requirements, which, in some cases, can inadvertently endanger law enforcement personnel and first responders—the very individuals these regulations are intended to safeguard. For example, in emergency events involving hazmat highway carriers, first responders need to access shipping papers in order to determine the exact quantities and types of hazardous materials on board. If shipping papers

³¹ 49 CFR § 172.201–§ 172.205

are physically located inside the truck, first responders must put themselves in extreme danger to retrieve them. If first responders and law enforcement do not have access to the vital information contained in shipping papers, they will not have enough information to make informed judgments about how to respond properly and safely.

With an electronic shipping documentation system in place, first responders could access the information remotely, circumvent the risk of entering the vehicle, and respond more rapidly. This concept has already been tested and approved in the air and rail domains, and the trucking industry is hopeful for the opportunity to embrace the safety benefits of electronic shipping papers as well. From a safety standpoint, the rationale for providing highway carriers with the option to transition to electronic shipping papers is clear. Furthermore, electronic shipping papers could also be incorporated into the communication systems that many companies already have in place for increased efficiency and enhanced sharing of hazard information with need-to-know parties. Leveraging technology to improve critical communication between drivers, first responders, and law enforcement during an emergency is a goal that we can all support.

In addition to the safety benefits, using electronic shipping papers is a sensible way for shippers and carriers to reduce their impact on the environment. Electronic hazmat documents are not only a more environmentally-friendly alternative to printed shipping papers, they can also save shippers and carriers the cost of printing and maintaining this paperwork.

For those reasons, we urge the Committee to take the appropriate legislative steps to ensure that the safe, secure, and efficient delivery of hazardous materials does not jeopardize the health and safety of truck drivers, first responders, law enforcement personnel, shippers, and consignees.

Conclusion:

Chairman Wicker, Ranking Member Cantwell, and members of the Committee, thank you again for providing me with the opportunity to testify before you today. As you have ascertained from my testimony, the trucking industry have been at the forefront of COVID-19 relief and response efforts, ensuring that food, medical supplies, and household goods are swiftly delivered throughout the country. And trucking is prepared to lead our Nation's economic recovery, delivering the goods that will fuel commerce, the supplies that will empower businesses, and the necessities that will nourish our communities.

The leadership and action of this Committee, Congress, and the Administration over the next several months will shape the country's continued response to, and recovery from, the pandemic. Investing in our Nation's crumbling infrastructure will both create jobs and provide a direct economic stimulus, while improving our crumbling roads and bridges. Providing limited and narrow liability protections to motor carriers and other industries who have acted in good faith on the front lines of the pandemic will ensure our response and recovery efforts are not assaulted by boundless liability. And, creating a roadmap and framework for our workforce of tomorrow, when the trucking industry will need to hire over one million new drivers just to keep pace with growing demand, will spur an employment resurgence as we emerge from this health crisis.

ATA applauds the efforts of this Committee throughout the COVID-19 response to ensure that America's trucking industry has the Federal support it needs to serve our country through this crisis. The trucking industry stands ready to work hand-in-glove with you on continued and future COVID-19-related efforts. Under your leadership and guidance, we believe that the important and necessary steps can and will be taken to help see the trucking industry, and the nation, through these tough times and into a better tomorrow.

The CHAIRMAN. Thank you very much, Mr. Guillot.

And now Mr. Ian Jeffries with the Association of American Railroads. Mr. Jeffries?

STATEMENT OF IAN N. JEFFRIES, PRESIDENT AND CHIEF EXECUTIVE OFFICER, ASSOCIATION OF AMERICAN RAILROADS

Mr. JEFFRIES. Good afternoon. Chairman Wicker, Ranking Member Cantwell, members of the Committee, thank you for the opportunity to be here representing America's freight railroads.

I appear before you today in what are truly challenging and tragic times for, quite frankly, all Americans. We are all grateful to the courageous frontline professionals confronting the COVID-19 pandemic, especially our medical professionals, but also the thousands of critical transportation workers keeping supply chains moving.

Throughout the pandemic, railroaders are delivering critical goods to communities, families, and businesses across the country. To be clear, railroads' first priority is their employees' well-being. Since the onset of the pandemic, America's railroads have closely followed and often exceeded CDC and other experts' recommendations to protect employees from this devastating disease. Most railroad jobs require employees to be onsite to keep networks moving, and so railroads quickly implemented social distancing policies and established rigorous cleaning protocols for their work environments. PPE use is pervasive and self-quarantining protocols are in place for those exposed to the virus or showing symptoms. Our industry is blessed with a dedicated employee base for whom strict adherence to rigorous safety protocols is the norm, and this diligence has provided encouraging results to date.

In the meantime, freight railroads have worked closely with our customers throughout these times to provide flexible, high-quality service that meets shippers' needs, even as those needs change because of the pandemic. Railroads truly are partners with their customers, and the economically challenging conditions our customers, like all businesses, have been facing are reflected in railroad volumes. Weekly rail traffic has been roughly 20 percent lower versus this time last year for the past two and a half months. But every day, railroads continue to deliver things like chlorine-based disinfectants for water treatment, consumer goods moving in e-commerce, food, and energy products to meet customer and community needs across the country.

This continuity and reliability amid a global crisis are a testament to the close relationship between railroads and their customers, the power of American ingenuity, and the criticality of a financially secure freight rail industry. I often say that railroads play the long game, and the strong service levels we see now are a direct result of years of sustained private network investment paired with modernized operational plans that enable highly resilient and flexible operations.

Sensible government policy has also helped in the continuity of rail operations. Guidance from DHS in a supporting document from the Surface Transportation Board has been valuable in clarifying the critical nature of freight rail operations, especially as hundreds of State and local governments considered how to best protect their populations through the issuance of local orders.

Additionally, temporary regulatory waivers issued by the Federal Railroad Administration have been critical in allowing Class 1 freight railroads to implement social distancing policies to enhance employees' safety.

Railroads are also grateful to provisions in the CARES Act and to individuals on this committee that make the rail industry employees eligible for enhanced sickness and unemployment insurance benefits, matching those benefits made available to other employees—other U.S. workers.

As Congress considers the scope and nature of additional stimulus legislation, we ask that you emphasize the here and now. For instance, legislation from Chairman Wicker, Ranking Member Cantwell, and others on this committee to prioritize access for critical infrastructure workers to testing, PPE, and other health-related supplies is wise. Should you pursue infrastructure legislation to support economic recovery, the focus should be on the funding and project delivery. In contrast, Congress should soundly reject controversial policy riders pursued by special interests.

In closing, despite the unknowns, one thing is clear: successful navigation of these times requires flexibility, innovation, and determination, all characteristics not only of today's freight rail industry but also of our country. While the country endures today's challenges, the future is indeed bright.

Thank you. I am happy to answer any questions you might have. [The prepared statement of Mr. Jeffries follows:]

PREPARED STATEMENT OF IAN N. JEFFERIES, PRESIDENT AND CHIEF EXECUTIVE OFFICER, ASSOCIATION OF AMERICAN RAILROADS

Introduction

On behalf of the members of the Association of American Railroads (AAR), thank you for the opportunity to testify on the rail industry's response to the ongoing COVID-19 pandemic. AAR members account for the vast majority of North America's freight railroad mileage, employees, revenue, and traffic.

All of us are forever grateful to our medical professionals and other first responders who are working on the front lines, at substantial personal risk, to care for COVID-19 patients. We should also be grateful to, and proud of, the men and women of the railroads and other transportation industries who are working tirelessly day-in and day-out behind the scenes to keep our supply chains functioning and to deliver critical products to our communities.

As the COVID-19 pandemic continues to evolve across the globe, North America's freight railroads remain focused on safeguarding the health and safety of their workforce and maintaining the flow of goods necessary to preserve public health, sustain families, and keep essential businesses in operation. Railroads continue to deliver the goods that matter, including chlorine-based disinfectants for water treatment, e-commerce, food, and energy products to support electricity demands, all at high levels of service.

Railroad Response to COVID-19

Railroads have established three main goals in their response to the COVID-19 pandemic. The first is to keep their employees safe. Guided by recommendations from the Centers for Disease Control and Prevention and other health professionals, railroads quickly took extensive steps to protect their employees. They transitioned most of their office employees to telework arrangements and began using technology to replace face-to-face interactions. For employees whose jobs require them to work on-site or in the field, railroads worked diligently to quickly implement appropriate social distancing policies and established rigorous cleaning protocols for their work environments (for example, sanitation of locomotive cabs).

The use of protective devices, including gloves and masks, is now ubiquitous on railroads, and self-isolation protocols are in place for those potentially exposed to the virus or showing symptoms. Access by visitors to rail facilities has been sharply curtailed, and railroads are providing timely information to employees through various communications channels, such as e-mails, virtual townhalls, newsletters, intranets, and conference calls. Railroads have also bolstered the efforts of their own internal medical teams and increased their emotional and mental health resources to ensure their large, dispersed workforces remain supported.

My understanding is that, due to railroads' preventive measures and the diligence of their employees, the number of confirmed COVID-19 cases among rail employees to date has, thankfully, been relatively low. Moreover, I am not aware of any instances in which Class I railroads have been unable to serve customers or suffered meaningful business interruptions due to pandemic-related railroad crew shortages.

Railroads' second main goal is to continue to provide high levels of safe, reliable service to their customers. Virtually every railroad customer has had to adjust its

operations because of the pandemic, and railroads have partnered with them every step of the way. Railroads know their customers count on them for responsive service, close collaboration, and nimble operational adjustments; and that's exactly what railroads are delivering. While occasional disruptions in various locations and times on America's nearly 140,000-mile freight rail network are bound to occur, by and large America's freight railroads today are running better than ever, keeping North America's supply chain moving and delivering critical products where they're needed. Railroads are also making special efforts to expedite shipments of goods that are in short supply or urgently needed.

Railroads' third main goal is to continue to operate efficiently and preserve their financial stability and integrity, so that in the future they will be there to handle our Nation's freight. In recent years, railroads have continued to evolve their operating practices, resulting in more resilient networks that put them in a strong position to navigate the current market disruptions. As demand returns, railroads' improved service capabilities will allow them to more safely, reliably, and cost-effectively meet the increasing freight transportation needs of their customers.

Railroads have also continued to invest substantial funds in their core track, bridge, and signal infrastructure, prioritizing investments that lead to safer, more reliable train operations. And while railroads would prefer more traffic operating on their networks than they currently have,¹ they are taking advantage of reduced traffic levels by fast-forwarding maintenance and construction activity, as appropriate, to further strengthen their networks and make them better able to serve their customers and our Nation in the years ahead.

Freight railroads continue to work hard every day to make a safe rail network even safer. They recognize they have not yet reached their goal of zero accidents and injuries, but data from the Federal Railroad Administration (FRA) confirm that their safety gains over the years have given them a good base for further improvement toward that goal.

Actions by Rail Regulators in Response to COVID-19

The rail industry appreciates the efforts of Federal agencies to help ensure that railroads can continue to provide essential transportation services during this difficult time. Each year, FRA establishes an emergency docket for granting relief from its regulations if needed to provide essential transportation services safely in the event of an emergency. For example, in 2019, FRA used the docket to grant relief from certain regulations when catastrophic flooding occurred in several states.

Recognizing the emergency created by the COVID-19 pandemic, in March 2020, FRA granted railroads temporary waivers from certain regulations. Some of these regulations were waived to enable railroads to abide by social distancing requirements and guidelines, while other regulations were waived to enable railroads to continue to operate effectively in cases of rail workforce shortages caused by the pandemic. The rail industry is committed to using the waivers only to the extent necessary to address legitimate problems arising from COVID-19. To date, Class I freight railroads have only used the waivers granted for social distancing purposes, and it was only those waivers which they sought, and were ultimately granted, an extension for continued use. Railroads' experience with COVID-19 has confirmed that FRA is acting appropriately by using the emergency docket process only when the situation is extremely urgent.

Railroads also commend the Department of Homeland Security's Cybersecurity & Infrastructure Security Agency (CISA) for quickly providing guidance on the essential critical infrastructure workforce. This guidance has been important to the continuity of freight rail operations, especially as state and local governments issued disparate edicts in response to the pandemic. The Surface Transportation Board emphasized CISA's guidance in its statement on April 22nd in support of railroad operations, which urged state and local authorities to recognize the importance of rail operations and to support the ability of railroads and their supply chain partners to contribute to the Nation's welfare.

Finally, the rail industry also appreciates the efforts of the Department of Homeland Security's Customs and Border Protection for ensuring that cross-border railroad operations have remained fluid and unencumbered while the United States' borders with Canada and Mexico remain closed to non-essential traffic. The rail industry has worked closely with officials on both sides of the borders to ensure that we can continue to serve our customers across North America's supply chain.

¹ Total rail traffic from mid-March 2020 through mid-May 2020 is down approximately 20 percent as compared to the same time period in 2019. While it's impossible to precisely quantify the impact of the pandemic on rail volumes, it's safe to say that the vast majority of this decline, representing hundreds of thousands of carloads and intermodal units, is pandemic-related.

Further Legislative Actions

In the weeks and months ahead, Congress will be considering additional measures in response to the pandemic and its aftermath. Railroads respectfully suggest that, as it does so, Congress should include provisions that would facilitate the rail industry's ability to move the goods our Nation depends on.

First and foremost, Congress should reject controversial policy riders that have little or no relationship to actual pandemic-related needs, such as harmful economic regulation or mandates for specific operating models, such as minimum railroad crew size. Additionally, railroads support the goal of improved access to reliable broadband for all Americans, but Congress should reject proposals that mandate one-size-fits-all, non-compensatory access to private property, including railroad rights-of-way, under the guise of pandemic relief. Additionally, railroads must also be able to ensure that proposed broadband projects have undergone appropriate engineering review and construction oversight and will comply with applicable Federal regulations, including the use of flagmen for worker protection, and other sensible national safety codes and standards.

Likewise, temporary waivers from existing maximum truck weight limits for the delivery of emergency supplies might be appropriate in some cases today, but Congress should not include permanent increases to existing truck length or weight limits in any future pandemic-related (or, for that matter, non-pandemic related) legislation. The rail industry opposes permitting larger trucks to operate on our Nation's roads and bridges until the user fees that trucks pay into the Highway Trust Fund cover the costs of the highway damage they cause.

Second, rail employees, as well as other essential critical infrastructure workers, should be given elevated priority access to COVID-19 testing, personal protective equipment, sanitizers, non-medical grade facial coverings, and other health-related or protective supplies so that essential goods can keep moving. The rail industry supports Chairman Wicker's bill—S. 3728, the Critical Infrastructure Employee Protection Act of 2020—and thanks Chairman Wicker, as well as Ranking Member Cantwell, and Senators Blunt, Young, and Sullivan for supporting this effort.

Third, if an infrastructure package is considered in future legislation, increased funding for highway-rail grade crossing and grade separation projects, which communities across the country continue to call for, as well as funding for Amtrak to maintain and replace current critical infrastructure, should also be included.

Finally, the freight rail industry is grateful for the provisions in the CARES Act that made rail industry employees eligible for enhanced sickness and unemployment insurance benefits, matching the enhanced benefits made available to other U.S. workers. Looking ahead, railroads also support the removal of the impact of sequester on these benefits as well as the Railroad Retirement Board's request for an additional \$11.5 million in administrative funds to provide much-needed IT modernization.

Conclusion

Our country is enduring a truly challenging and unprecedented time, but the optimist in me knows that this too shall pass. Because of the many uncertainties we still face, the timing and the roadmap for returning to a more normal way of life remain unclear. Successful navigation of all the unknowns will require flexibility, innovation, and determination—characteristics that the rail industry and its employees have demonstrated in past emergencies and that are seeing the industry through this one. In the weeks and months ahead, freight railroads will remain in close collaboration with their customers and employees, policymakers, and others to ensure that our Nation's freight transportation needs are met safely, reliably, and cost effectively.

The CHAIRMAN. And thank you very, very much.

Now, Mr. Alex Oehler, Interim President and CEO, Interstate Natural Gas Association.

STATEMENT OF ALEX OEHLER, INTERIM PRESIDENT AND CHIEF EXECUTIVE OFFICER, INTERSTATE NATURAL GAS ASSOCIATION OF AMERICA

Mr. OEHLER. Chairman Wicker, Ranking Member Cantwell, and members of the Committee, good afternoon. My name is Alex Oehler, and I am Interim President and CEO of the Interstate Natural Gas Association of America, or INGAA.

Thank you for holding this hearing and the opportunity to testify today. INGAA appreciates the Committee's interest in ensuring that our nation's pipeline infrastructure continues to safely and reliably deliver the energy that Americans need during the COVID-19 pandemic emergency.

INGAA's members transport natural gas through a network of transmission pipelines that are analogous to the interstate highway system. These are large capacity, critical infrastructure systems that span multiple states or regions to bring the nation's natural gas resources to market. Our members provide an essential link between every major natural gas supply basin in the country to every major consumption area in the lower 48 states, and all of this infrastructure is built and maintained using private capital.

Our industry is relentlessly committed to safe, reliable, and responsible operations, which includes meeting the nation's energy needs during the COVID emergency and taking every necessary step to protect the health of our workforce and the communities in which we operate. INGAA's members have made significant changes to their operations to confront COVID-19 and have also contributed millions of dollars toward relief and recovery efforts in their communities.

I wish to convey four main points today.

First, because most end uses of natural gas are essential to the health, safety, and well-being of American families and businesses, our nation's demand for interstate natural gas transportation service has largely persisted throughout the COVID-19 emergency, though some pipelines have experienced changes in their utilization profiles that reflect the new ways Americans are living and working during this time. Interstate natural gas pipeline operators are quite confident that we will continue to deliver energy supplies safely and reliably throughout this crisis. Both the stability and interconnected nature of our national pipeline grid and the diverse sources of natural gas supply and storage provide a high level of energy reliability for the Nation.

Second, pipeline companies recognize that as operators of critical infrastructure, it is our responsibility to implement safeguards that ensure pipeline operations, maintenance, and construction activities can safely continue. Our frontline employees and contractors have demonstrated remarkable resilience during this challenging time, and INGAA member companies have taken numerous actions to protect them, consistent with the guidance of CDC, OSHA, and State and local health departments.

Examples of specific actions include: using backup pipeline control rooms to separate essential workers into isolated shifts and locations; collaborating with pipeline contractors to implement pandemic planning across the supply chain; and developing robust plans to respond to a COVID-19 infection, if needed, at a work location.

Third, I would like to commend several Federal agencies for providing the targeted support that pipeline operators need to ensure safe and reliable energy deliveries. For example, the Pipeline and Hazardous Materials Safety Administration, or PHMSA, has repurposed the agency's plan for responding to extreme weather events to establish a mechanism for operators to notify the agency

of a need to temporarily reschedule certain less essential compliance activities until after the COVID-19 emergency subsidies.

Other Federal agencies, including FEMA, CDC, DOE, and CISA, have taken lead roles in working with State and local agencies to ensure that essential critical infrastructure workers have access to COVID-19 testing, personal protective equipment, and other health-related supplies. We are grateful for these joint efforts, and it is important that this coordination continues. To that end, we strongly support the Critical Infrastructure Employee Protection Act of 2020, which will ensure government agencies continue to manage this effort.

Finally, although not directly related to COVID-19, the reauthorization of our nation's pipeline safety programs will help provide stability as PHMSA and State pipeline safety agencies work to adapt to the changing environment we will be living in for the months to come. INGAA supports a reauthorization bill that increases funding for Federal and State pipeline safety programs and establishes clear policy priorities for PHMSA for the next 4 years. We appreciate this committee's work to advance a bipartisan reauthorization bill last July and look forward to continuing to work with you on this important legislation.

Thank you again for the opportunity to testify today. I would be happy to answer any questions you have.

[The prepared statement of Mr. Oehler follows:]

PREPARED STATEMENT OF ALEX OEHLER, INTERIM PRESIDENT AND CHIEF EXECUTIVE OFFICER, INTERSTATE NATURAL GAS ASSOCIATION OF AMERICA

Chairman Wicker, Ranking Member Cantwell, and Members of the Committee:

Good afternoon. My name is Alex Oehler, and I am Interim President & CEO of the Interstate Natural Gas Association of America (INGAA). Thank you for holding this hearing and the opportunity to testify today. INGAA appreciates the Committee's interest in ensuring that our Nation's pipeline infrastructure continues to safely and reliably deliver the energy that Americans need while we respond to and recover from the COVID-19 public health emergency.

INGAA's members transport natural gas through a network of transmission pipelines that are analogous to the interstate highway system. These are large capacity, critical infrastructure systems that span multiple states or regions to bring the Nation's natural gas resources to market. Our members provide an essential link between every major natural gas supply basin in the country to every major consumption area in the lower 48 states, and all of this infrastructure is built and maintained using private capital. Natural gas is used to heat our homes, cook our food, power our Nation's industries, and generate electricity. Natural gas is essential to manufacturing many of the products used in hospitals to combat COVID-19, including personal protective equipment.

Our industry is relentlessly committed to its obligation to operate safely, reliably, and responsibly, and this includes continuing to serve our communities throughout the COVID-19 emergency while also taking every step necessary to protect the health of our workforce and those communities in which we operate. INGAA's members have made significant changes to their operations to confront COVID-19, and they have also contributed millions of dollars towards relief and recovery efforts in their communities.

I wish to convey four main points today. First, because most end uses of natural gas are essential to the health, safety, and well-being of American families and businesses, our Nation's demand for interstate natural gas transportation services has persisted throughout the COVID-19 emergency, although some pipelines have experienced changes in their utilization profiles that reflect the new ways Americans are living and working during this time. Interstate natural gas pipeline operators are confident that we will continue to deliver energy supplies safely and reliably throughout this crisis. The stability and interconnected nature of our coast-to-coast

natural gas pipeline grid, and the diverse sources of natural gas supply and storage, provide a high level of energy reliability for the Nation.

Second, pipeline companies recognize that as operators of critical infrastructure, it is our responsibility to implement safeguards that ensure pipeline operations, maintenance, and construction activities can safely continue. Our frontline employees and contractors have demonstrated remarkable resilience during this challenging time, and INGAA member companies have taken numerous actions to protect them, consistent with the guidance of the CDC, OSHA, and state and local health departments. I'm pleased to report that our efforts are working—INGAA members have experienced only limited instances of COVID-19 amongst the pipeline workforce.

Examples of specific actions that INGAA members are taking include: leveraging technology to create new ways to work from home; using backup control rooms to separate essential workers into isolated shifts and locations; conducting deep cleaning of work locations; collaborating with our contractors to implement pandemic planning across the supply chain; and developing robust plans to respond to a COVID-19 infection at a work location if needed. The INGAA Foundation has issued a *guidance document* that synthesizes practices the pipeline industry is using to prevent and control the spread of COVID-19 during construction and maintenance work.

Third, I would like to commend several Federal agencies for providing the targeted support that pipeline operators need to ensure continued safe and reliable energy delivery. PHMSA repurposed the agency's plans for responding to extreme weather events and established a mechanism for operators to notify the agency of the need to reschedule any non-essential compliance activity until after the COVID-19 emergency subsides. An example of such an activity is refresher training programs that require employees to travel offsite. PHMSA's actions have helped keep the pipeline workforce safe and allowed pipeline operators to refocus resources on essential and time-sensitive activities during the pandemic emergency, while ensuring that PHMSA has all necessary information to continue its regulatory oversight.

Furthermore, several Federal agencies, including FEMA, CDC, DOE, and CISA, have taken a lead role in working with state and local agencies to ensure that essential critical infrastructure workers have sufficient access to COVID-19 testing, personal protective equipment, and other health-related supplies. Availability of these supplies has been limited at certain times and in certain areas. We are grateful for the joint efforts of federal, state, and local agencies to-date, and it is important that this coordination continues in the months to come as "stay at home" orders and similar restrictions are loosened, which could create a surge in demand for necessary supplies. Of course, patients, healthcare workers, and first responders should always be first in line to receive this equipment. We strongly support S. 3728, the Critical Infrastructure Employee Protection Act of 2020, which would ensure that these coordination efforts continue.

Fourth, although not directly related to COVID-19, I would like to suggest that reauthorizing our Nation's pipeline safety program could help provide stability as PHMSA and state pipeline safety agencies work to recover and adapt to the dynamic environment that we will all be living and working in for the months to come. As you know, PHMSA's authorization expired last September. INGAA continues to support a reauthorization bill that increases funding for Federal and state pipeline safety programs and establishes clear policy priorities for PHMSA for the next four years. We appreciate the Committee's work to advance a bipartisan reauthorization bill last July and look forward to continuing working with you on this important legislation.

Thank you again for the opportunity to testify today. INGAA members will continue to do everything that is needed to ensure safe and reliable natural gas transportation during this challenging time.

The CHAIRMAN. Thank you, Mr. Oehler.

Our timer shows that you still have 5 minutes on your remarks. I hope we are not malfunctioning here.

And our final witness is Mr. Larry Willis, President, Transportation Trades Department, AFL-CIO. And, Mr. President, we are glad to have you and you are recognized.

**STATEMENT OF LARRY I. WILLIS, PRESIDENT,
TRANSPORTATION TRADES DEPARTMENT,
AMERICAN FEDERATION OF LABOR AND CONGRESS OF
INDUSTRIAL ORGANIZATIONS (AFL-CIO)**

Mr. WILLIS. Well, thank you, Chairman Wicker and Senator Cantwell for the opportunity to testify this afternoon. And I am proud to represent our 33 affiliated unions and the millions of frontline workers that belong to those affiliates.

Our members—they operate and build the transportation network that brings people, goods, and critical supplies to every corner of our Nation. Whether they work in aviation, transit, rail, construction, or longshore and maritime sectors, they are essential by any definition of the word. Mr. Chairman, you called them unsung heroes, and I could not agree more.

As COVID-19 has spread across our country, many of these workers have continued to perform their essential duties, often at great personal cost. I am talking about transit workers who have continued to drive and maintain buses in the face of the pandemic despite hundreds, if not thousands, of deaths in this sector alone. The longshore workers who continue to load and unload vessels in close quarters, despite outbreaks in our ports and harbors, the freight rail workers who forge ahead, even as carriers slash work forces that are already dangerously thin. I am also talking about those who have lost their jobs as our economy has ground to a halt, are unsure about when their next paycheck is coming, and now find themselves without health care during a pandemic.

Since the beginning of this crisis, transportation labor has prioritized the safety of our nation's frontline work force. We have called for appropriate PPE, workplace sanitation and cleaning procedures, and proper social distancing. Despite these repeated calls for actions, this administration and far too many employers have failed to provide an appropriate response to this virus and have flat-out refused to act. Those failures have directly caused infections and a loss of life, many of which could have been prevented with early and well-coordinated strategies.

In the absence of leadership and quick action, it has been working people, working people and their unions who have sounded the alarm and used our collective power to make change.

While some progress has been made, we cannot continue to forge ahead with piecemeal solutions. A crisis of this magnitude demands a national response. Congress must act decisively and with the full authority of the Federal Government. For transportation workers, this means enforceable modal-specific rules that we know will keep our members, passengers, and their families safe. Many of these mandates we have called for were included in legislation to be introduced by Senator Blumenthal. I know Senator Cantwell is a cosponsor as well, Senator Markey. I want to thank all of you for your leadership on these issues and urge this committee to quickly consider and pass this common sense bill.

We also support the Every Worker Protection Act of 2020 introduced by Senator Baldwin. It would require OSHA to issue an emergency temporary standard within 7 days.

By adopting these measures, Congress can make a real difference in the lives of frontline transportation employees and all workers.

Your job, however, cannot end there. The economic impacts of COVID-19 will reverberate years beyond this immediate health care crisis. As states reopen and some Americans return to work, the economy will not immediately snap back to pre-COVID levels of productivity. Congress must use every tool at its disposal to mitigate the incredible hard economic times that we know are to come.

As part of that, we need bold Federal investments in our transportation network. Public transit needs billions more to maintain critical services and to avoid job cuts in communities across the country. Amtrak reports that optimistically we will see a 50 percent cut in ridership next fiscal year and plans to furlough 20 percent of its workforce, a short-sighted plan that should be rejected.

The closure of school facilities have resulted in the loss of employment for thousands of school bus drivers. Congress must do better with targeted funding for these critical employees.

Slowing cargo volumes threatens the viability of the U.S. maritime sector. Stipends for those currently enrolled in the maritime security program should be increased to keep these skilled mariners working.

We also know that investing in infrastructure creates and sustains good jobs and construction, maintenance, and operations. And if Buy America rules and smart procurement reforms are adopted, we can also grow our manufacturing sector as well. What is more, when we improve the quality and accessibility of our transportation network, the economic opportunity of those investments extend to every corner of our economy, from businesses who can move quicker and more reliably to workers who can reach new opportunities because of improved highway and transit access.

Finally, Mr. Chairman, let me close by noting that my heart is heavy thinking of George Floyd and so many before him who have faced racial violence and death way too often in this country. We have systemic racism, discrimination that we need to fix across our economy. We know, as we talk about a COVID-19 response, that our black and brown brothers and sisters face disparate impact there both from a health care perspective and an economic perspective. So I want to think about those issues as we consider what the right message and response is coming out of this committee.

With that, I would be happy to answer any questions, and thank you again.

[The prepared statement of Mr. Willis follows:]

PREPARED STATEMENT OF LARRY I. WILLIS, PRESIDENT, TRANSPORTATION TRADES
DEPARTMENT, AFL-CIO

On behalf of the Transportation Trades Department, AFL-CIO (TTD), and our 33 affiliated unions, I want to first thank Chairman Wicker and Ranking Member Cantwell for inviting me to testify today on the impact of COVID-19 on the surface transportation sector and associated challenges.¹

As COVID-19 has spread across the nation, causing over 100,000 deaths and unprecedented disruption to our way of life, we appreciate the opportunity to share the perspective of the frontline transportation workforce.

The working people we represent move America. Our members run and build the transportation networks that bring people, goods, and critical supplies to every corner of our Nation. It is our members in every segment of the aviation, transit, rail,

¹ Attached is a list of our 33 affiliated unions

longshore, and maritime sectors that make these industries function. They are essential by any definition of the word.

Over the last few months, many of these workers have continued to perform their essential duties, far too often at great personal cost. Many others find themselves among the 40 million Americans who have lost their jobs due to an economy that has ground to a halt. During a national health crisis, these members are now without their hard-earned union health care benefits, and are unsure when the next paycheck is coming. Workers have felt these impacts across every sector of the transportation industry, and I am here today to tell their stories.

When essential employees like medical personnel have to get to their jobs, it is our members who get them there safely. Thousands of transit workers have continued to drive and maintain buses in the face of pandemic, despite dozens of deaths in the sector. At the same time, a drastic drop in fare box revenues threatens the abilities of transit agencies to continue to provide service at all.

A 95 percent decrease in ridership on Amtrak threatens the livelihood of its employees and the future of the carrier, who just last week announced it will be cutting up to 20 percent of its workforce starting in the fall. The indefinite cancellation of in-person education has left thousands of school bus drivers out of a job with no end in sight. The motorcoach industry, which provides critical intercity transportation across the country, has seen nearly 3,000 companies shut down and almost 100,000 employees laid off.

This crisis also reminds us of the irreplaceable role of our freight network and its essential workforce. Food, medical supplies, and the goods that fuel our economy must still reach their destinations, yet, COVID-19 has not spared the systems and employees that move them. Across the country, freight railroads are slashing already dangerously thin workforces as carloads fall. We are witnessing outbreaks at ports and harbors where longshoremen load and unload vessels in close quarters, and increasingly uncertain futures for the maritime shipping industry and sustainment of the essential defense functions it provides. Even the Postal Service is at risk, as USPS and the 600,000 jobs it supports face total insolvency in a matter of months without needed and warranted government assistance.

Further, a loss of state revenues and financial uncertainty has frozen critical infrastructure projects, threatening both the construction workforce and the transportation system that depends on the continuous maintenance and improvements they provide.

Since the beginning of the pandemic, it has been the top priority of transportation labor to ensure that frontline employees are provided the protections they need to keep them as safe as possible from exposure to COVID-19. Simply put, it is untenable and unacceptable for any essential infrastructure employee to go to work without adequate personal protective equipment (PPE), for their workplace to be improperly cleaned and sterilized, or to be potentially exposed to COVID-19 because of improper social distancing policies or passengers without face coverings.

Unfortunately, many of our employers took weeks or months to roll out meaningful COVID-19 responses. Some airlines, as well as Amtrak, actually prohibited the use of masks or gloves by their employees until pressured into reversing course. A commuter railroad refused to stop using a biometric device employees use to clock in to work, acknowledging that while the equipment was frequently touched by dozens of people, it would be too burdensome to switch to a safer system. And a freight railroad provided its conductors and engineers with masks of such poor quality that facial hair poked straight through the fabric.

While some individual efforts have been more successful, the patchwork of COVID-19 plans across our transportation system has been inadequate. A national crisis demands national response and leadership. This is why we have repeatedly called on the Federal government and this Administration to impose mandatory safety rules in all modes of transportation and across our broader economy. Too often these pleas have been rejected or simply ignored due to a misguided belief that employers will eventually rise to the challenge of their own accord. Let's be clear: these failures and inactions have directly caused infections and cost lives that could have been saved with early and well-coordinated strategies.

Let us also be clear: it has been workers and their unions that have sounded the alarm in the workplace and used collective bargaining agreements and public advocacy to force the hands of policymakers and employers. Ongoing efforts to document safety violations and fight for the right of sick workers to stay home, and the availability of basic Employee Assistance Programs exists because many transportation workers are covered by a collective bargaining agreement.

However, we cannot continue with piecemeal solutions across companies, agencies, cities and states. Congress must act decisively and with the full authority of the Federal government. The recently introduced Critical Infrastructure Employee

Protection Act of 2020 seeks to better define essential employees and direct PPE resources. As the Committee further considers this legislation, we state unequivocally that it must also include strong Federal mandates to provide essential employees with the protections we know are needed to keep them safe. This includes:

- The provision of high quality PPE, in accordance with CDC guidelines, to employees who are at risk of infection. This must include masks, gloves, hand sanitizer, and sanitizing wipes
- A requirement of owners and operators of planes, commercial motor vehicles, trains, and vessels to clean and sanitize them per CDC guidelines
- A requirement of owners and operators of transportation facilities to clean and sanitize them per CDC guidelines
- The establishment of mandatory notification systems, by which employees are alerted if a coworker has tested positive
- A mandate for passengers to wear masks on all passenger transportation

In addition to the transportation and modal specific standards, we also support the COVID-19 Every Worker Protection Act of 2020 and the promulgation of an OSHA Emergency Temporary Standard (ETS), to provide enforceable workplace safety standards across the country and across industries. Regrettably, the Occupational Health and Safety Administration (OSHA) has thus far been unwilling to issue a standard that would mandate adequate provision of PPE and workplace cleaning and sanitizing. While the ETS is long overdue at this point, the bill would be a strong step towards finally protecting all workers from COVID-19, as well as from retaliation for reporting infection control problems to their employer or for wearing their own PPE.

The unique impacts of COVID-19 may also necessitate a fundamental reimagining of existing employee benefits. It is unconscionable that any worker in the U.S. would be forced to go into work while sick with the virus because they are not offered paid sick leave. The deaths of 100,000 individuals and counting threaten financial ruin for thousands of families, and to this end, some form of death benefit could be warranted. We support the HEROES Act expansion of the Longshore and Harbor Workers' Compensation program to cover any worker infected with COVID-19, and believe that it is an excellent template for other frontline workers. We also support the creation of a hazard or premium pay mechanism for frontline employees who continue to come to work despite the danger to themselves and their families.

By adopting these tenets, the Committee can make a real difference in the lives of frontline transportation workers, and better ensure that they can safely return to their families at the end of the day. The members represented by TTD's affiliate unions have risked everything to keep the Nation moving, and they deserve both gratitude and decisive action. We look forward to the Committee's passage of a bill that reflects this.

Congress' job however, cannot end there. In addition to the need to protect workers from the virus immediately, we must also consider the medium and longer-term economic impacts it will cause. As states reopen and some Americans return to work, we should understand that the economy will not immediately snap back to pre-COVID levels of productivity. While there is no doubt that the shutdowns and social distancing requirements of the last several months were necessary, potentially catastrophic after-effects must be addressed. Fortunately, Congress has numerous tools at its disposal to avoid some degree of the hard times ahead.

Without bold Federal investments, core components of our transportation network face disaster. Passenger transportation will not rebound the day, week, or month that distancing restrictions are relaxed. While outside the jurisdiction of this Committee, we have called for \$32 billion in emergency supplemental funding for public transit agencies to ensure that employees remain connected to their jobs and benefits, and that transit systems can continue to operate during elongated downturns in fare box revenue. Similarly, Amtrak projects that, optimistically, its ridership will be 50 percent of normal in FY '21, and it believes it cannot operate on such reduced revenues. It is similarly likely to need further assistance to continue to be viable and to pay its thousands of employees. We also believe emergency supplemental funding is needed for the motorcoach industry and its heavily impacted workforce.

We also know that investing in infrastructure is one of the greatest investments the Federal government can make, with a return of between \$1.50 and \$3 dollars for every dollar spent. Those investments directly create and sustain good jobs in construction, engineering, maintenance, and operations. What's more, when we improve the quality and accessibility of our transportation network, the economic opportunity of those investments extends to every corner of the American economy—

from businesses who can move goods quicker and more reliably to workers who can reach new opportunities because of improved highway and transit access.

While we believe that significant long-term investment in infrastructure is one of the most crucial steps Congress can take right this minute to put us squarely on the path to recovery, those investments will mean little if we sacrifice our capacity to put projects on the ground. The economic impacts of COVID-19 on state and local funding must also be taken seriously. Revenue from sales taxes, gas taxes, municipal bonds, fare box collection, tolling, and other sources state and local governments count on to pay their share for infrastructure have taken a significant hit. We cannot wait to shore up lost revenue and make critical infrastructure investments until after state DOTs are forced to furlough workers, cities can no longer access financing to revitalize crumbling streets, and construction workers have been laid off because projects are being cancelled.

Economic impacts must also be addressed in the maritime industry, where slowing cargo volumes threaten the viability of the U.S. flagged vessels enrolled in the Maritime Security Program. We have called for both supplemental stipends for enrolled vessels and programmatic waivers that will preserve the defense-critical operational readiness of the vessels and ensure continuing full employment of qualified U.S. mariners. Beyond economic needs, U.S. mariners are presently trapped aboard U.S.-flag cargo ships, unable to take leave or return home due to extreme COVID-19 lockdown measures imposed by foreign governments who will not allow them to disembark at ports and access transportation services. These mariners must be brought home immediately.

As mentioned, the closure of school facilities has resulted in loss of employment for thousands of school bus drivers. While Congress has directed meaningful funding to education programs, including for payroll of district employees and contractors, these funds have not always reached these workers. To date, far too many drivers have been left out in the cold. Congress must address this problem and ensure that the jobs and benefits of all school bus drivers are protected.

We also must not allow short-sighted political gamesmanship to destroy irreplaceable and critical institutions. Congress must address the emergency financial needs of the USPS, and should not permit long-standing privatization proponents to take advantage of the pandemic to allow USPS and its workforce to wither on the vine.

Finally, in the event that any future stimulus legislation addresses the manufacturing sector, we call on you to ensure that such efforts specifically and exclusively target domestic manufacturing with strong domestic content standards. We will not recover from this crisis by subsidizing work performed in other countries and overseas.

Congress' role must not end when COVID-19 positives hit zero, or the last patient leaves the hospital—it must wield the full strength and support of the Federal government and lead our country and its critical infrastructure workers forward. We cannot undo the tragic impacts the pandemic has had thus far, but we can change the terms of a post-pandemic future.

While I have outlined a number of positive steps Congress can take to alleviate the effects of this crisis, I must also warn that there are industries who are opportunistically using this public health crisis as an excuse to rush through their own unrelated priorities—one clear example being automation.

TTD and our affiliated unions welcome further debate on automated vehicles, for example. We and our unions have a great deal to say about the safety and economic effects of this technology, and we believe both are worthy of further exploration through careful consideration in hearings held by this committee. We look forward to taking part in those discussions when Congress returns to normal order—but so long as our members are dying every day because this government has *failed* to provide them with the protections and safety standards they need, it would be unconscionable to prioritize such a serious and controversial set of regulatory changes over addressing the myriad outstanding needs of the American people.

While this may not hold true five, ten, or twenty years in the future, let's all face the facts of reality *today*: there are no realistic opportunities for this technology to meaningfully ease the immediate pains Americans are facing during this crisis. We agree that more needs to be done in Congress to properly regulate automated vehicles, and we look forward to working with the Committee on these issues once we have defeated the ongoing pandemic.

We also call for vigilance from this committee on actions taken by the Department of Transportation's modal agencies. While agencies have found it prudent to waive, modify, or otherwise suspend certain safety regulations to better adapt to COVID-19 conditions, we note that many of these waivers align with long-term deregulatory priorities of industry. Going forward, we reject any characterization that brief demonstrations during deeply unique circumstances is adequate justification for the

modification of long-standing regulations. It is our hope that the Committee will exercise its oversight on any such attempts.

In closing, I speak to you today at a critical juncture in the Nation's response to the COVID-19 pandemic. The actions that this committee and Congress take in the coming weeks will be highly determinative of what the future holds for the critical infrastructure workers represented by TTD's member unions. We look forward to working with you on legislation that protects workers, their families, and the traveling public today; and guarantees a robust and functional transportation system for tomorrow. Thank you for the opportunity to testify.



The CHAIRMAN. Thank you, President Willis.
And let me say other witnesses have alluded to what our country is going through at this point not only with the COVID-19 but also

the protests, the indignation, and outrage from what we have seen by a few people against totally innocent people. So I appreciate what you have said. Our sympathies go out to the Arbery family, the Taylor family, and the family of George Floyd.

I understand, sir, that your AFL–CIO building sustained damage during the protest on Sunday, and we regret that there were some people who took that opportunity to destroy private property needlessly.

But I do appreciate those who have mentioned that, and I can assure you that members of this committee are trying to get our arms around this question and find a way to voice our feelings in this regard. So thank you for that.

Let me ask. Is there anyone on the panel, including the four present and the one testifying, Mr. Guillot—are there any of you who do not believe we need a real strong infrastructure bill sooner rather than later? We are unanimous on that. I think Senator Cantwell and I are unanimous on that too.

Mr. Bozzella, you mentioned a shared commitment from industry and government. So thank you, those of you from labor and industry, who are willing to do your part on this commitment. Rail carloads are down 25.2 percent. Intermodal shipments are down 17.2 percent. For-hire truck tonnage has dropped 12.2 percent in April alone. So, yes, thank you for helping to share this commitment.

If you want to describe some more of the commitment that you intend to offer, that is fine. But what suggestions do you have to the Federal Government, to the agencies that might be listening, but particularly to those of us who enact legislation about what our share of that commitment might be. Who wants to go first? No one wishes?

Mr. JEFFRIES. So I think several of us pointed out the legislation introduced by this committee by you, Mr. Chairman, and Ranking Member Cantwell because, as we have all discussed and as my colleague, Mr. Willis, focused on as well, we are relying on frontline workers to be out doing the jobs to keep America moving to serve Americans throughout this process. And that is not ending anytime soon. And ensuring that they have full access to testing, to PPE, and other medical-related supplies is key. I think we owe that to them. I know railroads have worked very hard to ensure that their employees have what they need to be able to do the job safely. There were challenges in the supply chain early on in getting those materials. We have worked through a lot of that. But as we continue testing, that is going to be a challenge. So that piece of legislation is key.

I think beyond that, you mentioned it, a big, bold infrastructure bill. We think that if Congress pushes forward on that, there is a real opportunity to put significant funding out into a much needed multimodal system. We would love to see it not get bogged down by policy fights, but let us focus on getting the money out there and getting projects done.

The CHAIRMAN. That would create hundreds and hundreds of thousands of American jobs as we are trying to climb out of this recession that we are in, and also we would have wonderful assets at the end of the process to show for the taxpayers' money.

Mr. Bozzella, you may want to follow up on that. But let me ask you also to comment on the supply chain, which you mentioned several times in your testimony. You talked about how some automakers were able to forge new partnerships, retool, train people. You made ventilators and PPE. Is it fair to say that pivoting to doing different things largely required a different supply chain? And is it fair to assume that you were not purchasing as many components from your suppliers while this crisis is in process?

Mr. BOZZELLA. Yes, Mr. Chairman. Thanks for the question.

You are right about the need for automakers and suppliers to pivot. And Senator Cantwell, of course, referenced the partnership between Ventec and General Motors that produced ventilators. So there was a tremendous need and increased demand for medical devices and PPE that the auto industry was able to respond to because of extensive supply chains. And so we were able to retool and reimagine the manufacturing process and the supply chain.

I think you are exactly right, though, that the supply chain for the automotive sector is very stressed right now. The entire sector is. And as we start beginning our manufacturing processes again, hopefully we will see a little bit of relief there. But there are still liquidity challenges in the supply chain that need to be addressed.

I will say, back to your previous question, it really is important that we continue to work on alignment between various states and also our trading partners notably in the region, Mexico and Canada, to make sure that the broad supply chain, the regional supply chain, is there and ready to go as the industry restarts.

The CHAIRMAN. That is a very important aspect to our supply chain. Is it not?

Mr. BOZZELLA. Yes.

The CHAIRMAN. Thank you.

Now, we are in the middle of a second vote, and I think what I will do is hand the gavel to Ranking Member Cantwell and she will be asking her questions while she has got the gavel. And then I will try to be back as soon as possible and we will not have to stop the proceedings during this vote. So, Senator Cantwell, you are recognized.

Senator CANTWELL [presiding]. Thank you, Mr. Chairman.

And I want to thank the witnesses for mentioning George Floyd and the tragedy that has occurred in our Nation. And I also want to add my condolences to his family. Most importantly, I want to say that I am committed to making sure that we get justice for George Floyd and that we reform our system. That is going to take a lot of work by all of us. I am not sure much of that work is in our jurisdiction, but nonetheless, I very much appreciate mentioning of that fact today. And the business community can help us with this. And so I very much appreciate you mentioning him today.

You have also said some very interesting things, each of you. And I thank you for that. I like the words "robust multimodal infrastructure investment." Nothing could sound better to me. I like the investment in the supply chain, whether it is aviation or automotive manufacturing. Supply chains mean expertise. It means jobs. It means you are going to keep your manufacturing base be-

cause you have the efficiency and the skilled workers to put it all together. So we have got to keep that going.

But I think I will start with you, Mr. Willis. You were talking about the safety and security of the workforce that it takes when you put them back to work. You are most familiar with the recent things that we have talked about because of aviation and what we tried to get the COVID Task Force to do on aviation. But what do we need to do in other transportation sectors to make sure that the workforce is safe?

Mr. WILLIS. Well, thank you, Senator, and thank you for your leadership on these issues.

You know, Mr. Jeffries mentioned it, the Chairman mentioned it. You know, access to testing and PPE are obviously important. But quite frankly, what my members are telling me every single day is that what they need to see in the workplace are real safety requirements on their employers. You know, treatment, access to masks is fine, but there needs to be a requirement that it actually gets used and deployed in the right way, that cleaning, that disinfection procedures are occurring in the correct manner, that social distancing like we are doing here is done in the transportation workplace, again pursuant to CDC guidelines.

We have had to work way too hard with our employers on too many occasions. We have asked this administration, both DOT and the various modal agencies, OSHA, to step in and impose these requirements to protect workers. And we have not gotten there.

So I think the legislation that you mentioned that Senator Blumenthal and you and others are doing we think is the right course, and it needs to be included in any type of broader COVID response bill that this committee and the Senate consider.

Senator CANTWELL. Thank you.

Mr. Guillot, thank you for your testimony and certainly we know how important moving freight is. Do you have any comments on the safety and security of your workforce? And I am curious. You mentioned an infrastructure investment. What were you referring to that you thought you had a good idea for how we could move forward on infrastructure investment?

Mr. GUILLOT. Well, we will start with that question there. The American Trucking Associations has proposed an increase in the fuel sales tax, 5 cents for the next 4 years each year, adding up to 20 cents. That will add up to hundreds of billions of dollars, of new dollars, to the Federal Treasury there to assist with additional funding for infrastructure.

Getting back to the question concerning our workers and the safety of our workers, it has been extremely important for us through this health pandemic to get the proper equipment to each and every one of their hands. We have a unique problem in the respect of that most of our workers may not come to a place of our business, our terminal locations, as the truck drivers are traversing across the country. So immediately when the pandemic first happened, we were, if you will, finding our truck drivers, getting the proper equipment to them—it was extremely difficult to do that.

We rallied. We are innovative as an industry. American Trucking Associations has helped with thousands of gallons of hand sanitizer, free at certain locations across the country for truck drivers.

We have got a face protection mask that has been available across the Nation. So we are as an industry extremely concerned with the protection of all of our workers, most notably our truck drivers.

I will say this. Even a company as small as mine—I have got dispatchers that has taught our truck drivers how to make hand sanitizer from various products at home. I purchased face masks from other employees' businesses, secondary businesses of mine, to help supply with our truck drivers. So I think we are innovative in that respect. We are partners with distilleries, for instance, getting hand sanitizer made from that. So our innovation as an industry and working together with partners is very important to us and our employees, our truck drivers in particular in the front lines because we certainly want to keep them there delivering the goods every day to the rest of the economy.

Senator CANTWELL. Thank you. And again, thank them for that work because there is a lot of critical supply, specifically food, that has been delivered. So we so appreciate it.

Senator Fischer is next.

**STATEMENT OF HON. DEB FISCHER,
U.S. SENATOR FROM NEBRASKA**

Senator FISCHER. Hello. Am I unmuted?

Senator CANTWELL. Yes.

Senator FISCHER. OK. Thank you. Thank you, Senator Cantwell. I appreciate you and Chairman Wicker holding this hearing today.

Mr. Jeffries, you briefly mentioned in your testimony AAR's support for the Railroad Retirement Board's request for funding to continue its IT modernization work. Senator Duckworth and I have sent letters to the Senate Appropriations Committee for several years in support of continued funding for that work.

Mr. Jeffries or Mr. Willis, can you describe what the impact of modernizing the Railroad Retirement Board's IT system would have on our railroaders?

Mr. JEFFRIES. Certainly, Senator. A great question, and I will take a crack and then let Mr. Willis fill in because I think this is one where we definitely see eye to eye on.

Both rail labor and the railroads have jointly made those requests in support of increased IT funding and certainly thank you for your support, Senator, which is invaluable for getting those increased funds. And quite frankly, what we have right now in the rail retirement system under the Rail Retirement Board is something akin to going to the DMV in the 1960s in a lot of instances.

So this is really just allowing that agency the ability to, I would say, take the giant leap forward probably into the year 2000, providing an online system that does not require retirees and potential retirees to drive and travel to an office location that may not be near where they live or work to do all of their paperwork manually, to spend valuable time and energy going through that very manual process. It really brings a base level of technology into the rail retirement process and will create dramatic efficiencies for the agency and, of course, for retirees and potential retirees.

Senator FISCHER. Mr. Willis, did you have anything to add?

Mr. WILLIS. Yes. Let me just, first of all, thank you for your support on those issues. As you note, this is something that we and the rail carriers, AAR and others, have been able to partner on.

You know, the field offices for the rail retirement are critical, and I think that has to be part of the answer as well. But making sure that our members can access their accounts and make changes and get information online is absolutely essential. And the technology improvement money that you have championed and talked about is continuing to get out and make real improvements there.

So this is a system that is funded by both workers and the industry. It is our collective money. It has worked, quite frankly, remarkably well, but some of the IT challenges have gotten behind the board and I think the money that Congress is attempting to appropriate and authorize here is absolutely the right answer. So again, thank you for your work on that.

Senator FISCHER. Thank you, sir.

Mr.—is it Guillot? I hate to wreck your name there.

Mr. GUILLOT. Yes.

Senator FISCHER. Truck driver detention for loading and unloading at shipper facilities was an issue for drivers even before the pandemic. Some reports indicate that detention at shipper facilities worsened early on in this pandemic. What do you think may have caused an increase in drivers being detained at these shipper facilities early in the pandemic? And then additionally, has the industry gained any kind of insight on driver detention in the past couple of months? And do you have any recommendations for this committee on ways that we can address this issue going forward?

Mr. GUILLOT. Thank you for your question.

I think initially when the pandemic first happened, we seen a surge in certain consumer products. Everybody knows the shortage of toilet paper on the grocery shelves. Right? So certainly facilities I think received a surge in unexpected business. And, yes, we did have in certain locations an expansion of hauling detention. It was certainly a problem beforehand. We continue working with shippers and receivers to try and improve upon that. I think we have seen some recent headway. A little less, a little over a year ago, electronic logging devices kind of brought that topic to the forefront. So we have been working together to try and improve upon those issues.

As far as what have we learned in the last couple months, again I would like to implore upon the shipping public, shippers and receivers, working with trucking companies to minimize or eliminate these delays. Certainly if we are delivering a load that may be a consumer-type good, but yet our next load may be the medical supplies a particular community may need. So even if it is not a critical commodity unloading or loading, the next one may be from the next truck driver that we are hauling. So every load is critical of being unloaded.

I will also mention as far as detention and demurrage, I am in the intermodal business and have been my entire career. So I am extremely concerned with the ocean lines and the relationship with drayage companies around the country concerning those fees where we feel unjustly it puts an additional burden on the supply chain, and we want to continue working with the ocean lines and, quite

frankly, have not had as much response from them as we would like to see during this COVID-19 pandemic.

Senator FISCHER. Thank you, sir.

Thank you, Senator Cantwell.

Senator BLUMENTHAL [presiding]. In the name of the Chair, I call on Senator Udall.

**STATEMENT OF HON. TOM UDALL,
U.S. SENATOR FROM NEW MEXICO**

Senator UDALL. Thank you very much.

Generally, if a state or the Federal Government is giving liability protections, there is a strong safety standard that industry needs to meet to benefit from that kind of protection. Otherwise, it simply gives business a huge incentive to take unreasonable risks in pursuit of profits.

We are hearing calls from some industries that they want to be protected from paying damages to their employees and customers who get sick due to the lack of COVID protections.

This question is really to all the panelists. What specific and binding safety and consumer protection standards are appropriate if Congress were to consider limiting liability?

Mr. BOZZELLA. Senator, this is John Bozzella with Auto Innovators. I will get started, I guess.

First of all, at least from our perspective, the liability limitations that we are talking about should be and need to be targeted and limited and related to this set of issues and the concerns that we have with regard to COVID-19. They should not and in no way should be related to acts of gross negligence or companies that act in a reckless manner. Really, what we are trying to focus on is getting the right balance between avoiding numerous lawsuits and restarting the economy in a safe manner.

With regard to safety, our member companies have robust and very, very in-depth safety protocols that are built on CDC guidance as a baseline that are put in place in consultation with State and local authorities and that are in place on the ground responsive to local issues. And so that is what we are doing right now, and frankly, we have been doing it since January because we are getting perspective as we restart in economies around the world. And so we are working from a very robust and strong set of standards from the get-go.

Senator UDALL. Anyone else want to jump in on that?

Mr. GUILLOT. Senator Udall, this is Randy Guillot with the American Trucking Associations.

Our industry—the American Trucking Associations and our industry, the trucking industry, is on the forefront of safety each and every day. We are very concerned with following the guidelines as issued by CDC, as well as OSHA, and want to comply with that each and every day, every one of our companies.

The limited liability protections that we are referring to is similar to what Mr. Bozzella has just made comment on. If there happens to be a bad actor, we are not asking for protections for a bad actor. We are asking for limited protections for people who are acting in good faith trying to follow all these guidelines that are coming out.

Thank you for your question.

Senator UDALL. Thank you.

Let me follow up on this question. You know, new analysis published in the medical journal, "Lancet," examined 172 studies and found that N95 masks and other respirator masks offered 96 percent protection, while surgical masks only provide 77 percent protection against the coronavirus. We know essential workers should have access to these masks, but supplies are extremely limited.

Mr. Willis, what specific actions should the administration take to provide those masks to workers and businesses across America so they can return to work with confidence?

Mr. WILLIS. Well, thank you, Senator, for that question.

You know, I think you are right. I mean, N95 masks, given the nature of this virus, should be provided to transportation workers in many situations. It is obviously an airborne disease, and those masks are specifically designed to confront that.

The problem, quite frankly, is many health care workers and other first responders are not able to secure those today. And quite frankly, I think again this is a failure of the administration to really get in front of this, to really see what was happening in China and elsewhere, and marshal the U.S. industries in a better organized way to make these masks and other personal protective equipment that we knew were going to be needed, using the Defense Protection Act in a better manner, using the buying power of the Federal Government, recognizing that there are a lot of masks out there that are advertised to do things that, quite frankly, they do not do. And I think again the Federal Government has to take the lead in that as opposed to states or individual agencies. So getting that equipment out has got to be a priority, especially as we try to reopen this economy and see more density in the transportation space, whether it is on transit, passenger rail, and quite frankly, our freight network as well. So we are committed to doing that.

Thank you.

Senator UDALL. Thank you very much.

And let me just finally just summarize here. I do not think there is any doubt that if the President had used the Defense Production Act, we would be well down the line of having more protective equipment and having people be able to go back to work knowing that they would be protected.

Thank you, Mr. Chairman.

The CHAIRMAN [presiding]. And thank you, Senator Udall.

Senator Blackburn, will join us remotely.

STATEMENT OF HON. MARSHA BLACKBURN, U.S. SENATOR FROM TENNESSEE

Senator BLACKBURN. Thank you, Mr. Chairman.

Thank you to each of you for being with us for the hearing today.

Mr. Guillot, I want to come to you about the Port of Memphis. Of course, we are concerned about the chassis issue there, and I know that the Federal Maritime Commission's—the Supply Chain Task Force has worked on this trying to address it. So I wanted to see today what you know about that issue. We know it is vitally

important to the port and, indeed, as part of the transportation infrastructure for the entire region.

Mr. GUILLOT. Thank you for your question, Senator.

My company in particular has participated in the Memphis market. We no longer do today, but I am very familiar with the shipping base and the needs of that community there, especially servicing through the railroads in and out of Memphis.

We believe and have been promoting for many years now that as the ocean lines got out of the chassis procuring and ownership market, that they should get out of the market completely and let the trucking community come in and service the shippers as necessary. So we want free choice, open choice. The current environment right now dictates that ocean lines, even though they are not in the ownership and control of assets in chassis, they are still controlling the procurement of them at the expense of motor carriers and at the expense of the shipping public. So we have been fighting long and hard to get that rectified and that we would much prefer for the truckers to be able to procure chassis as necessary through gray and neutral pools that will be efficient and economical for all users.

Senator BLACKBURN. Thank you for that. I think that many people do not realize Memphis is the fifth largest inland port that we have, and there is a tremendous amount of activity that comes there. That is why the intermodal system is so vitally important to that area because you have the FedEx hub. You have the railroads that come through there. You have the port, the pipeline that goes from the oil refinery over to the airport. There are so many things that are infrastructure-related that Memphis depends on.

And a source of frustration has been the chassis issue with the port. And we are pleased that Chairman Wicker has put the focus on having that shipper advisory committee. We think that that is a very good thing to do.

I wanted to ask each of you just a little bit about workforce because as we have gone through the COVID shutdown and as we look at restart, Tennessee has been very successful in its restart. But with that said, we have 333,000 in our state that applied for unemployment. And I have had several in the logistics industry mention to me that we needed to put more attention on workforce and developing the workforce for the logistics industry as we come out of this and looking for some public-private partnerships.

So very briefly from each of you, if you would have just a little bit about your thoughts on that about workforce development, about companies working with the public sector to provide the education necessary. And, Mr. Guillot, we will start with you, then Mr. Bozzella, and then to Mr. Jeffries.

Mr. GUILLOT. Thank you, Senator Blackburn.

As you probably already know, the trucking industry was almost 6,000 truck drivers short before the COVID-19 pandemic entered into our environment here. With the estimate of being close to 1 million additional truck drivers over the next decade, we are very much concerned with workforce development. Partnering with our Federal agencies at DOT and FMCSA and getting private partnerships to help train and finance new truck drivers coming into the industry is extremely critical for us. So whereas today we may have unemployment within our own industry, we very much look

forward to the additional training because that stoppage, if you will, of that training even in a short period of time is going to hurt us in the long run as far as new entries coming into the business. Our truck driver workforce is nearly 6 to 7 years older than the average workforce of most other industries. So we are very concerned with workforce development and working with Federal agencies to ease that flow for us going forward.

Thank you.

Senator BLACKBURN. Thank you.

Mr. Bozzella.

Mr. BOZZELLA. Yes. I will be brief.

As you well know, the auto industries in your state are committed to workforce development partnering with the states and community colleges. We do this around the country. That is critical.

I want to come back, though, and say that by far the most important thing right now is ensuring the health and safety of our workers as we restart. So we have to do both of those things, but we are committed to workforce development especially partnering with our states.

Senator BLACKBURN. Thank you.

The CHAIRMAN. Thank you very much, Senator Blackburn.

Senator Baldwin joins us remotely now.

**STATEMENT OF HON. TAMMY BALDWIN,
U.S. SENATOR FROM WISCONSIN**

Senator BALDWIN. Thank you, Mr. Chairman. I appreciate all of our witnesses today.

Mr. Chairman, while this committee is focused on the infrastructure that continues to provide critical services during the COVID-19 pandemic, I would like to make sure that we are protecting all of America's frontline workers.

My legislation, the COVID-19 Every Worker Protection Act, requires OSHA to issue an emergency temporary standard that covers all workers and requires all workplaces to implement infectious disease exposure control plans to keep our workers safe.

Mr. Willis, you noted that legislation in your opening remarks of your testimony, and I wonder if you can describe why it is necessary to have enforceable, mandatory emergency temporary standards during this pandemic to protect the workers that you represent and if you have any anecdotal information to provide about why the failure to have such mandatory enforceable standards is a problem.

Mr. WILLIS. Well, Senator, thank you and thank you again for your leadership on this issue.

The fact that this legislation is even needed is a disgrace. We have been calling on OSHA from day one to do this very early on even before COVID-19 hit, quite frankly. But the AFL-CIO was forced to bring litigation last week against OSHA to force them to do their job here.

Our experience—and I will just speak from the transportation side—is if we do not have mandatory protections, if we do not have enforcement, if we do not hold the employers accountable, it is just not going to get done in the right way. I have heard too many stories, whether it is on transit, on the free rail side, especially early

on, where masks, where gloves, where sanitizing equipment was not getting out there. And really, we believe that the only way to consistently protect the safety of our members is to have these standards out there.

The other component of your legislation is to make sure that workers have whistleblower protections, that they are able to come forward and report problems that they see in their workplace. This committee should understand how critical those protections are for workers across the board but specifically in the transportation space, we have been strong advocates of that, whether it is rail, transit, aviation, and how important those protections are when workers have the ability to, again, report or safety or in many situations a security violation without fear of being retaliated against and have their job protected.

So it is a critical issue. It is a critical legislation, and we need to get that implemented, along with the modal-specific mandates that Senator Cantwell, Senator Blumenthal, and Senator Markey have been talking about here as well. So thank you.

Senator BALDWIN. Thank you.

I would like to note for my colleagues that last month the Senate Judiciary Committee held a hearing titled Examining Liability During the COVID-19 Pandemic. And Chairman Graham asked all six of the witnesses that were present at that hearing, which included business owners from Texas and North Carolina, as well as UFCW and the National Employment Law Project. The question he posed to them is, “do you believe the country would be better off if Federal agencies like OSHA issued guidelines industry-specific as to what the best business practices are in terms of stopping the spread of the virus and protecting the workforce and public?”

And I will note that all six witnesses agreed that clear, enforceable safety standards from OSHA were necessary to provide the workers and employers with a road map to keep their workers and customers safe as our country works to safely reopen.

So I want to encourage each one of my colleagues on this committee to join me in cosponsoring this legislation, COVID-19 Every Worker Protection Act. I might add that I worked very hard on putting this together with my colleague, Senator Duckworth, working on several iterations of it. But I would also encourage other witnesses here today to take a look at that legislation and work with us to protect our critical work force.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Baldwin.
Senator Thune.

**STATEMENT OF HON. JOHN THUNE,
U.S. SENATOR FROM SOUTH DAKOTA**

Senator THUNE. Thank you, Mr. Chairman, for holding this important hearing today.

The COVID-19 pandemic has clearly demonstrated how critical transportation is to the nation's economy and the important role that millions of transportation workers across the country continue to play in delivering supplies where they are needed the most. These men and women have put themselves at risk of exposure to the virus to provide frontline health care workers with PPE and to

keep store shelves stocked. They deserve the nation's sincere thanks, and I know members of this committee are interested in hearing today what Congress can do to better protect the transportation workforce as we embark on a path toward reopening and economic recovery.

Mr. Guillot, you mentioned in your testimony that despite the recent pandemic-related decline in demand, the trucking industry will need to hire over 1 million new drivers the next decade to keep up with freight demand. FMCSA recently issued waivers related to commercial learner permits and third-party testing which ATA is encouraging the agency to make permanent.

Could you elaborate on some of the challenges currently faced by the industry when it comes to driver training and testing and how permanency of these waivers could be helpful while still maintaining the highest level of safety?

Mr. GUILLOT. Thank you for your question.

During the pandemic, as most industries, we kept working in trucking, but yet our training and our CDL testing facilities for the most part have shut down with the recommendations of the CDC and the government saying for close proximity. So we are asking for exemptions concerning those topics and how we can continue training to continue getting our workforce back with a pipeline of drivers coming in. We have worked very well together with DOT and FMCSA on exemptions such as hours of service, and we feel very confident working with them going forward to help us with hiring and training drivers coming into the industry going forward.

Senator THUNE. Thank you.

Mr. Jeffries, you mentioned in your testimony that COVID-19 cases among railroad employees have been low thanks to early steps taken by the industry to keep the workforce safe and healthy. Has the industry encountered challenges in providing PPE to employees?

Mr. JEFFRIES. Thank you, Senator.

So certainly early on in the process, the supply chain was stressed with providing those types of materials. The focus I believe was getting the medical workers, et cetera, as it should have been. But we have worked out a lot of those supply chain challenges and feel that we have got a good system in place. But that does not mean that that is going to continue to be the case moving forward, which is why we are supportive of legislation from members on this committee to make sure that frontline workers continue to be a priority, whether it is critical infrastructure, health care, other folks who are essential to keeping the country moving.

Senator THUNE. And so as a follow up to that, what steps is the railroad industry taking to ensure that employees continue to have adequate access to PPE and, as necessary, testing?

Mr. JEFFRIES. So right now, it is all being run through the railroads themselves. DOT also did provide masks as well, as it did to several different transportation industries that are being pushed out to employees. So it is based on strong relationships that have developed between the railroads and their suppliers. Quite frankly, they have been helpful helping related companies and other stakeholders, even my organization, acquire PPE that is needed. But again, it is a question of ensuring that that pipeline continues to

flow in a manner that everybody who needs protective equipment to safely do their job continues to have access to that.

Senator THUNE. Mr. Bozzella, the auto industry has acted swiftly in response to the crisis by manufacturing ventilators and PPE to aid frontline workers across the country. Could you describe any challenges the industry is facing with the current Federal emergency use authorization guidance in place that could prevent your members from making an even larger impact?

Mr. BOZZELLA. Yes. Thanks, Senator.

The industry has made large numbers of PPE and medical devices. There might be a concern if in fact the emergency declaration is withdrawn, that the EUAs would no longer be in effect and that these products would not be usable under Federal guidance. That would be a bit of a concern if we are not clear on what the pathway of the pandemic is. And so we would want to make sure that, say for example, a truck or a rail car filled with PPE on its way to first responders or auto workers, you know, when the pandemic emergency declaration is withdrawn, would no longer be usable. That would be a concern. But so far, we are in pretty good shape.

Senator THUNE. Well, we appreciate everything that you are all doing to help out with what is a very critical supply and demand that needs to be met. So thank you all.

Thank you all for being here and we will continue to follow up with you, I am sure, as this pandemic continues to affect the country.

So, Mr. Chairman, thank you.

The CHAIRMAN. Thank you, Senator Thune.

Senator Rosen.

**STATEMENT OF HON. JACKY ROSEN,
U.S. SENATOR FROM NEVADA**

Senator ROSEN. Thank you, Mr. Chairman. Thank you, Ranking Member Cantwell. And I want to thank the witnesses for being here today.

I want to follow up on some supply chain issues that we have been discussing. I represent the state of Nevada, and we have a service-based economy that relies heavily on trucking, rail, and air to deliver out-of-state goods to our cities and towns. The global pandemic has shed light on the incredible importance of the transportation supply chains. Our nation's transportation networks help ensure that critical supplies like food and medicine get to where they need to be even in a crisis. So we have to be sure that these networks are resilient.

That means, of course, ensuring the safety and well-being of drivers and cargo workers, increasing the reliability and the efficiency of our logistical networks and infrastructure, and fully appreciating that each component in the supply chain is essential to ensuring that goods reach their final destination.

Our supply chain is an interdependent ecosystem, no one part being more important than the other. But between recent unexpected demand surges due to the pandemic, consumer stockpiling of particular items—we know what those are—and supply shortages due to factory closures, there has been immense pressure on

our nation's supply chain network that tries to meet customer demand.

So, Mr. Guillot and Mr. Jeffries, these questions are for you. Do you see some creative incentives that we could possibly offer to encourage stakeholders to build resiliency in our overall supply chain in order to minimize disruption such as a global pandemic or even weather, wildfire, hurricane, floods such as that goes? And what are some legislative solutions you might recommend to Congress to help build that resiliency especially for states like mine that rely heavily on out-of-state suppliers? So, Mr. Guillot, I guess I will go to you first and then to Mr. Jeffries, please.

Mr. GUILLOT. Thank you, Senator Rosen.

I think first and foremost the suspension of the Federal excise tax until the end of the year 2021 will help our industry get back into a purchasing mode. We have polled our membership, and as much as 60 percent of our membership would be willing to either spend more or significantly more compared to not having the suspension of the FET through the timeframe. We think that is very critical for us. It not only helps the resilience of our equipment, newer, better, more environmentally friendly equipment on the road, but it also helps the manufacturers supplying our industry as well. So I think that is the first and foremost point I would like to make concerning that question.

Thank you.

Senator ROSEN. Thank you.

Mr. JEFFRIES. Thank you, Senator, for that question.

As I sit here and consider that, you used the word "resilient," and that is a word I have used a lot recently when describing the rail industry's response. And the ability to be resilient, as you discussed, is based on investment, and years of investment in the rail industry have put it in a place where it can respond quickly and adjust. But really I think we are looking at a position where as we look toward the future, all of our members have crisis response plans, even pandemic response plans that allow them to flex and adjust their operations to meet those needs.

But as we continue to move forward and consider what might be over the horizon, I think embracing technology, as we go forward, to provide as visible supply chains as possible, to create a flexible, just-in-time supply chain across all modes. Of course, that is based on investment, as I said, but it is also based on embracing new technologies and demonstrating new ways to meet our mission of serving our customers and communities in which we operate.

Thank you.

Senator ROSEN. Thank you for that.

Mr. Willis, I have just a short time. I am going to go very quickly. I want to just ask about PPE. We lack a national strategy to ensure that we have the proper types, adequate amounts of PPE. Would you agree that a national strategy is important to meet the goals here?

Mr. WILLIS. Yes. As discussed earlier, I absolutely agree with you that it has to be a national strategy. It has to be led by the Federal Government. There are significant needs that have been met. I will concede that. But we have got a long way to go. And again, as we bring more density to our transportation system especially on the

passenger side, whether it is public transit, rail, aviation for sure, we are going to need more of that equipment, and a national coordinated strategy absolutely has to be implemented.

Senator ROSEN. Thank you. I appreciate you all for being here. Stay safe and healthy.

The CHAIRMAN. Thank you, Senator Rosen.

Senator Capito, you have been keeping a lonely vigil at that end of the table there.

**STATEMENT OF HON. SHELLEY MOORE CAPITO,
U.S. SENATOR FROM WEST VIRGINIA**

Senator CAPITO. It is lonely down here, Mr. Chairman.

The CHAIRMAN. You are recognized.

Senator CAPITO. But I did not want to be remote. You know what I mean?

The CHAIRMAN. You never have been.

Senator CAPITO. Thank you.

I want to thank all of you for being here and I am very interested in your testimony.

Just anecdotally I think one thing that we have not touched on that certainly every state is experiencing and that is the downturn in State revenue shortages when it comes to fuel tax or DMV fees and other things and then the expenditures that our state DOTs have had to take on in terms of making sure highway workers are safe. As you know, a lot of times those are the biggest employers of a state besides the department of education. For instance, in West Virginia our revenue on our motor fuel has been down 37 percent.

Think about this as I ask my first question, and my last question is going to be, if I can get to it, is as you look over the next 3 months—I know it is hard to predict, but are you looking for upturns, downturns, assuming that we can still remain in our opening mode? So that is going to be the last question I ask.

And I also want to put a plug in for the highway bill. I understand the Chairman has already spoken to that. That is something that came through my Subcommittee over on EPW and is going to come through this committee as well. But there is going to be an issue with this match from our State governments to be able to move forward with this.

Mr. Bozzella, I wanted to ask you because I talked with a manufacturer of automobiles just yesterday, and they are fully open and they are producing and they say their sales are really pretty good. But one of the things they are concerned about is the supply chain, a different aspect of it than what Senator Rosen was talking about. And that is, they employ more than 500 people and yet they have had this downturn and they do not have the capital to really provide the supplies for these manufacturers as they start really expanding their manufacturing growth.

Have you experienced that or heard that in the industry, and what might you suggest?

Mr. BOZZELLA. Very much so, Senator. This is a big concern, and I think it is a potential real challenge for a successful and safe restart to the industry. Two-thirds of automotive employment in the supplier sector is small and medium-sized businesses, and they are

not sufficiently capitalized right now. So I think a focus on liquidity for small and medium-sized suppliers is really critical here.

If we happen to, to your last question, have a bit of an uptick and then a downturn and then we are forced to slow production or stop production again, this could be catastrophic for suppliers. So I do think this focus on liquidity is going to be important for suppliers.

Senator CAPITO. Thank you.

Mr. Jeffries, do you have a response to my last question? Because it does not look like I am going to have much more time for anything else.

Mr. JEFFRIES. The final question—

Senator CAPITO. The question being, if you look over the 3 months—you know, you are hearing we think it is really bad now, but it is going to get worse. Is it or not?

Mr. JEFFRIES. Right.

Senator CAPITO. What is your projection?

Mr. JEFFRIES. So what I hope is the trough of rail traffic was about a 25 percent year over year decrease, based on our weekly reports, we have seeing that number improve slightly. There is not going to be a dramatic spike. But, for example, given the number of autos and auto parts we move, we were at a 90 percent traffic decrease in auto parts. We are now at about a 60 percent. So we have seen that number come up, and that is coming up in other areas. As China opens up and we have containers coming through the ports, intermodal should continue to start to increase. I am definitely not going to call them green shoots, but I think we are cautiously optimistic about that gradual increase.

Senator CAPITO. Good.

Mr. Oehler, I do want to ask you that question, but I have a quick question too. With the EPA's release of their final rule on the implementation of the 401 Clean Water Act where certain states have been overshooting their authorities, as I believe—and that has certainly impacted pipelines—can you give from your perspective how the EPA's final rule will help your members?

Mr. OEHLER. Thank you, Senator.

Yes. We support the final rule. We were pleased to see it finalized.

From our standpoint, the investments that we make—we have had a lot of discussions about infrastructure. The investments that our members are making are many times billion dollar-plus investments. And so for us what is critically important is a timely and predictable permitting process. And I think one of the things that we are seeing with this particular permit that you are referencing was some agencies were delaying the permit longer than they would be allowed to under the statute, what the statute calls for. Some agencies were being expansive in terms of how they would apply that particular permit and not really focus on the relatively narrow issues that it is supposed to be around.

So we welcome the rulemaking. We welcome environmental permitting. We are confident that we can construct pipelines in an environmentally safe manner, but we are looking for that predictability.

Mr. WILLIS. Senator, if I can just add.

Senator CAPITO. If you want to talk about the future.

Mr. OEHLER. The future, certainly. A demand for transportation services has largely persisted in our industry. There has, of course, been some softening in the energy markets. I think you have probably seen that in your home state.

Senator CAPITO. Yes, I have.

Mr. OEHLER. Perhaps a little bit longer than three months out, we are hopeful that the economy can really ramp up to where it was. And our job is to move energy to people who need it. And so as the economy grows, that demand for energy will come back and you will see us respond.

Senator CAPITO. Thank you. I think my time is up.

The CHAIRMAN. Thank you, Senator Capito.

Those who have signed up before the gavel are Sinema, and I do not believe she is at the remote facility right now. Senator Sinema, are you there?

[No response.]

The CHAIRMAN. Senator Scott, are you there?

**STATEMENT OF HON. RICK SCOTT,
U.S. SENATOR FROM FLORIDA**

Senator SCOTT. I am here.

The CHAIRMAN. Good. Senator Scott, you are recognized.

Senator SCOTT. Thank you. Thank you, Mr. Chairman, for holding this meeting.

I want to thank all of you for what you do and I want to thank your industries for what they are doing especially during this time of crisis. My father was a truck driver. It is a tough job. He was gone a lot. At that time, it did not pay much. Now it has got a lot better pay.

So, for Mr. Guillot, what do you think the changes are going to be for people like my dad, the over-the-road truck driver going forward? How has their life changed, and is there anything that we ought to be doing to be able to improve how they do their jobs and what type of life they have?

Mr. GUILLOT. Thank you for your question, and thank your father for serving our industry for such a long time there. Like so many of us, our families have been involved in trucking throughout our lifetimes and your father, and thank him for driving a truck.

As far as our industry going forward, infrastructure is critical for us to be able to invest more in infrastructure. Our congestion on our highways is certainly critical to the lives of our truck drivers on the road. We have found with the pandemic in surveys that we have taken, a lot of our bottlenecks across the country—it might have been brought down through peak hours to as little as 10–15 miles an hour on average—is averaging almost at grade speed right now. So I think that just reinforces the demand and the need for investment in infrastructure going forward, and that would help truck drivers such as your father as far as the quality of life on the road. Congestion is certainly a big task of ours.

And certainly the protection of our drivers' health and well-being on the road with this pandemic and learning from these experiences here and what can we do in the future to get equipment out to them as quick as possible, as we are now, but to ensure that

they have got a good supply chain going forward with that type of issue.

Senator SCOTT. Thanks.

I think all of us would agree that we need to make investments in infrastructure. What is difficult this year we are going to have close to a \$4 trillion deficit and we are going to have \$25 trillion-plus worth of debt. So it is going to make it hard to figure out how we continue to invest in infrastructure. I did it when I was Governor. And trying to figure out how do you get the budget under control up here so we can continue to invest like we did when I was a Governor.

So in addition to infrastructure, is there anything else that you think that Congress can be doing that would make the lives of the over-the-road truck drivers better?

Mr. GUILLOT. As far as Congress is concerned, one of the issues that we ran across during the pandemic is the different districts, you know, as we cross state lines, as we cross into smaller communities, the inconsistencies of the requirements going in and out of those facilities.

We also ran across the availability of just restroom facilities and fueling facilities as the pandemic hit us initially on, being able to have a truck driver pull over at a rest area that may have been closed. The state of Pennsylvania closed all rest areas. We worked with the stakeholders in that particular state, as well as our state affiliates, to try and help these things out. And certainly I think we need to learn from what we have done in the last couple months and apply it to going forward in the future.

Senator SCOTT. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very, very much.

Now, I have got Senator Tester. Is he with us remotely? Jon, are you there?

[No response.]

The CHAIRMAN. OK. It may be that Senator Blumenthal will be coming back in a moment.

I am told that Senator Duckworth is waiting remotely.

**STATEMENT OF HON. TAMMY DUCKWORTH,
U.S. SENATOR FROM ILLINOIS**

Senator DUCKWORTH. I am here, Mr. Chairman.

The CHAIRMAN. You are recognized for five minutes, Senator.

Senator DUCKWORTH. Thank you, Mr. Chairman.

I have long held the belief that building up our transportation infrastructure is a much more effective and sustainable mechanism for our economy and building the middle class than any of the trickle down economic policies Congress has considered in recent years. Transportation investments will play a key role in rebuilding our economy if we can first advance meaningful relief for State and local governments that are responsible for 75 percent of our infrastructure investments.

I look forward to working with this committee to develop meaningful legislation that invests in our public transportation and freight networks while improving and promoting safety across all modes.

But first, the Senate must consider the House-passed HEROES Act to reinforce our state and local partners and build a bridge from crisis relief to economic recovery.

Mr. Willis, it is good to see you again even remotely. I am accessible but remote. My first question is for you and about the availability of COVID-19 testing for our essential workforce.

I remember President Trump speaking at CDC headquarters just a couple months ago on March 7 and telling the cameras—and I quote—anyone who wants a test can get a test. That is our President speaking. As we all know, that was demonstrably false. 3 months later, it is still difficult for Americans in many areas of the country to receive COVID-19 testing.

Experts told Congress that we should be conducting 900,000 tests every single day to reopen the country safely. Yet, our current capability is only one-third of that.

Until a vaccine is developed, essential transportation workers who are keeping our economic engine turning during these uncertain times should have ready access to COVID tests like our first responders and our most vulnerable neighbors.

Mr. Willis, I appreciate you mentioning COVID-19 Every Worker Protection Act that Senator Baldwin also mentioned. I do want to share your frustration with OSHA's current pace on actions to protect workers. We can all applaud the Department of Transportation's announcement last week to send more than 15 million face coverings to our transportation work force, and we have already had that discussion today about trying to get the PPE. But I am curious about what essential workers are telling you about the availability of testing and its cost to them, as well as our discussion so far of PPE.

Can you discuss that? First, the testing, how much it is costing people. Can they get it when they need it? Is it too expensive? What is going on there. And then if you can touch on PPE one more time I would appreciate it. Thank you.

Mr. WILLIS. Well, thank you, Senator.

Look, public health officials and our members tell us that a key to getting this economy back up and running and getting our transportation systems at full capacity is adequate testing. That is not a cost, quite frankly, that can be borne by individual workers. We have to find a way for the government to aggressively come in and help fund that.

You know, again, for transportation workers today—many of them—we are going to work and we are being exposed. So this is not just about just opening up the economy. We need to know if our members are safe to go into the workplaces every day and to protect themselves from their colleagues, from passengers, and to protect their families.

Transportation agencies need to coordinate at the state and local level to find these tests and to get a steady supply chain. I talked about some of the issues that I think this President should be more in front of early on in this crisis, both on the testing and personal protective equipment. And I think this Congress through these hearings but more importantly through legislation has to really hold their feet to the fire to lead both on testing and PPE.

So thank you for the question but, more importantly, for your leadership here. It is critical.

Senator DUCKWORTH. Thank you.

Mr. Chairman, every industry represented here today at one time or another has been to my office and I am sure to your office as well to share concerns about 50-state patchwork regulations. Yet, our President's new testing plan for COVID-19 doubles down on his previous assertion that it should be the responsibility of states and municipalities not the Federal Government to identify, procure, and distribute testing supplies and coordinate contact tracing efforts. I am thankful that our Governors and mayors and especially Governor Pritzker and Mayor Lightfoot in Illinois have stood up in the absence of Federal leadership.

Mr. Jeffries, is it easier or more complex for your members to coordinate with each state and municipality as they operate in on testing and tracing efforts?

Mr. JEFFRIES. It is certainly easier when we operate with one Federal guideline.

Senator DUCKWORTH. Thank you.

Mr. Guillot, your members are spread across the Nation and continually crisscross various jurisdictions. Are your members able to coordinate quickly and easily with various states and cities on testing and tracing?

Mr. GUILLLOT. I think it is an ongoing challenge, Senator Duckworth. We are in support of more testing. We are in support of more—just the health needs of our workers, and crossing state lines does make it problematic to be consistent in our service and our health with our employees.

Thank you.

Senator DUCKWORTH. Thank you.

I think it is clear that the President's 50-states approach is not efficient and not effective in our transportation industry as opposed to what should be happening, which is a unified Federal effort.

I am out of time. Thank you, Mr. Chairman.

The CHAIRMAN. And thank you, Senator Duckworth.

Senator Lee.

STATEMENT OF HON. MIKE LEE, U.S. SENATOR FROM UTAH

Senator LEE. Thank you very much, Mr. Chairman. Thanks to all of you for joining.

Mr. Oehler, I would like to start with you. During the global COVID-19 pandemic, we know that the oil and gas industry has been hit hard. We also know that during that time, your companies, America's natural gas companies, have been on the front lines working hard to try to ensure that Americans can have energy provided to their homes and so that our economy can continue to operate.

We also know that there is something of a shortage of pipelines in our country, particularly in some parts of the country, including the northeastern United States and places like Puerto Rico. We could solve this problem, of course, by allowing ships to carry LNG along the U.S. coast.

The problem is, of course, the Jones Act. The Jones Act, which is about to celebrate its 100th birthday—I would say that is 100 birthdays too many for the Jones Act—creates a significant problem here in particular. The Jones Act, of course, is this law that restricts shipping between U.S. ports to only those vessels that are U.S.-built and U.S.-flagged and U.S.-crewed.

Now, that might sound fine enough at the outset, and maybe in some instances there are some people who would be OK with it. I personally do not see any need for it anywhere. I think it is a bad law.

But no matter what, I think it is ridiculous to make the Jones Act apply even in those areas, even in those marketplaces where there is no Jones Act-compliant vessel that is capable of carrying something, say, for example, LNG.

As a result of this, predictably U.S. markets have had to turn to other sources where they would otherwise be able to turn to a U.S. supplier. In many instances, they have had to import natural gas from foreign countries. Now, not just any foreign countries, but in many instances, it has had to be countries that are our geopolitical adversaries, countries like Russia and like Venezuela, rather than purchasing LNG from American suppliers.

So my question for you is in an unprecedented economic time, one in which Americans are facing job losses and other significant economic and personal challenges, would it not make sense for us to take steps to ensure that oil and gas companies can meet U.S. demand before potentially forcing the U.S. into the arms of geopolitical adversaries like Russia and Venezuela?

Mr. OEHLER. Thank you for that question.

I agree with what you are saying. I mean, I think that all of us in this room have spent probably a great deal of our careers in public policy thinking about the United States' dependency on foreign countries. And in a very short period of time, we have been able to turn that around. We are now the world leader in energy production.

You mentioned the Northeast. Something that comes to my mind is we have one of the most prolific natural gas supply basins in Pennsylvania, which is a short drive from those northeastern States, and it is a supply basin that is creating jobs. It is domestic production. We have got very rigorous regulations surrounding that production and then transportation. But sometimes it is difficult to get new pipeline capacity built in order for those regions of the country that do not have that supply to take advantage of it, and then they are forced to turn to foreign suppliers or even fuel sources that are not as carbon-friendly as natural gas is.

Senator LEE. In that circumstance, in light of what you have described, would a temporary waiver of the Jones Act at least not allow natural gas companies to be able better to access American markets that are otherwise difficult or in some cases impossible to access due to the Jones Act or in some cases because of other infrastructure challenges?

Mr. OEHLER. Senator, on this particular issue, the Jones Act, as an association we have not looked at that and taken a position on it. We certainly have heard about it and heard the concerns that

you have articulated today. And so what I would like to do is talk to our members and get back to your office on that legislation.

Senator LEE. That would be wonderful. And if you would like me to visit more with you or with any of your members, I would be honored and pleased to do that. I think your organization, in particular, is one that really ought to focus on this and could be a voice of clarity here particularly if we are talking about this narrow area.

Why on earth would we want to be strengthening the hands of oppressive regimes in Russia and in Venezuela when we do not even have access to a single Jones Act-compliant vessel that could take care of these markets? We have got an abundance of natural gas available in this very country. This is exactly the kind of crony capitalism that we should be on the lookout for.

Now, look, maybe 100 years ago, 100 years ago Friday when they passed this ill-fated, ill-conceived legislation written by the devil himself, maybe they had some good ideas. I do not know what they were. I do believe that those who are defending it to this day, especially in these extreme circumstances like what we are describing here, are being disingenuous, and I think it is time the American people understand it is not just American businesses that are being harmed. It is everyday consumers, and it is everyday American citizens whose safety and national security is jeopardized by our shameless commitment to a crony capitalist legal regime.

Thank you very much.

Mr. WILLIS. Well, Senator, I have to comment here.

As someone that does strongly support the Jones Act, we worry about foreign dependence whether it is on our shipping or whatever else. We start to close down U.S. maritime, we start to allow flag of conveniences to further denominate in this space. We do not supply good U.S. mariner jobs. When we need sealift capacity in times of war, in times of national urgency, those foreign countries, those foreign vessels with foreign crews I promise you will not be there.

This hearing is about protecting and promoting frontline workers. There is no better way to do it than protecting, promoting, quite frankly expanding the Jones Act. And on this 100th anniversary on Friday, we will celebrate it as a landmark legislation that this committee and many on this committee support.

Thank you.

Senator LEE. Mr. Willis, I would ask you. I understand my time is expired. But how on earth can you justify—regardless of whether you believe the Jones Act is a good idea, which it is not, how on earth can you justify the application of this law forcing Americans to buy natural gas from Venezuela and Russia when there is not a single Jones Act-compliant vessel in the United States capable of carrying this commodity that we so badly need? How can you justify that?

The CHAIRMAN. Senator Lee, we are going to ask the witness to take that for the record, and your 8 minutes has expired.

Senator Blumenthal.

**STATEMENT OF HON. RICHARD BLUMENTHAL,
U.S. SENATOR FROM CONNECTICUT**

Senator BLUMENTHAL. Thank you, Mr. Chairman.

Before I begin my question, I just want to note that the burden of this pandemic has fallen with extraordinary weight on our surface transportation system. We see it in the Northeast, the plummeting of passenger rail usage on lines like Amtrak, on commuter rail like Metro-North, and strikingly on the motor coach transportation companies. I am thinking of a company known as DATTCO in New Britain. These entities are struggling as they confront unprecedented financial and logistical hardships.

On Monday, Amtrak resumed modified Acela service on the Northeast Corridor, the only profitable or at least the most profitable route for Amtrak and one of the busiest. Our national passenger railroad faces a 95 percent decline in ridership and ticket revenue. And it recently announced plans to cut its workforce by about one-fifth in the next Fiscal Year. This kind of plummeting usage is a threat to our national security.

And likewise commuter rail services, Metro-North, for example, have seen a decline in revenue in ridership, and they are now grappling with the same kind of logistical difficulties in our tri-state area of New Jersey, New York, and Connecticut.

And most of the 3,000 companies that make up the United States motor coach industry remain shuttered. It is nearly 100,000 employees are unemployed and almost the entire fleet of 36,000 buses. That is 100,000 employees, 36,000 buses, all idle.

And as I mentioned, there are family owned small, multi-generation businesses like DATTCO in New Britain that face a very uncertain future.

So I hope that in one of our next hearings, Mr. Chairman, we hold on surface transportation we will devote attention to the issues faced by these industries.

Earlier today, I introduced the Essential Transportation Employee Safety Act of 2020. I want to thank Ranking Member Cantwell and Senator Markey for their support. Among other provisions, this bill would implement personal protective equipment and cleaning, disinfection, and sanitation requirements for owners and operators of equipment or facilities used by certain transportation employers during this public health crisis.

And I want to thank Senators Baldwin and Duckworth for their efforts on the COVID-19 Every Worker Protection Act of 2020. I am proud to support that legislation as well. We need to protect all our workers, everyone who continues to be on the job during this pandemic, from exposure to COVID-19 regardless of the industry. And, frankly, the absence of direction of OSHA only heightens the urgency of this legislation.

So let me ask you, Mr. Willis, if I may. First of all, I could not agree with you more that strong Federal mandates are absolutely necessary to provide frontline transportation workers with protections to keep them safe.

Can you please expand on how the current pandemic affects your members and some of the on-the-job challenges that they face? What is it like for them to go to work facing the shortages of this equipment and the other challenges that they have?

Mr. WILLIS. Well, thank you, Senator.

You know, I would say that our members—I do not like to use this word—but they are scared. They are scared to expose them-

selves. They want to know that more is being done to protect them and their families. And they are scared about their jobs, about the economic instability that we have already seen in these sectors of our economy and really, I think, challenging times ahead that this Congress has to respond to in an aggressive way.

You mentioned the motorcoach side, and it has not been discussed yet today and it is an important one. We represent drivers at many of those companies not only on the inner city but on commuter bus, on tour bus in a number of cities. They have been essentially shut down. They are in need of specific assistance and something I think this committee needs to seriously consider.

So we need to provide some safety assurances, some economic assurances to our members because, as I have said, they have got some real anxiety as they go to work every day.

Senator BLUMENTHAL. Thank you.

Thank you very much to all of you for being here, and thanks for your leadership, Mr. Willis. Thank you.

The CHAIRMAN. Thank you, Senator Blumenthal.

Let me ask this. Mr. Bozzella, on May 12, Representative Walden and I sent a letter to the automotive industry asking how it is using innovation in response to the pandemic. Senators Thune and Peters, members of this committee, have been championing autonomous vehicles legislation, and I have tried to be supportive of that.

The National Highway Traffic Safety Administration, NHTSA, has highlighted some of the ways new innovations are being used in response to this COVID crisis, including the use of automated driving systems to transport COVID-19 tests and ride-hailing vehicles to transport essential goods such as medical supplies, mail, and groceries.

How do you see the COVID-19 pandemic affecting the automotive industry's focus on innovative technologies of the future?

Mr. BOZZELLA. Senator, Mr. Chairman, there is a tremendous amount of innovation going on as a result of COVID-19. Behind me is a table filled with ventilators and respirators and other materials that auto industry companies innovated to develop to respond to the crisis.

Looking forward, what we can also see is the types of innovations that you are talking about: highly automated vehicles that can do contactless delivery. We are already seeing that demonstrated during the pandemic.

What we really need and I think that this—

The CHAIRMAN. Where?

Mr. BOZZELLA. Where are we seeing that? We are seeing it in California and other locations where there are already pilots underway for—highly automated vehicle pilots already underway.

What I think this committee can focus on is creating a Federal framework that will allow for more widespread testing and deployment of these vehicles, as long as they can be determined to be as safe or safer than the vehicles that they replace. I think that is a really important effort for the Committee and for the Congress to take on because it does set up this innovative future that I think the pandemic speaks to right now.

The CHAIRMAN. Anybody else want to jump in there?

Mr. WILLIS. Yes. Let me just add. We have been involved in the AV discussion in front of this committee, and I think that it is something to talk about.

We should not, though, get in front of the real safety challenges that I think this technology still confronts. If we are going to move forward with pilots, if we are going to move forward with early deployment of AVs and highly autonomous vehicles, NHTSA has got to do a better job both as this technology is tested on our roads and again early deployment, you know, really making sure and getting in there that, again, these are safe technologies. And quite frankly, there is also a worker and job component here that I think we need to think a little bit more about before we get too far along.

The CHAIRMAN. Mr. Willis, has that been problematic in California and places where pilots are already well underway and ongoing?

Mr. WILLIS. You know, I think the NTSB has spoken to this on the crash that occurred in Arizona. We would echo that, that there was really a lack of regulatory oversight by NHTSA. And quite frankly, in that situation I think the company is doing better. But we have to see more robust real regulation here from NHTSA before we are comfortable with looking at these AV pilots and testing schemes.

The CHAIRMAN. OK. Well, if anybody on the panel wants to elaborate on the record on that issue, please do so.

Mr. Bozzella, I have got two vehicles that have OnStar. I do not know what the various brand names are, but subscription-based communication systems. Someone told me yesterday in getting ready for this hearing that actually those systems amount to WiFi hotspots. Conceivably at the remotest place in the country, I could take my books out to the car and have WiFi there. Am I correct there, and is this a point that is even worth making? Would you comment to that?

Mr. BOZZELLA. Yes, Mr. Chairman, it is a great point. And what we are seeing during the pandemic is the use of these subscription telematic services and their embedded WiFi to actually provide WiFi hotspots so students can continue to learn remotely.

These systems represent an enormous opportunity for more innovation here in the United States and, frankly, leadership. And I think that in addition to WiFi hotspots, what you are seeing is automated emergency services. The vehicle can automatically notify first responders in the case of a crash even if the driver is unable to do so him or herself. These are lifesaving, groundbreaking technologies that we are seeing brought to market, and there are tens of millions of vehicles on the road with these technologies today.

The CHAIRMAN. Tens of millions. To what extent are new vehicles coming off the assembly line equipped with this? What percentage of American-made automobiles in 2020 equipped with these systems?

Mr. BOZZELLA. Yes. More and more every day. And I will get back to your staff, Mr. Chairman, with a specific percentage of new vehicles.

The CHAIRMAN. Put that on the record, if you do not mind.

Mr. BOZZELLA. I will do that. It is a fairly high percentage of new vehicles now today.

The CHAIRMAN. How cost effective is it?

Mr. BOZZELLA. It provides great service to customers for a reasonable subscription. We are talking about lifesaving services, automatic connections to first responders, conveniences, navigation systems. I think this is really what people want when we talk about intelligent transportation systems, infotainment, and telematics and safety.

The CHAIRMAN. Thank you very much.

If you would hold for a moment.

[Pause.]

The CHAIRMAN. I do not think we have any other members who are in line. And so I want to thank our witnesses. A very interesting hearing, very interesting subject matter, and very interesting presentation.

And, yes, I knew about the exhibit in the back of the room, and I should have mentioned it beforehand. So those who are still in the room—and many staff members are still here—are welcomed and encouraged to stop by the table on the way out and see that exhibit. And thank you for that.

The hearing record will remain open for two weeks. During that time, Senators are asked to submit any question for the record. Upon receipt, the witnesses are requested to submit their written answers to the Committee as soon as possible, but by no later than Wednesday, July 1, 2020.

So thank you to the witnesses for appearing today.

And this hearing is now adjourned.

[Whereupon, at 4:37 p.m., the hearing was adjourned.]

A P P E N D I X

AMERICAN ASSOCIATION OF PORT AUTHORITIES
June 1, 2020

Hon. ROGER WICKER,
Chairman,
Committee on Commerce, Science, and Technology,
United States Senate,
Washington, DC.

Dear Chairman Wicker,

We appreciate the work being undertaken by the Senate and by the Senate Committee on Commerce, Science, and Transportation regarding the impacts of COVID-19, and further appreciate the opportunity to share our thoughts on how this crisis has impacted ports and the maritime industry.

The American Association of Port Authorities (AAPA) is the unified voice of the seaport industry in the Americas, representing 78 public port authorities in the United States. Our nation's seaports deliver vital goods to consumers, facilitate the export of American-made products, create jobs, and support local and national economic growth. In fact, the total economic value generated by cargo activities at U.S. coastal ports accounts for *\$5.4 trillion*—roughly 26 percent of U.S. GDP.

Since the beginning of the COVID-19 pandemic, AAPA has remained in regular contact with our members to monitor the impact of the pandemic and to give our member ports the opportunity to share best practices with one another. In response to your questions on insights and experiences from our Nation's ports, we offer the following responses.

1. What impacts have your members seen from COVID-19 on our transportation networks and supply chains, and how have they responded to these impacts?

AAPA membership comprises ports large, medium, and small, and there is a saying in the industry that “if you’ve seen one port, you’ve seen one port.” Accordingly, each of our members has been affected in myriad different ways by COVID-19.

However, we have seen containerized cargo decline by 18 percent in March over the same period in 2019. These declines are not limited to any particular geographic region, and container cargo volumes have declined across each and every region represented by our Association. Ports have seen a significant uptick in blank sailings, or cancelled vessel calls, which can result in significant revenue losses.

While data is still incoming for April and May, initial indications show declines of 20 percent to 25 percent in those months over the prior year.

As automobiles have worked their way through the global supply chain, following the shuttering of auto production facilities in the Americas, Europe, and Asia, we have seen major reductions in roll-on/roll-off cargoes. One West Coast port has experienced a 90 percent reduction in roll-on/roll-off cargoes, with only one or two ship calls expected this month compared to a typical average of four ship calls per week.

Bulk cargo movements have declined 15 percent to 25 percent over the same period in 2019 at two of the largest bulk-handling cargo ports in the United States. Bulk cargo movements, which include agricultural products and energy commodities such as oil and coal, as well as chemicals, are down 27 percent compared to 2019 at one Gulf Coast port.

Tourism at our Nation's ports has completely evaporated. This has resulted in massive P&L impacts at ports heavily invested in this business. Indications are that at certain South Atlantic seaports, overall business is down between 50 percent and 80 percent.

And small ports around the country have been especially hard hit. At these ports, there are often only one or two types of cargo being handled. If demand drops, port operations can nearly cease.

Despite these significant declines in business, ports have continued operations, kept their doors open, and continued to facilitate the movement of goods and cargo with the help of critical supply chain workers.

Even as operations continue, and in part as a result of the financial challenges facing some ports due to COVID-19, we are beginning to see furloughs and layoffs in the maritime industry and supply chain, including at some ports.

2. What are your expectations for how freight networks or the supply chain may continue to be impacted in the near term? What impacts do you anticipate in the long term?

While projections vary, our members do not anticipate the resumption of pre-COVID-19 cargo volumes until FY21. Unless and until U.S. consumer demand increases, cargo volumes are expected to remain at levels lower than they were pre-COVID-19.

While ports work to ensure the safe and reliable delivery of goods moving through their terminals, ports have indicated that it may be necessary to forgo project planning and critical investments in port infrastructure should cargo volumes remain at current levels and should the economic recovery from the pandemic progress slowly.

3. How have critical infrastructure employees been affected during the COVID19 crisis while performing their duties, and what steps have your members taken to protect them?

As national gateways for commerce and travel, seaports do not have the option to close. They do not even have the option to voluntarily slow down throughput because of the back-up it would cause in supply chains, sometimes for critical goods like food, medicine, and medical devices. Therefore, seaports have worked closely to equip and protect their employees as well as others who work on the port footprints, such as dockworkers, pilots, police, government regulators, dray truckers, and other mariners.

To protect their employees and partners, ports have taken measures that include setting up priority screening and testing with local health providers; setting up health screening at port ingresses; providing medical and non-medical grade protection through new supply chains locally and internationally; staggering port police shifts to increase the number of active-duty but at-home police to have a reserve of officers in case of outbreak; and codifying extensive protocols for ship-shore interactions and crew changes in a way to minimize social contact while efficiently processing cargo and, in extreme cases, evacuating cruise ships.

4. The U.S. Department of Transportation has a number of authorities that can be utilized to respond to extraordinary and unanticipated events. How has the use of these authorities affected your members during the COVID-19 crisis, and are additional authorities needed to provide additional support to the transportation sector in unforeseen circumstances?

To our knowledge, MARAD has not invoked extraordinary authorities, although the Administration has established regular, helpful information-sharing calls. Neither, too, have any of our other main Federal stakeholders invoked emergency authorities, such as CBP and U.S. Coast Guard. Indeed, the U.S. Coast Guard already had strong requirements in place well before the pandemic regarding sick mariner reporting, and the seaports follow these regulations to the letter. We have, however, seen that the Coast Guard now relies heavily on the local CDC's determinations on vessel disembarkment and the like. The seaports would benefit from more Washington-led guidance as opposed to local office holders making these determinations.

One difficulty that the public port community has faced is with the allocation of aid to ports in need. While some ports are state, city, or county departments and thus eligible for aid under previously passed COVID-19 response legislation, port authorities have to date been unable to access any substantial relief provided by Congress. Airports were provided relief, transit agencies were provided relief, and establishing a vehicle to provide relief to our Nation's ports is critical to ensuring that these entities are able to maintain a state of readiness, and that they are able to continue to function as engines of economic activity.

Accordingly, AAPA requests that Congress allocate \$1.5 billion in economic relief to our Nation's public seaports. This request is not about recovering lost revenue; but rather about ensuring that ports are able to make bond and other debt instrument payments, keep pace with the accelerating costs of protecting workers and keeping the workplace sanitized, and ultimately ensuring that America's commercial seaports and port workers maintain a state of readiness for the eventual economic recovery.

Thank you for consideration of AAPA's responses to this inquiry. America's sea-ports stand ready to help the Committee however possible as it considers how to best respond to the COVID-19 pandemic.

Sincerely,

CHRISTOPHER J. CONNOR,
President and CEO.



Alternative Fuels & Chemicals Coalition

Advocating for Public Policies to Promote the Development & Production of Alternative Fuels, Renewable Chemicals, Biobased Products, and Sustainable Aviation Fuels

June 2, 2020

The Honorable Roger F. Wicker
Chairman
Senate Committee on Commerce,
Science & Transportation
512 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Maria Cantwell
Ranking Member
Senate Committee on Commerce,
Science & Transportation
420A Hart Senate Office Building
Washington, DC 20510

**Re: June 3, 2020 Committee Hearing, "The State of Transportation and Critical Infrastructure:
Examining the Impact of the COVID-19 Pandemic"**

Dear Chairman Wicker and Ranking Member Cantwell:

The Alternative Fuels & Chemicals Coalition (AFCC) respectfully requests that the committee give consideration to this letter and its attachments during its hearing on "The State of Transportation and Critical Infrastructure: Examining the Impact of the COVID-19 Pandemic." AFCC also requests that this letter and its attachments be placed in the record for the hearing.

The nation faces significant challenges with the state of its infrastructure and the economic distress that has been caused by the COVID-19 pandemic.

AFCC would like to propose a pilot program to address both challenges: A no-new-cost *In-Place Infrastructure Repair Pilot Program*. The pilot program, which would fit in with and complement the Department of Transportation's Center for Accelerating Innovation, would be funded by designating a percentage (approximately 5%) of the funds that are available through the Department of Transportation's existing infrastructure rehabilitation and improvement programs. These funds would be directed to projects that lend themselves to the use of commercially proven and emerging products that are certified by the Secretary of Transportation and can make infrastructure repairs more quickly and at reduced cost compared to current methods of infrastructure deconstruction and reconstruction.

There already are several products and technologies that can do this. Please see the attached set of testimonials, as an example of the technologies and products available, describing the tests and use of one of these products by NASA, the U.S. Army Corps of Engineers, and U.S. Navy, along with a project cost comparison prepared by Purdue University **showing a savings of up to 88% per project with as good as or better results than the low bid received for deconstruction and reconstruction.** That means up to eight infrastructure repair projects could be completed for the current cost of one repair.

The pilot program will test the efficacy and cost- and time-savings of using surface-applied technologies, processes, and products to make all or a part of a repair to major infrastructures, along with the ability of these products to restore infrastructures to "a state of good repair" as defined in section 24102 of Title 49 U.S. Code. **If successful, the program will allow infrastructure repairs to be completed in a fraction of the time at a fraction of the cost, thus allowing existing funds to go much, much further in repairing the nation's infrastructure.**

We look forward to working on this with you and addressing any questions you may have.

Respectfully submitted,

CJ Evans, Executive Director

IN-PLACE INFRASTRUCTURE REPAIR PILOT PROGRAM FACT SHEET

THE NATION'S INFRASTRUCTURE IS CRUMBLING:

- The Federal Highway Administration (FHWA) has posted a [report](#) on the estimated 2018 replacement and rehabilitation costs for structurally deficient National Highway System (NHS) bridges.
- The report lists **4,783 structurally deficient** NHS bridges in the 50 states and Puerto Rico.
- **FHA estimates it would cost \$16.37 billion to rehabilitate all 4,783 bridges, which is 68% of the full replacement cost of \$24.1 billion** for deconstructing and reconstructing the deficient bridges.

THAT IS JUST THE COST FOR NHS BRIDGES:

- It does not include the cost of rehabilitating deficient bridges maintained by states and localities.
- Nor does it include the costs of rehabilitation and replacement for structurally deficient roads, tunnels, public transportation, passenger and freight rail, airports, ports, dams, water impoundments, pipes, pipelines, public works, schools, and public buildings.
- The American Society of Civil Engineers' (ASCE's) [2017 Report Card](#) assigned a grade of "D+" to the nation's overall infrastructure.
- *The ASCE estimates the U.S. needs to spend some \$4.5 trillion – almost 5% of the nation's gross domestic product – by 2025 to fix the country's roads, bridges, dams, and other infrastructure.*
- That's not all; Larry Summers, the Harvard economics professor and former Secretary of the Treasury, has called [the case for spending more on infrastructure maintenance "overwhelming;"](#) he estimates that *extra car repairs caused by deficient roads and bridges are equivalent to a 50-cent to \$1 tax per gallon of gasoline.*
- Greg DiLoreto, past president of the ASCE, agrees; he estimates *poor infrastructure costs every American family \$3,400 per year* due to auto repairs and extra gasoline and time stuck in traffic.

TAKE THE REHABILITATION OF THE WASHINGTON MEMORIAL BRIDGE AS AN EXAMPLE:

- This 3-year, \$227 million rehabilitation project started in the fall of 2018; [it is now halfway done.](#)
- One sidewalk and one lane of traffic have been closed and will remain closed for the duration of the repair, causing a 3-year disruption in traffic which interferes with morning and evening commutes.

IMAGINE IF THIS REPAIR COULD BE DONE IN 3 MONTHS VS. 3 YEARS FOR 1/10TH THE COST:

- There are [commercially available products](#) that have been [used successfully](#) by NASA and the U.S. Army Corps of Engineers, among others, that could make this possible.
- *These products can be used to make in-place repairs via surface applications that inhibit and repair corrosion, seal and strengthen cracked and crumbling concrete, and restore structural integrity to a state of good repair as defined in section 24102(12) of Title 49 United States Code without extensive, costly, and time-consuming deconstruction and reconstruction.*
- A September 17, 2019 article published by the World Economic Forum, ["6 innovative technologies about to transform our infrastructure,"](#) describes several other innovations, such as 3D printing and lightweight prefabricated road modules made of recycled plastic waste, which could revolutionize the ways in which repairs are made and the costs and time they require.
- [One U.S. company](#) already is on the way to making building materials through a patented chemical extrusion process that uses unsorted plastic wastes, including those that currently cannot be recycled, to create building materials such as concrete girder and beam replacements that not only have the compression strength of concrete, but three times concrete's tensile strength, and are not affected by freezing or thawing, or degraded by UV light.
- *With these products, as many as 10 other bridges could be repaired for the same cost of the Washington Memorial Bridge's repair, in a fraction of the time, with much less traffic disruption.*

ESTABLISH A PILOT PROGRAM TO TEST & APPROVE COMMERCIALLY AVAILABLE PRODUCTS & TECHNOLOGIES THAT WILL SAVE TIME & MONEY & EXPAND THE NUMBER OF REPAIRS THAT CAN BE MADE WITH EXISTING INFRASTRUCTURE REPAIR FUNDS:

- See proposed legislative language (attached) establishing an In-Place Infrastructure Repair Program in a new section 6030 under TITLE VI – INNOVATION as part of the reauthorization of the FAST Act.

IN-PLACE INFRASTRUCTURE REPAIR TESTIMONIALS

BACKGROUND:

- The following testimonials focus on one of the several products that can be used under the proposed In-Place Infrastructure Repair Pilot Program.
- The product selected has been in use for 30 years. Its current treatment system was developed in collaboration with NASA. It has been used successfully by NASA, the Department of Defense, and U.S. Army Corps of Engineers, among other local, state, and federal agencies.
- Purpose of the testimonials is to illustrate the effectiveness, cost-savings, and extended useful life that products certified under the In-Place Infrastructure Repair Program would provide.



NASA

NASA Center: Kennedy Space Center, 1998 - Reference Number: KSC-SO-31, Environment and Resource Management, "Corrosion Resistance on Launch Pads at Cape Canaveral"

Billions of dollars' worth of structures are literally eaten away by corrosion. To fight this destruction, a Space Act Agreement between Kennedy Space Center and SURTREAT® merged Kennedy Space Center research, tied to electrical treatments of structural corrosion, with chemical processes developed by SURTREAT, Inc. of Pittsburgh, PA. The combination of technologies has resulted in a unique process with broad corrosion-control applications. As the "NASA Spinoff" reports state:

- "... of all the concrete in ... NASA's field centers, probably none has it harder than that in the structures at Kennedy Space Center. Not only is the seaside campus ... constantly bathed in damp, salty air, but some of its concrete is in and around the Cape Canaveral launch pad, where rocket boosters blast it with white heat, hydrochloric acid, and other hazards, while it's simultaneously sprayed with water for cooling. For these reasons, in February 1996, Kennedy entered into a Space Act Agreement with Surtreat to test its products ... Joe Curran, a NASA-contracted corrosion engineer at Kennedy, set up the testing ...
- "Surtreat's vapor-migrating inhibitor was a top performer and was subsequently used on Kennedy's Launch Pad 39A and other reinforced concrete structures at the space center ...
- "NASA has also developed a new technology that will further advance these efforts – a liquid ... coating applied to the outer surface of reinforced concrete to protect the embedded rebar from corrosion. Surtreat licensed this new coating technology [known as VCI Coatings primer] and put it to use at the U.S. Army Naha Port, in Okinawa, Japan.
- "The new coating prevents corrosion of steel in concrete in several applications, including highway and bridge infrastructures, piers and docks, concrete balconies and ceilings, parking garages, cooling towers, and pipelines ...
- "Ten years later, NASA is still using this combined approach to fight concrete corrosion ..."



US Army Corps
of Engineers

U.S. ARMY CORPS OF ENGINEERS

Based on NASA's recommendation, the U.S. Army Corps of Engineers (USACE) provided SURTREAT® with a grant to incorporate its corrosion inhibitors into the USACE's military spec primer for coating rusting steel.

- The coating was evaluated by the U.S. Army Corps of Engineers in 2012 and was found to be effective on rusty surfaces to the point that it offered 5-10 times the corrosion-inhibiting properties of a standard primer.
- SURTREAT'S chemical corrosion inhibitors have been incorporated in the approved specifications used the Federal Highway Administration and the Unified Facilities Guide Specifications used worldwide by the U.S. Military.
- SURTREAT further partnered with the USACE by commencing a 10-year study of SURTREAT's technology applied on structures within two U.S. military installations in Okinawa, Japan.


U.S. NAVY – U.S. ARMY CORPS OF ENGINEERS - 6/8/2016
Final Report for N62470-14-D-3006 at U.S. Military Installations Okinawa, Japan - Prepared for Naval Facilities Engineering Command, Project No 340531156,

- *"Because corrosion of steel reinforcement is an ongoing expensive maintenance issue, effective treatments are studied to reduce the impact of corrosion on military infrastructure. The structures selected for this test are in particularly corrosive coastal environments. Two project sites in Okinawa were selected due to the harsh environment and visible deterioration of concrete ...*
- *"A series of compressive strength measurements were made ... The average measured value was 5200 psi, which is an increase from the previous measurements ... We compared the most recent corrosion rate ... 6 months after treatment, and ... 3 years after treatment. The 3-part SURTREAT system ... is effectively protecting the rebar from corrosion. To date, an average reduction in the corrosion rate by 79 to 80% has been realized.*
- *"Results: Over 10 years later the concrete is stronger than when first poured and corrosion has been reduced ... 80% which will significantly extend the life of these assets."*


PURDUE UNIVERSITY, EMERGING TECHNOLOGIES, ECT FACT SHEET, "SURTREAT® - Concrete Restoration & Protection," 2007

- *"The most direct measurement of the corrosion rate, polarization resistance, was increased by 300% after application of Surtreat.*
- *"Half-cell potential and corrosion current measurements also reflect a significant decline in corrosion rates after application of Surtreat corrosion inhibitors.*

PROJECT	COST COMPARISON	SURTREAT	ALTERNATIVE*	SAVINGS
Albright Parking, Columbus, OH, Parking Structure Rehab, 1990		\$173,500	\$1,400,000	88%
Port Authority, Pittsburgh, PA, Bridge Foundation Restoration, 1991		\$32,000	\$240,000	87%
U.S. Department of Energy Nuclear Site Fernald, OH – Storage Pad Protection, 1995		\$170,000	\$510,000	67%
Essex Waste Management Warehouse Floor Protection, 1996		\$31,617	\$250,000	87%

*** Alternative Cost" describes the restoration estimate based on an engineering study or the lowest bid."*


RESEARCH AND DEVELOPMENT, UNIVERSITY OF PITTSBURGH, APPLIED RESEARCH CENTER

The SURTREAT system has been used successfully by utilities, nuclear storage facilities, water treatment plants, port authorities, and airports. Representative projects include St. Luis Pass Bridge, TX; Alcosan Wastewater Treatment Plant, PA; and the Eskom Nuclear Power Plant in South Africa.

- *"The coating lasts 10 years or more, reducing maintenance costs over the lifetime of the structure; ... testing has proven that the treatment yields reductions in rebar corrosion potential, water penetration, chemical reactivity, and water-soluble chloride, while generating increases in hardness, flexural strength, and pH levels.*
- *"The treatment also provides resistance to chloride penetration and problems associated with freezing and thawing of the porous structures.*
- *"The solutions used are water-soluble and environmentally safe, and in testing have shown no effect on the turbidity, pH, or dissolved oxygen content levels in water.*
- *Surtreat's formulations bond inorganic compounds to structures, where they become part of the steel and concrete matrix indefinitely. It leaves no residues, coatings, or materials that could potentially harm humans, animals, fish, or the environment."*

THIS IS JUST ONE OF THE PRODUCTS THAT COULD PROVIDE SIGNIFICANT BENEFITS UNDER THE IN-PLACE INFRASTRUCTURE REPAIR PROGRAM

**PROPOSED LANGUAGE TO CREATE AN IN-PLACE INFRASTRUCTURE REPAIR PROGRAM
AS PART OF AN INFRASTRUCTURE REPAIR | ECONOMIC STIMULUS | JOB CREATION BILL
OR THE FAST ACT REAUTHORIZATION**

SEC. XX. CREATION OF AN IN-PLACE INFRASTRUCTURE REPAIR PROGRAM.

(a) **TERMS AND CONDITIONS.**—Section 6002 of the Fixing America’s Surface Transportation (FAST) Act (Public Law 114-94) is amended as follows to make use of new products, processes, and technologies to repair, rehabilitate, and restore damaged and failing infrastructure to a state of good repair as defined in section 24102 of Title 49 United States Code without extensive, costly, and time-consuming deconstruction and reconstruction:

(1) by adding a new subsection (a)(7) to read as follows:

“(7) **IN-PLACE INFRASTRUCTURE REPAIR PROGRAM.**— To carry out section 6030 of this Act, five percent of the funds that are available for infrastructure rehabilitation and improvement under this Act, as well as under titles 23, 33, 40, and 49 United States Code, and sections 501 through 504 of the Railroad Revitalization and Regulatory Reform Act (Public Law 94-210), shall be designated for use in carrying out the In-Place Infrastructure Repair Program, with such percentage to be increased upon recommendation of the Secretary of Transportation in the annual appropriation bills approved by Congress.”

(2) by making subsections (1) and (3) effective immediately upon passage of this Act; and

(3) by adding at the end of Title VI a new section 6030 after section 6028, leaving section 6029 blank, to read as follows:

“SEC. 6030. IN-PLACE INFRASTRUCTURE REPAIR PROGRAM.

“(a) **ESTABLISHMENT.**— An. In-Place Infrastructure Repair Program is hereby established within the Department of Transportation to provide funding for in-place infrastructure repairs which shall be made available through the grant and contract awards that are available on a competitive basis through the programs for infrastructure rehabilitation and improvements under titles 23, 33, 40, and 49 United States Code, in sections 501 through 504 of the Railroad Revitalization and Regulatory Reform Act (Public Law 94-210), and as provided in this Act.

“(b) **CERTIFICATION.**— The Secretary of Transportation shall establish criteria for certifying commercially available surface-applied products, processes, and technologies along with criteria for certifying new surface-applied products, processes, and technologies that are approved for use under this section as one-for-one replacements, on a measure or volume basis, for infrastructure deconstruction and reconstruction to inhibit and repair corrosion, seal and strengthen cracked and crumbling concrete, and stabilize an infrastructure.

“(c) OTHER AGENCIES.— The Secretaries of the Departments of Agriculture, Defense, Commerce, Energy, Housing and Urban Development, Interior, and National Aeronautics and Space Administration may make a percentage available, at their discretion, of the grants and contracts which they award for infrastructure rehabilitation and improvement, as provided under this section, and in accordance with the certifications and criteria established by the Secretary of Transportation, following successful implementation of the pilot program described in subsection (g).

“(d) GRANT AND CONTRACT AVAILABILITY.— Grants and contracts shall be made available on a competitive basis to all non-profit and for-profit entities, tribes, and divisions of government that meet the criteria for receiving grant and contract awards under this section.

“(e) GRANT AND CONTRACT AWARD CRITERIA.— Entities qualifying for grant and contract awards under the In-Place Infrastructure Repair Program shall employ a surface-applied product, process, or technology that has been certified for use under this section and demonstrate to the satisfaction of the Secretary that it has the necessary equipment, skilled labor, and experience to make in-place repairs to weakened, deteriorating, and corroding infrastructure, in lieu of deconstructing and reconstructing all or a part of the infrastructure, to restore structural integrity to a state of good repair as defined in section 24102 of Title 49 and extend the useful life of the infrastructure.

“(f) PROJECT ELIGIBILITY.— Projects eligible for grant and contract awards under this section shall include, but not be limited to infrastructure rehabilitation and improvement projects for highways, bridges, tunnels, public transportation, passenger and freight rail transportation, airports, ports (including inland ports and land ports of entry), pipelines, canals, and other public works infrastructures, including repair projects for infrastructures that are located on tribal land and for which title or maintenance responsibility is vested in the Federal Government, providing that:

“(1) At least 15 percent or more of an infrastructure repair project can be completed by using an approved product, process, or technology under this section, in lieu of deconstruction and reconstruction, to complete the repair; and

“(2) Use of the approved product, process, or technology will reduce the cost and time that it takes to complete of the repair.

“(g) PILOT PROGRAM.— The Secretary shall carry out the In-Place Infrastructure Repair Program as a pilot program during fiscal years 2021 and 2022 to test the efficacy and cost- and time-savings of making in-place infrastructure repairs using approved

surface-applied products, processes, and technologies as a means of demonstrating that:

“(1) Structural integrity can be restored to a state of good repair as defined in section 24102 of Title 49 United States Code without extensive, costly, and time-consuming deconstruction and reconstruction;

“(2) Environmental damage can be reduced;

“(3) The useful life of the infrastructure can be extended;

“(4) New and recently repaired infrastructures can be strengthened and protected against premature corrosion, cracking, and crumbling; and

“(5) The number of infrastructure repairs that can be completed each year can be accelerated and expanded by making in-place, surface-applied repairs, where effective and practical, in place of deconstruction and reconstruction.

“(h) PUBLIC NOTICE.— The Secretary shall provide public notice announcing the In-Place Infrastructure Repair Program and the availability of grant and contract awards for in-place repairs through existing programs.

“(i) CHANGES TO EXISTING PROGRAMS.— The Secretary shall issue updates to existing programs incorporating the In-Place Infrastructure Repair Program into program descriptions, and grant and contract announcements and solicitation requirements.

“(j) CONCRETE REPAIRS.— The Secretary shall specify that all concrete repairs made through titles 23 and 49 of the United States Code shall include a mitigation program for the entire substrate to prevent premature degradation or accelerated corrosion from occurring, for which the grant and contract awards under this section may be used;

“(k) PILOT PROGRAM REPORTS.—

“(1) Not later than (60) days after the end of fiscal years 2021 and 2022 the Secretary shall report to the Committees on Transportation and Infrastructure, Environment and Public Works, and Appropriations on the results of the In-Place Infrastructure Repair Pilot Program and the funds that were used to carry out the program; and

“(2) As part of the Secretary’s report to the Committees on Transportation and Infrastructure, Energy and Public Works, and Appropriations, the Secretary shall recommend:

“(A) Whether the In-Place Infrastructure Repair Pilot Program should be extended;

“(B) Whether the program should be established as a permanent program and the percentage of funds available from existing programs that

are designated for use in carrying out the In-Place Infrastructure Repair Program should remain the same or be increased; or

“(C) Whether the appropriations as authorized under subsection (m)(3) shall be added to and made available to increase the number of in-place infrastructure repairs that can be carried out through existing funding programs.

“(I) PUBLIC NOTICE.— Not later than ninety (90) days after the end of each fiscal year the Secretary shall publish a report on the results of the In-Place Infrastructure Repair Program and the locations in which in-place infrastructure repairs have been completed on a public website.

“(m) FUNDING.—

“(1) PILOT PROGRAM.— Funding for the pilot program shall be provided through the grant and contract awards that are available on a competitive basis through the programs for rehabilitation and infrastructure improvements as provided under titles 23, 33, 40, and 49 United States Code, sections 501 through 504 of the Railroad Revitalization and Regulatory Reform Act (Public Law 94-210), and this Act, notwithstanding any other provision of law, by designating five percent of the funds available through these programs for use in carrying out the In-Place Infrastructure Repair Pilot Program.

“(2) CHANGES IN THE PERCENTAGES OF GRANTS USED.— The Committees on Appropriations shall use the Secretary’s reports on the results of the In-Place Infrastructure Repair Pilot Program to establish the percentage of funds that shall be designated from each of the existing Department of Transportation infrastructure rehabilitation and improvement programs, which may be increased. in the annual appropriation bills approved by Congress, for in-place infrastructure repairs for fiscal years 2023 through 2031.

“(3) AUTHORIZATION OF APPROPRIATIONS.— There is authorized to be appropriated for each of the fiscal years 2023 through 2031 such additional sums as are necessary, to be added to one or more of the infrastructure rehabilitation and improvement programs through which funds are made available for in-place infrastructure repairs, to increase the number of such repairs that can be carried out on an annual basis.”

DIESEL TECHNOLOGY FORUM
Frederick, MD, June 2, 2020

Hon. ROGER WICKER,
Chairman,
Committee on Commerce, Science, and
Transportation,
United States Senate,
Washington, DC.

Hon. MARIA CANTWELL,
Ranking Member,
Committee on Commerce, Science, and
Transportation,
United States Senate,
Washington, DC.

Dear Chairman Wicker and Ranking Member Cantwell,

On behalf of the Diesel Technology Forum, we respectfully submit this statement on the matter of the Committee's *June 3, 2020 hearing titled **The State of Transportation and Critical Infrastructure: Examining the Impact of the COVID-19 Pandemic.***

During the last two months the trucking and supply chain industries have been called on to deliver essential supplies, food, medical devices, and personal protective equipment in every corner of the United States at levels not seen before. This tremendous response to the COVID-19 pandemic has been delivered largely by diesel-powered trucks, as diesel powers over 95 percent of all tractor trailers in the U.S., and over 75 percent of all commercial vehicles. With nationwide ready access to fuel, service and parts, diesel is the proven, available, reliable, and efficient technology of choice that enables the Nation's trucking industry to deliver under these extraordinary circumstances.

As America gets moving again and as policymakers consider additional recovery or economic stimulus packages, there are two policies Congress should consider that boost the economy while also helping to sustain levels of lower emissions observed during the pandemic. Each will aide both small businesses and independent truckers and enhance the productivity and efficiency of more trucks on the road today.

- *A temporary suspension of the Federal excise tax (FET) through 2021* will accelerate the turnover to newer, more efficient, lower-emission and more productive vehicles. The FET adds on average about \$22,000 to new commercial truck purchases. Suspending it will spur new commercial truck sales, boost domestic truck manufacturing, support local truck dealers and provide owners of older and higher emitting commercial vehicles greater opportunity to purchase new much cleaner, more efficient and safer models. As a result, significant and immediate term clean air benefits can be realized particularly in communities located in designated environmental justice areas.
- Increased funding for the *Diesel Emission Reduction Act (DERA)*, an established and proven, bipartisan clean air incentive program that delivers \$13 dollars of clean air and public health benefits for every \$1 invested. The program enables the modernizing and upgrading of a broader range of older, higher-emitting engines, vehicles and equipment or replacing older models with new cleaner options. A boost in funding above last year's appropriated amount of \$87 million will open the door of opportunity for a wide array of vehicle, engine, and equipment owners around the country.
- *Multi-year reauthorization of surface transportation spending programs* can address freight bottlenecks, reduce congestion and improve air quality by reducing commercial vehicle idle times.

Taken together, these strategies will put more new technology on the road quickly and help generate *immediate* air quality benefits, particularly for sensitive communities in designated environmental justice areas. They will also help spark domestic manufacturing and employment as the U.S. is home to much truck, equipment, and engine manufacturing.

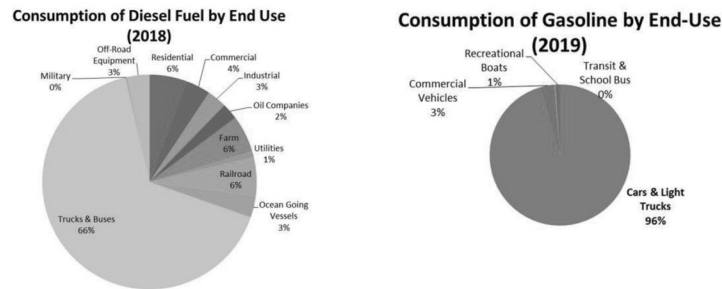
Introduction

By way of background, the Diesel Technology Forum is a not-for-profit educational organization whose members include leaders in diesel engines and equipment, vehicle manufacturers and fuel producers. Our organization serves a primary role of education along with the collection and commission of research to raise awareness of the environmental performance of the newest generation of diesel technology, including those that power commercial vehicles and buses, off-road equipment and stationary engines.

Diesel is the Technology of Work and Keeps the U.S. Supply Chain Moving

Unlike other fuel and technology types, diesel is the fuel and powertrain of work. The U.S. supply chain relies on diesel to power commercial vehicles and equipment

that move commerce. Diesel fuel and engines power 75 percent of commercial vehicles and 95 percent of large Class 8 over the road trucks, while locomotives and marine vessels are almost exclusively powered by diesel technology. While alternative fuels have made in-roads in recent years, natural gas powers under two percent of the commercial vehicle fleet while all-electric technologies are adopted in very small numbers.



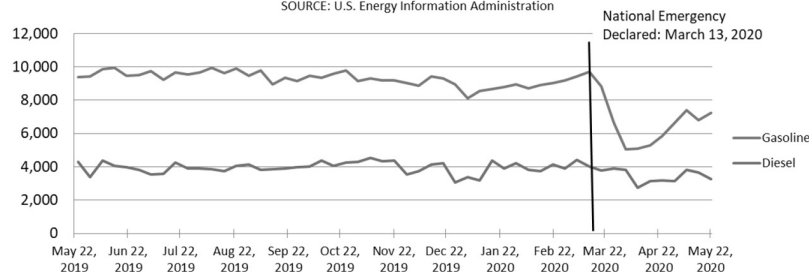
SOURCE: U.S. Energy Information Administration

Consumption of Diesel During COVID-19 Response

The reduction in the consumption of diesel fuel has been moderate relative to gasoline. Passenger vehicle-miles-traveled and the consumption of gasoline fell to historic lows as many Americans simply stayed home subject to state and local shelter-in-place orders. The same is not true of diesel powering many commercial vehicles and equipment types. While some supply chains experienced low volumes, including those delivering gasoline, inputs to shuttered manufacturing facilities and some non-essential goods, other commercial vehicles and equipment were hard at work delivering essential goods including household items, foodstuffs, and medical equipment.

Weekly Gas and Diesel Sales (Thousand barrels per day)

SOURCE: U.S. Energy Information Administration



Shelter-in-Place Orders Deliver Air Quality Gains

While the effect of the COVID-19 pandemic on the American economy is exacting a severe toll, and one nobody would willingly accept, the reduction in passenger vehicle traffic is generating air quality gains including those environmental justice designated communities. For the first time in generations, residents in Los Angeles have clear sight to the mountains, while the California Air Resources Board reports 21 straight days of code green, or good, air quality. The last time this milestone was achieved was 1980.¹ Here in the Nation's capital, springtime air quality is the cleanest it has been in 25 years as the Washington Metropolitan Council of Governments

¹ <https://www.latimes.com/environment/story/2020-04-28/coronavirus-la-air-quality-improved-pandemic-dontexpect-it-to-last>

has reported drops in fine particle emissions and smog forming compounds and much of these gains are attributable to the falloff in passenger vehicle use.²

Congress Should Consider Policies to Sustain Air Quality Gains While Providing a Lasting Boost to the Economy

As shelter-in-place orders are lifted and restrictions on certain commerce are eased, a rebound in traffic and transportation related emissions is a reasonable expectation. While members of the Committee will no doubt hear considerations for recovery policy contingent on transformative measures that move away from conventional fuels and technologies to those identified as the greenest and lowest impacts on greenhouse gas emissions, a prudent approach would include a mix of deep rapid investment in proven and available technologies that boost manufacturing today coupled with longer term investments in those solutions that are still on the drawing board.

Diesel technology can deliver immediate term benefits in terms of demonstrated air quality gains and economic growth and there are policies Congress should consider:

Temporarily Suspend the Federal Excise Tax on Commercial Truck Purchases

Temporarily suspending the 12 percent Federal excise tax (FET) on commercial truck purchases can have a direct and immediate beneficial effect in reducing emissions by incentivizing the replacement of older and higher emitting trucks with new cleaner models. While it has been more than 10 years since the most recent near-zero emissions tailpipe standard went into effect for newly manufactured trucks, just under half of the commercial vehicle fleet comes with technology to meet the standard. One of the leading contributors to the slow adoption of new and cleaner commercial vehicles is the FET. Today, truck owners looking to purchase a new truck must pay a 12 percent excise tax on top of the purchase price of a new truck. The tax typically adds an additional \$22,000 to the purchase of a new truck and trucking equipment that can cost between \$130,00 and \$150,000 for a Class 8 truck.

Temporarily suspending the FET may entice truck owners to purchase a new cleaner truck. According to the latest data published by the U.S. Census, the trucking industry relies on 3.5 million drivers, the overwhelming majority of trucking firms are small businesses and independent owneroperators.³ These smaller owneroperators may not have the financial wherewithal to pay the tax on top of the purchase of a new truck.

The benefits of replacing older trucks with new cleaner models is substantial. Replacing a single older generation Class 8 truck with a new model can reduce 30 lbs. of fine particle emissions. As roughly half of the commercial vehicle fleet comes with technology to meet the near-zero fine particle tailpipe emissions standard, these cleaner trucks have eliminated 1 million tons of fine particle emissions that is equivalent to taking all cars off U.S. roads for 33 years. Suspension of the FET to incentivize the replacement of older trucks can help generate substantial benefits from the remaining half of the U.S. commercial vehicle fleet that is of an older generation of technology.

Support Expanded Funding for the Diesel Emission Reduction Act

The Diesel Emissions Reduction Act (DERA) is a highly effective program managed by the U.S. Environmental Protection Agency (EPA) and expanded funding for the program can generate large and immediate term benefits in reducing emissions from heavy-duty trucks, buses and off-road equipment. The program provides a small level of funding to incent the owners of older and higher emitting vehicles and equipment to scrap and replace with newer and cleaner technologies. Since funding for the program was first appropriated in 2008, DERA activities have replaced, repowered, or retrofitted over 60,000 vehicles and equipment to eliminate nearly 16,000 tons of fine particle emissions and almost 500,000 tons of smog forming compounds. Replacing older generations of technology with new more efficient models also saves fuel and reduces greenhouse gas emissions. According to EPA, the program has eliminated 5 million tons of greenhouse gas emissions.⁴

As noted earlier, roughly half of all trucks and buses on the road in the U.S. are of an older generation of technology that do not come with advanced emission controls to meet the most recent near-zero emissions tailpipe standard established by

² <https://www.washingtonpost.com/weather/2020/04/22/washington-dc-air-quality-coronavirus/>

³ https://www.census.gov/library/stories/2019/06/america-keeps-ontrucking.html?utm_campaign=20190607msacos1ccstors&utm_medium=e-mail&utm_source=govdelivery

⁴ 4th Report to Congress: Highlights of the Diesel Emissions Reduction Program". U.S. EPA. 2019. <https://www.epa.gov/sites/production/files/2019-07/documents/420r19005.pdf>

EPA. Expanded funding for the DERA program is an effective tool to encourage vehicle and equipment owners to replace older models with new technologies that meet the most recent near-zero emissions standard.

Much like commercial vehicles, new engines that power the wide variety of off-road equipment must meet stringent tailpipe standards to reduce emissions to near-zero levels including very large applications including locomotives and marine vessels. Research commissioned jointly by the Diesel Technology Forum and the Environmental Defense Fund finds that repowering these much larger engines with new cleaner diesel models can deliver substantial emission reductions. A single locomotive engine replacement generates as much emission reductions as taking 8,000 cars off the road for a year while a single marine vessel engine replacement is like taking 26,000 cars off the road for a year.⁵

These large engine replacement projects deliver substantial emission reduction benefits directly to communities located near ports, railyards, and other freight activities. These communities are often located in environmental justice designated areas and the DERA program has funded many locomotive and marine vessel engine replacements.

Expanded funding for the DERA program can generate substantial clean air benefits by encouraging investment in new cleaner heavy-duty trucks and other key goods movement assets such as marine vessels that are often of an even older generation of technology manufactured before emission controls were ever required. These immediate term benefits would accrue to many environmental justice communities located near ports, railyards and other goods movement facilities.

Support for Multi-Year Surface Transportation Spending Programs

A multi-year reauthorization of surface transportation spending programs may have a beneficial effect on air quality. According to research published by the American Transportation Research institute (ATRI), average speeds by motor carriers across the country during the COVID pandemic more than doubled due to the significant reduction in traffic congestion.⁶ As vehicle miles travel rebound as stay at home orders are eased, we can expect traffic congestion to rebound as well highlighting the need to invest in surface transportation programs to hold on to these air quality gains. Research shows that idling trucks were responsible for the consumption of an additional 6.87 billion gallons of fuel in 2016, resulting in 67.3 million metric tons of excess carbon dioxide (CO₂) emissions.⁷ These are emissions that may not have been generated if surface transportation projects were completed.

Diesel technology is also vital to the completion of many public works projects. Diesel technology powers the large variety of equipment types found at work on these projects. The latest near-zero emissions diesel technology are also available that help reduce emissions for equipment operators and residents in the communities where these projects are located. Much of the diesel powered equipment is manufactured or assembled in facilities across the U.S.

Policy Changes Support Domestic Manufacturing and Employment

Policies that encourage the replacement of older heavy-duty vehicles and equipment with new cleaner models provide needed economic stimulus to domestic manufacturers and employment. Diesel technology is the technology of choice that powers these heavy-duty vehicles and equipment. In 2019, about 1 million heavy-duty diesel engines were manufactured in production facilities in 13 states. The vehicles and equipment they power are also predominantly manufactured in the U.S. as well. According to the Association of Equipment Manufacturers, the production of diesel-powered equipment supports 1.3 million jobs and generates \$158 billion in economic value. In fact, the average wage in the industry exceeds the national average, paying workers about \$78,000 per year.⁸

We appreciate the opportunity to provide these comments concerning the role of diesel technology in underpinning the supply chain during COVID-19 response. As Congress considers stimulus policies designed for economic recovery, there are low-cost strategies to deliver air quality gains while boosting domestic employment and

⁵ "Emission reductions and cost effectiveness for marine and locomotive projects" Ramboll Environ commissioned by Diesel Technology Forum & Environmental Defense Fund, 2018. https://www.dieselforum.org/files/dmfile/Cost-Effectiveness_Memo-Task-1-Final-February-2018.pdf

⁶ <https://truckingresearch.org/2020/03/24/gps-data-shows-critical-truck-deliveries-continue-despite-covid-19-analysis-of-data-finds-unprecedented-performance-year-over-year/>

⁷ <https://truckingresearch.org/2019/03/01/new-atr-research-quantifies-impacts-of-congestion-on-fuel-consumption-and-emissions/>

⁸ "The Market Size and Economic Contributions of the Off-Highway Equipment Industry". Association of Equipment Manufacturers, 2017. <http://www.aem.org/AEM/media/docs/Advocacy/AEM-Economic-Research-Report.pdf>

manufacturing. We urge that you take steps to temporarily suspend the Federal excise tax on truck purchases through 2021 while boosting funding for the Diesel Emission Reduction Act.

Please feel free to contact me with any questions or concerns at (301) 514-9046.
Sincerely,

ALLEN R. SCHAEFFER,
Executive Director.

ALLIANCE FOR AUTOMOTIVE INNOVATION
Washington, DC, June 3, 2020

Hon. ROGER WICKER,
Chairman,
Committee on Commerce, Science, and
Transportation,
United States Senate.

Hon. GREG WALDEN,
Ranking Member,
Committee on Energy and Commerce,
United States House of Representatives.

Dear Chairman Wicker and Ranking Member Walden,

On behalf of the Alliance for Automotive Innovation (Auto Innovators), I appreciate the opportunity to respond to your May 12, 2020, letter regarding the automotive industry's response to the COVID-19 public health crisis. It has been a privilege and honor to witness Auto Innovators members and their employees—along with partners throughout the automotive ecosystem—step forward in this time of national need. Our industry employs roughly 10 million Americans, in addition to those who are employed in the technology and mobility sectors directly. Their actions in support of the frontline workers, healthcare employees and first responders highlight the innovative and can-do spirit of the U.S. automotive industry.

Prior to the COVID-19 pandemic and corresponding public health emergency, the auto industry was focused on the future. Automakers, suppliers, technology companies and others in the automotive ecosystem were investing in and deploying transformative innovations with the potential to revolutionize personal mobility—electrification, automation, connectivity, artificial intelligence, and other foundational technologies. With respect to vehicle electrification alone, the auto industry is expected to invest more than \$250 billion globally by 2023.¹ Fortunately, because of the investment and hard work of our members and their employees, the U.S. has enjoyed a leadership position regarding a number of cutting-edge technological innovations.

However, in a matter of weeks, the COVID-19 public health crisis created unprecedented challenges for the auto industry. Between March and April, the escalating public health crisis brought all major U.S. motor vehicle production to a complete halt. This marked the first time since World War II that all U.S. and North American production was shut down. Retail sales in April dropped nearly 50 percent compared to 2019 sales. The unexpected and simultaneous shock to supply and demand has been profound to the entire automotive ecosystem.

Over the past two months, Auto Innovators members and their employees have demonstrated ingenuity, compassion, and commitment through their contributions to the national response to this public health crisis. In a matter of weeks, motor vehicle manufacturers and suppliers retooled manufacturing facilities to make ventilators, Personal Protective Equipment (PPE) and other supplies desperately needed by those on the front lines of the battle against COVID-19. They have donated—and even modified—vehicles to provide safer transportation options for health care workers and community members. Technology and mobility companies offered automated driving systems to deliver food and supplies to communities in need. Even the seemingly simple gestures required resources, commitment, and creativity.

The diversity and breadth of Auto Innovators' contribution to the Nation's response to the COVID-19 public health crisis can be found in the attached summary of various actions taken by Auto Innovators members. While this list is not comprehensive, it reflects the scale of commitment of our members. Every part of the automotive industry stepped up and contributed to the Nation's response.

The actions of Auto Innovators members reflect the spirit of innovation that pervades the auto industry in the U.S. The realities of this public health crisis, however, cannot be ignored.

The auto industry looks very different today than it did just two months ago. North American production is beginning to restart, but this will take time as em-

¹ https://iwwk-cp.com/wp-content/uploads/2018/07/Automotive-Global-Outlook-2018-European-version_IWK_FINAL.pdf

employees adapt to new health and safety requirements and supply chains regain stability. Vehicle sales have rebounded in recent weeks but remain well below expectations. Most industry forecasts predict a loss of between two million and four million vehicle sales compared to the expected 16.8 million units that were projected at the start of the year. Based on current projections, the U.S. auto sector is not projected to regain the production and sales volumes from 2019 until 2023.

The economic reality of the combined hit to auto production and sales is, in some respects, simple. Although restart efforts are underway, there remains a high degree of uncertainty when it comes to supply chain challenges, consumer confidence and overall economic signals. As automakers, suppliers and others absorb losses related to COVID-19, the industry will have less capital at its disposal to invest in developing the technologies of the future. In this highly competitive, capital-intensive industry, market certainty will become even more critical for maintaining U.S. leadership in automotive innovation in advanced safety technologies, as well as vehicle efficiency and electrification.

As noted in your letter, certain nations have made clear their intention to capitalize on the economic consequences of the public health crisis to establish a dominant role in the auto sector. In the area of automation, specifically, China is openly leveraging this public health crisis to gain prominence in the global race to dominate development of this crucial life-saving technology.² As we have witnessed in other sectors, if nation-state-sponsored companies define the future of innovative technologies, the implications for the Nation's economic and national security will be profound.³

At this time, the auto industry is focused on the health and safety of our employees, stabilizing supply chains and gradually resuming production. These must remain our top priorities as we continue to navigate uncertain market dynamics and challenges from the ongoing public health crisis. As the industry recovers, however, policymakers and the industry must not lose sight of the future.

To provide the market certainty necessary to transform personal mobility in the U.S. and overcome the impacts of the COVID public health emergency, policymakers should consider the following actions:

- Enacting a Federal framework that provides for full-scale testing and deployment of highly automated vehicles on U.S. roadways.
- Preserving the entire 5.9 GHz spectrum for next-generation automotive safety technologies which are in jeopardy due to the pending Federal Communication Commission NPRM that would reallocate a significant portion of the 5.9 GHz band for unlicensed Wi-Fi use.
- Enacting a national data privacy framework that provides consistent protections to consumers across the nation, recognizing that the auto industry has been a leader in balancing data privacy needs.
- Fostering the U.S.-based development and deployment of artificial intelligence that supports vehicle automation and other vehicle-based services.
- Ensuring that export control restrictions do not create unfair and unnecessary limitations on the ability of companies to export automotive technologies developed in the U.S. to markets around the world.
- Promoting U.S. innovation and development of electric vehicle batteries and their raw materials with policies that encourage domestic EV battery production and recycling.⁴
- Enacting policies at the Federal level that support, and grow, a sustainable market for electric vehicles including the buildout of the necessary charging and hydrogen refueling infrastructure.
- Encouraging a holistic approach to decarbonizing the transportation sector by supporting the development, and market adoption, of low-carbon fuels in coordination with the next generation of highly efficient vehicle technologies.

² <https://www.ft.com/content/cdc6f5f4-3eae-44d9-8c59-808bbcfcca02>

³ <https://asia.nikkei.com/Spotlight/Huawei-crackdown/Huawei-steps-up-ambitions-in-self-driving-vehicles-race>

⁴ U.S. reserves for lithium and cobalt is less than 1 percent and 4 percent, respectively, of the global reserves and most of the lithium-ion battery production takes place in China, with U.S. companies only manufacturing about three percent of global production (See e.g. <https://www.usgs.gov/centers/nmic/cobalt-statistics-and-information>, <https://www.usgs.gov/centers/nmic/lithium-statistics-and-information>, Testimony of James Greenberger, Executive Director of NAATBatt International, at Senate EPW Hearing, "Electric Battery Production and Waste: Opportunities and Challenges." July 17, 2019.)

- Encouraging and supporting greater presence and engagement by NHTSA and other Federal agencies in relevant international regulatory proceedings and processes, especially related to electrification and automation.

We find ourselves on the cusp of a transformative moment in the future of the U.S. automotive industry. It will require creativity and commitment -including from members on the Senate Committee on Commerce, Science, and Transportation and House Committee on Energy and Commerce—for the U.S. to retain our Nation’s important leadership role when it comes to automotive innovation. Our association stands ready to work with you and all members of the Committee to help realize this opportunity, both in support of the near-term recovery, as well as the long-term prosperity of the Nation and our manufacturing sector.

Sincerely,

JOHN BOZZELLA,
President & CEO.

Enclosure

COVID-19 RELIEF EFFORTS

June 3, 2020

Table of Contents

Aston Martin
Bosch
BMW Group
Cruise
DENSO
Fiat Chrysler
Ford
General Motors
Honda
Hyundai
Intel
Jaguar Land Rover
KIA
Maserati
Mazda
Mercedes-Benz
Mitsubishi
Nissan
NXP
Panasonic
Porsche
RV Industry Association
Subaru
SiriusXM
Suzuki
Texas Instruments
Toyota
Volkswagen
Volvo

INDIVIDUAL MEMBER ACTIONS

Aston Martin

- (4/24): *Aston Martin Acts To Support Warranty And Service Customers During COVID-19 Lockdowns Worldwide*

Bosch

- (4/22): *Bosch begins producing hand sanitizer and protective face masks*
- (3/28): *Bosch develops rapid test kit for coronavirus*

BMW Group:

- (4/29): *BMW Group contributes computing power to support @foldingathome, Stanford University project simulating protein dynamics to better understand #coronavirus and how to fight it*
- The Central Region and Chicagoland BMW MACO dealers delivered 330 cases of sanitizer and 165 cases of wipes—representing more than 10,000 pounds of supplies—to organizations in need
- Fields BMW (Northfield, Ill.) provided PPE safety supplies to their local fire-rescue department
- BMW of West St. Louis (Manchester, Mo.) donated respirator masks to Saint Louis University and Washington University to protect health care workers
- Patrick BMW (Schaumburg, Ill.) are offering \$1,000 off the purchase or lease of any vehicle in addition to manufacturer incentives for front line workers and providers
- Baron BMW (Kansas City, Kan.) is offering free oil changes on BMW/MINI vehicles for all active duty first responders, law enforcement, firefighters and EMTs
- BMW of Cleveland (Solon, Ohio) is offering discounted oil changes to first responders
- BMW of Ann Arbor (Ann Arbor, Mich.) is offering free towing, vehicle diagnosis and 'team member' pricing on all repairs and maintenance to first responders
- BMW of Champaign (Savoy, Ill.) is offering 25 percent off maintenance services for health care workers
- Kelly BMW (Columbus, Ohio) is offering special discounts on anti-microbial vehicle interior cleaning for frontline healthcare workers and first responders
- BMW of Louisville (Louisville, Ky.) is offering complimentary oil services, car washes and deep sanitization for their vehicle for frontline workers
- BMW of Murrieta (Murrieta, Calif.), East Bay BMW (Pleasanton, Calif.), BMW Seattle and Long Beach BMW (Long Beach, Calif.) are offering free car sanitation services for healthcare workers and first responders
- BMW of Bridgewater (Bridgewater, NJ) donated several cases of gloves to Newark Beth Israel Hospital
- BMW of Schererville (Schererville, Ind.) provided dinner to Franciscan Hospital in Hammond, Ind. and lunch to St. Catherine's hospital in East Chicago
- BMW of North America donates vehicles to World Central Kitchen in New York City in support of its #ChefsforAmerica initiative to deliver fresh meals to those in need
- BMW regional dealerships have donated over 10,000 meals across parts of Florida, Texas, New Jersey, and Georgia
- (4/8): *BMW Group Donates Cars for Hospital Employees Who Would Normally Take Mass Transit*
- (4/8): *BMW to start producing face masks (PPE production)*
- (4/6): *BMW manufacturing in South Carolina donates thousands of masks to South Carolina hospitals and first responders*
- BMW of North America loans vehicles to two non-profit organizations in California, The Greater Sacramento Urban League and The Brotherhood Crusade, for the delivery of food and IT equipment to inner city communities.

Cruise

- (3/31): *Standing with San Francisco During COVID-19* (Monetary donation)
- (3/29): *Cruise partners with local charities to deliver 20,000+ contact-free meals*
- (3/14): *Cruise donates \$300,000 to COVID-19 relief efforts*

DENSO

- (5/20): *DENSO Employees in Michigan and North Carolina Produce Respirator Components to Support COVID-19 Efforts*
- (5/8): *Toyota Dealers Turn Up for Their Communities* (Charitable work, monetary donations)
- (4/23): *DENSO Delivers Face Shields to Detroit-Area Front-Line Workers*
- (4/22): *DENSO Supports and Protects Communities Amid Pandemic* (Monetary donation)
- (4/21): *Discover How GBA Members Are Fighting COVID-19* (PPE donation)

- (4/17): *How DENSO is Fighting COVID-19 in Our Communities* (PPE donation)
- (4/13): *Toyota is the latest brand to outline its battle plan to stem the spread of COVID-19* (PPE Production)
- (4/1): *DENSO produces face shields in Maryville, Tennessee* (video)
- (4/1): *DENSO in Maryville to Produce Thousands of Face Shields for Tennessee Health Care Workers; DENSO Canada Employee 3D-Prints Face Shields at Home*
- (3/31): *DENSO Delivers Technical Support in D-WAVE Project using Quantum Systems to Combat COVID-19* (Quantum computer access for COVID19 researchers)
- (3/29): *DENSO Spirit Spotlight: Britt Autry's Mission to Make Face Shields*
- (3/26): *DENSO to Donate Nearly 2,000 N95 Masks to Hospitals in Michigan, North Carolina*

Fiat Chrysler

- (5/15): *Fiat Chrysler donates 10,000 masks to Macomb County, Michigan*
- (5/14): *Fiat Chrysler donates masks to Boone County, Illinois*
- (5/13): *Fiat Chrysler donates masks to City of Kokomo, Indiana*
- (5/11): *Fiat Chrysler uses global supply chain to source PPE for Beaumont Health System*
- (5/8): *Fiat Chrysler helps local food bank and City of Marysville* (Monetary donation, PPE donation)
- (5/3): *Fiat Chrysler donates 10,000 face shields to patients and providers*
- (4/21): *Fiat Chrysler aids Food Bank Council of Michigan* (Monetary donation)
- (4/11): *What Fiat Chrysler is doing in fight against coronavirus* (PPE donation and donations to food banks)
- (4/2): *FCA Donates 500,000 face masks to Michigan emergency operation centers*
- (4/1): *FCA Announces 'Drive Forward' Initiative, Offering Incentives and Support to Consumers* (consumer relief)
- (3/27): *Fiat Chrysler Automobiles Expands Coronavirus-related Relief Actions; 1 Million Meals for School Children Included in New Programs* (PPE donation and donations to food banks)
- (3/23): *Fiat Chrysler to make face masks for U.S. health-care workers* (PPE donation)

Ford

- (5/6): *Ford and 3M Now Shipping Powered Air-Purifying Respirators to Health Care Workers; New Jersey Orders 500,000 Gowns* (PPE production)
- (4/30): *Ford produces 10 millionth face shield to help protect healthcare workers and first responders across the nation*
- (4/15): *Ford, Wayne State University, Access Coalition Launch First Mobile COVID-19 Testing for Michigan First Responders* (Vehicle donation, volunteering, equipment donation)
- (4/13): *Ford to Produce Respirators, Masks for COVID-19 Protection in Michigan; Scaling Up Production of Gowns, Testing Collection Kits*
- (4/2): *Ford Motor Company Fund Announces Donation Match, New Virtual Opportunities for Employees to Help Fight COVID-19* (Monetary donation, volunteering)
- (3/31): *Ford Donates Vehicles to Help World Central Kitchen Deliver 20,000 Meals a Day*
- (3/30): *Ford mobile units to help health care workers* (remote service)
- (3/30): *Ford to Produce 50,000 Ventilators in Michigan in Next 100 Days; Partnering with GE Healthcare Will Help Coronavirus Patients*
- (3/30): *Doctors advise Ford designers to make COVID-19 safety equipment* (PPE donation)
- (3/24): *Ford Works with 3M, GE, UAW to Speed Production of Respirators for Healthcare Workers, Ventilators for Coronavirus Patients*
- (3/24): *Automakers Step Up to Challenge of Helping in Coronavirus Pandemic* (PPE production)
- (3/19): *Automakers offer to build ventilators as U.S. faces critical shortage*

General Motors

- (5/18) *Returning to the Workplace with Confidence* (Employee health, occupational medicine)
- (5/14) *Chevrolet, Buick, GMC and Cadillac Expand Customer Care Initiatives With the 'CLEAN' Program* (Public health precautions, consumer protections)
- (5/1) *Team GM Taking Global Action Against COVID-19*
- (4/19): *GM Expands Medical Projects and Charitable Deliveries to Hospitals* (PPE production)
- (4/19): *First General Motors-Ventec Critical Care Ventilators Delivered to Chicagoland Hospitals*
- (4/14): *First General Motors-Ventec Critical Care V+Pro Ventilators Ready for Delivery* (Ventilator production)
- (4/14) *Hamilton Medical Announces New Production of Critical Care Ventilators in the U.S.* (Supply chain logistics, expertise donation)
- (4/9): *GM Mobilizes to Support Communities Amid Coronavirus Pandemic* (Monetary donation, PPE production)
- (4/9): *GM to Share Face Mask Production Plans with Michigan Manufacturers Association and Original Equipment Suppliers Association*
- (4/4) *One Million Masks and Counting: A Deeper Look at GM's PPE Production*
- (3/27): *Ventec Life Systems and GM Partner to Mass Produce Critical Care Ventilators in Response to COVID-19 Pandemic*
- (3/19): *Automakers offer to build ventilators as U.S. faces critical shortage*

Honda

- (6/1): *Honda Engineers Use Manufacturing Know-how to Produce 130,000 Face Shields for Frontline Healthcare Workers*
- (5/22): *Honda Makes, Donates 5,000 Face Shields to Dallas Hospital*
- (5/21): *Honda Powersports Dealers Donate PPE to Healthcare Facilities to Help Cope with COVID-19*
- (5/5): *Honda Responds to COVID-19 With Support to Customers, Honda Associates, Business Partners and Local Community Organizations* (Monetary donation, PPE donation, PPE production)
- (5/5): *Detroit-area Residents will be Transported to COVID-19 Testing in Modified Honda Odyssey Minivans*
- (4/30): *Honda Begins Making Vital Ventilator Parts for Dynaflo to Help COVID-19 Patients*
- (4/10): *Honda makes, donates plexiglass face shield for area hospitals*
- (3/30): *Our Pledge to Communities and Customers in Response to COVID-19*

Hyundai

- (4/14): *Hyundai Doubles Support for COVID-19 Drive-Thru Testing Locations Across America*
- (3/27): *Hyundai Opens 11 COVID-19 Drive-Thru Testing Centers*
- (3/26): *Hyundai Hope On Wheels Expands Its Support For COVID-19 Drive-Thru Testing To 11 Children's Hospitals With \$2.2 Million*
- (3/24): *Hyundai Hope On Wheels Donates \$2 Million to Children's Hospitals Throughout the U.S. To Support COVID-19 Drive-Thru Testing Centers*
- (3/23): *Weekly Drive Through Food Pantry Starts at Honda Center*

Intel

- (4/7): *Intel Grants Free Access to Its Intellectual Property to COVID19 Researchers and Scientists*
- (4/7): *Intel Commits \$50 Million With Pandemic Response Technology Initiative to Combat Coronavirus*
- (3/26): *Intel Allocates \$6 Million For Coronavirus Relief, Builds On Previous Efforts*
- (3/26): *Intel Response to COVID-19 Crisis* (Monetary donations)
- (3/23): *Intel Donates More Than 1 Million Protective Items For Healthcare Workers in Coronavirus Fight*

Jaguar Land Rover

- (4/6): *Jaguar Land Rover Announces Steps to Support Customers in Response to COVID-19* (Consumer financial support)
- (3/19): *Automakers offer to build ventilators as U.S. faces critical shortage*

KIA

- (5/20): *Kia Donates Face Shields to Hospital Workers Throughout the Chicago and Detroit Areas*
- (4/23): *Kia Motors Delivers 15,000 Medical Use Face Shields to the Georgia Emergency Management Agency*
- (4/20): *Kia Motors Producing Protective Face Shields at U.S. Manufacturing Plant for Use by Healthcare Workers Across the Country*
- (4/9): *Kia Motors Donates \$1 Million to Aid Homeless Youth During the COVID-19 Pandemic*

Maserati

- (4/26): *NYC soup kitchens are now serving grad students, actors and musicians* (Vehicle and monetary donation)

Mazda

- (4/15): *Mazda Honors Health Care Heroes with New Essential Car Care Program* (Free oil changes and car cleaning services)
- (4/1): *Mazda Financial Services Launches by Offering New Customers Payment Deferral Option* (Consumer financial support)

Mercedes-Benz

- (5/27): *Coronavirus Update and Health System Preparations* (PPE production and donation)
- Mercedes-Benz Vans Charleston: Plant employees in Sprinter vans delivered more than 300 meals and supply kits to South Carolina families in need
- (5/8): *Mercedes-Benz donates over \$500,000 in funds, goods and services for COVID-19 relief efforts*
- (5/7): *Mercedes-Benz donates 2,500 meals, 13 vans to Feeding Northeast Florida*
- (5/1): Mercedes-Benz donates 600 meals per week to organizations such as the Boys and Girls Club of North Florida and Kim's Open Door during the month of May
- (5/1): *Jay Leno, Martha Stewart, Rickie Fowler, Madelaine Petsch and Ludacris to headline first ever Mercedes-Benz Concours de Zoom* (Monetary donation)
- (4/21): *Mercedes-Benz of Baton Rouge donates van to transport doctors to and from hotel, hospital*
- (4/17): *Mercedes-Benz USA is donating 7,000 meals and 9 vans to Atlanta organizations*
- (4/13) Meal Donations to PAWkids Child Enrichment Program: 1,000 meals prepared in the Mercedes-Benz cafeteria per week
- (4/10): *Mercedes-Benz Coronavirus Financial Relief and New Car Incentives*
- (4/6): *Manufacturing masks post on Instagram* (PPE production)
- (3/24): *Mercedes Benz hosts blood drive in company parking lot* (Charitable work)
- (3/19): *Mercedes-Benz, coalition convoy supplies to Salvation Army shelter* (PPE donation)
- Mercedes-Benz to Donate 9,000 N95 Facemasks to Northside Hospitals in Atlanta
- Sprinter Van Donations to MB Stadium: deliver stadium food, prepared at the stadium, to local Atlanta families in need

Mitsubishi

- (4/15): *Mitsubishi Motors brings "Small Batch—Big Impact" nonprofit initiative to Nashville's Community Resource Center* (Vehicle donation)
- (4/10): *Mitsubishi Motors North America, Inc.'s latest customer communication regarding Coronavirus (COVID-19)—April 10, 2020* (Customer financial relief, dealer support and PPE reimbursement)

Nissan

- *Nissan response to Coronavirus Disease 2019 (COVID-19)* (Customer financial relief, PPE donations)
- (4/16): *Local Makers Team Up to Build Ventilators, Seek Volunteers* (Equipment donation)
- (4/1): *Coronavirus Mississippi: Nissan Canton plant making face shields for local health care workers*
- (3/31): *Nissan produces face shields for Middle Tennessee health care workers*

NXP

- *We are NXP*: (PPE and laptop donations)
- (4/23) *NXP Tweet* (Charitable work)

Panasonic

Panasonic has donated over \$500,000 to support efforts to battle the COVID19 pandemic, including:

- \$150K to address the critical food insecurity needs of residents in Newark (where we are headquartered); \$100K to United Way's COVID-19 Response Fund; \$25K Newark Public Schools; and \$25k Community Foodbank of New Jersey
- 70 Toughbook Laptops to New Jersey Public Schools
- Nearly 700 baby monitors and laptop devices to New Jersey and California hospitals to allow patients to communicate with hospital staff and relatives
- \$15,000 annual grant to the Fayette Care Clinic (Georgia)
- Panasonic joined the Michael Phelps Foundation to support \$100,000 in grants to the Boys & Girls Clubs for when they re-open after the virus
- Panasonic Automotive is supporting automakers efforts on ventilators with back-up battery cells
- Employees across the company have utilized open source 3-D printing to produce hundreds of critical PPE, including face masks and face shields for health care workers and first responders in their communities
- (4/24): *Panasonic Foundation Tweet* (PPE donation)
- (4/23): *Panasonic Foundation Tweet* (Monetary donation)

Porsche

- (4/23): *\$1 Million Benefit for United Way COVID-19 Relief* (Monetary donation)
- (4/10): *Porsche and RM Sotheby's to Auction Last 911 (991) to enter and pass down the serial production line for Charitable COVID-19 Fundraiser*

RV Industry Association

- (5/6): *Arterra Distribution Donates 1,000 KN95 Masks To Local Healthcare Workers*
- (4/28): *Medical Staff Find Housing In Donated RVs In Coronavirus Pandemic*
- (4/29): *SylvanSport Founder Shares Personal Motivation For Making PPEs For First Responders*
- (4/23): *Cummins Partners With 3M To Create Filters For Powered Air Purifying Respirators*
- (4/23): *RV Donated To South Bend Clinic By Gulf Stream Coach* (Vehicle donation)
- (4/21): *Hospital Receives \$10K Donation For New Ventilator From Trim-Lok*
- (4/23) *Cummins Partners With 3M To Create Filters For Powered Air Purifying Respirators*
- (4/23) *RV Donated To South Bend Clinic By Gulf Stream Coach* (Vehicle donation)
- (4/21) *Hospital Receives \$10K Donation For New Ventilator From Trim-Lok* (Monetary donation)
- (4/20) *Thetford Reaches Neighboring Communities In Need During COVID-19 Crisis* (Hand sanitizer container donation)
- (4/20): *Thetford Reaches Neighboring Communities In Need During COVID-19 Crisis* (Hand sanitizer container donation)
- (4/15): *Kirby Auto Group Assists Local Health Community With Fleet Of RVs* (Vehicle donation)

- (4/13): *Vomela Specialty Company Produces Face Shields In Response To COVID-19*
- (4/6): *Life Industries Corporation Increases Production Of Sanitizing Solution During COVID-19 Crisis*
- (4/5): *Donated RV Used For Social Distancing For Beloit Firefighters* (Vehicle donation)
- (4/3): *Xtreme Outdoors Donates Masks To New York Facility*
- (4/1): *Grand Design Gives 1,000 Masks To Beacon Health*
- (3/31): *Lance Camper Donates Personal Protection Equipment*
- (3/31): *Winnebago Manufactures Medical Masks For Healthcare Workers*
- (3/31): *THOR Industries Donates Personal Protective Equipment*
- (3/31): *Lippert Components Manufacturing Medical Supplies*
- (3/31): *Heartland RV Donates Critical Supplies To Beacon Health System*
- (3/31): *SylvanSport Manufactures Personal Protective Equipment*
- (3/31): *Jayco Donates Toy Haulers To Mobile COVID-19 Clinics* (Vehicle donation)
- (3/27): *Trailer Valet Offers Product To Meet RV Industry's Commitment During the COVID-19 Crisis* (Equipment donation)

Subaru

- (4/16): *Subaru of America partners with Feeding America to help provide 50 million meals to help fight effects of Covid-19 pandemic*
- (3/24): *Automakers Step Up to Challenge of Helping in Coronavirus Pandemic* (PPE donation)
- (3/31): *Working Together: Subaru of Indiana donates supplies to Lafayette fire-fighters* (PPE donation)

SiriusXM

- (4/29) *SiriusXM extends free access to the SiriusXM app through May 31*
- (4/10) *MusiCares' Coronavirus Relief Fund Passes \$10 Million in Donations* (Monetary donation)
- (3/31) *SiriusXM offers free access to the SiriusXM app as coronavirus pandemic continue*
- (3/24) *SiriusXM joins MusiCares and The Recording Academy in support of the COVID-19 Relief Fund* (Monetary donation)
- (3/6) *SiriusXM, in conjunction with NYU Langone Health, launches a special 24/7 channel dedicated to providing the public with the latest information on coronavirus*

Suzuki

- (5/13) *Suzuki has implemented home (or office) delivery support efforts and has extended incentives for first responder purchases*

Texas Instruments

- *TI's response to COVID-19* (Monetary donations, PPE production)
- (5/12): *Helping our customers in the fight against COVID-19 is personal for TIers* (Medical technology development)
- (5/8): *TI's Response to COVID-19: We Are Here for You* (Software donations, virtual teacher support)
- (5/5) *Software, supplies and support: How we are caring for our communities during COVID-19* (Donations, volunteering)
- (5/4) *Texas Instruments Foundation donates millions to United Way of Metropolitan Dallas*
- (4/16) *Kimberly-Clark Foundation and the Falk Family Donate \$1M to United Way Covid-19 Fund* (Monetary donation)
- (4/15) *Texas Instruments Tweet* (Charitable work)

Toyota

- (5/11): *Toyota donates vehicles and funds to address critical mobility needs in Washtenaw county and support COVID-19 local relief efforts*
- (5/5): *Toyota USA Foundation builds upon company's ongoing COVID-19 relief efforts*

- (4/22): *How Toyota Financial Services is Tackling COVID-19* (Customer financial support)
- *Toyota's response to COVID-19: Monetary and In-kind Donations* (monetary and in-kind donations)
- (4/22): *Toyota Kentucky mass producing face shields for COVID-19 response*
- (4/17): *Toyota helping during COVID-19 pandemic* (PPE production)
- (4/17): *Toyota Innovation TILTS With COVID-19* (PPE donation)
- (3/30): *Toyota Tackles the COVID-19 Crisis With Money, Manufacturing, and Customer Support*
- (3/27): *Toyota Shifts Factories to Face Shields, Will Help Device Makers*
- (3/27): *We Are Here For You! Toyota's Response to the COVID-19 Crisis* (PPE production)
- (3/25): *Toyota Dealership Provides School Lunches for Alabama Communities Amid COVID-19*
- (3/24): *Toyota Donates \$500,000 To The United Way For COVID-19 Emergency Relief Needs*

Volkswagen

- (5/27): *How the Volkswagen Group's worldwide logistics teams help fight COVID-19* (PPE production, logistics support)
- (5/13): *Audi extends warranty coverage*
- (4/13): *The Volkswagen Community-Driven Promise* (Vehicle donation and customer financial support)
- (4/16): *Volkswagen drives bigger to fight the COVID-19 outbreak* (PPE donation, customer financial support, vehicle donation)
- (4/13): *Volkswagen to aid U.S. dealers supporting coronavirus relief efforts* (charitable work and vehicle donation)
- (4/3): *Volkswagen and Faurecia Delivering Personal Protective Equipment to New York City Javits Center and Area Hospitals*

Volvo

- *Protecting those who protect us* (PPE production, vehicle donation)
- (4/17): *Volvo Tweet* (PPE production)
- (4/15): *A message from Volvo Cars Corporate Communications* (Vehicle donation)

NATIONAL ASSOCIATION OF MANUFACTURERS
Washington, DC, June 3, 2020

Hon. ROGER WICKER,
Chairman,
Committee on Commerce, Science, and
Transportation,
United States Senate,
Washington, DC.

Hon. MARIA CANTWELL,
Ranking Member,
Committee on Commerce, Science, and
Transportation,
United States Senate,
Washington, DC.

Dear Chairman Wicker and Ranking Member Cantwell:

During the COVID-19 pandemic, manufacturers in America continue operating while doing everything possible to ensure the health and safety of millions of employees, their families and their communities. The country is depending on the many products we make—from equipment and vehicles needed for our Nation's first responders to items that may not seem critical but are integral to the supply chain and necessary during these uncertain times. Manufacturers' ongoing response efforts depend on our Nation's infrastructure system, and bold action to invest in and modernize our infrastructure can advance the next steps of recovery and renewal.

The National Association of Manufacturers appreciates the committee's focus on the impact of COVID-19 on surface transportation and the supply chain with the hearing on "The State of Transportation and Critical Infrastructure: Examining the Impact of the COVID-19 Pandemic." Transportation and logistics partners across the manufacturing supply chain went into overdrive to provide our sector with the capabilities to meet the immediate challenges posed by COVID-19. These partners enabled industry's efforts to increase production, retool supply chains and adapt to quickly evolving circumstances to get critical supplies to the parts of the country that needed them most.

As we begin to enter the next phases of the COVID-19 era, the consequences and serious risks of our aging infrastructure system that existed prior to COVID-19 remain. We have continued to depend on the 20th-century investments of the last generation, and manufacturers' ability to compete and grow requires 21st-century infrastructure that is second to none. Infrastructure investment today is only one-third of what it was in 1960 in terms of percent of GDP. Continued underinvestment in infrastructure is a challenge for manufacturers' productivity, as we advance to rely on complex supply chains and just-in-time principles where parts are ordered, made and delivered, sometimes within hours.

The NAM's "*Building to Win*" plan is our infrastructure blueprint. It calls for bipartisan action to deliver modern transportation, energy, broadband and water infrastructure to meet the demands of today's economy. In "*Building to Win*," manufacturers outline bold Federal solutions and offer multiple funding options. We first shared this plan with you in 2016, and we released an updated version of this plan last year to guide the ongoing infrastructure discussion debates and actions.

The NAM's recent "*American Renewal Action Plan*" is our policy guide for the Nation's response, recovery and renewal as we continue to fight the COVID-19 pandemic, and it incorporates our longtime call for infrastructure action from Congress. For long-term renewal, the plan calls for bold actions that set the stage for long-term growth, including historic investment in our Nation's infrastructure. The plan states:

Even before the crisis, America desperately needed bold infrastructure investment. Now, building a 21st-century infrastructure system will not only provide urgently needed jobs but also lay the foundation for a more competitive economy: Congress should approve historic investment of at least \$1 trillion in our nation's infrastructure that aligns with the NAM's "Building to Win" blueprint, which calls for upgrades to our transportation, water, energy and digital infrastructure systems.

A targeted, substantial investment in modernizing our Nation's infrastructure would create jobs, boost economic growth, save lives and help secure America's mantle of economic leadership in the world. We look forward to working with this committee to advance infrastructure measures that meet these shared goals and best position the next generation of manufacturers and communities.


Sincerely,


ROBYN BOERSTLING,
Vice President,
Infrastructure, Innovation and Human Resources Policy.


BUILT FOR AMERICA

BUILT *Ford* PROUD

The auto industry is the backbone of America's economy. Auto manufacturers, dealers and suppliers account for 6 percent of gross domestic product in the U.S. More than 7 million jobs are dependent on America's auto ecosystem. Ford invested more than \$5 billion in U.S. research and development last year and is:

 **#1** in U.S. hourly auto worker employment, at approximately 56,000

 **#1** in vehicles assembled and sold in the U.S., approximately 492,000 ahead of the next-highest producing automaker last year

 **#1** in vehicles exported from the U.S.

From WWII to the polio crisis, Ford has a long history of stepping up in times of need. Thanks to our talented engineers and dedicated UAW workforce, Ford is now manufacturing face shields, face masks, surgical gowns, powered air-purifying respirators and ventilators to help fight the COVID-19 crisis.



Model A-E Ventilators

50,000
by mid-July

Ford Rawsonville Components Plant
Ypsilanti, Michigan



Face Shields

17.5+ million
to date

Ford's Troy Design & Manufacturing
Plymouth, Michigan



Powered Air Purifying Respirators

32,000+
to date

Ford's Vreeland Road facility
Flat Rock, Michigan



Face Masks

18+ million
to date

Ford Van Dyke Transmission Plant
Sterling Heights, Michigan



Reusable Medical Gowns

1+ million
to date

Supplier Sites



INTELLIGENT TRANSPORTATION SOCIETY OF AMERICA
June 3, 2020

Hon. ROGER WICKER,
Chairman,
Commerce, Science, and Transportation
Committee,
United States Senate,
Washington, DC.

Hon. MARIA CANTWELL,
Ranking Member,
Commerce, Science, and Transportation
Committee,
United States Senate
Washington, DC.

Dear Chairman Wicker and Ranking Member Cantwell:

In anticipation of the Committee on Commerce, Science, and Transportation's hearing today entitled "The State of Transportation and Critical Infrastructure: Ex-

aming the Impact of the COVID-19 Pandemic,” the Intelligent Transportation Society of America (ITS America) writes to emphasize that in this unprecedented time, transportation technologies that address congestion, safety, and touchless transportation are being deployed in new and unforeseen ways to slow the spread of COVID-19, reinforce logistics and supply chains, and improve system performance as the American economy begins to reopen. As a result, ITS America supports policies in the reauthorization of the Fixing America’s Surface Transportation (FAST) Act and a potential infrastructure bill that significantly increase investments in research, development, and deployment of technologies to make our transportation system safer and more resilient.

We also know that more assistance is urgently needed to ensure that state, city, and county departments of transportation, transit agencies, and public tolling authorities can keep the Nation’s transportation systems moving safely, especially as the country begins to reopen from the coronavirus pandemic without a vaccine but with a focus on protecting public health. With that in mind, we urge Congress and the Administration to provide flexible funding to offset the revenue losses at state and local departments of transportation, transit agencies, and public tolling authorities. State and local governments also require flexible Federal funding to deploy life-saving technologies that better protect pedestrians and cyclists and accelerate the deployment of biking, scootering, and walking infrastructure as communities pedestrianize streets to make it easier for people to get around while socially distancing.

We know that we cannot simply return to the transportation priorities that preceded the pandemic. COVID-19 has impacted every sector of the transportation industry. The ability of states and cities to revive their battered economies will depend on a safe transportation system. With this in mind, we urge Congress to provide states, cities, counties, transit agencies, and public authorities flexibility with Federal funds to deploy technology to stop the spread of COVID-19, including funding for contactless payment systems and technologies that protect transit workers and passengers and Mobility on Demand services and programs such as micromobility, ridesourcing, and microtransit to connect vulnerable communities to health care and work. States and local governments have seen reductions in greenhouse gases during the stay at home orders, which will result in better health and environmental outcomes. ITS America urges Congress and the Administration to help states and local governments maintain lower greenhouse gases by providing investments to support vehicle electrification, including vehicle infrastructure, e-cargo cycling, and micromobility.

The following are a few examples of how our members are deploying safety, congestion mitigation, and touchless transportation technology as the country moves from the public health emergency to the reopening of the Nation’s economy.

Safety Technologies

The *Port Authority of New York and New Jersey* hopes to pilot a technology originally designed for reducing Hospital Acquired Infections. Using ultraviolet light, the device creates hydrogen peroxide out of the surrounding air, which then seeks and destroys microbes in the air and on surfaces. The technology developers claim a 99.96 percent kill rate. It is an equipment-only solution (no chemicals required), so it is appealing from an ease-of-use perspective.

Cubic GRIDSMART can perform unique, advanced functionality to protect vulnerable road users, including bicyclists and pedestrians. GRIDSMART’s enhanced features can detect bicyclists in the middle of intersections as well as pedestrians in crosswalks. This detection capability can be used to retime traffic signals “on the fly” to minimize conflicts with vulnerable users and allow extended clearance intervals for these users to exit intersections.

PrePass Safety Alliance’s weigh station bypass and electronic tolling systems allow trucks delivering essential supplies to safely bypass inspection, weigh station, and toll facilities at highway speeds. PrePass technology helps keep drivers and toll facility and state agency personnel safe by reducing the need for person-to-person interaction. Qualified carriers equipped with PrePass RFID transponders or cellular connected devices are precleared for bypass and toll payments are processed electronically, keeping trucks on the road and on time. PrePass driver safety ALERTS™ also keep drivers informed of rest area closures, helping them find a safe place to rest during extended driving hours.

BLYNC SY traffic sensor technology has been adapted to provide contact tracing at universities and government buildings with the ability to cover 98 percent of people in those facilities and can be operational within a week.

Congestion Mitigation Technologies

The *Regional Transportation Commission (RTC) of Southern Nevada* is using predictive analytics to improve safety and efficiency on freeways, including key freight corridors and major arterials, by compiling and analyzing data to report in real-time the location of accidents and predict where dangerous driving conditions or congestion may occur. This technology enables faster validation and response to roadway incidents as well as more efficient use of resources to proactively deploy traffic patrols and abatement efforts with the goal of preventing incidents. Using historic and real-time data from freeway sensors, connected vehicles, and other sources, predictive analytics helps anticipate where congestion hot spots are likely to occur up to two hours in advance. More importantly, a tangential benefit has been RTC's ability to recognize and respond to incidents up to 12 minutes faster than before.

Iteris is helping states and cities monitor speed, volume, delay, and congestion experienced by travelers of all modes as they navigate the impacts of the pandemic on mobility and safety on roadways. *ClearGuide™* helps make the best traffic operations and planning decisions in an intuitive and easy-to-use interface. The technology analyzes large amounts of complex transportation data to produce real-time and historical visualizations that help identify problem areas before traffic congestion worsens.

Cubic Transportation Systems' SynchroGreen is an adaptive signal control component of Trafficware's ATMS platform, a field-proven software solution that reduces motorist travel time, delays, and stops. Used in states like Texas and Florida, this technology continuously assesses both current and predictive traffic trends for all phases of intersection movements within a traffic network, determining the optimal signal settings. It allocates time for each vehicle and pedestrian phase in real time as well as accommodates roadway incidents and events on-the-fly, adjusting signal timing as necessary to restore smooth traffic flows.

Touchless Technologies

Due to the recent COVID-19 pandemic, and in an effort to keep the *Michigan Department of Transportation (MDOT)* Transportation Operations Center (TOC) staff and public safe, two of MDOT's largest TOC's—the Statewide TOC (STOC) in Lansing and the Southeast Michigan TOC (SEMTOC) in Detroit—moved to a virtual setup, with decisions being made and implemented within 48 hours at the beginning of April and the end of March, respectively. While there were early challenges, MDOT was able to maintain all TOC service with little to no impact because much of the planning for transitioning to virtual TOC's was done well in advance of the pandemic. MDOT's ATMS system, which allows MDOT to run all of its TOC's and ITS devices, is web-based and allows users to remotely login into the state's network through a VPN. This allows TOC's to be flexible by assisting one another during peak traffic periods or allows TOC's to temporarily relocate due to unforeseen events. In addition, MDOT has been testing laptops for operational purposes to replace aging desktops and allow for more mobile operations, which gives both TOC's enough computers for each operator. MDOT also has a large supply of Freeway Courtesy Patrol Radios, which equips each operator with his/her own radio in the field and saves time. Communication among TOC staff was a primary concern early on, but the use of Microsoft Teams quickly mitigated these concerns.

While the Committee on Commerce, Science, and Transportation does not have jurisdiction of transit programs, we want to highlight two examples of how ITS America members are using touchless technology to protect both riders and employees.

The *Central Ohio Transit Authority (COTA)* is and will be implementing a wide range of technologies to protect its riders and employees. These technologies include a contactless payment system, driver safety barriers, employee temperature screening, state-of-the-art disinfecting techniques, and new on-demand routing schemes. COTA will continue to explore other emerging technologies that support safe and secure transit.

In May 2019, *Uber* launched its first mobile ticketing collaboration with Denver's Regional Transportation District (RTD) and expanded in January 2020 to Las Vegas' Regional Transportation Commission (RTC). With the tap of a few buttons, transit riders in these two cities can plan end-to-end journeys and pay for their bus or train ride in the Uber app on their mobile device. This technology allows riders to quickly purchase fares without needing to handle cash, have exact change, or use a separate fare vending machine, which results in a more seamless and convenient transit ride with zero public touch points.

As the trade association representing stakeholders across the transportation sector, including state, city, and county departments of transportation, metropolitan planning organizations, automotive manufacturers and suppliers, technology compa-

nies, engineering firms, and research universities, ITS America expresses our strong support for the actions taken by Congress and the Administration to minimize the impact of COVID-19 on the American economy, the transportation system, the traveling public, and transportation workers, and their families.

Sincerely,

SHAILEN BHATT,
President and CEO,

The Intelligent Transportation Society of America.

cc:

The Honorable Marsha Blackburn (R-TN)
The Honorable Roy Blunt (R-MO)
The Honorable Shelley Moore Capito (R-WV)
The Honorable Deb Fischer (R-NE)
The Honorable Cory Gardner (R-CO)
The Honorable Ron Johnson (R-WI)
The Honorable Mike Lee (R-UT)
The Honorable Jerry Moran (R-KS)
The Honorable Rick Scott (R-FL)
The Honorable Dan Sullivan (R-AK)
The Honorable John Thune (R-SD)
The Honorable Todd Young (R-IN)
The Honorable Tammy Baldwin (D-WI)
The Honorable Richard Blumenthal (D-CT)
The Honorable Tammy Duckworth (D-IL)
The Honorable Amy Klobuchar (D-MN)
The Honorable Ed Markey (D-MA)
The Honorable Gary Peters (D-MI)
The Honorable Jacky Rosen (D-NV)
The Honorable Brian Schatz (D-HI)
The Honorable Kyrsten Sinema (D-AZ)
The Honorable Jon Tester (D-MT)
The Honorable Tom Udall (D-NM)
Ron Thaniel, Vice President of Legislative Affairs, ITS America, rthaniel@itsa.org

MOTOR & EQUIPMENT MANUFACTURERS ASSOCIATION
Washington, DC, June 3, 2020

Hon. ROGER WICKER,
Chairman,
Committee on Commerce, Science, and
Transportation,
U.S. Senate,
Washington, DC.

Hon. MARIA CANTWELL,
Ranking Member,
Committee on Commerce, Science, and
Transportation,
U.S. Senate,
Washington, DC.

RE: Letter for the Record—"The State of Transportation and Critical Infrastructure:
Examining the Impact of the COVID-19 Pandemic"

Dear Chairman Wicker and Ranking Member Cantwell:

The Motor & Equipment Manufacturers Association (MEMA) is the leading trade association representing U.S. motor vehicle parts suppliers. These companies manufacture and remanufacture components, technologies, and systems for use in passenger vehicles and heavy trucks. In total, vehicle parts manufacturers represent the largest sector of manufacturing jobs in the United States, directly employing over 871,000 Americans in all 50 states and generating 2.4 percent of U.S. GDP.¹ On behalf of this industry, I respectfully submit this letter for the record to the Committee summarizing the state of the motor vehicle supplier industry and the impact of COVID-19.

MEMA applauds your leadership in holding this hearing. Motor vehicle parts suppliers have been dramatically impacted by the COVID-19 global pandemic. With over 1,000 company members with facilities in all 50 states, MEMA represents sup-

¹MEMA represents its members through four divisions: Automotive Aftermarket Suppliers Association (AASA); Heavy Duty Manufacturers Association (HDMA); MERA, The Association for Sustainable Manufacturing, and Original Equipment Suppliers Association (OESA). Suppliers are the largest employers of manufacturing jobs in the United States, directly employing over 871,000 workers with a total employment impact of 4.2 million jobs.

pliers who support the economies in communities across the nation, and the impact of the pandemic on our industry resonates throughout the country.

The supplier industry is interdependent, making it impossible to separate the economic success of a supplier from its customer, whether that customer is a passenger car manufacturer, a truck manufacturer, or aftermarket distributor, or retailer. In addition to this economic interdependence, the industry is also made up of a complex supply chain, with each tier critically important to the industry's ability to manufacture vehicles. Past disruptions to the supply chain, whether a result of a factory fire or natural disaster, for example, have led to temporary closures of supplier facilities and vehicle assembly plants. These closures demonstrate the integration within the industry and the potential domino effect of even a few suppliers facing insolvency.

At the same time, this industry is facing a time of new, dynamic technical advances, such as advanced driver-assistance systems (ADAS), automated vehicle technologies, advanced fuel efficiency technologies, and cybersecurity measures to protect motorists. The supplier industry in the United States has been a leader in developing and testing technologies that meet these important demands. Since suppliers are responsible for two-thirds of the value of a new vehicle, the deployment and commercialization of these technologies are dependent on the health of the supplier industry. Continuing to provide the U.S. consumer with increasingly cleaner, safer vehicles will require extensive, long-term financial commitments from the entire industry. If the supplier industry falters or fails, the entire automotive industry will suffer, ultimately harming the competitiveness of the U.S. automotive industry.

As the country slowly and safely begins reopening, MEMA welcomes the opportunity to share with the Committee the needs of the supplier industry and the challenges currently faced by our member companies.

I. Supplier Response to Immediate Needs to Address Health Crisis

In many ways, motor vehicle parts manufacturers are solution providers. Typically, these companies seek solutions to challenges, such as vehicle safety, repair needs, or emissions. During the COVID-19 pandemic, suppliers were able to quickly pivot normal operations to manufacturing critically needed supplies. These efforts have been focused on addressing the immediate medical and public health crisis facing the U.S. Suppliers and their employees used their skills, know-how, and compassion to assist in a time of need.

Companies all over the country are taking part in the response effort. For example, many suppliers have used 3D printing technology and other manufacturing processes to make plastic face masks and shields. Other companies have manufactured plexiglass patient enclosures. These shields, masks, and enclosures have been donated to hospitals and clinics, protecting front line workers who are treating and testing patients. Companies have also created open-source plans for 3D-printed and injection molded face shields.

Suppliers have significant purchasing power, the ability to manufacture in large quantities, and expertise in efficient, lean manufacturing practices. In many instances, companies are able to leverage their talents to assist medical device manufacturers improve efficiency to meet increased demand on large production lines that have not experienced this type of demand previously.

Companies with expertise in chemical manufacturing have been able to produce hand sanitizer and disinfectant for employee and facility use as well as providing supplies to local hospitals. Similar companies with skills in packaging have aided in limiting packaging shortages, ensuring that these products remain available for medical and personal use.

Logistics experts and member companies with purchasing expertise and shipping capabilities have been able to leverage those skills to assist in acquiring and delivering critical medical equipment, PPE, and other necessary supplies to areas of the country hit hardest by the virus. In several instances, these efforts have been coordinated with state agencies.

The independent aftermarket has played a large role in providing timely products for maintenance and repair of emergency vehicles and the personal vehicles of first responders and frontline workers. Aftermarket suppliers have worked with independent repair shops to provide necessary parts for repair and maintenance services to emergency personnel. Suppliers shipping parts and equipment to repair facilities rely on a fleet of essential workers, such as truck drivers and warehouse workers. These combined efforts have ensured that first responders and frontline workers are able to get to their jobs or to patients.

Other suppliers have worked within their communities to help address the economic crisis facing many families and individuals since states began implementing shelter in place orders. These efforts have included donations to charities, food

banks, and food pantries in their communities to help Americans who have lost their jobs.

As a trade association, MEMA's Original Equipment Suppliers Association (OESA) worked closely with the Alliance for Automotive Innovation to create "Health and Safety Resources for Suppliers in a Coronavirus Environment."² These resources were developed and supported collectively by several large tier one suppliers and vehicle manufacturers to help protect the safety of employees and visitors on the premises of supplier facilities as it relates to the coronavirus. Recommended practices in the document include guidance from the Centers for Disease Control and Prevention (CDC), the World Health Organization (WHO), and the Occupational Safety and Health Administration (OSHA).

II. Liquidity and Financial Needs of Industry

Motor vehicle parts manufacturers are the linchpin of U.S. vehicle manufacturing. As vehicle manufacturing shuttered across the United States, motor vehicle suppliers also limited or closed operations. Each supplier represents jobs, financial stability, and the critical bridge for the entire industry. The failure of a single supplier could impact vehicle production throughout the country and the continued viability of the industry, both present and future, depends on the health of the supplier industry.

While there are many large suppliers with operations in the U.S., two-thirds of the industry's employment is generated by small and mid-sized manufacturers.³ These small and mid-sized manufacturers are often U.S.-based, family-owned companies with limited financial resources to meet the growing needs generated by this unforeseen crisis. Without these entities, communities and states throughout the country will lose major employers and contributors to the long-term employment and economic well-being of the entire nation. Furthermore, the financial viability of the entire automotive industry is dependent on these suppliers.

Parts suppliers usually receive payment from auto manufacturers 45 days after the delivery of goods. As you know, auto production has been at a stand-still since late March, with operations only recently re-opening. Most suppliers have not had receivables since early May and will not have new receivables for at least the next six weeks. This leaves suppliers with no access to capital for start-up costs.

Most small and mid-sized manufacturers were not eligible for PPP funding and have been unable to receive financing through traditional means. A recent industry survey indicated that 15-20 percent of the supplier respondents have eight weeks or fewer before declaring insolvency. Private funds will not be available to companies about to become insolvent, creating the need for government guarantees.

As vehicle manufacturing resumes, these suppliers will have little ability to raise capital to pay for wages, raw materials, or other start-up costs, hampering the ability for vehicle manufacturing to return to this country. The current projections for supplier solvency assume a specific level of business recovery. If recovery is delayed or slowed, the number of companies facing financial insolvency will increase significantly.

Auto manufacturing needs a healthy and functioning supply base to efficiently restart manufacturing. Although current programs under the CARES Act have provided critical assistance for the retention of employees, additional funds must be targeted for the purchase of raw materials and other critical costs. MEMA has joined with members of the Michigan delegation in urging the Trump administration to set aside necessary capital from the Main Street Lending Program to create just such a fund. We are anxious to work with all parties to seek this funding. Our continued viability as an industry depends on it.

III. Challenges Presented by Complex North American Supply Chain (Mexico)

The North American supply chain is critical to the current and future success of operations in the United States. Just like the United States, Canada and Mexico have struggled to re-open manufacturing operations. Recently, Mexico declared vehicle manufacturing an essential industry, yet suppliers throughout that country have been unable to receive the necessary government approvals to operate. This limits the ability of U.S. operations to resume production.

MEMA understands the public health issues facing Mexico, and we have been proud to assist in the manufacture of personal protective equipment (PPE) and components and parts for ventilators and other essential medical devices in Mexico and across North America. Through MEMA's Original Equipment Suppliers Association

² <https://www.oesa.org/health-and-safety-resources-suppliers-coronavirus-environment>

³ https://www.mema.org/sites/default/files/MEMA_ImpactBook.pdf

division, (OESA), we have worked directly with automakers to develop recommended health and safety resources for all suppliers. Many of our members have done likewise. These resources are based on CDC guidance and World Health Organization publications and cover fundamental topics of workplace safety: education and communication, prescreening of personnel, social distancing, cleaning and sanitizing protocols, and other necessary steps. The industry continues to work relentlessly to plan for the return of our workforce in Mexico and the safe opening of facilities throughout the country.

We urge this Committee to work closely with the Trump administration to create a North American system that mirrors the CISA Guidance. We believe we must take this opportunity to reflect and act on our current challenges and limit the likelihood of repetition in the future.

IV. Needs for Future Investments (R&D, Reshoring)

The motor vehicle manufacturer and supplier industries are leaders in the research and development of advanced vehicle technologies critical to manufacturing today's vehicles and creating the next generation of vehicles. Suppliers have long worked to develop technologies that improve vehicle performance, safety, and fuel efficiency through a variety of advanced components and systems. In fact, suppliers account for as much as 70 percent of the value of a motor vehicle.

These investments have led to the U.S. continuing to lead the world in advanced vehicle technology manufacturing. The future of these investments is at risk as the economic health and vitality are in turmoil.

Investment in innovation relies on a predictable funding stream. Operating margins within the supplier industry are slim. At the same time, research and development for technologies, such as those necessary for AVs, require significant capital investment. Uncertain or lost income, such as that experienced by suppliers since late March, puts the future of these investments at risk.

We urge the Committee to work with us to find solutions to allow the U.S. to remain a global leader in the development and deployment of advanced vehicle technologies. Federal efforts, such as the creation of a new tax credit or a mechanism to support the onshoring of manufacturing activities, such as moving operations to the U.S., investing in capital equipment, to support the purchase of property or facilities, investing in research and development, and more, will be essential to reestablishing these domestic investments and ensuring continued U.S. innovation.

V. Incentives to Spur Demand

Our future success will depend on production and vehicle sales. While we are not asking Congress to address this at this time, economic stimulus may become necessary in the future. Steps Congress could take include providing the American consumer an incentive to purchase a vehicle. As Congress considers future options, any economic stimulus program must be accessible to all citizens, no matter their economic circumstances. Therefore, any incentive program should not be based on vehicle scrappage or even a vehicle trade-in. In this regard, we would urge Congress to consider providing a scaled incentive to consumers who buy a used vehicle. We look forward to working with the Committee on these issues.

VI. Conclusion

The ability of the U.S. economy to rebound from the impacts of COVID-19 will rely on a number of factors, including the response of the Federal government. Congress has taken significant steps to support the economy since mid-March, including passing the CARES Act. The ability of this country to develop and implement new vehicle technologies is dependent on the success of suppliers.

MEMA welcomes the opportunity to discuss this with the Committee. Should you have questions or concerns, please contact Ann Wilson, senior vice president, government affairs at awilson@mema.org or 202-320-7293 or Catherine Boland, vice president, legislative affairs at cboland@mema.org or 301-509-2791.

Sincerely,

BILL LONG,
President and CEO.

NATIONAL STONE, SAND & GRAVEL ASSOCIATION
Alexandria, VA, June 3, 2020

Hon. ROGER WICKER,
 Chairman of the Senate Committee
 Commerce, Science, and
 Transportation,
 Washington, DC.

Hon. MARIA CANTWELL,
 Ranking Member on the Senate
 Committee Commerce, Science, and
 Transportation,
 Washington, DC.

Dear Chairman Wicker and Ranking Member Cantwell,

On behalf of the over 400-member companies of the National Stone, Sand, & Gravel Association (NSSGA), I welcome the Commerce Committee's hearing today titled *The State of Transportation and Critical Infrastructure: Examining the Impact of the COVID-19 Pandemic*. As you know, a strong and efficient supply chain is necessary for a competitive national economy. Given the recent COVID-19 pandemic and subsequent economic downturn, your committee's focus regarding our national supply chain and critical infrastructure is vital as businesses reopen and resume normal operations.

NSSGA is the leading advocate and resource for the aggregates industry, who provide the critical raw materials found in virtually every surface transportation project, including roads, highways, bridges, runways, pipelines and much more. Our membership represents more than 90 percent of the crushed stone and 70 percent of the sand and gravel produced annually in the United States. Further, aggregate producers are at the beginning of the construction supply chain, and the efficiency that our members can achieve through its supply chain networks has a direct impact on various industries down the supply chain, like contractors, home builders and road pavers.

Because of the nature and weight of materials NSSGA members transport, many in our industry move aggregate products via truck, the most popular mode of freight transportation. While your committee examines relevant policies that advances trucking efficiency and safety, NSSGA supports the recent Federal Motor Carrier Safety Administration (FMCSA)'s new Hours-of-Service (HOS) rule. The HOS rule harmonizes the on-duty operations of long-haul and short-haul truckers from 12 to 14 hours, expands the short-haul exemption from 100 to 150 air miles and broadens the situations covered by "adverse conditions".

While we support FMCSA's new HOS rule, we do encourage Congress to support a clear, uniform HOS exemption for thousands of companies involved in construction. Many construction companies must manage various trucks, raw materials, operations and routes at a single construction site and following compliance protocol is increasingly difficult. Despite FMCSA's recognition and effort to provide certain HOS exemptions for the construction industry, companies continue to have difficulty adhering to certain exemptions for either the vehicles they operate, the materials they transport, the drivers they employ or the routes utilized for a certain jobsite. Currently, FMCSA has granted or has pending HOS requests with multiple construction industry associations, but narrow and individualized requests have resulted in misunderstanding among company management, drivers and law enforcement officials, all of whom must deal with daily compliance despite the variability previously described.

Aside from improving enforcement and ensuring the industry is better educated regarding HOS exemption, a uniform construction HOS exemption would also minimize the operation of highway and road work zones, where workers are exposed to traffic while critical paving and road refurbishment is conducted. A uniform HOS exemption would ensure that road work zones operate more efficiently, allowing a project's schedule to move expeditiously versus the current schedules. Currently, vehicles needed for project completion must wait or adhere to certain HOS rules, even in cases where a truck is only moving a few miles.

I appreciate your committee's leadership on this issue and continued work examining our national supply chain. As you continue to examine these issues and others related to trucking policy, please consider NSSGA as a resource.

Sincerely,

MICHAEL W. JOHNSON,
President and CEO,

National Stone, Sand and Gravel Association.

cc: Members of the Senate Commerce, Science and Transportation Committee

PREPARED STATEMENT OF CATHERINE CHASE, PRESIDENT, ADVOCATES FOR HIGHWAY
AND AUTO SAFETY

Introduction

Advocates for Highway and Auto Safety (Advocates) is a coalition of public health, safety, law enforcement and consumer organizations, insurers and insurance agents that promotes highway and auto safety through the adoption of Federal and state laws, policies and regulations. Advocates is unique both in its board composition and its mission of advancing safer vehicles, safer motorists and road users, and safer infrastructure. We thank the Committee for holding this important hearing and respectfully request that this statement be included in the hearing record.

The carnage and expense borne from crashes on our roadways are unacceptable. Newly released estimates from the United States Department of Transportation (U.S. DOT) show that in 2019, 36,120 people were killed in traffic crashes.¹ This represents a slight decrease from 2018, during which 36,560 people were killed and 2.7 million people were injured in motor vehicle crashes.² Moreover, crashes impose a financial toll of well over \$800 billion in total costs to society and \$242 billion in direct economic costs, equivalent to a “crash tax” of \$784 on every American.³

Fatal truck crashes continue to occur at an alarmingly high rate. In 2018, the number of individuals killed in crashes involving a large truck increased to 4,951. With the exception of 2014, the number of fatalities in crashes involving large trucks has been steadily on the rise since 2003. Since that time, the number of fatalities in large truck crashes has increased by 46 percent. In addition, despite an estimated decrease of approximately one percent in overall crash deaths in 2019, fatal crashes involving large trucks are estimated to have increased once again, the fifth year-to-year increase. Although we are not in ordinary times, our Nation remains dependent on trucking to provide goods and supplies. Advocates continues to be supportive of and grateful for truck drivers’ personal sacrifices and commitment to accomplishing their job safely. Improving the level of safety on the roadways for truck drivers and all motorists sharing the roadways with them must be prioritized. Most certainly, current truck safety regulations should not be further eroded.

The COVID-19 pandemic has brought about unprecedented public health and economic hardship and its effects have been felt by all sectors of society, including transportation. Advocates recognizes the unique challenges this has posed for the automotive and trucking industries and commends their contributions to the relief efforts. While it may be some time before we know the full brunt of the impacts, early reports and data have shown that while overall vehicle miles traveled (VMT) may be down, dangerous behavior like speeding and reckless driving are on the rise. As reported by *The Washington Post* on May 11, 2020 in the article, “The coronavirus pandemic emptied America’s roadways. Now speeders have taken over,” “The trend is very concerning,” said Catherine Chase, president of Advocates for Highway and Auto Safety. “At a time of national crisis, drivers should not be turning our roadways into racetracks.”⁴ A local Mississippi ABC affiliate, WAPT 16, reported on this issue on May 21, 2020 with the story “MHP says extreme speeding has increased across the state.”⁵ Similar reports from Washington State were detailed in an April 18, 2020 article in *The Columbian*, “Officials: Traffic is down, speeding is up in Clark County.”⁶

In fact, the National Safety Council recently reported that in March, the fatality rate was up 14 percent over the same month in 2019.⁷ As states ease stay-at-home restrictions and traffic volumes increase, Congress as well as state and local government policymakers must consider impacts to roadway safety and advance measures designed to keep drivers, occupants, pedestrians, bicyclists and other road users safe. In this statement, Advocates details our recommendations to achieve that objective.

¹National Center for Statistics and Analysis. (2020, May). Early estimate of motor vehicle traffic fatalities for 2019 (Crash•Stats Brief Statistical Summary. Report No. DOT HS 812 946). National Highway Traffic Safety Administration.

²Statistics are from the U.S. Department of Transportation unless otherwise noted.

³“The Economic and Societal Impact of Motor Vehicle Crashes, 2010,” NHTSA (2015).

⁴Luz Lazo, “The coronavirus pandemic emptied America’s roadways. Now speeders have taken over.” *Wash. Post* (May 11, 2020).

⁵Marcus Hunter, MHP says extreme speeding has increased across the state, WAPT News (May 21, 2020).

⁶Jerzy Shedlock, Officials: Traffic is down, speeding is up in Clark County, *The Columbian* (Apr. 18, 2020).

⁷NSC, Motor Vehicle Fatality Rates Jump 14 percent in March Despite Quarantines (May. 20, 2020).

Our Nation is at a Transformational Time in Transportation History with Innovative and Cost-Efficient Safety Solutions Proven to be Effective and Available

Every day on average, over 100 people are killed and nearly 7,500 people are injured in motor vehicle crashes. Yet, proven solutions are currently available that can prevent or mitigate these senseless tragedies. The National Highway Traffic Safety Administration (NHTSA, “Agency”) currently values a life lost in a crash at \$9.6 million. Each one of these preventable deaths not only irreparably harms families and communities, but they also impose significant economic costs on society that can and should be avoided.

Advocates remains optimistic that in the future autonomous vehicles (AVs) may bring about meaningful and lasting reductions in motor vehicle crashes. However, that potential remains far from a near-term certainty or reality. The fact remains that there is no data or documentation proving AV technology as it currently stands improves road safety. In fact, NHTSA released a notice on March 17, 2020 which stated that the safety potential of automated driving systems is “unsubstantiated and the impacts unknown.”⁸ Dr. Missy Cummings, a leading AV expert and director of Duke University Humans and Autonomy Laboratory, noted in a recent article that “[s]elf-driving systems, even with their multiple sensors and software advancements, still cannot reliably work in rain and snow conditions (Zang *et al.*, 2019), during time of low sun angles (Dowling 2019), and often where lines on the road are either non-existent or with faded paint (Sage 2016).”⁹ While endeavoring to improve safety, human driver error cannot be replaced with human coding or computer errors—mistakes that could have widespread and serious consequences.

Therefore, in the short-term Advocates urges Congress to require that advanced technologies proven to be effective in preventing and mitigating crashes be standard equipment with minimum performance standards. Advocates is a long-time proponent of this strategy which has produced numerous safety successes including airbags, electronic stability control, and most recently rearview cameras. In fact, in 2015 NHTSA estimated that since 1960, more than 600,000 lives have been saved by motor vehicle safety technologies.¹⁰ Furthermore, the National Transportation Safety Board (NTSB) has included increasing implementation of collision avoidance technologies in its Most Wanted Lists of Transportation Safety Improvements since 2016.¹¹

Currently available proven collision avoidance systems include automatic emergency braking (AEB), lane departure warning (LDW), blind spot detection (BSD), rear AEB and rear crosstraffic alert. The Insurance Institute for Highway Safety (IIHS) has found that:

- AEB can decrease front-to-rear crashes with injuries by 56 percent;
- LDW can reduce single-vehicle, sideswipe and head-on injury crashes by over 20 percent;
- BSD can diminish injury crashes from lane change by nearly 25 percent;
- Rear AEB can reduce backing crashes by 78 percent when combined with rearview camera and parking sensors; and,
- Rear cross-traffic alert can reduce backing crashes by 22 percent.¹²

These crash avoidance safety systems are often sold as part of an additional, expensive trim package along with other non-safety features, or included as standard equipment only in high end models or vehicles. Just this week, Consumer Reports released a report that found an astounding upcharge of more than \$16,000 for AEB with pedestrian detection in the second most popular vehicle sold in the U.S.¹³ This inordinate charge underscores Advocates’ long-held position that critical vehicle safety technology must be standard equipment and provided to everyone purchasing a new vehicle. Moreover, there are currently no minimum performance standards to ensure these technologies function as expected. And, the IIHS has also found that

⁸ Occupant Protection for Automated Driving, NHTSA, Vol. 85, No. 61, Fed. Reg. March 30, 2020, NPRM, Docket No. NHTSA–2020–0014. Available at: <https://www.govinfo.gov/content/pkg/FR-2020-03-30/pdf/2020-05886.pdf>

⁹ Cummings, M.L., “Rethinking the maturity of artificial intelligence in safety-critical settings,” AI Magazine, in review.

¹⁰ Lives Saved by Vehicle Safety Technologies and Associated Federal Motor Vehicle Safety Standards, 1960 to 2012, DOT HS 812 069 (NHTSA, 2015).

¹¹ NTSB Most Wanted List Archives, https://ntsb.gov/safety/mwl/Pages/mwl_archive.aspx
¹² IIHS, Real world benefits of crash avoidance technologies, available at: <https://www.iihs.org/media/259e5bbdf859-42a7-bd54-3888f7a2d3ef/e9boUQ/Topics/ADVANCED%20DRI>
 VER%20ASSISTANCE/IIHS-real-worldCA-benefits.pdf

¹³ Douglas, E., A High Price on Safety, Consumer Reports (Jun. 1, 2020).

while nighttime visibility is essential for safety, few vehicles are equipped with headlights that perform well.¹⁴ Federal Motor Vehicle Safety Standard (FMVSS) 108 should be upgraded to improve headlight performance.

Unfortunately, directives from Congress are needed to accomplish these needed improvements due to Agency inaction and industry resistance. Voluntary industry agreements have been demonstrated to be ineffective as most recently evidenced by the March 2016 agreement among 20 automakers to have AEBs in most new light vehicles by 2023. As of December 2019, two manufacturers, which account for nearly a third of the U.S. auto market, demonstrate this lackluster response to the detriment of the motoring public. Only 29 percent of General Motors' vehicles and 9.5 percent of Fiat Chrysler vehicles were sold with AEB between September 1, 2018 through August 31, 2019. Similarly, the voluntary agreement announced by industry in September 2019 on technology to prevent hot car deaths of children prolonged the timeline to get this equipment into new cars even though it is available at a very minimal cost now. In fact, General Motors announced it would equip its new cars with technology that "can detect motion as subtle as the breathing of an infant sleeping in a rear-facing child safety seat" in 2001 with the intent to begin rollout in 2004.¹⁵ This voluntary agreement harkens back to that empty promise while children continue to needlessly die. The agreement also failed to include the critical component that the systems must detect and alert to the presence of children who have been unknowingly left in or gained access to hot cars.¹⁶ Moreover, at any time, any or all automakers could decide they no longer want to comply with the agreement without any ramifications, underscoring the importance of Congressional action.

Legislation already has been introduced in the 116th Congress which, if enacted, would achieve the goal of providing lifesaving technologies as standard equipment on new motor vehicles. The Protecting Roadside First Responders Act (S. 2700/H.R. 4871) directs the U.S. DOT to require certain crash avoidance technologies that meet a minimum performance requirement in all new vehicles. We thank Committee Member Senator Tammy Duckworth (D-IL) for her leadership in co-sponsoring this measure and urge the Committee to advance this legislation promptly. Congress should also enact the 21st Century Smart Cars Act (H.R. 6284), the Safe Roads Act of 2019 (H.R. 3773) and the School Bus Safety Act of 2019 (S.2278/H.R. 3959), legislation which would collectively require advanced technologies in new passenger cars, commercial motor vehicles (CMVs) and school buses. Again, we commend Senator Duckworth (D-IL) for sponsoring S. 2278. Additionally, we thank Senator Tom Udall (D-NM) for his career-long dedication to stopping impaired driving and urge the Committee to advance S. 2604, the Reduce Impaired Driving for Everyone (RIDE) Act, introduced with fellow Committee member Senator Rick Scott (R-FL), also a tremendously committed leader to end impaired driving. Lastly, we thank Chairman Wicker and Ranking Member Cantwell for their leadership on the Hot Cars Act (S. 1601/H.R. 3593), which will help prevent child hot cars fatalities. Action by this Committee to require the technologies addressed in these bills will save lives, reduce injuries and contain costs in the near-term.

On the path to AVs, requiring minimum performance standards for these foundational technologies will ensure the safety of all road users while building consumer confidence in the capabilities of crash avoidance technologies.

Industry Calls for Swiftly Moving AV Legislation are Fraught with Baseless Claims and Unfounded Assumptions

AVs, also known as driverless cars, are being developed and tested on public roads without sufficient safeguards to protect both those within the AVs and everyone sharing the roadways with them without express consent. An artificial rush to pass legislation is being fueled by AV manufacturers racing to be the first to market and recoup their substantial investments, already surpassing \$100 billion. Just this week, it was reported that Volkswagen finalized a deal with Ford to invest \$2.6 billion in Argo AI.¹⁷ Proceeding with legislation lacking commonsense minimum standards, protections and regulations will significantly undermine safety as well as risk public acceptance and the ultimate success of these vehicles. Most recently, some proponents of AVs have also been using the COVID-19 pandemic as a justification

¹⁴ IIHS, Headlights improve, but base models leave drivers in the dark (Nov. 29, 2018).

¹⁵ General Motors News Release, "General Motors Announces Important New Technology to Help Save Children Trapped in Hot Cars," (April 26, 2001).

¹⁶ Auto Alliance Driving Innovation and Global Automakers, Helping to Combat Child Heatstroke, Automakers Commit to Introducing New Vehicles with Rear Seat Reminder Systems (Sept. 4, 2019).

¹⁷ Eric D. Lawrence, "VW completes \$2.6B self-driving deal connected with Ford," Detroit Free Press (Jun. 2, 2020).

for rushing a fatally flawed bill, even going as far as pushing it to be included in a future relief package. A group of 80 diverse stakeholders *wrote to Senate and House leadership on April 15, 2020* expressing staunch opposition to this path forward.

Numerous misguided and misleading arguments to fast-track AV legislation in response to the COVID-19 pandemic have been put forth. However, the inside-the-Beltway lobbying effort which is on overdrive should not be allowed to bulldoze well-founded and well-documented concerns including the following.

Public acceptance of AVs is critical to its development and success, but the public remains skeptical.

Several public opinion polls show a high level of skepticism and fear about the technology, and for good reason. For example, earlier this year Advocates commissioned an *independent public opinion poll* from ENGINE INSIGHTS which revealed that 85 percent of respondents said they would be concerned about sharing the road with driverless cars as a motorist, bicyclist or a pedestrian.¹⁸ Notably, 68 percent said their concerns would be allayed if performance requirements were in place. Even a recent industry-sponsored poll showed a majority of people have concerns about AVs that do not have some type of government approval.¹⁹ This is consistent with previous polling including an April 2019 Reuters/Ipsos opinion poll which found that 64 percent of Americans said they would not buy a self-driving car²⁰ and one by the American Automobile Association (AAA) in March 2019 which found that 71 percent of U.S. drivers surveyed would be afraid to ride in a fully self-driving vehicle.²¹ As Congress moves forward with legislation addressing the development and deployment of driverless cars, these critical findings about public attitudes should be informative, illuminating and instructive, and most certainly not ignored.

The National Transportation Safety Board has issued sound and salient recommendations.

They must be used to inform policy decisions.

Several serious crashes involving cars equipped with autonomous technology have already occurred, many of which have been subject to investigation by the NTSB. These investigations have, and will continue to identify safety deficiencies, determine contributing causes, and recommend government and industry actions to prevent future deadly incidents. Advocates urges Congress to heed critical information from our Nation's preeminent crash investigators. Findings from all these investigations should be released and incorporated as applicable into any proposed legislation. The findings are essential to developing sound and safe public policies. As stated by NTSB Chairman Robert Sumwalt during a November 19, 2019, meeting, "our entire purpose for being here is to learn from tragic events like this so that they can be prevented in the future. . . This investigation has the ability to have far reaching implications down the road."²²

During this meeting, the NTSB considered the probable cause of the tragic crash that occurred on March 18, 2018, in Tempe, Arizona, in which Elaine Herzberg was killed by an Uber test vehicle equipped with self-driving features. Among the key issues the NTSB identified was the glaring need for sensible safeguards, protocols and regulations for AVs which are not yet being sold but are being tested on public roads. Some relevant and compelling quotes from the NTSB hearing buttress the views of consumer and safety groups:

The lessons of this crash do not only apply to Uber ATG [Advanced Technologies Group] and they're not limited to just simply something went wrong and now it's fixed. Rather, it's something went wrong and something else might go wrong unless its prevented. . . This crash was not only about Uber ATG test drive in Arizona, this crash was about testing the development of automated driving systems on public roads. Its lessons should be studied by any company testing in any state. If your company tests automated driving systems on public roads, this crash, it was about you. If you use roads where automated driving systems are being tested, this crash, it was about you. And if your work touches

¹⁸ Advocates for Highway and Auto Safety, Engine Insights CARAVAN Survey: Public Concern about Driverless Cars is Strong, and the Support for Performance Requirements is Clear, January 2020.

¹⁹ Partners for Automated Vehicle Education (PAVE), Survey USA Poll, February–March 2020.

²⁰ Americans still don't trust self-driving cars, Reuters/Ipsos poll finds, April 2019.

²¹ AAA Annual Automated Vehicle Survey, March 2019.

²² NTSB Board Meeting: Collision Between Vehicle Controlled by Developmental Automated Driving System and Pedestrian (Nov. 19, 2019).

on automated driving systems at the Federal or state level, guess what, this crash, it was about you.

—NTSB Chairman Robert Sumwalt²³

NHTSA's mission is to save lives, first and foremost, to prevent injuries and to reduce economic costs due to road traffic crashes through education, research, safety standards, which we are lacking here, and enforcement activity but first and foremost it's to save lives . . . In my opinion, they have put technology advancement here before saving lives.

—NTSB Board Member Jennifer Homendy²⁴

The U.S. is not falling behind other countries in development of AVs.

No demonstrable evidence has been put forth to support the fear-inducing claim that the U.S. is falling behind other countries in AV development. Rather, according to KPMG's 2019 *Autonomous Vehicle Readiness Index*, the U.S. is ranked 4th in the world, behind the Netherlands, Singapore, and Norway. China, by comparison is ranked 20th, down from 16th in the index the prior year.²⁵ Other countries are taking a more calculated, careful and cautious approach. For example, in China, AV operations generally remain experimental. In fact it was just recently reported that they have delayed the goal of widespread self-driving deployment to 2025.²⁶ Articles and analyses describing plans by China to lead technology development identify setting standards as key.²⁷ Moreover, no country is selling fully automated vehicles to the public and by many accounts, none will do so for decades.²⁸ Recently, many companies have suspended on-the-road testing due to the COVID-19 outbreak.²⁹ While the U.S. is not behind other countries in developing and deploying AVs, where we do significantly lag other countries is in establishing reasonable and comprehensive safeguards. This is essential to assuring that the progress of AV development to a market ready product occurs without needlessly jeopardizing or diminishing public safety.

Industry leaders confirm that widespread sale and deployment of AV technology are still decades away.

There is an alarming disconnect between the readiness of the technology and the contrived urgency to pass legislation to allow for widespread sale and deployment. Numerous industry executives and technical experts have stated that the technology is not ready now and may not be ready for years to come. Just last week, it was reported that Bloomberg New Energy Finance "doesn't expect vehicles with Level Four automation to start gaining traction until 2034."³⁰ In a March 9, 2020, open letter, Starsky Robotics founder Stefan Seltz-Axmacher shared his observations on the race to driverless vehicles, "There are too many problems with the AV industry to detail here: the professorial pace at which most teams work, the lack of tangible deployment milestones, the open secret that there isn't a robotaxi business model, etc. The biggest, however, is that supervised machine learning doesn't live up to the hype," and "[t]he consensus has become that we're at least 10 years away from self-driving cars."³¹ When even experts with tremendous professional and financial stake acknowledge the shortcomings, challenges and elongated timeline for AV delivery, Congress should be paying heed to this prognosis.

The potential benefits of widespread use of unmanned delivery vehicles are currently unknown. But, the concerns and challenges with unproven self-driving technology lacking safeguards are clearly known.

Removing passengers from an AV does not improve safety for those sharing the road with them, especially vulnerable road users such as bicyclists and pedestrians. In 2018, 6,227 pedestrians were killed on U.S. roads marking the highest number of pedestrian deaths in thirty years. That year, 857 pedalcyclists were also killed; a six percent increase over 2017, according to NHTSA. To date, there has been no

²³ *Id.*

²⁴ *Id.*

²⁵ Autonomous Vehicles Readiness Index, KPMG.

²⁶ Jill Shen, China delays self-driving car deployment goal to 2025, Technode (Feb. 24, 2020).

²⁷ Power is 'up for grabs': Behind China's plan to shape the future of next-generation tech, A. Kharpal, CNBC Markets, Apr. 26, 2020.

²⁸ Lawrence Ulrich, Driverless Still a Long Way From Humanless, N.Y. Times (Jun. 20, 2019); Level 5 possible but "way in the future", says VW-Ford AV boss, Motoring (Jun. 29, 2019).

²⁹ Andrew J. Hawkins, Coronavirus shows there's no such thing as a totally human-free self-driving car (Mar. 18, 2020).

³⁰ Alex Webb, Amazon will take robot cars to a whole new level, The Seattle Times (May 31, 2020).

³¹ Seltz-Axmacher, Stefan, "The End of Starsky Robotics", *Medium*, March 19, 2020. Available here: <https://medium.com/starsky-robotics-blog/the-end-of-starsky-robotics-acb8a6a8a5f5>

evidence that AVs will correctly “see” and respond to these populations. In fact, bicyclists have reported being “clipped” or hit by AVs even with “safety drivers” behind the wheel. Without proper safeguards, it is possible road conditions will worsen, especially if AVs lead to more overall vehicles on the roads.

There are presently no Federal regulations to ensure that driving automation systems of unmanned vehicles in use on our Nation’s roads are safe to operate. The use of vehicles with autonomous driving systems for delivery (food, medical and other critical supplies) during the COVID-19 pandemic has been extremely limited and is occurring with significant human oversight and intervention because these systems are not capable of fully autonomous driving even on roads devoid of most traffic.³² Media reports of unmanned AV operations note that they are occurring at low speeds, yet the risk for serious injury or death for pedestrians and bicyclists is significant. At 23 mph the average risk of serious injury for pedestrians is 25 percent and the risk of death is 10 percent.¹ This risk is elevated for older populations. Use of shared AVs, or possibly even unmanned delivery vehicles, during a pandemic could potentially be a means of transmitting the virus, rather than a panacea, without proper procedures and oversight to ensure vehicles are sanitized between use or delivery.

The disruption to the American economy by the widespread deployment of AVs could be permanent.

AVs are not guaranteed to create the promised amount of new jobs but they certainly have the potential to eliminate many. One thing is certain, if AVs develop to the point that the technology can assume the entire driving task and are deployed widely, driving occupations will be decimated. This will have a painful impact on our economy as driving jobs employ a significant number of American workers. According to the 2018 Census data, more than five million Americans aged 16 and over work as drivers or motor vehicle operators.³³ Policies to ensure that drivers of trucks, buses, taxis and limousines; transit and delivery workers; and, transportation network company (TNC) drivers and others are not economically side-lined in the process of introducing self-driving technology will need to be carefully implemented.

Once proven to be safe, AVs may improve access and mobility for some, but not for all without policy to ensure this is achieved.

While AVs have the potential to improve mobility for people with disabilities, seniors and others, it is imperative that AVs are both accessible and safe for everyone. Simply equipping a traditional vehicle with an automated driving system will do little to improve mobility access for certain members of the disability community. In order for AVs to improve access for all, the needs of all types of users must be incorporated into the design of vehicles and the implementation of services. For example, TNCs, such as Uber and Lyft, were widely touted to hold the promise of improving the mobility of all individuals. However, limitations of the number of vehicles with access for wheelchair users has already resulted in lawsuits by users underserved by these companies.³⁴ Moreover, if an AV transporting a person with limited mobility or a disability is in a crash, sufficient crashworthiness and occupant protection standards must be in place to prevent dangerous or even deadly outcomes.

NHTSA’s recall authority cannot be the stopgap to keep dangerous AVs on the roadways.

NHTSA’s insistence that it will rely on its defect authority to police AV performance is too little, too late after a serious flaw has been identified. This view was recently voiced by the NTSB, which found that the NHTSA’s approach is, “misguided, because it essentially relies on waiting for problems to occur rather than addressing safety issues proactively.” Furthermore, the timeline to issue a recall can be excessively long. For example, the GM ignition switch defect was first identified in 2001 but NHTSA was not notified of the issue until 2014 at which time a recall was then issued. At least 124 people died as a result of the defect. Even still,

³² Autonomous shuttles help transport COVID-19 tests at Mayo Clinic in Florida, Ford, T., Apr. 2, 2020, Mayo Clinic News Network; Cruise redeploys some of its self-driving cars to make food deliveries in San Francisco, Hawkins, A.J., Apr. 29, 2020, The Verge.

³³ United States Census Bureau, 2018 American Community Survey Data, Detailed Occupation For the Civilian Employed, Population 16 Years and Over, Table B24114.

³⁴ Independent Living Resource Center, a Judith Smith, Julie Foller, Sascha Bittner, Tara Ayres, and Community Resources for Independent Living vs Lyft, Available here https://dralegal.org/wp-content/uploads/2019/03/001_P_Complaint_Accessible.pdf

O’Hanlon vs Uber Technologies, Inc. Available here <https://dralegal.org/wp-content/uploads/2019/06/UberPittsburgh-Complaint.docx>

NHTSA remains egregiously under-resourced and under-funded for the myriad of challenges the Agency faces to protect safety on our roadways. Congress should ensure NHTSA has adequate resources, funds, staff and enforcement authority to successfully carry out its statutory mission.

Testing of AVs without compliance with FMVSS is unlimited, and the exemption process already allows for deployment of vehicles not in compliance with FMVSS.

Vehicles for testing purposes are not required to comply with safety standards, and there are no limits on the number of vehicles tested by manufacturers.³⁵ If manufacturers desire an exemption from current FMVSS to pursue their new innovations, a process to request an unlimited number of exemptions is already available in current law.³⁶ In fact at least two companies, Nuro and General Motors, have applied for exemptions, and Nuro's was granted.³⁷ In order to obtain an exemption from existing Federal safety standards, the law requires manufacturers to prove that the vehicle will provide an "equivalent level" of safety.³⁸ The exemption process does not even require that a vehicle be built prior to applying for or receiving the exemption.

Arguments claiming that the exemption process is onerous are unfounded as the testing process allows ample opportunity to solve any problems and ready the concept for "prime time." If a manufacturer is unable to prove that its product can meet this low bar of equivalency even after the opportunity for unlimited testing without compliance with any safety standards, it should not be on the market. While current regulations will need to evolve for AV systems, the process must be accomplished through a careful, considered and transparent approach and not by allowing large and wholesale exemptions for industry without ensuring that the same level of public safety is met. This has been the successful approach used for new vehicle technology. Establishing minimum safety standards will ensure certainty and safety for innovation, production and public sale.

States should not be preempted especially in the absence of Federal regulation.

States have the authority to uphold safety on their roads and Congress should not pass legislation to prohibit meeting this obligation. Governors and Mayors across the country are leading efforts to protect their citizens from COVID-19 and advance safety policies. However, legislation proposed in the last Congress and current draft proposals would prevent states and localities from ensuring the safety of their citizens on their roads even in the absence of Federal regulations. Now more than ever, the critical role of states and localities in protecting the health and safety of its citizens should be recognized and upheld.

Proposals to provide for the safe deployment of AVs have been offered.

In conclusion, Advocates and our safety partners have made detailed and comprehensive recommendations in response to specific AV policies and legislative language. For a complete analysis of legislative proposals to-date, we refer you to our *written testimony* submitted to the Committee for the November 20, 2019 hearing "Highly Automated Vehicles: Federal Perspectives on the Deployment of Safety Technology" as well as our submission in response to the four tranches of staff draft text released.

Upgrades to America's Infrastructure Are Required for the Safe Deployment of AVs

AVs will not be operating in closed environments. In fact, they are already being tested on public roads in Washington D.C., San Francisco and Pittsburgh, among others. According to the University of Florida Transportation Institute, at least 80 companies are currently testing autonomous technology and AVs in the U.S.³⁹ It is therefore critical that our Nation's infrastructure accommodate the safe and successful deployment of AVs. America's crumbling infrastructure poses significant safety and economic concerns. The AV industry has often claimed that the introduction of these vehicles will reduce congestion, improve environmental quality, and advance transportation efficiency.⁴⁰ However, it is possible, if not probable, that the outcome may be the opposite. AVs may bring about so-called "hyper-commuters" who work from their vehicles on long commutes to enable living farther from offices and/or city centers. Likewise, the possibility of empty AVs adding substantial miles on the

³⁵ 49 USC § 30112.

³⁶ 49 USC § 30113.

³⁷ 85 FR 7826 (Feb. 11, 2020); 84 FR 10182 (Mar 19, 2019).

³⁸ *Id.*

³⁹ Brookings Institution, Autonomous cars: Science, technology, and policy (Jul. 25, 2019).

⁴⁰ Self-Driving Coalition For Safe Streets, FAQs.

roads as they re-position autonomously after dropping off riders could undermine many of the benefits claimed.⁴¹

Significant consideration must be given to how AV driving could change wear patterns on roadways. The lower variance of an AV's position within a lane could lead to accelerated wear in lanes, and condensed convoys of automated trucks, commonly known as platooning, could place further strain on roads and bridges. For example, the spacing between automated commercial motor vehicles (ACMVs) in a platoon could have wide-ranging implications. If these large vehicles travel too closely together, their combined weight load could place severe stress on a bridge. In addition, lengthy platoons that consist of many ACMVs could be difficult to pass and affect merging and exiting from roadways. These are just a few of many critical concerns that must be evaluated to consider operational constraints for AVs before further damage is inflicted upon our Nation's roads and bridges.

Taking into account the long-term ramifications, the budgetary constraints, and necessary coordination among a diverse group of interested parties when it comes to infrastructure projects at any level, research is needed now more than ever on the impact of AVs on our roads and public transit systems. Already, TNCs or ride hailing companies have been creating congestion and diverting ridership from transit to single use vehicles in certain cities. The early deployment of AVs has been predicted by some to follow the TNC model but at lower costs as a driver will not need to be compensated. Lessons learned from the growth of TNCs must be applied to the future of AVs. In addition, further research is required to examine the differing infrastructure upgrades that will be needed for urban, suburban and rural regions. More consideration must be given to these complex issues before AVs can be deployed on a large scale.

As Truck Crash Deaths Rise, Policies to Improve Safety for Truck Drivers and All Road Users Languish

The heroic efforts of truck drivers during the COVID-19 pandemic have benefited consumers throughout the country. Congress must make certain that they are protected from contagion as well as from being pushed beyond physical limitations to fulfill their job. While Advocates appreciates and understands the necessity of a short-term suspension of certain policies to allow for the movement of essential goods, including medical supplies and food, these exemptions must be narrowly tailored with appropriate safeguards to protect all road users. Specifically, as exemptions have been sought from hours of service, truck size and weight limits, and licensing requirements, it is paramount that any potential negative consequences to safety are minimized. This can be achieved by: 1) exemptions should be granted for 180 days or the duration of the national emergency declaration, whichever is shorter; 2) exemptions must not be overly broad and instead constructed in a way that clearly delineates goods and services that are essential for direct pandemic response; and, 3) exemptions cannot be used to justify future rollback or repeal of truck safety rules. Any data generated during this time must not be used as the basis for any permanent policy changes. With circumstances on the roads far from normal, any data would be skewed and not indicative of potential ramifications.

While a number of identified and persistent problems are contributing to deaths and injuries resulting from large trucks crashes, unfortunately many of the known solutions and safety advances are pushed aside. Worse yet, certain segments of the industry are relentless in their efforts to roll back, weaken and degrade essential rules and regulations. This deadly and costly trend will only be reversed with proactive action taken by our Nation's leaders.

Congress should require essential safety systems as standard equipment in all new CMVs including automatic emergency braking, speed limiting devices and advanced rear and side underride guards. All these life-saving technologies have proven safety benefits. In addition, to obtain a Commercial Driver's License (CDL), a candidate should be required to undergo uniform adequate training including a minimum number of hours of behind-the-wheel training. Moreover, all data on carrier performance collected by FMCSA's Compliance, Safety, Accountability (CSA) program should be made publicly available. With fatal truck crashes continuing to occur at an alarmingly high rate unhampered by appropriate accountability, there is insufficient incentive for unsafe carriers to improve their operations.

While in the future, fully autonomous technology may offer the promise of significantly reducing crashes involving CMVs, protections and regulations are necessary to ensure it is deployed safely including the presence of a properly-licensed human driver for the foreseeable future. Furthermore, the advent of this technology must

⁴¹Bliss, L., Even Shared Autonomous Vehicles Could Spell Traffic Disaster, Citylab, May 10, 2017.

not be used as a pretext to eviscerate essential safety regulations administered by the Federal Motor Carrier Safety Administration (FMCSA). The public safety protections provided by the Federal Motor Carrier Safety Regulations (FMCSRs) become no less important or applicable simply because a CMV has been equipped with an autonomous driving system (ADS). In fact, additional substantial public safety concerns are presented by autonomous commercial motor vehicles (ACMVs).

If the serious crashes involving passenger motor vehicles equipped with automated systems of varying levels noted above had involved ACMVs, the results could have been even more catastrophic and the death and injury toll could have been much worse. Some of the most pressing safety shortcomings associated with autonomous vehicle technology, which include the ADS properly detecting and reacting to other road users, driver engagement and cybersecurity, are exponentially amplified by the greater mass and force of an ACMV. As such, it is imperative that ACMVs be subject to comprehensive regulations. The development and deployment of these experimental vehicles must also be subject to robust safeguards including sufficient data collection and sharing, performance requirements and enhanced operating authorities, at a minimum.

Any Erosion of Current Truck Safety Protections Should be Rejected

Several policies that would jeopardize safety for truck drivers and those with whom they share the roads have been put forth which Advocates and others staunchly oppose. Our rejection of these proposals, as well as our recommendations for proactive policy proposals, are detailed in the *testimony Advocates submitted* to the Committee for the February 4, 2020 hearing “Keep on Truckin’: Stakeholder Perspectives on Trucking in America.”

Bigger trucks mean bigger problems for safety and infrastructure.

Advocates urges the Committee to oppose any effort to increase or circumvent truck size limits including lengthening double trailer trucks, providing state or industry-based exemptions from safety regulations, or establishing pilot programs which often de facto turn into permanent policy.

Driver fatigue is dangerous and deadly.

The NTSB has repeatedly cited fatigue as a major contributor to truck crashes and included reducing fatigue related crashes in every edition of its Most Wanted List of safety changes since 2016. A barrage of legislative and regulatory proposals also continues to target ELDs and HOS rules. One such proposal was recently finalized despite strong objections from safety advocates, and various entities continue to seek exemptions from the hours of service (HOS) rules with the U.S. DOT.⁴²

“Teen Truckers” pose a major safety threat.

Some segments of the trucking industry are pushing to allow teenagers to operate CMVs in interstate commerce in order to alleviate the alleged “driver shortage” despite a March 2019 U.S. Bureau of Labor Statistics (BLS) analysis finding that “the labor market for truck drivers works about as well as the labor markets for other blue-collar occupations” and “a deeper look [at the truck industry labor market] does not find evidence of a secular shortage.”⁴³ Advocates strongly opposes the “DRIVESafe Act” (S. 569/H.R. 1374) which would severely jeopardize the safety of all road users by putting teenagers, who have higher fatal crash rates, behind the wheel of large trucks in interstate commerce.

Conclusion

As our Nation grapples with the ongoing pandemic and the devastation and uncertainties it has created, we turn to our elected officials to lead us on a path to recovery. This daunting responsibility is also an opportunity to build a safer, stronger country including our transportation network.

Developing AV technology and protecting public safety are not incompatible goals. When this Committee moves forward with AV legislation, we urge you to ensure that the U.S. DOT conducts thorough oversight, issues minimum safety performance standards and requires industry accountability before driverless cars are available in the marketplace and sold to the public.

Similarly, this precarious time in our Nation’s history should not enable the permanent erosion of current truck safety protections. Advocates lauds the heroisms of truck drivers during the COVID-19 pandemic and urges Congress ensure they are

⁴² 85 FR 33396 (Jun. 1, 2020).

⁴³ United States Department of Labor, Bureau of Labor Statistics, Is the U.S. labor market for truck drivers broken? (Mar. 2019).

protected from the disease and from being pushed beyond physical limitations to fulfill their job.

Without question, this is a transformational time in transportation history. Again, we thank the Committee for holding this hearing and look forward to continuing to work together to make vehicles and roadways safer for all.

PREPARED STATEMENT OF AMERICAN BUS ASSOCIATION

Chairman Wicker, Ranking Member Cantwell, and distinguished members of the Senate Commerce Committee, on behalf of the American Bus Association (ABA) thank you for calling today's important hearing. We are submitting testimony for the record on behalf of the motorcoach, tour and travel industries.

The ABA is the oldest, largest, and most respected voice of the motorcoach, tour and travel industries. Our Association represents private motorcoach operators, tour operations and all facets of small businesses supporting the travel industry. Our motorcoach members are a vital component of the national public transportation network, providing intercity scheduled bus service, commuter and shuttle operations, school bus transportation, charter operations, and in some cases contract services for public transit authorities. Collectively, the motorcoach industry provides nearly 600 million passenger trips annually, a statistic on par with the domestic commercial airline industry. As well, ABA membership includes tour operators, destinations, and other tourism-related organizations (including local and regional government partners), along with product and service suppliers, all in support of the travel industry. Collectively, these industries provide nearly two million jobs and create over \$236 billion in economic impact nationwide.

However, faced with the dire situation caused by the Corona Virus Disease 2019 (COVID19) outbreak, collectively, the motorcoach, tour and travel industries are facing an unprecedented downturn. As your Committee reviews the state of transportation and critical infrastructure as a result of COVID-19, and develops further actions necessary to counteract these impacts, the ABA implores you to ensure the motorcoach industry is not forgotten. As Larry Willis, President of the Transportation Trades Department, AFL-CIO noted in his written testimony for this hearing, "The motorcoach industry, which provides critical intercity transportation across the country, has seen nearly 3,000 companies shut down and almost 100,000 employees laid off. We also believe emergency supplemental funding is needed for the motorcoach industry and its heavily impacted workforce."

Not surprisingly, based on our membership of intercity, commuter, and charter motorcoach operators, ABA is at the center of the COVID-19 "storm". With the worldwide outbreak continuing to effect the global economy, the devastating impact on travel and transportation operators cannot be understated. The daily cancellation of trips and gatherings, compounded by the broadly publicized reports warning workers and travelers away from public modes of transportation, is taking a serious toll on our collective industry. Further, as we are an industry dominated by small, U.S. owned entrepreneurial businesses, many of which are multigenerational family businesses, unlike larger corporate interests, our members are not prepared to withstand such a significant economic downturn. The current situation is far worse than the downturn following the tragic events of September 11, 2001. At that time, although fear of travel was a factor, particularly travel by air and to larger urban areas, travel did continue by motorcoaches and to other venues. Timing also was a factor. For example, springtime is the largest travel period for the industry with most much travel being related to student educational and recreational activities. But with the COVID-19 outbreak, spring 2020 will likely go down as the worst travel season on record.

We are hearing daily from our members struggling to survive. In March, as urban centers across the country shut down, along with schools, and travel in general, the motorcoach industry came to a standstill, practically overnight. Travel contracts were cancelled through the summer; offices were closed and workforces converted to teleworking; and school, sporting events, concerts and conventions were all cancelled. An industry comprised of 3,000 companies, with a fleet size of 36,000 vehicles, was forced to lay-off or furlough close to 100,000 employees and idle the entire fleet. For many operators, the spring time period provides close to 50-60 percent of their annual revenue, with the fall time period providing the second financial boost for the year based on school related travel. But not this year. The pandemic has left a successful, independent industry heavily invested in equipment and subject to costly regulatory requirements, completely decimated.

Further, as economies begin to reopen and businesses start to restore or resume normal operations, the motorcoach industry will lag behind, for an extended period

of time. Continuing concerns about the virus and travel by mass transit, directives from the Center for Disease Control calling for on-going social distancing requirements, and restrictions and cancellation of school field trips and extracurricular activities, coupled with increased costs for sanitizing and ensuring the health safety of vehicles, will interfere with any effort for the motorcoach industry to recover. At this point, the industry outlook for recovery is, at best, about 24-months or longer. Also, unlike its counterparts in the air, rail and public transit arena, the motorcoach industry has not received any direct grant assistance to support it through this pandemic crisis.

Yet, when called upon during these troubled times, there have been several “heroic” services provided by motorcoach operators who have managed to continue operations, albeit operating at only 5–15 percent capacity. Motorcoach operators have provided essential service to bring needed nurses and medical staff to numerous medical facilities like the Mayo Clinic, and into New York City, at the height of the outbreak. Last week, motorcoaches conducted an emergency evacuation of a retirement community, moving 150 people in under an hour. In May, motorcoaches were portside, providing service to stranded cruise line passengers on COVID–19 infected ships when they were finally permitted to disembark. Motorcoaches operators have continued to meet the needs of the U.S. Department of Defense, moving military personnel and their equipment. Operators, such as Greyhound instituted a special program to provide travel for responders who left their home town to help out other towns in need of additional support during the outbreak; and Coach USA, who offered buses for medical workers, equipment and supplies. Now, operators are also bracing for what is expected to be a highly active storm season, as motorcoaches are a key component of the Nation’s emergency response capabilities, to move people out of harm’s way.

We appreciate you holding this hearing to discuss the important role of transportation and critical infrastructure during this pandemic to the national economy, and especially want to highlight the critical role motorcoach operations play as part of the national transportation network. As Congress continues to seek ways to assist with the recovery of the national economy and the return to normal operations in the wake of the COVID–19 pandemic, we hope this Committee will engage and develop measures to sustain the motorcoach industry through this unprecedented economic crisis. Specifically, we need Congress to provide dedicated funding for the motorcoach businesses and their employees to ensure the viability of this critical aspect of the national transportation network. Specifically, our industry needs \$10 billion in grants and \$5 billion in longterm, low-interest loans. The historically successful motorcoach industry is not looking for a permanent funding commitment, but a bridge to survive this unprecedented economic crisis. If the industry does not receive help, motorcoaches will no longer be available to connect rural communities to necessary resources, take commuters to necessary jobs, provide what may be the only means of travel for some low or fixed-income citizens, assist when the next hurricane hits and people need evacuation, or support the military with troop and equipment movements. Time is critical, and ABA stands ready to assist the Committee in its role moving forward.

PREPARED STATEMENT OF THE TRANSPORTATION ALLIANCE (TTA)

Hon. ROGER WICKER,
Chairman,
Commerce, Science, and Transportation,
United States Senate,
Washington, DC.

Hon. MARIA CANTWELL,
Ranking Member,
Commerce, Science, and Transportation,
United States Senate,
Washington, DC.

Dear Chairman Wicker and Ranking Member Cantwell:

Thank you for inviting The Transportation Alliance (TTA) to submit comments to the U.S. Senate Committee on Commerce, Science, and Transportation regarding how our industry is responding to the COVID–19 pandemic. We appreciate this opportunity.

Established in 1917, The Transportation Alliance is a nonprofit trade association that represents private sector providers of ground transportation for-hire. We primarily provide mobility for passengers, but we also transport food and packages locally.

The ground transportation for-hire industry is made up of many market segments including taxicabs, liveries (sedan services), limousines, shuttles, school transportation, motorcoaches, paratransit and non-emergency medical transportation (NEMT) fleets. The general public routinely hires our services, as do corporations,

social service agencies, cities, transit authorities, school districts, nursing homes, hospitals and many more entities. From a sedan to wheelchair accessible vehicles, we meet a wide variety of transportation needs: young school children, business travelers, passengers with disabilities requiring ADA accessible paratransit, NEMT passengers receiving life-saving chemotherapy and dialysis treatments, families traveling for vacation, elderly citizens going to the pharmacy for prescriptions, low-income Americans living in food deserts who need to get to the grocery store, and many more types of routine daily trips that are vital to our Nation's ability to move people safely and efficiently.

The mobility we provide in moving approximately 2 billion passengers each year is exceptionally valuable to the passengers we serve. Yet it is equally vital to the medical centers, stores, restaurants, airports, and other entities that rely on us to transport their customers, as well to the producers of the vehicles, fuel, insurance, communications, and technology that produce the products we buy, and to the hundreds of thousands of workers earning a living in this industry. We are an integral component of the American economy.

Our industry is facing very real crippling financial losses. With the Federal government and states recommending that Americans continue to severely restrict their movements, our industry anticipates further immediate economic losses. The ensuing loss of jobs will be keenly felt over the next few weeks. There is no time to lose in saving this vital aspect of American transportation.

The crisis threatens to shutter critical and essential public transportation operations forever. People in communities across the United States rely on our services for their jobs, medical needs, getting kids to school, and other daily activities that some may take for granted. We are asking you to work with us on specific and targeted financial relief that will help ensure our industry is able to recover and provide essential services to the public in the future.

Our members are reporting staggering loss projections of 85 percent now—precipitous declines that are expected to extend well into the months ahead. Without specific assistance from the Federal government, many of these businesses will close forever. If that happens, the country will lose critical transportation infrastructure: the people, vehicles, call centers, maintenance facilities and services that keep America moving. We must ensure this industry survives for the future.

Responses to questions submitted to The Transportation Alliance from the U.S. Senate Committee on Commerce, Science, and Transportation

What impacts have you seen from COVID-19 on passenger transportation operations and how have you responded to these impacts?

Every market segment and every community is a different, but one can say that business has generally declined between 100 percent and 60 percent, with the average being about 85 percent in June.

Companies that focused on providing non-emergency medical transportation (NEMT) service to nursing homes virtually came to a total standstill—no business whatsoever. Other NEMT services, such as Medicaid-funded transportation for dialysis and chemotherapy continued, but overall NEMT trips were scaled back by about 75–100 percent. Nursing homes are still shut down to transportation, but in many states routine medical visits have started to open up. There have only been small incremental increases in transportation for patients reported so far. In order to avoid a surge in future emergency room visits, it is vital that patients be able to go to their routine medical appointments as soon as it is safe to do so.

Companies that specialize in providing services under contract to public entities (transit authorities, school districts, cities) saw different levels of decline based on the severity of the COVID-19 outbreaks in their communities. Some shut down entirely while others saw a 65 percent or more drop in business. Some school districts and transit authorities have helped their contractors with partial payments so the contractor can keep their personnel and equipment in place for when services ramp back up. There has been no significant increase in this business reported yet.

Taxicab and livery companies, like all other transportation providers, saw business drop over a cliff in March. Business typically fell 60 percent to 95 percent, depending on community. Many of these companies are diversified and also provide services under contract to public entities. Given their smaller vehicles (sedans and minivans) that provided safer individual transportation, they picked up new or expanded work transporting medical personnel and patients. In states that are starting to reopen, we are receiving reports that some taxi and livery companies are experiencing up to a 20 percent increase in ridership compared to the prior 30 days.

Luxury transportation (executive sedans and limousines) and motorcoach fleets have been hard hit by the pandemic. Reductions in service of 80 percent to 100 per-

cent are common. So far, only minimal increases in service demand have been reported, even in states that have begun to reopen.

What are your expectations for continued impacts on the passenger transportation system in the near future and its response to a reopening of the economy? What impacts do you anticipate for the passenger transportation system in the long term?

First, the entire for-hire ground transportation industry will take more than a year to recover, and even that timeline assumes states fully reopen soon and are able to stay open. Until people become mobile again—from business travel to tourism to schools reopening to leisure activities on weekends—the demand for passenger transportation will remain depressed. It could be many years before America's transportation sector regains its full strength in terms of staffing, vehicles in service, and ridership levels.

For NEMT providers, we believe service usage needs to increase to avoid a new and costly medical crisis with overrun emergency rooms. One cannot avoid medical treatments over a prolonged period without experiencing a surge in deaths and emergency room visits. In the longer term, it is possible that some medical treatments may become more home-based. As such, NEMT services will evolve to also transport equipment and/or personnel to facilitate this modified medical service delivery structure.

Contract services are likely to expand as states reopen. We believe the expansion will be very slow and may take many years to return to pre-pandemic levels. With the Centers for Disease Control (CDC) recommending the public avoid using public transit's larger vehicles, more use of smaller, safer vehicles providing community-based microtransit will continue to expand. In the long term, public transit should fully recover, because even if there is a major conversion from office-based work to telecommuting it is hard to imagine our infrastructure being able to support the huge expansion of single driver cars it would take if public transit doesn't recover in urban centers.

Taxicabs and liveries are poised for a stronger recovery if states can fully reopen and stay open. Much of this segment of our industry has diversified and, in addition to their traditional service, are also providing NEMT service as well as contract services to transit authorities, schools, medical centers, corporations and more. This wide array of revenue sources has enabled the industry to shift its service delivery to where it is most needed during the pandemic. This has included setting up special transportation services for infected persons, providing mobility for medical personnel to and from medical centers, and expanding services to include delivery of groceries, medicine, and food takeout orders from restaurants.

Luxury transportation and motorcoach services are likely to experience a slow recovery but here again, if states can fully reopen soon and stay open, then these services will rebuild their ridership. This market segment has numerous contracts in the private sector and has been successfully expanding into public sector contracts. Still, until businesses and consumers start to travel in large numbers again, progress will be slow.

How have critical infrastructure employees been affected during the COVID-19 crisis while performing their duties, and what steps have been taken to protect them?

First, we need to report that most of our personnel are not currently working. They have been furloughed, laid off, unable to work because they don't have needed child care services, or feel they are at risk and choose not to work. This includes most of our drivers, and a large portion of our mechanics, call center, marketing and management staff.

For those who are working, much has changed very quickly to keep them safe. It begins with educating workers on the need for social distancing, the frequent washing of hands, the need to stay home if feeling ill and the need to repeatedly clean their workspaces.

Operational changes have also been made. In many of our industry's sedans and vans, plastic partitions have been installed between the driver in front and the passenger(s) in the back. Typically, the companies are providing masks, gloves, hand sanitizer and disinfected filled spray bottles and cleaning cloth for all drivers. Every vehicle is to be cleaned after every passenger departs the vehicle, and every vehicle is to be fogged at least once a day with a hospital-grade disinfectant. For those working in the office, the premises are cleaned/disinfected multiple times a day. Also, the workstations have been spread out as much as possible for social distancing, and where possible some workers are now able to work from home.

For those companies transporting COVID-19 infected persons, all of the above precautions are taken and, in addition, after every passenger is transported the vehicle

is fogged. The drivers who volunteer to provide this service are well aware of the need to be vigilant at all times with the passenger and everything they may touch.

What steps has your organization or have your members taken to protect the safety of the traveling public?

The cleaning/disinfecting protocols implemented for drivers and vehicles go a long way to also protecting our passengers. In addition, we request that passengers also wear a mask, and when possible use contactless payments.

Our organization reached out to the U.S. Department of Health and Human Services asking for help in accessing personal protection equipment (PPE), as it has been difficult to access this protective gear, particularly at the beginning of the pandemic. Now the U.S. Department of Transportation (DOT) has made PPE available to public transit workers. We have reached out to DOT seeking its help in expanding the program to include private sector transportation workers.

This is an area where Congress can help. The DOT has created a program that is providing PPE's to some in the transportation industry. Currently, taxis and other private sector providers of public transportation are not included. We would like to ask Congress to request that DOT include our industry into this program. We are providing a critical service during this pandemic and our operators require this same PPE and a pipeline for these products in order to ensure safety.

What additional guidance or support would be useful from the U.S. Department of Transportation, other Federal agencies, and from Congress as you move forward during the COVID-19 public health crisis?

Here is a brief summary of the legislative and regulatory issues The Transportation Alliance is currently addressing in response to the COVID-19 pandemic:

- (1) We were told early on not to expect industry grants. With that in mind, TTA drafted its own plan called the Small Business Jump-start America Act, a commonsense economic plan that has been received well by congressional leaders, the White House, numerous industries, and even some in the banking community. This Act would provide certain key small business that are vital to reopening America with the access to capital they need without leveraging their businesses or their future. The Small Business Jump-start America Act is now supported by over 310,000 small businesses representing over 8 million jobs in 41 states. (More information on this proposal is attached.)
- (2) Providing temporary and targeted liability relief legislation related to the COVID-19 pandemic. These crucial protections should safeguard businesses, nonprofit organizations and educational institutions, as well as healthcare providers and facilities from unfair lawsuits so that they can continue to contribute to a safe and effective recovery from this pandemic.
- (3) Our industry has been on the front lines supporting hospital personnel by taking them to and from work at all hours of the day. Our industry continues to take some of the most vulnerable populations to and from critical medical appointments. Our operators have stepped up and now deliver life-saving medications and meals to those sheltered in place. We would like to ask that during national emergencies or pandemics like COVID19 that a new category be created for National Responders, which would then allow them to be eligible for hazard pay.
- (4) TTA is currently working with HHS on a solution to help provide TTA members with a pipeline to personal protection equipment (PPE) going forward. We have also recently reached out to the U.S. Department of Transportation (DOT) on this matter. This is critical. This is another area in which we need immediate help. We need DOT and other agencies to help us create a pipeline for these products. CDC has come out with strict rules, which we support, but without access to the needed PPE we will continue to see more businesses close, leaving passengers without safe transportation.
- (5) The U.S. House of Representatives passed the HEROES Act, which included a provision that codified our association's suggested language on non-emergency medical transportation (NEMT). This is an important step in barring the U.S. Department of Health and Human Services (HHS) from implementing rules that would allow states to opt-out of providing NEMT services. This provision is critical to ensuring those who need our help the most have access to transportation. The NEMT program saves the government money and we would urge the Committee to include the House bi-partisan language in the next stimulus bill.

- (6) TTA has reached out to the U.S. Department of Education asking it to issue guidance on Section 18006 of the CARES Act regarding the requirement that, "A local educational agency, State, institution of higher education, or other entity that receives funds under 'Education Stabilization Fund', shall to the greatest extent practicable, continue to pay its employees and contractors during the period of any disruptions or closures related to coronavirus." Many of our members have received support through this program while other school districts have disregarded this provision of the CARES Act. Schools have been given money to help support their needs during this pandemic. That money should be used as Congress intended. To do this, we must define the phrase "to the greatest extent practicable." We are seeing school systems cancel contracts with our members under this vague wording. That was not the intent of Congress and we would like to work with you and Secretary DeVos on strengthening this language so that schools have the same obligations as other businesses to keep as many people as possible working during this pandemic.
- (7) We were very pleased that, within a matter of days of our request in March, the U.S. Department of Homeland Security included our industry as essential services, a key designation to keep transportation companies on the road in the face of widespread, mandatory business closures across the country.
- (8) Numerous TTA members have qualified for Paycheck Protection Program (PPP) loans, an effort that involved daily, and sometimes hourly, updates to our membership. We also recently worked with key House and Senate leaders on modifications to the PPP loan program, which extends the period in which companies need to use the loans to 24 weeks. We also pushed hard to successfully change the rules in how companies can use those funds: Under new legislation, companies can now spend up to 40 percent of PPP loans on utilities.
- (9) We have been working with Congress and the insurance industry on a solution to the problem that vehicles that are no longer in service cannot return their tags in 11 states where the state Department of Motor Vehicles is closed. The inability to return to tags has meant that some companies have been unable to take their vehicles off their insurance. We still need help getting final resolution on this issue. We are essentially having to pay premiums for vehicles no longer in service. Several states have required insurance companies to refund premiums to drivers, but those don't cover our vehicles. We believe they should.
- (10) Modifying Section 3719 of the CARES Act to allow NEMT operators to receive advance payments from Medicare and/or Medicaid.
- (11) Requiring all government accounts with ground transportation companies to be paid within five days of billing.
- (12) Requiring the General Services Administration to offer government surplus vehicles at cost to passenger ground transportation companies serving economically disadvantaged communities.

Please describe any ways that you or your members have been affected by the CARES Act and how it has affected your employees, operations, or other aspects of your business.

We should note that the Payroll Protection Program (PPP) has been very valuable to our industry, particularly after the time allowed for its utilization was extended to 24 weeks. While the program is not perfect, it was put in place and the funds started to flow remarkably quickly. Our industry is grateful for the help that was extended. We hope that more help is forthcoming with similar speed.

The program that has been counterproductive to getting our labor force to come back to work is the Federal Pandemic Unemployment Assistance program that provides unemployed workers an additional \$600 per week in unemployment benefits. While we fully understand and appreciate the reason for these benefits, one of the unintended consequences is that it is now serving to slow down our industry's recovery.

In closing, we thank you for reaching out to The Transportation Alliance and seeking our input as the Senate Committee on Commerce, Science, and Transportation evaluates how to best move forward in responding to the COVID-19 pandemic. We hope our responses are helpful. Should you have any questions moving forward, please contact us. We stand ready to assist you in this vital effort as we all work together to get America moving again.

TTA's office is located in Rockville, Maryland (a close-in suburb to Washington, DC.) and is still required to be closed. The best way to reach us is by e-mail to our

CEO Alfred LaGasse at alagasse@TheTransportationAlliance.org. TTA staff is working at full capacity, albeit from their homes, and will respond to your outreach or questions without delay.

Sincerely,

THOMAS P. ARRIGHI,
President,
The Transportation Alliance.



The Small Business Jump-start America Act

Partnership with Small Businesses to Invest in
Jobs, the Economy, and American Supply Chain

5/26/20

The Small Business Jump-start America Act provides low-interest loans capped at \$10 million per company to small businesses that are critical to the supply chain and immediate reopening of the economy. This plan focuses on critical sectors like manufacturers, resellers, defense industrial base, healthcare, financial services, construction, and transportation providers.

Highlights of the Small Business Jump-start America Act:

- Provides \$500 billion in total loans
- Each company loan capped at \$10 million
- Businesses would need to be less than 1,500 employees with revenues under \$40 million
- Loans would be reserved for companies involved in:
 - Manufacturing
 - Resellers
 - Critical ground, air, marine transportation companies, non-emergency medical transportation providers
 - Healthcare
 - Financial services
 - Defense industrial base
 - Chemical/cleaning products
 - Construction
- Only businesses in operation the past seven years with proven track record of profit in last three years will be considered
- Loan repayment would start after three years, and must be repaid in full within 7.5 years
- Loan rate would be 2.75%

The Small Business Jump-start America Act is supported by small businesses and trade associations representing over 310,000 companies and employing 8 million workers across the United States. These industries have the workers and the proven track record. The US government has the investment capital. Together, we can get America back on its feet.

Please support the Small Business Jump-start America Act today.

Any questions, please contact: Paul Miller
Legislative Counsel to The Transportation Alliance
Small Business Jump-start America Coalition
pmiller@mwcapitol.com and (703) 383-1330



G:\M16\HERNOK\HERNOK_060.XML

[DISCUSSION DRAFT]116TH CONGRESS
2D SESSION**H. R. _____**

To require the Board of Governors of the Federal Reserve System to carry out a loan guarantee program for loans made to eligible small businesses that are critical to restarting the economy, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. KEVIN HERN of Oklahoma introduced the following bill; which was referred to the Committee on _____

A BILL

To require the Board of Governors of the Federal Reserve System to carry out a loan guarantee program for loans made to eligible small businesses that are critical to restarting the economy, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Small Business Jump-
5 Start America Act”.

G:\M\16\HERNOK\HERNOK_060.XML

2

1 **SEC. 2. LOAN GUARANTEES FOR ELIGIBLE SMALL BUSI-**
 2 **NESS LOANS.**

3 (a) IN GENERAL.—The Board of Governors of the
 4 Federal Reserve System shall, during the period beginning
 5 July 1, 2020, and ending December 31, 2020, guarantee
 6 covered loans provided to eligible small businesses.

7 (b) PRIORITIZATION.—In guaranteeing covered loans
 8 under subsection (a), the Board of Governors shall—

9 (1) prioritize covered loans made to eligible
 10 small businesses that the Board of Governors has
 11 identified as—

12 (A) critical to restarting the economy; and

13 (B) small businesses that are essential to
 14 manufacturing, key product resellers, and serv-
 15 ices like ground, air, and marine transportation
 16 that are critical to moving people and supply
 17 chains; and

18 (2) ensure such guarantees are balanced among
 19 core industries.

20 (c) FUNDING.—There is appropriated to the Board
 21 of Governors, out of funds in the Treasury not otherwise
 22 appropriated, \$500,000,000,000 to carry out this section.

23 (d) DEFINITIONS.—In this section:

24 (1) COVERED LOAN.—The term “covered loan”
 25 means a loan—

26 (A) that does not exceed \$10,000,000;

G:\M\16\HERNOK\HERNOK_060.XML

3

- 1 (B) the does not require collateral;
- 2 (C) that requires repayment to begin 3
- 3 years after the loan is made;
- 4 (D) with a repayment period of 7.5 years;
- 5 and
- 6 (E) with a rate of interest of 2.75 percent.
- 7 (2) ELIGIBLE SMALL BUSINESS.—The term “el-
- 8 ible small business” means a business—
- 9 (A) with—
- 10 (i) no more than 1,500 employees; or
- 11 (ii) an annual revenue of no more
- 12 than \$40,000,000;
- 13 (B) based in the United States and owned
- 14 by United States persons;
- 15 (C) that was in business for at least seven
- 16 years prior to March 13, 2020; and
- 17 (D) operating in the sectors of—
- 18 (i) manufacturing;
- 19 (ii) resellers;
- 20 (iii) critical ground, air, marine trans-
- 21 portation companies and non-emergency
- 22 medical transportation providers;
- 23 (iv) healthcare;
- 24 (v) financial services;
- 25 (vi) defense industrial base;

G:\M\16\HERNOK\HERNOK_060.XML

4

- 1 (vii) chemical products;
- 2 (viii) hygiene products;
- 3 (ix) energy; or
- 4 (x) construction, architecture, engi-
- 5 neering, project management, surveying,
- 6 and mapping.

PREPARED STATEMENT OF DAVID H. FIALKOV, VICE PRESIDENT, GOVERNMENT AFFAIRS, LEGISLATIVE AND REGULATORY COUNSEL, NATIONAL ASSOCIATION OF TRUCKSTOP OPERATORS (NATSO)

703-739-8501 dfialkov@natso.com The National Association of Truckstop Operators (NATSO), representing America's travel centers, truckstops, and off-highway fuel retailers, respectfully submits this statement for inclusion into the record for the hearing entitled, "The State of Transportation and Critical Infrastructure: Examining the Impact of the COVID-19 Pandemic." NATSO's members, comprised thousands of travel centers and retail fuel locations located throughout the United States, are essential to the U.S. supply chain. Their critical role has been underscored in recent months as they have responded to the COVID-19 pandemic. America's truck drivers have heroically stepped up in recent months to ensure that supermarket shelves are stocked, hospitals have adequate supplies, and a country on lockdown can continue functioning as safely and efficiently as possible. These truck drivers rely on travel centers to eat, rest, shower, and refuel while out on the road.

Below is a brief overview of the impact that the pandemic has had on travel centers' capacity to provide these essential services. This discussion includes various policy recommendations that the Committee and Congress should consider to better enable this critical industry to serve our Nation's travelers and truck drivers as we head into the summer and the remainder of a tumultuous year.

Travel Centers are Essential Businesses

It is impossible to overstate the importance of early declarations clarifying which industries are "essential" to the country and therefore legally permitted to continue operating as various jurisdictions imposed stay-at-home orders in the early days of the pandemic. Such declarations provide clarity to businesses so they can instead focus on taking care of their employees and customers. In this respect, it is similarly impossible to overstate the assistance that the Federal Motor Carrier Safety Administration (FMCSA), and Acting Administrator Jim Mullen in particular, provided to travel centers and their customers (and thus every American). FMCSA provided early assurances to travel centers that they were permitted—indeed encouraged—to remain open to enable trucks to remain on the road, and proactively took steps to temporarily waive hours of service requirements that enabled trucks to promptly deliver essential supplies.

As the "essential critical infrastructure" industry moniker suggests, it is essential that travel centers be permitted to remain open throughout any extraordinary measures that are taken to protect public health. For many travel centers, simply staying open has become a challenge in recent months, as the COVID-19 pandemic has taken a toll on travel, freight movement, and economic activity that travel centers rely on to survive.

Patchwork of State and Local Health Regulations

During the initial weeks of the pandemic, NATSO members had to confront was inconsistent rules and safety precautions that different states and local health officials required travel centers to implement. This patchwork of regulations made it impossible for companies that have multiple locations to centralize best practices and compliance measures. Although many localities were flexible and accommodating to travel centers, others imposed seemingly drastic obligations that insufficiently balanced safety precautions with the need for truck drivers to promptly eat, refuel, refresh, and get back out on the road.

For example, some localities required all "convenience stores" to limit total occupancy to five people, including employees. While this may make sense for small, urban bodegas, travel centers are substantially larger than standard convenience stores. Strict imposition of unreasonably small occupancy limits resulted in exceedingly long wait times for customers to enter the store, shower, purchase a meal, and get back on the road. Jurisdictions that imposed more flexible occupancy limits (*e.g.*, tying limits to a percentage of a building's fire capacity) enabled far more efficient, and equally safe, operations.

There are already several localities throughout the country that had begun reopening their economies but were forced to reverse course because of an uptick in COVID-19 cases. Although it is unclear how prevalent such scenarios will be, NATSO strongly urges policymakers to ensure that all safety measures do not unnecessarily delay truck drivers' ability to eat and refuel and get back out on the road.

Foodservice in Travel Centers

For America's truck drivers, the opportunity to sit down at a restaurant and unwind after a long day on the road is a critical aspect of day-to-day life. Virtually

every travel center therefore has at least one restaurant option; most have several options, often including a sit-down dining restaurant. Not only do restaurants offer a hot meal, but time spent there also allows drivers to take time outside the truck, which serves as their home while on the road, to socialize with travel center staff and fellow diners and take respite from the often-grueling life of delivering essential supplies.

When it became clear that sit-down dining options were incompatible with safety precautions, it was a blow to morale for professional drivers. Drivers not only lost opportunities for hot meals outside the quick-serve or grab-and-go context, but also had to sacrifice what was once a highlight of the day—sitting down at a restaurant to eat. Travel center operators—who have devoted their life to serving truck drivers—were heartbroken to inform their customers that the dining room was closed.

What's more, like the restaurant industry at large, travel centers' foodservice operations took a substantial hit to their revenue. Operators had to pivot to new forms of foodservice: most offered curbside or take-out options; others engaged with delivery apps such as Grubhub or UberEats; many operators converted their restaurant kitchens to commissaries for the attached convenience store, offering grab-and-go options that were made in the kitchen.

Despite these efforts, it has been a struggle for travel centers' restaurants to remain afloat. Some operators have closed their restaurants entirely and had to temporarily furlough their employees—many of whom have worked at a location for decades. The Paycheck Protection Program (PPP), which as a general matter has helped many NATSO members continue operating the past several months, was drafted in such a way that precluded restaurants that are located within larger travel centers from accessing forgivable loans unless those restaurants are set up as separate companies from the underlying travel center business. Some NATSO members structure their businesses this way and were able to access the loans and remain open; others are not structured this way and thus did not have access to the PPP program.

In early April, the Federal Highway Administration (FHWA) announced that it would temporarily not enforce the Federal ban on commercial activities at Interstate rest areas by allowing food trucks to operate and sell food at interstate rest areas. Although NATSO is a staunch supporter of the rest area commercialization ban, NATSO did not oppose this measure if it resulted in enabling truck drivers to access hot meals in geographic areas where there was otherwise no other options available. It should be noted, however, that this non-enforcement order occurred at a time when off-highway restaurants—including those located at travel centers—were struggling to remain afloat. Allowing nearby rest areas to begin selling food hurt off-highway restaurants' sales and made it more challenging for them to continue operating and serving drivers. NATSO, along with ten other associations representing off-highway communities, restaurants and other businesses, and blind merchants have all urged FHWA to commit to not further expanding this non-enforcement guidance beyond food trucks during this epidemic, and once the current state of emergency ends, to immediately revert back to enforcing the long-standing ban on commercializing Interstate rest areas. (See Appendix A.)

Employee Retention and Hiring

Travel Center employees are some of the unsung heroes of America's response to the COVID-19 pandemic. While these hard-working Americans may not be well-known, the work they are doing each day to protect our supply chain is helping the country persevere through this challenging crisis.

Many NATSO members raised employee wages by \$1.50-\$4.00 per hour during the pandemic. One of the unintended consequences of the Coronavirus Aid, Relief, and Economic Security (CARES) Act's \$600 per week increase in unemployment benefits, however, is that it has become difficult for many essential businesses—including travel centers—to retain and rehire employees. NATSO urges Congress to make it easier for these businesses to recognize and reward front line workers who continue working during the pandemic. This could come in the form of tax relief for workers or employers, or direct government payments to employees. Senators Ernst, Romney, Portman, and Minority Leader Chuck Schumer have all developed creative mechanisms that would help achieve this goal. In addition, expanding the Workforce Retention Tax Credit could play a critical role to enable employers to increase employee pay. NATSO hopes Congress can coalesce around one—or a combination—of these ideas to enable businesses to continue operating without compromising the need to take care of those who cannot find work.

Travel Centers Need Reasonable Liability Protection

NATSO's members, and all essential businesses, that have taken necessary precautions to protect their employees and customers while serving the country during this crisis should be protected from COVID-related litigation expenses. They have confronted some of the most challenging business conditions in the Nation's history, and have stayed open—at the urging of the Federal government—to serve their customers. They have implemented unprecedented virus mitigation protocols such as enhanced cleaning and sanitation practices and social distancing measures to protect their employees, customers and others from exposure. Additionally, they are working to comply with often vague, constantly evolving local, state, and Federal guidance for workplace safety. Many companies have faced difficulties acquiring the cleaning supplies and personal protective equipment they need to protect their operations in the way they would like. That uncertainty combined with compliance challenges will leave room for efforts by some to take advantage of the current crisis to lawsuits against the businesses that, by necessity, kept operating.

To be clear, NATSO does not seek protection for bad actors. Employers who willfully ignore the risks of the spread of COVID-19 or commit gross negligence by not adhering to the recommended health and safety guidance should be subject to litigation. This is an important distinction to make; NATSO is not looking for blanket coverage that would allow bad actors to operate without making efforts to provide worker and customer safety. NATSO simply seeks protection for those businesses who *are* doing what they can to protect against exposure to the virus.

Nor is NATSO seeking to change American tort law on a permanent basis. The COVID-19 pandemic is a unique event and merits its own response that is tied to the needs of the moment. With that in mind, NATSO favors limiting liability protections to this virus and the time during which it is a threat. This is not a time to hash out longstanding questions about the American legal system that are not related to the current crisis.

Travel Centers Need Access to PPE, Testing, and Vaccines

As noted above, travel centers went through several weeks at the outset of this pandemic when some were unable to acquire the requisite cleaning materials, facial coverings, and other equipment necessary to combat coronavirus. This resulted in substantial disruptions not only to their operations, but to freight movement and macro-economic efficiency. It the weeks and months ahead, governmental entities will inevitably need to assess how to allocated finite resources—such as testing and, ultimately, vaccines—to match seemingly infinite demand. NATSO urges Congress to ensure that travel center employees are appropriately prioritized in this process, so that travel centers can remain open and fully staffed to continue playing the essential role in America's supply chain. If our businesses can not remain open safely, we cannot help to keep good moving across the country.

Infrastructure Investment is Needed

The Federal government has developed a number of extraordinary measures—including the PPP program, enhanced unemployment benefits, and measures taken by the Federal Reserve—that will help America survive the current pandemic in the short-term. But now represents a unique opportunity to stimulate job creation and economic activity while also making a down-payment on America's future standing in the world through infrastructure investment.

The diminution in travel has also driven down fuel tax collection. This problem is compounded by states losing retail sales tax revenue which often directly supports transportation budgets. NATSO supports both a short-term infusion of revenue that will allow states to maintain capital investment schedules, and also prompt reauthorization of the Fixing America's Surface Transportation (FAST) Act to ensure America's transportation system has sufficient long-term revenue and planning capacity. America's Transportation Infrastructure Act, which unanimously passed out of the Senate Environment and Public Works Committee last summer, offers a promising policy framework for bringing America's infrastructure system into the 21st Century. NATSO implores members of the Senate and House to work with one another to reauthorize the FAST ACT *this Congress* and not delay until 2021.

In so doing, NATSO urges lawmakers to aspire to funding these policies in a manner that is consistent with the following principles:

- *Simple*—It should be efficient and inexpensive to collect highway funds.
- *Difficult to Evade* – It should be difficult for taxpayers to evade paying the tax/fee for infrastructure investment.
- *User-Based*—The primary stream of funding for infrastructure projects should be userbased.

- *Energy-Source Neutral*—All energy sources must be subject to the same fee on a gallon/energy equivalent basis.
- *Transparent*—Users must be able to understand the amount they are being charged.
- *Dedicated to Infrastructure*—Funds raised in the name of improving surface transportation infrastructure should be dedicated to surface transportation infrastructure for the benefit of the payer. Reallocating such funds for other purposes should be prohibited.
- *Long-Term*—The revenue generated by the funding solution should not significantly diminish over time. As a means of guarding against future shortfalls, the funding solution should contain automatic adjustments to mitigate trends that decrease the revenue it generates, such as fuel efficiency.

At the same time, NATSO strongly opposes counter-productive “shortcuts” to real infrastructure investment, namely tolling existing interstates and commercializing Interstate rest areas. These “funding mechanisms” are inefficient, disrupt travel and freight movement, and undercut offhighway businesses and communities.

Conclusion

The travel center industry has been at the forefront of coronavirus response efforts, and is prepared to continue playing this critical role. NATSO is grateful for your consideration of this statement, and is happy to discuss any of these issues with you at any time.

June 4, 2020

The Honorable Roger Wicker
United States Senate
Committee on Commerce, Science, and Transportation
512 Dirksen Senate Building
Washington DC, 20510



25 Massachusetts Ave NW, Suite 500
Washington D.C., 20001
(202) 789-7850 main • www.asce.org

Dear Chairman Wicker,

On behalf of the American Society of Civil Engineers (ASCE), I want to thank you for your leadership and commitment to improving our nation's infrastructure. We applaud and offer our support to your legislation, the Rural Infrastructure Advancement Act, which establishes a Rural Assistance Pilot Program to help rural communities and localities better utilize and leverage existing US Department of Transportation (DOT) funding and financing opportunities.

In ASCE's 2017 Infrastructure Report Card, our nation's roads, bridges, and transit received the grades of "C+" and "D," respectively. These poor grades reflect that 46,154, or 7.5%, of the nation's bridges in 2019 are structurally deficient and one out of every five miles of highway pavement is in poor condition. These alarming statistics are felt in all communities across the nation, including rural America. Simply put, key surface transportation infrastructure is crumbling, and strong leadership is needed to improve our safety and increase our economic competitiveness.

By establishing the Rural Assistance Pilot Program within DOT's Build America Bureau, this legislation will help by providing financial, technical, and legal assistance to potential rural project sponsors seeking to apply for a loan or grant. Rural communities through this program will be better prepared to rebuild critical infrastructure and support economic growth.

Thank you for your leadership and support of this critical issue. We look forward to working with you as this legislation works its way through Congress.

Sincerely,

A handwritten signature in black ink, appearing to read "K.N. Gunalan". The signature is fluid and cursive, with a long horizontal stroke at the end.

K.N. Gunalan, Ph.D., P.E., D.GE, F.ASCE
ASCE President 2020

Introduction

The American Society of Civil Engineers (ASCE)¹ appreciates the opportunity to submit a statement on the importance of long-term, strategic investment in our Nation's infrastructure systems. ASCE is eager to continue to work with the Committee in 2020 and beyond to find ways to further improve our Nation's vital surface transportation infrastructure systems and to address the economic impacts felt during the COVID-19 pandemic.

As the pandemic continues to have sweeping economic consequences across all sectors in the United States, many American families and businesses are looking to Congress to provide both short-term relief and long-term economic recovery. While recent Congressional action has addressed some of the immediate economic impacts of the pandemic, many economists believe additional action is needed to ensure the health of the American economy. As Congress develops additional legislation, ASCE urges policymakers to prioritize our Nation's infrastructure and get people back to work, using the economic slowdown to make strategic and sorely-needed investments to strengthen the networks that are the foundation of our economy.

Presently, many of our infrastructure assets have reached the end of their design life. Coupled with long underinvestment and inadequate support, a large and growing investment gap of \$1.1 trillion over the next ten years has emerged. This gap must be closed if we hope to both repair and modernize our surface transportation infrastructure systems to be competitive in the 21st century.

ASCE's 2017 Infrastructure Report Card

Infrastructure is the foundation that connects the Nation's businesses, communities, and people, serves as the backbone to the U.S. economy, and is vital to the Nation's public health and welfare. Every four years, ASCE publishes the *Infrastructure Report Card*, which grades 16 major infrastructure categories using a simple "A" to "F" school report card format. ASCE released its *2017 Infrastructure Report Card*¹, giving the Nation's overall infrastructure a grade of "D+," with an investment gap of \$2 trillion over the next 10 years—and the total investment needed is nearly \$4.6 trillion.

As our infrastructure continues to age, and investments do not keep pace with needs, the gap between identified investments and the public commitments to meet those needs widens every year. Failing to close that gap risks rising costs, falling business productivity, plummeting GDP, lost jobs, and ultimately, reduced disposable income for every American family to the tune of \$9. For these reasons alone, now is the time to invest in our Nation's infrastructure. Compounded by the current crisis, infrastructure investments can provide both an immediate and long-term boost to the struggling American economy, and ensure we remain globally competitive in trade and commerce.

Solutions

ASCE recommends the inclusion of key investments to maintain and modernize our Nation's infrastructure, create jobs, support economic growth, and increase the resilience of our systems. ASCE therefore urges Congress to include the following in any further legislation to boost the Nation's economy:

Reauthorize surface transportation programs and increase funding to address our project backlogs: ASCE urges Congress to include a multi-year surface transportation reauthorization that addresses the long-term solvency of the Highway Trust Fund and modernizes our roads, bridges, rail, and transit systems. While one-time infusions into our Nation's surface transportation program have had varying degrees of success, investment in a multi-year surface transportation program is a guaranteed way to provide both short-term and long-term economic benefits. We applaud the Committee on Environment and Public Works in introducing and passing S. 2302, America's Transportation Infrastructure Act (ATIA) of 2019. This legislation addresses the needs of our everchanging highway system, and we continue to urge the committees of jurisdiction in both chambers to introduce legislation to ensure we have a comprehensive package that addresses all the challenges in our surface transportation network.

¹ ASCE was founded in 1852 and is the country's oldest national civil engineering organization. It represents more than 150,000 civil engineers individually in private practice, government, industry, and academia who are dedicated to the advancement of the science and profession of civil engineering. ASCE is a non-profit educational and professional society organized under Part 1.501(c) (3) of the Internal Revenue Code. www.asce.org,

¹ <https://www.infrastructurereportcard.org/>

Support relief for state departments of transportation (DOT): While the current surface transportation investment gap remains, under the current crisis state DOTs are unable to generate the revenue needed to prevent major disruptions in their ability to operate and maintain their transportation systems. Under this pandemic, individual state revenues are estimated to be impacted by 45 percent in the next 18 months. This is a result of expected decline of 50 percent for state motor fuel taxes, a 67 percent decline in toll road traffic, and a 77 percent decline in ferry traffic. Because of this sharp decline, state DOT's ability to provide a match for Federal funds will be constrained and further impact available Federal financing opportunities. Congress must provide the necessary \$49.95 billion in backstop relief to our state DOTs to ensure capital construction and operation programs continue in a timely fashion, preserving safety and mobility across our Nation's transportation systems.

Unlock vital infrastructure financing tools: State and local governments rely on access to the capital market and issuance of tax-exempt municipal bonds to provide for the Nation's infrastructure. ASCE supports the tax-exempt status of municipal bonds and reinstating advance refunding as financing tools in any infrastructure investment legislation. Additionally, ASCE supports increasing the cap from \$15 billion to \$20 billion on tax-exempt private activity bonds, which allow state and local governments to issue tax-exempt debt, with approval from the U.S. DOT, for qualified highway or surface freight transfer facilities. These financing tools must be easily accessible in both rural and urban communities, and we support legislation that helps communities better utilize and leverage existing funding and financing opportunities.

Eliminate or increase the cap on the Passenger Facility Charge (PFC): The associated infrastructure of U.S. airports and air traffic control systems is not keeping up with the more than two million passengers they traditionally serve each day. Because of an outdated, federally mandated cap on how much airports can charge passengers for facility expansion and renovation, airports struggle to keep up with investment needs, creating a \$42 billion 10-year funding gap. Raising or eliminating the cap on the PFC will allow airports a much-needed revenue boost and the ability for long-term planning and modernizing of our aviation system.

Build resilience into infrastructure: In addition to anticipating what hazards and conditions roads, bridges, drinking water pipes, wastewater treatment plants, airports, and energy lines must withstand, engineers are also thinking through how technology, population shifts, and other trends will change communities' needs. In summary, an integrated systems approach is needed to tackle resilience. The National Institute of Building Science (NIBS) has found that every \$1 spent through government-funded mitigation grants saves the county \$6 in future disaster-related and recovery costs. Incentivizing lifecycle costs and long-term maintenance also returns dividends; NIBS also reports that every \$1 spent on upfront construction costs and long-term maintenance to bring buildings up to contemporary codes and standards returns \$11 to building owners in the event of a disaster. Making targeted investments in the right manner, using the best available data and industry standards, innovative materials and technologies, and considering lifecycle costs will create benefits for years to come.

Conclusion

Across the nation, our future recovery depends on reliable, modern infrastructure to provide a good quality of life for Americans and to support economic growth. There is a unique opportunity during these challenging times, while traffic is minimal and people stay home, to maintain and modernize these critical assets and jump-start job growth. ASCE looks forward to working with the Committee to address the infrastructure challenges facing our Nation during the pandemic and we look forward to working together to help stimulate our economy and ensure public health and safety.

PREPARED STATEMENT OF CHUCK BAKER, PRESIDENT, AMERICAN SHORT LINE AND REGIONAL RAILROAD ASSOCIATION (ASLRRA)

Introduction

On behalf of the American Short Line and Regional Railroad Association (ASLRRA), the national trade association representing the Nation's 603 Class II and Class III railroads (referred to collectively as "short lines") and hundreds of railroad industry suppliers, I want to thank the Senate Committee on Commerce, Science, and Transportation for holding this important hearing to examine the impacts of the COVID-19 pandemic on transportation and critical infrastructure. We appreciate

the opportunity to submit testimony for the record to provide insight into the short line railroad industry during the global pandemic.

Together, short line railroads operate nearly 50,000 miles of track, or approximately 30 percent of the national railroad network and employ more than 17,000 hard-working Americans. We operate in 49 states, and in 36 of those states we operate at least one quarter of the state's total rail network. In certain states, short lines operate 100 percent of the state's rail network. As part of the Nation's critical infrastructure, short lines have continued to operate during the pandemic, moving goods and materials safely and efficiently throughout the country, while also working to protect the health and safety of their employees and communities.

This testimony will delve into how our industry has responded to and been impacted by the pandemic, as well as recommend ways to ensure the freight transportation network continues to be resilient and flexible in reacting to future unforeseen events.

Supply Chains and Operations

Operations & Keeping the Supply Chain Moving

Short line railroads are operating quite well and for the most part have continued without significant interruption. We are proud of our member railroads who are playing a key role in moving goods that keep our country functioning during these uncertain and troubling times—these railroads are working day-by-day, even hour-by-hour, with their thousands of industrial, agricultural, energy, and manufacturing customers to keep the Nation's supply chain functioning, in what is one of the few bright spots for the country over the past two months. That is not to say that there haven't been plenty of challenges, but due to their close customer relationships, flexibility, and can-do spirit, short lines have been able to adapt to and accommodate a cavalcade of unusual last minute changes to shipment sizes, shipment destinations, staffing adjustments, operating hour tweaks, business process shifts, etc.

We have collected stories and pictures from our members operating and transporting critical products during the pandemic, including wheat to a flour mill, corn, and materials that are used in restaurant take-out containers, protective masks, and hand sanitizer. You can find some of those stories *here* and *here*.

Our railroad and contractor and supplier members have also continued work on projects that improve our Nation's critical infrastructure and keep hard working Americans employed. For example, the Georgia & Florida Railway (GFRF) has continued safely working on an 81-mile track rehabilitation project that received funding from an FY17 USDOT FASTLANE grant. The project is slated for completion this year and has not been interrupted by the global pandemic. GFRF is prioritizing worker safety and has worked with its contractor, RailWorks, to implement an active COVID-19 response plan. The railroad and contractor agreed early that any test results during the COVID-19 pandemic are shared between the railroad and contractor to ensure safe situational awareness.

COVID preparedness on the project worksites include: social distancing; working outdoors; reminders of hygiene and hydration; reminders of proper diet and knowing limitations; discussions regularly of being our brothers' keeper; identifying fatigue, discussion of proper rest cycles and healthy sleep; promotion of positive leadership and keeping calm; cleaning supplies in vehicles and made available to employees (wipes, various cleaners, etc.); discussions about smoking and personal health off-property; knowledge of medical facilities discussed in job briefings and information is included in the timetable; looking out for a distracted public; reducing and eliminating unnecessary distractions from employees, and promoting focus through calm and pragmatic actions and reactions; clear communications; first aid kits in all vehicles and machines; no handshaking; and multiple daily discussions with RailWorks management in field and central office.

Short Line Supply Chain

Some of our members have reported trouble acquiring desired amounts of personal protective equipment (PPE)—this is obviously not unique to railroad workers and is a challenge throughout the country, and our railroads are focused on getting everything they need for our workers, but nevertheless it's a challenge and as an industry we would be grateful for any and all Federal help in this regard.

In addition to PPE, there have been occasional challenges with our usual vendors getting spare parts, contract services, and other items needed to run the railroads in a timely manner. These are generally sporadic concerns, and we recognize this is a difficult time for everyone and are working through that to the best of our ability.

Business levels

Overall freight railroad business is currently down about 25–30 percent year-over-year across the industry. That's not good—it's not the devastation felt by our friends in industries such as passenger travel, restaurants, and live events, but it's the worst that business conditions have been since we started to keep data as an industry, and it's likely the worst since the Great Depression.

When taking a closer look at the overall freight downturn, there is significant variability among commodities. Grain, food products, chemicals, and pulp and paper products have remained fairly consistent, while we have seen greater reductions in commodities like coal, ethanol, crude oil, auto parts, and intermodal traffic. This variability is reflected in the short lines with some staring at losses of 60 to 70 percent and others near flat. The sudden elimination or steep reduction in business from just two or three customers can have a big impact on these small business railroads, many of whom only operate one line of track and are very dependent on a handful of customers.

Expected Short-and Long-term Impacts

On the balance, in the short-term we expect to continue operating well and our members are eagerly working with their customers to help move as much of their products by rail as possible. Again, we take tremendous pride in our ability to continue serving customers well and to keep the Nation's supply chain functioning.

However, railroading is a demand-driven business, so when customers do not have end users demanding their products, our traffic suffers in direct correlation. Even in the short-term, decreased demand for certain commodities could put significant strain on some individual short line railroads. In the near term we also expect to continue seeing some minor disruptions to our supply chain. Our medium and long-term outlook depends on how quickly the economy recovers and broad demand for the products we move returns. A prolonged downturn would be expected to have a more severe impact on the smaller short lines in the industry and on the independent short lines. Lastly, the economic uncertainty faced by our members, their customers, and state and local governments, combine to cloud the visibility needed to commit to long-term investment back into infrastructure.

Keeping Workers Safe and on the Job

Our short line railroad members are following CDC, OSHA, and DHS/CISA guidance, and are doing everything possible to keep railroading safely. Safety has long been the number one priority in railroading, and that is even truer during this pandemic.

For most of the railroaders who do not need to be physically on-site, in the field or on a train, there has been a big increase in work from home flexibility.

As an industry, we have seen in the low triple digits for total number of positive coronavirus cases, which is certainly more than we would like, but is significantly below the observed rate across the entire U.S. population. We are aggressively tracking cases across our railroads, communicating with employees about safe practices, and doing everything possible to make sure that those potentially exposed to the coronavirus are safely at home in self-quarantine.

The good news is freight railroading naturally lends itself well to physical distancing and does not require excessive person-to-person physical contact, so on-site railroad employees are largely able to do their jobs while maintaining safe distancing. This has been aided by the emergency waiver process at the FRA, discussed below.

In one extreme case, an entire railroad in Colorado suspended operations temporarily, while all its employees self-quarantined following two of them testing positive for COVID-19, however this is more the exception than the rule. Steps our railroads have reported taking to protect workers include securing PPE for their employees, split shifts and dispatch rooms, allowing telework whenever possible, and increased cleaning. Railroaders have been heroic and recognize their part in the Nation's critical infrastructure; they are showing up, working, and taking pride in their jobs.

Many of our member railroads have responded to COVID-19 creatively to make sure essential work continues in a safe manner. Iowa Interstate Railroad (IAIS) has also safely continued its bridge project in the face of coronavirus. The railroad has brought the Booneville Bridge project to near completion over the past winter and spring with the help of CRISI grant funding that was awarded by USDOT in early 2019. IAIS has been able to safely execute this project because the work is conducted outside, by a small, heavily mechanized workforce that naturally works at safe social distances. COVID-19 precautions are reviewed in each job safety briefing at an appropriate social distance. Reasonable precautions and workplace practices that already minimized social proximity have allowed this large infrastructure

project to proceed without interruption. The first Council Bluffs-to-Chicago train is expected to use the completed bridge in early June. This may be the fastest, DOT-funded bridge project from award to completion ever executed, despite the challenges posed by COVID-19.

USDOT and Congressional Actions

As you know, each year FRA establishes an emergency docket for granting relief from its regulations necessary to enable railroads to continue to provide essential transportation services, safely, in the event of an emergency. FRA has been an excellent partner as we navigate railroading through a pandemic and the relief granted has been part of several measures (including following CDC and OSHA guidance) to keep railroaders safe.

The emergency relief granted to the railroads due to the COVID-19 pandemic can be divided into two categories: (1) to enable railroad employees to abide by social distancing requirements and guidelines; and (2) to provide relief from certain regulations in the event railroads face employee shortages due to illness, quarantine, child care responsibilities or other challenges that could prevent attendance at work.

FRA's grants of emergency relief specified strict conditions to be complied with by railroads utilizing the relief and included tracking processes for any relief exercised. FRA published a list of the emergency relief provisions exercised by each railroad in the emergency relief public docket. The emergency relief waivers granted by FRA were set to expire 60 days from the dates of issuance, or on May 24, May 29, and June 9, respectively. In response to a request of waiver extensions, the FRA deemed select waivers to be extended to July 21, or 60 days from the date of issuance. This extension of regulatory relief continues to assist railroads with social distancing. Short line railroads rely on contractors to perform maintenance tasks. Many of these contractors have received mandatory travel restrictions by their employers making routine repairs and inspections difficult for short lines. This workforce impact is expected to continue, and it is being addressed by the emergency docket waiver process.

While FRA's regulatory relief has been very helpful in the short-term and we are proud of our members' response in keeping employees safe and service running, the future remains uncertain, particularly in keeping infrastructure projects moving forward.

The best thing the Federal government can do is provide as much stability and certainty as possible and be a strong partner on infrastructure projects that support jobs in the short-and long-term. Investments into short line freight rail infrastructure will help the economy recover and will at the same time provide useful transportation infrastructure that will benefit the country for generations to come. This is why we believe it is critical to make the short line (45G) tax credit permanent as well as increase funding for and tweak transportation grant programs like CRISI, INFRA, and the state freight formula program.

Lastly, this is not the time to make any long-term changes to controversial policies like truck size and weight limits or crew size. We have attached a one-page document that outlines our recommendations for a coronavirus recovery package.

Conclusion

Thank you for the opportunity to share the short line freight rail industry experience during the coronavirus pandemic, and all the efforts of your committee during this unprecedented time. We look forward to continued partnership as we work to keep serving customers and communities safely and efficiently.

RESPONSE TO WRITTEN QUESTION SUBMITTED BY HON. ROGER WICKER TO
JOHN BOZZELLA

Question. As we discussed at the hearing, in-vehicle subscription services, such as OnStar, can serve as a Wi-Fi hotspot for vehicle owners and their families. Can you please include in the record additional background on these systems and the extent new vehicles are equipped with such systems?

Answer. Connectivity is an area of tremendous growth and innovation throughout the automotive industry. Every year, automakers adopt new technologies and services that help further improve safety, convenience and user experience for drivers and passengers. These services range from communication-based collision avoidance technologies, such as vehicle-to-vehicle and vehicle-to-infrastructure communications, to "concierge services"—such as those provided through OnStar—which may

include Wi-Fi capability, automatic crash notification, emergency roadside assistance, location-based services, and others.¹

Your question specifically touched on both concierge services and Wi-Fi capabilities. These offerings, and how they are packaged varies across manufacturers. In fact, as reflected in the data below, many vehicles have Wi-Fi capabilities regardless of whether they offer concierge services. Wi-Fi capabilities have seen a rapid increase in recent years, penetrating a larger portion of the fleet over a relatively short period.

Factory Installed Wi-Fi Capability (U.S. Cars and Light Trucks)²

- 2017 Model Year—33%
- 2018 Model Year—39%
- 2019 Model Year—48%

Factory Installed Concierge Services (U.S. Cars and Light Trucks)

- 2017 Model Year—23%
- 2018 Model Year—26.2%
- 2019 Model Year—29.3%

Continued growth and innovation in these and other connected technologies and services represents one of the most promising and exciting opportunities for both auto manufacturers and consumers who benefit from these innovations.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. DAN SULLIVAN TO
JOHN BOZZELLA

Question 1. There has been continued discussions regarding the need for congress to enact funding for infrastructure this year as an economic stimulus in response to the pandemic. There is a desire to pair surface transportation reauthorization with authorizations and funding for Corps of Engineers projects and water/wastewater infrastructure. Do you support congressional efforts to pass infrastructure legislation?

Answer. Auto Innovators supports efforts in Congress to craft a multi-year reauthorization of surface transportation programs that are currently set to expire at the end of September. The certainty provided by a long-term surface transportation bill represents a critical step in upgrading and modernizing our Nation's roadways and infrastructure in a way that envisions a safer, cleaner, and smarter future for personal mobility. The need for action on this front is, now, perhaps greater than ever as America looks toward recovery from both the public health and economic crises caused by COVID-19.

Question 2. In response to the public health emergency, many industries shifted to teleworking to help flatten the curve. Given that teleworking is not an option for many critical infrastructure employees, how can Congress and this Committee help to mitigate the risks to employees that other industries are able to avoid?

Answer. We are proud of the efforts of our companies to respond to the COVID-19 public health crisis, many of which answered the call and re-tooled their plants to assist the Nation in manufacturing critically needed medical devices and Personal Protective Equipment (PPE). We understand that Members of this Committee are examining proposals that would provide prioritized access to testing and PPE for key workers. We appreciate the Committee's interest in this matter and welcome the opportunity to work on this issue, as well as the need for targeted liability protections for businesses who make a good-faith effort to follow requisite health and safety protocols.

¹ Wards Intelligence defines Concierge Service as, "a driver information service such as GM's OnStar that is above and beyond just emergency roadside assistance."

² See e.g., Wards Intelligence, "% Factory Installed Electronic/ADAS Equipment on U.S. Cars and Light Trucks, '16 Model Year," 2/27/17; WardsIntelligence, "% Factory Installed Electronic/ADAS Equipment on U.S. Cars and Light Trucks, '17 Model Year," 1/16/18; WardsIntelligence, "% Factory Installed Electronic/ADAS Equipment on U.S. Cars and Light Trucks, '18 Model Year," 1/22/19; WardsIntelligence, "% Factory Installed Electronic/ADAS Equipment on U.S. Cars and Light Trucks, '19 Model Year," 1/2/2020

RESPONSE TO WRITTEN QUESTION SUBMITTED BY HON. MARSHA BLACKBURN TO
JOHN BOZZELLA

Question. What supply chain issues is your industry currently facing? How can we help here?

Answer. Despite some lingering challenges due to the public health crisis in certain localities in Mexico, the motor vehicle supply chain is relatively stable, at present. There is no question, however, that the ongoing COVID-19 public health crisis creates tremendous uncertainty for complex interstate and international supply chains. If states or regional trade partners are forced to revisit the use of more restrictive policies on businesses to limit the spread of the virus and protect their citizens, there is no doubt that this will stress the supply chain even further. If vehicle manufacturers are forced to shut down again, there are likely even greater risks to small and medium suppliers who rely upon a timely reimbursement from automakers. Due to the complex, integrated nature of automotive supply chains, the industry has consistently stressed the importance of communication, coordination and adoption of consistent health and safety practices in states across the U.S., as well as with our regional trading partners—to ensure the safe and responsible operation of this critical industry throughout this ongoing public health crisis. Auto Innovators would appreciate the Committee continuing its work to ensure coordination across domestic and international supply chains, especially those within the North American supplier network.

The U.S. has an opportunity to remain a leader in automotive innovation but this requires fair, open, and competitive global markets. The current marketplace realities surrounding manufacturing exemplify the risks of the U.S. losing its leadership position relative to innovative automotive technologies, especially advanced safety technologies, automated vehicles, and battery technologies used in electric-drive vehicles.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. MARIA CANTWELL TO
JOHN BOZZELLA

Employee Protection during the COVID-19 Public Health Crisis. Both to mitigate the spread of the virus and in response to economic changes, there have been large reductions in transportation movement, as well as, production. The automotive industry shut down virtually all of its North American plants for the entire month of April to help contain the spread of the virus.

Freight and passenger rail have had drastic service reductions in response to plunging demand, and companies across the country have had workers staying home for several months. As states start to lift certain restrictions intended to slow the spread of the virus, it is imperative that we take the necessary steps to keep workers and the travelling public safe while we continue to grapple with the COVID-19 virus.

Question 1. Do your members have the information they need to know how to protect their employees during the COVID-19 public health crisis?

Answer. Automakers have implemented, and continue to update, robust health and safety guidelines based on a variety of information sources including CDC guidance, engagement with state and local health officials and public health experts, as well as engagement with employees and their representatives. In addition, automakers also have utilized various lessons learned from the restart of manufacturing facilities across the globe that has assisted with the orderly and phased restart of U.S. operations.

Question 2. If so, where did they obtain this information? Is it specific to your unique industry and workplace? If not, do you think the Federal government needs to provide additional information?

Answer. Information used to implement, and update, our industry's health and safety practices is obtained through CDC Guidance, consultation with state and local health officials and public health experts, as well as direct engagement with employees and, where applicable, their representatives. The auto industry is a global industry; therefore, our members, as well as others throughout the industry, benefited from lessons learned as international manufacturing and supply chain operations came back online.

While each company may have a different playbook tailored to their state or local requirements, or specific work environments, they are all deploying robust safety practices as employees return to the workplace. These may include, but are not limited to, temperature checks, surveying employees for symptoms or warning signs prior to returning to work, use of personal protective equipment (PPE), use of inno-

vative technologies to monitor social distancing, reimagining the workplace to manage spacing on the floor such as protective barriers, and limiting access to communal areas.

Question 3. Are you working with public health experts to ensure that, as you re-engage the workforce and as service levels start to rise, that workers, customers, and passengers can trust they are returning to a safe environment?

Answer. U.S. auto manufacturers and suppliers have focused on the health and safety of our workforce and customers throughout the COVID-19 pandemic. Our companies have built extensive health and safety protocols based on CDC guidelines, and direct engagement with public health experts and state and local health officials to make sure that they can understand, as well as they can, the circumstances on the ground. That said, these protocols are dynamic based on protocols and recommendations that public health officials provide.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. KYRSTEN SINEMA TO
JOHN BOZZELLA

Infrastructure Investment. As we begin to recover from the economic impacts of the coronavirus pandemic, many stakeholders from both sides of the aisle have proposed a significant investment in our Nation's infrastructure to boost the economic recovery. At the same time, Congress has the responsibility to reauthorize our surface transportation programs this year. Congress needs to consider long-term investments in infrastructure, especially given the low interest rates.

Question 1. How has COVID-19 impacted the landscape for infrastructure development?

Answer. The need for thoughtful, bipartisan action on a multi-year surface transportation reauthorization bill is heightened as the auto industry, along with the entire nation, adapts to and recovers from the COVID-19 public health crisis. Automakers, suppliers, and related stakeholders have been impacted by COVID-19 related losses, while facing a declining sales trend from which to recoup investments. As the industry recovers, however, policymakers and the industry must not lose sight of the future. Therefore, governmental policies that support market stability will become even more critical as our industry takes on the simultaneous challenges of recovering from the pandemic and sustaining investments in the innovations that will define the future of personal mobility.

Question 2. From your perspective, what are the key aspects of a long-term surface transportation bill?

Answer. When crafting a multi-year surface transportation bill, Congress has a unique opportunity to maintain and expand U.S. leadership and innovation in defining the future of advanced automotive technologies—including next generation safety technologies such as vehicle to vehicle communications, vehicle to infrastructure, and automated vehicle technologies. To provide the market certainty necessary to transform personal mobility in the U.S. and overcome the impacts of the COVID public health emergency, policymakers should consider the following actions:

- Enacting a Federal framework that provides for full-scale testing and deployment of highly automated vehicles on U.S. roadways
- Preserving the entire 5.9 GHz spectrum for next-generation automotive safety
- Enacting policies at the Federal level that support, and grow, a sustainable market for electric vehicles including the buildout of the necessary charging and hydrogen refueling infrastructure.
- Enact policies that support the development and deployment of the next generation of vehicle safety technologies in a manner that is informed by real world data, encourages innovation, and reflects market realities.

Question 3. How should Congress pay for infrastructure and what sources of revenue would you recommend be included in the legislation?

Answer. Congress should consider both near term and longer-term solutions to ensure that the Highway Trust Fund remains solvent. We welcome the opportunity to work with Congress in identifying the appropriate revenue sources for a surface transportation bill as the process moves forward.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. DAN SULLIVAN TO
RANDY GUILLOT

Question 1. There has been continued discussions regarding the need for congress to enact funding for infrastructure this year as an economic stimulus in response to the pandemic. There is a desire to pair surface transportation reauthorization with authorizations and funding for Corps of Engineers projects and water/waste-water infrastructure. Do you support congressional efforts to pass infrastructure legislation?

Answer. ATA strongly supports both short-term infrastructure investment and passage of a long-term replacement for the FAST Act. These endeavors will shore up state and Federal transportation revenues, which have been negatively impacted over the pandemic, while also providing a real economic stimulus to the Nation. The dramatic reductions in revenue from fuel and retail sales taxes, and in revenue from a 12 percent Federal tax on truck purchases, have significantly impacted federal, state and local surface transportation resources. As a result, state and local transportation agencies have canceled or delayed many projects. The result is an already dilapidated and vastly underfunded highway system that is deteriorating even more rapidly, both in terms of its condition and its performance. Revenue reductions have also accelerated the impending insolvency of the Federal Highway Trust Fund. The Treasury Department now projects that the HTF will begin to go into the red by Spring 2021. Transportation agencies will begin to scale back project lettings months before in anticipation of reductions in federal-aid money. Therefore, any short-term revenue provided to the states for surface transportation will simply prevent projects already in the pipeline from being delayed or canceled, and to prevent even further job losses.

Question 2. In response to the public health emergency, many industries shifted to teleworking to help flatten the curve. Given that teleworking is not an option for many critical infrastructure employees, how can Congress and this Committee help to mitigate the risks to employees that other industries are able to avoid?

Answer. Congress and this Committee should continue efforts to ensure that essential and “frontline” workers—which includes the trucking industry—receive prioritization for COVID-19 testing. ATA supports prioritizing the healthcare sector for COVID-19 testing supplies, and as testing becomes more available and abundant, we urge the Federal government to provide COVID-19 testing resources to U.S. employers that are engaged in essential business services. Increased access to COVID-19 testing for our workforce will help mitigate the spread of the coronavirus amongst essential workers by removing people who have tested positive from the workplace and will better ensure the safety and health of employees who are maintaining operations during this pandemic. It is critical that these employees, who are required to be at physical worksites in some proximity to other employees and/or customers, have prioritized access to testing. We have a responsibility to ensure that they can perform their work in a safe environment, and access to testing would help us do so.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. MARIA CANTWELL TO
RANDY GUILLOT

Employee Protection during the COVID-19 Public Health Crisis. Both to mitigate the spread of the virus and in response to economic changes, there have been large reductions in transportation movement, as well as, production. The automotive industry shut down virtually all of its North American plants for the entire month of April to help contain the spread of the virus.

Freight and passenger rail have had drastic service reductions in response to plunging demand, and companies across the country have had workers staying home for several months. As states start to lift certain restrictions intended to slow the spread of the virus, it is imperative that we take the necessary steps to keep workers and the travelling public safe while we continue to grapple with the COVID-19 virus.

Question 1. Do your members have the information they need to know how to protect their employees during the COVID-19 public health crisis?

Answer. Yes. The Centers for Disease Control and Prevention (CDC) and the Occupational Health and Safety Administration (OSHA) have released both general and industry-specific employer guidance that reflects the public health experts’ current understanding of how to prevent the spread of COVID-19 in the working environment. ATA members have used this guidance to establish through procedures to help protect employees in their company’s specific operating environment.

However, the biggest challenge for employers in protecting drivers from COVID-19 is not lack of access to public health information, but the ability to ensure that drivers out on the road have an adequate place to rest, access to restroom facilities, and can find something to eat—all while delivering critical medical supplies, food, and protective equipment that keep our communities safe and fed. Truck parking is dangerously scarce on a normal day, and the closing of some state-run and private facilities at a time of heightened urgency for freight deliveries is the most significant risk to our Nation's truck drivers.

Question 2. If so, where did they obtain this information? Is it specific to your unique industry and workplace? If not, do you think the Federal government needs to provide additional information?

Answer. As stated above, ATA members have primarily depended on OSHA and CDC guidance in obtaining information to protect their workforce. ATA joined the Coalition for Workplace Safety (CWS) and 57 other organizations in providing feedback to the U.S. House Subcommittee on Workforce Protections. Specifically, we advised against requiring the OSHA to issue an Emergency Temporary Standard (ETS) in response to the COVID-19 pandemic. An ETS would be far less agile at adapting the Nation's evolving understanding of COVID-19 and the societal response to the crisis. Instead, we urged OSHA to consider a more nimble and effective solution: continue issuing industry-specific guidance based on the latest information from the Centers for Disease Control and Prevention (CDC). The guidance that is industry-specific is far more effective for our member companies to implement and is significantly more sensible than a one-size-fits-all standard that is impracticable for a diverse industry like trucking.

Question 3. Are you working with public health experts to ensure that, as you re-engage the workforce and as service levels start to rise, that workers, customers, and passengers can trust they are returning to a safe environment?

Answer. Yes, ATA is working very closely with CDC, particularly with staff from the National Institute for Occupational Safety and Health (NIOSH), to ensure the guidance provided meets the needs of the entire trucking industry and does not place any undue burdens that could come into conflict with DOT regulations or could potentially harm safety. Additionally, ATA's federation of state trucking associations are working very closely with state and local public health officials to ensure that trucking companies within those states are able to respond quickly to health and safety requirements and guidance to protect the trucking workforce.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. KYRSTEN SINEMA TO
RANDY GUILLOT

Truck Excise Tax. In the wake of the coronavirus pandemic, the United States has a clear need for a modern and resilient national supply chain. Trucks are responsible for moving critical medical supplies to hospitals and keeping essential businesses operating all over the country. While trucking companies and drivers are stepping up to supply the Nation during the crisis, many have been left out of relief efforts. Several Arizona trucking companies and independent operators have raised the prospect that a temporary waiver of the excise tax on heavy-duty trucks may be a way to help the industry recover.

Question 1. What impact do you think a short-term waiver of the excise tax would have on the trucking industry as a whole and do you think more needs to be done to protect our national supply chain infrastructure?

Answer. As Congress considers legislation to respond to the coronavirus pandemic and assist with economic recovery, we believe that Congress should suspend the 12 percent Federal excise tax (FET) on the purchase of new heavy-duty trucks and trailers until the end of 2021. A suspension of the FET would serve as an effective and immediate policy to spur the sales of newer, cleaner and safer trucks and equipment, which would retain jobs in the trucking sector as the Nation works to rebuild our economy.

As of June 11, North American Class 8 truck and tractor sales are forecasted to decrease 50.9 percent in 2020 from 2019. (333,779 in 2019; 164,000 in 2020). Similarly, North American trailer sales are forecasted to decrease 54.1 percent in 2020 from 2019. (400,636 in 2019; 183,700 in 2020). And, as a result of government-ordered closures, truck manufacturing plants and truck dealers have either suspended or scaled back operations.

To help jump start the economy and ensure our Nation's critical supply chain, a suspension of the FET, which increases the cost of new heavy-duty trucks and trailers by \$22,000 on average, would immediately spark the purchase of heavy-duty trucks and trailers. In turn, this would help save or bring back the livelihoods of

the 7.8 million Americans employed in jobs related to trucking. A survey of trucking companies in May revealed that 60 percent would be more likely to purchase new equipment if the excise tax is suspended. Increased purchase of new trucks and trailers, the vast majority of which are manufactured domestically, would increase U.S. employment opportunities.

In addition to saving jobs, a suspension of the FET would spur sales of today's cleaner and safer heavy-duty trucks and trailers by making them more affordable during this difficult economic time. Over the past two decades, the trucking industry has made strong environmental gains, and today's heavy-duty trucks are cleaner than ever before. Cleaner fuel and engines utilizing advanced technologies have combined to reduce nitrogen oxide emissions by 97 percent and particulate matter emissions by 98 percent. Since 2010, more fuel-efficient diesel trucks have saved 101 million barrels of crude oil and reduced CO₂ emissions by 43 million tons. Suspension of the tax would also encourage the sale of newer trucks, which have the latest safety technologies that help reduce roadway crashes and related injuries and fatalities.

The antiquated 12 percent FET, which was adopted in 1917 to defray the costs of World War I, is a prohibitive barrier to investments in newer, cleaner, and safer trucks and equipment. It is the highest excise tax imposed by the Federal government on any product or service. Temporarily suspending this tax will incentivize carriers to purchase new trucks and trailers, saving manufacturing jobs and putting cleaner, safer trucks on the road.

Infrastructure Investment. As we begin to recover from the economic impacts of the coronavirus pandemic, many stakeholders from both sides of the aisle have proposed a significant investment in our Nation's infrastructure to boost the economic recovery. At the same time, Congress has the responsibility to reauthorize our surface transportation programs this year. Congress needs to consider long-term investments in infrastructure, especially given the low interest rates.

Question 2. How has COVID-19 impacted the landscape for infrastructure development?

Answer. With regard to highway infrastructure investment, the dramatic reductions in revenue from fuel and retail sales taxes, and in revenue from a 12 percent Federal tax on truck purchases, have significantly impacted federal, state and local resources. As a result, state and local transportation agencies have canceled or delayed many projects. The result is an already dilapidated and vastly underfunded highway system that is deteriorating even more rapidly, both in terms of its condition and its performance. Revenue reductions have also accelerated the impending insolvency of the Federal Highway Trust Fund. The Treasury Department now projects that the HTF will begin to go into the red by Spring 2021. Transportation agencies will begin to scale back project lettings months before in anticipation of reductions in federal-aid money.

Question 3. From your perspective, what are the key aspects of a long-term surface transportation bill?

Answer. A long-term surface transportation bill should:

- Provide user-based revenue that is predictable and sufficient to address the needs of the surface transportation system. Research suggests a doubling of investment is required to address all needs.
- Focus on core highway infrastructure goals that improve national and regional mobility. Money should be directed primarily toward the National Highway System, and to the small number of highway bottlenecks that cause a disproportionate share of congestion.
- Avoid shifting more money to non-highway projects and programs. The Transit Account's share should not increase, and new eligibilities, such as for Amtrak, should be avoided. Furthermore, programs and requirements related to greenhouse gas reduction should not increase project costs or impose new requirements that take project selection flexibility away from transportation agencies.
- Protect highway users from harmful highway funding schemes such as tolls on existing Interstates and untested vehicle miles traveled fees.

Question 4. How should Congress pay for infrastructure and what sources of revenue would you recommend be included in the legislation?

Answer. An increase in the fuel user fee is the most fair, equitable and conservative way to pay for highway projects. ATA supports an increase of 5 cents per year for 4 years, plus indexing. This will raise approximately \$340 billion over the first 10 years. The cost to motorists will be minimal, with the average passenger vehicle driver paying just \$2 per week extra. In addition, unlike the alternatives, a fuel tax

has very low levels of evasion and collection cost. While we acknowledge that the fuel tax will eventually have to be replaced or supplemented due to changes in vehicle technology, Department of Energy projections suggest that it is viable for at least another decade. In the meantime, Congress should enact a new user fee for vehicles that do not pay a fuel tax and provide a pathway toward a new user fee to replace the fuel tax in the future.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. DAN SULLIVAN TO
IAN N. JEFFERIES

Question 1. There has been continued discussions regarding the need for congress to enact funding for infrastructure this year as an economic stimulus in response to the pandemic. There is a desire to pair surface transportation reauthorization with authorizations and funding for Corps of Engineers projects and water/waste-water infrastructure. Do you support congressional efforts to pass infrastructure legislation?

Answer. The rail industry fully supports significant public infrastructure funding, is committed to maintaining and furthering a robust, environmentally sustainable freight transportation network into the future, and believes a clear vision for future recovery includes commonsense, bipartisan solutions for all Americans.

Throughout the COVID-19 pandemic, freight railroads and their employees have steadfastly served the American people and have done so relying almost entirely on private investments and without public support. Railroads are ready to also play a key role in our Nation's recovery by delivering the goods America needs, while also continuing to safeguard the health and safety of our employees.

America's freight railroads operate overwhelmingly on infrastructure that they own, build, maintain, and pay for themselves with little or no government assistance. Railroads also invest on average \$25 billion per year in private funding to maintain and modernize its network in order to improve safety and continue to provide responsive service to its customers.

The freight rail industry's top priority in surface transportation reauthorization legislation is to preserve its ability to serve its customers and compete successfully in a safe, efficient, and cost effective manner. Current policy has also helped railroads continue to deliver for their employees and customers during this pandemic, and now is not the time to retreat from that framework.

Other priorities of the freight rail industry include for any surface transportation reauthorization/infrastructure legislation include:

- *Highway-Rail Grade Crossing Safety.* Reducing accidents and fatalities at highway-rail grade crossings is of paramount importance given that most collisions are preventable. Engineering solutions (such as closing unneeded crossings and upgrading warning devices), education, and enforcement are key. Freight railroads appreciate the public's interest in grade crossing improvements and support:
 - Providing funding for the Section 130 Railway-Highway Crossings program through dedicated formula funding out of the Highway Trust Fund at current or increased levels. Funding for these projects will help to stimulate the economy, while also meeting the significant, widespread demand for these vital safety and highway mobility improvement projects.
 - Improving the Section 130 program by: increasing incentive payments for grade crossing closures from the current cap of \$7,500 to \$100,000; expanding flexibility by eliminating the arbitrary 50 percent cap on spending for hazard elimination projects and by permitting the replacement of certain protective warning devices; and enabling costs incurred by public or private entities for preliminary engineering for grade crossing projects to be counted toward the nonfederal share.
 - Enabling or incentivizing states to bundle grade crossing projects into a single grant application under applicable discretionary grant programs, such as BUILD, INFRA or CRISI.
 - Providing preference for the award of grants under the CRISI program to applicants that plan to undertake grade crossing projects.
 - Requiring future fleets of automated vehicles to provide grade crossing warnings and/or prevent incursions into grade crossings when gates or other protective devices have been activated.
 - Authorizing Operation Lifesaver for at least \$3 million per year through FHWA, FRA, and FTA.

- *Innovations in the Deployment of Safety Technologies.* Safety and efficiency improvements should be encouraged by the FRA. However, the current regulatory approach to rail safety is largely prescriptive and does not easily allow for the incorporation of the best technologies to improve safety and performance. Freight railroads support the larger goal of moving toward a more performance-based regulatory framework, as well as the use of pilot programs to provide the railroad and safety regulators with data that prove new technological applications that will drive safety and efficiency improvements.
- *Project Permitting Reforms.* While efforts to cut red tape associated with infrastructure project approval and construction have been successful in recent years, more can still be done to fast-track routine maintenance and replacement construction projects without ignoring environmental or historical preservation concerns. These include:
 - Codifying that a categorical exclusion and a Finding of No Significant Impact are the only NEPA documentation necessary for projects where replacement of infrastructure on existing operating railroad right-of-way is the purpose;
 - Converting select executive orders on streamlining the permitting process, such as timeclocks, intermediate deadlines and One Decision for large projects, to statute; and
 - Continuing to streamline the Section 106 historic preservation review process, especially for projects needed to enhance or maintain safety.
- *Funding for Amtrak & Public Partnering with Freight Railroads.* Freight railroads support funding for grant programs that enable state and local governments and passenger and commuter railroads to partner with freight railroads to advance projects of mutual interest, including projects to help lessen road and port congestion, enhance safety at highway-rail grade crossings, improve port connectivity, facilitate intercity and commuter rail service, and improve the quality of life for communities. The following programs should continue to be authorized at existing or increased levels:
 - INFRA Discretionary Grants. Caps should also be upwardly adjusted or removed on multimodal freight eligibility in proportion to General Fund contributions to the HTF.
 - BUILD Discretionary Grants.
 - CRISI Discretionary Grants.
 - Federal-State Partnership for State of Good Repair Grants.
 - Amtrak and state-supported passenger routes.
- *Restore the Highway Trust Fund (HTF) to a True User-Based Fund.* The receipts into the HTF no longer cover the costs to sustain and repair our Nation's deteriorating bridges and roads, leaving taxpayers to pay billions of dollars each year to cover the shortfall and placing the rail industry at an unfair competitive disadvantage in the freight transportation sector. Freight railroads urge Congress to return the HTF to a sustainable user-based system and ensure that users of infrastructure, including commercial trucks, pay for the damage they inflict on our Nation's roads and bridges.
- *Additional Policies that Enhance Safety on the Railroads:*
 - Support the inclusion of mechanical employees in drug and alcohol testing requirements.
 - Support legislation to make permanent the 45G tax credit to upgrade track infrastructure for short line railroads (HR 510/S.203 BRACE Act).

The reauthorization of our country's surface transportation programs presents a unique opportunity for Congress to stimulate our economy by providing robust, transformative investments in infrastructure that will reduce congestion, improve efficiency and resiliency, address climate change, and create new, good-paying jobs. Freight railroads urge Congress to reject controversial policy riders that could hinder our Nation's economic recovery, including: harmful economic regulation; permitting longer or heavier trucks on our Nation's roads and bridges; mandating specific operating models, such as minimum railroad crew size; prohibiting the transportation of liquefied natural gas by rail; and facilitating property takings of railroad rights-of-way for the speedy rollout of broadband service. Unfortunately, several of these provisions are included in the most recent House of Representatives' surface transportation reauthorization/infrastructure bills, the INVEST in America and Moving Forward Acts.

Freight railroads remain focused on helping to address the ongoing pandemic and playing a key role in our Nation's future economic recovery. These policy riders could undermine the rail industry's efforts to accomplish those goals by limiting our

capacity to safely and efficiently get our customers' goods to market, compete on an equal playing field with other modes of transportation, improve and maintain our networks to meet the Nation's freight transportation demand, and add good-paying jobs to meet growing freight transportation demand.

For a complete list of the freight rail industry's priorities for surface transportation reauthorization, please visit: <https://www.aar.org/wp-content/uploads/2020/02/AAR-FAST-Act-Reauthorization-Priorities.pdf>.

Question 2. In response to the public health emergency, many industries shifted to teleworking to help flatten the curve. Given that teleworking is not an option for many critical infrastructure employees, how can Congress and this Committee help to mitigate the risks to employees that other industries are able to avoid?

Answer. Freight railroads are grateful to their roughly 150,000 employees for keeping the rail network running. As the COVID-19 pandemic continues to evolve across the globe, the industry remains focused on safeguarding the health and safety of the rail workforce while working tirelessly to maintain the flow of goods necessary to preserve public health, sustain families, and keep supply chains moving.

Railroads quickly took extensive steps to protect their employees and contain, mitigate, and respond to the coronavirus outbreak. Railroads have and will continue to diligently adhere to guidelines and recommendations from the Centers for Disease Control and Prevention, the Occupational Safety and Health Administration, and other health professionals. Railroads also remain in constant communication with other Federal partners, including the Departments of Transportation and Homeland Security, as well as state and local officials on evolving public health developments and efforts to contain the spread of the virus.

For employees whose jobs require them to work on-site or in the field, railroads worked to quickly and safely implement appropriate social distancing policies and establish rigorous cleaning protocols for their work environments (*i.e.*, sanitation of locomotive cabs). The use of gloves, masks, and other protective devices is ubiquitous on railroads now, as are self-isolation protocols for those potentially exposed to the virus or showing symptoms. Railroads transitioned most of their office employees to telework arrangements and began using technology whenever possible to replace face-to-face interaction. Access by visitors to rail facilities has also been sharply curtailed.

Railroads are providing timely information to employees on these matters through various communications channels, such as e-mail, virtual town-halls, newsletters, freight railroad intranets, and conference calls. Railroads are also bolstering the efforts of their own internal medical teams and increasing their emotional and mental health resources to ensure their large, dispersed workforce remains supported.

Freight railroads thank Congress for its past and ongoing efforts to help the country—both its citizens and businesses—recover and rebuild from the COVID-19 pandemic. To help maintain the safety and health of the rail workforce during the COVID-19 pandemic, Congress should:

- Focus on funding and reject controversial policy riders including harmful economic regulation; permitting longer or heavier trucks on our Nation's roads and bridges; mandating specific operating models, such as minimum railroad crew size; and facilitating property takings of railroad rights-of-way for the speedy rollout of broadband service. Now is not the time to seek inclusion of controversial matters; instead it is essential that policies not be enacted that would undermine the freight rail industry's ability to safely and efficiently get our customers' goods to market, compete on an equal playing field with other modes of transportation, and improve and maintain our networks to meet the Nation's freight transportation demand.
- Prioritize access to testing and protective equipment for essential critical infrastructure workers. Freight railroads thank the Committee for S. 3728, the Critical Infrastructure Employee Protection Act of 2020, and believe that their employees, as well as other essential critical infrastructure workers, should be given priority access to testing, personal protective equipment, sanitizers, non-medical grade facial coverings, and other health-related or protective supplies.
- Ensure parity in the treatment of rail labor. Freight railroads thank Congress for including in the CARES Act the needed updates to Railroad Unemployment Insurance (RUI) that ensured our employees were treated similarly to the rest of our Nation's workforce. As Congress continues to identify solutions and policy that will help our Nation's workers and families, freight railroads ask that you also consider removing RUI from the effects of sequester. RUI is the only unemployment insurance program subjected to those reductions, which were enacted into law in the Budget Control Act of 2011.

- Provide additional administrative funding for the Railroad Retirement Board (RRB). As you know, railroaders' RUI benefits are administered by the RRB. Freight railroads support providing this funding to modernize the RRB's IT capabilities in order to better serve the needs of our employees, including improved processing of unemployment benefits.

RESPONSE TO WRITTEN QUESTION SUBMITTED BY HON. MARSHA BLACKBURN TO
IAN N. JEFFERIES

Question. We genuinely appreciate all the work that the Class I railroads are doing to support the U.S. economy. Could you please tell me how regional and short line railroads assist in these endeavors?

Answer. Short line and regional railroads are a vital component of America's freight transportation system. Approximately 600 short line and regional railroads operate around 44,000 miles of rail in 48 states, employing roughly 18,000 workers and earning several billion dollars in annual revenues. These railroads range in size from tiny operations handling a few carloads per month to multi-state operations spanning more than a thousand miles. Typically, short line and regional railroads perform a gathering and distributing function, often linking rural businesses and communities to the Nation's supply chains and high-volume Class I rail lines. In fact, short line and regional railroads originate or terminate an estimated one out of every four carloads moved by U.S. railroads, and a typical Class I railroad exchanges traffic with scores of short line and regional railroads.

During the COVID-19 pandemic, short line and regional railroads, similar to their Class I counterparts, are striving, first and foremost, to safeguard their employees' health and safety by implementing social distancing policies, establishing rigorous cleaning protocols for work environments, and using appropriate personal protective devices. Throughout the pandemic, short line and regional railroads have strived to continue to offer the cost effective, environmentally friendly, reliable, and safe service that their customers and our economy demand. As the American Short Line and Regional Railroad Association points out, during the COVID-19 pandemic, short line and regional railroads have often been the final link between suppliers and customers needing critical goods. These railroads have also been active in moving the items most in demand and are making special efforts to expedite shipments of goods that are in short supply or urgently needed.

Without question, short line and regional railroads play an important role in the operation of our Nation's rail network and help to maintain the flow of goods necessary to preserve public health, sustain families, and keep supply chains moving.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. MARIA CANTWELL TO
IAN N. JEFFERIES

Employee Protection during the COVID-19 Public Health Crisis. Both to mitigate the spread of the virus and in response to economic changes, there have been large reductions in transportation movement, as well as, production. The automotive industry shut down virtually all of its North American plants for the entire month of April to help contain the spread of the virus.

Freight and passenger rail have had drastic service reductions in response to plunging demand, and companies across the country have had workers staying home for several months. As states start to lift certain restrictions intended to slow the spread of the virus, it is imperative that we take the necessary steps to keep workers and the travelling public safe while we continue to grapple with the COVID-19 virus.

Question 1. Do your members have the information they need to know how to protect their employees during the COVID-19 public health crisis?

Question 2. If so, where did they obtain this information? Is it specific to your unique industry and workplace? If not, do you think the Federal government needs to provide additional information?

Answer to 1 and 2. Freight railroads are grateful to their roughly 150,000 employees for keeping the rail network running. As the COVID-19 pandemic continues to evolve across the globe, the industry remains focused on safeguarding the health and safety of the rail workforce while working tirelessly to maintain the flow of goods necessary to preserve public health, sustain families, and keep supply chains moving.

Railroads quickly took extensive steps to protect their employees and contain, mitigate, and respond to the coronavirus outbreak. Railroads will continue to dili-

gently adhere to guidelines and recommendations from the Centers for Disease Control and Prevention (CDC), the Occupational Safety and Health Administration (OSHA), and other health professionals. Railroads also remain in constant communication with other Federal partners, including the Departments of Transportation (DOT) and Homeland Security (DHS), as well as state and local officials on evolving public health developments and efforts to contain the spread of the virus.

For employees whose jobs require them to work on-site or in the field, railroads worked to quickly and safely implement appropriate social distancing policies and establish rigorous cleaning protocols for their work environments (*i.e.*, sanitation of locomotive cabs). The use of gloves, masks, and other protective devices is ubiquitous on railroads now, as are self-isolation protocols for those potentially exposed to the virus or showing symptoms. Railroads transitioned most of their office employees to telework arrangements and began using technology whenever possible to replace face-to-face interaction. Access by visitors to rail facilities has also been sharply curtailed.

Railroads are providing timely information to employees on these matters through various communications channels, such as e-mail, virtual town-halls, newsletters, freight railroad intranets, and conference calls. Railroads are also bolstering the efforts of their own internal medical teams and increasing their emotional and mental health resources to ensure their large, dispersed workforce remains supported.

Thankfully, my understanding is that, due to railroads' preventive measures and the diligence of their employees, the number of confirmed COVID-19 cases among freight rail employees has been relatively low to date. Moreover, I am not aware of any instances in which Class I railroads have been unable to serve customers or suffered meaningful business interruptions due to pandemic-related railroad crew shortages.

Question 3. Are you working with public health experts to ensure that, as you re-engage the workforce and as service levels start to rise, that workers, customers, and passengers can trust they are returning to a safe environment?

Answer. Freight railroads thank Congress for its past and ongoing efforts to help the country—both its citizens and businesses—recover and rebuild economically from the COVID-19 pandemic. The industry has seen rail volumes during this pandemic fall as demand for customers' products has decreased. These recent rail traffic declines span the industrial spectrum, reflecting the widespread economic shock caused by the pandemic.

The answers to the big economic questions right now are unknowable: how deep will the pandemic-created economic hole end up being, how long will it take to dig out of it, and what shape will the recovery take. Railroads are prepared to play a role in the Nation's future recovery by continuing to offer safe, reliable, and cost-effective freight transportation service as their customers' demand increases.

Freight railroads also intend to continue taking the steps necessary to maintain the safety and health of their workforce and will continue to diligently adhere to guidelines and recommendations from the CDC, OSHA, and other health professionals. Railroads also remain in constant communication with other Federal partners, including the DOT and DHS, as well as state and local officials on evolving public health developments and efforts to contain the spread of the virus.

Freight railroads will also remain in close collaboration with their customers. It's too early to say when the current crisis will end, but when it does—and it will—railroads will be ready to quickly ramp up their capabilities, so that our Nation's freight transportation needs continue to be fully met. In fact, while rail volumes continue to be lower than average, they have improved since their lows earlier in the spring.

To help maintain the safety and health of the rail workforce during the COVID-19 pandemic, Congress should:

- Focus on funding and reject controversial policy riders including: harmful economic regulation; permitting longer or heavier trucks on our Nation's roads and bridges; mandating specific operating models, such as minimum railroad crew size; and facilitating property takings of railroad rights-of-way for the speedy rollout of broadband service. Now is not the time to seek inclusion of controversial matters; instead it is essential that policies not be enacted that would undermine the freight rail industry's ability to safely and efficiently get our customers' goods to market, compete on an equal playing field with other modes of transportation, and improve and maintain our networks to meet the Nation's freight transportation demand.
- Prioritize access to testing and protective equipment for essential critical infrastructure workers. Freight railroads thank the Committee for S. 3728, the Critical Infrastructure Employee Protection Act of 2020, and believe that their em-

ployees, as well as other essential critical infrastructure workers, should be given priority access to testing, personal protective equipment, sanitizers, non-medical grade facial coverings, and other health-related or protective supplies.

- Ensure parity in the treatment of rail labor. Freight railroads thank Congress for including in the CARES Act the needed updates to Railroad Unemployment Insurance (RUI) that ensured our employees were treated similarly to the rest of our Nation's workforce. As Congress continues to identify solutions and policy that will help our Nation's workers and families, freight railroads ask that you also consider removing RUI from the effects of sequester. RUI is the only unemployment insurance program subjected to those reductions which were enacted into law in the Budget Control Act of 2011.
- Provide additional administrative funding for the Railroad Retirement Board (RRB). As you know, railroaders' RUI benefits are administered by the RRB. Freight railroads support providing this funding to modernize the RRB's IT capabilities in order to better serve the needs of our employees, including improved processing of unemployment benefits.

RESPONSE TO WRITTEN QUESTION SUBMITTED BY HON. JACKY ROSEN TO
IAN N. JEFFERIES

Longer Trains. During the June 3, 2020, hearing of the U.S. Senate Committee on Commerce, Science, and Transportation regarding, "The State of Transportation and Critical Infrastructure: Examining the Impact of the COVID-19 Pandemic," you discussed some of the challenges facing the rail industry.

As rail intermodal volume has fallen, we have seen in Nevada the combining of intermodal traffic into trains which are running at lengths in the range of 13,000 to 16,000 feet. Freight has seen a decline in volume by over 17 percent as the demand for commodities, such as crude oil, coal, and imports from Asia has declined. To address this decline, it has been reported that railroads have suspended locomotives and turned to combining general merchandise and commodities as cost cutting measures to address the industry's economic shortfall. But there are concerns regarding the safety of trains of this length, and these trains are not keeping their designated schedules due to operational problems associated with them. Additionally, these trains are resulting in longer occupancy of roadway crossings, creating delays for both motorists as well as road-based freight.

Question. I have heard from stakeholders in Nevada who have shared their concerns about the environmental and safety impacts of longer train lengths. Can you address these concerns? And as rail intermodal traffic returns to normal schedules, what can we expect with regard to the length of train cars? Can we expect them to go back to pre-pandemic lengths?

Answer. Given that each railroad has its own unique service area and customers, it should not be surprising that each railroad also has its own unique operational plan that utilizes its assets and best serves its customers in as safe and efficient a manner as possible. Railroads take numerous steps to ensure the safe operation of any train—no matter the length. As a result of these measures and average annual private investments of \$25 billion to maintain and modernize its infrastructure, America's rail industry has achieved significant safety improvement across every recorded category over the last 20 years. Since 2000, train accident and hazmat accident rates are down 34 percent and 66 percent, respectively, while rail employee fatalities in 2019 reached at an all-time low with numbers in the single digits for the first time in history. Furthermore, these investments have resulted in significant efficiency gains, with the average rail shipper being able to move almost double the amount of freight today for the same price it paid 40 years ago. Finally, these investments continue to maintain the rail industry as the most sustainable way to move goods over land, as a freight train, on average, now moves one ton of freight more than 470 miles on one gallon of fuel.

Maximum train length is generally determined by the capabilities of the infrastructure, such as whether there are single or double tracks or whether there are sidings long enough to accommodate a train that needs to pull over. Railroads also employ sophisticated modeling tools that can reliably simulate the performance of any train, factoring in the terrain, the location of the route, and any changes in train makeup, including additional rail cars and/or locomotives, before that train is actually run. Following those simulations, railroads can evaluate the performance of the train in the simulation, review past history of the route, incorporate rules for the proper operation of that route, perform a supervised pilot, or monitor initial trains. Railroads also provide focused training to crews on any of these new changes.

Without question, the pandemic has caused a significant loss in the demand for goods, and railroads have had to respond to those changing business conditions and projected lower demand for rail cars. As of June 27, 2020, total combined U.S. rail traffic (carloads and intermodal units) was down 13.2 percent as compared to last year. However, this economic downturn has had no bearing on changes in train length. Additionally, regardless of the ongoing pandemic or other economic factors, the rail industry remains committed to the safety of its operations and will continue to take efforts to ensure that every train is operated safely.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. KYRSTEN SINEMA TO
IAN N. JEFFERIES

Infrastructure Investment. As we begin to recover from the economic impacts of the coronavirus pandemic, many stakeholders from both sides of the aisle have proposed a significant investment in our Nation's infrastructure to boost the economic recovery. At the same time, Congress has the responsibility to reauthorize our surface transportation programs this year. Congress needs to consider long-term investments in infrastructure, especially given the low interest rates.

Question 1. How has COVID-19 impacted the landscape for infrastructure development?

Answer. Throughout the COVID-19 pandemic, freight railroads have sought to continue to provide high levels of safe, reliable service to their customers, operate efficiently, and preserve their financial stability and integrity. Today, America's world-class freight rail network spans nearly 140,000 miles, and our Nation's freight railroads operate overwhelmingly on infrastructure that they own, build, maintain, and pay for themselves with little or no government assistance. Railroad is a capital-intensive industry, and railroads invest on average \$25 billion per year in capital investments and maintenance expenses related to locomotives, freight cars, tracks, bridges, tunnels, and other infrastructure and equipment.

These ongoing investments have enabled the rail industry to maintain and modernize its network to improve the safety of its operations and provide its customers with responsive service, close collaboration, and nimble operational adjustments, including during the ongoing pandemic when virtually every railroad customer has had to change its operations in some form. In recent years, railroads have also continued to evolve their operating practices, producing more resilient networks that put them in a strong position to navigate the current market disruptions. By and large, America's freight railroads are running better than ever, keeping North America's supply chains moving and delivering critical products where they're needed. Railroads are also making special efforts to expedite shipments of goods that are in short supply or urgently needed.

Railroads are also preparing to help our Nation's economy grow in the years ahead by being able to handle its increased freight transportation demand. Railroads will continue to invest in their infrastructure, prioritizing projects that lead to safer, more reliable train operations, as well as make significant operational and technological improvements that improve fuel efficiency, limit greenhouse gas emissions, and keep the rail industry as the most environmentally sustainable land mode of freight transportation.

While railroads would prefer more traffic operating on their networks than they currently have, they are taking advantage of reduced traffic levels by fast-forwarding maintenance and construction activity, as appropriate, to further strengthen their networks and make them better able to serve their customers and our Nation in the years ahead. As demand returns, railroads' improved service capabilities will allow for them to more safely, reliably, and cost-effectively meet the increasing freight transportation needs of their customers, while also providing some of the highest-paying jobs in America.

Question 2. From your perspective, what are the key aspects of a long-term surface transportation bill?

Answer. The rail industry fully supports significant public infrastructure funding, is committed to maintaining and furthering a robust, environmentally sustainable freight transportation network into the future, and believes a clear vision for future recovery includes commonsense, bipartisan solutions for all Americans.

Throughout the COVID-19 pandemic, freight railroads and their employees have steadfastly served the American people and have done so relying almost entirely on private investments and without public support. Railroads are ready to also play a key role in our Nation's recovery by delivering the goods America needs, while also continuing to safeguard the health and safety of our employees.

As previously mentioned, America's freight railroads operate overwhelmingly on infrastructure that they own, build, maintain, and pay for themselves with little or no government assistance. Railroads also invest on average \$25 billion per year in private funding to maintain and modernize its network in order to improve safety and continue to provide responsive service to its customers.

The freight rail industry's top priority in surface transportation reauthorization legislation is to preserve its ability to serve its customers and compete successfully in a safe, efficient, and cost effective manner. Current policy has also helped railroads continue to deliver for their employees and customers during this pandemic, and now is not the time to retreat from that framework.

Other priorities of the freight rail industry include for any surface transportation reauthorization legislation include:

- *Highway-Rail Grade Crossing Safety.* Reducing accidents and fatalities at highway-rail grade crossings is of paramount importance given that most collisions are preventable. Engineering solutions (such as closing unneeded crossings and upgrading warning devices), education, and enforcement are key. Freight railroads appreciate the public's interest in grade crossing improvements and support:
 - Providing funding for the Section 130 Railway-Highway Crossings program through dedicated formula funding out of the Highway Trust Fund at current or increased levels. Funding for these projects will help to stimulate the economy, while also meeting the significant, widespread demand for these vital safety and highway mobility improvement projects.
 - Improving the Section 130 program by: increasing incentive payments for grade crossing closures from the current cap of \$7,500 to \$100,000; expanding flexibility by eliminating the arbitrary 50 percent cap on spending for hazard elimination projects and by permitting the replacement of certain protective warning devices; and enabling costs incurred by public or private entities for preliminary engineering for grade crossing projects to be counted toward the non-federal share.
 - Enabling or incentivizing states to bundle grade crossing projects into a single grant application under applicable discretionary grant programs, such as BUILD, INFRA or CRISI.
 - Providing preference for the award of grants under the CRISI program to applicants that plan to undertake grade crossing projects.
 - Requiring future fleets of automated vehicles to provide grade crossing warnings and/or prevent incursions into grade crossings when gates or other protective devices have been activated.
 - Authorizing Operation Lifesaver for at least \$3 million per year through FHWA, FRA, and FTA.
- *Innovations in the Deployment of Safety Technologies.* Safety and efficiency improvements should be encouraged by the FRA. However, the current regulatory approach to rail safety is largely prescriptive and does not easily allow for the incorporation of the best technologies to improve safety and performance. Freight railroads support the larger goal of moving toward a more performance-based regulatory framework, as well as the use of pilot programs to provide the railroad and safety regulators with data that prove new technological applications that will drive safety and efficiency improvements.
- *Project Permitting Reforms.* While efforts to cut red tape associated with infrastructure project approval and construction have been successful in recent years, more can still be done to fast-track routine maintenance and replacement construction projects without ignoring environmental or historical preservation concerns. These include:
 - Codifying that a categorical exclusion and a Finding of No Significant Impact are the only NEPA documentation necessary for projects where replacement of infrastructure on existing operating railroad right-of-way is the purpose;
 - Converting select executive orders on streamlining the permitting process, such as timeclocks, intermediate deadlines, and One Decision for large projects, to statute; and
 - Continuing to streamline the Section 106 historic preservation review process, especially for projects needed to enhance or maintain safety.
- *Funding for Amtrak & Public Partnering with Freight Railroads.* Freight railroads support funding for grant programs that enable state and local govern-

ments and passenger and commuter railroads to partner with freight railroads to advance projects of mutual interest, including projects to help lessen road and port congestion, enhance safety at highway-rail grade crossings, improve port connectivity, facilitate intercity and commuter rail service, and improve the quality of life for communities. The following programs should continue to be authorized at existing or increased levels:

- INFRA Discretionary Grants. Caps should also be upwardly adjusted or removed on multimodal freight eligibility in proportion to General Fund contributions to the HTF.
- BUILD Discretionary Grants.
- CRISI Discretionary Grants.
- Federal-State Partnership for State of Good Repair Grants.
- Amtrak and state-supported passenger routes.
- *Additional Policies that Enhance Safety on the Railroads*
 - Support the inclusion of mechanical employees in drug and alcohol testing requirements.
 - Support legislation to make permanent the 45G tax credit to upgrade track infrastructure for short line railroads (HR 510/S.203 BRACE Act).

The reauthorization of our country's surface transportation programs presents a unique opportunity for Congress to stimulate our economy by providing robust, transformative investments in infrastructure that will reduce congestion, improve efficiency and resiliency, address climate change, and create new, good-paying jobs. Freight railroads urge Congress to reject controversial policy riders that could hinder our Nation's economic recovery, including: harmful economic regulation; permitting longer or heavier trucks on our Nation's roads and bridges; mandating specific operating models, such as minimum railroad crew size; prohibiting the transportation of liquefied natural gas by rail; and facilitating property takings of railroad rights-of-way for the speedy rollout of broadband service. Unfortunately, several of these provisions are included in the most recent House of Representatives' surface transportation reauthorization/infrastructure bills, the INVEST in America and Moving Forward Acts.

Freight railroads remain focused on helping to address the ongoing pandemic and playing a key role in our Nation's future economic recovery. These policy riders could undermine the rail industry's efforts to accomplish those goals by limiting our capacity to safely and efficiently get our customers' goods to market, compete on an equal playing field with other modes of transportation, improve and maintain our networks to meet the Nation's freight transportation demand, and add good-paying jobs to meet growing freight transportation demand.

For a complete list of the freight rail industry's priorities for surface transportation reauthorization, please visit: <https://www.aar.org/wp-content/uploads/2020/02/AAR-FAST-ActReauthorization-Priorities.pdf>.

Question 3. How should Congress pay for infrastructure and what sources of revenue would you recommend be included in the legislation?

Answer. As you know, the Highway Trust Fund (HTF) is the financial mechanism for building, maintaining, and repairing Federal roads and bridges. Since the 1950s, drivers of motor vehicles and commercial trucks have paid Federal taxes on each gallon of gasoline to support the HTF. Although this "user-pay" system worked more than half a century ago, receipts into the HTF no longer cover the costs to sustain and repair the Nation's deteriorating bridges and roads, leaving taxpayers to pay billions of dollars each year to cover that shortfall. In fact, the Congressional Budget Office estimates the HTF will be depleted in 2021. Congress must initiate a national, bipartisan effort to ensure users of infrastructure pay to maintain that infrastructure.

Gas taxes are insufficient. The current gas tax of 18.4 cents per gallon of gasoline and 24.4 cents per gallon of diesel fuel was last increased in 1993 and proves less effective each year. This shortfall has only been exacerbated by the recent decrease in gas tax revenue due to lower traffic volumes stemming from the COVID-19 pandemic. Additionally, the current gas tax is too low to ensure each user pays their fair share of the wear and tear they cause. For instance, according to the Federal Highway Administration, a truck weighing 80,000 pounds is estimated to only be paying for 80 percent of the damage they inflict on infrastructure.

Policymakers must require more from those who use—and damage—our nation's infrastructure the most. Research has already shown that financing highway expenditures by charging drivers and truckers for the distance they drive in the form

of a tax on vehicle miles traveled (VMT) is a more sustainable funding model than gas taxes. Additionally, six states are currently exploring the potential benefits of implementing a weight distance tax (WDT). This ongoing research is showing multiple benefits, including:

- More efficient use of infrastructure. The Government Accountability Office noted that “mileage-based user fee initiatives in the U.S. and abroad show that such fees can lead to more equitable and efficient use of roadways by charging drivers based on their actual road use and by providing pricing incentives to reduce road use.”
- Restoring modal equity. Railroads are currently at a competitive disadvantage because they—not taxpayers—pay to maintain and modernize the Nation’s nearly 140,000-mile freight rail network, pumping \$25 billion on average annually into their infrastructure to directly benefit businesses, consumers, and the passenger rail systems that use freight rail tracks. Commercial trucks, however, underpay their Federal cost responsibility by around 27 cents per gallon of fuel. Requiring trucks to pay their full share will even the playing field between trucks and trains.

Taxpayers should not be required to cover the shortfall in funding for our Nation’s infrastructure. Freight railroads urge Congress to return the HTF to a sustainable system and ensure that users of infrastructure, including commercial trucks, pay for the damage they inflict on our Nation’s roads and bridges.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. DAN SULLIVAN TO
ALEX OEHLE

Question 1. There has been continued discussions regarding the need for congress to enact funding for infrastructure this year as an economic stimulus in response to the pandemic. There is a desire to pair surface transportation reauthorization with authorizations and funding for Corps of Engineers projects and water/wastewater infrastructure. Do you support congressional efforts to pass infrastructure legislation?

Answer. We believe that energy infrastructure development will play a critical role in stimulating and sustaining America’s economic recovery. America needed more natural gas transportation capacity before the pandemic, and we believe the same will be true moving forward. Pipeline projects themselves often employ thousands of people, generate significant tax revenue for states and localities, and contribute billions of dollars to the economy in capital expenditures and job creation as affordable energy supplies flow to a particular area. These economic benefits are needed now more than ever.

Pipeline infrastructure development is federally regulated but financed with private capital, so our industry does not pursue Federal funding to support our operations or new construction. In order to encourage the timely deployment of capital for needed energy infrastructure projects, Congress should ensure that a predictable and efficient process is in place for the Federal and state review of proposed projects.

Although surface transportation legislation tends to focus on modes of transportation other than pipelines, permitting provisions of prior surface reauthorizations applied to infrastructure projects broadly, including pipeline projects. We ask Congress to again consider steps to make project permitting more efficient and predictable for all forms of infrastructure projects in order to help put Americans back to work and grow our economy.

Also, separate from the surface transportation bill, INGAA continues to support Pipeline Safety Act reauthorization legislation that increases funding for Federal and state pipeline safety programs and establishes clear policy priorities for the PHMSA. Reauthorizing our Nation’s pipeline safety program could help provide stability as PHMSA and state pipeline safety agencies work to recover from COVID-19 and adapt to the dynamic environment that we will all be living and working in for the months to come.

As you know, PHMSA’s authorization expired last September. We appreciate the Committee’s work to advance a bipartisan reauthorization bill last July and look forward to continuing working with you on this important legislation.

Question 2. In response to the public health emergency, many industries shifted to teleworking to help flatten the curve. Given that teleworking is not an option for many critical infrastructure employees, how can Congress and this Committee help to mitigate the risks to employees that other industries are able to avoid?

Answer. The interstate natural gas pipeline industry is relentlessly committed to its obligation to operate safely, reliably, and responsibly. This includes continuing to serve our communities throughout the COVID-19 emergency while also taking every step necessary to protect the health of our workforce and the public. INGAA's members have made significant changes to their operations to confront COVID-19 and protect their employees and communities, including our employees whose responsibilities do not allow for telework.

As operators of essential energy infrastructure systems, our members have developed robust contingency plans to ensure that natural gas deliveries reliably continue in the face of unexpected events such as extreme weather, security intrusions, or unscheduled maintenance outages. These contingency plans were already in place prior to the onset of COVID-19. INGAA's members quickly responded to COVID-19 by updating existing contingency plans to reflect guidance issued by public health officials.

Congress can reinforce our efforts by passing legislation to coordinate the provision of COVID19 testing, personal protective equipment (PPE), and other health-related supplies for essential critical infrastructure workers. We strongly support S. 3728, the Critical Infrastructure Employee Protection Act of 2020, which you and other members of this Committee introduced on a bipartisan basis.

S. 3728 ensures the continuance of important coordination efforts between Federal agencies and state and local governments that are already underway to ensure that COVID-19 testing, PPE, and other supplies are available to essential critical infrastructure workers. Several Federal agencies, including FEMA, CDC, DOE, and CISA, have taken a lead role in working with state and local agencies to ensure that essential critical infrastructure workers have sufficient access to COVID-19 testing, PPE, and other health-related supplies. Availability of these supplies has been limited at certain times and in certain areas. We are grateful for the joint efforts of federal, state, and local agencies to-date, and it is important that this coordination continues in the months to come as "stay at home" orders and similar restrictions are loosened, which could create a surge in demand for necessary supplies. Of course, patients, healthcare workers, and first responders should always be first in line to receive these supplies.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. MARSHA BLACKBURN TO
ALEX OEHLE

Question. I was informed that a recent Montana court ruling to vacate the Army Corps Nationwide Permit in April has thrown your sector's construction plans into a state of uncertainty. Can you speak to the impact of this decision?

Answer. Yes. The District Court for the District of Montana recently vacated and enjoined the use of a key permit, U.S. Army Corps (USACE) Nationwide Permit 12 (NWP 12), for the construction of new oil and natural gas pipeline projects.¹ The District Court ruled that when the USACE reissued NWP 12 in 2017, the agency failed to engage in a programmatic consultation with the U.S. Fish and Wildlife Service and National Marine Fisheries Service as required under the Endangered Species Act.

Environmental protection, including species protection, is paramount during INGAA members' pipeline construction projects. The USACE NWP program is essential for ensuring that USACE can focus more of its attention on those projects and activities that pose more risk to the environment. Congress amended the Clean Water Act in 1977 to authorize a general permit program, including NWPs, for activities that "will cause only minimal adverse environmental effects."² To use the NWP program, projects must meet stringent criteria to demonstrate there will be minimally adverse impacts. For example, the program's General Condition 18 requires applicants to provide USACE with preconstruction notification if any listed species "might be affected" or is "in the vicinity of the activity."³ When the USACE receives such a notification, it confirms, through consultation, that project-specific use of NWP 12 does not jeopardize listed species, or lead to destruction or adverse modification of critical habitat. General Condition 18 ensures that "[n]o activity is authorized under any NWP which 'may affect' a listed species or critical habitat" until consultation has been completed.⁴

¹*Northern Plains Resource Council v. U.S. Army Corps of Eng'rs*, No. 4:19-cv-00044 (D. Mont. May 11, 2020) (order amending summary judgement order and responding to defendants' motions for stay pending appeal).

²33 U.S.C. 1344(e).

³82 Fed. Reg. 1860, 1999 (Jan. 6, 2017).

⁴*Id.*

NWP 12 is used to authorize thousands of natural gas pipeline projects each year, so the District Court's order creates an unprecedented disruption to producers, transporters, and consumers of natural gas. Although pipeline developers have other permitting options under the Clean Water Act, those alternatives are much more extensive and time-consuming because they are intended to be used by projects that have more than minimal impacts to the environment. In 2018, projects that met the NWP criteria on average received a NWP verification from USACE within 45 days, while the average time to receive a standard individual Clean Water Act permit from USACE was 264 days. We expect the Corps' timeline for processing individual permits to significantly increase as a result of the District Court's order because many new oil and gas pipelines that planned to rely on NWP 12 may now need to apply for an individual permit.

We disagree with the District Court's order and are pleased to see that the Department of Justice has appealed the decision and is seeking a stay of the injunction from the U.S. Supreme Court. While the Court's decision is still pending, we encourage members of Congress to support the USACE's ongoing efforts to reissue the NWPs this year.⁵ Reissuing the NWPs may shorten the disruption and uncertainty caused by the District Court's unfounded and overly broad remedy which inappropriately restricts and will delay the construction of new oil and gas pipeline projects across the country.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. MARIA CANTWELL TO
LARRY I. WILLIS

Infrastructure Investment. While we must focus on the immediate impacts of this crisis, the long-term economic consequences of the COVID-19 pandemic cannot be understated. The Congressional Budget Office predicts that the national economy, which shrunk by an annualized rate of 4.8 percent in the first quarter, will shrink by 40 percent in the second quarter. With the ongoing impact to transportation revenues and production, those numbers are likely to increase as we continue to feel the economic effects of this virus.

We must make significant investments now to ensure that the ripple effects of this virus don't cause further economic decline and job losses. Congestion costs the freight sector as much as \$74 billion annually, and our deteriorating infrastructure costs the economy more than \$200 billion per year. With people now more reliant than ever before on the Internet economy and getting goods delivered to them, that is a cost that we cannot continue to tolerate with the economic prospects.

Question 1. What do we need to do to ensure workers are ready and trained for jobs created through infrastructure investment?

Answer. Registered apprenticeship and pre-apprenticeship programs have proven themselves an effective model for meeting the workforce needs for the manufacturing and construction of America's infrastructure. Public transportation, which historically has not used apprenticeship models, is facing significant training challenges and TTD has long supported the creation of a national frontline workforce training center to meet the needs of those workers.

Question 2. What impacts do your members see due to lack of infrastructure investment, and where is it needed most?

Answer. First, for our members, it means good jobs that are left on the table when we don't make investments in infrastructure that are needed to keep pace with demand. Let me also be clear: these are not jobs for the sake of creating jobs. Our workers see firsthand the effects of under investment. Crumbling hundred-year-old infrastructure along the northeast corridor that could grind an entire region to a halt at any time. Delays in freight movement because highways are not meeting capacity needs. Overcrowded or unreliable transit. Americans who want to work but who can't access employment centers and opportunity. Those are the effects of underinvestment when we don't put Americans to work building our infrastructure where it is most needed.

State and local economies: Over 1.1 million people in Washington state and over 40 million Americans across the country have filed for unemployment since this pandemic began. Public transportation agencies have seen an unprecedented loss in fare box revenues that is likely to continue well beyond 2020. With ridership and traffic declines, Washington state estimates the state may be losing as much as \$100 million per month, or 38 percent of their average monthly state revenue collections.

⁵ Reissuance and Modification of Nationwide Permits, RIN 0710-AA84.

Question 3. If we don't help stabilize state and local economies, what is the impact going to be on the workforce and their ability to move goods and people?

Answer. The National League of Cities just put out a report stating that 65 percent of cities see project cancellations or delays if we don't take immediate action. Those are projects that were, by definition, shovel ready. The result will not only have massive impacts on workers in the transportation trades, but for the people who were counting on those infrastructure assets to expand capacity, and to keep our roads and transit systems efficient and safe.

National Aviation Guidelines. The Federal Aviation Administration (FAA) has provided interim recommendations for COVID-19 health monitoring, employee exposure notification, and workplace cleaning and disinfection. However, these recommendations are limited in scope and application. They are not a substitute for clear, uniform national guidelines for addressing public health risks in the air transportation system. We need a net of public health protections backed by science and health experts.

Question 4. Has the FAA taken enough action in providing consistent and uniform national guidelines to support frontline aviation workers? If not, what more should more be done to keep aviation workers and passengers healthy and safe during this pandemic?

Answer. No. The FAA has neglected to take the impactful and mandatory actions required to protect frontline aviation workers. By denying that it is a public health authority or has safety authority over aircraft during a pandemic, in contrast to positions it has taken previously, FAA has devolved COVID-19 mitigation efforts to air carriers, airports, and other non-governmental entities.

The FAA must immediately take concrete steps to protect workers. This includes establishing Federal mandates on the provision of PPE, the cleaning and sanitizing of planes, on universal passenger use of face coverings, and for equipment and other facilities where airline employees work or train, in accordance with CDC guidelines and the FAA's May 2020 Safety Alert for Operators. Finally, the FAA should take proactive measures to protect frontline workers from the next crisis by working with stakeholders to develop a national aviation-preparedness plan for communicable disease outbreaks. FAA has failed to take action on such a plan despite an ICAO requirement to do so, and a further 2015 GAO recommendation.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. AMY KLOBUCHAR TO
LARRY I. WILLIS

Workplace standards. Despite thousands of tragic deaths among frontline workers due to the coronavirus, the Occupational Safety and Health Administration (OSHA) has not issued safety standards to help protect workers during the pandemic. In April, I joined Senators Baldwin and 30 other Senators in introducing legislation to require OSHA to issue an Emergency Temporary Standard to ensure that all workplaces implement health and safety plans to keep workers safe. In your testimony, you express your support for this legislation and also discuss the need for protective equipment for the transportation workforce.

Question 1. Why are Federal standards to ensure the safety of transportation and other frontline workers needed during this public health crisis?

Answer. It has become clear throughout this pandemic that relying on patchwork strategies by employers, states, and municipalities is woefully inadequate and that voluntary guidance is not a replacement for a strong national response to protect workers and the public. TTD member unions across modes have reported outbreaks, failures of employers to provide quality PPE, inadequate cleaning standards for vehicles, aircraft, and other facilities, and inconsistent guidelines on requirements for passengers. An OSHA ETS, along with specific modal mandates, (such as those required by S. 3884) will ensure that required, uniform, standards are deployed across sectors, and that frontline transportation workers and passengers are best protected.

Question 2. In addition to safety standards, what additional resources are needed to ensure that transportation workers have sufficient access to testing and necessary protective equipment?

Answer. Accessible and no-cost testing must be a linchpin of ongoing preventing and re-opening strategies. Workers must be able to access tests at their discretion, without unnecessary burdens. Any actions to discourage workers from testing, including imposing costs for tests, not allowing employees to test, or threats of retaliation for testing, endangers workers and will extend the pandemic.

Further, even when employers have made PPE available, there remain instances where employers have provided low quality or otherwise inadequate PPE. In my testimony, I referred to a railroad that provided masks to its engineers and conductors of extremely poor quality. As a result, the union representing these employees has spent tens of thousands of dollars of its own money replacing these masks with more appropriate facial coverings.

As PPE will continue to be required for as long as COVID-19 continues to spread, the Federal government should take advantage of the tools it has available, including the Defense Production Act, to ensure that adequate supplies of high quality PPE are available. Further, modal agencies should better engage frontline transportation workers to understand how PPE is being distributed on the ground, and where gaps may exist.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. KYRSTEN SINEMA TO
LARRY I. WILLIS

Infrastructure Investment. As we begin to recover from the economic impacts of the coronavirus pandemic, many stakeholders from both sides of the aisle have proposed a significant investment in our Nation's infrastructure to boost the economic recovery. At the same time, Congress has the responsibility to reauthorize our surface transportation programs this year. Congress needs to consider long-term investments in infrastructure, especially given the low interest rates.

Question 1. How has COVID-19 impacted the landscape for infrastructure development?

Answer. As previously stated, a recent National League of Cities study cites that 65 percent of cities are expecting to cancel or delay projects if they don't get immediate relief. We know that state departments of transportation are also postponing bid letting and delaying or cancelling projects. This is a significant problem that absolutely demands immediate action.

Question 2. From your perspective, what are the key aspects of a long-term surface transportation bill?

Answer. First, we must bring our infrastructure to a state of good repair and make whatever investments are necessary to meet the growing demands placed on our highways, transit, and rail systems. We simply have not been meeting those demands, and the results are clear to every American who sits in traffic or faces overcrowded or unreliable transit each day. Moreover, in the face of the COVID-19 pandemic, we will need simulative funding to help cities and states who are facing major revenue shortfalls. We must also ensure the health and safety needs of America's transportation workers is being met, whether it is in a surface reauthorization package or in any future COVID-19 relief bills.

Question 3. How should Congress pay for infrastructure and what sources of revenue would you recommend be included in the legislation?

Answer. TTD has long supported a modest increase in the gas tax, but we would happily explore other options. At the end of the day, it is incumbent upon Congress to show clear leadership and responsibility when it comes to paying for infrastructure. This same question has been posed since the last time the gas tax was increased twenty years ago, and yet, we have seen no action from Congress.