

**FREIGHT MOBILITY: STRENGTHENING AMERICA'S
SUPPLY CHAINS AND COMPETITIVENESS**

HEARING

BEFORE THE

SUBCOMMITTEE ON SURFACE TRANSPORTATION,
MARITIME, FREIGHT, AND PORTS

OF THE

COMMITTEE ON COMMERCE,
SCIENCE, AND TRANSPORTATION
UNITED STATES SENATE

ONE HUNDRED SEVENTEENTH CONGRESS

FIRST SESSION

MAY 11, 2021

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SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

ONE HUNDRED SEVENTEENTH CONGRESS

FIRST SESSION

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FREIGHT MOBILITY: STRENGTHENING AMERICA'S SUPPLY CHAINS AND COMPETITIVENESS

TUESDAY, MAY 11, 2021

U.S. SENATE,
SUBCOMMITTEE ON SURFACE TRANSPORTATION,
MARITIME, FREIGHT, AND PORTS,
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION,
Washington, DC.

The Committee met, pursuant to notice, at 2:32 p.m., in room SR-253, Russell Senate Office Building, Hon. Gary Peters, Chairman of the Subcommittee, presiding.

Present: Senators Peters [presiding], Klobuchar, Blumenthal, Schatz, Markey, Baldwin, Duckworth, Tester, Warnock, Fischer, Thune, Blunt, Sullivan, Young, Johnson, Capito, Scott, and Lummis.

OPENING STATEMENT OF HON. GARY PETERS, U.S. SENATOR FROM MICHIGAN

Senator PETERS. First, I want to thank all of our witnesses for joining us today for this important discussion.

The fact that most Americans can safely assume the things they will need will be in stock, from groceries to household goods and more is certainly a testament of the freight industry. This is especially important during the pandemic. Deliveries have increased exponentially, so that American families can get what they need from the safety of their homes.

We owe a debt of gratitude to the workers who have made this possible by putting themselves into harm's way by working around the clock.

The freight industry is also critical to our economy at large and to American competitiveness. Every day the freight industry moves billions of dollars' worth of goods that power numerous industries and businesses. As a result, the freight industry has outsized impact on our economy.

Unfortunately, this outsized impact means that problems in the freight industry have ripple effects, throughout the entire economy. This subcommittee held a hearing on April 27, where we learned that supplies in the auto industry, many of which are small businesses, are struggling to keep up with rapidly rising cost of freight and logistics. The issues involved are complex, and they include problems within and beyond the freight industry's control, many of which also stem from the pandemic.

But the bottom line is that small businesses are experiencing higher prices and major delays and these challenges highlight a major issue that I am certainly committed to addressing, and that is the resiliency of our supply chains. Our supply chains are incredibly efficient but, unfortunately, not resilient. So, when unexpected happens, like a ship blocking the Suez Canal, thousands of miles away, supply chain problems can compound dramatically. And ultimately, the strength of our economy depends on the strength of the freight industry and our supply chains.

A key part of this economic engine is the flow of international freight through our country's ports of entry. And as Chairman of Homeland Security and Government Affairs Committee, I am focused on the safe and secure facilitation of trade and travel at those entry points, which are staffed by our U.S. Customs and Border Protection, also called the CBP.

CBP officers and agricultural specialists are critical to ensuring that cargo that enters the U.S. is secure and that pests that may inadvertently travel with that cargo, will not hurt our agricultural industry. I have led bipartisan measures to address major staffing shortages for this integral position, and I will continue to work to ensure that CBP has the adequate resources to fulfill its mission to keep freight moving efficiently through ports of entry.

Our competitors, especially China, understand that infrastructure and supply chains are directly linked to economic competitiveness. That is why China is making unprecedented investments in infrastructure and logistics, not only in China, but around the globe, as part of its Belt and Road Initiative.

Congress must ensure that the United States maintains its global leadership by investing in our infrastructure, in our freight industry, and our workers. The millions of workers employed in the freight industry are the backbone of our economy. We must ensure they have the pay and protections they deserve, along with a safe working environment.

Safety is also essential to protect the public at large. Whether we are addressing trucks that share the road with millions of Americans every day, or railroad that move goods through and near our towns, Congress must make safety a top priority.

In conclusion, we have a chance to enter a new era of freight mobility that will support countless jobs and families, grow new industries, protect the environment, and improve safety. And I look forward to looking with my colleagues on this subcommittee to make that vision a reality.

And now, I invite Ranking Member Fischer to share her opening remarks.

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

Senator FISCHER. Good afternoon, and thank you, Chairman Peters, for convening this hearing.

First, I would like to take the opportunity to thank those working in the freight transportation industry for their work throughout this pandemic. The truckers, railroaders, longshoremen, and other essential freight transportation workers across this country. They stepped up to deliver the critical supplies we needed to stay safe,

healthy, and maintain vital services, throughout this very trying year. I am grateful for all their work and their sacrifice.

Today's hearing on freight transportation is timely, given the ongoing discussion about the need to invest in our infrastructure. When we think about what core infrastructure is, and what America's core infrastructure needs, we think about the state of our roads and bridges, ports, railroads, waterways, airports, and also, broadband.

We have heard, time and again, about the need to invest in infrastructure, either in hearings before this subcommittee, and also the full committee. From reports, such as the American Society of Civil Engineers' Infrastructure Report card, and from numerous organizations, including those represented here today.

We know that investing in core infrastructure has bipartisan support. Just look at the FAST Act. We passed that in 2015, and the FAA reauthorization in 2018. Or the most recent Border Bills and the Pipeline Safety reauthorizations. Each of these bills passed either unanimously, or with large bipartisan majorities. And Congress has the opportunity to work on infrastructure again, in a bipartisan manner, as we look to reauthorizing our Federal Surface Transportation Programs, set to expire this September.

The witnesses here today represent some of the users and operators of that infrastructure, and they have firsthand knowledge of what those needs are. Their testimony today will add to the extensive record that we have about the need for investments in that core infrastructure.

Of course, a surface transportation reauthorization not only invests in infrastructure, but it also sets Federal policy for the safe and efficient movements of goods across that infrastructure. I look forward to hearing about the wide variety of issues affecting the freight transportation sector that Congress should consider in a surface transportation reauthorization.

The first among these issues is how to improve freight transportation safety. There are a number of bipartisan proposals to improve transportation safety, including legislation I have introduced, with Chairman Peters, to understand the scope and the severity of blocked railroad grade crossings. Advances in technology, targeted policies can make our transportation network safer.

Another important topic is how to improve the efficient movement of goods by developing Smart policy and removing unnecessary and burdensome regulations. The freight transportation industry is a broad and diverse part of our economy. Federal policies should be based on sound data and they should recognize the wide variety of operations that are handled, on a daily basis, across this country. For example, my bipartisan HALLS Act would provide targeted flexibility for agriculture and livestock collars, to ensure they can move their perishable products.

Finally, there has been a widespread reporting of freight congestion at port facilities, cargo delays, and a lack of capacity that have been exasperated by the pandemic.

I look forward to hearing from our witnesses about their work to address these problems and the potential long-term impacts the pandemic will have on the freight industry.

Mr. Chairman, I thank you. My apologies, we have a Markup in Rules Committee, so I will have to excuse myself. I hope you excuse me, as well, and I will be monitoring the hearing. So, thank you very much. Thank you to the panel.

Senator PETERS. Well, thank you—thank you for your open—thank you for your opening remarks, Ranking Member Fischer, and I know you are conducting important business. So, I know you will be doing that as well, following the developments in this committee. So, thank you for your opening statement.

Senator FISCHER. Thank you.

Senator PETERS. We appreciate that. Our first witness today is Mr. Chuck Baker, who is President of the American Short Line and Regional Railroad Association. Mr. Baker is here representing approximately 600 short line and regional railroads across the country, many in my home state of Michigan.

Mr. Baker has many years of experience working with the rail industry, including as a partner at Chambers, Colin, and Hardwell. Welcome, Mr. Baker, to the subcommittee and you may proceed with your opening statement.

**STATEMENT OF CHUCK BAKER, PRESIDENT, AMERICAN
SHORT LINE & REGIONAL RAILROAD ASSOCIATION**

Mr. BAKER. Thank you. Good afternoon, I am Chuck Baker. I am here representing the Nation's 600 short line freight railroads. These railroads operate in 49 states, over nearly 50,000 miles of track, or approximately one-third of the Nation's railroad network.

In the states represented by this subcommittee's members, there are 242 short lines operating over 20,000 track miles. Chairman Peters' state of Michigan is one of 10 states where short lines operate more than 70 percent of the state's rail network.

Short lines are most often associated with small-town and rural America, but they also serve large urban areas and many of the Nation's busiest ports. And they are not always so short. The Rapid City, Pierre, and Eastern Railroad in South Dakota, Nebraska, Minnesota, and Wyoming is 743 miles long.

Regardless of size or location, there are four defining characteristics of today's short lines. One, most short lines operate a track that was previously headed for abandonment. As money losing branch lines, they received little investment by their previous owners. They were, at one time, the weakest link in the freight supply chain, but are now a success story, enabling our customers to remain competitive in the global economy. To be successful and rehabilitate this track, short lines invest up to 33 percent of their annual revenues into their infrastructure, among the highest percent of any industry in the country.

Two, for larger areas of the country, short line railroad service is the only connection to the national freight rail network, providing an economic lifeline for thousands of businesses, manufacturers, and farmers, and allowing their products to be competitively priced in the global market.

Three, flexible, friendly, local service is a key driver of our success. We deal face to face on a daily basis with our customers and communities, so we can respond quickly to their needs, and so they can stay competitive.

And four, short lines are small businesses. Our combined annual revenues across the 600 short lines are less than the annual revenues of any one of the four largest Class I railroads.

While it is absolutely crucial to enhance the competitiveness of American freight, and that is what short lines are focused on doing every day, it is also crucial to do so in an environmentally sustainable way. As you may have read in my written testimony—which incorporates an excellent environmental report from my friends at the AAR—EPA data shows that rail, which accounts for 40 percent of U.S. long distance freight volume, is responsible for just 2.1 percent of the transportation sector’s greenhouse gas emissions.

Freight trains can move one ton of freight more than 470 miles on one gallon of diesel. My testimony highlights a series of examples where moving products by rail, as opposed to on the highways, saves millions of gallons of fuel and thousands of tons of CO₂ emissions.

In addition to the supply chain and competitiveness benefits of supporting rail, and the environmental benefits, there are other public benefits of policies that support rail, such as improved safety, reduced road congestion, and reduced highway maintenance needs.

As this committee develops your portion of a surface transportation reauthorization package, we offer a few suggestions that will maximize the benefits that short line railroads can provide to America’s supply chain. We strongly support the CRISI grant program, as it is the primary grant program that supports short lines, and it provides for direct short line eligibility. The authorization levels should be significantly increased and there should be no new commuter rail or large project set-asides that squeeze out short line participation.

We support the INFRA grant program and urge you to allow the program to support the most efficient freight projects by removing the \$500 million multimodal cap. We know that we are preaching to the choir on this issue, especially with full Committee Chairwoman Cantwell and we thank her for her relentless leadership on the topic. We also support the Cantwell-Blunt Railroad Grade Crossing Elimination Act and Senators Thune and Hassan’s RRIF Reform Bill.

And we urge you to refrain from any new laws that would undermine the economics of freight railroading and harm our ability to be an important part of America’s supply chain, such as increasing truck size and weight limits or mandating railroad-crew size laws.

In conclusion, we believe short lines are an important link in the freight supply chain, a link we have worked hard to strengthen since we began purchasing these light-density lines decades ago. We understand that in the big picture, our share of infrastructure funding will be limited. But you should not underestimate the power and leverage that that funding provides.

That leverage brings three advantages. One, as described in my testimony’s Michigan examples, properly targeted public funding helps subtract substantially larger amounts of private investment by our customers. Two, for rehabilitation of lines serving our smallest customers, targeted public funding is often the piece needed to justify our own private investment. And three, for larger projects,

public funds can turn multi-year projects into single-year projects. So, the economic and environmental benefits you are seeking are realized much sooner.

I appreciate the opportunity to present the short line perspective and I am happy to answer any questions. Thank you.

[The prepared statement of Mr. Baker follows:]

PREPARED STATEMENT OF CHUCK BAKER, PRESIDENT, AMERICAN SHORT LINE AND REGIONAL RAILROAD ASSOCIATION

I am Chuck Baker, President of the American Short Line and Regional Railroad Association (ASLRRA), the trade association representing the Nation's 600 Class II and III railroads.

It is a privilege to testify before you today. As this Committee and the Congress look to make significant, necessary investments to strengthen America's supply chains and ensure American competitiveness, rail must be part of the solution.

Freight railroads are a fundamental cornerstone of the Nation's logistics and supply chain network, providing the most efficient and environmentally-friendly means of surface transportation. The U.S. freight rail system is unique in that it is largely provided on a privately operated and funded right-of-way with a common carrier obligation. These unique factors combine to form what the World Bank has recognized as the best freight rail network in the world, offering the American economy an enduring and crucial competitive advantage, which should be maintained and expanded.

My comments today will highlight how U.S. short line and regional railroads are an important part of the U.S. freight rail network, providing a safe, competitive, and environmentally friendly low-carbon option to thousands of customers and communities who would otherwise be cut off from the national railroad network, and I will offer suggestions for policies that enhance those benefits.

SHORT LINE RAILROADS ARE A SIGNIFICANT PART OF THE FREIGHT RAIL SYSTEM

Those of you who have served on this Committee are very familiar with our story—the variety of goods that we haul, the variety of operational size, and the variety of ways we aggressively partner with customers to ensure they remain competitive. Full Committee Chair Cantwell and Ranking Member Wicker, along with many other Members of the Committee have staunchly supported policies and programs enhancing the inherent economic and environmental benefits of freight rail, including short lines, which we greatly appreciate.

The name “short line” can create the mistaken impression that these railroads are all very short rail lines. The fact is they come in all sizes. The Omaha, Lincoln & Beatrice Railway in Senator Fischer's State of Nebraska is 2 miles long, while the Rapid City, Pierre & Eastern Railroad in Senator Thune's State of South Dakota is 743 miles long. In Florida, Iowa, Massachusetts, Michigan, Minnesota, Montana, New Hampshire, South Dakota, and Vermont, short lines operate track that stretches almost the entire length or width of the state.

Short line railroads operate in 49 states over nearly 50,000 miles of track, or approximately one third of the Nation's freight railroad network. In the states represented by this Subcommittee's Members, there are 242 short lines operating over 20,000 track miles. Short lines are often called the first mile/last mile of the Nation's railroad system and handle in origination or destination one out of every five rail cars moving on the national system. In 36 states, short lines operate at least one quarter of the state's rail network. Subcommittee Chairman Peters' State of Michigan is one of ten states where short lines operate more than 70 percent of the state's rail network—21 short line railroads operating approximately 2,800 miles of track.

Although short lines are most often associated with small-town and rural America, they also serve large urban areas and many of the Nation's busiest ports, including Seattle and Tacoma, Miami, Los Angeles and Long Beach, Hampton Roads, Pascagoula, Savannah, Mobile, New Orleans, and New York/New Jersey. Likewise, various short line railroads operate as neutral terminal switching carriers for multiple Class I railroads in Chicago, New Orleans, Kansas City, and St. Louis. The Chicago South Shore and South Bend Railroad and the New York & Atlantic Railway operate freight traffic over two of the busiest rail commuter corridors in the country.

For the benefit of those not as familiar with short lines, let me comment briefly on four defining characteristics. Taken together, we believe these characteristics contribute significantly to sustaining strong and competitive rail service for regions and businesses that would otherwise be left behind.

Most short lines operate track that was headed for abandonment under previous Class I owners. These were light density lines in smaller towns and rural areas with challenging infrastructure that could not generate enough revenue to be viable under the cost structure of the big national carriers. These former branch lines served customers that were located “off the beaten path” for the larger railroads and that typically shipped smaller volumes. With marginal or unprofitable financial returns, the previous owners understandably made minimal capital investment, resulting in deferred maintenance. They were, in the lexicon of this hearing, the weakest link in the freight supply chain. Thankfully, rather than abandoning these lines, the larger railroads spun them off to local entrepreneurs to reconstitute as independent short lines, and that has been a remarkable success story over the last 40 years. To be successful, short line owners must not only eliminate that deferred maintenance but must upgrade the track to handle the heavier, longer trains that are operated today by our Class I connecting partners. Short lines therefore invest on average from 25 percent to 33 percent of their annual revenues into maintaining and rehabilitating their infrastructure, and this makes short line railroading one of the most capital-intensive industries in the country.

Short line railroads are most often the first and last step in a logistics process. One in five cars on the network originate or terminate on a short line. We are small businesses, and we keep small businesses connected to the larger economy. Even our strongest supporters in Congress support us not because they are particularly interested in railroads but because they understand the importance of our service to farmers and businesses in their states. And that’s the right way to think about it—the trains we run keep customers connected to the national railroad network, allowing them to reach their markets with safe and reliable service at competitive rates. It perfects the supply chain for tens of thousands of businesses and that perfection is required for American businesses to succeed in a competitive global economy. This is evident in every state in which we do business.

In highly congested areas, we provide critical switching and transloading operations as supply chain options for shippers and receivers seeking flexible and creative ways to address logistics challenges. We do this with a high level of customer-focused service to ensure that every penny of value is squeezed out of every supply chain dollar to ensure competitiveness for American businesses in a competitive global marketplace.

Flexible, efficient local service drives our success. Short lines create value not through our size or total market share but in who and where we serve. For large areas of the country and particularly for rural and small-town America, short line railroad service often offers the only connection to the national freight rail network. Without short line service, shippers and receivers in these areas cannot take full advantage of the efficiencies and reach of the national rail network. For the businesses and farmers in those areas, our ability to take a 25-car train 75 miles to the nearest Class I interchange equals in importance the Class I’s ability to attach that block of traffic to a 100-car unit train and move it across the country. Our customers depend on the economics of rail service and our interline services with the Class I railroads to remain competitive in their domestic and international markets where pennies per bushel or dollars per ton can make the difference between winning or losing business.

Short lines can make a go of it in challenging locations and markets because we deal face-to-face with customers and offer the flexible service their businesses require. If our customers require an extra switch on Sunday morning, or they need to double their deliveries with almost no notice, they can reach the President or the General Manager of the short line personally who will do everything they can to make it happen. The short line is a small enough operation with enough desire for growth, capacity to support it, and flexibility in their approach to be able to adjust to the ever-changing demands of the marketplace.

Short lines are a growth engine—particularly for areas of the country that have not shared in all of the country’s economic growth. Short lines are obsessed with growing our businesses by helping our customers grow their businesses. While we may only move the traffic a few miles to the interchange with the Class I, the service and access we provide each individual customer is critical to that customer’s success. In a recent analysis undertaken by PwC (*attached*), each job on a short line indirectly drives an additional 2.6 jobs. In total across the U.S. economy, 0.51 percent of business inputs rely on transportation services provided by the short line in-

dustry, amounting to 478,820 jobs, \$26.1 billion in labor income, and \$56.2 billion in value added.

Short lines work relentlessly to create new business opportunities with current and new customers. After all, a railroad can't pull up its rails and relocate, so they are committed to the success of their local communities. They invest in technology and innovation that provides increased safety and new opportunities for customers. They are problem solvers, seeking new ways to service a customer, and create value for themselves and the communities in which they operate. As any shipper will tell you, logistics transportation costs and service are huge determinants of success and we take that responsibility very seriously.

ENVIRONMENTAL IMPACT OF FREIGHT RAIL

While the transportation sector is the biggest source of greenhouse gases in the United States, EPA data shows that rail, which accounts for 40 percent of U.S. long distance freight volume, is responsible for just 2.1 percent of the sector's emissions. As the AAR has documented (*attached*), freight trains move on average one ton of freight more than 470 miles on one gallon of diesel fuel.

Let me bring that down to the local level where short lines are making a considerable contribution. *Tacoma Rail in Washington State* moves an average of 69,000 tons of interchanged traffic daily, using an average of 350,000 gallons of fuel per year. Comparable truck moves on the highway would use 645,000 gallons of fuel—that savings is the energy equivalent of the annual electricity usage of 475 homes.

The Nebraska Central Railroad moves 56,600 tons of corn from the Stromsburg Subdivision to Columbus, Nebraska using 7,850 gallons of fuel. For trucks to move an equivalent volume of corn from the same origins to the same destination would use approximately 39,900 gallons.

The Louisville & Indiana Railroad in Indiana operates two shuttle moves in Southern Indiana to and from Consolidated Grain and Barge (CGB) in Jeffersonville. The first runs from Kokomo Grain in Edinburgh and averages 100 cars annually. Moving this on its privately owned and maintained rail line rather than the parallel publicly owned and maintained I-65 and US31 highways saves 8,759 gallons of fuel and, using EPA's Greenhouse Gases Equivalencies Calculator, avoids discharging 89 metric tons of CO₂ into our environment. The second operates between CGB facilities in Jeffersonville and Louisville and averages 600 carloads annually. This move saves 18,118 gallons of fuel and 184 metric tons of CO₂—that's the equivalent of taking 8,000 trash bags to the recycling center instead of the landfill.

The Lancaster & Chester Railroad in South Carolina ships 281,500 tons of soybeans, soy meal and soybean oil per year between the South Carolina cities of Chester, Fort Lawn and Kershaw. That move uses an average of 80,000 gallons of fuel per year. The comparable highway move would use over 320,000 gallons of fuel. That savings is the equivalent of growing 35,000 trees for 10 years.

Lake State Railway in Michigan moved 296,000 tons of aggregate from Alpena, MI to Kawkawlin, Grayling and Flint, MI in 2020. Those moves used approximately 111,176 gallons of fuel. Comparable truck moves would use approximately 383,164 gallons of fuel. That savings is the equivalent of the power needed to fully charge every one of the 295 million cell phones in the United States tonight.

The Fulton County Railway in Georgia handles a huge amount of the refrigerated food and beverage rail traffic in the southeast United States, and kept vegetables and beer moving from as far away as Mexico and Washington State as demand spiked during the pandemic. In 2020, FCR handled approximately 592,000 tons of cold storage food and beer—apparently not even the coronavirus could quench America's thirst for Corona! Railroads largely exited refrigerated transportation in the 20th century, but small short line innovators like FCR have been winning traffic back. Without this short line, this traffic would have moved the entire way by truck, consuming almost 8.7 million gallons of fuel, compared to 2.8 million gallons by rail. That savings is the equivalent of converting 2 million light bulbs from incandescent into LED.

These savings are real, and they are realized on every short line in the country.

INFRASTRUCTURE PRIORITIES FOR SHORT LINES

As Congress begins to develop what will likely be a robust and ambitious infrastructure program, your Subcommittee will play an important role in ensuring the continued strength of the American supply chain, and the competitiveness of businesses large and small across the U.S. Here we offer some suggestions that we believe will maximize the economic, competitive, and environmental benefits offered by the short line freight railroad industry.

A) Include Short Line Railroads Fully in New Infrastructure Investment

We strongly support the *CRISI* grant program as it specifically provides for short line eligibility and puts a focus on benefit-cost analysis. In our experience, with that level playing field, short line projects fare well. The authorization levels for the program should be significantly increased (we suggest that the \$1.4b/year contemplated by the House in H.R. 2 in 2020 would be a reasonable target) and there should be no big, new set-asides or eligibilities (*e.g.*, eligibility for commuter rail or set-asides for intercity passenger rail or large projects) to ensure an even playing field for all current applicants and allow for the potential continued success of short lines in the annual *CRISI* competition.

We are also supportive of the *INFRA* grant program, or a successor program such as *PNRS* as proposed in H.R. 2 in 2020. There is value in a merit-based discretionary grant program open to multiple modes of transportation, especially one that is focused on freight and goods movement. We recommend three changes to this program:

- 1) Allow the program to support the most efficient and effective freight projects by fully removing or at least significantly increasing the \$500 million cap on non-highway portions of the multimodal freight projects, as suggested in H.R. 2. We know that we are preaching to the choir on this issue especially with Chairwoman Cantwell and thank her for her relentless leadership on this topic!
- 2) Ensure that the program can fund efficient and effective projects by increasing the “small projects” set aside. Currently, the 10 percent cap on small projects, defined as a minimum grant of \$5 million for projects that do not meet the \$100 million project minimum, does not provide enough opportunity for *INFRA* grants to be used to help with most short line infrastructure projects. The 10 percent set aside should be increased to 25 percent to more accurately represent the many needs in the less populated regions of the country. There’s certainly nothing wrong with dedicating funding to mega projects, but if a less expensive project can achieve significant economic and environmental benefits and improve America’s supply chain and competitiveness, we should remain open to those smaller projects also. The proposal in last year’s H.R. 2 to eliminate the small set-aside entirely in *PNRS* would move in the wrong direction and we hope will be reconsidered.
- 3) Maintain reasonable non-federal share requirements for *INFRA* grants and consider increasing the maximum permissible share of *INFRA* program funding per project from 60 percent to 80 percent for small projects. Giving increasing preference to grant requests with “over-matching” may appear logical but can lead to missing otherwise important short line projects that cannot over-match with internal funds or are not located in urban areas that enjoy significant taxing and bonding authority.

We’d also recommend including *short line railroad project eligibility in any new transportation grant programs that are created targeting emissions, congestion reduction, resilience, or any similar goal where short lines can help be part of the solution*. For instance, H.R. 2 in 2020 created two new programs (*Sec. 1202, Increasing the Resilience of Transportation Assets—Pre-disaster Mitigation Program* and *Sec. 1213—Carbon Pollution Reduction*) in which short line projects were not eligible but could have and should have been. Not only is rail an environmentally friendly way to move freight, it is also an attractive option to provide resilient infrastructure that can serve as a competitive alternative to the highway system and enhance America’s supply chain. Adding freight rail project eligibility would help achieve the goals of the program and moving some freight to rail also improves mobility on public roads.

As was done in H.R. 2 in 2020 and in the EPW Committee’s America’s Transportation Infrastructure Act of 2019, *The National Highway Freight Program* should become more multimodal and raise or eliminate the non-highway cap, so that program can become a source of funds for State DOTs to support freight rail projects if they choose. Maximizing short line access to this program, as well as the others I have referenced in my testimony, provides important leverage to attract private investment, provides flexibility to allow State DOTs to solve their transportation challenges in the way that they find most effective, and allows Congress to get the most bang for its buck out of finite resources.

Let me give you a couple of examples from Michigan where the state’s Department of Transportation (MDOT) provides funding to help connect new or expanding businesses to Michigan’s rail system, through their Freight Economic Development Program. The grant program can cover up to 50 percent of the costs associated with

rail infrastructure, including rail spurs, loading and unloading equipment, and site preparation.

Cargill utilized these MDOT funds to build the rail infrastructure needed to serve a new \$19 million animal nutrition manufacturing plant in Owosso. Previously, Cargill's animal nutrition business had 43 manufacturing facilities across the U.S. and none were in Michigan until this plant was built, and the rail connection was an important fact in the decision to build.

Zeeland Farm Services utilized MDOT funds to build the rail infrastructure associated with a new \$130 million soybean processing plant in central Gratiot County. The plant is capable of processing more than 40 million bushels of soybeans annually and generated 75 new full-time jobs. Both facilities are served by Great Lakes Central Railroad and in 2020 they generated an additional 5,572 carloads for the railroad.

These are huge private investments made possible in part by comparatively modest public infrastructure investments. Together MDOT invested \$1.435 million in the rail portion of these projects. This public investment provides important leverage and short line railroads are well positioned to utilize this leverage to build or repair the infrastructure that shippers require. These are wins for American competitiveness and the supply chain at the same time as they're wins for jobs, the environment, and safety.

Whether as part of existing grant programs or new ones, we would suggest several principles that would help short lines better utilize any infrastructure program:

1. Short lines should be *directly eligible* applicants for project grants, like CRISI. Too often in the past, Federal programs have been only open for application to local units of government, which in turn requires short lines to create unnecessarily complex and burdensome applicant structures and which sometimes favors politically popular projects over economically beneficial projects.
2. The application process needs to be as *simple and transparent* as possible. Short lines are small businesses and generally the individuals writing and engaging with the government on our applications are employees with other duties on the railroad. We do not have full time grant writers or the resources to hire expensive consulting firms.
3. The analysis used to judge a project should *not be a rigid one-size-fits-all* process. For example, the process to apply, the public planning and the engineering required, and the appropriate benefit-cost analysis format for incrementally upgrading a ten-mile segment of existing track serving five small grain elevators should not be the same as building a new subway line or adding lanes to an interstate highway.
4. If there is to be an associated *environmental approval* process, it must be streamlined to be completed in a reasonable period of time. Approval processes that last for years are a deal-killer to those running a business.

B) Improve Highway-Rail Grade Crossing Safety

We support the *Cantwell-Blunt Railroad Grade Crossing Elimination Act (S. 1465)* which would make an important contribution to enhancing safety and reducing traffic congestion. While short line railroads strive to work closely with our communities and customers to avoid causing any unwelcome impacts, there are many opportunities throughout the country to eliminate crossings to improve the mobility of people and goods, and improve the health and safety of communities. This legislation will help provide funds to our government and tribal partners to allow them to work with us to close, relocate or improve many challenging crossings.

C) Improve the Rail Financing Loan Program, RRIF

We support Senators Thune's and Hassan's RRIF reform bill, *the Railroad Rehabilitation and Financing Innovation Act (S. 468)*, which would improve the RRIF program and make it more viable for short lines. It addresses several important issues that have been hurdles to participation in the RRIF program for our short line members, including the streamlining of the application process, the extension of loan lengths, the increased flexibility regarding collateral requirements, and the authorization of funds to reduce both the direct cost of applying and also the credit risk premium charges that have frequently been a hurdle to completing successful loans, which would bring the RRIF program more in line with the comparatively more successful TIFIA program. As Senator Thune said at the bill's introduction, *"States like South Dakota rely on short line railroads to transport agricultural products and other goods to market, and the RRIF program was originally designed to provide stable financing to small railroads for infrastructure investment. Unfortunately, short lines are often unable to afford the time and expense associated with*

the current RRIF application process, discouraging them from using the program. This legislation makes necessary updates to RRIF so short lines are better able to use the program as originally intended."

D) Implement Regulatory Policies Thoughtfully

Finally, let me briefly mention two issues that we believe would severely threaten the economics of short line railroading and that we hope will not be included in any surface transportation reauthorization or infrastructure package.

Avoid any Increases to Truck Size and Weight (TSW) limits—Any increases and exceptions to current Federal limits would further subsidize freight highway transportation, alter the economics of freight shipping, and would result in a shift from freight rail to highway transportation which would impact the environment and the public infrastructure paid for with taxpayer dollars. We oppose any legislation that increases current size or weight limits. As this committee specifically has jurisdiction over the length question, I'll note that Chairs Cantwell and Peters and Ranking Members Wicker and Fischer all voted in favor of the Wicker-Feinstein motion to instruct on this issue the last time it came up for a Senate vote back in 2015, and of course Ranking Member Wicker has been a tremendous leader on this issue for a long time.

Avoid unnecessary operational mandates on private railroads, such as a crew size mandate—This is an unnecessary and unjustified concept, considering the lack of data regarding any safety benefits of such a mandate and the overall safety record of freight railroads. It would also discourage future innovation, while legislating on an issue that has properly been the subject of labor negotiations for more than a century. Further, this mandate would disadvantage railroads in the competition for freight and over time shift freight to the highway, where it is inherently more dangerous and less environmentally sustainable.

While less headline-grabbing than a crew size mandate, there are also other potential unnecessary operational or regulatory mandates on railroads that are of concern to us, such as banning the transportation of liquefied natural gas (LNG) by rail or forcing STB mediation for commuter rail requests to access freight track. We urge caution on any new mandates or regulations that aren't supported by solid data, as they limit flexibility, stifle innovation, and ultimately harm our ability to deliver benefits to America's economy, supply chain, competitiveness, and the environment.

For instance, we believe that the *Fischer/Tester/Moran/Klobuchar/Peters blocked crossings portal bill (S. 700)* is a thoughtful approach and likely to achieve a better result for everybody than the more inflexible approach taken in H.R. 2.

SUPPORTING A BIPARTISAN EFFORT AIMED AT SUCCESS

I sincerely appreciate the opportunity to give the views of the short line industry at this hearing. As I wrap up, I would like to share a personal observation prevalent among the small businesses I represent. The short line industry was involved in a decades-long effort to extend and then make permanent the short line 45G rehabilitation tax credit, legislation that many of you on this Subcommittee were instrumental in passing. The tax credit was made permanent last year.

When we launched that initiative in 2003, short line economics were little understood by the majority in Congress. Indeed, for many, short lines were just a quaint name on the Monopoly board. We worked hard at developing and documenting our story and Members of Congress gave us the opportunity to tell that story, took the time to understand the story, and visited our local properties to get a first-hand look at who we were and what we did. Most importantly, our Congressional allies committed to leading a sustained bi-partisan effort, regardless of who controlled Congress. We worked to extend this legislation in seven separate Sessions of Congress, and party control of the House and/or Senate changed many times during that period. Regardless of party control, and often in the face of fierce partisan battles, our chief sponsors never wavered in their commitment to sticking together in bi-partisan support of the legislation. *It showed that government works when you work hard at working it out.* We need that today more than ever and I hope that can be the spirit in which you approach creating a much-needed surface transportation bill or broader infrastructure package.

Toward that end, Congress should *restore the Highway Trust Fund (HTF) to a user-pays system*. The U.S. has historically relied upon a user-pays system to fund investments in public road infrastructure, and there is broad agreement in the transportation and business community and Congress that this is how the program should work. Unfortunately, since the gas tax user fee hasn't increased since 1993, revenues into the HTF have failed to keep pace with investment needs, requiring

\$157 billion in general fund transfers since 2008. It'll be another \$195b over the next 10 years at the current pace.

As my colleagues at the AAR also point out in their written testimony, general fund transfers to the HTF distort the freight transportation market in favor of the commercial trucking industry and put other modes at an unfair competitive disadvantage. This is especially problematic for railroads which largely build, maintain, and pay for their own private infrastructure. Congress should address this modal inequity by reaffirming the user-pays system and increasing the fuel tax or moving to a VMT fee.

CONCLUSION

In conclusion, we seek equitable infrastructure investment in short line freight railroads, an industry with a proven record of success, as you seek to modernize the country's infrastructure for our collective future success. Congress should ensure that new infrastructure investment encourages as much freight as possible to move by rail because (1) the public benefits when freight moves by rail—in terms of improved safety, reduced congestion, reduced highway damage, and reduced environmental impact and (2) private freight railroads largely pay for their own infrastructure while highways have been relying on tens of billions of dollars of taxpayer subsidies to cover what user fees don't. Investments into rail and policies that support rail or at least don't harm rail will translate into jobs and foster growth especially in rural America, reduce transportation's carbon footprint, and ensure that our Nation's supply chain supports American competitiveness.

Attachments, additional resources and source material:

Short Line "101" 2-pager

http://files.aslrra.org/images/news_file/Short_Line_Railroad_Industry_101-032021.pdf

PwC short line economic impact report showing economic contributions of short lines, most notably that 478,000+ jobs are dependent on short line service

http://files.aslrra.org/images/news_file/PwC_ASLLRA_final_report.pdf

AASHTO Freight Rail Study (update of their original Bottom Line report) showing benefits of mode shift to rail for pavement maintenance savings, congestion savings, environmental savings, safety savings, and shipper savings. It makes the conclusion that *"Relatively minor investments in rail infrastructure yields major public benefits."*

<https://rail.transportation.org/wp-content/uploads/sites/30/2019/10/FRBL-2.pdf>

AAR-Freight Railroads and Climate-Change-Report

<https://www.aar.org/wp-content/uploads/2021/02/AAR-Climate-Change-Report.pdf>

STB Railroad-Shipper Transportation Advisory Council (RSTAC) letter urging Congress to *"include short line railroads fully in any new infrastructure investment funding legislation that may be enacted"*

<https://www.nacd.com/pub/?id=224EF08D-0AE0-771E-2A9C-129E0B497F9F>

SHORT LINE AND REGIONAL RAILROAD 101

SHORT LINE AND REGIONAL FREIGHT RAIL OFFERS TREMENDOUS PUBLIC BENEFITS PARTICULARLY FOR AREAS OF THE COUNTRY NOT SERVED BY LARGE FREIGHT RAILROADS

Short line freight railroads are small, hometown businesses directly tied to their local economies. They connect the communities they serve to the national rail network, provide local jobs, and help more than 10,000 shippers reach domestic and international markets. Their success is driven by teamwork, a focus on safety, flexibility and seeking growth opportunities one carload at a time with current and new customers.

SHORT LINES ADDRESS FOUR CHALLENGING PUBLIC ISSUES

GROWING JOBS

478,000
jobs at customer
locations across the
country that require
short line services driving

\$26 BILLION
in labor income and

\$56 BILLION
in economic value-add*

- Short lines provide an economic alternative to other transportation modes, allowing shippers to compete effectively in the domestic and global economies.
- For many shippers in rural areas and small towns, a short line railroad provides the only connection to the national freight rail network.

IMPROVING TRANSPORTATION SAFETY

- Short lines annually invest 25-33% of revenues in upgrading rails and bridges to modern standards, ensuring that railroads are the safest form of surface transportation.
- Short line railroads keep 31.8 million heavy trucks off local roads, and away from the motoring public.

**50%
REDUCTION**
in train derailments since
2005 when the Short Line Tax
Credit (45G) went into effect,
incentivizing more than \$5B
in industry infrastructure
investments to date,
according to Federal Railroad
Administration data.



PROTECTING THE ENVIRONMENT

Freight rail is a sustainable, environmentally-friendly mode of transportation.

ONE TON



of freight moved

479

miles by rail uses only



1 GALLON
of diesel fuel

Moving freight by rail
reduces highway congestion,
and lowers fuel burned by
vehicles going nowhere.

- U.S. Environmental Protection Agency data show freight railroads account for only 0.6% of total U.S. greenhouse gas emissions and only 2.1% of transportation-related sources (trucking, shipping, air, etc.).



75%

reduction in
greenhouse gases
vs. trucks

SAVING PUBLIC INFRASTRUCTURE

Short line railroads are
privately owned,
investing up to

33%

of annual revenues
in infrastructure, vs.
relying on public funds
to support infrastructure.

**Moving more freight
by rail** lowers the cost of
heavy truck damage by

\$1.5 BILLION

annually on the nation's
beleaguered highway
system, lessening the cost
burden to the taxpayer.



* The Section 45G Tax Credit and the Economic Contribution of the Short Line Railroad Industry, PricewaterhouseCoopers LLP (PwC), July 2018. See http://files.aslrra.org/images/news_file/PwC_ASLRRA_final_report.pdf

SHORT LINE AND REGIONAL RAILROAD IOI

THE SHORT LINE CONNECTION: A CRITICAL PIECE OF THE U.S. FREIGHT RAIL SYSTEM

Comprised of 600 small business railroads, the short line rail industry was created by entrepreneurs who took large financial risks to save marginal or money-losing Class I railroad branch lines from abandonment.

First & Last mile of service
for 1 in 5 cars moving
throughout the system
each year.

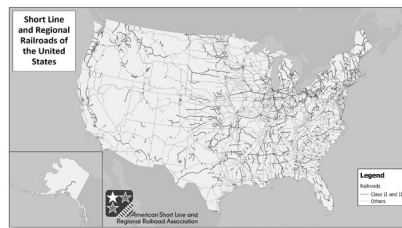
47,500
route miles
are
operated by
short lines

29%
of the freight
rail network
in the U.S.

10,000+
customers
are
served by
short lines

100% Short lines provide 100%
of rail service in some
states, AND more than
25% 25% in 36 states.

For large areas of rural and small-town America, the short line rail industry provides the only way shippers can be directly connected to the national economy, while ensuring business and employment stay local. Short lines serve every industry, but are particularly critical for manufacturing, agriculture, and energy.



SHORT LINE FREIGHT RAIL IS ESSENTIAL IN PROVIDING SERVICE TO MORE THAN 10,000 SHIPPERS

"The railroad provides access to additional markets, reduces cost, reduces highway investment and repair and improves prices farmers receive. Access to efficient and responsive rail service is essential for the economic well-being of agricultural and rural areas." - Jim Magnusen, General Manager, Key Cooperative, Holmen, Wisconsin

"We work in economic development and short lines are vital to the success of our manufacturing sector's future."
- Mark Nolte, President, Iowa City Area Development (ICAD), Iowa City, Iowa

TOP LEGISLATIVE ISSUES

- **Increase CRISI Funding** - The Consolidated Rail Infrastructure and Safety Improvements (CRISI) grant program is a very popular and successful program that includes short line railroads as eligible applicants. CRISI funding should be increased and there should be no big, new set-asides to ensure an even playing field for all applicants, including small business freight railroads.
- **No Increases to Truck Size and Weight (TSW) Limits** - Increases and exceptions to current federal law resulting in a shift from freight rail to truck transportation would be harmful to everyday drivers, the environment and the public infrastructure paid for with taxpayer dollars. We oppose any legislation that increases current limits.
- **Other Grant Programs** - Congress should ensure short line railroad projects can access funding through programs like INFRA, BUILD, and new transportation grant programs targeting emissions and congestion reduction by including freight rail project eligibility and maintaining rural and small project participation.
- **Short Line Safety Institute (SLSI)** - Continue federal support for the SLSI. The SLSI helps build a stronger, more sustainable safety culture through safety culture assessments, training and education - including the safe transportation of energy products and hazardous materials - outreach activities, and research.
- **No Crew Size Mandate** - Safety is our top priority, but there is no safety data to support the need for a crew size mandate, which could impede development and adoption of new safety technologies. Crew sizes have always been and should continue to be handled as part of collective bargaining agreements and not a one-size-fits-all federal mandate.



Freight Railroads & Climate Change

Our planet and nation face challenges that demand communities, businesses, and policymakers come together and create solutions that will fuel economic recovery and combat climate change. With nearly 200 years of experience moving America through times of both prosperity and trouble, freight railroads have always looked to the future, adapted, and risen to the challenge.

March 2021



ASSOCIATION OF
AMERICAN RAILROADS

Summary

As policymakers attempt to balance economic recovery from the coronavirus pandemic with meaningful progress toward combating climate change, the nation's railroads want to be — and must be — a part of the solution.

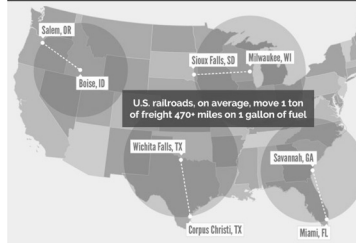
The Association of American Railroads (AAR) and the rail industry recognize that the climate is changing. If action is not taken, climate change will have significant repercussions for the planet, our economies, our society, and even day-to-day railroad operations.

The Congressional Budget Office recently projected that the effects of climate change will reduce real GDP growth rate by 0.03% annually from 2020-2050, and, as a result, this diminished annual GDP growth rate will reduce real U.S. GDP by 1.0% in 2050. AAR urges U.S. policymakers to adopt effective, coordinated, and market-based strategies to significantly reduce greenhouse gas (GHG) emissions and combat climate change.

Today, railroads account for roughly 40% of U.S. long-distance freight volume (measured by ton-miles) — more than any other mode of transportation.¹ Through smart, targeted investments, the freight rail industry has worked to increase fuel efficiency, drive down GHG emissions, and make rail operations even more sustainable. However, the industry recognizes there is much more work to be done and the right policies are essential for charting a path forward.

To be effective, policy strategies aimed at fighting climate change must encourage innovative solutions, leverage market-based competition, and allow for varied approaches that drive down emissions. Most importantly, these strategies must be grounded in data and established through a cooperative, multi-faceted approach involving all stakeholders.

Railroads Are the Most Fuel Efficient Way to Move Freight Over Land



One train can carry the freight of hundreds of trucks, which reduces highway congestion**



Freight railroads are 3-4 times more fuel efficient than trucks, on average



Moving freight by train instead of truck reduces greenhouse gas emissions by up to 75%



Railroads account for 40% of U.S. freight but only 2.1% of U.S. transportation-related greenhouse gas emissions*

*According to the U.S. Environmental Protection Agency (EPA). **According to the Texas Transportation Institute's 2019 Urban Mobility Report, highway congestion cost Americans \$265 billion in wasted time (8.6 billion hours) and wasted fuel (3.3 billion gallons) in 2017.

¹ Federal Highway Administration, Freight Analysis Framework, Version 4.5.1.



Leading by Example: How Railroads Help Reduce Emissions

Railroads are developing and implementing new technologies, refining operating practices, and working with their suppliers, customers, and supply chain partners to create a more sustainable future. For example, railroads have greatly improved their fuel efficiency. On a gross ton-miles per gallon basis (gross tons include the weight of rail cars as well as the weight of the freight in them), rail fuel efficiency in 2019 was up 82% since 1980 and up 17% since 2000.

U.S. freight railroads move more freight with much less fuel than before thanks to technological innovations, improved operating practices and a lot of hard work. In 2019 alone, U.S. freight railroads consumed some 656 million fewer gallons of fuel and emitted 7.3 million fewer tons of CO₂ than they would have if their fuel efficiency had remained level compared to 2000. From 2000 through 2019, U.S. freight railroads consumed 9.6 billion fewer gallons of diesel fuel and emitted 108 million fewer tons of CO₂ thanks to industry-wide fuel efficiency efforts. In 2019, railroad CO₂ emissions from diesel fuel consumption were 18% lower than their peak in 2006.

These efforts continue. Many of AAR's members voluntarily report GHG emissions from their operations to the Climate Disclosure Project (CDP), an international non-profit organization that helps companies disclose their environmental impact. Several Class I railroads have also committed to voluntary reductions in GHG emissions intensity.

For example, Canadian Pacific, Canadian National, CSX, Kansas City Southern, and Union Pacific are participating in the Science Based Targets Initiative (SBTi), an international collaboration focused on limiting global warming to less than two degrees Celsius. Norfolk Southern has created the "Trees to Trains" program — a carbon-mitigation strategy that reforests thousands of acres in environmentally critical areas to offset the company's carbon footprint. BNSF is testing the first battery electric locomotive in the United States and both Canadian Pacific and Canadian National are participating in pilot projects to test hydrogen fuel cell locomotives. And AAR and its members have formed a dedicated working group to understand new lower-or-zero-carbon fuel technologies and other climate-related issues.

Railroads Consistently Improve Fuel Efficiency



Fuel-efficient Locomotives: Acquiring and retrofitting thousands of new, more fuel-efficient locomotives that emit fewer criteria pollutants and GHGs over the past decade.



Operational Improvements: Carrying an average of 3,667 tons of freight per train in 2019, up 25% since 2000. By carrying more freight, railroads reduce unnecessary train and railcar movements, which reduces fuel use.



Fuel Management Systems: Developing and installing computer systems that calculate the most fuel-efficient speed for a train over a given route, determine the most efficient spacing and timing of trains on a railroad's system and monitor locomotives to ensure peak performance and efficiency.



Zero-emission Cranes: Increasing use of zero-emission cranes to transfer containers between ships, trucks, and trains at ports and rail facilities.



Aerodynamics & Lubrication: Adopting operational fixes to reduce fuel use. For example, advances in lubrication techniques reduce friction, ultimately decreasing drag and saving fuel.



Anti-idling Tech: Installing idling-reduction technologies, such as stop-start systems that shut down a locomotive when it is not in use and restart it as needed.



Distributed Power: Expanding use of distributed power (positioning locomotives throughout the train) to reduce the total horsepower required for train movements.



Training: Training employees and contractors to help locomotive engineers and other personnel develop and implement best practices and improve awareness of fuel-efficient operations.

More Rail Means a Sustainable & More Prosperous Future

The potential reduction in transportation-related GHG emissions associated with moving more freight by rail is substantial. If 10% of the freight shipped by the largest trucks were moved by rail instead, greenhouse gas emissions would fall by more than 17 million tons annually. That's the equivalent of removing 3.35 million cars from our highways or planting 260 million trees. Policymakers can help make this happen by removing impediments to transporting freight by rail, promoting policies that enable the rail industry to move more goods, more efficiently, and promoting modal equity in the incorporation of new and emerging technologies. Here are three approaches to consider:



Encourage Competition & Harness Market-based Solutions to Reduce Emissions

Policies that demand change through market solutions — rather than prescriptive regulations — hold the greatest promise for lasting change and meaningful emissions reductions. Through well-designed policies, market behavior can — and will — shift toward lower-emission fuels and modes of transportation. Several examples of these policies within the transportation space are provided below.

✓ Institute market solutions to reduce emissions

Programs that establish market incentives to reduce emissions from the freight transportation sector specifically should strive to achieve two key policy goals: encouraging businesses to ship their products using modes with lower GHG emissions — such as rail — and incentivizing transportation providers to find the most cost-efficient ways to further reduce or eliminate emissions associated with their operations.

Any broad climate change policies should provide long-term regulatory certainty and be crafted to permit capital-intensive industries to make investment and planning decisions in an economically rational manner while also maintaining their competitiveness. This approach will allow markets, not mandates, to drive the reduction in GHG emissions. An appropriate, predictable policy can enhance the nation's competitiveness, grow the economy, and create jobs.

✓ Return the Highway Trust Fund to a user-pays system

The pending insolvency of the Highway Trust Fund (HTF) should be a matter of significant concern within the larger transportation sector and beyond. Policymakers can address both the solvency of the HTF and climate change through a short-term, temporary fuel tax increase. In the longer term, policymakers should implement a vehicle miles traveled (VMT) fee that takes into account vehicle weight or axle count along with an emissions surcharge (see below for a more detailed discussion).

The United States has historically relied upon a user-pays system to fund investments in public road and bridge infrastructure. Unfortunately, revenues into the HTF have failed to keep pace with investment needs, requiring general fund transfers to cover the shortfall.

According to the Congressional Budget Office, general fund transfers into the HTF have totaled almost \$157 billion since 2008, including the \$13 billion provided by the continuing resolution signed on October 20, 2020. An additional \$203 billion could be required to cover expected deficits through 2030.² With the one-year extension of the FAST Act, the issue of HTF solvency will come to a head in September 2021.

Funding the HTF through a VMT fee instead of the existing gas and diesel taxes could also resolve impending insolvency and restore a user-pays model. Additionally, a VMT fee offers the opportunity to create a more equitable system of funding public road and bridge infrastructure by ensuring that all passenger and commercial vehicles pay for their use. Because the technologies to implement a VMT fee are still under development, a modest, short-term increase in the gas tax and the diesel tax over the next several years would still be required to shore up the HTF.³ However, while fuel taxes incentivize the purchase of more fuel-efficient vehicles, they are not the long-term solution for HTF solvency.

✓ **Impose an emissions surcharge and provide dedicated funding for passenger rail**

Imposing a graduated emissions surcharge based on the fuel efficiency of vehicles (utilizing Environmental Protection Agency miles per gallon ratings), in addition to a VMT fee, as discussed above, could encourage the transition to more environmentally-friendly passenger and commercial vehicles. Doing so would also raise additional revenues for the HTF.

From a modal-shift perspective, a reliable passenger rail network is the most environmentally-friendly mode to move people over land⁴ and is essential to helping address transportation-related emissions. Intercity passenger rail is the only mode of passenger transportation in the United States that does not receive any dedicated federal funding through a trust fund, leaving Amtrak completely dependent upon annual discretionary appropriations. This fiscal uncertainty makes it difficult for Amtrak to plan its operations and capital needs for the long term. Given the benefit of reduced congestion on our nation's highways, a Passenger Rail Account similar to the Mass Transit Account of the HTF could be created, and Amtrak's operating and capital costs could be funded with a portion of the additional revenues from the emissions surcharge. This Passenger Rail Account could be dedicated to Amtrak's Northeast Corridor and National Network Accounts. However, states could also be eligible to receive funding for their state-supported routes.

Drive Research & Adoption of Promising Technologies

Significant investments in national and sector-specific research are essential to unlocking energy solutions capable of powering our economy and reducing GHG emissions. Just as important as discovering new lower-or-zero-carbon fuels and technologies is ensuring American businesses can test and adopt these innovations. Below are a few policy proposals that will boost and further innovation.

✓ **Embrace partnership opportunities for research funding**

Despite impressive improvements in fuel efficiency, railroads continue to search for ways to further reduce their GHG emissions footprints. Technological advancements will play a major role in future gains, and AAR supports increased federal funding for research into a variety of technologies on the cusp of economic viability.

For decades, diesel fuel has been the only realistic option to power freight rail locomotives. However, BNSF and Wabtec are working with the California Air Resources Board to test a prototype long-haul battery electric locomotive. Additionally, Canadian Pacific and Canadian National plan to develop what would be North America's first line-haul hydrogen-powered locomotives and conduct rail service trials and qualification testing to evaluate the technology's readiness for freight rail operations. Finally, Progress Rail and the Pacific Harbor

² Congressional Budget Office, *The Outlook for Major Federal Trust Funds: 2020 to 2030*, September 2020, page 3.

³ While technologies may not yet be available for implementation of a VMT fee for personal vehicles, previous Congresses have considered proposals to implement a VMT fee for commercial motor vehicles utilizing existing electronic logging devices to measure miles travelled.

⁴ https://www.ait.org/com/1645/pdf/tee-aitc_2012final-0.pdf.

Line are planning a demonstration project of a new EMD Joule battery electric locomotive in the Ports of Los Angeles and Long Beach. These projects have the potential to further reduce GHG emissions.

Partnerships between the federal government and railroads to further research and develop technologies that fuel locomotives with alternatives to traditional diesel fuel are also essential to advancing innovation. Additional funding should be provided for the development of battery and fuel cell technologies, such as the ongoing efforts at the Joint Center for Energy Storage Research (JCESR), a Department of Energy (DOE) Energy Innovation Hub focused on technologies to enable next-generation batteries.

Another potential fuel source is “blue hydrogen,” which is hydrogen made from natural gas in a way that captures, stores, or reuses associated carbon emissions. Similarly, biofuels are traditional fuel alternatives including ethanol, biodiesel (diesel made from nonpetroleum renewable sources such as natural fats and vegetable oils), and renewable hydrocarbon biofuels or green drop-in fuels (renewable hydrocarbon fuels derived from biomass sources that are comparable and compatible to existing petroleum-based fuels). Although biofuels and renewable diesel are widely available as fuel blend stock, there are limited ASTM standards for these fuels, and equipment manufacturers have been leery of approving their use in locomotives. Additional funding for research on these lower-or-zero-carbon fuels and technologies will speed their adoption and continue to inform the development of standards for such fuels. Finally, funding should continue to be provided for grants under the Diesel Emissions Reduction Act (DERA) program.

✓ **Support policies to further develop carbon capture, utilization, and storage technology**

Policymakers should continue to invest in the development and scaling of technologies that would both reduce emissions and keep the economy moving. Carbon capture, utilization, and storage (CCUS) technology is one of these solutions.

CCUS technology would allow industries to capture up to 90% of emissions and prevent their release into the atmosphere. Since 2008, Congress has provided a tax credit (Internal Revenue Code Section 45Q) on a per-ton basis for CO₂ that is captured and either sequestered or utilized. As a result, many programs, including pilot and demonstration projects, have been proposed to spur industries and create new markets for CCUS technology. AAR supports efforts to further mature this technology and expand the commercial use of CCUS technology through market development programs and tax incentives. Encouraging storage and broader industrial utilization of captured carbon creates new economic opportunities, and railroads believe this technology can be an important part of a broad effort to address the impacts of climate change.

Since railroads provide the most fuel-efficient way to move freight over land, railroads believe they can play an integral part in the broader utilization of CCUS, as transportation remains one of the bigger challenges of scaling up CCUS technology. In most cases, captured carbon dioxide must be transported from the point of capture to a permanent storage site. Current limited capacity for these movements has been a significant challenge to further scaling up CCUS technology. Today, trucks, ships, and pipelines transport the carbon that has been captured from the gases produced in electricity generation and industrial processes as part of a CCUS chain using the same technologies as those used to transport natural gas, oil, and other fluids. The rail industry has decades of experience safely transporting carbon dioxide. Moreover, construction of new pipelines in the United States can be a lengthy process that is expensive, environmentally harmful, and subject to intense community and legal opposition.

Railroads are a nimbler transportation solution that can increase traffic as needed, while also meeting demand from varied origins and destinations. As plans for new CCUS facilities are developed, the carbon captured at these facilities could be transported via rail. This would minimize additional GHG emissions, avoid unnecessary highway congestion, and take advantage of the world-class private rail network already in existence. It is likely the facilities where carbon would be captured — and the destination where it would be stored or utilized — already have rail service.

✓ Help railroads test and deploy green technologies by streamlining waiver acquisition

Railroads have shown their commitment to developing, testing, and deploying new technologies that reduce the environmental impact of their operations. Policymakers should offer industries — including freight rail — operational and regulatory flexibility to encourage further innovation. This would allow railroads to experiment with new technologies and processes that could help meet environmental goals, including decarbonization and lower emissions. This needed flexibility could cover everything from technologies and procedures to increase fuel efficiency to new technologies that require extensive testing and research. Flexibility and streamlining are necessary to empower the rail industry to explore these options without risking regulatory enforcement. For example, policymakers should consider streamlining waiver review timelines, encouraging pilot programs, and establishing performance-based thresholds.

Partner with Industry to Advance Sector-specific Progress

Each American industry — including freight railroads — has its own unique set of advantages and challenges to reducing its impacts on the environment. For long-term, sustainable gains, these stakeholders are essential partners in identifying and prioritizing proposals that will empower real change in their own operations. Freight railroads stand ready to be partners in this effort and need policymakers to understand what is already working, as well as what is untenable for the nation's 140,000-mile rail network.

✓ Ensure railroads can invest in maintaining and greening their infrastructure

An efficient and sustainable rail industry depends upon railroads' private investments, which the Staggers Rail Act of 1980 helped make possible by creating a balanced regulatory system. Partial deregulation allowed railroads to improve their financial performance from anemic levels prior to Staggers to much healthier levels today. That, in turn, has allowed railroads to pour nearly \$740 billion — of their own funds, not taxpayer funds — back into their networks since 1980. These investments have greatly improved the productivity and sustainability of their operations. Policy decisions that upset the productivity and efficiency gains of the railroads or shift freight to other modes of transportation can impact the environment. Policymakers must maintain the existing regulatory balance to ensure railroads can meet customers' needs in a safe, reliable and sustainable manner.

✓ Invest in what works

As policymakers examine potential solutions, they should invite stakeholders to the table to provide needed insight and prevent the wasting of resources. While AAR encourages federal investment in the development of technologies that reduce GHG emissions, policymakers should avoid prescriptive means for reducing emissions by certain industries and allow innovation to guide GHG emissions reduction decisions. For example, studies over the years have consistently shown that the catenary electrification of the freight rail network would be unworkable. Initiatives, such as catenary electrification, that are clearly not viable should be set aside to focus on and invest in policies and programs that will work to reduce GHG emissions and combat climate change, such as those noted above.

Railroad-Shipper Transportation Advisory Council
Washington, D.C.

March 25, 2021

The Hon. Maria Cantwell, Chair
The Hon. Roger Wicker, Ranking Member
Committee on Commerce, Science, and
Transportation
United States Senate
Washington, DC 20510

The Hon. Peter DeFazio, Chairman
The Hon. Sam Graves, Ranking Member
Committee on Transportation and Infrastructure
United States House of Representatives
Washington, DC 20515

Dear Chair Cantwell and Ranking Member Wicker, and Chairman DeFazio and
Ranking Member Graves:

On behalf of the Railroad-Shipper Transportation Advisory Council ("RSTAC") we respectfully urge Congress to include short line railroads fully in any new infrastructure investment funding legislation that may be enacted. Small railroads provide the integral "first-mile—last mile" link for small shippers to the nation's Class I freight railroad network, and deserve equitable treatment as part of a welcome renewed focus on federal infrastructure investment.

The RSTAC was established pursuant to the ICC Termination Act of 1995 ([49 U.S.C. § 1325](#), formerly § 725) to advise the Secretary of Transportation, the Chairman of the Surface Transportation Board, the Committee on Commerce, Science, and Transportation of the Senate, and the Committee on Transportation and Infrastructure of the House of Representatives "with respect to rail transportation policy issues it considers significant, with particular attention to issues of importance to small shippers and small railroads." As outlined in the establishing statute, the RSTAC's mission from a private sector perspective is to "prevent, or identify and effectively address, obstacles to the most effective and efficient transportation system practicable."

The nine voting RSTAC members all believe that it is essential for Congress to treat small railroads, and their integral connection to small shippers, equitably in new infrastructure spending legislation now being considered, in order to overcome barriers to investment impeding the most effective and efficient transportation system practicable. Federal grant programs for which short line railroads are eligible, including Consolidated Rail Infrastructure and Safety ("CRISI"), Better Utilizing Investments to Leverage Development ("BUILD"), and Infrastructure for Rebuilding America ("INFRA") as administered by the U.S. Department of Transportation, and other current or future new grant programs aimed at emissions or congestion reductions, or safety or other public benefits, should affirmatively foster enhanced small railroad participation.

Should Congress commit to significant new infrastructure investments, the RSTAC urges that federal grant opportunities available to small railroads be expanded proportionately. Congress should also ensure that current and any future new eligibility criteria treat small railroads fairly.

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Structured in this way, new additive federal infrastructure investment can generate public benefits and job growth for small railroads and the shippers they serve, many of which are in rural areas. Such an approach would help alleviate impediments to growth and efficient service in our national transportation system, promote small freight railroads as well as large passenger rail systems, and boost rural interconnectivity for shippers along with enhanced urban mobility – all while advancing vital sustainability goals.

We appreciate this opportunity to convey the RSTAC's perspective to the Congress. Please do not hesitate to contact us if the RSTAC can address questions or provide further information that may be helpful. We look forward to continuing a productive dialogue on this and other issues of importance to the RSTAC and the small railroads and shippers we represent, and we thank you for your consideration.

Sincerely,



Mathew A. Brainerd, KCHS
Chairman
Railroad-Shipper Transportation Advisory Council

cc: Members of the Railroad-Shipper Transportation Advisory Council

The Hon. Martin J. Oberman, Chairman, Surface Transportation Board
The Hon. Robert E. Primus, Vice Chairman, Surface Transportation Board
The Hon. Ann D. Begeman, Member, Surface Transportation Board
The Hon. Patrick J. Fuchs, Member, Surface Transportation Board
The Hon. Michelle A. Schultz, Member, Surface Transportation Board

The Hon. Pete Buttigieg, Secretary, U.S. Department of Transportation

Senator PETERS. Thank you, Mr. Baker, for your testimony. Our second witness today is Mr. Lamont Byrd, Director of Safety and Health for the International Brotherhood of Teamsters. In that role, Mr. Byrd oversees the development and the implementation of comprehensive safety and health programs for the 1.4-million-member International Union. Mr. Byrd also serves as Chairman of the Motor Carrier Safety Advisory Committee at the Federal Motor Carrier Safety Administration.

Welcome, Mr. Byrd. You may proceed with your opening comment.

STATEMENT OF LAMONT BYRD, DIRECTOR, SAFETY AND HEALTH, INTERNATIONAL BROTHERHOOD OF TEAMSTERS

Mr. BYRD. Thank you. Chairman Peters, Ranking Member Fischer, and members of the Subcommittee, my name, again, is Lamont Byrd. I am the Director of Safety and Health for the International Brotherhood of Teamsters. Thank you for inviting me here today to testify about Freight Mobility: Strengthening America's Supply Chains and Competitiveness.

The Teamsters Union represents more than 600,000 commercial truck drivers and through the Brotherhood of Locomotive Engineers and the Brotherhood of Maintenance of Way Employees, we also represent more than 70,000 rail employees. Our members in these in industry sectors have seen their work demands increase dramatically over the past several years, and even during the COVID-19 pandemic, as many are classified as essential workers.

In this opening statement, I will discuss infrastructure, globalization and cross-border operations, truck and rail safety regulations, and related operational policies. But many additional issues are discussed in our written testimony, and please feel free to ask me any questions you may have on those topics, as well.

I would like to begin with infrastructure. The failure to invest and improve the Nation's infrastructure has adversely impacted trucking and the rail employers, workers, and consumers. The explosion of online shopping coupled with consumer demands has placed more freight in the system and more pressure on both truck drivers and railroaders to deliver goods quickly. Structural changes across both industries, such as the use of precision schedule railroading, by some carriers, has added to this enormous strain. Our hope is that this Administration can partner with Congress to move forward on rebuilding America's infrastructure, while simultaneously addressing serious operational concerns being raised by workers.

Globalization and international trade agreements has also increased new challenges for American workers, including those in transportation. The renegotiation of NAFTA enabled the Teamsters Union to work with the U.S. Trade Representative to require foreign trucks and drivers that deliver goods into the United States, to comply with all motor carrier and driver safety laws, allowing us an opportunity to establish a framework to protect safe, good paying American trucking jobs. That was a good result, but much work remains to be done.

We must ensure that carriers are prevented from bringing foreign drivers into the United States, under temporary business

Visas, and violating Cabotage Laws. We must also address similar cross border issues in the rail industry, where serious problems have arisen at the southern border.

The Teamsters Union continues to be concerned about the numerous exemptions to the Teamsters Union continues to be concerned about the numerous exemptions to Hours-of-Service regulations that are granted to motor carriers by the Federal Motor Carriers Safety Administration and legislated by Congress.

We are specifically concerned about the FMCSA's changes to the short hour provision for CDL qualified drivers, the revision to the definition of rest break, which allows all non-driving work to be considered as rest. As well as the issuance of two pilot programs, one allowing under 21-year-old drivers to transport goods and interstate commerce, and the other permitting CMB drivers to pause their workday up to 3 hours. None of these regulatory revisions or pilot programs improve safety, and they should all be repealed.

One of these pilot programs, which would allow under 21-year-olds to operate in interstate commerce, is apparently, being driven by the challenges employers face in recruiting and hiring qualified drivers. While long work hours, difficult work, and the need for clean driving and drug and alcohol testing records create hiring challenges for motor carriers, we do not believe that the solution to these challenges is to hire more foreign drivers or lower the minimum driving age. Pay and working conditions need to be improved so that drivers who are already in the industry are incentivized to stay.

Part of incentivizing drivers to stay also includes taking a science-based approach to drug testing. The Department of Health and Human Services issued guidelines for hair testing for federally mandated drug testing programs late last year. The Teamsters oppose this method of testing, as there is significant, unresolved scientific issues associated with hair testing.

Finally, autonomous vehicles have the potential to reshape the entire transportation sector, including the trucking and rail industries. While some of this technology has the potential to improve truck safety and efficiency, the threat of self-driving trucks replacing or degrading millions of truck driver jobs, is of great concern to our members. We need Congress to ensure that before we move forward with automation that proper protections are in place.

Many of those safety protections may be needed for thousands of vehicles that are already on the roads. That is why we support a study on the use of commercial vehicles with a gross vehicle weight rating of less than 10,000 pounds in package delivery operations, as required in Section 4101 of H.R. 2. There is very little data, if any, relating to the safety performance and these same size vehicles are also likely to be used in autonomous operations. So, a detailed review of their operational safety is critical to our members.

Mr. Chairman, thank you for the opportunity to testify before the subcommittee today and I look forward to answering your questions.

[The prepared statement of Mr. Byrd follows:]

PREPARED STATEMENT OF LAMONT BYRD, DIRECTOR OF SAFETY AND HEALTH,
INTERNATIONAL BROTHERHOOD OF TEAMSTERS

Introduction

Chairman Peters, Ranking Member Fischer and Members of the Subcommittee: My name is Lamont Byrd, and I am the Director of Safety and Health for the International Brotherhood of Teamsters (IBT). Thank you for inviting me here today to testify on “Freight Mobility: Strengthening America’s Supply Chains and Competitiveness.” The Teamsters Union represents more than 600,000 members who start their workday behind the steering wheel of a truck. We also represent more than 70,000 rail employees in the United States who work as locomotive engineers, trainmen, and maintenance of way workers through the Brotherhood of Locomotive Engineers and the Brotherhood of Maintenance of Way Employees. Whether they are rail workers operating at one of the five major freight railroads, Amtrak, or a commuter rail system, or a Teamster driver operating an 18-wheeler or dropping a UPS package at your door, we have seen the demands on hundreds of thousands of our transportation members increase dramatically over the past several years, even as many of them put themselves in harm’s way by continuing to show up to work during the COVID-19 pandemic.

On the trucking side, the pressures these drivers face come from a variety of sources, some obvious, others not so obvious. But a recurring theme pushing drivers sometimes to their limit is a claimed need by carriers for flexibility and greater efficiency. There are many reasons that put the trucking industry and its drivers under the gun. And a lot of it has to do with policy or lack thereof that hasn’t kept pace with an ever-changing transportation system. Specific policy issues relating to infrastructure, driver compensation, Hours-of Service regulations and exemptions from other safety regulations, detention time, outright driver harassment, driver health, driver training and retention, automation and globalization all contribute to these pressures and are discussed at length in our testimony that follows. It’s a fact that a truck driver operates in a very regulated arena. From the time he/she obtains a Commercial Driver’s License (CDL), the driver is subject to medical certification, drug testing, and dozens of safety regulations. Drivers for the most part are paid by the mile, work the longest hours in any industry (60 to 70 hours per week) and don’t receive overtime pay. They make money by delivering a product on time, and the odds right now are stacked against them in doing so by many factors.

On the rail side, many of these same conditions exist. There also are some stark differences that create great inequity for Rail Teamsters. Most BLET members have no fixed work schedules and are tied to a telephone; compounding matters is an almost complete lack of reliable information from which locomotive engineers and trainmen can regulate their off-duty time to ensure that they are fully rested when they have to report for work. A significant percentage of BMWED members work on traveling gangs that cover huge geographical territories, taking them from their homes and families for a week or more at a time.

Rail Teamsters, and all rail workers, also face two other industry-wide challenges. One is a never-ending drive by rail carriers to replace workers with technology. For BMWED members this has taken the form of replacing human track inspection with drones. BLET members are increasingly being forced to run trains—upwards of three miles long—that exceed the boundaries of safety, and the carriers are actively seeking to cut the size of road freight crews in half. On top of this, the railroads have adopted a business model, called Precision Scheduled Railroading (PSR), which subordinates service, staffing and safety to a never-ending chase to reduce operating ratios, which is a railroad’s operating expenses expressed as a percentage of its revenue.

Infrastructure

The failure to invest and improve the Nation’s infrastructure impacts the trucking and the rail industry alike, its workers, and consumers in many adverse ways. The explosion of on-line shopping coupled with consumer demands of “I have to have it tomorrow” and an even greater emphasis on just-in-time delivery have put more freight in the system and more pressure on both truck drivers and railroaders alike to deliver goods quickly. The structural shift to PSR has thrown gas onto this fire and forced many railroaders to work at breakneck and unsafe speeds. The annual uncertainty around Amtrak funding not only makes operational planning for Amtrak difficult, but also leaves thousands of American railroaders with enormous question marks around what future they will have in the industry. For truck drivers, traffic congestion fueled by years of delayed highway construction and improvement projects, weight limits on deteriorating bridges that necessitate re-routings, and the general condition of some highways that cause road closures and detours

all put truck drivers behind the wheel longer than they need to be and in a “pressure cooker” environment of stop and go traffic. Traffic jams alone cost the U.S. \$87 billion in lost productivity in 2018 according to data analyzed by the research firm INRIX. Our hope is that this Administration can return to the table and partner with Congress to move forward on rebuilding America’s highways, railroads, bridges, ports, and other much needed infrastructure projects.

Globalization/Trade/Cross-Border Operations

Globalization and international trade agreements have opened new challenges for the American worker, including truck drivers. Ever since the North American Free Trade Agreement (NAFTA) entered into force in 1994, the Teamsters Union has fought to ensure that highway safety is paramount in implementing the NAFTA provision that permitted Mexican domiciled carriers to perform long haul trucking operations beyond the commercial border zones. The renegotiation of NAFTA allowed the Teamsters Union to work with the U.S. Trade Representative to ensure that the foreign trucks and drivers delivering goods into the United States will continue to be required to meet all motor carrier and driver safety laws. The USMCA also afforded us an opportunity to establish a framework to ensure that good paying American trucking jobs are not supplanted by lower-paid foreign drivers. Specifically, the USMCA provides trucking industry stakeholders an opportunity to petition the International Trade Commission (ITC) and seek remedial action if it is determined that U.S. carriers and/or drivers have suffered material harm as a result of long-haul cross-border trucking. A survey by DOT of operating authority for Mexico-domiciled carriers currently permitted to enter the U.S. beyond the border commercial zone is currently underway as mandated under USMCA implementing legislation (PL-116-113, Title III, Section 327). Additionally, under USMCA, the DOT Inspector General is required to “review the procedures and actions taken by the Secretary to determine whether each Mexico-domiciled motor carrier with any U.S. operating authority . . . is in compliance with applicable Federal motor carrier safety laws and regulations.” (Statement of Administrative Action accompanying PL 116-113).

One issue related to cross-border trucking not addressed by the USMCA cross-border trucking provisions is the use of drivers admitted to the United States under temporary business visas. Section 4307 (H.R. 2, 116th Congress) requires the DOT Inspector General to report on the prevalence of these operations, including the country of domicile of the carriers, the demographics of the drivers and their contractual relationship with those motor carriers. It also requires a closer look at point-to-point transportation in the U.S. (cabotage) and possible violations of that law by foreign drivers. While monitored by Customs and Border Patrol (CBP), the Teamsters, through an investigation by EMPOWER, a Mexico City-based research firm, who conducted numerous interviews with Mexico-domiciled drivers have found evidence of drivers being transported across the U.S. border, then assigned a tractor trailer and performing point-to-point delivery in the U.S., a clear violation of cabotage laws.

This is despite the fact that U.S. Customs and Border Protection (CBP) holds workshops with major B-1 employers about expedited border crossing programs and U.S. cabotage law. The Teamsters strongly support an investigation by the Inspector General to more closely examine these types of operations.

The issues regarding cross-border operations permeates not just the trucking industry, but rail operations as well. The history of rail cross-border operations truly is a tale of two borders. To the north, there was international representation of operating employees and maintenance of way employees by the two unions that comprise the Teamsters Rail Conference, which dates back to 1870. Except when a rogue carrier on either side of the border attempts to exceed its contractual authority, operations between the United States and Canada generally are quite stable, with crew changes occurring at the border or in rail yards immediately adjacent to the border.

It is a far different story on our southern border, where typically the yards are located beyond the border city. Cross-border trains block vehicular traffic in these cities for lengthy periods of time, while they travel through Customs and Border Protection scanners, and this problem has become significantly worse because of the excessively long trains the railroads insist on operating. Mexican law prohibits anyone who is not a Mexican national from performing any railroad work within that country’s borders, making an operation similar to that on the northern border impossible. Rail carriers are using every trick in the book to use much lower paid Mexican crews to operate inside the U.S., to the point that the last Federal Railroad Administrator essentially stopped enforcing the locomotive engineer certification

regulations required by Congress at the southern border. We would be happy to provide detailed information on this subject if the Subcommittee is interested.

Coercion/Harassment

Similar to the evasion of regulatory requirements going on at the border for rail crews, motor carriers are increasingly exerting enormous pressure on drivers to be more productive even if it means violating various motor carrier safety regulations. For example, the Union is involved in a case where a driver/member reported that the cargo he was transporting via truck was loaded with melons on the bottom of pallets and improperly secured and consequently shifted while en-route. It should be noted that the driver was unable to thoroughly inspect the load prior to leaving the terminal because the truck was fully loaded when he picked it up. After reporting that the load had shifted and he could not safely deliver the cargo, he was instructed by management to unload the truck on the roadside, organize the cargo, reload the truck, and continue on his route. When he advised management that he could not safely perform these job tasks as he did not have load securing equipment (load bars—the ones that he had were damaged as a result of the shifting freight; no straps and shrink wrap) and to do so on the roadside would place him in danger. He would have also been at significant risk of work-related injury, having to climb up and down a small set of stairs to enter and exit the trailer while carrying cargo. This is a union shop where in addition to regulations and company policies that preclude the drivers from performing such dangerous work, there is language in the collective bargaining agreement that empowers the drivers to refuse to perform dangerous and illegal work. Yet, this driver was summarily terminated when he returned a short distance to the terminal for assistance. Although we anticipate being able to get this driver reinstated at his job, this practice not only adversely affected him, it sends a chilling message to other drivers who are aware of this situation.

Hours of Service/Driver's Health

The Teamsters Union continues to be concerned about the numerous exemptions to Hours-of-Service (HOS) regulations that are granted by FMCSA through petitions and those special interest exemptions legislated by Congress. We are also concerned about FMCSA's recent issuance of two pilot programs—one allowing for under-21 CDL holders to travel in interstate commerce and the other providing for a split duty period, permitting CMV drivers to pause their 14-hour on-duty period (driving window) with one off-duty period of no less than 30 minutes and no more than three hours. The under-21 pilot was initiated prior to the completion of the pilot program permitting those with requisite military training. Section 5404 of the Fixing America's Surface Transportation (FAST) Act required FMCSA to conduct research on drivers who are 1820 years of age, are members of the armed forces or reserve components, and who are qualified in a military occupational specialty or rating to operate a CMV or similar vehicle. Not only did FMCSA not wait until this pilot was completed so a comparison could be made with drivers in a control group comprised of drivers 21–24 to determine if age was a critical safety factor, but the agency initiated another pilot program for under-21 CDL drivers. The split duty period pilot program will do nothing but extend an already long exhausting workday for drivers who are already fighting fatigue. Numerous studies have shown that “time on task” is a relevant factor in fatigue-related crashes. The Federal Register notice itself states that the “pilot program seeks to gather statistically reliable evidence whether decisions concerning the timing of such flexibility can be aligned with employers’, shippers’, and receivers’ scheduling preferences to optimize productivity while ensuring safety performance . . .”. It's clear that this rulemaking is all about the “bottom line” and nothing about a driver facing a 17-hour workday! These two pilot programs, issued at the end of the last Administration, should be rescinded, and it is why we support a provision in H.R. 2 (116th Congress) that would have paused the final rule published on June 1, 2020, titled “Hours of Service of Drivers” (85 Fed. Reg. 33396) until a comprehensive review of hours of service rules and the safety and driver impacts of waivers, exemptions, and other allowances that limit the applicability of such rules. This provision would further require a peer review, publication in the Federal Register and a period for public comment and a Report to Congress. Unfortunately, the final rule was issued and is now in effect. But the process for examining the numerous waivers, exemptions and other allowances is necessary and should move forward.

With regard to the final HOS Rule published on June 1, 2020, the Teamsters have joined other safety advocates in bringing legal action against DOT to reverse these latest changes in the HOS regulations. The most egregious of these is the revision to the Short Haul Provision for Commercial Driver's License qualified drivers from a 12-hour workday to 14 hours. The IBT has found that the proposed extension of

the 12-hour exception to 14-hours results in short-haul drivers spending additional time loading trailers, staging freight, and making more deliveries. As a result, these drivers will continue to experience an increase in the incidence of occupational injuries and illnesses. Consequently, motor carriers will experience higher worker compensation costs and may experience an increase in the costs associated with fatigue-related crashes.

The trucking industry already ranks among the industries having the highest occupational illness and injury rates in the United States and the worker's compensation costs to motor carriers are tremendous. According to Bureau of Labor Statistics (BLS) data for 2017, the non-fatal occupational incidence rate for truck transportation, nationally, was 4.2 injuries per 100 workers as compared to 2.8 injuries per 100 workers for private industry.¹ Several studies show that the majority of work-related injuries occurring among truck drivers result from non-driving work activities.² When researchers further investigated these findings they found that the types of injuries experienced by truck drivers varied by industry sector but were generally associated with falling from heights, trips, slips, falls, and overexertion due to manual materials handling.

Drivers who are involved in short-haul operations experienced occupational injuries primarily while performing three activities: "(1) Operating the truck; (2) lifting/cranking; and (3) maneuvering into/out of truck cab."³ Chandler, et. al., in further describing the injuries indicated that incidents that occurred while operating the truck, included losing control of the truck, being struck from behind by another vehicle, and musculoskeletal injuries associated with extended routine driving. With respect to lifting/cranking related injuries, the researchers found that drivers were injured while manually handling cargo, connecting dollies, and lifting/adjusting ramps to the trailers. Researchers also reported that drivers experienced injuries due to trips, slips, and falls as they entered or exited the truck cab and trailer.

Commercial drivers, including short-haul drivers, disproportionately experience musculoskeletal injuries and illnesses. The National Institute for Occupational Safety and Health (NIOSH) conducted a review of over forty studies that investigated the relationship between lowback pain/disorders and determined that there is strong evidence that correlates physical workplace factors such as heavy physical work, lifting, bending and twisting, whole body vibration (WBV), and static work postures with low back pain/disorders.⁴ All of these contributing factors to lowback pain/disorders are present in commercial driving, particularly in short-haul operations. This is critical when one considers that according to the American Industrial Hygiene Association (AIHA) a survey conducted by the organization in 2003, MSDs costs the trucking industry approximately \$4 billion dollars each year.⁵ The Bureau of Labor Statistics reported that workers in truck transportation experienced work-related musculoskeletal disorders at a rate of 62.3/10,000 workers as compared to 28.6/10,000 for private industry.⁶

Short-haul drivers will experience increased fatigue as a result of having to work an extended number of hours and concurrently experience more fatigue-related occupational injuries and crashes. The National Institute for Occupational Safety and Health (NIOSH) published a report that summarized over 50 studies that investigated the impact that long working hours have on illnesses, injuries, health behaviors, and job performance.⁷ Studies showed that workers who worked long shifts, i.e., 12 or more hours, each day and more than 40 hours per week experienced an increase in occupational injuries and "a pattern of deteriorating performance on psychophysiological tests."⁸ This is of significant concern when considering the fact that shorthaul commercial drivers perform safety-sensitive job functions such as operating large trucks in oftentimes congested areas that are shared with passenger vehicles and pedestrians.

In 1996, NIOSH conducted an ergonomic study for drivers in the soft beverage delivery industry during which the researchers evaluated drivers over a four-month

¹ Bureau of Labor Statistics, 2018.

² Friswell, Williamson, Accident Analysis and Prevention, 2010 Nov; 42(6): 2068–74.

³ Chandler, M., Bunn, T.L., Slavova, S., International Journal of Injury Control and Safety Promotion, 2017, Vol. 24, No. 1, 120–130.

⁴ <https://www.cdc.gov/niosh/docs/97-141/pdfs/97-141.pdf?id=10.26616/NIOSH-PUB97141>

⁵ American Industrial Hygiene Association, 2003, "American Industrial Hygiene Association position statement on ergonomics [online]. Available from: <http://www.aiha.org/1documents/GovernmentAffairs/P-ergonomics-1403.pdf>

⁶ Bureau of Labor Statistics, 2018.

⁷ <https://www.cdc.gov/niosh/docs/2004-143/pdfs/2004-143.pdf>

⁸ Ibid, p. 27

period.⁹ Researchers found that drivers had to routinely lift products that exceeded the recommended weight limit per the NIOSH Lifting Criteria.¹⁰ In addition, researcher collected data on the driver's heart rates to estimate metabolic output and determined that such drivers worked in a job that required a high level of energy. Drivers in this physically demanding job also experienced twice as many lost workdays when compared to workers in general manufacturing jobs. Although the study was conducted over twenty years ago, members of the Teamsters Union who have high tenure in the industry reported that not much has changed and that the changes that have occurred are generally not an improvement. For example, these drivers reported that traffic conditions are much worse; parking for large vehicles is more limited; they continue to have to manually deliver large quantities of heavy products such as cases and kegs while negotiating stairs, curbs, ramps, narrow entrances and exits to buildings, and having to perform these job tasks in inclement weather (heat, cold, ice). These external factors which directly contribute to the difficulty of a driver's workday cannot be ignored.

The current Hours of Service Regulation for non-CDL qualified commercial drivers who use the short-haul exception are allowed to work 14 hours each day, extend the workday to 16 hours two times each week and drive up to 11 hours each day. According to BLS data these drivers have a higher rate of injury and severity of injury (based on the number of lost workdays per injury) than other commercial drivers, *i.e.*, non-CDL drivers who do not use the Short-Haul provision and CDL qualified drivers. It should be noted that CDL qualified drivers operate larger trucks that are able to carry more freight that is larger and heavier than what is typically transported and delivered by non-CDL drivers. Therefore, one can reasonably expect injury rates to increase among CDL qualified short-haul drivers if the number of hours that they are permitted to work increases.

The Massachusetts Department of Public Health released a report¹¹ concerning the misuse of opioids among workers who are employed in industries, such as trucking, that has a high rate of occupational injuries. Drivers are very concerned about their risk of suffering a work-related injury, being prescribed pain killers such as opioids, and the possibility that the use of such drugs could result in not only adverse health outcomes, but also the chance of becoming medically disqualified to operate commercial motor vehicles. The Teamsters will oppose any efforts to expand the short-haul exemption for CDL-qualified drivers through legislative or regulatory actions.

As a part of their final rule amending the Hours of Service Regulations, FMCSA also revised the definition of "rest break" to include all time not actually operating a CMV as "rest". Prior to the new HOS regulations, a driver had to take a 30-minute rest break after 8 hours on duty. The new regulations mandate the break after they have driven for a period of 8 cumulative hours without at least a 30-minute interruption. In addition, the 30-minute rest period doesn't even require the driver to actually rest. Under the rule change, drivers are permitted to take their break as "on-duty/not driving, meaning the driver could be loading or unloading cargo, refueling their truck, interfacing with a customer, or filling out paperwork, all while technically "on break". So long as the driver is not behind the wheel driving, he can do any type of physically demanding labor and have it considered as "rest" under the rule. The 30-minute rest break is the only rest period guaranteed to drivers under Federal law and is a crucial tool for mitigating fatigue. The Teamsters will continue to fight to have it restored as a true rest period.

Recruiting/Retaining Drivers/Young Drivers

Motor carrier employers face significant challenges recruiting and hiring qualified drivers. Increasingly long work hours, difficult work, the need for a clean driving record, and a drug/alcohol testing record that is free from positive results, create significant hiring challenges for motor carriers. As a result of increases in the demand for goods, the Bureau of Labor Statistics (BLS) projects that between 2016 and 2026, there will be a need for 108,400 additional drivers in heavy truck transportation.¹² It should be noted as an aging driver workforce retires from the industry, there will be an even greater need for qualified drivers. According to 2018 data from the BLS over 21 percent of the current driver population will reach 65 years

⁹ <https://www.cdc.gov/niosh/docs/96-109/pdfs/96-109.pdf?id=10.26616/NIOSH96109>

¹⁰ <https://www.cdc.gov/niosh/docs/94-110/pdfs/94-110.pdf>

¹¹ <https://www.mass.gov/news/department-of-public-health-taking-steps-to-keep-job-related-injuries-from-leading-to-opioid>

¹² <https://www.bls.gov/ooh/transportation-and-material-moving/heavy-and-tractor-trailer-truck-drivers.htm>

of age in the next ten years, with over 46 percent reaching 65 within next 20 years.¹³

There are some in the trucking industry who view lowering the minimum driving age for commercial drivers to 18 as one solution to the increasing demand for qualified drivers. As noted above, the Teamsters Union is particularly concerned about this issue as it should be noted that there is significant evidence which indicates that young drivers are more likely to be involved in crashes. This issue is even more concerning when one considers that absence of any comprehensive driver training regulation for entry-level commercial drivers. Several years ago, at the behest of the FMCSA, the Teamsters Union and over twenty other stakeholders participated in a “negotiated” rulemaking process to draft a rule for entry-level driver training. After several weeks of hard work, the negotiating committee reached consensus and provided the FMCSA with a draft rule. The Agency has yet to move forward on promulgating a Final Rule. The Union strongly believes that the Agency should not even consider revisions to any of the CDL requirements until such a rule is finalized.

Another issue that affects retention is driver compensation. Teamster Union drivers are among the highest paid in the industry, with good health benefits and pensions, as well as a direct voice on the job allowing them to address operational and disciplinary concerns through a transparent, collectively bargained process. That is why the retention rate is much higher among unionized truck drivers than their non-union counterparts. Our National Master Freight Agreement also addresses the issue of detention time—that period of time where a driver is kept waiting for his truck to be loaded or unloaded. Under that Agreement, the Teamster Union drivers are paid for this time that they are waiting, which is why the practice is not prevalent in our sector of the industry. Paying drivers for wasting their valuable on-duty time gives motor carriers and shippers an incentive to have a load ready when a driver arrives at the loading dock. It also prevents drivers from being frantic to try and make up for lost time and possibly violating safety regulations in the process. Congress should take the necessary steps to mandate that drivers be paid for this detention time. That is why we support provisions in H.R. 2 (116th Congress) that require the Secretary to initiate a rulemaking establishing limits on the time that a CMV operator may be reasonably detained before loading or unloading occurs, if that operator is not compensated for the time detained.

Truck Size and Weight

Certain industry stakeholders continue to call for increases in truck size and weight. Whether it’s increasing the weight limit on Federal highways to 90,000 lbs. or expanding the use of the twin 33’ trailer configuration, the Teamsters Union opposes any increase in the current Federal weight limits for trucks or any increase in the current size of double trailers traveling on the National Highway System. Our Interstates and other major highways are in serious disrepair and half of our bridges are more than 40 years old with one in four being structurally deficient or functionally obsolete. Increasing truck size and length will put further stress on an already deteriorating infrastructure system. While a properly deployed 6th axle can mitigate weight increases on road surfaces, the same cannot be done on bridges. In addition, our highways are not designed for longer combination vehicles. Our merge lanes and entrance and exit ramps are not designed for eighty-four feet long vehicles. Longer and heavier trucks take more time to get up to speed and require greater stopping distances. From a driver’s perspective, our roadways are already congested like never-before. Reaction times are pushed to the limit as drivers attempt to maneuver big rigs around slowed-down vehicles and avoid quickly changing lanes in a maneuver that could put themselves and other drivers at risk. The claim that increasing truck lengths and weights will result in fewer trucks on the road is unfounded. Historically, each time increases have occurred truck traffic has grown as shippers take advantage of cheaper rates and divert freight from rail to highways. Currently, 39 states prohibit twin 33-foot trailers on their highways, and there is no justification to allow them to operate on our interstate highways.

According to FMCSA’s *Large Truck and Bus Crash Facts*, “the number of large trucks involved in fatal crashes increased 10 percent from 4,251 to 4,657, and the large truck involvement rate (large trucks involved in fatal crashes per 100 million miles traveled by large trucks) increased 6 percent, from 1.48 to 1.56.” Deaths from large truck crashes reached their highest level in 29 years in 2017, according to National Highway Traffic Safety Administration data. Fatalities from big truck crashes rose even though the overall traffic fatality rate declined. Large truck fatalities rose 9 percent to 4,761, an increase of 392 lives lost over the prior year. Congressionally-

¹³ Ibid.

approved exemptions to weight and length limits based on a specific section of highway or a specific industry should be rejected. Piecemeal approaches undermine Federal transportation policy and further jeopardizes safety on our Nation's highways.

Safety-Assist Technology and Autonomous Vehicles

Autonomous vehicles have the potential to reshape the entire transportation industry, not just the trucking industry. While some of this technology holds the potential to improve truck safety and efficiency in the short term, the threat of self-driving trucks replacing, or degrading millions of truck driver jobs has many of our members on edge. We believe that the trucking industry will have the need for skilled drivers for decades to come. But some of that relies on this committee making sure the industry isn't forced into a self-destructive, and self-reinforcing race towards unsafe and job-killing automation without the proper protections in place.

As this hearing examines ways to strengthen our supply chains and competitiveness, the common refrain from industry that automating sectors of our supply chain could somehow strengthen our competitiveness deserves a closer review. Drivers feel like disposable cogs in a machine when some members of this body talk gleefully about the prospects of automating away their jobs. What's worse, many drivers' only interaction with lower levels of automation have actually deepened their mistrust of new technologies. Our members have reported dangerous malfunctions of automatic braking systems that are in their trucks right now. These systems are supposed to make a driver's life easier, and we would gladly support them if they did. But drivers tell us stories of these systems often detecting snow or an oncoming overpass as an obstacle, and mistakenly slamming on the brakes without any warning. The driver is then the only thing stopping the truck from jackknifing or skidding off the road. Imagine surviving that incident and then having to show up to work the next day and drive a truck with the exact same technology on board? No one should have to feel like they are taking their life into their own hands just by showing up for their job. That is why the Teamsters have insisted that a Federal Motor Vehicle Safety Standard be created to establish performance requirements for the system itself and the software that it operates. Section 4404 (H.R. 2, 116th Congress) directs NHTSA to promulgate a rule for automatic emergency braking systems, and requires consultation with drivers regarding their experiences as a part of that process. We strongly support these safeguards. Congress must bring a healthy dose of skepticism whenever it is approached with a piece of automation technology that is being touted as improving safety or one that will make a driver's life easier. It may not live up to closer scrutiny.

Another emerging issue with automated vehicles is the lack of uniform reporting around automated commercial vehicle testing and deployment. While some states like California have implemented laws and regulations addressing the disclosure of some elements of operation involving automated trucks, others have not. It is in the direct interest of public safety that people know where testing, demonstrations and commercial operations are being conducted. Section 5311 of HR2 (116th Congress) is a step in the right direction. It would require the Secretary to establish a repository for motor carriers to submit information on operations of automated commercial vehicles. The Teamsters have been working with the self-driving industry to fine-tune those provisions so that the data required by motor carriers is not overly burdensome for industry, while still providing the necessary information to identify the company, the type and weight class of the vehicles being operated, the level of automation being used, safety protocols in place, including fatigue plans, training or certifications provided to drivers, and most importantly, through rulemaking; requiring motor carriers to report malfunctions, collisions, bodily injuries, and property damage, and make that information available on a public website. Road users, especially other truck operators, should have the right to know if they are sharing a road where commercial AVs are prevalent. We strongly support these reporting requirements as a necessary step to ensure the safe operation of these vehicles on our highways.

Finally, the impact automation will have on truck drivers will not only come from self-driving trucks. Self-driving cars and delivery bots are already taking work currently done by truck drivers. A major Teamster employer is in the process of testing self-driving minivans to haul packages on a route currently driven by Teamster trucks. Nuro, a company focused on last-mile deliveries using a self-driving bot about half the size of a car is aiming to upend the work currently done by food grocery delivery drivers who currently haul the same loads in larger vehicles. The safety, performance, and impacts on workers by smaller AVs must be a core consideration as Congress contemplates any legislation to incentivize or pave the way for widespread adoption of commercial autonomous vehicles, regardless of their size.

Small Commercial Vehicle Study

The Teamsters support the study of the operation of small commercial vehicles utilized in package delivery as required in Section 4104 (H.R. 2, 116th Congress). These vehicles with a gross vehicle weight rating of below 10,000 are increasingly used for “last mile” delivery, especially as e-commerce has exploded, and even more so during the pandemic. They are not regulated by FMCSA in any capacity, and there is little if any data relating to their safety performance as their numbers exponentially increase. In addition, there are increasing complaints by drivers of these vehicles being pushed beyond reasonable work schedules and delivery demands. It is not uncommon to see these vans “stacked to the brim” with packages, often overflowing into the driver compartment and even on dashboards obstructing the windshield view of the driver. Unreasonable numbers of packages to be delivered during a work shift can potentially cause the driver to speed and or drive recklessly, creating an unsafe environment for those who not only share the road but for pedestrians as well. The study, which will collect information from both direct and contracted carriers, will evaluate such things as fleet structure and miles traveled, scheduling of deliveries and maintenance practices, driver compensation, training, and hours-on-duty, and safety performance including crash rates, moving violations inspections and other safety factors. This burgeoning segment of the package delivery industry should not operate outside the realm of safety.

Problems with Truck Leasing Arrangements

The Teamsters Union has long called for an examination of exploitative truck leasing arrangements, especially in the ports, where the union represents drayage drivers. In fact, the Teamsters arranged to have port drivers testify at a House Transportation and Infrastructure hearing several years ago which examined the abhorrent working conditions and exploitative leasing practices prevalent in the ports. Drivers testified to being charged by their company each night to park the company’s leased vehicle in the company’s own lot. They also reported the double-leasing of a single truck to more than one driver, paycheck stubs that showed drivers owing the company more money than they earned at the end a pay period because of the numerous “charges and deductions” made by the leasing company, and other abuses and shortfalls which the current system has allowed to occur over and over again. We strongly support provisions contained in Section 4305 of H.R. 2 (116th Congress) which establishes a Truck Leasing Task Force to examine predatory leasing agreements in the trucking industry and recommendations on changes to statutes or regulations that will address abuses impacting commercial motor vehicle drivers. This is long overdue in holding accountable those that would take advantage of driver who many not fully understand the “fine print” of a leasing agreement.

Hair Testing

In September of 2020, the Department of Health and Human Services (HHS) proposed guidelines for the use of hair samples as a method for drug testing Federal employees and safety-sensitive employees in federally regulated industries, including commercial motor vehicle operators. The Teamsters oppose this method of testing for several reasons. Hair testing is unreliable and inherently unfair; variations in hair texture and even length can impact test results, and false positives can occur because of absorption into the hair from second-hand smoke, external contaminants, and other environmental elements. While some motor carriers use hair testing to detect drug use for pre-employment testing at their own expense, hair testing should not be used in place of urinalysis testing for random testing purposes, reasonable suspicion/cause, postaccident, return-to-duty, or follow-up testing purposes until such time as the HHS is able to scientifically determine the accuracy of testing and account for the various differentiating elements like hair color, thickness, absorption rates, hair receptivity in relation to its location on the body and other factors.

Financial Responsibility for Motor Carriers

The Teamsters Union supports provisions in Section 4408 (HR 2, 116th Congress) which calls for updating the required amount of insurance for commercial motor vehicles from the current amount of \$750,000. The amount of required insurance coverage has not changed since 1980. Since that time, the cost of living has increased over 200 percent. Medical costs have skyrocketed and with people living much longer, the revised value of statistical life elements has increased significantly. Even vehicle values and other property that might be damaged or destroyed have risen to a point that the current coverage would not begin to cover the costs of a serious accident.

Mr. Chairman, thank you for the opportunity to testify before the subcommittee today and I look forward to answering your questions.

Senator PETERS. Well, thank you, Mr. Byrd. Thank you for your testimony. Thank you for being here today.

Our third witness today is Mr. Chris Conner, President and CEO of the American Association of Port Authorities, also known as AAPA. The AAPA represents more than 130 public port authorities in the U.S., Canada, the Caribbean, and Latin America. Mr. Conner has a wealth of experience, having spent over 35 years in the ocean shipping industry, before leading AAPA.

Welcome, Mr. Connor. You may proceed with your opening comments.

**STATEMENT OF CHRISTOPHER J. CONNOR, PRESIDENT AND
CEO, AMERICAN ASSOCIATION OF PORT AUTHORITIES**

Mr. CONNOR. Thank you, and good afternoon, Chairman Peters, Ranking Member Fischer, and members of the subcommittee. My name is Chris Connor, President and CEO of the American Association of Port Authorities. I would like to thank this subcommittee, as well as the full committee, for holding this hearing. And I appreciate the opportunity to discuss maritime and trade infrastructure, and the related investment needs, on behalf of public port authorities throughout the U.S. and its territories.

Our Nation's seaports deliver vital goods to consumers, facilitate the export of American-made goods, create jobs, and support local and national economic growth. Ports also play a crucial role in our national defense, witnessed by the designation of 17 of our Nation's ports as Strategic Seaports by the Department of Defense.

Prior to the outbreak of COVID-19, the total economic value generated in terms of revenue to businesses, personal income, and economic output by U.S. deep draft ports, accounted for \$5.4 trillion annually, or roughly 26 percent of GDP. Research also shows that nearly 31 million Americans were employed in jobs generated as a result of port activity.

AAPA is mindful of and grateful for this committee's positive efforts on the passage of MTSERA, as well as for the increased authorization levels for PIDP. It is imperative, however, as this committee considers reauthorization of our Nation's surface transportation policies, that we develop and fund a robust national freight strategy to remain competitive in the global economy.

The FAST Act made significant strides in this regard, through the creation of the discretionary INFRA grant program and the formula based National Highway Freight Program. These existing freight programs are primarily highway focused. And while highways are essential to our freight network, ports are multimodal facilitators connecting trains, trucks, and ships, all of which need access to ports.

As we look to build off the progress made under the FAST Act, it is critical that the following be considered. All freight program funding should be made 100 percent multimodal. Second, lift the 10 percent state caps for BUILD grants. Third, continue freight planning through State freight plans and a national freight strategic plan. Finally, establish an Office of Freight and Multimodal Infrastructure policy.

We also have an opportunity to lower carbon emissions, and improve air quality at near port communities and reduce congestion on highways. Let us eliminate the double HMT taxation and incentivize increased use of marine highways, the cleanest, safest, and most efficient form of transport in the U.S.

Ports across the country were pleased to see dedicated funding proposed in the President's American Jobs Plan, as well as in the Republican Roadmap. It is a great start and an encouraging development. Investments, such as those outlined in both plans, will be critical to ensuring that the U.S. has a 21st century, multimodal freight network to compete globally and deliver locally.

To support our Nation's deep draft ports and maritime industry, AAPA recommends the following be included in any large-scale infrastructure package. Including \$20 billion for deep draft port infrastructure and intermodal freight movement connectors, robust funding for electrification of dockside ship connections and zero, or near zero, emission port equipment, \$6 billion for the U.S. Army Corps Coastal Navigation Program, and \$500 million for port development of offshore wind energy, in order to catalyze it at scale.

Finally, I want to bring to light something that our ports are not able to say themselves. Ports are being held hostage by CBP to pay for extravagant facility upgrades and officer staffing shortfalls. The brave men and women at CBP need and deserve a designated facilities fund. I know that Chairman Peters is aware of this issue, and we thank him for his interest and support.

Once again, I appreciate the opportunity to share with the subcommittee our thoughts regarding freight mobility and I hope you will consider the steps outlined here, that Congress can take to help ports and our Nation's trade infrastructure remain strong. Thank you.

[The prepared statement of Mr. Connor follows:]

PREPARED STATEMENT OF CHRISTOPHER J. CONNOR, PRESIDENT AND CEO, AMERICAN ASSOCIATION OF PORT AUTHORITIES

Good morning Chairman Peters, Ranking Member Fischer, and members of the Subcommittee.

My name is Chris Connor, and I am the President and CEO of the American Association of Port Authorities (AAPA). I would like to thank the Subcommittee on Surface Transportation, Maritime, Freight, and Ports and the full Committee for working to ensure that our Nation's maritime transportation system remains functional during the ongoing pandemic and responsive to the surges recently seen throughout our supply chains. Your recognition of the important role played by our ports and by our partners throughout the maritime supply chain has been critical, and I appreciate the opportunity to discuss our maritime infrastructure and investment needs as it relates to infrastructure investment and the reauthorization of our Nation's surface transportation policies.

AAPA is the unified voice of the seaport industry in the Americas, and my testimony is given on behalf of state and local public agencies located along the Atlantic, Pacific, and Gulf coasts, the Great Lakes, and in Alaska, Hawaii, Puerto Rico, Guam, and the U.S. Virgin Islands. For more than a century, AAPA membership has empowered port authorities to serve global customers and create economic and social value for their communities. Today, AAPA represents ports in our Nation's Capital on urgent and pressing issues facing our industry, promotes the common interests of the port community, and provides critical industry leadership on security, trade, transportation, infrastructure, environmental, and other issues related to port development and operations.

AAPA's members remain committed to the continued flow of freight and goods to markets across the Nation and across the globe. I am here today to discuss what investments and policy changes are necessary to ensure that ports, our trade infra-

structure, and our national supply chains remain resilient and are able to accommodate the movement of trade in the future. It is critical that we make the investments necessary now to ensure that we do not fall behind our global competition and risk losing market share and access.

Seaports are Vital to the United States Economy

Port authorities are governmental entities that own facilities at one or more ports. While the role of port authorities in port operations vary, most ports can be categorized as Operating Ports or Landlord Ports. Operating Ports own and construct port facilities, own cargo handling equipment, and hire labor to move cargo through port premises. At these operating ports, stevedores hire dockworkers to move cargo between ships and the dock. Landlord Ports, on the other hand, own the land and wharves of a port and lease these premises to our partners in the Marine Terminal Operator industry.

Our nation's seaports deliver vital goods to consumers, facilitate the export of American-made goods, create jobs, and support local and national economic growth. Ports also play a crucial role in our national defense—a point acknowledged through the designation of 17 of our Nation's ports as "Strategic Seaports" by the Department of Defense.

According to Martin & Associates,¹ an internationally-recognized economic and transportation consulting firm, prior to the outbreak of the COVID-19 pandemic the total economic value generated in terms of revenue to businesses, personal income, and economic output at U.S. coastal ports accounts for \$5.4 trillion annually, or roughly 26 percent of GDP. This research also showed over 30.8 million Americans are employed in jobs generated as a result of port activity. Ports also generate significant tax revenue, with \$47.1 billion annually of direct, induced, and indirect Federal, state, and local tax revenue created through the economic activity taking place at ports across the Nation.

Freight Policy Modernization Will Support Our Trade Infrastructure

Nations across the globe have recognized the need to make significant investments in their multimodal freight networks to accommodate increasing trade volumes, larger vessels, and dynamic shifts in trade to be globally competitive. The port industry is mindful of and grateful for this committee's positive efforts on the passage of the Maritime Transportation System Emergency Relief Act (MTSERA), as well as for the increased authorization levels for the Port Infrastructure Development Program (PIDP). It is imperative, as this Committee considers reauthorization of our Nation's surface transportations policies, that we develop and fund a robust national freight strategy to remain competitive in the global economy. To do this, the United States must make a sustained investment in its multimodal freight network.

The Fixing America's Surface Transportation (FAST) Act made significant strides in committing sustained funding to our Nation's multimodal freight system through the creation of the discretionary Infrastructure for Rebuilding America (INFRA) grant program and the formulabased National Highway Freight Program. These investments totaled \$11 billion in dedicated freight funding over the five-year authorization. However, of that total, only \$1.13 billion was multimodal eligible. AAPA and its members appreciated seeing increased flexibility and funding levels to invest in freight infrastructure in last year's bipartisan America's Transportation Infrastructure Act.

The immediate challenges confronting these freight programs are funding levels, as well as project eligibility. The current freight programs are funded out of the Highway Trust Fund, which means that eligible projects are primarily highway-focused. Highways are essential to our freight network, but ports are multimodal facilitators, and trains, trucks, and ships all need access to them. One could argue that as our supply chain becomes more sophisticated, and there are more inland distribution centers with the advent of e-commerce, demand for multimodal funding will increase. A top priority for the port industry continues to be multimodal funding.

As this Committee considers reauthorization of our surface transportation policies and as we look to build off the progress made under the FAST Act, it is critical that all freight program funding be made 100 percent multimodal. A first step in accomplishing this would be to lift the multimodal cap on INFRA grants and on the National Freight Highway Program.

¹ 2018 National Economic Impact of the U.S. Coastal Port System. (2019, March). http://aapa.files.cmsplus.com/Martin%20study_executive%20summary%202018%20US%20coastal%20port%20impacts%20final.docx

Equally important from a supply chain perspective, the FAST Act requires that states complete state freight plans to continue receiving their freight formula funding. The results have been telling. Only three years after FAST Act passage, 95 percent of the states had submitted multimodal state freight plans to USDOT, signaling those states recognize the value and have the demand for multimodal projects. States and ports will need increased eligibility through INFRA grants and the National Freight Highway Program to build out their state freight plans. A dedicated freight fund should also be considered.

State freight plans and a new National Freight Strategic Plan can be the blueprint for multimodal state and Federal investments. By establishing an Office of Freight and Multimodal Infrastructure Policy, the Department of Transportation can best leverage planning tools and resources made available in the FAST Act across all modes. This new Office would be in a prime position to administer state freight plans and coordinate a national freight plan. As states and the Federal Government look to strengthen supply chains and build out multimodal infrastructure, coordination will be paramount and this Office will be positioned to work with these programs and to develop the multimodal network necessary to meet 21st century supply chain and transportation needs, while ensuring that our trade infrastructure remains world class.

Similarly, as authorization of the Rebuilding American Infrastructure with Sustainability and Equity (RAISE), formerly TIGER and BUILD, discretionary grant program is considered, the Committee should explore expanding port eligibility for the program. In the past, BUILD awards to any given state have been capped at 10 percent. These limitations put ports at a distinct disadvantage in competing for these grants, and artificially limit investment in our Nation's trade infrastructure. Far from only supporting the states where they are located, ports are national infrastructure resources that support all states, areas, and supply chains, both urban and rural. In fact, according to a recent AgTalks report, participants in virtual townhalls agreed that "investing in infrastructure improvements will ensure America's agricultural producers continue to be the global leader in food production while supporting jobs."

We also have other opportunities to lower carbon emissions, improve air quality at near-port communities, and reduce congestion on highways. An increased use of marine highways—the cleanest and safest means of cargo transportation—can help accomplish these goals. Ports are actively exploring expanded use of the Maritime Administration's Marine Highway Program to accomplish freight distribution. The process involves imported cargo being transferred to barges and then transported to a second location for unloading. Freight unloaded from the ship to the dock and then transferred to a barge has the Harbor Maintenance Tax (HMT) collected twice: once as imported cargo and a second time as domestic cargo. AAPA seeks to have the HMT collected just once. This is a very minor amount of HMT revenue, less than 1 percent, but the tax is an additional cost and serves as an impediment to Marine Highway use.

Seaports Need Federal Investment in Port & Trade Infrastructure

America's ports need robust support from the Federal Government to make investments in infrastructure that will enable the efficient flow of trade while ensuring that port operations do not harm the environment and their surrounding communities. Ports exist to facilitate an integrated, end-to-end supply chain, and to optimize goods movement. America's ports serve as an engine for economic prosperity in our communities and provide access to markets across the globe for communities nationwide.

Ports serve as the beginning point for our Nation's multimodal freight system. For the decade spanning 2018–2028, AAPA identified \$20 billion in multimodal and rail access needs at ports.² Federal investment in these multimodal projects can leverage billions of dollars in additional port investment. Freight volumes may double by 2045, according to the Department of Transportation. Our country has an opportunity to invest \$1 in infrastructure on the front end to produce \$2 to \$3 of economic growth on the back-end, based on an analysis by the U.S. Committee on the Marine Transportation System.

Ports across the country were pleased to see dedicated funding in President Biden's American Jobs Plan and in the Republican Roadmap.

As populations shift, cargo volumes grow, and as we continue to embrace e-commerce and direct to consumer shopping, investments such as those will be critical

²The State of Freight III—Rail Access + Port Multimodal Funding Needs Report. (2018, May 16). <https://aapa.files.cms-plus.com/PDFs/State%20of%20Freight%20III.pdf>

to ensuring the United States has a 21st century multimodal freight network to compete globally and deliver locally.

To support our Nation's coastal ports and maritime industry, AAPA recommends the following to be included in any large-scale infrastructure investment package:

- \$20 billion for coastal port infrastructure and intermodal freight movement connectors, such as expanded on-dock rail and off-port assembly of efficient unit trains; expansion and development of double stack rail—the next generation of containerized freight movement. These funds could be allocated through the Department of Transportation's existing Port Infrastructure Development Program (PIDP).
- Robust funding for electrification of dockside ship connections and zero or near-zero emission port equipment. Ports are already making investments in decarbonization. Some have adopted Clean Air Action Plans to reduce emissions, with others are investing in these technologies and looking to plan for the future. Implementing plans to replace cargo handling equipment, drayage trucks, and other port equipment with lower emissions technologies will require significant resources to ensure success, likely requiring an investment on the scale of \$50 billion to replace current equipment with zero or near-zero emissions cargo handling equipment. This investment would result in improved environmental quality at ports and near-port communities.
- \$6 billion for the U.S. Army Corps of Engineers' coastal navigation program; \$3 billion for completion funding of 12 Federal navigation channel improvement projects, currently underway or awaiting initial funding; and \$3 billion to repair and restore Federal navigation channels and 140 critically deficient coastal navigation structures that are essential for safe and efficient freight movement. The jetties, and other coastal navigation structures work, will address sea level rise and resilience.
- \$500 million for port development in support of offshore wind energy, identified by the Administration as necessary to catalyze the development of offshore wind at scale. These funds are critical to strengthen docks for storage, assembly, and transport of offshore wind energy components. These loads are up to 10 times the normal dock operating loads.

And finally, in addition to infrastructure investment, it is important to consider how cargo screening impacts the efficient movement of freight. Our members rely on Customs and Border Protection (CBP) to inspect cargo and keep our country safe. But, in recent years, more of the cost of inspection has been shifted onto ports. As a result of CBP facilities cost-shifting and understaffing, more and more ports are being told they must pay for extravagant facilities upgrades and overtime costs for officers. These demands place onerous burdens on ports' already tight budgets; ports are threatened with business slowdowns, which would make worse the supply chain congestion the pandemic has wrought.

We ask that Congress work with ports, CBP, and other stakeholders to find a funding mechanism for CBP's facilities needs and staffing shortfalls in order to give CBP the resources it needs without saddling ports with the bill.

Conclusion

I appreciate the opportunity to discuss the infrastructure needs of our Nation's ports. Over the past year, since the beginning of the COVID-19 pandemic, ports and port workers have tirelessly worked to continue to move cargo; to ensure that food, medical equipment, and other essential goods are available for the citizens of this country. While we have faced challenges, we are proud of the fact that ports have remained open. As we continue to recover from the pandemic, ports can play a role by ensuring that our supply chains remain strong.

Investments in our multimodal and port infrastructure is critical to meeting the current and growing needs of our supply chains as we look to expand America's reach to global markets. Robust, thoughtful investment is key to ensuring that we are successful in accomplishing this goal.

Once again, I appreciate the opportunity to share with the Subcommittee thoughts regarding *Freight Mobility: Strengthening America's Supply Chains and Competitiveness*, and I hope you will consider the steps outlined here that Congress can take to help ports and our Nation's trade infrastructure remain strong.

Senator PETERS. Well, thank you, Mr. Connor, for your testimony and your presence here today.

Our last witness is Mr. Chris Spear, who serves as President and CEO of The American Trucking Associations, also known as ATA. ATA represents every sector of the trucking industry across all 50 states. Prior to joining ATA, Mr. Spear worked in the private sector and served in the Federal Government. His career spans working in the transportation, energy, labor, and technology sectors across five continents. Most recently, Chris worked for Hyundai Motor Company, where he served as Vice President for Governmental Affairs.

Welcome, Mr. Spear. You may proceed with your testimony.

**STATEMENT OF CHRIS SPEAR, PRESIDENT AND CHIEF
EXECUTIVE OFFICER, AMERICAN TRUCKING ASSOCIATIONS**

Mr. SPEAR. Thank you, Mr. Chairman and Ranking Member Fischer, and members of the Subcommittee. On behalf of the more than 34,000 members of the American Trucking Associations, thank you for providing me with the opportunity to testify.

ATA is an 87-year-old federation of 50 state trucking associations and the largest, most diverse trade association representing the trucking industry. Trucking now employs 7.8 million Americans in every State and Congressional district, including 3.6 million truck drivers. That is 1 in 16 jobs in the United States, where the top job in 29 states is a truck driver. And despite commercial vehicles being only 4 percent of the vehicles on our Nation's highways, the trucking industry moves more than 71 percent of the Nation's freight tonnage and pays nearly half of the tab into the Highway Trust Fund.

Today, more than 80 percent of U.S. communities rely exclusively on trucks for their freight transportation needs. Coming into the global pandemic, trucks moved \$10.4 trillion worth of goods annually, more than half of U.S. gross domestic product. And despite a chronic and growing shortage of drivers, our industry and our intermodal partners here today, are the glue that kept this economy together these past 14 months. Despite near biblical accounts of empty store shelves, we never ran out of milk, eggs, toilet paper, or even fuel. There was plenty in the supply chain and always a hard-working, patriotic drive to make sure that those shelves were restocked.

America's supply chain yields tremendous potential. It is a catalyst for economic growth, beyond that of any other nation. For that to happen, however, I ask that this committee consider four key elements that both feed and benefit our Nation's supply chain—infrastructure, safety, workforce development, and environmental stewardship. These elements together, shape and define the resiliency of our supply chain.

Those of us testifying here today, have no problem identifying issues of difference. But there is no argument, between any of us, that our dependency on one another is what allows our supply chain to withstand the pressures of a global pandemic. In fact, no pandemic, hurricane, flood, fire—no tariff, no tweet, or senseless partisan bickering, is going to keep our industry from doing its job. But we are here today to ask that you do yours.

Investments in our supply chain are desperately needed, including the roads and bridges that connect our ports, railyards, and air-

ports to the national highway system. Do that and you will witness measurable efficiencies including gains in productivity and safety, job growth and sustainable employment, and historic reductions in carbon emissions.

Infrastructure is not partisan. And if anyone in Congress believes that roads and bridges are political, you have not been driving on them. But they are in desperate need of your leadership and support. In just the last year, Congress spent \$6 trillion in response to the pandemic, of which \$4 trillion was passed with bipartisan support. Reasons aside, this was an unprecedented level of spending our country has never witnessed, not ever. And not one cent of it was paid for. Yet according to the Congressional Budget Office, the Federal Highway Trust Fund will be bankrupt, flat broke, next summer. The good news for Congress is that it can and should be paid for by users, all of them, including truckers.

However, you craft legislation, please consider the written testimony provided to you today and understand that, if these investments are indeed made, you have an opportunity to go home, before your constituents, and point and say, “That road, that bridge, that railroad, port, waterway, airport, I did that. I made that happen.” In other words, stop blaming each other for the things you do not do, and start taking credit for the things you should do.

These investments are long overdue. They are the things Americans—your constituents—need, use, and rely on every single day. They will be grateful, and I guarantee you that the nearly eight million people that make up the trucking industry will be, too.

Thank you, Mr. Chairman, and I look forward to taking your questions.

[The prepared statement of Mr. Spear follows:]

PREPARED STATEMENT OF CHRIS SPEAR, PRESIDENT AND CHIEF EXECUTIVE OFFICER,
AMERICAN TRUCKING ASSOCIATIONS

Chairman Peters, Ranking Member Fischer, and Members of the distinguished subcommittee, on behalf of the American Trucking Associations (ATA)¹, thank you for providing me with the opportunity to testify before you today.

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 transporters to auto haulers and movers, 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, and only two percent of ATA’s membership would be classified as large carriers.

As evidenced by the COVID-19 pandemic, trucking is the dynamic linchpin of the United States’ supply chain that keeps the wheels of our economy turning. This year, our industry will move more than 70 percent of the Nation’s freight tonnage. Over the next decade, trucks will be tasked with moving 2.4 billion more tons of freight than they do today, in addition to delivering the vast majority of goods to American communities.² Trucks will continue to be the dominant freight transportation mode for the foreseeable future.

More than 80 percent of U.S. communities rely exclusively on trucks for their freight transportation needs. In 2017, trucks moved \$10.4 trillion worth of goods,

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

²Freight Transportation Forecast 2020 to 2031. American Trucking Associations, 2020.

representing more than half of U.S. gross domestic product.³ The trucking industry is also a major source of employment, with nearly eight million people employed in trucking-related occupations, including 3.6 million truck drivers.⁴ Indeed, trucking accounts for 1 in every 18 jobs in the U.S.,⁵ and “truck driver” is the top job in 29 states.⁶

Without trucks, our cities, towns, and communities would fail to thrive, and would lack essential necessities such as food and drinking water; there would be no clothes to purchase, nor parts to build automobiles or fuel to power them. The rail, air, and water intermodal sectors would not exist in their current form without the trucking industry to support them as the final link in the supply chain. Trucks are central to our Nation’s economy and our way of life, and every time the government makes a decision that affects the trucking industry, those impacts are also felt by everyday Americans and the millions of businesses that could not exist without trucks.

As you hold this hearing, the trucking industry, the infrastructure that we operate upon, and our national economy are all rapidly approaching a crisis point. Even as the Nation claws its way back from the devastating impacts of the COVID-19 pandemic, we are facing significant headwinds, hurdles, and challenges that threaten to grind the engines of our economy to a halt. Headwinds—such as deteriorating roads and bridges, severe congestion, bottlenecks, and unprecedented backlogs at our maritime ports—delay the movement of people and goods, threatening our global competitiveness and the continuity of the international supply chain. Hurdles—like the crippling shortage of drivers and mechanics, recruitment pipelines that were decimated by the pandemic, and barriers preventing the industry from reaching a new generation of drivers—increase freight transportation costs and imperil the supply of consumer goods. And challenges—such as antiquated regulatory barriers that could delay a technological transformation in the movement of freight—threaten to impede an industry-wide shift toward greater sustainability, allowing trucks to move more safely and efficiently, and with less impact on the environment than we ever dared to imagine.

That said, the serious headwinds, hurdles, and challenges that led us to this crisis point can be overcome if Congress, the Administration, the stakeholders at this table, and the American people come together in the pursuit of a meaningful investment in real infrastructure. As Transportation Secretary Buttigieg has often said of late, including in testimony before this very Committee, before us is a “generational opportunity” for America’s infrastructure. An opportunity to meaningfully invest in the safety and efficiency of our transportation network. An opportunity to spur technological advancements and innovations in our trucks, cars, and highways. An opportunity to address labor shortages that threaten the trucking industry and the fragility of our supply chain. And a moment to look to the transportation sector to lead our Nation’s efforts to confront the impacts of climate change.

As this subcommittee considers infrastructure legislation and a possible surface transportation reauthorization, we encourage you to look to four key areas, including (1) Infrastructure Investment, (2) Safety Improvements, (3) Workforce Development, and (4) Environmental Stewardship. Each of these important policy areas are addressed in my testimony below and will have a direct and meaningful impact on the trucking industry, the supply chain, the economy, and the American public.

As you know, just over a year ago, our industry dutifully answered the Nation’s call to deliver medicine, food, fuel, water, and other basic necessities in response to the COVID-19 pandemic. Then, tasked with critical vaccine distribution, trucking proudly and courageously shouldered the important responsibility of moving COVID-19 vaccines safely across the country. We welcomed these challenges because it was the right thing to do. We now call on Congress, in that same spirit, to likewise embrace the challenges and work before it to ensure our Nation’s infrastructure needs are met. In that effort, America’s trucking industry stands ready to support and work hand-in-hand with you, as we build a better America for all Americans.

We commend you for holding this important hearing today, and for your continuing efforts to address the challenges that impact the trucking industry, interstate commerce, and the millions of Americans and U.S. businesses that rely on the safe and efficient movement of our Nation’s goods.

³ U.S. Census Bureau Commodity Flow Survey, 2017.

⁴ American Trucking Associations, *American Trucking Trends 2020*.

⁵ *American Trucking Trends 2018*, American Trucking Associations.

⁶ <https://www.marketwatch.com/story/keep-on-truckin-in-a-majority-of-states-its-the-most-popular-job-2015-02-09>

1) INFRASTRUCTURE INVESTMENT:

THE TIME FOR ACTION IS NOW:

The trucking industry welcomes the efforts of Congress and the Biden Administration to pursue a real and meaningful investment in our Nation's infrastructure. For decades, Federal policymakers have deferred and delayed infrastructure investments that American families and businesses desperately need to enhance safety, reduce congestion and improve commerce. The thoughtful leadership of this subcommittee and Congress over the coming weeks and months can provide a road map to address the past, present, and future needs of our Nation's roads and bridges.

A well-maintained, reliable, and efficient network of highways is crucial to the timely delivery of the Nation's freight—both international and domestic—and is vital to our country's economic and social wellbeing. Underfunded roads and bridges are increasingly choking the economy's supply lines, making it costlier and more time-consuming to get goods to market. Decrepit roads and bridges cost motorists \$1,600 annually in wasted gas, lost wages, and vehicle damage.⁷ The typical motorist loses 42 hours of their life every year sitting in traffic, and the trucking industry loses 1.2 billion hours of productivity to congestion, which is the equivalent to more than 425,000 drivers sitting idle for a year.⁸ Highway congestion also adds nearly \$75 billion to the cost of freight transportation each year.⁹

This caused the trucking industry to consume an additional 6.87 billion gallons of unnecessary 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.¹⁰ Mr. Chairman, the large investments the private sector trucking industry has made over the last three decades to significantly reduce emissions—to the point that today's trucks emit up to 60 times fewer emissions than trucks manufactured in the 1980s—have been decimated by a lack of public sector commitment to build the highway infrastructure capacity necessary to accommodate growing traffic.

A report¹¹ by the Transportation Research Board (TRB) requested by Congress focused specifically on the current state and future needs of the Interstate Highway System. This critical network connects American communities across the Nation and reaps immeasurable economic and national security benefits for the United States. Most importantly, interstates are far safer than surface roads; the construction of the Interstate System has prevented nearly a quarter million people from losing their lives in vehicular crashes since 1967.¹² Furthermore, the Interstate Highway System accounts for about one-quarter of all miles traveled by light-duty vehicles and 40 percent of miles traveled by trucks.¹³ The TRB report estimates that, conservatively, the state and Federal investment necessary to address the Interstate System's maintenance and capacity needs will have to double or triple over today's expenditures in the next 20 years.¹⁴

The recent pattern of shoring up the Highway Trust Fund (HTF) without providing the long-term stability that transportation planners need is troubling and highly inefficient. According to the American Society of Civil Engineers, the U.S. spends just over half of what is necessary to address critical surface transportation needs.¹⁵ As the investment gap continues to grow, so too will the number of deficient bridges, miles of roads in poor condition, number of highway bottlenecks, and, most critically, the number of crashes and fatalities attributable to inadequate roadways.

Facing those glaring realities, it is abundantly clear that the time to invest in infrastructure is now. The impacts and compounding ramifications of underinvestment in our roads and bridges are serving as a roadblock to mobility, economic growth, and job creation nationwide. As we emerge from a severe economic crisis, putting Americans back to work and getting our economy's wheels turning once

⁷ *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.

⁸ *Ibid.*

⁹ *Cost of Congestion to the Trucking Industry: 2018 Update*. American Transportation Research Institute, Oct. 2018.

¹⁰ *Fixing the 12 percent Case Study: Atlanta, GA*. American Transportation Research Institute, Feb. 2019.

¹¹ *Renewing the National Commitment to the Interstate Highway System: A Foundation for the Future (2018)*. Transportation Research Board, National Academy of Sciences.

¹² *Ibid.*, p. 2–18.

¹³ *Ibid.*, p. 2–10.

¹⁴ *Ibid.*, p. S-5.

¹⁵ *2021 Report Card for America's Infrastructure*. American Society of Civil Engineers.

again hinges on our collective ability to solve this problem in the right way. We hope you will act with the urgency and expediency that this moment requires.

TRUCKING INDUSTRY PRIORITIES AND RECOMMENDATIONS FOR INFRASTRUCTURE INVESTMENTS:

As this subcommittee and Congress consider targeted investments in infrastructure which will inevitably have a significant impact on the trucking industry, supply chain and economy, the below priorities merit your strongest consideration.

- *Freight Intermodal Connectors*

Freight intermodal connectors—those roads that connect ports, rail yards, airports, and other intermodal facilities to the National Highway System—are critical to trade and a seamless supply chain. While intermodal connectors are an essential part of the freight distribution system, many are neglected and are not given the attention they deserve in spite of their importance to the Nation's economy. Just nine percent of connectors are in good or very good condition, 19 percent are in mediocre condition, and 37 percent are in poor condition.¹⁶ Not only do poor roads damage both vehicles and the freight they carry, but the Federal Highway Administration (FHWA) found a correlation between poor roads and vehicle speed. Average speeds on connectors in poor condition was 22 percent lower than on connectors in fair or better condition.¹⁷ FHWA further found that congestion on freight intermodal connectors causes 1,059,238 hours of truck delay annually and 12,181,234 hours of automobile delay.¹⁸ Congestion on freight intermodal connectors adds nearly \$71 million to freight transportation costs each year.¹⁹

One possible reason connectors are neglected is that the vast majority of these roads—70 percent—are under the jurisdiction of a local or county government.²⁰ Yet, these roads are serving critical regional, national, and international needs well beyond the geographic boundaries of the jurisdictions that have responsibility for them, and these broader benefits may not be factored into the local jurisdictions' spending decisions.

While intermodal connectors are eligible for Federal funding, it is clear that this is simply not good enough. We urge Congress to set aside adequate funding for freight intermodal connectors to ensure that these critical arteries are given the attention and resources they deserve.

- *Resources to Address Port Congestion and Bottlenecks*

The dramatic increase in freight entering the Nation's ports has received a great deal of attention, both in Congress and in the media, in recent months. Ports have had difficulty managing an influx of container ships, and the increased traffic in the maritime domain has created significant challenges for every link in the worldwide supply chain. Intermodal motor carriers play a critical role in the global supply chain, moving freight to and from the ports and railyards, as well as providing the last mile of delivery to get products directly to customers. Bottlenecks and congestion at ports have a trickle-down effect on the motor carriers who haul intermodal freight, and existing shortages of containers, chassis, terminal appointments, draymen, and truck drivers only exacerbate these supply chain disruptions. These supply chain issues have also created problems for American exporters, especially in agriculture, by making it more difficult for producers to get their products to overseas markets.

The increased cargo volumes at ports and the resulting bottlenecks have demonstrated the importance of reliable, well-maintained infrastructure to handle the intermodal aspect of international trade, which will continue to grow in the coming years. Without question, additional resources are needed to facilitate truck drivers' timely access to ports, as well as their ability to obtain equipment to load and unload containers in a timely fashion. Greater focus and attention from all parties on ways to enhance efficiencies at ports will improve the trucking industry's ability to get international freight from overseas producers into the hands of American consumers, and to get American products into international markets.

ATA applauds the many members of this subcommittee who have recently raised concerns about growing congestion at our Nation's ports, and the impact that is having on our supply chain. Additionally, ATA commends Committee Chair Cantwell for prioritizing "mega-project" infrastructure, which would provide much-needed re-

¹⁶ *Freight Intermodal Connectors Study*. Federal Highway Administration, April 2017.

¹⁷ *Ibid.*

¹⁸ *Ibid.*

¹⁹ *An Analysis of the Operational Costs of Trucking: 2018 Update*. American Transportation Research Institute, Oct. 2018. Estimates average truck operational cost of \$66.65 per hour.

²⁰ *Ibid.*

sources to address the serious congestion at our ports. As Congress and this subcommittee consider infrastructure legislation in the coming months, we urge you to prioritize forward-leaning investments in our Nation's ports to ensure that intermodal operations can keep pace with ever-increasing freight demand. We are eager to work with Congress, port authorities across the country, and our partners in the supply chain to find long-term solutions that will ease the movement of products around the globe.

- *Freight Funding Programs*

With the creation of two new freight funding programs in the FAST Act, Congress recognized the crucial role that the Federal government plays in facilitating the efficient movement of freight in interstate commerce—a role memorialized by the U.S. Constitution. Both the Nationally Significant Freight and Highway Projects Program (AKA INFRA) and the National Highway Freight Program (NHFP) provided dedicated funds for projects that improve traffic flow and enhance safety on transportation facilities with significant freight volumes.

These programs should be continued with increased funding. Moreover, ATA supports maintaining the 10 percent cap on non-highway projects under these programs. Trucks move 70 percent of freight tonnage and are key to the efficient movement of intermodal freight. Furthermore, trucking is the only freight mode that contributes directly to the Highway Trust Fund and should not be forced to further subsidize modes that do not contribute. We urge Congress to give priority under the INFRA program to projects that address freight bottlenecks identified under 49 USC 70102(b)(4). Furthermore, we recommend eliminating the NHFP's 50 percent transferability to other apportioned programs in order to ensure that all available resources are used for their intended purpose.

- *Truck Parking*

Research and feedback from carriers and drivers suggest there is a significant shortage of available, safe parking for truck drivers in most regions of the country. In 2019, the FHWA found that the 98 percent of drivers regularly experience difficulty finding truck parking, and that truck parking is most problematic along key freight corridors, near major ports, around intermodal facilities, and in metropolitan areas.²¹ Given the projected growth in demand for trucking services, this problem—as well as the clear safety implications for truck drivers and the motoring public—will likely worsen. FMCSA regulations require drivers to take rest breaks after they have driven for a specified number of hours, and if a driver is unable to find safe, legal parking, he or she is in a lose-lose conundrum, forced to either operate illegally or park in an unsafe or unauthorized location. Federal hours of service (HOS) rules were designed to promote the highest levels of highway safety, but the shortage of safe truck parking spaces makes it difficult, if not impossible, for drivers to follow the law.

Funding for truck parking is available to states under the current federal-aid highway program, but increasing truck parking capacity has not been a priority due to a shortage of funds for essential highway projects. Therefore, we urge Congress to enact the Truck Parking Safety Improvement Act (H.R. 2187), legislation that would establish a competitive discretionary grant program and dedicate \$755 million from the Highway Trust Fund over the course of five years for truck parking projects across the country. With a focus on increasing capacity, the bill would provide funding for the construction of new spaces at both public and private facilities, while also helping public entities convert existing facilities—such as weigh stations and closed rest areas—into truck parking locations. The Truck Parking Safety Improvement Act will both provide truck drivers with the means to comply with their Federal HOS requirements and enhance the safety of our Nation's highways.

- *Resiliency Funding*

ATA recognizes that changes in climate put highway infrastructure at risk, and adaptations must be implemented to avert or reduce this risk. However, the potential costs are likely to be significant. Given the overall lack of funding for core infrastructure projects, setting aside funds for resiliency without a significant increase in Highway Trust Fund resources will accelerate highway system deterioration. ATA urges Congress to either increase HTF funding to levels sufficient to address highway funding shortfalls and pay for resiliency projects, or fund resiliency from sources that do not deplete funding for core highway programs.

²¹*National Coalition on Truck Parking*. Office of Freight Management and Operations, Federal Highway Administration, U.S. Department of Transportation. 1 December 2020.

HOW TO PAY FOR INFRASTRUCTURE:

As the leading payer into the Nation's Highway Trust Fund, trucks cover nearly half the entire user-fee tab while accounting for only four percent of vehicles on the road. Our industry is proud to pay our fair share, and we'll continue to do so. But, we call on policymakers to maintain an equitable system that draws on the contributions of all who use and benefit from it. Although fuel expenses are one of the largest cost centers in our business, the trucking industry supports modest and phased increases in the fuel user-fee, because we know the following to be true:

- *In order to create value for road users, infrastructure needs funding predictability.* An infrastructure bill with no dedicated funding stream has no efficacy. Without budget certainty over a multi-year window, transportation officials can't move projects from the planning phase to the construction phase. Ground can't be broken, jobs are frozen, and any progress is bogged down by Congress' annual appropriations cycle. Major projects await the certainty of longer-term funding streams, which increases backlogs and puts fewer construction professionals to work.
- *There's no tax that safeguards taxpayer dollars as vigorously as the fuel user-fee does.* Contrary to the ideological demagoguery surrounding this policy, the "fuel tax" is a model example of Federal revenue efficiency. That's because it is collected at the wholesale level long before gasoline reaches the retail pump. There are roughly 1,300 wholesale racks across the country collectively operated by less than 270 entities—meaning fewer than 300 entities actually remit this tax.

The result is a tried-and-true system that minimizes overhead costs and maximizes efficiency—i.e. value—for road users. Ninety-nine cents of every dollar collected flows directly into the Highway Trust Fund. Compare that to alternatives like tolling or vehicle-miles tax systems, where as much as 20 cents of every dollar is lost to administrative and collection costs.

- *Decoupling infrastructure funding from user-fees will only make a bad situation worse.* For many decades following the creation of the interstate highway system, the user-fee model formed the bedrock of our Nation's transportation systems, powering interstate commerce and fueling America's economic engine. Dismantling this system by linking the Highway Trust Fund to corporate tax rates would destabilize current funding formulas by introducing political uncertainty into the equation.

Other proposed funding mechanisms, including those that attempt to impose a sales tax on freight, are fraught with high administrative costs, are highly susceptible to evasion, and enjoy little support among the business community.

- *The Build America Fund: A Pathway to Nationwide Highway Improvements:*

ATA's proposed solution to the highway funding crisis is the Build America Fund. The BAF would be supported with a new 20 cent per gallon fee built into the price of transportation fuels collected at the terminal rack, to be phased in over four years. The fee would be indexed to both inflation and improvements in fuel efficiency, with a five percent annual cap. We estimate that the fee would generate nearly \$340 billion over the first 10 years. It would cost the average passenger vehicle driver just over \$100 per year once fully phased in.²²

We also support a new fee on hybrid and electric vehicles, which underpay for their use of the highway system or do not contribute at all. We look forward to working with the subcommittee to identify the best approach to achieve that goal.

Ultimately, the fuel tax is the most immediate, cost-effective, and conservative mechanism currently available for funding surface transportation projects and programs. Collection costs are just 0.2 percent of revenue.²³ There is a misguided perception that the fuel tax is no longer a viable revenue source due to the availability of electric vehicles and improvements in vehicle fuel efficiency. This notion is belied by the facts. In 2019, Americans consumed more on-road fuel than in any previous year.²⁴ Furthermore, according to the Congressional Budget Office's latest estimates, annual revenue from fuel taxes will drop by just \$1.1 billion over the next

²² Federal Highway Administration, *Highway Statistics 2019*, Table VM-1. Average light-duty vehicle consumed 518 gallons of fuel.

²³ American Transportation Research Institute. *A Framework for Infrastructure Funding*, Nov. 2017.

²⁴ Federal Highway Administration. *Highway Statistics*.

decade.²⁵ A modest increase in the fuel tax, coupled with a new fee on alternative fuel vehicles, can easily recover these lost revenues.

FUTURE REVENUE SOURCES:

While ATA considers an increase in the fuel tax to be the best and most immediate means for improving our Nation's roads and bridges, we also recognize that improvements in fuel efficiency and the development of new technologies may eventually render the fuel tax to be a diminishing source of revenue for surface transportation improvements over the long term. We therefore encourage Congress, in consultation with the executive branch, state and local partners, and the private sector, to continue to work toward identifying future revenue sources.

ATA urges Congress to include in the imminent surface transportation reauthorization bill a plan to bolster current highway funding mechanisms in the short-term, and ultimately replace them with new, more sustainable revenue sources in the long-term. We recommend a ten-year strategy that includes the creation of a blue-ribbon commission to explore the effectiveness of existing pilot programs, and provide recommendations for Congress to consider as it eventually transitions away from the fuel tax.

• VMT Taxes

While a Vehicle Miles Traveled (VMT) tax might ultimately be the favored approach, as many have suggested, full implementation faces several hurdles. Such a tax would have to be collected from millions of taxpayers—all those driving vehicles in the taxing jurisdiction. Indeed, there are over 276 million registered vehicles in the United States, and nearly all would need an account under a VMT tax system.²⁶ A recent report by the American Transportation Research Institute (ATRI) estimated that the capital cost of implementing a VMT tax could be as high as \$13.6 billion, and administrative costs could consume 10 to 20 percent of revenue.²⁷ As for the recorders now outfitted on commercial trucks, Federal regulatory requirements for these devices were designed to ensure an accurate record of *hours* driven, not the number of *miles* driven. Nor do the requirements provide an ability to broadcast data to taxing authorities. Furthermore, most commercial vehicles—72 percent—are not required to be equipped with recorders. They are not, as currently configured, adaptable for taxing purposes.

These are just some of the challenges we have identified; there are many hurdles to full-scale implementation that are known, and likely many more that are currently unknown. This is why rushing into a VMT tax system is unwise, especially as the HTF looms toward insolvency. We would be especially opposed to a truck-only VMT tax, or any other scheme that unfairly targets the trucking industry exclusively. ATA would oppose any reauthorization legislation that attempts to extract revenue only from trucks.

However, ATA supports a robust research and testing regime for VMT taxes. It should also be noted that most experts—and even ardent advocates of VMT taxes—believe that we are at least a decade away from full implementation.²⁸ Failure to provide interim funding for urgent surface transportation needs while these solutions are developed would be highly irresponsible.

• Interstate Tolls

Interstate highway tolls are highly inefficient compared to many other funding options. On average, toll collection takes 16 cents out of every dollar paid, compared to a penny in administrative costs for collecting state fuel taxes and 0.2 percent for the Federal fuel tax.²⁹ Furthermore, the diversion of traffic to alternative routes created by tolls causes needless safety, congestion, environmental, and quality of life problems.

For these reasons, ATA opposes the implementation of tolls on existing Interstates. Federal law governing tolls on existing Interstates should be revised to ensure that the public interest is taken into account, that the negative impacts of diversion and other consequences of tolling are accounted for and minimized, and that tolling authority and the use of revenue derived from tolls are limited.

²⁵ Congressional Budget Office, *Budget and Economic Outlook: 2021–2031*, Feb. 2020.

²⁶ Federal Highway Administration, *Highway Statistics 2019*, Table VM–1.

²⁷ American Transportation Research Institute. *A Practical Analysis of a National VMT Tax System*, March 2021.

²⁸ For example, this was universally acknowledged by witnesses during a March 7, 2018 House Transportation & Infrastructure hearing on longterm surface transportation funding.

²⁹ American Transportation Research Institute. *A Framework for Infrastructure Funding*, Nov. 2017 and American Transportation Research Institute. *A Financial Analysis of Toll System Revenue: Who Pays & Who Benefits*, Jan. 2020.

While restrictions on states' authority to toll Interstate highways have been imposed since the inception of the Interstate Highway System in 1956, over the years, a patchwork of exceptions has been created. Federal law governing where, how, and under what circumstances a state may toll existing, general-purpose lanes of the Interstate System is now a confusing, contradictory mess that serves neither transportation agencies nor highway users very well.

While ATA will continue to oppose all attempts to toll existing Interstates unless a viable toll-free option is available, we recognize that some in Congress would like to maintain some level of tolling flexibility. We believe it is important to have a tolling regime that is easily understood and is tied to Federal policy considerations that take into account fairness and equity for highway users, safety, interstate commerce, the environment, as well as states' desire to use tolls as a tool to address congestion and fill their transportation funding gaps.

2) SAFETY IMPROVEMENTS:

LEGISLATIVE AND REGULATORY RECOMMENDATIONS TO PROVIDE THE GREATEST BENEFIT TO HIGHWAY SAFETY & EFFICIENCY:

As Congress contemplates a surface transportation reauthorization and accompanying infrastructure package, this subcommittee and the broader Committee have a responsibility to ensure that those transportation policies are coupled with a comprehensive safety title. Forward-learning investments in infrastructure must be considered in tandem with forward-leaning safety policies to ensure that infrastructure and reauthorization efforts are reflective of 21st century safety innovations and investments.

Safety on our Nation's roads and bridges, and the safety of the motoring public, is of the utmost importance. And safety anchors the very foundation of the trucking industry, shaping our core values and decision-making. That is why the trucking industry invests approximately \$10 billion annually in safety initiatives. While some of these investments are made to comply with a myriad of regulatory requirements, many of them are voluntary, progressive safety initiatives that are paying dividends in highway safety. In that vein, like this subcommittee, the trucking industry remains committed to a goal of accident and fatality-free highways.

Since 1980 when the trucking industry was deregulated, both the number of fatal truck crashes and the rate of fatalities have declined dramatically. From 1980–2018, there has been a 68 percent decrease in the large truck-involved fatal crash rate, and a 70 percent decrease in the combination truck-involved fatal crash rate.³⁰ This decline since the 1980s is due, in part, to industry-supported initiatives, many of which were commonplace among motor carriers prior to becoming Federal mandates. For example, the voluntary use of Electronic Logging Devices (ELDs) was prevalent in ATA member fleets dating back to the early 2000s. Now, Federal regulations require motor carriers to utilize ELDs, and highways safety has since improved dramatically. Hours of service violations have dropped significantly—a direct result of the ELD mandate.³¹

However, ATA is also acutely aware that the rate of truck crashes has increased in recent years. This trend is concerning and has driven ATA's ongoing consideration of important safety-related policies. To address this, ATA is taking proactive steps to support regulations, technology, and policies that have a direct impact on highway safety. Meaningful improvements will require an acknowledgement of the principal causes of truck crashes and a commitment to making data-driven countermeasures the highest priority.

Notably, in response to an increase in speed-related crashes and the evolution of technologies to combat this, ATA updated its decade-old speed governing policy to reflect a more holistic approach that recognizes safety technologies widely deployed in fleets today. The updated policy includes provisions for the use of Automatic Emergency Braking (AEB) and Adaptive Cruise Control technology. Further, the policy includes a direction that the Department of Transportation conduct a recurring 5 year review of speed governing regulations to ensure that the regulations are appropriate and consistent with currently deployed technologies. ATA believes that the development and promotion of proven safety technologies, coupled with speed control measures, will result in the greatest positive impact on road safety.

ATA members support the use and deployment of additional initiatives that will improve safety, such as a requirement for states to manage an employment notifica-

³⁰ *Large Truck and Bus Crash Facts 2017*, Trends chapter, Table 4, page 7, Federal Motor Carrier Safety Administration, Washington, D.C. https://www.fmcsa.dot.gov/sites/fmcsa.dot.gov/files/2020-09/LTBCF%202018-v5_FINAL-09-15-2020.pdf.

³¹ <https://eld.fmcsa.dot.gov/File/Open/18f45f72-df16-e41b-e053-0100007fe49a>.

tion system to alert employers of drivers' moving violations and license suspensions in a timely fashion, the use of alternative testing specimens to detect drug use, and vehicle safety technologies to create a safer environment for all road users.

TRUCK CRASH CAUSATION STUDY AND CRASH DATA:

For the trucking industry to continue improving upon our safety record, we must focus more research and attention on the root causes of truck-involved crashes, with a particular emphasis on countermeasures. According to multiple studies, available data, and other indicators, the vast majority of large truck-involved crashes are the result of passenger vehicle driver behavior and errors. Furthermore, data indicates that other motorists, not professional truck drivers, are more likely to be at fault. According to a Federal Motor Carrier Safety Administration (FMCSA) report, 70 percent of fatal crashes involving a large truck and a passenger vehicle are initiated by the actions of, or are the fault of, passenger motorists.³² The American Automobile Association (AAA) conducted their own version of this study and found that in truck-related crashes, the critical factor leading to the crash was attributed to the passenger vehicle driver 75 percent of the time.³³

In February 2020, when I testified before this subcommittee, I reiterated ATA's desire for an updated Large Truck Crash Study. ATA was pleased to see that Congress has since appropriated funding for a Large Truck Crash Causal Factors Study (LTCCFS).³⁴ It has been more than 16 years since the last major investigation into the root causes of, and contributing factors to, crashes involving commercial motor vehicles. In the intervening time, data has shown an uptick in the rates of truck-involved crashes.³⁵ To better understand this increase, our industry needs accurate information that can direct our efforts to deploy appropriate countermeasures and invest in the most effective safety technologies.

Just as a LTCCFS will help identify the causes of large truck crashes, unified electronic crash report data will help to provide accurate and timely data on truck-involved crashes. Several states have already adopted electronic collection of crash reports, and many of those states have successfully leveraged the ability to provide more timely and accurate information to stakeholders. Real-time data allows law enforcement and transportation safety professionals to respond more quickly to escalating trends and "hot spots," and helps ensure limited resources are allocated to areas with the greatest need. ATA supports Federal funding for states to adopt electronic crash report data collection, along with consistent funding to support and upgrade existing systems, implement NHTSA's Model Minimum Uniform Crash Criteria data fields, and train staff on new systems.

HOURS OF SERVICE:

Driver hours of service continue to be a foundational block of motor carrier safety. The Federal rules governing working hours were specifically designed to ensure drivers get adequate rest, take breaks when they need them, and remain refreshed throughout the workday—all to achieve the highest levels of highway safety. Our industry's operations are diverse, and it's nearly impossible for all segments to agree on any one standard. However, as the trucking industry comes into full compliance with the ELD mandate, drivers and motor carriers now have a better understanding of how the underlying HOS rules can be further improved for safety and efficiency.

This is why ATA was pleased when, last year, DOT incorporated new flexibilities into the hours of service rules. DOT's process followed a two-year rulemaking that considered over 8,000 public comments from nearly every stakeholder. Many aspects of this rule make good sense from both a safety and operational standpoint. For example, instead of requiring drivers to operate in potentially hazardous conditions, the extension of the adverse driving provision by two hours encourages drivers to pull off to the side of the road and wait out hazards. In addition, rather than requiring drivers to use on-duty time sitting in their truck cab as loads are loaded and unloaded, drivers can productively count idle time toward their required rest break. And DOT's approval of a new 7/3 sleeper berth split better allows a driver who pre-

³² *Financial Responsibility Requirements for Commercial Motor Vehicles*, U.S. Department of Transportation, Federal Motor Carrier Safety Administration, January 2013, page xii, footnote 2.

³³ Kostyniuk LP, Streff FM, Zakrajsek J. *Identifying Unsafe Driver Actions that Lead to Fatal Car-Truck Crashes*. Washington DC: AAA Foundation for Traffic Safety, April, 2002.

³⁴ 85 Fed. Reg. 2481 (January 15, 2020).

³⁵ *Large Truck and Bus Crash Facts 2017*, Trends chapter, Table 4, page 7, U.S. Department of Transportation, Federal Motor Carrier Safety Administration, Washington, D.C. https://www.fmcsa.dot.gov/sites/fmcsa.dot.gov/files/docs/safety/data-and-statistics/461861/l_tcbf-2017-final-56-2019.pdf.

fers to sleep seven hours with a longer nap later in the day to choose that option, instead of requiring eight consecutive hours.

Despite some attempts to claim otherwise, these changes *did not* alter the maximum number of driving hours—they merely provide drivers with a means to better account for factors that influence their operations. Importantly, these changes provide flexibility for real-world situations, while at the same time preserving the same level of safety. ATA believes other flexibilities can be incorporated into the current regulations so long as the data supports such changes and safety is not compromised.

Moving forward, any changes to truck drivers' HOS rules must be grounded in the same science, data, safety, and stakeholder engagement that was exhibited in the regulatory process that led to the 2020 HOS rule changes.

COMPLIANCE, SAFETY, ACCOUNTABILITY:

Compliance, Safety, Accountability (CSA) was launched by FMCSA in 2010 as a way to use data to streamline enforcement programs and target the least safe motor carriers for enforcement intervention. Since its inception, the methodology behind CSA "scores" has been called into question with regard to its correlation with future crash risk. The relationship between scores and crash risk is a reflection of the many methodological and data problems that plague the system. These include the flawed weighting of violations, a lack of data on a large portion of the motor carrier population, and the scoring of carriers on all crashes they are involved in, regardless of fault. In light of these issues, Congress requested that both the Government Accountability Office (GAO) and the DOT Inspector General conduct reviews of the CSA program and its scoring methodology. Ultimately, both entities confirmed that the system is still grappling with serious flaws. In December 2015, the Fixing America's Surface Transportation (FAST) Act removed motor carriers' CSA scores from public view while the National Academies of Science (NAS) conducted a thorough review of CSA.³⁶ The FAST Act also stipulated that FMCSA prepare a corrective action plan to address the shortcomings identified by the study and remove carriers' CSA scores from public view until the study and resulting implementation plan are completed.

In June 2018, FMCSA released their corrective action plan responding to the NAS review of CSA.³⁷ FMCSA indicated that they would pursue a different methodology, known as an Item Response Theory (IRT), and would conduct testing of the IRT methodology to determine its accuracy in identifying motor carriers who are at risk for future crashes. As of today, the agency has yet to implement any changes to the CSA program. Motor carriers seek changes to this program so that they are not mischaracterized by a flawed scoring system that has proven ineffective in identifying unsafe carriers. Congress should continue to monitor FMCSA's corrective actions, and ensure that any changes to the CSA system are available for stakeholder review and comment prior to implementation. During the period of time that such changes are made, CSA scores should continue to remain unavailable to the public.

DISTRACTED DRIVING:

While many of the regulatory items discussed in this testimony are specific to trucking, there are safety regulations that can be implemented and should be applied equitably to *all* road users. For example, Federal regulations prohibit commercial motor vehicle drivers from using a handheld mobile device at any time while driving, including while stopped at traffic control devices. And although 70 percent of fatal crashes involving a large truck and a passenger vehicle are initiated by the actions of, or are the fault of, a passenger vehicle,³⁸ there is no Federal law preventing passenger vehicle drivers from using handheld mobile devices while driving. Our nation's professional truck drivers encounter distracted drivers all the time, and, unfortunately, no level of defensive driving can prevent all accidents from occurring when there is limited accountability for passenger vehicle drivers.

As such, ATA believes that the SAFE TO DRIVE Act (S. 195), introduced by Senator Klobuchar, is a tremendous opportunity to focus greater resources and atten-

³⁶The National Academies of Sciences, Engineering, and Medicine. 2017. Improving Motor Carrier Safety Measurement. Washington, DC: The National Academies Press. doi: <https://doi.org/10.17226/24818>.

³⁷The National Academy of Sciences Correlation Study, Corrective Action Plan Report to Congress. Retrieved January 27, 2020, from <https://cms8.fmcsa.dot.gov/sites/fmcsa.dot.gov/files/docs/mission/policy/407251/nas-correlation-study-corrective-action-plan-enclosure-finaljune-2018.pdf>.

³⁸*Financial Responsibility Requirements for Commercial Motor Vehicles*, U.S. Department of Transportation, Federal Motor Carrier Safety Administration, January 2013, page xii, footnote 2.

tion on accidents that our professional drivers cannot easily anticipate: those caused by distracted passenger motorists. In commercial trucking, we require drivers to keep their eyes on the road ahead at all times—and we should expect the same vigilance from every motorist on the road. Sadly, convenient access to social media and streaming services has only increased the number of potential road hazards, leading to increases in the quantity and severity of distracted driving incidents. In 2019, the number of fatalities in distraction-affected crashes was 3,142, or 8.7 percent of all fatalities in 2019. This represents an increase of 284 *more* fatalities than the previous year—an increase of 9.9 percent.³⁹ We believe S. 195 represents an important first step towards combating this disturbing trend.

EMPLOYER NOTIFICATION SYSTEM:

ATA supports the establishment of a national employer notification system to provide motor carrier employers with timely alerts to driver's license actions, such as suspensions, revocations, and convictions for moving violations. Use of this system should be voluntary, at least initially. Under the current process, motor carriers are often not notified about drivers' convictions in a timely manner. Employers are required to check each driver's record once per year, and this check may reveal violations committed up to 11 months earlier. Employees are required to notify their employer of a violation of any State or local traffic law (other than a parking violation) within 30 days of a conviction, and of a license suspension, revocation, or cancellation within one day. However, they are often reluctant to do so because of the potential negative ramifications on their employment. FMCSA estimates that at least 50 percent of drivers may not notify employers of convictions and licensing actions within the required timeframes.⁴⁰

In 2007, a pilot ENS program was conducted to assess the feasibility, cost, safety impact, and benefits of such a system. The pilot program, tested in Colorado and Minnesota, allowed motor carriers to register with the driver's express permission, which enabled them to receive timely electronic notification of driver convictions and suspensions. The results of the pilot indicated that a nationwide ENS is needed and would likely have significant safety and monetary benefits for motor carriers. ATA supports a standardized ENS approach and advocates for a national ENS system to further enhance the safety of our Nation's highways.

DRUG AND ALCOHOL CLEARINGHOUSE:

Since the late 1990s, ATA has supported the establishment of a database to close a known loophole in existing regulations that allows CDL drivers who test positive for prohibited substances to escape the consequences of their actions. As required by the 2012 highway reauthorization legislation (MAP-21), FMCSA published a final rule creating a Drug and Alcohol Clearinghouse in December 2016. The Clearinghouse would act as a central repository for drug and alcohol violations of CDL drivers, allowing carriers to search its database when hiring a driver for the first time and on an annual basis. On January 6, 2020, the Clearinghouse became operational, and as of April 2021, 70,652 DOT drug and alcohol violations have been entered into the Clearinghouse, with 54,237 drivers currently in a prohibited operating status. Within only 16 months of operation, the Clearinghouse has become an essential safety tool for motor carriers in reducing preventable, substance-involved crashes.

Even though the Clearinghouse is helping to prevent motor carriers from hiring drivers in a prohibited status due to a DOT drug and alcohol violation, many drivers with unaddressed drug and alcohol violations continue to hold an active CDL and operate on our Nation's highways, putting themselves and the motoring public at risk. For FMCSA to close this dangerous regulatory loophole, the agency must first fully implement the requirement that State Drivers Licensing Agencies (SDLAs) downgrade active CDL holders with DOT violations. Although required under FMCSA's final rule, the agency announced a three year implementation delay due to "a forthcoming rulemaking to address the States' use of driver-specific information from the Clearinghouse, and additional time needed to develop the information technology platform through which States will electronically request and receive Clearinghouse information."⁴¹ ATA urges Congress to ensure no additional delays of FMCSA Clearinghouse requirements for States are needed.

³⁹ *Traffic Safety Facts: Overview of Motor Vehicle Crashes in 2019*, U.S. Department of Transportation, National Highway Traffic Safety Administration, December 2020.

⁴⁰ *Driver Violation Notification Service Feasibility Study*, U.S. Department of Transportation, Federal Motor Carrier Safety Administration, July 2005, figure 1, page 1.

⁴¹ 84 Fed. Reg. 68052 (December 13, 2019). <https://www.fmcsa.dot.gov/regulations/rulemaking/2019-26943>

HAIR TESTING:

An increasing number of motor carriers are conducting pre-employment and random drug tests using drivers' hair as a testing sample. Hair tests provide a longer, more accurate picture of an applicant's past drug use and are more difficult to subvert compared to other testing methods. However, since urine is the only sample type permitted under DOT regulations, companies that voluntarily conduct hair tests must do so in addition to mandatory urine tests. This duplicated time and expense deters fleets from adopting this more effective testing method. To help eliminate this redundancy and incentivize fleets to utilize this effective means of testing, ATA strongly supports the recognition of hair testing as a federally-accepted drug testing method.

Congress sought to address this issue in the Fixing America's Surface Transportation (FAST) Act of 2015 by including a provision that would facilitate the adoption of hair follicle testing as a federally recognized drug testing method. The provision directed the Department of Health and Human Services (HHS) to develop technical guidelines for the use of hair testing as an alternative to urinalysis for motor carriers to meet DOT drug testing requirements. Regrettably, we are now more than 5 years since the enactment of this important provision, but nowhere closer to unlocking this critical safety tool.

In the fall of 2020, HHS issued proposed guidelines to allow Federal Executive Branch agencies to incorporate hair testing into their Federal drug testing programs. However, these guidelines neither met the requirements included in the FAST Act nor provided a path forward for the use of hair testing as an alternative drug testing method for motor carriers. Regrettably, the proposed guidelines included several alarming implementation stipulations that, if codified, could have devastating effects on current levels of highway safety, and could increase private-sector employers' employment and liability litigation risk. For example, HHS's proposed "two-step approach" to confirm a positive hair test would result in thousands of false-negative drug test reports by medical review officers (MROs) annually because a negative follow-up urinalysis is far more likely to reflect a shorter detection window than the initial hair test. In their proposed guidelines, HHS provided zero evidence that false-positive hair testing results are a material problem that justifies reversing thousands of laboratory-confirmed and MRO-reviewed positive hair test results. ATA conducted a small survey of 12 motor carriers, who employ over 68,000 drivers⁴² and found that if DOT were to have adopted HHS's additional evidence requirement, 89.47 percent of MRO-confirmed positive hair test results would have been reversed in 2019.

During the years since the FAST Act was signed into law, our Nation has experienced a growing substance abuse epidemic, and particularly a massive prescription opioid abuse crisis, which the trucking industry is not immune from. This is a glaring reminder that drug-impaired driving remains a very serious issue, which poses a tremendous risk to the safety of our Nation's highways. And, yet, we are unable to fully realize the tremendous safety benefits of hair testing—which was mandated by Congress in 2015—and, therefore, prevented from truly making our highways safer and achieve our shared goal of zero highway fatalities.

Ultimately, HHS failed to heed the Congressional intent of the hair testing provisions included in the FAST Act. This failure will have a significant impact on motor carriers' ability to keep drug users from behind the wheel of their trucks and will unnecessarily endanger our Nation's roads, bridges, and the motoring public. For these reasons, and because the proposed guidelines have fallen so far outside of the instructions required by the FAST Act, it is imperative that Congress and this subcommittee take the legislative steps necessary to pave the way toward adoption of this important safety initiative.

MARIJUANA LEGALIZATION & IMPLICATIONS FOR ROAD SAFETY:

Recent marijuana legalization efforts have uniquely challenged our industry, and have exposed critical issues related to workplace and highway safety. As states move to legalize marijuana, the trucking industry, like the rest of American society, is evaluating and considering changes to keep pace with the evolving regulatory environment. Our members also recognize that public opinion toward marijuana legalization has shifted dramatically over the last two decades. However, trends and popular opinion do not always lead to good policy, and while debates about decriminalization are timely, policies that limit employer drug testing programs to the detriment of transportation safety will result in more crashes, injuries, and fatalities.

⁴² ATA Collected Motor Carrier Driver Data from FMCSA Safer Company Snapshot <https://safer.fmcsa.dot.gov/CompanySnapshot.aspx>.

An example of this can be found in the Marijuana Opportunity Reinvestment and Expungement (MORE) Act, legislation approved by the U.S. House of Representatives last Congress. As originally drafted, the MORE Act neglected to recognize the significant impact that removing marijuana from the schedule of controlled substances would have on highway and workplace safety. The legislation would have effectively prevented motor carriers from testing for marijuana as a condition of employment, which would adversely impact the safety of our Nation's roads, bridges, and the motoring public. Thankfully, before final passage of the MORE Act, the House included a drug testing carve-out for federally mandated drug testing programs.

Until there is an enforceable national impairment standard for marijuana, and until Congress grants DOT the authority to specifically regulate marijuana use, any marijuana-related legislation must take into account the impacts that such changes would have on the safety of our transportation network, as well as employer's ability to maintain a safe working environment.

AUTOMATIC EMERGENCY BRAKING, ADVANCED DRIVER ASSISTANCE SYSTEMS:

Substantial advancements have been made in commercial vehicle collision mitigation technology throughout many types of advanced driver assistance systems (ADAS). Automatic emergency braking (AEB) is a form of ADAS that has been supported, promoted, and scrutinized before becoming the most impactful safety technology since the deployment of anti-lock braking systems in cars and trucks. In fact, forward collision warning and AEB-equipped commercial vehicles can prevent up to 52 percent of rear-end crashes annually, including an estimated 11,499 crashes that result in 7,703 injuries and 173 deaths.⁴³ In 2016, NHTSA and the automotive industry announced a commitment to standardize AEB on virtually all Class 1 vehicles sold in the U.S. by 2022, and Class 2 vehicles by 2025.⁴⁴

Since NHTSA's 2017 mandate that tractors be equipped with electronic stability control (AEB sourcebased technology), Class 7 & 8 manufacturers have voluntarily made AEB standard on most models. ATA supports mandating AEB on all new vehicles—passenger and commercial—after the technology is adopted successfully over time by manufacturers for fleets. Like passenger vehicles, tractors have matured significantly with the availability of AEB, and both sets of vehicle classes should be considered for regulation to improve highway safety. In addition to mandating AEB, incentivizing investments in safety technology and equipment will increase adoption rates of ADAS (*i.e.*, AEB across Class 1–8 vehicles), thereby reducing crashes and saving lives.

AUTOMATED TRUCK OPERATIONS:

The trucking industry remains firmly supportive of automated vehicle (AV) technologies, which will increase safety for all road users and provide more freight efficiency to support our Nation's economy and society overall. For decades, truck manufacturers and suppliers have improved safety and efficiency technologies that demonstrate measurable improvements to freight transportation and highway safety. As technical solutions have evolved, and as costs have become more reasonable, policymakers and regulators are trying to catch up to the market-driven innovation and proliferation of advanced technologies. New technology companies, as well as traditional equipment suppliers, are also developing AV technology specifically for the trucking industry, further accelerating the development of automated trucking operations.⁴⁵

While some have raised concerns about the potential impacts of automation on the workforce, ATA does not perceive this technology to be completely "driverless" for the trucking industry, but instead a vital service in monitoring and operating certain freight deliveries. We expect that there will continue to be a role for drivers in trucking for the foreseeable future and have confidence in how the role of drivers assisted by automation will be modified and adjusted as the technologies continue to advance.

Because of the complexity and diversity of the trucking industry, drivers will retain an essential role in trucking for a long time to come, with automated truck

⁴³ Glassbrenner, D., Morgan, A., Kreeb, R., Svenson, A., Liddell, H., Barickman, F. (2017, July). *A Target Population for Automatic Emergency Braking in Heavy Vehicles* (Report No. DOT HS 812 390). Washington DC: National Highway Traffic Safety Administration, U.S. DOT.

⁴⁴ NHTSA. (December 17, 2020). *NHTSA Announces 2020 Update on AEB Installation by 20 Automakers*. Washington, DC: Retrieved from <https://www.nhtsa.gov/press-releases/nhtsa-announces-2020-update-aeb-installation-20-automakers>.

⁴⁵ (April 27, 2021). *Plus, Cummins Partner on Self-Driving CNG Trucks*. Retrieved from <https://www.ttnews.com/articles/plus-cummins-partnerself-driving-cng-trucks>.

technology applied to improve their safety and productivity. In addition to monitoring automated driving systems and manually driving in the cityscape and at loading docks, drivers will retain their current responsibilities related to securing cargo—particularly hazardous materials—as well as interacting with customers, shippers, and receivers. Additionally, these new technologies are expected to make drivers safer and more productive, making truck driving a more attractive career choice, and attracting new people to our industry.

ATA holds the unwavering belief that the deployment of AV technology for all vehicle types has the potential to improve safety, reduce congestion and overall environmental impacts, and save fuel. The widespread benefits of these technologies include a reduction in crash risk and roadway fatalities, improved quality of life, enhanced mobility for all individuals, lower energy usage, and streamlined supply chain management.

For those reasons, as this subcommittee and Congress consider AV legislation, we strongly recommend that any legislation establishing a Federal role overseeing the advancement, development, and deployment of AV technologies should capture all road users, including passenger vehicles, commercial trucks, buses, pedestrians, and bicyclists, as well as the supporting infrastructure.

CONNECTIVITY & 5.9 GHz TRANSPORTATION SAFETY SPECTRUM:

The safety benefits from advancing automated truck technology also parallel the importance of intelligent transportation systems. Plans to enhance vehicle-to-vehicle (V2V) and vehicle-to-infrastructure (V2I) communications—collectively known as V2X—have significant future safety benefits to next-generation U.S. transportation.⁴⁶ NHTSA estimates V2V technology alone has the potential to prevent 89 percent of all light duty crashes.⁴⁷ In addition, NHTSA estimates that V2V-equipped commercial motor vehicles can prevent 45,775 crashes, and save 857 lives and \$7.8 million in crash comprehensive costs annually.⁴⁸ V2V crash warning applications for trucks have an estimated 49 percent crash avoidance effectiveness. Importantly, these V2X technologies are dependent on a 5.9 GHz spectrum originally dedicated to vehicle safety applications.

Unfortunately, while much work has been done to develop V2X protocols and applications,⁴⁹ recent actions taken by the Federal Communications Commission (FCC) to reallocate the 5.9 GHz spectrum have turned back the clock on highway safety. The decision made by the FCC in November 2020 rejects the foresight the Commission demonstrated when it originally allocated spectrum for improving traveler safety, decreasing traffic congestion, and reducing air pollution. The FCC's decision will increase the already-large spectrum allocation for Wi-Fi so that it can be used to connect our TVs, refrigerators, washing machines, and even toilets, because the FCC believes that connected consumer devices are evolving quickly and are more widely deployed than the vehicle communications services in the 5.9 GHz spectrum. There is no reasonable justification for prioritizing faster Internet speeds and streaming infotainment over saving lives and reducing the environmental impact of our transportation system.

The FCC's 2020 decision clearly demonstrates that the agency undervalues efforts that could overwhelmingly improve the safety and efficiency of our transportation network. ATA urges this subcommittee and Congress to support retaining the full 75 MHz spectrum of the 5.9 GHz band for V2X technology to improve safety, reduce traffic congestion, and curb emissions.

MISGUIDED SAFETY TECHNOLOGY MANDATES:

Safety technologies are paramount to achieving our shared goal of zero highway fatalities. However, a clear distinction must be made between proven safety technologies and other technologies that have yet to be effectively researched, tested, or deployed. One such technology that has not been proven effective in operational scenarios is underride guards equipped to the side and front of commercial motor vehicles. Over the past few years, ATA has raised strong concerns about the Stop Underrides Act because the legislation promotes a solution that is neither data-driven

⁴⁶ Chang, J. (2016, July). *Summary of NHTSA heavy-vehicle vehicle-to-vehicle safety communications research*. (Report No. DOT HS 812 300). Washington, DC: National Highway Traffic Safety Administration.

⁴⁷ 82 FR 3854. (January 12, 2017). Pg. 3991.

⁴⁸ Guglielmi, J., Yanagisawa, M., Swanson, E., Stevens, S., & Najm, W. J. (2017, November). *Safety benefits of heavy-vehicle crash warning applications based on vehicle-to-vehicle communications* (Report No. DOT HS 812 429). Washington, DC: National Highway Traffic Safety Administration.

⁴⁹ (October 4, 2018). *Preparing for the Future of Transportation Automated Vehicles 3.0*. Retrieved from <https://www.transportation.gov/av/3>

en nor proven to be effective in real-world highway settings. While we remain committed to the goal of zero fatalities on our Nation's highways, we cannot ignore the serious and potentially dangerous consequences of this legislation.

The Stop Underrides Act calls for mandating these devices on the sides and front of all newlymanufactured commercial vehicles. Unfortunately, the bill disregards proven safety technologies, such as automatic emergency braking, camera monitoring systems, and active lane keep assist. And, it ignores the diversity of our industry, failing to take into account the fact that trucking is not a one-size-fits-all industry, and that investments in certain technologies that one company makes may not make sense, or be safe, for another. Standards for new truck equipment should be based on sound economic and engineering principles that enhance safety, take into account real-world operations, and weigh possible unintended consequences.

Our concerns regarding the operational feasibility of installing front and side underride guards on all new commercial motor vehicles are shared by the Government Accountability Office (GAO). In April 2019, in response to a Congressional request, the GAO published a report⁵⁰ on the topic of underride crashes. After a year-long investigation, which included numerous interviews with State and Federal government officials, local police departments, foreign governments, and over 29 industry groups—including those supportive of this mandate—GAO concluded that the Department of Transportation “. . . should conduct additional research on side underride guards to better understand the overall effectiveness and cost associated with these guards and, if warranted, develop standards for their implementation.”⁵¹ When these results were published, ATA concurred with GAO's findings and recommendation for additional research on the efficacy of side underride guards. To date, this additional research has not taken place, and until it does, any Congressional action on the Stop Underrides Act would be premature.

Ultimately, ATA is committed to our shared goal of eradicating highway fatalities, including those resulting from underride crashes. We believe, however, that the Stop Underrides Act should be reimagined to help mitigate crashes *before* they have occurred. Rather than expending limited resources on unproven mitigation efforts, we should instead focus on proven and emerging mechanisms to reduce the likelihood of crashes occurring altogether.

This subcommittee and the broader Committee have a responsibility to create a forward-leaning safety framework for the imminent surface transportation reauthorization and accompanying infrastructure package. Just as safety shapes the trucking industry's core values and decision-making, safety should also be the guiding principle that buttresses all investments in our transportation networks. ATA remains unwavering in our commitment to improving the safety and security of our Nation's roads and bridges, and we look forward to our continued work with Congress, the Administration, enforcement, and other interested parties to that end.

3) WORKFORCE DEVELOPMENT:

THE TRUCKING INDUSTRY IS ESSENTIAL, AND THE DRIVER SHORT-AGE IS AN ECONOMIC AND SUPPLY CHAIN CRISIS:

The trucking industry has always been essential—more than 80 percent of American communities rely exclusively on trucks for their freight transportation needs—but the COVID-19 pandemic greatly underscored that fact. Essential workers, like truck drivers, kept America moving forward even as the Nation hunkered down. The trucking industry worked diligently behind the scenes to ensure that Americans all over the country had access to critical goods like food, medicine, fuel, and even toilet paper while they were quarantining at home. The trucking industry shouldered this incredible responsibility with the fortitude that being ‘essential’ demands, all while grappling with a devastating driver shortage.

Seventy percent of the Nation's freight is carried by commercial trucks, and while demand is projected to increase over the next decade, the current driver shortage threatens to disrupt the continuity of the supply chain. This is especially problematic as the Nation and our economy recover from the monumental impacts of the COVID-19 pandemic.

The trucking industry's successful mobilization in response to the public health crisis demonstrates how essential our industry truly is to the economy, our emergency response supply chain, and our way of life. The driver shortage is a looming threat that, if unaddressed, could destabilize the continuity of our operations

⁵⁰ (March, 2019). *Truck Underride Guards, Improved Data Collection, Inspection, and Research Needed* (Report No. GAO-19-264). Retrieved from United States Government Accountability Office: <http://www.gao.gov/assets/700/697585.pdf>.

⁵¹ Ibid, pg. 33.

throughout the country. And those monumental impacts threaten to ripple across the supply chain and hamstring our Nation's recovering economy.

NOW MORE THAN EVER, THE TRUCKING INDUSTRY IS HIRING:

According to a recent estimate, the trucking industry needs an additional 60,800 truck drivers immediately—a deficit that is expected to grow to more than 160,000 by 2028. In fact, when anticipated driver retirement numbers are combined with the expected growth in capacity, the trucking industry will need to hire roughly 1.1 million new drivers over the next decade, or an average of nearly 110,000 per year.

The COVID-19 pandemic further exacerbated the truck driver shortage, and the temporary closures of state DMV's and truck driver training schools disrupted the already-fragile pipeline of new drivers entering the trucking industry. While portions of the trucking industry have somewhat weathered the pandemic's economic storm, according to the BLS April 2021 Report, the trucking subsector had a net loss of 42,500 jobs in 2020.⁵² As a result of the already-crippling driver shortage, companies in supply chains across the economy are now facing higher transportation costs, leading to increased prices for consumers on everything from electronics to food. Perhaps the best evidence of the acute need for more drivers is the recent media reporting of a possible summer gas shortage.⁵³ The country depends on a qualified transportation workforce, and the trucking industry offers great middle-class careers that do not require the debt that often accompanies a college degree.

The Bureau of Labor Statistics (BLS) reported a mean salary of \$47,130 for truck drivers in a May 2020 report.⁵⁴ Additionally, an industry survey shows the average truck driver earns over \$54,000 per year, plus benefits like health insurance, a retirement plan (*e.g.*, 401(k)), and paid time off.⁵⁵ Since 2014, private fleet drivers have seen their pay rise from \$73,000 to more than \$86,000, or a gain of nearly 18 percent.⁵⁶ In addition to rising pay, many fleets offer generous signing bonuses and other expanded benefit packages to attract and keep drivers. We want to welcome more individuals into the trucking industry, but we need Congress' help to open up career pathways that are otherwise closed to qualified people due to obsolete regulatory barriers.

THE DRIVE SAFE ACT, A LEGISLATIVE SOLUTION TO THE DRIVER SHORTAGE GROUNDED IN SAFETY:

Given the severity of the existing driver shortage and the overwhelming expectation that the shortage will continue to grow in tandem with freight demand, we encourage Congress to explore initiatives that will expand the pool of qualified drivers and reduce backlogs. To stem the growing driver shortage immediately, we urge Congress to consider proposals to remove obsolete regulatory barriers that prevent trucking from replenishing its aging workforce with younger, qualified workers who have received the appropriate training and experience required to operate a commercial motor vehicle (CMV). Although forty-nine states and the District of Columbia currently allow 18 to 20-year-olds to operate CMVs in intrastate commerce, Federal law prevents these same 18 to 20-year-olds from driving across state lines. ATA believes the most effective and safety-focused solution to the trucking industry's dire workforce dilemma is the DRIVE Safe Act (S.659), legislation championed by subcommittee Members, Senators Todd Young and Jon Tester, and supported by several Members of the Commerce Committee and United States Senate. Data and experience both show that properly-designed training—such as the training regimen found in the DRIVE Safe Act—can enable young people to operate equipment and machinery safely.

As a testament to the safety considerations underpinning the DRIVE Safe Act, all qualified drivers who participate in the apprenticeship program established by the bill would only be allowed to drive trucks outfitted with the latest safety technology, including active braking collision mitigation systems, forward facing event recording cameras, speed limiters set at 65 miles per hour or less, and automatic or automatic manual transmissions. Professional drivers training within the program are also required to be accompanied by an experienced driver throughout the process. Ultimately, the DRIVE Safe Act is not just a workforce replenishment tool—it's a job creation and safety enhancement bill.

⁵² *Employment in trucking rebounds after modest decrease in February* (landline.media)

⁵³ <https://abcnews.go.com/US/lack-truck-drivers-lead-fuel-shortage-summer/story?id=77374905>.

⁵⁴ *Heavy and Tractor-trailer Truck Drivers: Occupational Outlook Handbook: U.S. Bureau of Labor Statistics* (bls.gov)

⁵⁵ ATA Driver Compensation Study (2017); American Trucking Associations. <https://www.atabusinessolutions.com/ATAStore/ProductDetails/productid/3852684>.

⁵⁶ *Id.*

Importantly, the DRIVE Safe Act would impose a robust safety regime for 18 to 20-year-old qualified drivers where one currently does not exist. Under current law, the day a 20-year-old turns 21 is the magical day that they are arbitrarily deemed to be safe enough to drive in interstate commerce. This bill would add an extra level of safety by requiring qualified 18 to 20-year-old CDL holders to complete a rigorous multi-step apprenticeship program before they drive in interstate commerce so that they can develop the skills and attitudes necessary to lead a long, safe and successful career in trucking.

Significantly, even though the minimum age for interstate driving is 21, the reality is that the average age of entry-level drivers enrolled at private truck driver training schools is actually 35.⁵⁷ This means that many drivers entering our industry may be on the back end of their second, third, or fourth careers pursuing a job in trucking as an opportunity of last resort. As such, the trucking industry is unable to tap into the ambitions of the next generation's workforce and replenish its aging workforce with younger workers. Unfortunately, blue-collar professions are still stigmatized in our society and culture, which place a disproportionate emphasis on four-year-degree colleges at the expense of vocational schools and the skilled trades.

In light of the proven safety performance of 18 to 20-year-old drivers—who are already allowed to operate trucks in forty-nine U.S. states and the District of Columbia—and given the threats that the driver shortage poses to the cost of moving freight and to supply chain efficiencies, ATA urges Congress to address this problem now, by including the DRIVE Safe Act in any forthcoming surface transportation reauthorization package. In making that recommendation, I would also note that this bipartisan legislation was previously cosponsored by over one third of the House and Senate last Congress, and now enjoys the support of over 120 organizations and companies throughout the supply chain with a presence and impact in every state and Congressional district across the nation, and support is still growing.

ADDITIONAL LEGISLATIVE SOLUTIONS TO HELP STEM THE DRIVER SHORTAGE:

ATA supports other legislative initiatives designed to bring greater attention to the growing driver shortage and attract a new workforce into the industry. Empowering individuals to seek rewarding careers enjoys broad, bipartisan support, and ATA overwhelmingly supports legislation that would help promote job opportunities for all Americans, regardless of race, gender or socioeconomic status. Two such bills are the Promoting Women in Trucking Workforce Act (S. 469) and the Promoting Service in Transportation Act (S. 3303 in the 116th Congress).

The Promoting Women in Trucking Workforce Act, introduced by Senators Moran, Baldwin, Tester, and Subcommittee Ranking Member Fischer, rightly notes that although women currently make up 47 percent of the U.S. workforce, they make up less than 7 percent of truck drivers, and only a quarter of all transportation and warehousing jobs in trucking. Through the establishment of a Women of Trucking Advisory Board under the leadership of the FMCSA, this legislation will bring greater attention to the recruitment, retention, training, and mentorship of women in the trucking industry. This, in turn, will lead to increased female representation in trucking and greater industry diversity, while providing another tool to help the trucking industry confront and stem its growing driver shortage.

The Promoting Service in Transportation Act, introduced by Subcommittee Chairman Peters last Congress, is a further crucial step that will enhance the use of broadcast, digital, and print media public service announcement campaigns to promote job opportunities, and also encourage improved diversity in the transportation workforce. ATA supports both of these important legislative efforts, and encourages their inclusion in any forthcoming safety title to accompany a surface transportation reauthorization bill.

THE PRO ACT, LEGISLATION THREATENING TO FURTHER EXACERBATE THE DRIVER SHORTAGE:

Finally, I would be remiss if I did not address a piece of legislation the Senate may consider that would be extremely harmful to the trucking industry and hurt the very workers it purports to help: the Protecting the Right to Organize (PRO) Act (S. 420). The PRO Act, which I know many of you support, includes a provision that would effectively bar the trucking industry from utilizing the independent contractor business model. The trucking industry and American consumers depend on independent contractors, and the implementation of a restrictive national test to limit independent contractor status would jeopardize the livelihoods of over 350,000

⁵⁷The average age of a truck driver is 49, 7 years older than that of the typical U.S. worker.

owner-operators, destabilizing America's supply chain and irreparably harming the U.S. economy.

The involvement of independent contractors in trucking promotes efficiency and an increased ability to meet customer demand, which has been acutely necessary during heightened delivery periods like the COVID-19 pandemic, and annually during the holidays. Americans choose to work as independent contractors because of the economic opportunity it provides and the empowerment to select the conditions (*e.g.*, hours and routes) that suit their lifestyles. Accordingly, the Americans who choose to become owner-operators in trucking should be respected and supported in their endeavors, not driven out of business because of the authoritarian view that employee status is better for them. Enactment of the PRO Act would be a clear signal to the 350,000 owner-operators in the trucking industry that Congress is indifferent to their chosen professions and apathetic about the loss of their livelihoods.

REGULATORY SOLUTIONS TO HELP ADDRESS THE DRIVER SHORT-AGE:

ATA appreciates and supports the steps agencies have taken to address driver recruitment bottlenecks by issuing emergency waivers and declarations during the pandemic, and believes some of those should be made permanent. For example, permanent waivers on certain requirements for Commercial Learners Permits and Third Party Testing could assist in easing the current delays associated with the testing of drivers who wish to obtain their CDL. These delays existed prior to the COVID-19 public health crisis and have only been exacerbated by the 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 during the pandemic, and there's no safety justification that would warrant returning to that requirement as we recover from the public health crisis.

4) ENVIRONMENTAL STEWARDSHIP:

THE TRUCKING INDUSTRY'S COMMITMENT TO SUSTAINABILITY AND THE ENVIRONMENT:

The trucking industry's commitment to sustainability is well-known and ongoing. Before 1985, there was no such thing as Federal emission standards for trucks. The historical progress made since then is nothing short of phenomenal. Since the mid-1980s, newly-manufactured trucks have reduced emissions of both nitrogen oxide (NO_x)—associated with smog and ozone formation—and particulate matter (PM), or "soot," by over 98 percent. Put another way, 60 new trucks purchased today emit the equivalent NO_x and PM emissions of a single truck back in 1988.

Trucking virtually phased-out sulfur in diesel fuel beginning in 2006. This fuel, more commonly referred to as ultra-low sulfur diesel fuel or "ULSD", practically eliminated sulfur dioxide (SO₂) emissions and further reduced overall fine particulate matter emissions from trucks.

But it does not stop there. In 2011 and 2016, our industry supported two separate U.S. Environmental Protection Agency (EPA)/National Highway Traffic Safety Administration (NHTSA) regulations establishing first-ever standards for truck engine, vehicle, and trailer greenhouse gas emissions and fuel consumption standards (known as Phase 1 and Phase 2 respectively) to promote a new generation of cleaner, more fuel-efficient trucks and engines.

The Phase 1 standards, implemented between 2014 and 2018, were projected to reduce carbon dioxide (CO₂) emissions by 270 million metric tons, save vehicle owners and operators an estimated \$50 billion in fuel costs, and eliminate the use of 530 million barrels of oil over the lifetime of new vehicles purchased under the program. Phase 1 improved fuel efficiency and reduced carbon emissions from each new truck/engine by up to 23 percent. The Phase 2 standards being implemented between 2021 and 2027 are expected to further lower CO₂ emissions by 1.1 billion metric tons, save vehicle owners fuel costs of around \$170 billion, and reduce oil consumption by up to 2 billion barrels over the lifetime of the vehicles sold under

the program. In short, Phase 2 picks up where Phase 1 left off, improving fuel efficiency and reducing carbon emissions from new trucks, engines, and trailers up to an additional 34 percent.

Our industry is also working closely with EPA and other stakeholders to further reduce NO_x emissions from new trucks under EPA's *Cleaner Trucks Initiative* (CTI). While the latest round of NO_x reductions for new trucks was implemented in 2010, achieving unprecedented near-zero levels, CTI will raise the bar even further, likely achieving 90 percent or greater NO_x reductions from all new trucks. A proposed rule is expected later this year and should be finalized by the end of 2022.

When discussing sustainability, we should not forget about the award-winning, voluntary EPA SmartWay Transport Partnership program developed to reduce freight fuel use, curb greenhouse gas emissions, and improve transportation efficiency. Since 2004, this groundbreaking public/private partnership, developed between EPA and Charter Partners such as ATA, has saved fleets \$42 billion in fuel costs, reduced consumption by over 312 million barrels of oil, and eliminated over 150 million tons of air pollutants.⁵⁸ SmartWay and its 3,700+ partners continue to stand out as a stellar example of how the Federal government can work side-by-side with industry to achieve real results outside regulatory frameworks.

We are entering a major transitional period as transportation moves towards a new generation of lower-emission and zero-emission equipment. However, it is important to note that this transportation shift will not happen overnight, and fossil fuels will not magically disappear with the flip of a switch. It is therefore essential to address the existing and near-future stock of equipment and their corresponding fuel needs given trucking's essentiality in moving the Nation's economy forward. To this end, ATA has identified the following areas to help further decarbonize the trucking sector:

- *The Road to Sustainability Must be Multi-Modal*

ATA urges Congress to better address the needs of the medium-and heavy-duty truck sector in the context of the current infrastructure and clean energy debates. Many bills being introduced in Congress lack specificity and tend to be focused on the advancement of light-duty vehicles. For instance, while an electric charging location may be compatible for an electric car, it is incompatible for a big rig pulling a 53-foot trailer. The real estate requirements, energy needs, charging connectors, facility costs, and physical placements are far different than those for other vehicle classes. Other bills focus exclusively on electric charging as the sole fuel solution to reduce carbon emissions, with no reference to other sustainable fuels, such as hydrogen, renewable natural gas, or other energy sources utilizing carbon capture. If goals related to increased grid demands, infrastructure build-out, financial incentives, and carbon reduction are to be successful, discussions must include a diverse array of potential solutions.

- *Research and Development Funding is Critical*

ATA supports increasing Federal financial support for research and development (R&D) in all aspects involving the decarbonization shift. Several Federal entities serve key roles in overseeing, analyzing, and researching advanced vehicle technologies and their supporting needs. The Department of Energy (DOE), for example, funds a wide range of research activities on heavy-duty trucks through its Vehicle Technologies program. The DOE's 21st Century Truck Partnership addresses important national challenges related to medium-duty and heavy-duty truck efficiency, safety, and emissions by pursuing collaborative research and development among government and industry partners. The DOE's 17 National Labs conduct R&D work to tackle the most critical scientific challenges of our time and possess unique instruments and facilities, many of which are found nowhere else in the world. Additionally, the Federal Energy Regulatory Commission has a significant role to play in the assessment of the transmission of electricity in interstate commerce, the reliability of high voltage interstate transmission systems, and the monitoring of national energy markets. Finally, the military's extensive research on alternative fuels and vehicles is critical in assessing new fuels and technologies as it seeks safer and cleaner mobility options for national security interests.

Increased funding for R&D is not only needed by all Federal departments and agencies to ensure that advanced vehicle technologies and fuels for the transportation sector are feasible, affordable, and do not result in unintended consequences, but also for non-federal research needs as well.

⁵⁸ SmartWay Program Successes, U.S. EPA, <https://www.epa.gov/smartway/smartway-program-successes>.

While current research has resulted in a steady decline in battery costs and continuous improvements in battery energy density, weight, and size, more critical research is still necessary. Therefore, R&D funding levels must be robust enough to finance, at a minimum, a more thorough analysis of the Nation's electrical grid system, an assessment of the availability of precious metals and feasible alternatives, and further research into green hydrogen production, alternative fueling infrastructure expansion, trailer refrigeration electrification, vehicle technology pathways, and battery development and storage.

Without sufficient and coordinated funding for R&D on all aspects involving advanced vehicle technologies and fuels, the timelines for the transition to zero and near-zero trucks may be delayed or may prompt disruptions in the Nation's supply chains.

- *Zero-Emission Vehicle Fueling Infrastructure Incentives are Needed*

Battery Electric Vehicles (BEVs) and Fuel Cell Electric Vehicles (FCEVs) are widely-recognized as the most promising technologies to reduce transportation-related greenhouse gas emissions and air pollution in trucking. However, the *chicken-or-egg* quagmire continues in that zero-emission vehicles (ZEVs) require compatible ZEV fuels—whether that fuel is electricity or hydrogen. Scaling up charging infrastructure is a necessary enabler for a widespread ZEV transition. Whereas local and regional hauling operations are generally anticipated to be powered by “electric” fuel, longer hauling operations may trend towards the use of hydrogen fuel given their unique challenges. The Federal government is not—and should not be—in the business of choosing fuel and technology winners and losers. Likewise, not all fueling locations are created equal. The cost of a single 150–350 kW electric truck charger and installation can cost up to \$220,000.⁵⁹ Likewise, an onsite hydrogen fueling station with a capacity of 700kg/day with delivered hydrogen could cost \$2 million or more.⁶⁰ If hydrogen production were to occur on-site, that figure could increase exponentially by over eight-fold.⁶¹

ATA stands ready to work with Congress and the Biden Administration to establish programs and provide economic incentives to reduce costs and barriers facing EV charging infrastructure installation and the expansion of a hydrogen fueling infrastructure along key freight corridors. Such efforts could include participation on the anticipated task force with Federal agencies and the private sector to support vehiclegrid integration, the creation of load management strategies, public-private co-financing approaches, and the standardization of smart charging infrastructure.

- *Truck Purchase Incentives are Important*

Fleets will encounter markedly higher vehicle costs when purchasing BEVs or FCEVs. Today, while product availability remains limited, the price of a new Class 8 BEV can cost over \$200,000 when including payment of the 12 percent Federal Excise Tax.⁶² Class 8 FCEVs, which are not currently available in the marketplace, are expected to retail for \$300,000 or more.⁶³ Given that 97 percent of trucking companies own 20 trucks or less and are, by definition, small businesses, these companies will be hard-pressed to expend increased capital outlays for new equipment given that they already operate on razor-thin profit margins. It is therefore critical to provide sufficient financial incentives to trucking companies to ensure ZEV equipment is affordable to all users, while also achieving greater market penetration rates of such equipment.

- *Diesel Emissions Reduction Act Funding Must Continue*

The transition to ZEVs in the trucking sector will take considerable time since diesel-powered trucks can operate for 15 years or more. Given their long, useful lifespan, ATA has strongly supported the Diesel Emission Reduction Act (DERA) to reduce emissions from older diesel equipment, and has worked to secure continued funding for the program since 2008. DERA provides funding in the form of grants and rebates to incentivize owners to retrofit or replace older diesel engines and equipment. Since implementation, DERA has become one of the most cost-effective Federal clean air programs.

⁵⁹South Coast Air Quality Management District, Second Draft Staff Report, Proposed Rule 2305—Warehouse Indirect Source Rule—Warehouse Actions and Investments to Reduce Emissions (WAIRE) Program and Proposed Rule 316—Fees for Rule 2305, Page 127, April 2021.

⁶⁰Id at 130.

⁶¹Id.

⁶²See: <https://cleantechnica.com/2020/08/06/head-to-head-nikolas-hydrogen-fuel-cell-trucks-vs-the-tesla-semi/>.

⁶³Id.

The EPA's most recent estimates indicate that every \$1 in Federal assistance is met with \$3 in non-federal matching funds, including significant investments from the private sector. Furthermore, each Federal dollar generates between \$11 to \$30 in public health and economic benefits, including \$2 in fuel savings for each dollar invested. Moreover, states benefit because 30 percent of the funding is directed to support state programs. As demonstrated in the EPA's fourth report to Congress, the value of this program continues to provide an important tool to allow the EPA and communities around the country to meet their Clean Air goals in the most cost-effective and feasible manner.

ATA supports the expansion of DERA funding to incentivize ZEV purchases through increased Federal cost-sharing. Increased funding would require legislation, though diesel eligibility could be addressed through EPA regulatory action.

The trucking industry recognizes that it is good business to be a conscientious environmental steward, and we hope to collaborate with Congress, the Administration, and like-minded stakeholders to further our shared goal of becoming a cleaner and greener industry. ATA looks forward to partnering with you to tackle the numerous challenges ahead, and stands ready to assist as you consider solutions to rebuild our Nation's infrastructure, improve the safety of America's roads and bridges, promote employment opportunities in the transportation sector, and tackle the climate crisis.

CONCLUSION:

Chairman Peters, Ranking Member Fischer, and members of the subcommittee, thank you again for providing ATA with the opportunity to testify before you today. Due to a variety of circumstances, the trucking industry, our Nation's infrastructure, and the broader supply chain are facing increasing pressure, which is fast approaching crisis levels. The absence of Congressional action to address this imminent crisis will yield catastrophic consequences. However, I am confident that your leadership, along with that of the entire Congress and the Biden Administration, will address the infrastructure challenges of today with forward-leaning solutions that will bring much needed certainty, sustainability, and opportunity to the trucking industry, our Nation's supply chain, and the economy as a whole.

The actions of this subcommittee, Congress, and the Administration over the coming weeks and months could shepherd the trucking industry towards tremendous advancements in safety, efficiency, and productivity. We urge you to take the steps necessary to provide the resources and regulatory framework that will make our fleets safer and more connected. Your efforts could empower our industry to safely meet the growing driver shortage head-on and recruit a workforce for the next generation of trucking. Providing a significant investment in real infrastructure will help stem and reverse the continued decay of our Nation's roads and bridges, and meaningfully address climate change. With your leadership, we remain hopeful that Federal action can solve this growing national crisis.

Our steadfast hope is that Congress and the Biden Administration will now roll up their sleeves, work together and make the tough decisions to support infrastructure, the economy, and the industry that moves it. In that effort, ATA and the trucking industry stand ready to work hand-in hand with you. Thank you.

Senator PETERS. Well, thank you, Mr. Spear. Thank you for your opening statement. We have a day with a lot going on. Members are going back and forth, a number of markups. And so, I am going defer my questions as members are here. Senator Blumenthal, you are recognized for your 5 minutes.

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

Senator BLUMENTHAL. Thank you very much, Mr. Chairman. Mr. Baker, I am very, very focused on freight because I agree that it is really critical to our future, even in a small state like Connecticut. As you may know, we have ports in New London, Bridgeport, and New Haven. Rail lines connect each of them, although most people in Connecticut really are not aware of it. The rail in eastern Connecticut is being revived so that it can carry freight from New London, up through Connecticut to Massachusetts. And I wonder if you have any thoughts about how we can raise aware-

ness about the potential for freight, not only in the Congress, but also in the country?

Mr. BAKER. Thank you for the question, Senator. One of the ways, I think, to raise awareness—and I associate myself with the comments that Mr. Spear made and both Senator Peters and Senator Fischer made in their opening statements—is recognizing the incredible role that freight transportation and freight workers played over the last 14 months, helping our country survive a once in a century disruption.

You know, in general, in the freight world, we are used to not being particularly high profile. There is, of course, this famous political saying, “Freight don’t vote”, and you know, that is OK. We do not necessarily need to be in the limelight.

But I do think, with this surface transportation bill pending in front of you, there is a historic opportunity on the freight rail side. The CRISI grant program is a huge opportunity to support those kind investments. Then, we would also point to the INFRA grant program and the ability to make that more multimodal. I think with those sort of investments and the success will garner attention.

Senator BLUMENTHAL. Thank you. Mr. Byrd, in—in many of the fatal truck crashes, as you know—and there seem to be quite a few of them—truck driver fatigue is often a factor, in fact, a leading factor. What recommendations do you have to prevent truck driver fatigue causing these kinds of accidents?

Mr. BYRD. I thank you for your question, Senator. I think you have raised a very important point, in terms of the contribution that fatigue makes toward unsafe driving and contributes toward truck crashes. I think that if we—what we really need to revisit the hours-of-service regulation. These drivers are working in excess of 60 hours a week. More often than not, they are working 14 hours a day and they are constantly—their constant pressure on changing these regulations to further relax them or weaken them.

I think we really need to revisit the hours-of-service regulation and we need to look at this from the perspective of the impact that it makes on driver—driver health and the ability to get restorative rest. So, I think a first step is just revisiting the hours-of-service regulation because they allow just too much—too many hours for drivers to work each week.

Senator BLUMENTHAL. Mr. Spear, do you agree?

Mr. SPEAR. Oh, I certainly agree, Senator, that it is a problem. We acknowledge it. I also agree with Lamont on hours of service. We are not out there pounding pavement for hours-of-service suspension. Those suspensions have to be a really high bar.

We have a driver shortage. You are well aware of that. And to—having a suspension of hours of service and work our existing drivers even harder, is going to exacerbate that problem that you just described.

But I am also remiss that you also have to look at the overall fatalities involving trucks. And DOT data shows that two-thirds of the accidents, fatal accidents, involving trucks are actually caused by passenger vehicles and the two leading causes are speeding and texting.

So, as we look at this panoramically, you have to deal with tired drivers, you have to deal with keeping the hours in check. ELD's, electronic logging devices, we certainly advocated that, and I think it is having measurable benefits since we put that technology in place to making certain that we are staying with the hours. And we have a long way to go, in terms of really bringing the overall fatalities down. We share that goal. We will certainly work with you and members of the Senate to make sure that happens.

Senator BLUMENTHAL. Thanks very much. Thanks to the whole panel for your testimony today. My time is expired. Thank you, Mr. Chairman.

Senator PETERS. Thank you, Senator Blumenthal. Senator Baldwin, you are recognized for your questions.

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

Senator BALDWIN. Thank you so much, Mr. Chairman. In Wisconsin, we make things. And in this discussion about stronger supply chains, we need to ensure that we have a stronger workforce to transport our goods to market.

Women currently make up less than 10 percent of the truck-driving workforce and removing barriers that get in the way of women pursuing, retaining, and advancing in careers in trucking is key. Those are jobs as drivers and freight firm owners. Senator Moran and I have introduced a bipartisan bill, also supported by Senators Tester and Fischer, which would support women in the trucking industry and establish a Women in Trucking Advisory Board. And I will be working to include that bill in our surface transportation reauthorization.

Mr. Spear, thank you for your support of that legislation. Could you share a little bit more about how we need to break down these barriers for women in trucking and how that would improve the strength of our supply chains and competitiveness in the United States?

Mr. SPEAR. Absolutely, Senator, and thank you for your leadership and sponsoring that bill. ATA is a supporter of it. And we do need to acknowledge the short falls in our workforce. Bringing more minorities and women into it is certainly a challenge and you just cannot talk about it. You have to do something about it. Your introducing this bill is a significant step forward. We, internally, at ATA have set up diversity workforces to define policies and create platforms that we can help you all advocate; to make it attractive to people out there that may not need to know about our industry, and to bring them in.

We have a seven percent participation rate for women in our driver workforce. That is way too low. And we need to take steps really highlight why that is a good profession for anyone interested in being in our industry. It is good pay—pays in the mid-50s on average, with full benefits. It is a very, very supportive environment with a lot of diversity and options for anyone to choose from to earn a good salary and living.

For women, we have to make it safer for them out there on the road. It is a bit intimidating when you are on—when you are doing long haul as a woman and going to truck stops at night. Many do

not feel safe to get out on their own. We have to work with our partners, our members in the truck stop sector of our industry, to make certain that they feel just as welcome as anyone else that moves freight.

And we have also gone to great lengths, Senator, really to highlight the champions in our industry, including women, by putting them on our America's Road Team. We have had them at the White House; we have had them on panels; we have had them meet with Members of Congress; and really showcasing that women very much are a part of this industry. But we need to do more. And with your leadership and support of this legislation, I believe we are on the right path.

Senator BALDWIN. Well, thank you. Mr. Connor, like you, I am incredibly supportive of the Port Infrastructure Development Grant Program, both as a member of this committee and on the Appropriations Committee. I was so pleased to hear that the Port of Milwaukee was a great—was a recipient of the first round of grant funding. And ports across the Great Lakes are competing well for these funds.

I would like to have you share a little bit more about how these grants are being put to work to make us more competitive, and including how they can help ensure our port infrastructure as more resilient to varying and higher lake levels in the Great Lakes?

Mr. CONNOR. Senator Baldwin, thanks for that question. I just want to make one quick anecdotal comment to your previous question to Chris. I am just proud to inform you that amongst the 80 U.S. port members that AAPA has, 14 percent of the CEOs of those ports are women, which is about double the average of the Fortune 500 companies. So, I think that is interesting. In a rough and tumble business, as ports may be perceived to be, that we have such a strong representation of female CEOs.

To your question, yes, I was delighted to see about Port Milwaukee getting that grant. That program is, you know, one of a kind. It is the only program, you know, for ports only. It is amazingly oversubscribed. Each time—so we are in our third cycle, I believe now. The grant requests exceed about a billion dollars, where the grant authorization has been somewhere in the neighborhood of, 250–300, depending on the year. It has trended up in the last couple of years, so we are encouraged by that.

But these are important dollars to allow ports to improve their infrastructure, to prepare for the challenges that you are now seeing played out in front of us in real time, by the volume surges and the long-term resiliency challenges that we have from, not only sea level rise, but weather events—Earthquakes, fires, or any kind of major accidents. So, these are important dollars. But I have to say, Senator, but they fall short of what is needed.

Senator BALDWIN. Thank you and I yield back my time.

Senator PETERS. Thank you, Senator Baldwin. Senator Scott, you are recognized for your questions.

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

Senator SCOTT. I want to thank Chairman Peters and Ranking Member Fischer for holding this important meeting. I want to thank all the witnesses for being here today.

So, I became Governor of Florida back in January 2011 and we were in a big down trend in our economy. But we figured out how to invest in our ports—our ports—our seaports and our airports. We invested \$85 billion over 8 years and we did it without raising any taxes.

I understand there is a labor shortage for commercial truck drivers. My dad was a truck driver. He drove for Navajo Freight Lines. This shortage directly impacts the supply chain of goods and causes delays for the manufacturers, consumers, and corporations across the U.S. And as you all know, we are seeing significant inflation right now.

I have heard from our State's Ag community. They have been hit hard by COVID-19 and many unfair trade practices and they are struggling, on top of that, to find drivers to transport their crops.

I watched my dad be gone a lot. He was an over road truck driver, he was gone a lot and it is a tough job. I recently co-sponsored the Drive Safe Act with my colleagues, Senator Young and Senator Tester, which would allow 18- to 21-year-olds to drive trucks safely across state lines, once they have completed an apprenticeship, enhanced safety training in job opportunities for young truckers.

Mr. Spear, Mr. Connor, do you believe allowing 18 to 21 year olds to drive nationally will help the commercial truck driving labor shortage we see today? And do you think it makes sense?

Mr. SPEAR. I do, Senator, and thanks for the question. I think it is one of several things we need to be doing. On its own, it will not do everything we need to sure up the shortage. But it is a significant step. We need access to younger talent pool.

And just let me, quickly, just point out that the folks that oppose this legislation need to understand that 49 states and the District of Columbia, right now, allow an 18-year-old to drive a Class 8. You just cannot cross state lines. So, you can go from Texarkana, Texas to El Paso and back, but you just cannot cross into Texarkana, Arkansas. That makes no sense.

But what makes really no sense, is the fact that these 49 states and the District have no training standards or technology attached to it. The bill that you are sponsoring has 400 hours of training, of which 240 you have to have an experienced driver in the cab. You also have collision and mitigation systems, AEBs, speed limiters, cameras attached to the equipment. This is a step toward safety, much better than what you have in 49 states and the District, not away. And if we can entrust an 18-year-old, my son included, who commissions as a Second Lieutenant next Saturday, into the Army to go serve and protect our freedom—if we can train them to do that, on our behalf, I am quite confident that we can train them to cross state lines in a Class 8.

Senator SCOTT. First off, for Senator Peters and me, thank you very much for your son's service. This committee is very supportive of our military and—so, thanks for doing that. I guess it was a

hard year to get in the Navy? Is that what it was? I was in the Navy.

[Laughter.]

Mr. SPEAR. It was not at the Air Force; I can assure you.

[Laughter.]

Senator SCOTT. So, Mr. Connor?

Mr. CONNOR. Senator, thanks for the question. I would just simply say that AAPA and its members would be fully supportive and would strongly encourage Congress to pass legislation, which improves the cargo fluidity across our Nation and strengthens our freight network.

Senator SCOTT. Yes. I mean, it probably is—it probably, you know, if you think about it for a small state, it is a bigger deal. But Florida, it is still an important—it is important for us and places like Texas. But boy, for smaller states, it is probably even a bigger deal.

I guess for everybody, I was a big supporter of our ports. In my eight years, we invested \$1.4 billion in our ports. And we have 15 seaports in Florida. We are the closest ports on the East Coast to the Panama Canal. So, it was a big opportunity, and we actually created a lot of jobs.

As you all know, the Panama Canal now accommodates the new Panamax vessels, and it is clearly changing shipping patterns. Our goal was to get all the shipping that goes to the West Coast to come to Florida, if it can. So, what do you—what do you all think Congress should be doing to ensure that all of our ports have the opportunity to deal with these Panamax ships? Probably not somebody in the Great Lakes, but clearly, along our East and West Coasts?

Mr. BAKER. Well, I am sure that Chris Connor, with the AAPA, will have a lengthy answer to this, also. But I would add, from a rail point of view, one of the places that we are very much in agreement with ports, in addition to supporting the Port Infrastructure Development Grant Program, which was just discussed. We would also point to the INFRA grant program and recommend to Congress removing the multimodal cap on that to allow the applicants to choose to invest wherever they think is most beneficial. And often times, those are port projects or, perhaps, rail access to port projects, which would be a two for one for Chris and I. And I would—I would point to both of those as attractive options.

Senator SCOTT. Yes, it is—rail connection is pretty—it is pretty important to us and how fast—what I learned in the ports—I am not an expert on the ports but what I learned on the ports is how fast things got off those ships and got into the rails. It was a big deal, especially as it came up the East Coast. And so, if our—if the Port of Miami could do better than Brunswick, it would really create a lot of jobs in Florida.

Mr. BAKER. Yes, sir. It is a very—the freight network is extraordinarily interconnected, and we rely on trucks and rely on ports and we all work together. But it is also extraordinarily competitive and, you know, competition is an incredible motivator for folks. And ports competing with each other and competing with coasts and rails—competing with each other and rails, competing with trucks, tends to have beneficial results.

Senator SCOTT. I do not know if this happens in all the states, but in my years as Governor there were so many companies that showed up that just created logistics. They were just logistics companies that were trying—I do not know if—if, Senator Peters, if that happened in your state, but you have all these people that all they did was create logistics all day long. And they were—everybody was bidding to figure out the cheapest way of doing things. And so, if we can—my experience is, if we can invest in our ports and our airports and our roads, it really does create a lot of jobs, so—anybody else?

Mr. SPEAR. Just a quick note, Senator, on the freight intermodal connectors, these are the roads to ports, railyards, and airports. We are looking at that data. Nineteen percent of that is mediocre condition. Thirty-seven percent of that is in very poor condition. We really started to understand, when ports invest they dredge, they modernize technology, and so on.

All that money getting poured in—I remember touring the New York-New Jersey Port Authority, about 3 years ago after they poured, you know, several million—several hundred million into their port. And when you look at the heat map around that and freight was still red. It was all bottlenecked around the port because these intermodal connectors were not invested. And we looked into that and 70 percent of those roads—those intermodal road connectors, are under the jurisdiction of local and county governments.

So, the Federal and the State role in that is—there is a huge separation there that has to be addressed because, no matter how much money you pour into the ports, if the boxes are still sitting there and we cannot get out of the port area, a lot of good that did you. So, I think the coordination, when you look at legislation to make sure that we are pulling those counties and local governments in and make sure they get the money, I think you are going to see more efficiency there.

Senator SCOTT. So, I will tell a cute story. This will be off a little bit. We put up all the money for the—to go underneath the port so the trucks could get out, straight from the port, up to, I guess it was 95 in Miami. And the Feds came down, put up no money, and we had to wait for them to start the event. And we all—they were on time for the other one, but we also did the same thing in Tampa. We—we made it easier to get from the Port of Tampa onto, I guess, 75—75 in—whatever the road is on the bypass. So, over toward I-4. It does—it really made a big difference, so—and then, when we were doing the announcement, the first truck that was supposed to come though, somehow was delayed. So, for, like, 15 minutes we were all waiting there.

It was—it is—it really paid off—what you just brought up, it really paid off for the Port of Miami and the Port of Tampa. So—but we are—you are right. We all have to work together and every part of it really matters, so—although my dad did not like anything going on rail when I was going up. Thank you.

Mr. CONNOR. Senator, if I could just add one final comment to your question about the larger ships coming through the canal. Of the \$6 billion, that I mentioned earlier in my testimony, \$3 billion of that would be specifically for completion funding of 12 Federal

navigation channel improvement projects that are currently underway or awaiting initial funding. So, we—we certainly recognize the advent of the larger canal and the deeper draft ships that come with that and encourage Congress to include that spending in any infrastructure package. Thank you.

Senator SCOTT. It is a lot—it is a lot of good paying—by the way, those are really—the people around the ports, they have got a lot of money. It is really good paying jobs. It is really nice, so—Thanks, everybody, thank you.

Senator PETERS. Well, thank you. Thank you, Senator Scott, for your question. Senator Lummis, you are recognized for your questions.

**STATEMENT OF HON. CYNTHIA LUMMIS,
U.S. SENATOR FROM WYOMING**

Senator LUMMIS. Thank you, Mr. Chairman. And one of the fun things about this job is you get to hear about all of the different states and the issues they deal with. I come from the very large landlocked state of Wyoming, through which interstate 80 passes, which I think is now the major corridor for truck traffic that is going coast to coast. So, we see a lot of trucks. I farm on one side of the state and ranch on the other side, and I take I-80 all the time and there are so many trucks it is just unbelievable.

My question for Mr. Spear. Because of the hours-of-service regulations, there is a lack of dedicated truck parking and I see it. I see it with my own eyes on interstate 80. How large is the gap between the number of trucks we have on the road and the amount of parking made available to them?

Mr. SPEAR. Well, thank you, Senator, for that question and we have legislation now introduced up here on the Hill, that would channel monies to the Highway Trust—from the Highway Trust fund into truck parking, \$755 million of it, through the Truck Parking Safety Improvement Act. And it is a huge problem.

You do not have to go far from this—this dais. You can go just up way here and get on 95 to Baltimore and you are going to see multiple trucks parked on the shoulders, on the on and off ramps, and it is a hazard. But they have to comply with their rest breaks, and without parking to do that, they are putting the motoring public at risk. And this has become a national problem. So, you do not have to go far from here to see it.

It exists in Wyoming. I always call Wyoming, my home state, the high—you know, land of high altitude and low multitude. But there are a lot of trucks and there is not a lot of parking. And it becomes a problem when that intermixes in states as sparse as Wyoming with motoring traffic, passenger vehicles.

So, it definitely needs to be part of any legislation that you consider. This component really is key, and our entire industry is very much behind it. So, really appreciate you drawing attention to it, Senator.

Senator LUMMIS. Yes, thank you for that. And in addition to that, there is some traffic bottlenecks in my neighborhood. The American Transportation Research Institute identifies each year, the top 100 freight bottlenecks in the country. Three of them are in my neighboring state of Colorado and trucks can sit for hours

on the way to Wyoming. So, that drives up prices and sometimes delays business for people in my state.

So, do these large bottlenecks require attention from Congress, as well? And how much economic input, or output, is lost from these larger bottlenecks?

Mr. SHEAR. They—they are considerable. We put that report out every year. I am on the Board of ATRI and I think that data is extremely useful for Members of Congress to see their states, districts, and where these bottlenecks exist. We track it through GPS data, and it is really an outstanding report.

Real-time, I have to give a shout out to Senator Blumenthal. He has seven of them in the State of Connecticut. Small state of Connecticut has seven of the top 100. And so, I applaud him for being here. He has a vested stake in this. Colorado, as you said, Senator, has three.

We can certainly—we have shared that with your staffs. That report is very, very helpful in showing the impact that congestion and the lack of investment of infrastructure is having 425,000 drivers sit idle every year, for an entire year, sitting in those top 100 bottlenecks. That is \$75 billion to the annual cost of freight transportation each year. And for anyone that has cared about the environment, that is 67.3 million metric tons of CO₂ being omitted, just sitting in traffic.

If we can just deal with those top 100 bottlenecks, and those intermodal freight connectors I spoke about earlier, you would see so many efficiencies, so many improvements in productivity, safety, and environment. If you are a driver and you are sitting in traffic—we already have a driver shortage—you have a lot of time on your hands to think about, hey, I could probably be doing something else.

And so, congestion is very impactful, and not just to mention, as the Senator rightfully did, the impact on the prices we pay for goods. So, making that a key component of any legislation would draw a lot of support from ATA.

Senator LUMMIS. Well, thank you. We have all seen a dramatic increase in e-commerce and the need for logistics and deliveries of all of this e-commerce. And I do not see that changing just because COVID is starting to lift. So, thank you for your testimony today.

Mr. Chairman, I yield back.

Senator PETERS. Well, thank you, Senator Lummis, for your questions. Senator Warnock, you are recognized for your questions.

**STATEMENT OF HON. RAPHAEL WARNOCK,
U.S. SENATOR FROM GEORGIA**

Senator WARNOCK. Thank you so very much, Mr. Chairman, and thank all of you for your testimony today.

Georgia is known for its freight transportation and logistics prowess, due to an extensive infrastructure network. We have one of the busiest airports in the world, but we also have the third top container port, with the most extensive rail terminal facility in the country. We have nearly 4,700 freight rail miles, operated by nearly 30 railroads. We also have six interstates, 1,200 highway—that cover 1,200 highway miles. This allows our state to serve as a freight hub for the entire Southeast.

Mr. Baker and Mr. Connor, could you speak to the importance of investing in multimodal freight infrastructure, not just highways? And to ensure that all of our freight transportation systems are able to interact and connect efficiently, why is that important?

Mr. BAKER. Yes, sir. Thank you, Senator for the question. As we have discussed a little bit already today, freight is very much an integrated network and rail works closely with our friends in port, our friends in the trucking industry. There our competitors, but they are also all part of an integrated network.

But we would very much agree with the premise of your question, that investment in rail and ports is crucial. I have suggested a few ways that Congress could help that. Our Class I railroad friends do the investment on their own. They are privately owned and funded, and they largely just need policies to not harm their ability to do that. On the short line side and, as you have noted, there are dozens of short line railroads in Georgia, many smaller businesses in rural areas.

We agree with our friends at the Class I's and we also—we do ask Congress for a little bit of help on the grant funding side. We think there are huge benefits to doing that for the Georgia economy, for rural Georgia, and for the environment, also. So, I would point to, in particular, the CRISI grant program and the INFRA grant program, as two areas that we would love your support on.

Senator WARNOCK. So—so, it seems, given what you have said and spoke to this—much of this earlier in the—in our hearing today, it would suggest that we simply cannot rely on one mode over another. That part of the reason Georgia has been successful at attracting manufacturing and its businesses, is we have diversified our transportation network.

What more can we do here in Congress, to ensure that we are making smart investments that would improve safety and efficiency, while reducing congestion and harmful emissions?

Mr. CONNOR. Well, Senator, thank you for the question. This is Chris Connor from AAPA. One of the things that we are strongly advocating in the reauthorization of the FAST Act is the creation of a—within DOT, an Office of Multimodal Freight Transportation, so that DOT has the ability to better leverage all modes.

As my colleagues on the panel, I think, have nailed it each time, it is a connected network. Regrettably, we have not always looked at it that way. It has not been invested in that way. But I think a much more high-level, strategic approach, which was originally outlined in the 215—2015 passage of the Freight Act.

If we could take that equality of that national freight strategy up a few floors higher, I think we could really start to look upon our country as a system of connected networks. One that includes ships, trucks, trains, and short sea transport, not only along our coasts, but also in our navigational inland routes, to deliver goods and services to our citizens.

Senator WARNOCK. So, it is all of the above and this is work that cannot be efficient and at the same time, operate in silos. We have to see it in an integrated manner that does not place, kind of, arbitrary caps on intermodal infrastructure. It is really an integrated approach.

Thank you so much and I look forward to working with you to make sure that that is the kind of vision that we put forward, certainly for the State of Georgia, but for our country at large.

Mr. CONNOR. Thank you, Senator.

Senator PETERS. Thank you, Senator Warnock, for your questions. Mr. Byrd, my first question is for you. You know, Mr. Byrd, I am someone who supports technological innovation. If we are able to make workplaces safer, if we create new jobs in the process, I think there is just tremendous opportunity there.

But I would also agree with the statements that you made in your opening testimony that we have to tread carefully with the rise of automation, which is happening now, and will continue to happen in the future. I would categorize it as—automation is, perhaps, one of our biggest opportunities, as well as one of our biggest challenges for our country and the world in this next century.

And we certainly have our work cut out to ensure that technology continues to be a force for good and that everybody benefits from technological advances and innovation, not just a few. And that probably really depends on enacting the right policies today. You cannot wait, particularly as technology is moving as rapidly as it is now. We have to have those policies today, so that these advances have real benefits for workers and for the American middle-class, not in the future, but now.

So, my question for you, Mr. Byrd, is when it comes to the freight industry, if we could harness technology in a way that vastly improve safety, also will expand job opportunities—if we can do that to help our country, is that something that we should be striving for? And would you support that type of innovation within our country?

Mr. BYRD. Thank you very much for your question, Senator. Yes, we could—we could support that type of innovation, but we have to make sure that, as you indicated, on the front side we have to make the necessary investment to ensure that—that there—there is regulatory authority established and we understand which agency, or agencies are going to have that regulatory authority.

We have to keep in mind what has to be done for the training of the workforce, to ensure that they can adequately operate the new vehicles or be retrained to provide maintenance or other support functions for those automated vehicles.

So, I think if we take a step back and take a comprehensive look at all of the elements that are necessary to move forward, we could do this in a way that would not be necessarily harmful to the existing workforce. It could help move us forward, in terms of us being able to innovate as a country.

Senator PETERS. Well, that is good to hear. And we have to—we probably have to do it simultaneously. You mentioned stepping back, but technology is moving rapidly. From a competitive standpoint, you know, we are facing international pressures from significant competitors. The Chinese are investing billions of dollars into this technology—Europeans.

So, if we do it simultaneously, that—and we are thinking about both equally, that sounds like something you would support, and your organization would support?

Mr. BYRD. Yes, and I also think that it is important that we understand, as a country, what companies are moving forward with the innovation. Where is this happening? We need to have information about the challenges that these companies have encountered, in terms of implementing these types of technologies, the type of malfunctions, the other types of problems that they may have encountered. Then, we need to get input from the workforce that is actually interacting with this technology, to get their input, to understand how this is having an impact on workers, also.

Senator PETERS. Right, thank you. Mr. Baker, in 2017, a notorious railroad crossing in Plymouth, Michigan was blocked for 9 hours. Unfortunately, blocked railroad crossings are not something unique to Plymouth. That is a problem that happens in towns all across my State, all across the country, as you are fully aware.

Unnecessary delays hurt local businesses, making it harder for them to operate, and hurts families trying to get their kids to school and activities. Makes it difficult for them to get to and from work, and worst of all, it can be an enormous public safety problem. Blocked railroad crossings can prevent first responders from attending to life-or-death situations, and many other safety concerns.

That is why I work—I am currently working with Ranking Member Fischer to address this problem. Chair Cantwell and Senator Blunt are also working on this issue with legislation that they have put forward.

So, my question to you, Mr. Baker, is do you support my efforts and Senator Fischer's efforts, and the efforts of many other members of this committee, to address delays at rail crossings, to improve safety at these crossings? And could you comment on how your members are addressing this incredibly important issue?

Mr. BAKER. Yes, sir. Let me—I will try to answer each of those questions. We—on the addressing it first, the short line railroads are extraordinarily committed to addressing those individually, in real-time, with communities. Frankly, it is probably a little bit easier for short lines than some of my Class I friends, given that we typically have smaller track and—or shorter track and simpler networks to manage. And we generally can address those problems and we work very hard to mitigate any of those impacts before you would ever hear about them. However, there, obviously, are still challenges and we are not perfect and sometimes they are unavoidable.

We are very supportive of Senator Cantwell and Blunt's proposal to fund grade crossing elimination and we have endorsed that publicly. And we think that in times where we cannot solve the problem operationally, throwing some money at the problem, frankly, to help separate the crossings would address the issue.

And with—with this Fischer/Tester/Moran/Klobuchar/Peters bill—S. 700, I believe—I believe we have said publicly we do not oppose the bill. Frankly, I would say we find it a much more thoughtful approach than your friends in the House took in H.R. 2 last year. And if that bill finds its way into surface transportation authorization, we do think that it would be beneficial to gather some of that data and it would be a useful, productive step.

Senator PETERS. Great. Good to—good to hear that. Mr. Spear, just to follow up to that. I mentioned some of the challenges when you have railroad crossings blocked. But certainly, that means problems for the trucking industry, as well. Could you just briefly tell the Committee what happened when you have Plymouth, for example, with a 9-hour delay, what that could mean for the freight industry? For your industry, what sort of challenge does that present? And why do we need to fix this problem?

Mr. SPEAR. Yes, I think it really underscores the intermodal, you know, nature of our supply chain now and it has repercussions. It certainly backs up the movement of freight. We have seen it there. We have seen it in, you know, blockage of the Suez Canal, as was mentioned earlier. These things are very measurable. You know, and we have to look at each one individually as they are all a little bit different.

This latest cyber-attack of the Colonial Pipeline, certainly something that we are working hand in glove with DOT to ensure that, you know, not only as a backup, but we get that fuel to where it needs to go. We do not want long lines. We want to make certain we maintain supply.

But when you talk about resiliency, it is these instances; they have a compounding effect on our ability to get freight on time. It not only delays, but it escalates what we pay. And it is also an issue of safety, particularly when you have hours of service suspensions and working that, you know, already depleted workforce harder.

So, these are all things that you have to look at panoramically and really understand the complexity of a supply chain. How resilient, really, is it? You know, one of these instances, we are pretty darn good at managing—even a natural disaster, to a global pandemic. But when you compound all those at the same time, there is a break point. And that is what I think the—the next bill really needs to look at is, in totality, the whole supply chain and equip government with its private sector partners in a way that we can manage those instances effectively.

So, you are spot on right looking at these problems because, added up, they are going to be a real, real significant impact on the economy.

Senator PETERS. Yes, absolutely, Mr. Spear. Thank you for that answer. Senator Thune, you are recognized for your questions.

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

Senator THUNE. Thank you, Mr. Chairman, and thank all the witnesses for being here today to discuss the importance of a robust, fluid, and interconnected freight transportation system. It is crucial that freight policy continue to recognize the importance of rural areas where the vast majority of agricultural and industrial commodities originate. And while they may not be located in major cities or experience high traffic volumes, rural freight corridors are a crucial component of the Nation's transportation system, ensuring goods are transported around the Nation and the world safely and efficiently.

Mr. Connor, record container volumes in our Nation's ports have exasperated port congestion and highlighted the need for investments that alleviate congestion throughout the Nation's freight transportation system, including ports. This is especially true as we look forward to a strong recovery from the pandemic.

The container shortage has harmed a wide swath of shippers, but exporters of agricultural commodities whose container turnaround times are often longer, have been hit especially hard. With more than 20 percent of agricultural production exported in the United States, our producers depend on access to foreign markets. Could you describe any actions that port authorities are taking to alleviate the harmful effects of the container storage—shortage, I should say?

Mr. CONNOR. Senator, thanks for that question. Let me respond this way. There was a report that dropped on Friday by the World Bank and IHS market that was headlined, "American Ports Fail to Make the Grade on Efficiency". And it was a report on the container port performance index from 2020 called the CPPI. And they measured—they ranked the 351 of the world's largest container ports on dwell time, which is a measure that is largely seen as a reflection of how ports have processes and their infrastructure.

The topped ranked U.S. port in that study was ranked number 53. The second ranked U.S. port was ranked number 87. Not surprisingly, Asian ports led the way. So, you know, we are getting—we are getting beat on infrastructure spending, particularly by China.

I would highlight, anecdotally, that AAPA is in the early stages of a white paper that we are writing called, "Staying a Superpower". And in the early analysis that we have done, when it comes to public spending on all things related to water borne transportation, China outspends the U.S. by a measure of two to one.

So, getting back to your point, I think all of the problems we are experiencing right now are a function of decades of underinvestment in port and intermodal connections to move freight. I do understand your specific question about access to markets, particularly by interior state producers. I think, on that note, you know, the good news is that, you know, barge and rail car traffic is reaching the ports to be exported overseas.

I think the challenges are on the container side and containers not being dispatched to interior point locations. That is a legitimate concern, one where AAPA and some of its leading members have convened with the FMC and others to try to, really, come up with the best strategy. Because, of course, all of these shortages, in a way, take place on the port's footprint. But the ports do not necessarily control all the levers, nor the commercial relationships that govern whether or not that empty container gets out to the center of the country to load an export load overseas.

Senator THUNE. Thank you. Mr. Baker, I appreciate that your testimony mentioned the Railroad Rehabilitation and Financing Innovation Act, which is legislation that I introduced, along with Senator Hassan, this year to improve the accessibility and viability of the RRIF loan program for smaller railroads, including short lines. Could you elaborate on why the current RRIF application process presents such a formidable barrier to entry for short line railroads?

Mr. BAKER. Yes, sir. Thank you for the question. RRIF has long, as you know, for decades, held this tantalizing promise to help the short line industry invest and grow, and particularly in places like South Dakota. And it has never quite—it has never quite gotten there. And over the last 10 years in particular, RRIF has essentially stopped working for short lines.

I think your bill would be remarkably helpful. It does a few things that we—we find crucial. It would streamline the application process. It would extend the length of the loan terms, out to as long as 50 years, which would better match the length of the assets. It would increase flexibility regarding collateral requirements. And then, perhaps most importantly, it would authorize funds to pay for the credit risk premiums, which would make RRIF look and function a little bit more like TIFIA. I do not know if folks would say TIFIA is the world's most successful program, but compared to RRIF, it is gangbusters.

So, we think your bill would be—would be a huge step in the right direction. We appreciate you introducing it.

Senator THUNE. Thank you. My time has expired, Mr. Chairman. But yes, I look forward to working with you and your organization. It would be nice to get that enacted. We need that program to be accessible to short lines and smaller railroads in this country.

Senator PETERS. Thank you, Senator Thune, for your questions. Mr. Connor, my next question is for you. You know, the Great Lakes navigation system is essential to freight mobility in the United States and there is no question our Great Lakes ports support countless jobs all across the country.

I want to talk about one particular piece of critical infrastructure, and that is the Soo Locks, which are the—really, the lynch pin for the whole system. They are located Sault Ste. Marie, Michigan and they connect Lake Superior to Lake Huron. And roughly 80 million tons of cargo pass through the Locks each year and most of that is iron ore produced in the United States. So, that starts up in Minnesota and travels down to Michigan and steel mills all along the Great Lakes. An essential link in the supply chain for domestic steel production and manufacturing that relies on steel—certainly, the auto industry in particular.

But there is a major problem that only one Lock in the Soo Locks complex, the Poe Lock, is big enough to handle large cargo vessels. And as a result, the Poe Lock handles roughly 89 percent of the total tonnage that transits the Soo Locks. And if the Poe Lock fails, it would be devastating to the whole economy. In fact, a 2015 report from the Department of Homeland Security, estimated that an unanticipated closure of the Poe Lock would trigger a national recession and would cost upwards of 11 million jobs in the United State.

That is why I fought, along with my colleagues in my delegation, to fund construction of another large Lock in that complex that will create the redundancy and mitigate the threat. But we also need to make other infrastructure improvements in the Locks.

In fact, as I toured the Locks with the Corps of Engineers, some of the pumps that pump the water were made back in the early 1900s. That is certainly a testament to how good the Army Corps of Engineers is in keeping things running. But we should not have

pumps that are from the early 1900s for a critical piece of infrastructure that could have a devastating impact, should it fail.

So, my question to you, Mr. Connor, is specifically related to that. You have addressed it with the congestion at the ports but talk to me how important it is to make sure, in any infrastructure package—we are funding projects, like the Soo Locks and other pieces of infrastructure, that may not be a port but are an integral link to the mobility system.

Mr. CONNOR. Yes, absolutely and, Senator, you said it so well yourself. You know, the inland waterways are essential mover of goods to coastal ports and to the global marketplace—to and from the global marketplace. And specific to the Soo Locks project, in our \$6 billion Army Corps of Engineer ask that I articulated earlier, we are seeking completion funds, so that the Sioux Locks project can—can be completed and no longer be a bottleneck for trade.

But there are so many essential pieces of the integrated, inter-modal network from coast to coast that facilitates trade between nations that need to be addressed in this infrastructure package. I think now is the moment to make the commitment to get the spending in place and to prepare this country for not only the next generation, but maybe the next two generations, if not three generations, so that we can compete in the world economy.

Senator PETERS. Well, you are absolutely right, Mr. Connor. And another issue that I would love to have you address here, too, and you talked about that with previous questions related to ports and the crowding that we have, particularly on the East and the West Coast and the need for significant infrastructure investments. But as you are well aware, we have a lot of smaller ports across this country, and in the Great Lakes, for example, the number of smaller ports where investments—considerably less in terms of dollar amount. Investments in those ports could yield huge returns toward—in terms of capacity and to bring some of that freight up the St. Lawrence Seaway and into the heartland and then, to connect with rail and trucking and other assets.

What is your sense of the necessity for us to make sure that we are funding infrastructure improvement projects in smaller ports, located across our country, but in particular, those in the Great Lakes that, historically, have always been a major center of commerce?

Mr. CONNOR. Yes, absolutely and again, I would cite what I said to Senator Baldwin earlier. You need only to look at the PIDP process over the last couple of years and the—the subscription for that program was in excess of a billion dollars each year. I four-fold exceeded the amount of the appropriation to get a sense of the need from ports of all sizes, including many, many of the small to mid-size ports of which you are referring. These ports include those in the Great Lakes, who are seeking to improve their port infrastructure, so that they can be more efficient and more competitive in the global marketplace.

So, it is a huge priority and something we are a big fan of, PIDP. But we would be an even bigger fan if we could see that dollar appropriation get significantly higher.

Senator PETERS. And one final point related to that point. In your testimony, you discussed the challenges that ports have, due to CBP screening requirements and resources. Clearly, the Department of Homeland Security and CBP have a really tough job. They have to do two very important things. One, they have to keep us safe, first and foremost. And second, they need to move trade, as efficiently as possible, across the border. But sometimes, smaller ports, smaller facilities have challenges getting the security personnel—the CBP personnel necessary to facilitate that trade.

In your mind, how can we best balance security concerns and evolving threats, with port operations, to move freight more efficiently? What should we be thinking about doing?

Mr. CONNOR. Yes, what I mentioned in my opening remarks is, you know, some type of a funding mechanism for CBP; so that they can create what they need, at ports, to best do their job. In the absence of that, the trend that we have seen, and has become a growing concern for our members, is a shifting of the cost burden for facility upgrades and for officer shortfalls, away from CBP onto the shoulders of the ports.

This has gotten very problematic in that, it, at times, comes with concerns over if the ports do not pony up, that the speed in which cargo is screened, will slow down, you know, further compounding the whole freight movement issue we have been discussing here, this afternoon. So, I think it is incredibly important that we address this, we bring it out into the open, and we find a permanent solution to make sure that CBP has the funds that they can operate, true to their original mission.

Senator PETERS. All right, thank you. Mr. Spear, in my final question here, as we wrap up the hearing today I am going to talk a little bit about international ports of entry. In Michigan, we have two of the busiest ports of entry in North America. In fact, of the top five, in terms of the volume of cargo that goes across an international border, two of them are in Michigan—Port Huron Sarnia and Windsor, Detroit.

And in certainly any kind of infrastructure package requires us to make sure that we are moving that freight more efficiently. And right now, the construction of the Gordie Howe International Bridge is underway to alleviate some of the traffic that is on the current bridge. In fact, you can see trucks just lined up, as they try to come across that very, very, busy, busy border.

So, my question to you is, how will investments to enhance capacity at these ports of entry—how is that going to improve your ability of your industry to move cargo and freight in a resilient and timely fashion, and why is it something that should be a priority for us?

Mr. SPEAR. Well, I think partnerships are something that I would emphasize, especially when you are looking at crossing borders. You mentioned a significant crossing. I have been to Laredo, as well. You know, I have seen 11 to 14,000 a day going across that. It is staggering to watch the dance unfold. And that dance involves a lot of partners. And when you look at the private sector industry, we have a vested stake to move that freight quickly, but safely and securely. And we take that very seriously.

The partnerships that we have with DHS, but beyond CBP, we have got FMCSA looking at the safety of that equipment, making certain that, you know, those crossing in that are not U.S. plated, are doing it according to the law. These are all rules of the game that we have to play very well, and those that do, have very strong understanding of the relationships that we have with our Federal law enforcement agencies.

So, I think we build on those partnerships. I think it builds trust. Creating programs that really underscore efficiency is extraordinarily important. You then toss in good infrastructure and alleviating those choke points, you will be able to see those partnerships really take advantage of the throughput, and not compromise safety and security.

So, the infrastructure is important. I also think good trade policy and good tax law is important. You do all those things at the same time; I think you are really coming up with a good recipe.

So, something that we really underscore, we really want to partner and really have good transparency with our law enforcement partners. We do, and going forward, I think any legislation that you fund or insert any policies, we would look for that to be a leading part of the bill.

Senator PETERS. Right. Well, thank you, Mr. Spear. And as this hearing concludes, I certainly would like to reiterate my appreciation and my thanks to each of our witnesses for being here today and offering your thoughts. Certainly, the freight industry is the backbone of the American economy and I look forward to working with my colleagues on this committee to support workers and to invest in infrastructure, so we can ensure a bright future for the industry and for our Nation.

The hearing record will remain open for 2 weeks. And any senators that would like to submit questions for the record should do so within 2 weeks. And with that, this hearing is now adjourned.

[Whereupon, at a.m., the hearing was adjourned.]

A P P E N D I X

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. MARIA CANTWELL TO
CHUCK BAKER

Railroad Crossings. There are at least 50 railroad crossings in the State of Washington that are each blocked by trains for an average of two hours every day. Eliminating each of these crossings would cost an average of \$30 million, while some projects like the Lander Street project in Seattle can cost over \$100 million. Many cities and towns do not have the funds needed to undertake these projects, and Federal programs are not currently meeting the needs of communities across the Nation. That's why I introduced the Railroad Crossing Elimination Act with Senator Blunt, which would provide dedicated funding to help address desperately needed grade separation projects across the country.

Question 1. How will the funding included in the Railroad Crossing Elimination Act impact your ability to deliver goods across the country?

Answer. Chairwoman Cantwell, the American Short Line and Regional Railroad Association supports the Railroad Crossing Elimination Act proposal, which you and Senator Blunt introduced. As I've said elsewhere, short line railroads strive to work closely with our communities and customers to avoid causing any unwelcome impacts. Still, opportunities exist throughout the country to improve or eliminate highway-rail grade crossings. Doing so can aid the mobility of people and goods and improve the health and safety of communities. If passed, this legislation will help provide funds to our governmental and tribal partners closing, relocating, or improving many challenging crossings, and we look forward to doing so whenever and wherever possible.

Freight Congestion. Freight congestion has real economic impacts for consumers and businesses. Nationally, truck congestion increases business operating costs by about \$74.5 billion annually. In my home state of Washington, a 20 percent increase in truck congestion could cost freight-dependent businesses \$14 billion. But it's not just freight bottlenecks that can increase shipping costs. Significant disruptions to the supply chain, like the blockage of the Suez Canal and ongoing container shortages, can also lead to a significant increase in the price of moving freight—costs that are passed on to manufacturers and consumers.

Question 2. What investment or policy priorities would best mitigate congestion impacts and improve the efficiency and reliability of goods movements?

Answer. The short line and regional railroad industry strongly supports the CRISI (Consolidated Rail Infrastructure Safety Improvement) grant program, which has helped fund more than 80 short line freight rail infrastructure projects across the country at an average of approximately \$6.4 million per project. We urge the Committee to continue to support the program and to consider raising the authorized funding level while ensuring the bulk of the funding goes to eligible recipients for the relatively small size of the individual projects where true need does exist. Using CRISI for large passenger and commuter rail projects that can be more appropriately funded under programs intended specifically for large passenger and commuter projects limits the available funding for small operators such as short lines. We also support other grant programs such as the BUILD program. Finally, we are also strong supporters of the rail-highway grade crossing program under 23 USC 130, as well as the application of Federal funding for grade crossings arising from eligibility through other programs.

Rise of E-Commerce and Multimodal Freight. E-commerce accounted for 792 billion dollars in sales in 2020—that's 14 percent of all retail sales. This resulted in an average of 10 million packages per day travelling through our ports, over rail, and on trucks to reach consumers last year. With the value of freight already set to increase 40 percent by 2030, this shift in consumer behavior will only further strain the freight system. We need to make sure our policies and investment ad-

dress end-to-end supply chain resiliency and support infrastructure that can accommodate rising freight traffic.

Question 3. What is the importance of providing adequate multimodal funding, especially with regard to first and last mile delivery of goods?

Answer. As short line railroads, we are the actual first and last mile. Toward that end, as noted above, we are strong supporters of grant programs such as CRISI and BUILD that enable short lines to address projects that are generally small when compared to those of some other modes, but are very large to those small businesses that operate Class II and Class III railroads. The typical short line railroad reinvests 25 percent to 33 percent of its gross revenue in its operation to upgrade track that it took over after the major North American railroads abandoned it due to lack of profitability. But those tracks are the vital link that keeps towns and cities—often located in rural areas—connected to the national economic mainstream. In many instances, short lines provide the majority of rail transportation in a state. Increased Federal funding availability will further enable short lines to improve efficiencies while continuing to provide safe and environmentally friendly freight transportation.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. DAN SULLIVAN TO
CHUCK BAKER

Background. There was a lot of focus on disruptions to our supply chains at the beginning of the pandemic where we saw how our reliance on foreign sources for everything. From pharmaceutical ingredients and medical supplies to basic household items, the supply chain and foreign shipments were subject to disruptions largely outside of our control. Now, more than a year into this pandemic, our supply chains are still suffering—but not from a lack of goods. Our ports are experiencing significant increases in cargo volume as most sectors of the economy are returning to full strength. This has led to congestion at several bottlenecks across the Nation that is challenging our ability to meet cargo movement demands. Dozens of ships sitting are offshore waiting to get into ports to offload their goods. Imports and exports are both delayed. This harms our economy, our global competitiveness, and our national resilience.

Question 1. For each of your sectors, can you briefly share what actions can be taken right now to provide immediate relief to the crippling congestion in our vital supply chains?

Answer. Short line railroads have generally been performing well throughout the pandemic, and that includes the current situation. By our nature, short lines generally tend to have comparatively simple operations to manage and we generally have available capacity. Therefore, while we agree with the premise of the question and are witness to many bottlenecks and delays throughout the supply chain at the moment, we are generally not the cause of those delays nor are we able to directly affect them. However, we happily renew our public and private pledges to do everything within our power every day to serve our shippers, communicate effectively with our partners, and keep freight flowing as efficiently as possible.

Question 2. Your written testimony urged appropriate streamlining for NEPA approvals. Additionally in your testimony, you noted that a project to improve 10 miles of shortline track to rural grain elevators should not have the same burdens as a project to add a new subway line or add lanes to an interstate highway. Do you have any specific examples or anecdotes of needless project delays in shortline railroad projects you could mention?

Answer. I am aware of a short line project in Massachusetts that was rehabbing 10 miles of track—it would have normally been granted a categorical exemption (CE), but b/c of a 20 foot long “bridge” in the middle of the project, it ended up being subject to a lengthy Section 106 Historical Review delay. It progressed eventually, but time and money was wasted.

There is a similar project in Arkansas with a short line track upgrade project being held up for reviews involving bat habitats, even though the project was just upgrading and maintaining existing track and bridges.

I believe the Alaska Railroad in your home state has had multiple challenges involving historic preservation reviews also. While each of these reviews and delays are likely within the letter of the law and individually may appear reasonable, in total, they result in projects taking more time and money than necessary, and given that railroads are an environmentally preferable solution as opposed to trucking, project delays ironically result in environmental harm.

Question 3. FRA's Consolidated Rail & Infrastructure Safety Improvement grants allow eligibility for shortline railroads, including the Alaska Railroad, which has benefitted from these grants. In your testimony, it says these grants should be equally available to shortline railroads and to not add a set-aside for only large mega-projects over \$100 million or \$500 million. I agree that saying "small railroad projects need not apply" would not make sense for the Alaska Railroad. Since, I am not personally aware of efforts in this committee to steer these funds to large mega-projects, could you please elaborate?

Answer. This committee's rail title, as written in the Surface Transportation Investment Act, which passed your committee on June 16 by a vote of 25–3, is excellent for short lines, including in the way it handles the CRISI program. The concern I was referencing is from the House bill, which while it does include a substantial increase in CRISI authorization levels, also sets aside 25 percent of the program for mega projects over \$100m. While short lines do not mind competing against mega projects for funding dollars on an even playing field, we do not see why projects that can provide substantial benefit but cost less than \$100m would be excluded from any portion of the program. Generally spending less is desirable!

Similarly, the House version of the surface transportation bill transitions the INFRA program into the Projects of National and Regional Significance program but eliminates any eligibility for projects under \$100m, whereas the current INFRA program has a 10 percent set-aside for smaller projects. The Senate Commerce bill increases that small project set-aside to 15 percent.

On both the CRISI issue and the INFRA/PNRS issue, we support the Senate version of the legislation and request that you do everything in your power to ensure that the Senate version prevails in public law.

RESPONSE TO WRITTEN QUESTION SUBMITTED BY HON. DAN SULLIVAN TO
LAMONT BYRD

Background. There was a lot of focus on disruptions to our supply chains at the beginning of the pandemic where we saw how our reliance on foreign sources for everything. From pharmaceutical ingredients and medical supplies to basic household items, the supply chain and foreign shipments were subject to disruptions largely outside of our control. Now, more than a year into this pandemic, our supply chains are still suffering—but not from a lack of goods. Our ports are experiencing significant increases in cargo volume as most sectors of the economy are returning to full strength. This has led to congestion at several bottlenecks across the Nation that is challenging our ability to meet cargo movement demands. Dozens of ships sitting are offshore waiting to get into ports to offload their goods. Imports and exports are both delayed. This harms our economy, our global competitiveness, and our national resilience.

Question. For each of your sectors, can you briefly share what actions can be taken right now to provide immediate relief to the crippling congestion in our vital supply chains?

Answer. Senator, one of the most important actions that can be taken to alleviate disruptions throughout the entire supply chain is to address a self-destructive business model that has overtaken the freight rail industry. This Wall Street-driven practice known as "precision scheduled railroading" has crept in like an invasive species and is causing pain for everyone in the supply chain, minus the railroads themselves. Class 1 freight carriers are making an intentional choice to squeeze both shippers and their employees, thereby limiting efficiency and freight volumes in order to maximize short-term profits. This practice is jeopardizing long-term freight capacity, rail worker safety, and harming American companies trying to get their goods to market, as well as the consumers now experiencing painful delays and higher costs. We will gladly provide you with additional details on what this process is, how it is harming shippers and workers alike, and how we believe it can be addressed.

On the trucking side, the best way to alleviate disruptions is to keep more drivers in the industry. Some segments of trucking have over 90 percent turnover year-over-year. That means companies are losing almost every driver that they bring in or have to hire multiple times for the same position during a one-year period. Keeping drivers happy and reducing turnover ensures that there are more "butts in the seat" ready to haul our Nation's freight, while having the added benefit of increasing the number of drivers who are experienced, safe, and for the sake of this question, efficient. Experienced drivers know the best routes to take, where to stop in order to maximize their allowable driving time, how to accelerate and brake in order to save fuel (thereby limiting the number of stops they need to make during a run), and

are less likely to be involved in accidents. The nature of long-haul trucking is somewhat to blame for these high turnover rates, but drivers will tell you this is not the full story. They say that it is more a direct result of carriers who have made a conscious choice to embrace a high-turnover business model rather than ensuring drivers are well compensated, provided with good equipment, and have decent working conditions. The entire supply chain is now reaping the consequences of this short-sightedness and the continued mistreatment of truck drivers. Increasing pay and benefits, working to limit the time drivers need to wait at a shipping facility to pick up or drop off a load, scheduling drivers so that they have more of a work-life balance and aren't on the road every week out of the year are all steps that can be taken right now to attract more drivers into the industry, get them to stay for the long run, and help our entire supply chain get through the ongoing pandemic.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. MARIA CANTWELL TO
CHRISTOPHER J. CONNOR

Freight Congestion. Freight congestion has real economic impacts for consumers and businesses. Nationally, truck congestion increases business operating costs by about \$74.5 billion annually. In my home state of Washington, a 20 percent increase in truck congestion could cost freight-dependent businesses \$14 billion. But it's not just freight bottlenecks that can increase shipping costs. Significant disruptions to the supply chain, like the blockage of the Suez Canal and ongoing container shortages, can also lead to a significant increase in the price of moving freight—costs that are passed on to manufacturers and consumers.

Question 1. What investment or policy priorities would best mitigate congestion impacts and improve the efficiency and reliability of goods movements?

Answer. Ports are keenly focused on safe and efficient freight movement and this requires a strong and resilient supply chain that includes ports, rail, roads, barge, and intermodal connectors. Also trucks and equipment, such as cranes. Much of the current supply chain issues are linked to the decades of a lack of this type of investment. AAPA offers three key recommendations:

Invest more. AAPA views programs like the Port Infrastructure Development Program (PIDP), Rebuilding American Infrastructure with Sustainability and Equity (RAISE) and Infrastructure for Rebuilding America (INFRA) as essential investments for 21st century freight movement. AAPA advocates for increased funding both in annual appropriations and infrastructure investment opportunities. Funding for these programs is critical to U.S. export cost competitiveness in the global marketplace. U.S. agricultural exports have seen their transportation cost differential essentially wiped out over the last decade as other countries, such as Brazil, have made infrastructure investments that reduced transportation costs.

Minimize truck use. Marine Highways move freight with decreased truck transportation, and reduced highway congestion, while having the lowest carbon emissions. One way to increase the use of Marine Highways is to eliminate the Harbor Maintenance Tax for freight moved on them. The 'HMT Double Tax' occurs when freight arrives at a port and is transloaded from ships to barges, first as an import and then as domestic cargo when it arrives at a secondary location. This is a relatively small amount of national HMT revenue but a significant operating expense when businesses and ports consider establishing this service.

Policy priorities. Buy America is a common-sense approach supported by everyone, including ports, that has become mired in bureaucracy as Federal agencies seek to assure all legislative and agency implementation requirements are met. So, you may get put in a position where, in order to keep a project on track, you would have to delay the project or borrow dollars—which is what you tried to avoid when you pursued the grant.

A second issue is that the threshold for Buy America exemptions has been raised to such a level that exemptions are practically impossible. This is true even for items that haven't been manufactured in the U.S. for decades, for example ship-to-shore cranes—equipment *essential* to safe and efficient freight movement. Over the medium-and long-term Congress can help incentivize the reshoring of key supply chain equipment and inputs such as cargo moving equipment.

Finally, there is currently a suggestion that Buy America requirements apply to even the components of basic construction materials like concrete, where legislation is proposed to disallow foreign components such as sand, gravel, and cement. Such

a policy would exacerbate shortages of these aggregates in coastal areas and drive up construction costs, which are already soaring.

Rise of E-Commerce and Multimodal Freight. E-commerce accounted for 792 billion dollars in sales in 2020—that’s 14 percent of all retail sales. This resulted in an average of 10 million packages per day travelling through our ports, over rail, and on trucks to reach consumers last year. With the value of freight already set to increase 40 percent by 2030, this shift in consumer behavior will only further strain the freight system. We need to make sure our policies and investment address end-to-end supply chain resiliency and support infrastructure that can accommodate rising freight traffic.

Question 2. How do our transportation policy priorities need to change to adapt to the impact of this continued growth in e-commerce?

Answer. AAPA and our member ports are aware of reports indicating U.S. consumer purchasing practices may be shifting from traditional retail stores to direct-to-consumer delivery. We interpret this as an increased demand for imported products, and thereby increased freight movement through ports. Accommodating increasing freight volumes will require continued focus and funding for freight transportation to meet the needs of both consumers and the manufacturing sector.

Remove multi-modal caps. Removing caps on programs like INFRA and the National Freight Highway Program would allow the Department of Transportation more flexibility to put dollars where the need is greatest, rather than basing those decisions on arbitrary allocations.

Expand freight corridors. Increase investments in on-dock rail and dedicated connectors to Interstate and Federal highways.

More CBP inspectors. This will expedite security screenings enabling freight to move through ports quicker. It will also end CBPs current reliance on ports to pay for overtime costs.

Buy America waivers. Allow Federal funds to be used towards purchase of cranes and other port equipment. This is currently subject to near-impossible Buy America waivers, even though the equipment hasn’t been made in the U.S. in decades.

Question 3. What is the importance of providing adequate multimodal funding, especially with regard to first and last mile delivery of goods?

Answer. The ‘first and last-mile’ component of freight movement is extremely important and usually outside the port’s property. The opportunities for expanded truck lanes, additional inspection personnel and equipment, rail connectors to yards building unit trains, and at grade crossings, would have significant impact on the speed and efficiency of cargo movement.

The current freight focused Federal investment programs have been a tremendous success. Programs like PIDP and RAISE have been over-subscribed and show a great return on investment. AAPA strongly supports increased funding both in annual appropriations and in infrastructure investment legislation.

Port Infrastructure Investments. Ports serve as a critical gateways for our Nation’s exports and our economic success. Washington state alone shipped over \$440 billion in freight through its ports in 2018. But if we can’t get the goods coming from rural America moving because our ports and freight infrastructure are in disrepair, no one will benefit from that rural investment. I am concerned about the port congestion in Los Angeles, as well as serious container availability and export challenges facing American farmers and businesses working to export their products to the Asian market. These disruptions in the network only hurt U.S. businesses. Increases in e-commerce will continue to stress the shipping and port infrastructure.

Question 4. What port infrastructure investments should be made to prepare our economy for this emerging opportunity as consumers pivot to e-commerce?

Answer. As we have acutely seen during the global pandemic, our country’s supply chain infrastructure is in desperate need of investment if e-commerce purchasing continues to rise. To allow for the expansion of cargo volumes, Congress must prioritize and adequately fund improvements to the freight network. In addition to general increases in infrastructure funding, such as expansion of PIDP, AAPA suggests the following policy changes:

Remove multi-modal caps. Removing caps on programs like INFRA and the National Freight Highway Program would allow the Department of Transportation more flexibility to put dollars where the need is greatest, rather than basing those decisions on arbitrary allocations.

Expand freight corridors. Increase investments in on-dock rail and dedicated connectors to Interstate and Federal highways.

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RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. AMY KLOBUCHAR TO
CHRISTOPHER J. CONNOR

Promoting Rural Exports. Over the last 20 years, Minnesota's total agricultural exports grew by over 200 percent, making us the fourth largest agricultural exporting state in the country. To get exports to market, our farmers in Minnesota need to have access to efficient, workable, and timely rail service. I introduced legislation that would establish a Rural Export Center at the U.S. Commercial Service to provide support to rural businesses looking to export their products to new international markets.

Question 1. Can you speak to how creating a center that helps rural businesses export their agricultural and forest products can help to spur economic growth?

Answer. With only 5 percent of the world population, exports such as agricultural and forest products are essential to our Nation's continued economic growth. There's wisdom in the statement that 'we can only sell so much to ourselves'. While U.S. goods are preferred by global consumers, they must be cost competitive. A key component of what makes U.S. exports competitive in the global marketplace are the water transportation cost savings which requires getting goods to coastal ports safely and efficiently. Having a Center that can explain use of the supply chain will encourage participation through educating business leaders on the benefits of global marketing. Such a Center could encourage participation through explaining and assisting with the processes required to pursue business globally.

Multimodal Port Infrastructure. The Port of Duluth is the largest and busiest port on the Great Lakes and is a national leader for shipping. In 2017, a new intermodal terminal opened for Canadian National Railway and Duluth Cargo Connect to improve the flow of freight in and out of the Midwest.

Question 2. How can investments in multi-modal port infrastructure help reduce delays and congestion, and the economic benefits for local economies?

Answer. One of the major contributors to economic growth is safe and efficient freight delivery. This is true of imports and exports. Ports are keenly focused on safe and efficient freight movement and this requires a strong and resilient supply chain that includes ports, rail, roads, barge, and intermodal connectors. Also trucks and equipment, such as cranes. Much of the current supply chain issues are linked to decades of underinvestment, particularly at the Federal level.

The current freight focused Federal investment programs have been a tremendous success with a great return on investment. AAPA views programs like the Port Infrastructure Development Program (PIDP), Rebuilding American Infrastructure with Sustainability and Equity (RAISE) and Infrastructure for Rebuilding America (INFRA) as essential investments for 21st century freight movement. AAPA strongly supports increased funding both in annual appropriations and in infrastructure investment legislation. The opportunities for expanded truck lanes, additional inspection personnel and equipment, rail connectors to yards building unit trains, and at grade crossings, would have significant impact on the speed and efficiency of cargo movement. All these efforts contribute to reduced delays and congestion, both for freight movement and the commuting public.

RESPONSE TO WRITTEN QUESTION SUBMITTED BY HON. DAN SULLIVAN TO
CHRISTOPHER J. CONNOR

Background. There was a lot of focus on disruptions to our supply chains at the beginning of the pandemic where we saw how our reliance on foreign sources for everything. From pharmaceutical ingredients and medical supplies to basic household items, the supply chain and foreign shipments were subject to disruptions largely outside of our control. Now, more than a year into this pandemic, our supply chains are still suffering—but not from a lack of goods. Our ports are experiencing significant increases in cargo volume as most sectors of the economy are returning to full strength. This has led to congestion at several bottlenecks across the Nation that is challenging our ability to meet cargo movement demands. Dozens of ships sitting are offshore waiting to get into ports to offload their goods. Imports and ex-

ports are both delayed. This harms our economy, our global competitiveness, and our national resilience.

Question. For each of your sectors, can you briefly share what actions can be taken right now to provide immediate relief to the crippling congestion in our vital supply chains?

Answer. Senator, thank you for that question. I will turn to the national picture in a moment; but I must tell an interesting story about the Port of Alaska first.

The American Association of Port Authorities holds regular 'surveillance' members with its members in order to watch market trends and share best practices. You might imagine that the issue of congestion—which is a phenomenon all around the world and not just limited to America—has been one of the biggest topics we have been trying to address.

I have to give a big shout out to Port of Alaska—in one of the recent calls, the Port gave a presentation about how it operates longer hours by necessity and with flexibility and therefore has avoided many of the bottleneck issues we see elsewhere around the world. The Port has no choice because Alaska is a 'secondary' port of call for many carriers, and so it must be ready at all times to take inbound vessels after they have stopped elsewhere.

Nationally, the ports have been heroic and innovative in trying to fit the proverbial eleventh gallon through the ten-gallon bucket. In the face of certain spates of close-proximity workers getting sick, ports and terminal operators have used new work schedules and protocols. They have tried to hire up to meet the increased throughput, they have increased health and safety protocols for workers generally, they are using longer gate hours, and they are maximizing capacity and efficiency—some of the largest ports are operating at 98–99 percent capacity, which means they are truly stretching the limits of what is possible. Terminal operators have made allowances where appropriate for 'free time' where cargo owners are not charged 'overages' if disruptions outside their control make it impossible to pick up or return boxes. Some of the overflow of ships simply find less-crowded ports, or big container ships will, where possible, re-order their port calls.

Congress has a generational opportunity to help invest in port and transportation infrastructure to meet persistently growing international trade and the U.S. ports' ability to handle more and faster throughput—yes, partly driven by the much-talked-about rise in ecommerce; and to handle the larger means of trade such as larger container vessels and the next generation of cargo moving equipment. We respectfully call on Congress to make these investments in our ports, which are literally the gateways to our economy.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. MARIA CANTWELL TO
CHRIS SPEAR

Railroad Crossings. There are at least 50 railroad crossings in the State of Washington that are each blocked by trains for an average of two hours every day. Eliminating each of these crossings would cost an average of \$30 million, while some projects like the Lander Street project in Seattle can cost over \$100 million. Many cities and towns do not have the funds needed to undertake these projects, and Federal programs are not currently meeting the needs of communities across the Nation. That is why I introduced the Railroad Crossing Elimination Act with Senator Blunt, which would provide dedicated funding to help address desperately needed grade separation projects across the country.

Question 1. How will the funding included in the Railroad Crossing Elimination Act impact your ability to deliver goods across the country?

Answer. First and foremost, I would like to offer ATA's full support and endorsement of your and Senator Blunt's important legislation, the Railroad Crossing Elimination Act. As you well know, train passage through at-grade crossings can block traffic for hours at a time, and is one of the leading causes of rail-related fatalities. Your legislation would go a long way in eliminating these intersections, greatly improving safety on our Nation's roadways.

With respect to the implications for the trucking industry's ability to deliver freight, the Railroad Crossing Elimination Act would take significant steps in improving the industry's productivity and efficiency. Each minute that a truck is forced to sit at a railroad grade crossing adds \$1.09 to the cost of that truck's operation. Given that there are over 200,000 grade crossings that regularly interrupt deliveries, the legislation would save the trucking industry and consumers significant costs.

Megaprojects. Large infrastructure interchanges are critical to keeping goods and our economy moving across the country. The I-5 Bridge in Vancouver, Washington across the Columbia River is a prime example. The bridge, which includes a span that is more than 100 years old, carries 135,000 vehicles and 110 million dollars in freight traffic each day. Other examples include the I-70 Highway in Missouri, which carries 100 million tons of freight annually, and the I-10 Highway in Louisiana, which carries over 160,000 vehicles per day. These infrastructure projects are critical for keeping commerce and goods moving not just regionally, but across the country and around the world. However, like many megaprojects across the country, these interchanges were not built to handle the level of traffic they see today and are in need of repair. In fact all three of those interchanges are on the top 100 most bottlenecked areas in the country.

Question 2. What would it mean for freight transportation if those three bottlenecks were repaired or improved to accommodate increased freight and trade movement?

Answer. The American Transportation Research Institute (ATRI) ranks the Nation's top 100 bottlenecks annually, and the 3 bottlenecks you mentioned were identified as being particularly problematic in terms of congestion. The I-5 bottleneck in Vancouver, WA is ranked #23, the bottleneck along I-70 in Missouri is ranked #54, and the I-10 bottleneck in Louisiana is ranked #18. The identified bottlenecks are key segments in major freight routes that serve both regional and national needs. The congestion experienced by trucks at the 3 identified bottlenecks, as well as the other 97 bottlenecks identified in the ATRI report, substantially increase the cost of moving freight. These costs are borne, in part, by consumers, who pay a higher price for retail goods, and by businesses, who are trying to compete in a global economy. In addition, freight bottlenecks are a major cause of mobile-source emissions. For these reasons ATA has recommended that \$5 billion per year should be set aside in a surface transportation bill to target improvements at major highway freight bottlenecks.

Freight Congestion. Freight congestion has real economic impacts for consumers and businesses. Nationally, truck congestion increases business operating costs by about \$74.5 billion annually. In my home state of Washington, a 20 percent increase in truck congestion could cost freight-dependent businesses \$14 billion. But it's not just freight bottlenecks that can increase shipping costs. Significant disruptions to the supply chain, like the blockage of the Suez Canal and ongoing container shortages, can also lead to a significant increase in the price of moving freight—costs that are passed on to manufacturers and consumers.

Question 3. What Federal policy or investment priorities would help prepare you to accommodate increased freight movement and to avoid congestion on our highways?

Answer. First and foremost, a long-term, dedicated, user-based revenue source that is sufficient to address highway maintenance and capacity needs is essential. Second, a portion of this revenue should be dedicated to address major highway freight bottlenecks. In addition, environmental review requirements for highway projects, which take, on average, seven years to complete, must be reformed. The highway reauthorization legislation recently passed by the Senate EPW Committee includes several of these reforms, including codification of One Federal Decision. In addition, as Congress pursues policies to reduce greenhouse gas emissions, we urge this Committee to ensure that such policies do not further restrict states' abilities to increase highway capacity, as such restrictions will result in additional congestion and the unintended release of GHGs. These include restrictions on the use of federal-aid money to increase highway capacity, decreasing the share of Highway Trust Fund revenue that is dedicated to highways and increasing eligibility for non-highway projects.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. AMY KLOBUCHAR TO
CHRIS SPEAR

Infrastructure. In order to meet the demands of our 21st-century economy, including getting goods to market, we must invest in a 21st-century infrastructure network. In your testimony, you note that 80 percent of American communities rely on trucking for delivery of goods.

Question 1. Can you speak to the importance of direct Federal investment in our Nation's transportation infrastructure, particularly our multimodal freight system?

Answer. The Federal government has played an historic role in building the Nation's transportation infrastructure, whether it was construction of the canal system,

the transcontinental railroad or the Interstate Highway System. This role is critical because an interstate transportation system must serve the needs of all Americans, and these systems cannot function properly if they stop at state borders. Moreover, states should not be saddled with the cost of building or maintaining infrastructure that all Americans benefit from. Without Federal involvement, state and local transportation agencies' investment and planning decisions would be too parochial to account for the impacts of those decisions on the movement of freight beyond their borders. For example, Interstate 35 in Iowa carries a large number amount of grain and livestock from southern Minnesota farms to Iowa processing facilities and to Mississippi River barges for international export. Without Federal funding, it is unlikely that the transportation infrastructure that allows these Minnesota farms to prosper would have ever been built. Continued Federal involvement is necessary to ensure that the infrastructure is adequately maintained.

Question 2. Can you speak to the importance of these investments for rural communities?

Answer. Agriculture is the economic bulwark of rural economies. In turn, agriculture is largely dependent on the trucking industry for moving raw product to processing plants and finished goods to consumers. Trucks move 69 percent of the value of agricultural commodities, and almost every agricultural shipment includes at least one truck move. Agriculture is an internationally traded commodity, and the highway system is key to the success of America's agricultural sector and its ability to compete globally. An efficient transportation system has always allowed U.S. farmers to maintain their competitive edge, even as their competitors enjoy a land and labor cost advantage. However, our deteriorating highway infrastructure at home pales in comparison to the transportation improvements pursued by global competitors, and the disadvantage threatens U.S. farm income. Because rural roadway systems tend to be less dense than urban systems, any disruption can have major impacts. For example, when bridges are closed or load-posted, trucks are forced to add many miles to their trips, adding significant cost and time to the trip. Furthermore, goods that are shipped through ports to international destinations often get hung up in urban traffic, adding additional cost and time in transit to those shipments.

Meanwhile, other countries are improving their transportation systems to better compete with U.S. producers. For example, in 2013 Brazil took over the U.S.'s pre-eminent role as the largest exporter of soybeans, in part due to its highway and railway investments. If we fall further behind, American farmers will lose income and market share, and rural communities will suffer the consequences.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. RAPHAEL WARNOCK TO
CHRIS SPEAR

Speed Limiters. According to the Institute for Safer Trucking, urban fatal truck crashes have increased by 100 percent from 2009 to 2019 in Georgia. From 2009 to 2019, 82 percent of trucks involved in fatal crashes were class 7 or 8 trucks, which weigh over 26,000 pounds. Speed limiters, which are already standard on most heavy trucks, are proven effective at preventing high-speed fatal crashes like the one that tragically took the life of Georgia native Cullum Owings in 2002. Over the past few years, motor carriers have begun adopting automated emergency braking and adaptive cruise control on most purchased and leased vehicles, and the integration of these devices with speed governing technology is showing enormous promise for transportation safety.

Question 1. How would requiring the use of speed limiters, especially on commercial motor vehicles without other advanced safety technologies, impact the safety of all road users?

Answer. We agree that equipping commercial motor vehicles with speed limiters—especially used in combination with other advanced safety features such as Automatic Emergency Braking and Adaptive Cruise Control—can positively improve road safety. In 2016, when DOT initially published a proposed rulemaking concerning speed limiters, ATA and many motor carriers shared concerns about the efficacy of such a one-size-fits-all solution. Foremost among ATA's concerns were the possible unintended consequences of limiting commercial drivers to one universal speed limit despite the varying limits set for passenger vehicles on interstate and secondary roads. ATA was also unsure of how a rule would adapt to the rapid evolution of vehicle safety technologies. Since then, technological advancements have increasingly enabled motor carriers to adopt proven technologies, prompting ATA to support new and safer approaches to speed management. As you rightly point out, automated emergency braking and adaptive cruise control on purchased and leased

vehicles show tremendous promise for transportation safety. The growing consensus around the benefits of these proven safety technologies has not only driven ATA to update its decade-old policies to reflect the current operating environment, but has also led Congress to reconsider its stance on legislation directing CMV speed governance. This year, ATA and Road Safe America—the nonprofit organization led by Cullum’s father, Steve—partnered in supporting the Cullum Owings Large Truck Safe Operating Speed Act, which requires speed-limiting devices on commercial motor vehicles over 26,000 pounds and promotes incentives to encourage adoption of newer technologies. This legislation, which reflects ATA’s updated safety policy on speed governance, calls for speed limits of 70 mph for trucks equipped with Automatic Emergency Braking and Adaptive Cruise Control. If a truck does not have these technologies, the legislation sets a maximum speed of 65 mph, incentivizing fleets to adopt safety technologies. Furthermore, given the constant emergence of new safety technologies, this legislation calls for a recurring 5-year review of any speed limiting regulations to make sure that these regulations are most impactful with currently-deployed technologies.

Question 2. What other benefits are there for requiring speed limiters especially in heavy trucks that don’t have other advanced safety technology?

Answer. ATA’s updated policies are inclusive of speed limiters for trucks with and without safety technologies, and we believe any future legislation or rulemaking should account for both scenarios. Fleets that utilize Automatic Emergency Braking and Adaptive Cruise Control would be afforded a maximum of 70 mph, and fleets that do not have these added safety technologies would be limited to 65 mph. This differential may incentivize a fleet to equip vehicles with safety technologies beyond speed limiters. ATA’s safety policy on speed governance and the Cullum Owings Large Truck Safe Operating Speed Act both reflect the proven benefits of safety technologies that mitigate these concerns and the decades-long process to reach industry and stakeholder consensus on this issue.

RESPONSE TO WRITTEN QUESTION SUBMITTED BY HON. DAN SULLIVAN TO
CHRIS SPEAR

Background. There was a lot of focus on disruptions to our supply chains at the beginning of the pandemic where we saw how our reliance on foreign sources for everything. From pharmaceutical ingredients and medical supplies to basic household items, the supply chain and foreign shipments were subject to disruptions largely outside of our control. Now, more than a year into this pandemic, our supply chains are still suffering—but not from a lack of goods. Our ports are experiencing significant increases in cargo volume as most sectors of the economy are returning to full strength. This has led to congestion at several bottlenecks across the Nation that is challenging our ability to meet cargo movement demands. Dozens of ships sitting are offshore waiting to get into ports to offload their goods. Imports and exports are both delayed. This harms our economy, our global competitiveness, and our national resilience.

Question. For each of your sectors, can you briefly share what actions can be taken right now to provide immediate relief to the crippling congestion in our vital supply chains?

Answer. Highway congestion adds nearly \$75 billion to the cost of freight transportation each year. 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. A disproportionate share of these impacts are caused by bottlenecks, primarily on the Interstate Highway System. For example, a single bottleneck on I-10 in the Los Angeles area caused trucks to be delayed more than 217,000 hours in 2019, adding over \$164 million to the cost of moving freight. Many of these bottlenecks will require significant investment, and many states do not have sufficient resources to address them. Furthermore, their benefits often extend well beyond state borders, with freight moving through these bottlenecks to and from locations nationwide, in addition to serving international markets. Therefore Congress should set aside funds to address major highway bottlenecks, refrain from imposing limits on states’ ability to expand highway capacity and streamline the NEPA process, which unnecessarily delays projects and increases their costs.

Furthermore, the extraordinary volume of imported freight we are seeing come through our Nation’s ports is creating extreme challenges to a struggling supply chain. While our ports are having trouble accommodating the unprecedented numbers, the volume has also overwhelmed inland intermodal hubs in places like Chicago, Dallas and Memphis. Though it is certainly true that the pandemic has created its own challenges, many of the issues we are seeing are not new and have

been present for years. Motor carriers in particular face a unique set of challenges that are the result of long-term inequities and the fact that many parties in the supply chain actually see economic benefit from inefficiencies. In today's environment, this is particularly true of foreign-owned ocean carriers who are making record profits and appear to have little incentive to work with other parties and provide the access to information that is needed to ensure the efficient movement of containers. This means that truckers face a host of challenges every day that often require them to make multiple trips to different locations in order to find the right chassis, drop off empty containers and pick up loaded ones. The time and cost associated with these additional moves are significant and are eventually passed on to American consumers as are the skyrocketing detention and demurrage charges that result from the inability to operate efficiently. Focusing all parties in the supply chain on the data sharing that will provide the long-term visibility needed to properly allocate equipment where and when it is needed is critical and long overdue.

