

FREIGHT FORWARD: OVERCOMING SUPPLY CHAIN CHALLENGES TO DELIVER FOR AMERICA

(118-14)

HEARING

BEFORE THE
SUBCOMMITTEE ON
HIGHWAYS AND TRANSIT
OF THE
COMMITTEE ON
TRANSPORTATION AND
INFRASTRUCTURE
HOUSE OF REPRESENTATIVES
ONE HUNDRED EIGHTEENTH CONGRESS

FIRST SESSION

MAY 10, 2023

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Committee on Transportation and Infrastructure
U.S. House of Representatives
Washington, DC 20515

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MAY 5, 2023

SUMMARY OF SUBJECT MATTER

TO: Members, Subcommittee on Highways and Transit
FROM: Staff, Subcommittee on Highways and Transit
RE: Subcommittee Hearing on “*Freight Forward: Overcoming Supply Chain Challenges to Deliver for America*”

I. PURPOSE

The Subcommittee on Highways and Transit of the Committee on Transportation and Infrastructure will meet on Wednesday, May 10, 2023, at 10:00 a.m. ET in 2167 of the Rayburn House Office Building to receive testimony on “*Freight Forward: Overcoming Supply Chain Challenges to Deliver for America*.” The hearing will provide Members with the opportunity to hear from stakeholders to examine the trucking industry’s essential link in the supply chain, and challenges moving freight by commercial motor vehicles. Members will receive testimony from the Owner-Operator Independent Drivers Association (OOIDA); the Transportation Intermediaries Association (TIA); NATSO, Representing America’s Travel Plazas and Truck Stops (NATSO) and SIGMA: America’s Leading Fuel Marketers (SIGMA); and the International Brotherhood of Teamsters (Teamsters).

II. BACKGROUND

JURISDICTION

The Subcommittee on Highways and Transit has broad jurisdiction over trucking, including motor carrier safety grant programs to States; safety oversight of trucking companies; commercial driver qualifications and regulations; commercial vehicle size and weight standards and safety requirements; cross border surface transportation; and automated commercial motor vehicles.¹

Trucking issues primarily fall under, or are affected by, three modal administrations under the Department of Transportation (DOT). First, the Federal Highway Administration (FHWA) which supports State and local governments in the design, construction, and maintenance of the Federal-Aid Highway program and the Federal lands program.² Second, the Federal Motor Carrier Safety Administration (FMCSA) which was previously within the FHWA and established as a DOT modal administration in 2000.³ FMCSA’s primary mission is to reduce commercial motor vehicle-

¹ JURISDICTION AND ACTIVITIES, SUBCOMM. ON HIGHWAYS AND TRANSIT, 118TH CONG., (Jan. 2023) (on file with Comm.).

² FHWA, *About FHWA*, available at <https://highways.dot.gov/about/about-fhwa> (last updated Apr. 19, 2023).

³ Motor Carrier Safety Improvement Act of 1999, Pub. L. No. 106–159, 113 Stat. 1748.

related crashes, injuries, and fatalities.⁴ Third, the Office of the Secretary of Transportation (OST) which is responsible for policy and program development for DOT, including transportation investments and multimodal freight policy.⁵

THE UNITED STATES TRUCKING INDUSTRY

The Nation's transportation infrastructure is the backbone of the United States economy. In 2020, all modes of transportation moved an estimated 19.3 billion tons of goods worth about \$18 trillion (measured in 2017 dollars) on the Nation's transportation network.⁶ Trucks moved approximately 73 percent of all domestic freight by value, totaling 12.6 billion tons of freight in 2020.⁷ More than 80 percent of the communities across the country rely exclusively on trucking to meet their freight transportation needs.⁸

In 2020, approximately 10.5 million single-unit trucks (straight trucks) and nearly three million combination trucks (tractor-trailers) operated on the Nation's roadways, constituting less than five percent of the 275.9 million total registered vehicles in the United States.⁹ Approximately 8.7 million Commercial Motor Vehicle (CMV) drivers operated in both interstate and intrastate in the United States.¹⁰ Large trucks traveled 302.1 billion miles, representing approximately 10.4 percent of the total vehicle miles traveled by all motor vehicles.¹¹ Approximately 44.8 billion gallons of fuel, including diesel and gasoline, were used by trucks for commercial purposes in 2020. Of this, nearly 80 percent, or 35.8 billion gallons, was diesel fuel, as most heavy-duty trucks run on diesel.¹²

Persistently high fuel prices experienced in recent years have contributed to increased business costs at multiple points in supply chains. In particular, high diesel prices have acutely affected trucking businesses.¹³ Fuel costs began increasing in 2021, and over the past year, gasoline and diesel prices surpassed record highs.¹⁴ The rates at which these prices increased was also record-breaking.¹⁵ In January 2021, the average price of diesel fuel was \$2.68 per gallon.¹⁶ After reaching a record high of \$5.81 per gallon last summer, the national average price for a gallon of diesel fuel was \$4.07 per gallon as of April 24, 2023, representing an increase of \$1.39 per gallon, or 52 percent, from January 2021.¹⁷ The average price for a gallon of regular gasoline rose from \$2.33 in January 2021 to an all-time national high of \$5.00 in June 2022. As of April 24, 2023, the price was \$3.65 per gallon, representing a 57 percent increase from January 2021.¹⁸

III. SUPPLY CHAIN CRISIS AMPLIFIES CHALLENGES IMPACTING TRUCK FREIGHT DELIVERY

The COVID-19 pandemic exposed several fragilities within our Nation's supply chain, further amplifying longstanding issues in truck freight delivery. These include a lack of truck parking, congestion at ports and freight distribution facilities,

⁴ FMCSA, *Our Mission*, available at <https://www.fmcsa.dot.gov/mission> (last updated Dec. 13, 2013).

⁵ 49 C.F.R. §§ 1.13, 1.21 (2023).

⁶ DOT, BUREAU OF TRANSP. STATISTICS, POCKET GUIDE TO TRANSP. (2023), available at https://rosap.nhtl.bts.gov/view/dot/64803/dot_64803_DS1.pdf.

⁷ *Id.*

⁸ *The State of Transportation Infrastructure and Supply Chain Challenges: Hearing Before the H. Comm. on Transp. and Infrastructure*, 118th Cong. (2023) (testimony of Chris Spear, President and CEO of the ATA), available at <https://docs.house.gov/meetings/PW/PW00/20230201/115263/HHRG-118-PW00-Wstate-SpearC-20230201.pdf> [hereinafter Spear].

⁹ DOT, FMCSA, POCKET GUIDE TO LARGE TRUCK AND BUS STATISTICS (2022), available at <https://www.fmcsa.dot.gov/sites/fmcsa.dot.gov/files/2023-02/FMCSA%20Pocket%20Guide%202022-FINAL%20508%20121922.pdf>.

¹⁰ *Id.*

¹¹ *Id.*

¹² AMERICAN TRUCKING ASSOCIATION, AMERICAN TRUCKING TRENDS (2022).

¹³ Paul Page, *Rising Diesel Costs Are Straining U.S. Truckers, Shipping Operations*, WALL ST. J., (May 12, 2022), available at <https://www.wsj.com/articles/rising-diesel-costs-are-straining-u-s-truckers-shipping-operations-11652376035>.

¹⁴ United States Energy Info. Admin., *Weekly U.S. No 2 Diesel Retail Prices*, available at https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=EMD_EPD2D_PTE_NUS_DPG&f=W (release date Apr. 17, 2023) [hereinafter *Diesel Retail Prices*].

¹⁵ DOT, BUREAU OF TRANSP. STATISTICS, *Record Breaking Increases in Motor Fuel Prices in 2022*, available at <https://www.bts.gov/data-spotlight/record-breaking-increases-motor-fuel-prices-2022> (last updated August 18, 2022).

¹⁶ *Diesel Resale Prices*, supra note 14.

¹⁷ *Id.*

¹⁸ United States Energy Info. Admin., *Weekly U.S. Regular All Formulations Retail Gasoline Prices*, available at https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=EMM_EPMR_PTE_NUS_DPG&f=W (last updated April 17, 2023).

and inefficiencies and poor conditions at intermodal connectors. The increasing cost and shortage of equipment has hindered the capacity of the trucking industry to move freight.¹⁹ Further, inconsistent information sharing also impacts how frequently and swiftly trucks can pick up loads, contributing to delays in loading and unloading at shipping facilities.²⁰

WORKFORCE CHALLENGES

Detention time is time spent at shipping and receiving facilities beyond that which is legitimately needed for loading and unloading, as specified by contracts.²¹ Contracts between shippers, receivers, and motor carriers generally define limits on loading and unloading time at two hours.²² Any time beyond what is specified used to load or unload is detention time.²³ Loading and unloading times can vary based on the type of cargo, operations at the facility, congestion at a facility, and other factors.²⁴ Section 23022 of the Infrastructure Investment and Jobs Act (IIJA) required FMCSA to contract with the Transportation Research Board to conduct a study on the impacts of driver compensation, including detention time, which was awarded in July 2022.²⁵

The COVID-19 crisis renewed a focus on workforce challenges in the trucking industry, including concerns about a truck driver shortage. The American Trucking Associations (ATA) estimated that the shortage of qualified drivers reached a near record high of 78,000 in 2022, and further forecasted that this shortage could grow to 160,000 in 2031.²⁶ ATA further reported the driver turnover rate was 91 percent in 2019, and 90 percent in 2020,²⁷ and that “more than 10 million Americans held commercial driver’s licenses in 2019. That was nearly triple the 3.7 million trucks that required a driver holding that certification.”²⁸ A high turnover rate does not necessarily mean that a company has complete turnover; rather, it could indicate that some positions turn over multiple times.²⁹

Identified challenges impacting recruitment include the low percentage of women in the trucking workforce, lack of truck parking, lifestyle disadvantages, including greater time away from home for those in the long-haul market, and barriers to entry, such as the minimum driving age.³⁰ The International Brotherhood of Teamsters believe in the need to “improve wages and working conditions for truck drivers” as keys to improving the shipment of freight across the Nation.³¹ According to the Bureau of Labor Statistics (BLS), the median pay for Heavy and Tractor-Trailer Truck Drivers in 2022 was \$49,920, or \$24 per hour.³² Additionally, data from ATA

¹⁹ ATA, Comment Letter on America’s Supply Chains and the Transportation Industrial Base; Docket No. DOT-OST-2021-0106 (Oct 18, 2021), available at https://downloads.regulations.gov/DOT-OST-2021-0106-0352/attachment_1.pdf [hereinafter ATA Comment Letter].

²⁰ *Id.*

²¹ UNITED STATES DOT OFF. OF INSPECTOR GENERAL, ESTIMATES SHOW COMMERCIAL DRIVER DETENTION INCREASES CRASH RISKS AND COSTS, BUT CURRENT DATA LIMIT FURTHER ANALYSIS, 6 (Jan. 31, 2018), available at <https://www.oig.dot.gov/sites/default/files/FMCSA%20Driver%20Detention%20Final%20Report.pdf>.

²² *Id.* at 3.

²³ U.S. GOV’T ACCOUNTABILITY OFF. (GAO), GAO-11-198, COMMERCIAL MOTOR CARRIERS: MORE COULD BE DONE TO DETERMINE IMPACT OF EXCESSIVE LOADING AND UNLOADING WAIT TIMES ON HOURS OF SERVICE VIOLATIONS (Jan. 2011), available at <https://www.gao.gov/assets/gao-11-198.pdf>.

²⁴ *Id.*

²⁵ FMCSA, *Impacts of Driver Compensation on Safety and Driver Retention*, available at <https://www.fmcsa.dot.gov/research-and-analysis/impacts-driver-compensation-safety-and-driver-retention> (last updated Oct. 25, 2022).

²⁶ Spear, *supra* note 8.

²⁷ William B. Cassidy, *US Truckload Driver Turnover Flattens as wages, demand rise: ATA*, J. OF COMMERCE (Mar. 30, 2021), available at https://www.joc.com/article/us-truckload-driver-turnover-flattens-wages-demand-rise-ata_20210330.html.

²⁸ Peter S Goodman & George Etheredge, *The Real Reason America Doesn’t Have Enough Truck Drivers*, N.Y. TIMES, (Feb. 9, 2022), available at <https://www.nytimes.com/2022/02/09/business/truck-driver-shortage.html>.

²⁹ Cassidy, *supra* note 27.

³⁰ American Trucking Associations, *Driver Shortage Update 2022* (Oct. 2022), available at https://ata.msgfocus.com/files/amf_highroad_solution/project_2358/ATA_Driver_Shortage_Report_2022_Executive_Summary.October22.pdf.

³¹ Press Release, Teamsters Urge House Panel to Consider Wages, Safety in Supply Chain Discussions (Nov. 17, 2021), available at <https://teamster.org/2021/11/teamsters-urge-house-panel-to-consider-wages-safety-in-supply-chain-discussions/>.

³² BLS, Dep’t of Labor, *Occupational Employment and Wages, May 2022*, available at <https://www.bls.gov/oes/current/oes533032.htm>.

showed that the “average truckload driver made over \$69,000 in 2021, including salaries and bonuses but not benefits.”³³

Women are significantly underrepresented in the trucking industry. In fact, only 6.6 percent of truck drivers are women.³⁴ Section 23007 of IIJA required the FMCSA Administrator to establish a Women of Trucking Advisory Board (WOTAB) to encourage women to enter the trucking field.³⁵ The Secretary of Transportation chartered the board on February 11, 2022, and the WOTAB’s first meeting was held on November 9, 2022.³⁶

Currently, 49 states and the District of Columbia allow 18- to 20-year old truck drivers to operate commercial vehicles for intrastate commerce only; however, Federal law does not allow such drivers to operate vehicles in interstate commerce.³⁷ Section 23022 of IIJA required FMCSA to establish a three-year pilot program to allow drivers between the ages of 18 and 20 with an intrastate Commercial Driver’s License (CDL) to operate in interstate commerce.³⁸ FMCSA established this program on January 14, 2022, but included program requirements beyond those specified in the law, such as registration with the Department of Labor (DOL) and requiring the use of inward-facing cameras.³⁹

HOURS OF SERVICE

Federal Hours of Service (HOS) regulations govern the amount of time a driver can operate a commercial motor vehicle (CMV).⁴⁰ These regulations have been updated over time due to Congressional action, DOT rulemakings, and legal challenges. Congress has granted exemptions from Federal HOS regulations for certain industries and under certain circumstances. The DOT has also granted exemptions using its authority.⁴¹ For most property-carrying CMV drivers, for every eight cumulative hours of driving without at least a 30-minute interruption, truck drivers are required to take a 30-minute break. Drivers are also required to take a 10-hour break following the 14th consecutive hour on duty.⁴²

TRUCK PARKING

The FHWA’s Jason’s Law report is a required survey and comparative assessment on truck parking availability.⁴³ The most recent of these reports found that 98 percent of drivers reported problems finding safe truck parking.⁴⁴ Only one parking spot is currently available for every eleven trucks on the road.⁴⁵ Additionally, a 2016 study by the American Transportation Research Institute found that on average, truck drivers lose 56 minutes of available drive time per day either looking for suitable parking or stopping earlier than they need to, due to lack of parking closer to their endpoint for the day.⁴⁶

Although there is no program solely dedicated to funding truck parking, States can currently use their highway formula funding for truck parking under the fol-

³³ American Trucking Associations, *Driver Shortage Update 2022* (Oct. 2022), available at https://ata.msgfocus.com/files/amf_highroad_solution/project_2358/ATA_Driver_Shortage_Report_2022_Executive_Summary.October22.pdf.

³⁴ IIJA, Pub. L. No. 117–58, 135 Stat. 761 [hereinafter IIJA].

³⁵ *Id.*

³⁶ FMCSA, *Welcome to FMCSA’s WOTAB*, available at <https://www.fmcsa.dot.gov/wotab> (last updated Nov. 2022).

³⁷ ATA Comment Letter, *supra* note 19.

³⁸ IIJA, *supra* note 34.

³⁹ FMCSA, *Safe Driver Apprenticeship Pilot Program*, available at <https://www.fmcsa.dot.gov/safedriver> (last updated Apr. 21, 2023); see also Spear, *supra* note 8.

⁴⁰ FMCSA, *Hours of Service*, available at <https://www.fmcsa.dot.gov/regulations/hours-of-service> (last updated Nov. 2021).

⁴¹ FMCSA, *INTERSTATE TRUCK DRIVER’S GUIDE TO HOURS OF SERVICE* (2022), available at https://www.fmcsa.dot.gov/sites/fmcsa.dot.gov/files/2022-04/FMCSA-HOS-395-DRIVERS-GUIDE-TO-HOS%282022-04-28%29_0.pdf.

⁴² FMCSA, *Summary of Hours of Service Regulations*, available at <https://www.fmcsa.dot.gov/regulations/hours-service/summary-hours-service-regulations> (last updated March 2022).

⁴³ Moving Ahead for Progress in the 21st Century Act, Pub. L. No. 112–141 § 1401(c)(3), 126 Stat. 405.

⁴⁴ FHWA, *Jason’s Law Truck Parking Survey Results and Comparative Analysis* (2020), available at https://ops.fhwa.dot.gov/freight/infrastructure/truck_parking/workinggroups/2020/mtg/mtg12012020_jasons_law.htm.

⁴⁵ Frank Morris, *There is 1 Parking Space for Every 11 Semi Trucks on the Road. Why that’s a Problem*, NAT’L PUBLIC RADIO, (Jan. 19, 2023), available at <https://www.npr.org/2023/01/19/1149924297/there-is-1-parking-space-for-every-11-semi-trucks-on-the-road-why-thats-a-problem>.

⁴⁶ *Industry and Labor Perspectives: A Further Look at North American Supply Chain Challenges: Hearing Before the H. Comm. on Transp. and Infrastructure*, 117th Cong. (2021) (statement of Chris Spear, President and CEO of the American Trucking Associations), available at <https://transportation.house.gov/calendar/eventsingle.aspx?EventID=405675>.

lowing eight DOT formula programs: the Surface Transportation Block Grant (STBG) program, the National Highway Freight Program (NHFP), the Highway Safety Improvement Program (HSIP), the National Highway Performance Program (NHPP), the Promoting Resilient Operations for the Transformative, Efficient, and Cost-saving Transportation (PROTECT) Program, the Carbon Reduction Program (CRP), and the Congestion Mitigation and Air Quality Improvement (CMAQ) program.⁴⁷ Projects related to truck parking may also be eligible for consideration under other authorized discretionary grant programs at DOT, such as Infrastructure for Rebuilding America (INFRA), Local and Regional Project Assistance (RAISE) grants, Rural Surface Transportation Grants, National Infrastructure Project Assistance (MEGA) grants, Promoting Resilient Operations for Transformative, Efficient, and Cost-saving Transportation (PROTECT) grants, Advanced Transportation Technologies and Innovative Mobility Deployment (ATTIMD) grants, Reduction of Truck Emissions at Port Facilities grants, and High Priority Innovative Technology Deployment (HP-ITD) grants.⁴⁸

Historically, due to competing priorities, States have used little of their funding to address the lack of truck parking.⁴⁹ In fiscal year 2022, DOT awarded \$38.6 million in funding for projects, some of which will be used to increase the availability of truck parking spaces.⁵⁰

IV. WITNESSES

- Mr. Lewie Pugh, Executive Vice President, Owner-Operator Independent Drivers Association (OOIDA)
- Ms. Anne Reinke, President & Chief Executive Officer, Transportation Intermediaries Association (TIA)
- Mr. David Fialkov, Executive Vice President, Government Affairs, NATSO, Representing America's Travel Plazas and Truck Stops, and (NATSO) SIGMA: America's Leading Fuel Marketers (SIGMA)
- Mr. Cole Scandaglia, Senior Legislative Representative and Transportation Policy Advisor, International Brotherhood of Teamsters

⁴⁷MARTIN C. KNOPP, ASSOCIATE ADMINISTRATOR FOR OPERATIONS, FHWA AND THOMAS P. KEANE, ASSOCIATE ADMINISTRATOR FOR RESEARCH AND REGISTRATION, FMCSA, MEMORANDUM ON ELIGIBILITY OF TITLE 23 AND TITLE 49 FEDERAL FUNDS FOR COMMERCIAL MOTOR VEHICLE PARKING (UPDATED), (Sept. 20, 2022), *available at* https://ops.fhwa.dot.gov/Freight/infrastructure/truck_parking/title23fundscmv/title23_49_funds_cmv.pdf.

⁴⁸*Id.*

⁴⁹*Addressing the Roadway Safety Crisis: Building Safer Roads for All: Hearing Before the Subcomm. on Highways and Transit of the H. Comm. on Transp. and Infrastructure*, 117th Cong. (2022).

⁵⁰Email from Office of Policy and Government Affairs, FHWA, to H. Comm. on Transp. and Infrastructure staff (Apr. 17, 2023, 4:06 PM EST).

FREIGHT FORWARD: OVERCOMING SUPPLY CHAIN CHALLENGES TO DELIVER FOR AMERICA

WEDNESDAY, MAY 10, 2023

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON HIGHWAYS AND TRANSIT,
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE,
Washington, DC.

The subcommittee met, pursuant to call, at 10 a.m., in room 2167 Rayburn House Office Building, Hon. Eric A. “Rick” Crawford (Chairman of the subcommittee) presiding.

Mr. CRAWFORD. The Subcommittee on Highways and Transit will come to order. I ask unanimous consent that the chairman be authorized to declare a recess at any time during today’s hearing.

Without objection, so ordered.

I also ask unanimous consent that Members not on the subcommittee be permitted to sit with the subcommittee today to be able to ask questions.

Without objection, so ordered.

As a reminder, if Members wish to enter a document into the record, please also email that document to DocumentsTI@mail.house.gov.

I now recognize myself for the purposes of an opening statement.

OPENING STATEMENT OF HON. ERIC A. “RICK” CRAWFORD OF ARKANSAS, CHAIRMAN, SUBCOMMITTEE ON HIGHWAYS AND TRANSIT

Mr. CRAWFORD. Good morning. And thank you to our witnesses. We appreciate you being here for today’s hearing. The subcommittee is continuing our efforts to address the supply chain crisis that was exacerbated by the COVID–19 pandemic and the administration’s extreme Green New Deal agenda. Today, we are specifically focusing on the challenges faced by our Nation’s trucking industry.

The trucking industry plays a crucial role in the supply chain, ensuring that goods and supplies are transported from one location to another. A popular refrain that demonstrates the importance of the trucking industry is: If you bought it, a trucker brought it, because nearly everything purchased for your home got to the store on the back of a truck.

Simply put, our economy requires a properly functioning trucking industry. More than 70 percent of our Nation’s freight tonnage is moved by the trucking industry every year, and more than 80 per-

cent of our communities get their goods exclusively by truck. Over 8.7 million commercial motor vehicle drivers operate in the United States, traveling billions of miles every year, serving every community in our country.

In today's hearing, we will hear more about these challenges and explore solutions to make it easier for commercial trucking companies and truckdrivers to do their jobs, which, in turn, will help ensure we don't see more of the Soviet-style empty store shelves we witnessed during the pandemic. Every company and each driver must comply with a myriad of rules and regulations at the Federal, State, and local levels to make sure their loads are safely delivered on time.

We need to make it easier for women and men to choose this profession, which is one of the most common paths to a middle-income lifestyle that does not require a college degree. This means attracting more potential drivers earlier in their work careers and making it easier to train and test for a commercial driver's license, or CDL.

The Drive Safe Act, introduced during the prior Congress, is one idea. The bipartisan proposal would allow 18- to 20-year-old drivers to cross State lines, which makes sense to me since 49 States and the District of Columbia already allow 18- to 20-year-old commercial motor vehicle drivers to drive within their States' borders.

A 3-year pilot program testing this concept is in the Infrastructure Investment and Jobs Act, or IIJA as we call it, but the administration appears to be trying to kill that pilot by including requirements not in the law. I encourage the administration to change direction.

We must also improve the quality of life for truckers on the road so that they will choose to stay in the profession. Increasing the amount of available truck parking will help improve the quality of life for truckdrivers, while preserving safety and productivity.

While truck parking was not included in IIJA, the committee last Congress considered and passed Congressman Mike Bost's Truck Parking Safety Improvement Act, which would create dedicated funding for truck parking. I am a cosponsor of the bipartisan bill that he reintroduced earlier this year, and I look forward to hearing witness feedback on this legislation.

Currently, the industry is short 78,000 drivers. Over the next decade, it is estimated that roughly 1.2 million new truckers will be needed to replace an aging workforce and keep pace with demand. It is important that we explore ways to make this professional career more attractive to employees and encourage more individuals to join the industry.

At a time of sky-high fuel prices, and while many Americans were able to work remotely, our truckers delivered in person. And unfortunately, when it costs more to move product from point A to point B, consumers feel the impact.

Inflated fuel prices also significantly cut into owner-operators' take-home pay. Despite these headwinds, the administration continues to prioritize their progressive ideology. They tried to stop States from using their highway money to expand capacity, which, thankfully, we were successful in getting them to reverse. Now they want to essentially outlaw diesel trucks.

Also troubling, the Biden administration is continuing to put its thumb on the scale for one type of engine—electric—that the marketplace simply is not ready for. Electric trucks are not widely available for purchase, are more expensive, and also weigh more. Either truck weight limits will need to increase, or we will have to increase the number of trucks on the road. And while this is not the purpose of today’s hearing, I remain concerned that electric vehicles do not contribute to our user-pays Highway Trust Fund system.

There are also concerns regarding where the critical minerals needed to make batteries come from. If a business wants to invest in alternative fuel vehicles, that’s one thing. But I believe that businesses should have the opportunity to make their own decisions without the Government forcing them into a corner via their hasty and unrealistic pursuit of electric trucks.

I look forward to hearing your ideas about how best to help the trucking industry continue to deliver for all of us.

[Mr. Crawford’s prepared statement follows:]

Prepared Statement of Hon. Eric A. “Rick” Crawford, a Representative in Congress from the State of Arkansas, and Chairman, Subcommittee on Highways and Transit

The Subcommittee is continuing our efforts to address the supply chain crisis that was exacerbated by the COVID-19 pandemic and the Administration’s extreme, Green New Deal agenda. Today, we are specifically focusing on the challenges faced by our Nation’s trucking industry.

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Simply put, our economy requires a properly functioning trucking industry. More than 70 percent of our Nation’s freight tonnage is moved by the trucking industry every year, and more than 80 percent of our communities get their goods exclusively by trucks. Over 8.7 million commercial motor vehicle drivers operate in the United States, traveling billions of miles every year, serving every community in our country.

At today’s hearing, we will hear more about these challenges and explore solutions to make it easier for commercial trucking companies and truck drivers to do their jobs, which, in turn, will help ensure we do not see more of the Soviet-style empty store shelves we witnessed during the pandemic. Every company and each driver must comply with a myriad of rules and regulations at the federal, state, and local levels, to make sure their loads are safely delivered on time.

We need to make it easier for women and men to choose this profession, which is one of the most common paths to a middle-income lifestyle that does not require a college degree. This means attracting more potential drivers earlier in their working career and making it easier to train and test for a commercial driver’s license (CDL).

The Drive Safe Act, introduced during the prior Congress, is one idea. This bipartisan proposal would allow 18- to 20-year-old drivers to cross state lines, which makes sense to me since 49 states and the District of Columbia already allow 18- to 20-year-old commercial motor vehicle drivers to drive within their states’ borders.

A three-year pilot program testing this concept is in the Infrastructure Investment and Jobs Act (IIJA), but the Administration appears to be trying to kill this pilot by including requirements not in the law. I encourage the Administration to change direction.

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Inflated fuel prices also significantly cut into an owner-operator's take home pay. Despite these headwinds, the Administration continues to prioritize its progressive ideology. They tried to stop states from using their highway money to expand capacity—which, thankfully, we were successful in getting them to reverse—now they want to essentially outlaw diesel trucks.

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I look forward to hearing your ideas about how best to help the trucking industry continue to deliver for all of us.

Mr. CRAWFORD. I now recognize Ranking Member Holmes Norton for 5 minutes for an opening statement.

**OPENING STATEMENT OF HON. ELEANOR HOLMES NORTON
OF THE DISTRICT OF COLUMBIA, RANKING MEMBER, SUB-
COMMITTEE ON HIGHWAYS AND TRANSIT**

Ms. NORTON. Thank you, Mr. Chairman. I would like to thank the subcommittee chair Rick Crawford for holding this hearing on the trucking supply chain.

It is hard to fathom where our country would be without the trucking workforce. Trucks move 73 percent of all domestic freight by value, totaling 12.6 billion tons of freight in 2020. This essential workforce delivers for America and supplies everything from groceries to clothing to lifesaving medicine.

The COVID-19 pandemic disrupted global supply chains and highlighted longstanding challenges facing the trucking industry. Inadequate parking space, bottlenecks at ports, long hours on the road away from home—through all of it, trucks kept delivering for America.

Our committee has already passed several pieces of legislation to address the supply chain challenges caused by the pandemic. The Infrastructure Investment and Jobs Act and the Ocean Shipping Reform Act, which include funding and policy changes that would reduce freight congestion and bottlenecks, were enacted into law.

The Infrastructure Investment and Jobs Act made major investments in our freight network, including \$7.25 billion in INFRA grants and \$7.15 billion for the National Highway Freight Pro-

gram. These numbers demonstrate the commitment of President Biden and everyone who voted for the infrastructure law to improving freight transportation.

Our focus at our hearing today is to hear from stakeholders on the challenges facing truckers and the industry as a whole. I know that truckers form the foundation of our supply chain.

To that end, a secure and reliable supply chain must be a safe one. Supporting our workers through family-wage jobs, better working conditions, predictable and safe parking places, and life-saving safety equipment ensures how freight moves.

I have long supported strong entry-level driver training standards so that we ensure truckers are fully prepared to safely operate their vehicles and deliver their freight. Providing robust training empowers drivers to be safe and confident on the road and is an important way to attract quality drivers.

Driver compensation is also at the heart of our discussions here today. Better wages will help the industry attract and retain its workers. Simply put, better wages will ensure we have the capacity and the capability to safely deliver goods on time. Better wages lead to a more secure supply chain.

Finally, safety is our highest priority—safety for truckdrivers, and safety for everyone who shares the road with them. Far too many lives are lost each year in traffic crashes. For truckdrivers, the roadway is their workplace. And we owe it to them and all road users to improve our highway safety.

I look forward to hearing from our witnesses today and hearing their proposals to improve safety, support workers, and improve the reliability of our trucking supply chain.

Thank you, Mr. Chairman.

[Ms. Norton's prepared statement follows:]

Prepared Statement of Hon. Eleanor Holmes Norton, a Delegate in Congress from the District of Columbia, and Ranking Member, Subcommittee on Highways and Transit

I would like to thank Subcommittee Chairman Rick Crawford for holding this hearing on the trucking supply chain.

It is hard to fathom where our country would be without the trucking workforce. Trucks moved approximately 73 percent of all domestic freight by value, totaling 12.6 billion tons of freight in 2020. This essential workforce delivers for America and supplies everything from groceries, to clothing, to life-saving medicine.

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Finally, safety is our highest priority—safety for truck drivers, and safety for everyone who shares the road with them. Far too many lives are lost each year in traffic crashes. For truck drivers, the roadway is their workplace—and we owe it to them and to all road users to improve our highway safety.

I look forward to hearing from our witnesses today and hearing their proposals to improve safety, support workers and improve the reliability of our trucking supply chain. Thank you.

Mr. CRAWFORD. I thank the gentlelady. And I recognize the ranking member of the full committee, Mr. Larsen, to make an opening statement.

OPENING STATEMENT OF HON. RICK LARSEN OF WASHINGTON, RANKING MEMBER, COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

Mr. LARSEN OF WASHINGTON. Thank you, Chair Crawford and Ranking Member Norton, for holding this hearing to continue this committee's work to strengthen our supply chain.

So, last Congress, this committee succeeded in passing laws to move our freight network in the right direction and improve our Nation's infrastructure. Thanks to the Bipartisan Infrastructure Law, we are making historic levels of investment in the supply chain.

The \$350 billion in Federal Highway Administration investment flowing to States, counties, and cities under the BIL is improving roads, bridges, freight corridors and intermodal facilities. This funding is working to tackle our largest infrastructure challenges and freight bottlenecks. Congress has structured these investments so every State benefits from these dollars, and every State has control over how to invest them.

Ensuring a well-functioning supply chain means better infrastructure everywhere, and elimination of bottlenecks wherever they exist. And everyone who voted for the BIL voted to make our supply chain more efficient and more resilient. The administration's work to address supply chain challenges stemming from the pandemic also supports this goal.

The Freight Logistics Optimization Works, or FLOW, effort is a public-private partnership to create information-sharing between elements of the supply chain, and it has reduced delays that stem from a lack of coordination. We also passed the CHIPS and Science Act and the Inflation Reduction Act, bills to spur more U.S. manufacturing, leaving us less dependent on other countries and launching new industries at home. We have already seen the benefits of these decisions with more than \$435 billion in major private sector investments in U.S. manufacturing since the start of this administration.

The challenges in the trucking supply chain that erupted during the pandemic came as little surprise to this committee. Chair Norton at the time held a hearing in the subcommittee in 2019—when the rest of the Nation wasn't paying attention—to highlight the pressure trucking companies and drivers are under to deliver goods efficiently with roadway congestion, outdated infrastructure, soaring freight demand, and workforce challenges.

That laid the groundwork for many proposals in the INVEST Act: \$1 billion dedicated for truck parking, strong entry-level driver training investments, protecting U.S. drivers from unfair competition, and ensuring fair driver pay. And while we are no longer seeing the empty shelves and shipping delays we faced earlier in the pandemic, we are far from solving some of the underlying problems in trucking that affect our supply chain.

So, that leads us to the question: What are today's challenges? Two words: safety and workforce.

The backbone of our supply chain is the people—the truckdrivers, railroad workers, longshore workers, and warehouse workers—who support moving goods from point A to point B.

Truckdrivers, including Teamsters and OOIDA members who are represented here today, risked their own personal health and safety to get goods to market and deliver lifesaving medical supplies during COVID while they themselves had little support available with rest areas and services closed. We owe them a debt of gratitude for their work every day as they continue to operate in difficult situations.

Too often, supply chain discussions only focus on productivity: how much, how quickly, how cheaply things can move. But this lens skips over an integral part of the supply chain, and that is people. Protecting the safety of truckdrivers and the traveling public must be the top priority. The safety indicators show that driving a truck continues to be a dangerous job. According to the National Safety Council, 5,788 people died in large-truck crashes in 2021, an increase of 47 percent over the last 10 years.

We also need to make sure workers are paid fairly. In many cases, truckdrivers directly absorb the uncertainty of goods movement—everything from congestion and wait times at ports and shipper facilities to fluctuating fuel prices—in a way that you don't see in other industries. Greater productivity does not mean greater pay in many segments of the industry.

If truckdrivers aren't safe, if they are not well-paid, if they aren't well-trained, we are going to see consequences. We are going to see fatalities, worker retention issues, and an inability for supply chains to sustain economic growth. So, I intend to focus the committee's attention on how Congress can best support workers to ensure they have a safe workplace and the tools to succeed in their jobs.

I understand from Chair Graves of the full committee that the committee will soon consider a supply chain legislative package. So, I look forward to hearing ideas from our witnesses today—

[Construction noise.]

Mr. LARSEN OF WASHINGTON. Am I out of time already, Mr. Chair? No, sorry—our witnesses today to inform that effort.

Workers got to work, people.

[Laughter.]

Mr. LARSEN OF WASHINGTON. So, with that, I yield back.

[Mr. Larsen of Washington's prepared statement follows:]

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Prepared Statement of Hon. Rick Larsen, a Representative in Congress from the State of Washington, and Ranking Member, Committee on Transportation and Infrastructure

Thank you, Chair Crawford and Ranking Member Norton, for holding this hearing to continue the work of this Committee to strengthen our supply chain.

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That laid the groundwork for many proposals in the INVEST Act: \$1 billion dedicated for truck parking; strong entry-level driver training investments; protecting U.S. drivers from unfair competition; and ensuring fair driver pay.

And while we're no longer seeing the empty shelves and shipping delays we faced early in the pandemic, we're far from solving some of the underlying problems in trucking that affect our supply chain.

So that leads us to the question—what are today's key trucking supply chain challenges?

Two words: safety and workforce.

The backbone of our supply chain is the people—the truck drivers, railroad workers, longshore workers, and warehouse workers—who support moving goods from Point A to Point B.

Truck drivers—including Teamster and OOIDA members who are represented here today—risked their own personal health and safety to get goods to market and deliver lifesaving medical supplies during COVID while they themselves had little support available with rest areas and services closed.

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But this lens skips over an integral part of the supply chain—people.

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If truck drivers are not safe, if they aren't well-paid, if they aren't well-rested, if they aren't well-trained—we're going to see the consequences.

We're going to see fatalities, worker retention issues, and an inability for our supply chains to sustain economic growth.

I intend to focus the Committee's attention on how Congress can best support workers to ensure they have a safe workplace and the tools to succeed in their jobs.

I understand from Chairman Graves that the Committee will soon consider a supply chain legislative package. I look forward to hearing ideas from our witnesses today to inform that effort.

Mr. CRAWFORD. Were you banging that or who—somebody's doing some work over there. There is actually work being done in Washington, so that is good. I thank the gentleman.

I would like to welcome our witnesses and thank them for being here today. We will be hearing from Mr. Lewie Pugh, executive vice president, Owner-Operator Independent Drivers Association or OOIDA; Ms. Anne Reinke, president and CEO of the Transportation Intermediaries Association; Mr. David Fialkov, executive vice president of Government affairs at both NATSO, Representing America's Travel Plazas and Truckstops, and SIGMA: America's Leading Fuel Marketers; and Mr. Cole Scandaglia, senior legislative representative and policy adviser for the International Brotherhood of Teamsters.

Briefly, I would like to take a quick moment to explain how our lighting system works, and this will be familiar to you, being that you are in the trucking industry. There are three lights in front of you, green means go, but unlike a stop light, yellow does not mean proceed with caution as you might expect. It means kick it into high gear because it is fixing to turn red. And that means we will need you to conclude your remarks. So, when it does turn red, you will probably hear a little tap, tap, tap just to remind you that your time's expired. So, I just wanted to make sure everybody was aware of that.

And I ask unanimous consent that the witnesses' full statements be included in the record. Without objection, so ordered.

As your written testimony has been made part of the record, the subcommittee asks that you limit your oral remarks to 5 minutes. With that, before we hear from the first witness, Mr. Pugh from Missouri, I would like to recognize Representative Burlison of Missouri to say a few words of introduction about our first witness.

Mr. BURLISON. Thank you, Chairman Crawford. I have the honor of introducing one of our witnesses here today, Lewie Pugh, who is a resident of the great State of Missouri. Mr. Pugh is a small business owner. He has 26 years of experience in the trucking industry, and has tallied over 2½ million miles behind a safe truck with no records of accidents or anything.

Mr. Pugh also served this Nation in the United States Army for 6 years. And Mr. Pugh has been a part of the Owner-Operator Independent Drivers Association since 1996, and then became the executive vice president of that organization in 2018. I would like to welcome Mr. Pugh and thank him for coming to testify on this

very important issue on the supply chain and answer questions on how we can improve it.

Thank you.

Mr. CRAWFORD. Thank you, Mr. Burlison. And with that introduction, Mr. Pugh, you are recognized for 5 minutes.

TESTIMONY OF WILLIAM "LEWIE" PUGH, EXECUTIVE VICE PRESIDENT, OWNER-OPERATOR INDEPENDENT DRIVERS ASSOCIATION; ANNE REINKE, PRESIDENT AND CHIEF EXECUTIVE OFFICER, TRANSPORTATION INTERMEDIARIES ASSOCIATION; DAVID H. FIALKOV, EXECUTIVE VICE PRESIDENT, GOVERNMENT AFFAIRS, NATSO, REPRESENTING AMERICA'S TRAVEL PLAZAS AND TRUCKSTOPS, AND SIGMA: AMERICA'S LEADING FUEL MARKETERS; AND COLE SCANDAGLIA, SENIOR LEGISLATIVE REPRESENTATIVE AND TRANSPORTATION POLICY ADVISER, INTERNATIONAL BROTHERHOOD OF TEAMSTERS

TESTIMONY OF WILLIAM "LEWIE" PUGH, EXECUTIVE VICE PRESIDENT, OWNER-OPERATOR INDEPENDENT DRIVERS ASSOCIATION

Mr. PUGH. Thank you. Chairman Crawford, Ranking Member Norton and members of the subcommittee, thank you for the opportunity to share the views of the Nation's small business truckers and independent drivers. My name is Lewie Pugh, I am the executive vice president of the Owner-Operator Independent Drivers Association. We represent 150,000 men and women making their living behind the wheel.

Prior to serving as executive vice president of OOIDA, I spent 23 years as a professional driver and owner of a small business trucking company with 2½ million miles of safe driving. I did begin my trucking career in the United States Army as a truckdriver.

Throughout my career, I have firsthand experiences of many of these pervasive problems that are affecting our supply chain today. As the subcommittee works to understand what has led to the supply chain challenges and how they can be fixed, I strongly encourage you to listen to the men and women who are out there on the road every day. The challenges and the difficulty that they experience directly contribute to the overarching supply chain problems we see today.

Over 70 percent of America's freight transports exclusively by truck. Additionally, 96 percent of trucking companies are small businesses with six trucks or fewer. To put it simply, small business trucking is the backbone of the American supply chain.

Unfortunately, if you ask any trucker, they will tell you their needs and concerns have fallen to the lowest priority among workers in the supply chain. Lawmakers and regulators have long prioritized corporate carriers, law enforcement agencies, and safety advocacy groups, along with shippers and receivers, over the truckers when developing supply chain policies. This has led to an increasingly difficult environment for both professional drivers and small business trucking.

Let's consider the facts. Truckers struggle to find a safe place to park, wasting nearly an hour of productive time each day searching

for a place to rest. They are routinely denied access to restrooms at the facilities where they pick up and deliver. Detention time, which is the unproductive time they waste at shippers and receivers waiting to be unloaded, continues to increase. And many of these truckers are not paid for these hours due to the Federal regulation exempting employee drivers from overtime pay. In fact, drivers' compensation has been stagnant for decades, failing to even keep up with inflation.

There have never been more regulations imposed on our industry, and truckers are complying with these rules at extremely high rates, yet crash rates continue to increase. And despite no requirement to do so, the administration is moving forward with an extremely unpopular speed limiter mandate that will slow the movement of freight, increase crash rates, and worsen driver recruitment and retention.

The EPA has launched a multifaceted attack on vehicles our members operate, which will dramatically increase the cost to purchase and operate trucks.

Commercial driver's licenses are being issued at record numbers, but turnover rates remain large among large carriers—over 90 percent, some exceeding 100. Instead of taking the steps to reduce this, large carriers are trying and epically failing to bring teenagers into the long-haul industry, despite the obvious safety problems this creates. How can anyone be expected to operate efficiently under these conditions?

I would actually like to see you or your colleagues try to get any work done if you didn't have a safe place to rest at night, if you showed up here for work at 9 a.m. in the morning, were not allowed to do anything until early afternoon, all while not being allowed to use the restroom or being paid for that time you wasted.

If you really listen to what truckers have been trying to tell you, it isn't hard to see why our supply chain is lacking. Thankfully, there are some members of the committee who have heard what truckers have been saying and have introduced legislation to make meaningful improvements. We encourage everyone to: Support H.R. 2367, the Truck Parking Safety Improvement Act; cosponsor H.R. 3039, which will prevent FMCSA from imposing the speed limiter mandate; vote for H.J. Resolution 53, which will nullify EPA's NOx rules, which will dramatically increase costs and burdensome regulations; support legislation to ensure our members have restroom access; and cosponsor legislation that will reduce unproductive detention time by removing the exemption from the Fair Labor Standards Act.

I thank you for this opportunity to testify, and I hope you understand I'm here to convey to you what millions of truckers have been saying for far too long.

[Mr. Pugh's prepared statement follows:]

**Prepared Statement of William "Lewie" Pugh, Executive Vice President,
Owner-Operator Independent Drivers Association**

Chairman Crawford, Ranking Member Norton, and members of the Subcommittee, my name is Lewie Pugh and I am the Executive Vice President of the Owner-Operator Independent Drivers Association (OOIDA). Prior to working at

OOIDA, I was a small-business trucker for nearly 23 years with 2.5 million miles of safe driving. Before operating my own trucking business, I drove a truck during my service in the United States Army. I still proudly hold a Commercial Driver's License (CDL). In short, I've been a trucker my entire career.

ABOUT OOIDA

The Owner-Operator Independent Drivers Association (OOIDA) is the largest trade association representing the views of small-business truckers and professional truck drivers. OOIDA has over 150,000 members located in all fifty states that collectively own and operate more than 240,000 individual heavy-duty trucks. OOIDA's mission is to promote and protect the interests of our members on any issues that impact their economic well-being, working conditions, and the safe operation of commercial motor vehicles (CMVs) on our nation's highways.

Small trucking businesses, like those we represent, account for 96 percent of registered motor carriers in the United States, making them a key component of the nation's supply chain. We are undoubtedly the safest and most diverse operators on our nation's roads. Every region of our country and segment of our economy relies upon long-haul truck drivers. Our members are an integral part of the global supply chain and have a unique perspective on the many challenges our nation faces in moving freight in the safest, most efficient manner.

INTRODUCTION

Though the supply chain is slowly improving after experiencing significant disruptions during the COVID-19 pandemic, there are many inefficiencies that have persisted or worsened in recent years. While some policies that are broadly supported by the trucking industry would help improve efficiency, other stakeholders have used Washington's recent focus on the topic to portray or recast self-serving policies as supply chain improvements. In reality, these proposals will not promote the safe, efficient movement of freight. In some cases, these policies will make matters worse.

It's not realistic to believe Congress can legislate or the Administration can regulate the supply chain to produce optimal efficiency, but there are major steps that can and should be taken to improve conditions and productivity for small trucking businesses, owner-operators, and professional drivers. That said, it is clear to OOIDA the supply chain will never function optimally when our members struggle to find safe parking, are detained at loading facilities for hours on end, aren't being fully paid for the time they work, face a flood of new and costly regulations, and can't even access restrooms when picking up or dropping off critical freight. If you want to improve supply chain functionality through legislation, you must find the political courage to address these pervasive problems.

TRUCK PARKING

The lack of adequate truck parking creates unsafe conditions for all highway users and negatively affects supply chain performance. Finding a safe place to park is something most people take for granted, but it's a daily struggle for hundreds of thousands of long-haul truckers. In 2015, the Federal Highway Administration's (FHWA) Jason's Law Survey recognized the lack of truck parking had become a serious highway safety concern. Unfortunately, the problem has only worsened since then. Congress' failure to address this issue in the Infrastructure Investment and Jobs Act (IIJA) was a major misstep, but we appreciate that members and leadership of this Committee have consistently shown a determination to help solve the current crisis. However, nearly two years after the enactment of IIJA, states and local communities across the U.S. are still struggling to maintain existing capacity, let alone keep pace with growing demand.

Increasingly, drivers are forced to spend more and more of their on-duty time finding a place to park rather than keeping goods moving. In 2016, the American Transportation Research Institute (ATRI) estimated that drivers sacrifice an average of 56 minutes of available drive time each day in their search for a safe place to park.¹ There is no indication conditions have improved since the ATRI study. In fact, it is more likely the productive time wasted looking for parking has increased since 2016.

In addition to creating supply chain inefficiencies, the truck parking shortage is negatively affecting highway safety for our members and those with whom they share the road. Truckers find it increasingly difficult to rest when they are tired

¹American Transportation Research Institute, *Managing Critical Truck Parking Case Study—Real World Insights from Truck Parking Diaries* (December 2016).

or need to comply with rigid federal hours-of-service (HOS) regulations. Too often, they are forced to park in hazardous locations, such as highway shoulders, exit ramps and even vacant lots. This creates safety issues not only for truckers, but for the motoring public and enforcement officers.

Thankfully, a bipartisan group of Representatives led by Reps. Mike Bost (R-IL), a member of this Committee, and Angie Craig (D-MN), have again introduced the Truck Parking Safety Improvement Act (H.R. 2367) to help solve this growing problem. The bill would authorize over \$750 million to expand truck parking capacity across the country. Funding would help state and local governments build new rest areas and truck parking facilities, while also helping public entities convert existing spaces—such as inspection sites, weigh stations and closed rest areas—into truck parking locations. The bill also includes opportunities for communities to work with private entities to expand capacity.

It is not often that seemingly every stakeholder in our industry unifies behind a piece of legislation like we have with H.R. 2367. The bill is supported by OOIDA, American Trucking Associations (ATA), Women in Trucking, Truckload Carriers Association, National Association of Small Trucking Companies, Transportation Intermediaries Association, Institute for Safer Trucking, and the National Motorists Association. Our organizations recognize federal leadership is necessary to end the truck parking crisis and believe H.R. 2367 should be a priority for this Committee when advancing solutions to improve supply chain efficiency.

While there are many factors contributing to the current truck parking crisis, the federal government shares some responsibility for exacerbating the problem and should be an active participant in solving it. The inflexibility of federal HOS requirements combined with the Congressionally-mandated Electronic Logging Device (ELD) rule means that drivers' movements are tracked down to the second. As a result, drivers are placed in no-win situations when they must choose between parking in an unsafe location, or risk being ticketed by law enforcement, struck by a passing vehicle, or violating federal HOS regulations by continuing to drive to a safer location.

If the Committee is looking for commonsense, bipartisan solutions to improve supply chain efficiency, it is abundantly clear passage of Truck Parking Safety Improvement Act must be a priority. Nearly identical legislation passed this Committee last year with unanimous bipartisan support. We applaud members and leaders of this panel for remaining committed to resolving this longstanding problem in the 118th Congress. We encourage lawmakers to cosponsor H.R. 2367 and look forward to it being marked-up in the coming months.

ATA'S SPEED LIMITER MANDATE

Several years ago, the American Trucking Associations (ATA) petitioned the Federal Motor Carrier Safety Administration (FMCSA) to impose a speed limiter mandate that would restrict all heavy-duty CMVs to a single top speed across the country. After lying dormant for years due to widespread opposition among truckers, FMCSA has relaunched this rulemaking with the support of some large motor carriers and activists with no experience behind the wheel. This mandate would limit all heavy-duty trucks to a speed as low as 60 miles per hour (mph).

Make no doubt, the type of speed limiter mandate proposed by ATA and being pursued at FMCSA would exacerbate supply chain challenges. By prohibiting hundreds-of-thousands of trucks from traveling at the posted speed limit determined by states, this mandate will literally slow down freight movement across the country. For example, OOIDA members currently operate roughly 240,000 heavy vehicles on our nation's roads. Based on our members' strong reaction to the proposal, we suspect very few, if any, currently use speed limiters. Limiting just our members to a maximum speed as low as 60 mph would alone have a profound impact on the movement of goods in our economy, but the rulemaking will impact countless other CMVs. To make matters worse, if ATA's speed limiter mandate is implemented, more trucks will be needed to carry the same amount of freight in the same amount of time, which increases road congestion and can further slow freight movement.

While some ATA members have voluntarily chosen to utilize speed limiters to manage their fleets, more closely monitor fuel consumption, or reduce the number of speeding violations issued to their drivers, small business truckers do not need or want to use the devices and strongly oppose the federal government forcing them to do so. As demonstrated by the nearly 16,000 comments submitted to FMCSA during the initial phase of their rulemaking, opposition among professional drivers remains substantial. Truckers understand these devices will decrease efficiency and safety.

A speed limiter mandate may be thought of as something affecting only the long-haul trucking industry, but FMCSA's proposal would apply to every commercial motor vehicle weighing over 26,000 pounds. OOIDA has assembled a coalition of numerous organizations whose members would be negatively affected by this mandate, including the Agricultural Retailers Association, American Farm Bureau Federation, American Pipeline Contractors Association, Associated Equipment Distributors, Customized Logistics and Delivery Association, Distribution Contractors Association, Livestock Marketing Association, Mid-West Truckers Association, Motor Carriers of Montana, National Asphalt Pavement Association, National Association of Small Trucking Companies, National Cattlemen's Beef Association, National Hay Association, National Ready Mixed Concrete Association, National Stone Sand and Gravel Association, National Utility Contractors Association, Nevada Trucking Association, North American Punjabi Trucking Association, Power and Communication Contractors Association, Texas Trucking Association, Towing and Recovery Association of America, United States Cattlemen's Association, and Western States Trucking Association.

When considering the impact this rule would have on the supply chain, it is important to remember not all of these organizations represent traditional motor carriers. Many operate smaller, lighter duty vehicles that would also be slowed by the requirement. The large carriers who support ATA's speed limiter proposal want you to believe the rule will have a minimal impact on trucking and the supply chain, but those claims can be easily dismissed when you understand the true scope of who will be slowed.

ATA's speed limiter mandate is wholly unnecessary, as there is already a mechanism in place to address unsafe vehicle speeds: speed limits set and enforced by the states. In 1995, Congress repealed the national speed limit and gave states the power to establish speed limits for their roads. Since then, states have been able to design their roadways and set top speeds according to what they have determined to be safest for their specific needs and conditions. FMCSA's ongoing rulemaking would trample the states' long-standing authority.

By establishing a one-size-fits-all federal mandate restricting CMVs to a speed as low as 60 mph, this regulation would also undoubtedly lead to higher crash rates by creating dangerous speed differentials between CMVs and other vehicles, such as automobiles. Decades of highway research shows greater speed differentials increase interactions between trucks and cars, and studies have consistently demonstrated that increasing interactions between vehicles directly increases the likelihood of crashes.

Since the mid-1990's, many states have taken steps to reduce speed differentials on their roads. FMCSA's proposal would instantly reverse many of these improvements. In fact, if the agency settles on a 60 mph limit for heavy vehicles, which is favored among some large motor carriers and anti-truck activists, split speeds would immediately be created in every state with the exception of California and Hawaii. In many states, this mandate would create split speed limits on two-lane rural roads, which are particularly hazardous. In these conditions, passenger vehicles that want to travel at the posted limit get stuck behind slower-moving trucks, increasing the number of passes they must make.

In addition to slowing down the movement of freight and increasing crash rates, a speed limiter mandate would make it more difficult for businesses to attract and retain drivers. Upon reviewing the nearly 16,000 public comments already submitted to the agency by stakeholders, it is crystal clear drivers do not want to operate speed limited trucks, as it takes control of the vehicle out of their hands. Speed limiting trucks also increases pressure and stress on drivers to complete their work. Truckers required to operate below the posted speed limit must drive longer hours to cover the same distance, which increases their fatigue and places even greater stress on them to comply with burdensome HOS regulations.

Furthermore, FMCSA readily admits this rulemaking will disadvantage small businesses, making it more difficult for our members to continue operating and harder for the next generation of owner-operators to launch their own trucking businesses. Similarly, members of this Committee must be cautious to support ATA's latest maneuvering on speed limiters, which includes a proposal to create different speed maximums for motor carriers based on what types of supplementary equipment or devices they utilize. This proposal is brazenly designed to further squeeze small businesses to the benefit of corporate motor carriers, forcing our members to purchase costly technology they don't need just to move at the same speed as their large competitors.

Both ATA and FMCSA are aware that decades of research on the topic of speed has consistently led to the same conclusion: roads are safest when all vehicles are moving the same relative rate of speed. ATA has chosen to ignore this reality be-

cause a speed limiter mandate would benefit their large, corporate members by slowing down smaller competitors. It is more perplexing why FMCSA has chosen to ignore this research as well, as they are responsible for improving motor carrier safety, not developing regulations that will increase crash rates or picking economic winners and losers. In fact, FMCSA's current rulemaking is a stark contrast from its previous position on this matter. In 2011, Julie Cirillo, a former Assistant Administrator and Chief Safety Officer at FMCSA, stated in a sworn affidavit,

“Jurisdictions responsible for ensuring the safety of the travelling public should not take any action that could result in creating an unsafe situation. Included in these actions would be the establishment and enforcement of differential speed limits for passenger cars and commercial vehicles. Adherence to differential speed limits creates a situation where a significant percentage of traffic is operating more slowly than general traffic. The studies described herein establish that this is *always unsafe* [emphasis added].”

The factors that led to this conclusion have not changed since 2011. Instead, perhaps the agency has lost track of its mission in trying to appease large motor carriers and anti-trucking activists, after their efforts to include a speed limiter mandate in IIJA were rejected on a bipartisan, bicameral basis.

Earlier this month, Rep. Josh Brecheen (R-OK) introduced the Deregulating Restrictions on Interstate Vehicles and Eighteen Wheelers Act (DRIVE Act), H.R. 3039. This bill would stop FMCSA from moving forward with this reckless rulemaking that drivers vehemently oppose. We encourage every member of the Committee to support this legislation, which will prevent supply chains from slowing and crash rates from increasing.

DETENTION TIME

Small-business truckers and professional drivers face numerous operational and infrastructure bottlenecks on a daily basis. Excessive detention time is chief among the chokepoints that contribute to supply chain inefficiencies. Many drivers spend countless on-duty hours delayed by shippers and receivers because Congress and FMCSA have failed to sufficiently address the growing problem of excessive detention time. For too long, the trucking industry has typically defined detention as any time spent waiting to load or unload in excess of two hours. Essentially, it has become readily accepted that drivers will likely be detained for a minimum of two hours, simply because the market has failed to solve the problem and Washington has yet to take the matter seriously. This completely devalues a driver's time and work.

The U.S. Department of Transportation (USDOT) must collect better information on detention time to demonstrate precisely what role it plays in supply chain delays. OOIDA strongly support efforts to gather and publicly disseminate accurate information on detention time. Comprehensive collection and publication of loading, unloading, and delay times among shippers and receivers would be beneficial for both drivers and motor carriers, helping them improve trip planning, load selection, and other operational considerations. Additionally, a public database or website with estimates of detention time could improve efficiency throughout the marketplace by incentivizing shippers and receivers to improve their own efficiency to attract drivers and motor carriers.

In addition to creating significant inefficiencies in the supply chain, detention time is both a safety and financial concern for professional drivers. A 2018 USDOT Inspector General (OIG) report estimated that a 15-minute increase in average dwell time—the total time spent by a truck at a facility—increases the average expected crash rate by 6.2 percent. The study also estimated that detention time is associated with reductions in annual earnings of \$1.1 billion to \$1.3 billion for for-hire CMV drivers in the truckload sector and reduces net income by \$250.6 million to \$302.9 million annually for motor carriers in that sector.²

These findings from the OIG report echo what OOIDA members have been experiencing for years. According to 2020 survey results from the OOIDA Foundation, drivers operating under the 70 hour/8-day rule spend 17% to 29% of their time in detention. This uncompensated time means individual drivers are effectively losing

²U.S. DOT Office of Inspector General, *Estimates Show Commercial Driver Detention Increases Crash Risks and Costs, but Current Data Limit Further Analysis*, U.S. Department of Transportation (Jan 2018).

\$907 to \$1,512 per week.³ This can ultimately create the incentive for drivers to operate longer and push harder, foregoing rest breaks or pauses when they are tired, in order to make up for compensation lost to detention time.

When studying this issue, there is one particular flaw that exacerbates the problem. While the Fair Labor Standards Act (FLSA) generally requires employers to pay covered non-exempt employees at least the federal minimum wage for all hours worked during the work week and overtime pay for all hours worked over 40 in a work week, truck drivers are unfairly exempted from the law's overtime guarantee under Section 13(b)(1). This outdated exemption was implemented in the 1930s to prevent truckers from working too many hours, but today it simply prevents them from receiving adequate compensation for the work they do.

Exempting drivers from guaranteed overtime pay increases problems with detention time because shippers, receivers, and others in the supply chain have little to no financial incentive to load and unload trucks in an efficient manner. If a shipper or receiver knows they won't be responsible for paying overtime, they simply don't care as much about respecting a driver's time. If repealed, drivers would either be fairly compensated for the extra hours they work, or shippers and receivers would find ways to reduce delays to avoid paying overtime. Simply put, the current law ensures that a driver's time is less valued than other professions and enables inefficiencies to persist, and even worsen. If Congress is serious about fixing pervasive problems in the supply chain, this absolutely must change.

A majority of OOIDA members (79 percent) are in favor of removing the exemption, especially company drivers (96 percent), and 60 percent believe this will help address the detention time issue.⁴ Removing the motor carrier exemption enables truckers to be fairly paid during all work-related hours, not just when the truck is in motion. Better pay will encourage more experienced, safer drivers to stay in the industry.

OOIDA championed bipartisan, bicameral legislation in 2022 that would have removed this unfair and outdated exemption. As this Committee is looking for ways to reduce regulations that hamper supply chain performance, eliminating this 85-year-old exemption is an obvious step. We hope to have legislation reintroduced this summer and encourage all members of this Committee to become cosponsors. Your support for repealing the FLSA exemption for truckers is perhaps the most meaningful step you can take as a lawmaker to help reduce excessive detention time.

RESTROOM ACCESS

Members of Congress have rightfully recognized truckers as the backbone of America's supply chain. But in order for drivers to do their job, they need to have their basic human needs met. This includes access to restrooms at the facilities where they pick up or deliver freight.

Shippers and receivers denying truckers access to restroom facilities was a problem prior to COVID-19, but conditions worsened for our members during the pandemic. Unfortunately, as the nation emerges from the disruption and uncertainty of COVID-19, many restrictive policies involving restroom access remain in place. The persistence of excessive detention time compounds this problem, with some of our members reporting they were routinely denied access to a restroom facility while waiting several hours to be loaded or unloaded. While women drivers are especially harmed by these unnecessarily harsh policies, their prevalence is making it more difficult to maintain careers in trucking for everyone.

In response to this unacceptable situation, OOIDA and our friends at Women in Trucking have worked closely with Rep. Troy Nehls (R-TX), a member of this Committee, to introduce legislation that would provide truckers the same access to restrooms that customers and employees currently enjoy at facilities where our members pick up or deliver loads. The bipartisan legislation, cosponsored by Rep. Chrissy Houlahan (D-PA), does not require businesses to construct new restroom facilities or provide special treatment to truckers. It simply ensures one of the most basic needs of those who make their living on the road is being met.

We strongly encourage members of the Committee to cosponsor this important legislation, which will demonstrate to professional drivers that their lawmakers not only understand the challenges they routinely face on the road, but are willing to take the necessary steps to help solve these problems.

³ Owner-Operator Independent Drivers Association Foundation, *2020 Detention Time Survey* (December 2020).

⁴ *Ibid.*

THE MYTH OF THE DRIVER SHORTAGE

Since the late 1980's, large motor carriers have been attempting to convince Congress our nation suffers from a shortage of drivers. Over the last 30+ years, organizations like ATA have consistently peddled this false narrative in an effort to distract from their members' embarrassingly high driver turnover rates, which routinely exceed 90%. More recently, large carriers have approached current disruptions in the supply chain as a new and promising opportunity to further engrain the myth and advance the dangerous legislative proposals they have built upon it.

Far too many Members of Congress, including many on this Committee, have readily accepted the driver shortage myth, which illustrates a troubling lack of understanding about our industry among policymakers. Over the last several years, ATA has consistently touted a shortage of as many as 80,000 drivers, despite a distinct lack of evidence. Rather than trusting ATA's dubious claims, lawmakers should focus on information provided by federal experts at the Bureau of Labor Statistics (BLS). A 2019 report by BLS found that "the market for truck drivers works about as well as that for other blue-collar occupations, and that, broadly speaking, we should expect that if wages rise when the labor market for truck drivers is too tight, the potential for any long-term shortages will be ameliorated."⁵

Acceptance of the driver shortage myth could have major safety and economic consequences for highway users and professional drivers.

Over the objections of OOIDA, organized labor, and safety advocacy groups, Congress recently authorized the Safe Driver Apprenticeship Pilot Program in IIJA. Since the pilot program's launch in January 2022, large carriers and others looking for the cheapest driver workforce have struggled mightily to find 18, 19, and 20-year-olds interested in participating. In fact, USDOT reported in March that only 4 drivers had registered to participate since the program launched 7 months earlier. That's right—just 4 drivers are enrolled in the program, despite significant investment in advertising and promotion done by FMCSA. The ATA, who clamored for the inclusion of this initiative in IIJA and called it the "gold standard" for driver training, is now claiming the required use of inward facing cameras is preventing greater registration among driver candidates. This is despite the fact that one of their largest members recently announced that they will equip all of their tractors with driver-facing cameras.⁶

These claims are laughable. ATA and its members have spent decades making the profession of driving as unappealing and unsustainable to new drivers in an effort to keep their labor costs as low as possible. For decades, they have done little to meaningfully increase compensation or improve working conditions for employee drivers, going so far as convincing members of this Committee that the federal government should step-in to provide tax incentives to supplement truckers' compensation rather than pay their own drivers competitive wages. Now, they are reaping what they have sowed. Teen drivers may not have the maturity to operate CMVs at the safest levels, but they have enough sense to see a bad deal when it's offered to them. Large carriers will continue to struggle to find participants in the Safe Driver Apprenticeship Pilot Program, but it's not because of any requirements imposed by the Biden Administration.

While promoting policies designed to create the cheapest driver workforce possible, large carriers are simultaneously ignoring many of the factors that contribute to their excessively high turnover rates among current drivers. Recent minor increases in driver compensation may be good for large fleets' public relations and recruiting, but drivers remain grossly underpaid after decades of stagnant wages. ATA boasts the average compensation for a professional driver is currently \$50,000, but they fail to mention drivers typically work 70 to 80 hours each week to earn it. Not only that, but when taking inflation into account, wages have remained stagnant over the last 20 years.

These wages aren't competitive with other, less-skilled professions that feature remarkably better working conditions. As a result, it should come as no surprise that new entrants are spending less and less time behind the wheel before looking for better opportunities in different fields. Other drivers may choose to remain in the industry, but begin careers at carriers who better prioritize driver retention through more competitive compensation and improved working conditions. In fact, ATA's own analysis shows less-than-truckload (LTL) carriers, who generally offer better pay and working conditions, have annual turnover rates closer to 14%.

⁵Bureau of Labor Statistics, *Is the U.S. labor market for truck drivers broken?* (March 2019)

⁶Avila, Larry. "JB Hunt Rolls out Driver-Facing Cameras." *Transport Dive*, 26 Apr. 2023, <https://www.transportdive.com/news/jb-hunt-driver-facing-cameras-ATRI-issues-opportunities-report/647985/>.

Rather than expanding the driver pool to include teenagers, Congress should pursue policies that promote competitive pay for drivers and address many of the challenges that make careers in trucking unsustainable.

EPA REGULATIONS

In recent months, the Environmental Protection Agency (EPA) has unleashed a regulatory blitz on small-business truckers. The agency finalized a Nitrous Oxide (NO_x) emissions rulemaking in December 2022 that implements stringent emissions standards for new commercial trucks beginning in Model Year 2027. OOIDA and other industry stakeholders warned EPA that this hurried timeline would not ensure vehicle affordability or reliability, which are critical to supporting the purchase and operation of cleaner vehicles among small trucking businesses.

OOIDA strongly supported the U.S. Senate's recent actions to overturn the flawed 2022 NO_x emissions rule, led by Sen. Deb Fischer (R-NE). We urge the House to follow suit. Rep. Troy Nehls (R-TX) recently introduced H.J.Res. 53, which mirrors Sen. Fischer's efforts by nullifying EPA's final rule. We encourage all members to support this important resolution, which will protect our members from EPA's overly costly and aggressive regulations.

In March, EPA granted a waiver for California mandating that 40 percent of tractor-trailers and other big rigs sold in the state be all-electric. In April, the agency released its Phase 3 greenhouse gas (GHG) proposal. Small business truckers have been shocked by this regulatory blitz. With these moves, our members are again facing higher projected costs for new vehicles and insufficient lead-up time to properly implement manufacturing standards. The Phase 3 rule is also a blatant attempt to force consumers into purchasing electric vehicles while a national charging infrastructure network remains absent for heavy-duty commercial trucks. Professional drivers are skeptical of EV costs, mileage range, battery weight and safety, charging time, and availability. It's baffling that the EPA is pushing forward with more impractical emissions timelines without first addressing these overwhelming concerns with electric CMVs.

All of these regulations maintain an impractical approach to achieving emissions reductions that discounts the contributions of the trucking industry, ignores realities from previous flawed emissions rulemakings, and does not account for the economic impacts on small trucking businesses. Clean air is a priority for everyone, including truckers, but the technology used in heavy-duty trucks to improve air quality has to be affordable and reliable. Small-business truckers and owner-operators should not be used as test cases for trialing new technology while pricing them out of business in the process. Unfortunately, this has become commonplace for EPA when pursuing trucking regulations.

UNDERRIDE GUARDS

On April 21st, the National Highway Traffic Safety Administration (NHTSA) followed through on an IIJA requirement by announcing an Advanced Notice of Proposed Rulemaking to better understand the overall effectiveness, and assess the feasibility, benefits, costs, and other impacts of installing side underride guards on trailers and semitrailers. The preliminary research provided by NHTSA indicated that the annual cost of the mandate would be as much \$1.2 billion, making it one of the most expensive mandates ever imposed on our industry. The agency also estimated an industry-wide mandate would save fewer than 20 lives per year. The resulting cost per life saved would fall in the range of \$73.5 million to \$103.7 million. These estimates reinforce OOIDA's long-standing position that a side underride guard mandate is cost-prohibitive and are consistent with previous research conducted by NHTSA that led the agency to the same conclusion on multiple occasions.

While existing technologies may reduce passenger compartment intrusion in certain situations, the rulemaking fails to recognize numerous other issues limiting the real-world practicality of side underride guards. For example, installation of the equipment would unquestionably create challenges for truckers navigating grade crossings and high curbs, backing in to sloped loading docks, properly utilizing spread-axle trailer configurations, conducting USDOT-required trailer inspections, and accessing vital equipment located under the trailer—such as brakes. Additionally, the weight of side underride guards with the strength to prevent intrusion would displace valuable payload, reducing the earnings of truckers.

This rulemaking process is a perfect example of what happens when trucking policy is developed by those who have no knowledge of how to operate a CMV, including device manufacturers who stand to profit from the federal government mandating the use of their products, safety advocates who have no training or experience behind the wheel of a heavy vehicle, and uninformed lawmakers.

IIJA also required the launch of the Advisory Committee on Underride Protection, whose membership was recently announced. While OOIDA has a seat at the table, this panel unfortunately gives more influence to representatives who have no clue how to operate a heavy vehicle than to those who understand the serious operational challenges and hazards created by side underride guards. This is no way to develop sound policies.

The NHTSA rulemaking process, coupled with the activity of the advisory committee, represents a massive waste of government time and resources pursuing a regulation that is entirely untenable.

TRUCK SIZE & WEIGHT

Time and time again, proposals to increase truck size and weight requirements are floated on Capitol Hill, and the 118th Congress is no different. While these proposals may initially sound like reasonable solutions to improving supply chain efficiency, there are several factors involving bigger and heavier trucks Congress must consider.

USDOT recently conducted a thorough evaluation of increased truck size and weight and issued a final report in 2016 that discouraged policymakers from pursuing increases. The report found that heavier trucks created more safety problems, including a 47 to 400% higher crash rate, a higher out-of-service violation rate, and an 18% higher brake violation rate. These factors alone should convince lawmakers not to advance proposals to increase truck size and weight, but you must also consider how truckers feel about being forced to driver bigger and heavier trucks.

Over the years, truckers have been clear that they do not support increasing the size and weight of the vehicles they operate, due largely to concerns involving highway safety. A 2022 survey of OOIDA members revealed 68% of respondents believed increases would make it more difficult to recruit and retain drivers. In fact, no group representing professional drivers currently supports proposals to increase size and weight, which illustrates the lack of support within the profession.

BROKER TRANSPARENCY

During the initial days of the COVID-19 pandemic, freight rates reached historic lows. Hundreds of truckers protested in front of the White House because some freight brokers consistently fail to comply with federal transparency regulations. For years, small-business truckers have expressed frustration that regulations designed to provide transparency are routinely evaded by brokers or simply not enforced by FMCSA. While freight rates have rebounded, the need for better broker transparency remains urgent.

49 CFR §371.3 mandates that brokers keep transaction records and permits each party to a brokered transaction to review these documents. These regulations are in place to protect motor carriers, brokers, the public, and ultimately ensure the transparent and smooth movement of goods throughout the supply chain. This allows carriers to know precisely how much a shipper paid the broker and how much the broker then paid the carrier. This transparency also helps owner-operators when brokers send them bills regarding disputed claims. Without this information, it is very difficult to know if these charges are legitimate. Unfortunately, many brokers implement hurdles they know will prevent a carrier from ever seeing this information.

To improve broker transparency, OOIDA petitioned FMCSA to do the following:

1. Require brokers to automatically provide an electronic copy of each transaction record within 48 hours after the contractual service has been completed.
2. Explicitly prohibit brokers from including any provisions in their contracts that requires a carrier to waive their rights to access the transaction records as required by 49 CFR §371.3.

Recently, FMCSA announced it would launch a rulemaking to address our petition. If rules are promulgated to improve broker transparency and current regulations are better enforced by DOT, this would support the economic stability of the trucking industry and help develop a more reliable supply chain.

CONCLUSION

The fortitude of our nation's truck drivers has never faltered even in the face of many challenges, including the COVID-19 pandemic and the current global supply chain crisis. Unfortunately, most of the problems we are witnessing today are not new to small-business truckers that have experienced supply chain dysfunction for decades. In fact, OOIDA, including myself personally, have testified before Congress and discussed many of the issues addressed in this testimony with you and your

colleagues. It's frustrating that it's taken a global pandemic and supply chain upheaval to bring some of these issues in to the spotlight, but this Committee should take the opportunity to finally fix these pervasive problems. We support Congress's efforts to address current and future supply chain challenges, but you must start with finally valuing and compensating professional drivers for all of their time and supporting policies that improve their working conditions. While this won't immediately fix all of the supply chain problems, it is an absolutely necessary first step to do so.

Mr. CRAWFORD. Well done. Right on time. I didn't even have to tap you. Perfect.

Ms. Reinke, you are recognized for 5 minutes.

TESTIMONY OF ANNE REINKE, PRESIDENT AND CHIEF EXECUTIVE OFFICER, TRANSPORTATION INTERMEDIARIES ASSOCIATION

Ms. REINKE. Chairman Crawford, Ranking Member Norton, and members of the Transportation and Infrastructure Committee, thank you for the opportunity to speak with you today to highlight the important role that logistics companies play in the supply chain and how our members were part of the solution during the pandemic. I will also address a few challenges to the safety of the supply chain and free flow of freight and some potential pragmatic solutions.

My name is Anne Reinke. I am the president and CEO of the Transportation Intermediaries Association, or TIA. I am honored to be here today to represent our more than 2,000 member companies. TIA is the professional organization of the \$232 billion third-party logistics industry. Our members sit at the center of the supply chain, ensuring that freight is facilitated from origin to destination in the safest and most economical way possible. Every Fortune 500 company uses the services of one or more brokers to handle their traffic allocation needs.

Logistics within the United States and throughout the world play an integral role in the overall American economy. From our members' perspective, the supply chain disruptions resulting from the pandemic have eased but several residual impacts remain, including a freight recession impacting buyers, suppliers, and other key stakeholders. Volatile labor markets with labor shortages still in trucking and other modes, but layoffs in some notable U.S. economic sectors. And inflation, which has increased the cost of labor, goods, and energy. Freight rates and volumes have declined over the last quarter or more, and a soft freight economy is anticipated into 2024. Nevertheless, TIA applauds the Biden administration for its FLOW data initiative and the actions of this committee for its attention to the supply chain, a recognition of how critical it is to the U.S. economy.

While all this uncertainty looms on the horizon, the 3PL marketplace, though down right now, shows strong future growth. The pandemic showcased the broker's inherent value, driven by our members' investments in technology and our vast array of shipper and carrier relationships. The broker freight marketplace grew over 30 percent from 2020 to 2022. Shippers continue to look for transportation solutions to fill their needs while highlighting safety and security as the top reasons for what they look for in a broker. And carriers rely on brokers to be their sales force and connect them

with shippers. Today, brokers handle about 30 percent of the freight in the supply chain, and it is anticipated to grow to 45 percent by 2045.

There are two issues currently that impact the safety and efficiency of the supply chain that the Federal Motor Carrier Safety Administration must prioritize. First, as you know, NHTSA has noted that truck crashes continue to rise by double digits year over year. However, most trucking companies fail to receive a compliant safety audit leading to 92 percent of carriers being unrated. TIA has pushed for many years for a more robust and effective motor carrier safety rating process to improve highway safety and eliminate confusion.

Today's physical audits on trucking companies are outdated, ineffective, and resource constrained. TIA has fully endorsed and supports the bipartisan legislation H.R. 915 supported by Congressman Moulton and Gallagher. We applaud their leadership and would request the committee to include this legislation in the upcoming FAA Reauthorization Act or another appropriate vehicle.

Second, we are in the midst of a fraud epidemic in the supply chain which interrupts the safe chain of custody of the Nation's freight. It is estimated to cost brokers, carriers, shippers, and consumers around \$800 million or more. TIA successfully advocated to have language included in 2012's MAP-21 that codified legal brokerage, created a \$10,000 penalty for conducting illegal brokerage activities, and formed a National Consumer Complaint Database to report fraud cases.

Unfortunately, due to a lack of enforcement, there are a proliferation of bad actors in the supply chain illegally brokering freight, registering as carriers using hundreds of different MC numbers, and conducting outright freight fraud, theft, and holding freight hostage. Today, there are over 80,000 complaints in the database that have never been investigated, and no penalties have ever been assessed.

Exacerbating the potential for fraud is a rise in unlicensed and unregulated dispatch services who are hired to help carriers to perform back-office functions, but often broker freight without authority, even sensitive Government freight, and who may not be domiciled in the United States.

We are working with OOIDA and NASTC to drive greater attention and some sense of urgency to this issue. We hope this hearing focuses Federal attention and resources to both of these critical issues.

I appreciate the opportunity to testify before the committee today, and I would be happy to answer any questions.

[Ms. Reinke's prepared statement follows:]

Prepared Statement of Anne Reinke, President and Chief Executive Officer, Transportation Intermediaries Association

Chairman Crawford, Ranking Member Norton, and members of the House Transportation and Infrastructure Committee: Thank you for the opportunity to speak with you today to highlight the important role that logistics companies play in the supply-chain and how our members were part of the solution during the pandemic to alleviate disruptions. I will also address a few issues that impact the safety of the supply chain and the free flow movement of freight throughout the United

States. We have some potential pragmatic solutions that could help alleviate both the residual supply chain disruptions from the pandemic and ongoing safety-related concerns.

My name is Anne Reinke; I am the President and CEO of the Transportation Intermediaries Association (TIA). I am honored to be here today to represent our more than 2,000 member companies. TIA is the professional organization of the \$232 billion third-party logistics industry. TIA is the only organization exclusively representing transportation intermediaries, commonly referred to as brokers, or forwarders in all modes doing business in domestic and international commerce. TIA provides education, advocacy, networking, and other member services to our member companies; our mission is to promote and assist with our members' growth and professional development. As evidence of this commitment, TIA's education curriculum has been certified by the State Council of Higher Education for Virginia (SCHEV). SCHEV certification is awarded to educational institutions and organizations that meet rigorous standards of quality and comply with state and federal regulations. TIA also serves as the U.S. voice of the International Federation of Freight Forwarders Associations or FIATA. Our members stand at the center of the supply chain: they facilitate and arrange the efficient and economical movement of goods by working with tens of thousands of shippers and carriers to help arrange the movement of freight by truck, rail, air and ocean carriers. Every fortune 500 company utilizes the services of at least one freight broker, and often they use many brokers to handle their traffic allocation.

As we are all aware, the U.S. economy continues to be more interconnected with the global economy and the world's supply-chain. Logistics in the United States and throughout the world plays an integral role in the overall American economy. From our members' perspective, the supply chain disruptions which were a result of the COVID-19 pandemic continue to improve, but several residual effects remain, including workforce issues, a truck driver shortage, truck capacity in certain sectors, container shortages, inflation, regulations, and other challenges. TIA applauds the Biden Administration for its attention to the supply chain through the FLOW initiative and the actions of this Committee for its attention on the supply chain, a recognition of how critical it is to the U.S. economy.

ABOUT TIA AND THE INDUSTRY

TIA members include more than 2,000 motor carrier property brokers, surface freight forwarders, international ocean transportation intermediaries (ocean freight forwarders and NVOCCs), air forwarders, customs brokers, warehouse operators, logistics management companies, and intermodal marketing companies. TIA members handle the purchase of more than \$100 billion worth of transportation each year and employ more than 130,000 people across the country.

Transportation intermediaries or third-party logistics professionals act somewhat as the "travel agents" for freight; however, given the wide varieties of freight, the specific needs of each customer, and the diverse issues applicable to anyone load means that third-party logistics professionals must have expertise far beyond what a traditional "travel agent" must possess. These companies serve tens of thousands of customers (known as "shippers") who are the actual owners of the goods being transported, bringing together the transportation needs of those cargo interests with the corresponding capacity and special equipment offered by rail, motor, air, and ocean carriers.

Transportation intermediaries are companies whose expertise is providing mode and carrier-neutral transportation arrangements for shippers with specific needs and requirements and matching those with the ability and expertise of the underlying operating carriers.

SUPPLY CHAIN DISRUPTIONS

The supply chain has rebounded significantly since the disruptions of the COVID-19 pandemic and has markedly improved. However, some residual effects of the pandemic continue to impact the supply chain, some of which have been there since before the pandemic. In order to set the stage for how the residual supply chain challenges impact the logistics industry, we have to take a look at the current economic situation. A global recession feels inevitable, impacting buyers, suppliers, banks and several other key stakeholders. Additionally, the U.S. labor markets remain volatile, with labor disputes arising at ports creating unrest and tensions that create work stoppages and delays, and an overall downturn in the American economy leading to layoffs in certain sectors. Furthermore, in an inflationary market, corporate debt is rising, which ultimately increases the cost of labor, goods, and energy.

All these issues are contributing to and compounding disruptions and uncertainty in the supply chain. The decline in freight rates and volumes over the past two months more than offset the improvements in utilization in fuel cost improvement. The outlook for transportation continues to be negative moving into 2024.

While all this uncertainty looms on the horizon, the 3PL marketplace is stronger than ever and the reliance on brokers by shippers continues to grow. The broker freight marketplace grew over 30% from 2020 to 2022. Our members are able to be nimble, to “flex” and have the ability to go out and find capacity, because of carrier relationships that they have that shippers may lack. Shippers continue to look for transportation solutions to fill their needs while highlighting safety and security as the top two reasons for what they look for in a broker. It is estimated that by 2045 brokers will handle almost 45% of the freight in the supply-chain; the current amount sits roughly around 30%.

POTENTIAL SOLUTIONS:

While there is not one single solution or action that will immediately alleviate the supply chain disruption, several solutions exist that would help improve the movement of goods. The safest and most secure marketplace is also the most efficient and functional marketplace. In that vein, TIA believes there are critical safety and fraud issues that the FMCSA can address.

DELAYED SAFETY REGULATION

I would like to begin with a discussion on safety, the top priority for the TIA, and the core mission of the Federal Motor Carrier Safety Administration (FMCSA). We firmly believe that FMCSA should prioritize several key safety issues. The National Highway Traffic Safety Administration has said that truck crashes are up ten percent from 2021 to 2022; truck crashes were also up year over year from 2020 to 2021. We also know that a majority of trucking companies on the road operate without a safety rating each year and there is limited action by FMCSA to address the issue.

TIA has pushed for many years for a more robust and effective motor carrier safety rating process, as a means to improve the safety of the nation’s highways. Currently, the FMCSA is using an outdated and ineffective physical audit system to rate motor carriers for safety. The physical audit requirement means that the FMCSA has neither the manpower nor the resources to conduct safety inspections of the vast majority of motor carriers. This antiquated system has led to an unbelievable 92% of trucking companies being “unrated”, and this number increases annually as more trucking companies enter the marketplace. This system creates confusion and uncertainty in the carrier selection and vetting process that leads directly to pinched capacity and time constraints on our member’s operations. The lack of clarity on the safety rating status of a carrier leads to delays in the carrier vetting process, where an updated safety rating process would shorten the time to vet carriers. This lack of clarity is preventing thousands of small motor carriers from being utilized because of the confusion that exists by virtue of 92% of motor carriers having no safety rating, which ultimately decreases the capacity available to our members. TIA members and the industry needs a new system, built on fair and reliable data, which will (1) expeditiously and safely improve the process of selecting a motor carrier and (2) give industry stakeholders like ours more certainty regarding the quality of the carriers they use and ensure that only safe carriers are selected.

TIA has fully endorsed and supported the bipartisan legislation, H.R. 915. The “Motor Carrier Safety Selection Standard Act of 2021,” sponsored by Congressman Moulton (D-6th/MA) and Congressman Gallagher (R-8th/WI). H.R. 915 would require the FMCSA to begin the process of developing a new Safety Fitness Determination (SFD) process to change the way carriers are rated, and create an interim safety standard in the meantime. TIA applauds Congressmen Moulton and Gallagher for their leadership on this legislation and would ask the Committee to include this legislation in the upcoming FAA Reauthorization Act or another appropriate vehicle for passage.

FRAUD IN THE SUPPLY-CHAIN

The supply-chain is in the midst of a fraud epidemic, estimated to cost brokers, carriers and shippers around \$800+ million. TIA successfully advocated in 2012, as part of MAP-21, to have language included tightening the requirements for becoming a broker and creating a National Consumer Complaint Database (NCCDB) for stakeholders to report cases of fraud to the FMCSA. Unfortunately, there is an in-

crease in bad actors in the space illegally brokering freight, registering as carriers using hundreds of MC numbers, and conducting outright fraud, theft, and holding freight hostage, without any legal consequences. The FMCSA is not enforcing the law, let alone investigating the tens of thousands of fraud complaints in the NCCDB. FMCSA indicated that it planned to use a portion of the millions of dollars appropriated to it by Congress through the Infrastructure Investments and Jobs Act (IIJA) to increase enforcement officials. To date, we have not seen any enforcement or investigations conducted. Recently, we alerted the FMCSA of an address in Wyoming that over 200 carrier companies were using as their address. The Agency believes that it has limited authority to impose civil penalties in a commercial dispute. However, arguably, they can exercise greater due diligence in the motor carrier and broker registration process, they can investigate those who are illegally brokering freight as well as those complaints in the NCCDB, and use other weapons in their arsenal to clean up the marketplace. Fraud fosters an insecure and unsafe marketplace. The FMCSA must assist the industry in rooting out fraud.

We hear every day from both brokers and motor carriers about getting loads stolen or held hostage, and in the case of carriers, they are never paid by the fraudulent entity for their services. This rampant fraud hurts the overall safety on our nation's highways and ultimately the end consumer who has to bear the additional costs created by fraud. We are glad to see Congress is paying attention: TIA applauds Congress for including language in the fiscal year 2023 THUD Appropriations Bill that requires the FMCSA to report back to Congress on the reports and what they are doing to address this serious problem. The report has not yet been issued. One other phenomenon that we believe fuels fraud in the supply chain is the rise in unlicensed and unregulated "dispatch services", which often times are not domiciled in the United States and are hired by owner-operators to source loads for them, including Department of Defense freight and other critical and sensitive freight. This is an issue of national security, and we are working with the Armed Services Committees in the House and Senate to address this major concern. One solution would be for the FMCSA to implement a provision from the Moving Ahead for Progress in the 21st Century Act or MAP-21, that required brokers to have sufficient knowledge of the industry or a minimum of three years experience in order to gain authority. This provisions was based on a current regulation at the Federal Maritime Commission (FMC) and seems to work effectively on weeding out the bad actors trying to enter the market.

UNNECESSARY COMMERCIAL REGULATION AND DELAYED SAFETY REGULATION

Given the uptick in motor carrier accidents and fatalities, as well as the proliferation of fraud in the marketplace, the FMCSA's decision to move forward with a rulemaking on a 1980's regulation is both ill-considered and feckless. FMCSA has indicated that it will initiate a rulemaking that could force the release of the private commercial contract information to parties not privy to the contract. We believe FMCSA does not have the legal authority to "pierce" contracts between a broker and a shipper, for many reasons, not least of which is that such an act would potentially expose proprietary information of shippers, fundamentally alter and constrain the shipping market, and result in serious significant costs for all parties with little benefit.

FMCSA's rulemaking, which was initiated by small owner operators, seeks to address an outdated and unnecessary regulation from more than 40 years ago. This regulation proscribes conduct between parties to a commercial transaction, and the sharing of information thereto. This regulation was enacted in 1980, as a response to dramatically different marketplace and to address the concern of the Interstate Commerce Commission (ICC) about the illegal practice of freight rebating: motor carriers paid brokers a commission, and those brokers could potentially have common ownership with a shipper. This arrangement and "freight rebating" no longer exist. Today, brokers contract directly with shippers in one transaction and then enter into a completely separate transaction with a motor carrier. The existing regulation is itself unnecessary and obsolete given the changed dynamic in the marketplace, but expanding it would benefit no one, and would instead damage the economy. Owner operators originally pushed for the expansion of the regulation because of a very short freight shutdown that occurred during the commencement of the COVID-19 pandemic, where 25% of the economy shut down causing 90% of the trucks to chase 75% less freight, driving down rates. To blame the brokers for a briefly panicked and uncertain marketplace under unprecedented circumstances was both unfair and illogical. As we now know, the economy quickly rebounded, and over the last three and a half years, motor carriers turned out to have had all the leverage in commercial interactions during the pandemic because of insufficient drivers

and trucks, and rates rose to levels previously never seen. This is called supply and demand. Rates are falling again as we noted—the freight marketplace is much softer. And so to hear the carriers blame the brokers again remains unfair and illogical. The end result is that moving forward with the regulation would result in “rate intrusion,” where owner operators attempt to regulate freight rates through government intervention, rather than through marketplace negotiation.

Not only is the end consumer hurt, but so would be the owner-operators. If this were to be implemented, shippers might be hesitant to use brokers for their transportation needs. In turn, large trucking companies that have the resources to source loads themselves would be the primary beneficiaries, not owner-operators. Additionally, if shippers start to see what their competitors are spending, they could cut their own rates, which would additionally again hurt the owner-operator. Furthermore, FMCSA is considering barring brokers from including certain contract provisions about the public disclosure of proprietary information. Brokers are naturally required by our shipper customers to keep certain proprietary information private. Most companies require that proprietary information be kept private in order to protect the competitive advantage created by that proprietary information. The FMCSA requiring brokers to disclose information that they are contractually unable to disclose, puts our members in an untenable and unmanageable situation.

Moreover, motor carrier transportation in the spot market is one of the most transparent marketplaces in the world. Load boards, the internet, and rate quotes in person-to-person communications within the industry provide the rate transparency that was intended by 49 CFR §371.3 when commissions paid by carriers to brokers were common. Motor carriers have sufficient access to current market rates without inspecting brokers’ shipment records to find out what the brokers’ gross margins are on a load-by-load basis. However, that the FMCSA is putting its thumb on the scale in what is, at root, a contract negotiation between two private parties, while simultaneously disregarding serious safety and security issues, is alarming. The bottom line is that the Agency should spend its limited time and resources on its mission of safety, not regulating the private, proprietary contract provisions of its stakeholders.

Brokers and owner-operators have respectively enjoyed working together over the years as both parties heavily rely on each other to survive. Brokers in many ways serve as the sales force for owner-operators who are busy doing their job of hauling our nation’s freight, while on the reverse owner-operators offer capacity to brokers in order to meet their customers’ transportation needs. The two parties—and the American consumer—are better off when brokers and owner-operators work together as we did back in 2012 during MAP-21 to address common problems in the industry, like fraud, coercion, and truck parking.

Additional Regulatory Burdens

We have heard from several members about the California ports and the AB 5 law that seeks to essentially eliminate independent contractors from operating in California. The majority of drayage carriers operating at the ports are independent contractors. This California law attacks the independent contractor model and is upsetting a highly fluid and competitive marketplace with zero to minimal benefits. This law flies in the face of 10+ years of an explosion in the number of for-hire trucking companies, while the State of California is trying to hold back and organize labor. As you are likely aware, almost 90% of all trucking companies are small fleets of fewer than five trucks. TIA supports all trucking companies and works tirelessly through our Association and members to ensure that the conditions of truck drivers continue to improve and to create a win-win-win value proposition for all three parties involved. A diversified and decentralized freight system that can adapt to market changes rapidly is the key to our economic health and growth and national security. The PRO Act at the federal level and pending attempts from the Department of Labor (DOL), which would change the way independent contractors are classified at the federal level, would make this a national issue and have devastating effects on the transportation market. The most impacted group if this bill were to be passed, is of course the end consumer.

CONCLUSION:

I appreciate the opportunity to testify before the Committee today to provide the perspective of the 3PL industry and offer some potential solutions. I would be happy to answer any questions.

Mr. CRAWFORD. Thank you, Ms. Reinke.
Mr. Fialkov, you are recognized for 5 minutes.

TESTIMONY OF DAVID H. FIALKOV, EXECUTIVE VICE PRESIDENT, GOVERNMENT AFFAIRS, NATSO, REPRESENTING AMERICA'S TRAVEL PLAZAS AND TRUCKSTOPS, AND SIGMA: AMERICA'S LEADING FUEL MARKETERS

Mr. FIALKOV. Thank you, Chairman Crawford, Ranking Member Holmes Norton. It is a privilege to be asked to testify, one that I do not take lightly. That is particularly true with this committee which has such a long history of pursuing bipartisan solutions to some of the country's most pressing problems. Your work this year on the supply chain lives up to that reputation, and I am happy to be contributing to that dialog here today.

My name is David Fialkov, I am the EVP of Government affairs at NATSO and SIGMA, two national trade associations that represent something in the neighborhood of 80 percent of retail sales of motor fuel in the United States, and therefore, obviously, play a critical role in facilitating the efficient movement of goods and people and energy throughout the country.

You can have an efficient fuel distribution system and still have supply chain problems, but you cannot have an effective, well-functioning supply chain unless you have an efficient fuel distribution system.

And that is the role that our membership plays, we get fuel to where drivers need it. It doesn't matter what the fuel is, right? People can buy gasoline or ethanol or diesel or biodiesel, electricity or hydrogen. We do not care what people buy when they come to our store. We work very closely with this committee and with the administration on EV charging grant programs, which we have supported. We think that the existing refueling network represents a logical place to site EV charging stations, and our membership wants to be able to sell consumers the fuel that they want to buy, long into the future.

One of the challenges that we have found policymakers have had difficulty navigating is the balance between incentivizing investments in alternative fuels for the future without excessively disrupting the existing energy and fuel markets that the supply chain relies upon today. For example, when we pursue policies that are designed to expedite the phaseout of liquid fuel, whether that policy is right, wrong, or indifferent, the result is that refiners are far less inclined to invest in expanding refining capacity. Those tend to be very capital intensive investments, they tend to have very long return horizons, and the result is that we have the dynamic that we have today, which is that there is just less slack in the system than there has historically been. When things are going smoothly, people tend not to worry about it or think about it, prices are stable, supply is plentiful. But when something goes wrong, whether it is a hurricane or a pipeline hack or a war in Europe or refinery outage, we have fewer backup options at our disposal than we historically have had.

During these scenarios, we work very closely with FMCSA and EPA and others to try to identify policy impediments that can artificially exacerbate the impact on consumers that these supply disruptions have. And in our experience, we think that those officials, State and Federal, should have more flexibility to waive things,

like the hours-of-service regulations and the weight regulations, in order to overcome supply disruptions.

Another important impediment to the efficient supply chain that we think will have increasing problems going forward is the preferential tax treatment for sustainable aviation fuel relative to other biofuels that utilize the same feedstock inputs. Sustainable aviation fuel, or SAF, is basically a renewable jet fuel that indisputably has fewer environmental benefits than renewable diesel fuels do. And indisputably cost more money to make, yet policy right now is driving biofuel producers to make SAF rather than renewable diesels, and the result of that will be that diesel emissions will go up, and diesel prices will go up. And when that happens, it obviously tends to have an infectious inflationary impact throughout the entire economy because of how many goods are moved by truck.

Beyond some of these, kind of, fuel market concerns, we commend the committee for compiling a comprehensive package of policies that are designed to alleviate supply chain constraints. One issue that's obviously near and dear to NATSO members' hearts is the truck parking legislation that Congressman Bost and Representative Craig have been developing. We support that bill. We encourage the committee to pass that bill as soon as possible. Truckdrivers need safe, reliable parking. The supply chain relies upon truckdrivers having safe, reliable parking. And we are happy to be supportive of that effort.

Finally, more broadly, I think that to effectively address a lot of the bottlenecks in the supply chain, the committee has to find a way to address labor shortages affecting not only the trucking industry but many businesses throughout the country. We are supportive of a lot of the concepts that have been considered thus far to encourage more men and women to become truckdrivers. And we look forward to working with you on that as well.

Thank you very much for inviting me to testify again. I look forward to answering your questions.

[Mr. Fialkov's prepared statement follows:]

Prepared Statement of David H. Fialkov, Executive Vice President, Government Affairs, NATSO, Representing America's Travel Plazas and Truckstops, and SIGMA: America's Leading Fuel Marketers

INTRODUCTION

Chairman Crawford, Ranking Member Holmes Norton, and distinguished members of the House Transportation and Infrastructure Subcommittee on Highways and Transit. Thank you for the opportunity to testify at this important hearing examining ways to overcome supply chain challenges in the United States. My name is David Fialkov, and I am the Executive Vice President of Government Affairs at NATSO, Representing America's Travel Plazas and Truckstops, and SIGMA: America's Leading Fuel Marketers.¹ Our organizations are the leading national trade associations representing transportation energy retailers. On behalf of NATSO and SIGMA, which collectively represent more than 80 percent of retail sales of motor fuel in the United States, we are eager to work with the Committee to identify ways to improve and support our nation's supply chain.

¹NATSO represents more than 5,000 travel plazas and truck stops nationwide, comprised of both national chains and small, independent locations. SIGMA represents a diverse membership of approximately 260 independent chain retailers and marketers of motor fuel.

We can have an efficient fuel distribution system and still have problems with the supply chain, but we simply cannot have a well-functioning supply chain without an efficient fuel distribution system.

NATSO and SIGMA members comprise the country's downstream fuel distribution system. They should be viewed as surrogates for the consumer in that they identify the most reliable, lowest-cost transportation energy available, and deliver that energy to every community in the country. In so doing, they compete with one another on price, speed, and quality of service.

The retail fuels market is the most transparent, competitive commodities market in the United States. As every American knows, drivers can see gasoline retailers' price signs from blocks away, or compare prices on their mobile devices. These signs represent more than just pricing information; they are a *value proposition* to potential customers, not only with respect to fuel but also food and other convenience items and amenities that are offered at specific facilities.²

The transparency of fuel markets exerts a constant downward pressure on retail fuel prices. Sourcing infrastructure, market presence, and expertise in energy commodities and logistics optimizes the distribution of all fuels that we sell. These competitive dynamics benefit customers and force successful retailers to run efficient and cost competitive business platforms.

The fuel distribution system possibly represents the most efficient supply chain in the country. As with the broader supply chain, many do not think about the fuel distribution system until there is a problem (e.g., a hurricane, geopolitical unrest in Europe, a pipeline hack, a refinery outage, etc.). When fuel distribution is disrupted, it presents existential threats to the life, health, and well-being of every American. To date, the industry has proven its ability to get product where it needs to be and keep the country running even in the face of challenges. It is critically important to recognize the efficiencies of the liquid fuel distribution system and, to every extent possible, replicate those efficiencies as the country transitions to future fuels.

Improving the supply chain is not simply a question of preventing a line of ships waiting for berths at some of the nation's major ports. It is also a matter of making incremental progress in our surface transportation system to help ensure reliability and efficiency. Congress can enhance safety and reduce unnecessary regulatory burdens. NATSO and SIGMA encourage Congress to proactively improve the transport of goods and support an effective supply chain as soon as possible. Proactive solutions are key to avoiding supply chain disruptions, as they enable us to address issues *before* they become economy-wide emergencies.

BACKGROUND: THE RETAIL FUEL INDUSTRY

Fuel retailers' sole objective is to sell legal products, in a lawful way, to customers who want to buy them. The retail fuels industry competes to ensure that American motorists' needs are met as efficiently as possible. Most fuel retailers are open 24 hours a day, seven days a week, and provide restrooms, food and beverage options, sufficient lighting, security, and on-site employees to contact law enforcement or emergency medical technician services in the event of an emergency. After natural disasters occur, our industry is often the first up and running to provide necessary services to motorists and first responders.

Many travel centers, fuel marketers, and convenience stores are an economic engine for small, disadvantaged, and rural communities. According to the National Association of Convenience Stores' 2022 State of the Industry Report, 93 percent of Americans live within 10 minutes of a convenience store—and this includes 86 percent of those who live in rural areas. Single store operators account for more than 60 percent of the stores in the convenience and fuel retailing industry; 75 percent of the industry is comprised of companies with ten or fewer locations. The industry employed more than 2.44 million employees, generated \$906 billion in total sales, and processed approximately 165 million transactions per day in 2022.³ In many instances, they are the largest employers and largest taxpayers in their communities

²The retail diesel market is even more competitive and transparent as many travel centers' customers—truck drivers and trucking fleets—are more savvy and price-conscious than typical American motorists. (Fuel generally amounts to 30–40% of a motor carrier's overall costs.) Truck drivers are often aware of retail fuel prices when they are 100 miles away from potential refueling sites, and fleet managers use this information to direct drivers to specific retail locations in order to purchase the lowest-priced fuel available. This imposes strong downward pressure on retail diesel prices.

³See NACS, State of the Industry (2022).

and the only 24-hour location where local residents can buy basic groceries or redeem Supplemental Nutrition Assistance Program (SNAP) benefits.

Fuel retailers and marketers are generally independent businesses. Although some might bear the name of a large oil company, this is not indicative of any ownership stake in the business or the real estate, but simply of a marketing relationship or announcement to passing motorists that a certain company's product is available for purchase at that location (comparable to a soft drink advertisement in a grocery store window).

The travel center industry—defined loosely as retail fuel outlets located within one-half mile of an Interstate—is a diverse, sophisticated, and evolving industry. It is positioned to meet the needs of all drivers traveling on the Interstate Highway System regardless of the fuel their vehicles use. Although the industry was once tailored solely to truck drivers, it now caters to the entire Interstate traveling public, as well as the local population. It remains the leading national source of truck parking spaces, providing essential rest and amenities to hard-working truck drivers, contributing to the safety of the nation's highways, and supporting the essential movement of goods to support the American economy.

Fuel retailers are agnostic to the type of transportation energy that their customers purchase from them. As recent history has shown, our members are prepared to invest in any transportation energy technology that their customers desire. *Our goal is simply to provide customers with what they want, where they want it, when they want it, and at a price they are willing to pay.*

Our members do have a bias, however. They believe it is best for the American consumer and America's industrial and geopolitical position in the world marketplace to have reliable sources of energy at reasonably low, stable prices.

The primary trait of any successful retailer is the ability to identify what his or her customers want to buy, and then sell that product at a price that is attractive to the customer while enabling the retailer to earn a profit. In this respect, retailers are effective surrogates for consumers. In our experience, consumers desire transportation energy that is delivered quickly, at a convenient location, and at a competitive price.

Fuel marketers and retailers prefer long markets with a diverse array of supply options at their disposal. This dynamic tends to enhance consumer choice and inject an additional layer of competition into the market. This leads to downward pressure on retail fuel prices, which is good for both our customers and the broader American economy.

Transportation energy retailers' strong preference for supply diversity and low energy prices are grounded in the low-margin environment in which they operate. Fuel sales are profitable because of the *volume* of sales that occur every day. The market's transparency and competitiveness effectively precludes retailers from passing through price increases as fast as they must absorb them.⁴ *This dynamic prompts our market to be among the first to suffer from inflation.* In rising price environments, retailers' margins get smaller while their costs—not only of purchasing fuel at wholesale but also ancillary costs such as credit card fees—increase.⁵

Retailers are fundamentally “buyers” of fuel as much as they are sellers of fuel. Given the transparency and competitiveness of fuel pricing, fuel retailers are “price takers” when they buy fuel in wholesale markets: The market sets the price and retailers compete on optimizing purchasing and inventory management as well as speed and quality of service.

The industry's exposure to price volatility and supply disruptions is more heightened than it has been historically. This is due in large part to limited domestic refining capacity. Diminished refining capability keeps the supply tight. Low demand for refined products during the COVID-19 pandemic made operating a refinery unprofitable. This significantly hampered U.S. (and global) refining investment and thus capacity. At the same time, there has been a more macro trend away from hydrocarbon production and processing in favor of alternative energy investments that have more attractive emissions outcomes. This too has diminished investments in U.S. refining capacity (which tend to be capital-intensive with extraordinarily long return horizons).

⁴In fact, there are times when prices rise rapidly that retailers lose money on fuel sales in order to try to hold onto market share and not lose customers.

⁵Swipe fees are fuel retailers' second-highest operating cost, behind only labor. The fees are much more than retailers' costs of utilities and rent, just to take two examples. Swipe fees are levied as a percentage of the total price of the transaction, so they rise as the cost of fuel rises, creating additional price pressure on retailers. In fact, these fees are charged on the tax portion of every transaction as well so retailers must pay the credit card industry for revenue that they know they will never see.

The result is that there is less slack in the fuel system than there used to be. When things are going smoothly, there is ample supply and distribution capacity. But when unforeseeable events disrupt one or more sources of supply, it is more challenging to find backup options. It results in a more volatile price environment and increased vulnerability to shortages.

Alternative Fuels Diversify and Lengthen Supply

Alternative fuels diversify and lengthen the supply of transportation energy. NATSO and SIGMA support ambitious, market-based, and consumer-oriented alternative fuel incentive policies. Existing retail fuel locations are optimal for the build-out of an alternative fuel network, including electric vehicle (EV) charging stations. Fuel retailers have demonstrated in recent years that they are prepared to invest in any alternative fuel technology that their customers desire. NATSO and SIGMA members have a proven history of responding to policy incentives to roll out alternative fuels for wider use. Over the last thirty years, our industry has adapted to meet consumer demand with increased biofuel blends and other alternative fuels.

Well-crafted alternative fuel incentives can enhance those fuels' economics and enable the market to confidently invest in those products. No single solution will decarbonize transportation energy. The best way for policies to maximize emissions reductions is by incentivizing all fuel technologies to reduce their respective emissions profiles. What policymakers think is the best solution today may be surpassed by subsequent ingenuity or information. Sound policy should not stifle innovation by mandating specific solutions.

Today, biofuels enhance supply and lower consumer prices. NATSO and SIGMA are therefore in favor of robust biofuel incentive policies. For example, we support allowing year-round sales of gasoline with an ethanol content of up to 15 percent (E15). Higher biofuel blends allow us to enhance supply and lower prices. Ethanol, particularly in light of policy incentives, is less expensive than gasoline. Allowing year-round E15 would thus, all else being equal, lower retail prices for cleaner-burning ethanol blends and support a more favorable refueling margin structure for retailers. This is a positive outcome. NATSO and SIGMA are aware of no reasonable policy rationale for continuing to restrict year-round sales of E15, and therefore encourage Congress to lift those restrictions as soon as possible.

We also support incentives for advanced biofuels that have more positive emissions outcomes than ethanol. Advanced over-the-road biofuels such as renewable diesel and biodiesel diversify the industry's sources of over-the-road supply and limit the country's exposure to global diesel market volatility, all while mitigating the environmental footprint of heavy-duty trucks. These fuels reduce emissions by at least fifty percent relative to traditional diesel fuel.

Biofuel and renewable fuel incentives work. They helped our industry build and maintain a competitive marketplace, maximize the climate benefits of renewable fuels, and minimize fuel supply disruptions and inflationary consequences for consumers.

NATSO and SIGMA members are concerned that the Inflation Reduction Act's (IRA's) preferential treatment for sustainable aviation fuel (SAF) relative to renewable diesel and biodiesel will have an increasingly negative impact on diesel supply, price, and emissions in the coming years. *SAF is a renewable jet fuel that indisputably has fewer environmental benefits than renewable diesel and biodiesel.* Current law encourages biofuel producers to make SAF instead of renewable diesel. This does not *reduce* emissions, it *transfers* emissions savings from the trucking sector to the aviation sector, while forcing taxpayers to pay more to do it. This policy is unsound. Unless these two fuels are treated comparably in the tax code, it will result in more supply chain disruptions in the years ahead.

Fuel Supply Efficiencies Should be Replicated for EV Charging Deployment

NATSO and SIGMA members are at the forefront of investments in EV charging infrastructure. These investments are occurring in many areas of the country long before demand catches up with the supply. We have worked closely with this Committee, as well as the U.S. Department of Transportation (DOT) and state DOTs in support of various EV charging grant programs and other market-building opportunities. We think it makes logical sense to site EV charging stations within the existing retail fuel network. We can do it faster and more efficiently than anyone else.

Many NATSO and SIGMA member companies have entire business units focused on EV charging station investments. The unambiguous feedback is that these EV charging grant programs—including the National Electric Vehicle Infrastructure (NEVI) Program—should focus more on encouraging states to reexamine arcane regulatory regimes that are incompatible with public EV charging transactions. Otherwise, there is a real possibility that the federal government could squander its op-

portunity to build a state-of-the-art national EV charging network, and instead install slower, outdated charging stations in places customers don't want to stop to refuel. There is a substantial risk of stranded assets as the public EV charging network develops.

Many seem to think that a transition to electric transportation fuel requires creating an entirely new refueling network. That is not the case. Our country already has in place a robust, highly competitive refueling network. Fuel retailers are in the business of providing competitively priced fuel and services to their customers. The most effective way to prompt investment in EV charging stations is to establish policies that will incentivize the existing refueling network to incorporate fast EV charging into their suite of fueling options.

EV drivers will need fast, high-powered charging solutions to meet consumer expectations. Many in our industry are investing in EV charging stations that can deliver a 350-kilowatt (kW) charge—the highest on the market today. There is limited production capability and capacity for Buy America-compliant direct current fast chargers (DCFC), even at DOT's minimum proposed power standard of 150kW. There is even less availability for Buy America-compliant charging stations at the 350kW power level. In fact, we are unaware of any data suggesting that Buy America-compliant 350kW chargers are available at scale today or will be available in time to meet the timelines established under the current waiver. Congress should encourage DOT to flexibly interpret the Buy America regulatory structure that was only recently finalized this Spring.

Government Should Work with Private Industry to Ensure Adequate Truck Parking

The travel center industry provides 90 percent of the country's truck parking. In addition, the travel center industry provides essential rest and amenities to our nation's drivers, contributing to the safety of the nation's highways and supporting the essential movement of goods to support the American economy. When professional drivers spend less time looking for parking, they have more time to move products to their destination. It also lowers the cost of shipping those products, which in turn lowers the costs for consumers.

The private sector is best suited to provide truck parking. Private industry, however, often deals with conflicting policies in this arena. While federal and state governments frequently recognize and emphasize the importance of truck parking at private businesses such as travel centers, new facilities are often opposed by local governments. Those local governments sometimes condition the approval of a new or expanded parking facility on the business owner's agreement to fund improvements to an interchange.

In any instance, there is a significant cost to constructing new private parking facilities. Businesses need a return on their investment to offset initial land acquisition and capital costs as well as recurring costs such as operations and maintenance. Because the competitive nature of the fuel retail industry requires NATSO and SIGMA members to offer amenities to compete for market share, many travel centers do not charge for truck parking. Those that do typically charge a fee only for non-customers. This dynamic makes it increasingly difficult for the industry to adequately invest.

To the extent that policymakers want to support truck parking expansion, such investments should wherever possible be undertaken in partnership with the private sector to ensure the funds are spent efficiently and focused on the consumer experience. Truck drivers prefer to stop at safe locations that offer food, fuel, and other amenities. The funds should not enable states, localities, or others to provide truck parking in a manner that directly competes with NATSO and SIGMA members and thereby undermines the industry's incentives to expand truck parking capacity.

NATSO and SIGMA applaud Representatives Mike Bost and Angie Craig for their work on the Truck Parking Safety Improvement Act. This legislation is a common-sense solution to improve the supply chain. NATSO and SIGMA urge the Committee to advance this bipartisan legislation as soon as possible.⁶

⁶Notably, Truck Parking Safety Improvement Act does not call for commercializing rest areas, which would undermine the investments that NATSO and SIGMA members have made in off-highway real estate. Any effort to undo the ban on rest area commercialization undermines the incentives for private companies to expand truck parking capacity, as well as the local communities and off-highway businesses that support the supply chain.

Expeditious Issuance of Waivers Keeps Fuel and Critical Products Moving in Times of Disaster

Fuel retailers not only serve professional drivers and fleets by providing them fuel and the amenities they desire on the road, NATSO and SIGMA members also frequently employ their own fleets to haul gasoline, diesel, biofuels, and other products that are sold in their stores. Hours-of-Service (HOS) waivers therefore can allow fuel haulers to move critical supplies to areas in need during times of disaster. NATSO and SIGMA encourage flexibility in providing HOS waivers so our members can respond quickly and efficiently during a crisis that impacts the fuel supply. Congress should streamline the ability to offer waivers during these times of crisis to reduce inefficiencies that delay deliveries, including the supply of fuel.

Recently, the Federal Motor Carrier Safety Administration proposed to narrow the flexibility that is automatically provided to motor carriers when an emergency has been declared.⁷ While well-intentioned, the proposal would further impede the industry's ability to respond to supply disruptions, unnecessarily exaggerating their effect of fuel deliveries and pump prices.

When pipelines, terminals, and storage facilities are impacted by a disruptive event, haulers cannot necessarily simply go to the next closest facility to pick up their supply of fuel. Different states, and different regions within states, may have different fuel specifications for products sold within their respective territories. In the absence of emergency waivers, fuel haulers may be compelled to drive further to pick up their fuel load. It may therefore take multiple weeks to rebuild fuel supplies. This is why we always encourage HOS waivers to be issued in advance of a predictable, disrupting event so that fuel retailers can make necessary adjustments and have the requisite capabilities to meet demand.

HOS waivers should also automatically encompass diesel exhaust fluid (DEF), which is a liquid that reduces diesel engine emissions and is an essential component of truck movement in the United States. Drivers that deliver diesel fuel also deliver DEF as market and supply conditions dictate, so it is essential that DEF be included in any HOS waiver.

Weight waivers for heavy-duty trucks could also alleviate tightness in the fuel supply chain. For example, diesel fuel weighs more than gasoline. By enabling trucks hauling fuel to be filled at capacity with diesel fuel (current weight restrictions generally result in trucks reaching their weight capacity well before the truck reaches its diesel hauling capacity), it can allow fuel retailers to move more supply on a single load.

In addition, there may be times when it is advantageous to temporarily waive restrictions on diesel's sulfur content and foreign-flagged vessels shipping fuel between U.S. ports (Jones Act) to address particularly acute supply disruptions as they present themselves. In those regions of the country that utilize heating oil, dyed diesel waivers may also prove useful.

NATSO and SIGMA support concepts such as those included in the Safer Highways and Increased Performance for Interstate Trucking (SHIP IT) Act that promote flexibility for HOS and weight regulations when needed to address supply chain issues.

The Retail Fuel Industry Depends on an Adequate Labor Pool

Fuel retailers not only serve professional drivers and fleets, they also frequently employ their own drivers. NATSO and SIGMA support efforts to address the labor shortage. Specifically, we support incentives for more men and women to pursue careers as truck drivers. Calculated by determining the difference between the number of drivers currently in the market and the optimal number of drivers based on freight demand, the American Trucking Associations estimate the driver shortage for 2022 at nearly 78,000 professional drivers.⁸

There are several reasons for the persistent shortage of truck drivers. These include an aging driver population (and therefore retirements) and a limited number of women that chose to drive professionally. The COVID-19 pandemic only exacerbated these labor concerns. Moreover, attending a truck driving school and obtaining a commercial driver's license (CDL) can be expensive, ranging between \$3,000 and \$7,000.

⁷Department of Transportation, Federal Motor Carrier Safety Administration (49 CFR Part 390) *Clarification to the Applicability of Emergency Exemptions* (Dec. 8, 2022) available at <https://www.regulations.gov/document/FMCSA-2022-0028-0001>.

⁸*ATA Driver Shortage Update 2022*. American Trucking Associations, October 25, 2022. Available at: https://ata.msgfocus.com/files/amf_highroad_solution/project_2358/ATA_Driver_Shortage_Report_2022_Executive_Summary.October22.pdf.

NATSO and SIGMA supported the Safe Driver Apprenticeship Pilot Program, which was a carefully crafted bipartisan compromise included in the Infrastructure Investment and Jobs Act (IIJA). The pilot program looks to address the historical driver shortage by enabling 18- to 20-year-old drivers to join the professional driver workforce and drive in interstate commerce after receiving rigorous training and certification. NATSO and SIGMA, however, are concerned that DOT is implementing the program in a manner that is not aligned with Congressional intent.

The retail fuels industry also supports concepts such as providing financial incentives that remove barriers to entry for aspiring drivers. Legislative concepts that would provide a tax credit to individuals investing in the cost of CDL training and testing are creative solutions to incentivize drivers and address the labor shortage.

Quick Turnaround of Out-of-Service Vehicles is Necessary to Keep Goods Moving

Current supply chain issues have created a backlog for businesses, including NATSO and SIGMA members, to purchase new commercial motor vehicles. Because of this, heavy-duty trucks on the road today must be driven longer and further until the fleet can turn over.

As automotive technology has advanced, the information needed to repair these sophisticated engine systems has advanced as well. To repair a commercial motor vehicle, mechanics must have access to onboard diagnostic and telematic systems when previously they relied upon observation and experience. In effect, truck manufacturers have become the gatekeepers of the advanced information necessary to repair or supply parts to commercial motor vehicles, increasing the cost of repair and limiting the flexibility to quickly return these vehicles to the road. By providing the independent repair industry with access to critical repair tools and information, owners and operators of commercial motor vehicles will have access to affordable and quality vehicle repair. Not only will there be greater availability to repair these vehicles, but the cost of those repairs will decrease, which ultimately lowers costs for consumers.

NATSO and SIGMA support legislation such as the Right to Equitable and Professional Auto Industry Repair (REPAIR Act). Passing the REPAIR Act will provide independent repair shops, including some of our own members, with access to the diagnostic information needed to identify and repair mechanical issues with commercial motor vehicles. The REPAIR Act will promote choice and competition while also ensuring commercial motor vehicles return to the road as expeditiously as possible.

CONCLUSION

NATSO and SIGMA are eager to work with Congress on ways to support an efficient fuel distribution system and therefore an efficient supply chain. Congress can act in a bipartisan way to improve safety, reduce regulatory burdens, and bolster supply chains. The retail fuel industry looks forward to working with policymakers to support that effort.

Thank you for the opportunity to testify. I am happy to answer any questions you may have.

Mr. CRAWFORD. Thank you.

Mr. Scandaglia, you are recognized 5 minutes.

TESTIMONY OF COLE SCANDAGLIA, SENIOR LEGISLATIVE REPRESENTATIVE AND TRANSPORTATION POLICY ADVISER, INTERNATIONAL BROTHERHOOD OF TEAMSTERS

Mr. SCANDAGLIA. Chairman Crawford, Ranking Member Norton, Ranking Member Larsen, and members of the subcommittee, thank you for the opportunity to testify at today's hearing on behalf of the International Brotherhood of Teamsters, and General President Sean O'Brien.

The Teamsters represent 1.2 million hard-working people in the United States, Canada, and Puerto Rico. We are the largest union in the freight industry. I would be remiss if I didn't mention that as we sit here today, General President O'Brien is busy negotiating the national UPS contract, which is the largest private collective bargaining agreement in North America. We have approximately

350,000 Teamsters at UPS, which is the largest trucking company on the planet by revenue.

It is no coincidence that unionized UPS provides roughly twice the pay in benefits to its drivers than nonunion Amazon and FedEx. Fundamentally, we believe that good jobs and good working conditions in the freight industry directly translate to a stronger supply chain. Many of these issues that we will discuss today are not any more complicated than that simple fact.

At the Teamsters, we know what it takes to bring new, safe drivers into the industry. Through the Biden administration's Trucking Action Plan, Teamsters Local 776 stood up a new registered apprenticeship program in Carlisle, Pennsylvania, in record time that is delivering high-quality training and careers to future freight drivers. Long before the crisis, the Teamsters had taken a proactive role in training the next generation of drivers, and today, operate 21 CDL training programs across 11 States, and provide the opportunity for a prosperous future and the ability to provide for one's family.

Our track record of training safe drivers for good careers is unparalleled. We welcome the opportunity to work with Congress and the Department of Transportation to identify strategies and funding streams to allow us to reach more individuals. We also strongly support efforts to identify and train future CDL holders from non-traditional driving backgrounds. The Teamsters are proud to serve on DOT's Women of Trucking Advisory Board, and look forward to the important task of increasing the pipeline of female drivers.

There are also ample opportunities to provide better pathways to bring veterans into the freight industry. The Teamsters have endorsed the bipartisan Veteran Improvement Commercial Driver License Act introduced last Congress by Senators Fischer and Padilla, which would improve veterans' access to CDL training schools. We also thank Representative Edwards, Pappas, and Crane for the reintroduction of that bill this year.

We expect that today's hearing will delve substantially into the question of a driver shortage. We all heard the industry data on turnover rates and unfilled positions. We ask that you interrogate this raw data. Why is it that carriers are reporting such difficulties recruiting? And why is it that so many people don't stay in the industry? We know that drivers with strong IBT bargain contracts that provide good wages, employer-paid healthcare, and dignified retirement, stay in their jobs. Truckdrivers respond to the same economic incentives as employees of any other industry. And many drivers who leave are doing so in response to untenable economic circumstances.

It is not enough to just funnel more drivers into a broken pipeline. We must address the root causes of these challenges. From the Teamsters perspective, we can't have this conversation without discussing the scourge of illegal independent contracting. Independent contractors generally do not receive protections and benefits under Federal law, including overtime, unemployment insurance, workers' comp, Social Security, and the right to join a union. For the illegally misclassified driver, this puts their livelihoods and economic future in jeopardy.

Worsening conditions are also apparent across the industry. For example, Amazon’s delivery service partners and freight service partner programs have managed to combine an abusive independent contractor model with unacceptable safety records.

Recent reporting showed that Amazon’s freight service partners driving semitrailers had some of the worst safety records in the industry, and employ drivers who were cited for violations at a rate 70 times higher than Teamster-represented UPS drivers.

A strong supply chain also depends on both a healthy and safe workforce. The Teamsters unequivocally reject purported safety supply chain solutions rooted in watering down training standards, attacking fatigue protections, and putting heavier, more dangerous trucks on our interstates. Pushing drivers to and past the limits of safety is never a salve for corporate shortcomings.

We think there are commonsense, bipartisan solutions here, but not by putting our members and the general public in harm’s way. I also have to add that despite the claims of Silicon Valley venture capitalists, it would be irresponsible for Congress to abandon its responsibility to improving working conditions in the hopes that automated freight is around the corner, as is discussed at length in my written testimony. As Congress considers automated vehicles, it is critical that Congress focuses on issues of safety, as well as impact to workers across the freight sector.

To close, the supply chain is not partisan. We believe that there are areas of common ground where we can work together to improve circumstances for both our members and Americans across the country who rely on the work that we do.

The International Brotherhood of Teamsters thanks the committee for the opportunity to testify on the state of our supply chain. We look forward to working together on these issues going forward.

[Mr. Scandaglia’s prepared statement follows:]

Prepared Statement of Cole Scandaglia, Senior Legislative Representative and Transportation Policy Adviser, International Brotherhood of Teamsters

Chairman Crawford, Ranking Member Holmes Norton, and members of the Subcommittee, thank you for the opportunity to testify today on “Freight Forward: Overcoming Supply Chain Challenges to Deliver for America”. The International Brotherhood of Teamsters represents 1.2 million hardworking people in the United States, Canada, and Puerto Rico and is the largest transportation union in the United States, including more than 600,000 members who start their workday behind the steering wheel, and tens of thousands of members whose jobs have a direct nexus with the supply chain across all sectors of the transportation. As a union we are focused on fostering a supply chain that supports good jobs with fair wages and working conditions, and that prioritizes the safety of both drivers and those who share our nation’s roadways.

Over the course of the “supply chain crisis” and especially during the height of the COVID-19 pandemic, several key points were made abundantly clear. First, that the Teamsters kept this nation running. For these individuals, there was no work from home and no flexible schedules. Our members showed up every day to move goods across the country, weathering uncertain economic climates as the less-than truckload sector (LTL) experienced both all-time lows in freight demand and all-time highs. Second, the economic shocks of the pandemic laid bare the fragilities of numerous components of our supply chain, many of which long preceded the events of the last several years.

It is essential that Congress and federal regulators understand that the supply chain is not an amorphous entity comprised of transit time data and balance sheets. The freight supply chain is a network of working people loading, driving, and maintaining vehicles to move the nation's commerce. As you consider legislative proposals to strengthen supply chains, the Teamsters unequivocally call for solutions that improve conditions and job quality for these employees and reject proposals that would do otherwise.

GOOD JOBS AND A HEALTHY SUPPLY CHAIN

The Teamsters fundamentally believe that good jobs in the freight and transportation sector directly translate to a stronger supply chain, and welcome opportunities to work with Congress and the Administration in these efforts. At the height of the supply chain crisis, the Biden Administration launched its Trucking Action Plan, which included common-sense efforts to expand high quality training through Registered Apprenticeship programs, and to reduce the bureaucratic delays in introducing Commercial Driver License (CDL) programs. The Teamsters rose to the occasion. The Trucking Action Plan paved the way for Teamsters Local 776, in partnership with Yellow Freight, to launch a new apprenticeship program in Carlisle, Pennsylvania that is delivering high quality training and careers to future freight drivers.

Long before the crisis, the Teamsters have taken a proactive role in training the next generation of truck drivers, and today operate 21 CDL training programs across 11 states that provide CDL holders the opportunity for a prosperous future and the ability to provide for their families. Our track record of training safe, competent, drivers for good careers is unparalleled, and we welcome the opportunity to work with Congress and the Department of Transportation to identify strategies and funding streams to grow our programs and reach more individuals across the nation.

We also strongly support efforts to identify and train future CDL holders from non-traditional driving populations. Depending on the source, it is estimated that less than 15 percent of over the road truck drivers today are women. The Teamsters are proud to serve on DOT's Women of Trucking Advisory Board and look forward to generating recommendations on developing a strong pipeline of female commercial drivers.

There are also ample opportunities to provide better pathways to bring veterans into the freight industry. The Teamsters have endorsed the bipartisan Veteran Improvement Commercial Driver License Act when introduced last Congress by Senators Fischer and Padilla, which would improve veteran's access to CDL training schools by ensuring that they can use G.I. bill funds at new locations of established training programs. We thank Representatives Edwards, Pappas, and Crane for their recent introduction of a House companion.

Through decades of experience, we know how to train safe and competent drivers and how to place those drivers in high-quality jobs. We offer our expertise, experience, and partnership to Congressionally directed efforts to improve and increase access to quality CDL training.

DRIVER SUPPLY

We expect that today's hearing will delve substantially into the concept of a driver "shortage", and the difficulties that trucking companies of all stripes state that they are facing in hiring and retaining drivers. The Subcommittee is well-versed in the familiar statistics—annualized turnover rates at large truckload carriers are consistently in the 80–90 percent range, as opposed to between 10–15 percent for less than LTL carriers, where Teamsters drivers are more heavily represented.¹ These turnover figures are often presented alongside claims that there are tens of thousands of unfilled driving positions.²

While we do not intend to litigate the precise number of drivers the freight industry needs, it is important for all stakeholders to scrutinize this information and consider the implications beyond simply what raw data presented without context may or may not suggest. If carriers, particularly in the truckload sector, are having such difficulties recruiting, training, and retaining drivers, the root causes of those difficulties must be addressed as opposed to simply forcing more drivers into a damaged pipeline.

¹ <https://www.trucking.org/news-insights/truckload-turnover-plunges-second-quarter>

² <https://www.transportdive.com/news/truck-driver-shortage-eases-slightly-in-2022-chief-economist-Bob-Costello-ATA-MCE-2022/634854/>

A 2019 Bureau of Labor Statistics report into the question of driver availability and economic behavior largely concluded that the supply of drivers behaves in the manner a basic supply and demand model would anticipate, with expected responses to economic incentives. BLS stated that “the overall picture is consistent with a market in which labor supply responds to increasing labor demand over time, and a deeper look does not find evidence of a secular shortage” and further, “Econometric models of in- and outmigration of drivers support this conclusion. Drivers with higher earnings and [better] hours [when first observed by the study] are less likely to leave driving [12 months later]”.³

In short, commercial drivers with competitive compensation tend to remain in the industry, much like their peers in other jobs with similar profiles. As a labor organization that secures industry-leading contracts for Teamster-represented drivers, these findings are unsurprising. It is no coincidence that turnover in the Teamsters-dense LTL sector is several orders of magnitude lower than for TL drivers, and that this difference is also apparent between union and non-union LTL carriers where Teamster-represented total compensation packages outstrip non-union competitors.

We acknowledge that there are fundamental and non-economic differences in operations and their impacts on employees between TL and LTL carriers which contribute to these disparities—most Teamster-represented LTL drivers return home each evening, and do not spend days at a time away from home as their TL counterparts do. However, the stark data on turnover and supposed “unfilled positions” strongly suggests that this cannot be the full story. Congress must consider the extent to which a purported shortage is a function of a lack of good jobs, as opposed to a fundamental flaw in the potential driver population or in the regulatory framework that oversees the licensure of new drivers and the rules of the road. Particularly in a tight labor market, a failure to offer competitive wages, conditions and a dignified retirement, all things guaranteed in a Teamsters-bargained contract, will manifest as a failure to fill driver seats as potential truck drivers look to other careers.

To this end, we applaud Congress for its passage of a requirement within the Infrastructure Investment and Jobs Act which tasked the Transportation Research Board (TRB) to examine driver compensation, and the impacts of various methods of driver compensation on both safety and driver retention. The Teamsters Union has engaged with TRB on its study, and we look forward to the production of a report that will provide further illumination of the undeniable nexus between retention and compensation.

We also reject industry characterizations, presented without data or other corroboration that high turnover rates are simply a function of movement of employees between carriers in pursuit of higher wages.⁴ It is certainly accurate that this takes place to some degree, particularly in the non-unionized segments of the industry. However, trying to hide shockingly high turnover rates behind the claim that employees exist in a perpetual state of upward wage mobility musical chairs does not hold up to meaningful scrutiny.

The question of why so many drivers choose to leave the industry goes deeper than just wage rates. Corporate greed has spawned a decades long scourge of rampant misclassification of truck drivers as independent contractors. The cost of being improperly classified as an independent contractor is high. Independent contractors generally do not receive protections and benefits under federal and state labor laws, including overtime, unemployment insurance, workers’ compensation, and Social Security, as well as their right to join a union. For the misclassified driver, this puts their livelihoods and economic future in jeopardy, while allowing their de facto employer pockets profits that would otherwise flow to employees through the nature of the employer-employee relationship. High-road employers who properly classify their employees are then also disadvantaged when forced to compete with carriers profiting through illegal exploitation of their workforce.

Misclassification in U.S. economy is deeply entrenched. As a baseline, the Department of Labor has previously found that across industries, between 10 and 30 percent of audited employers misclassified workers, and following an audit 95 percent of workers who claimed they were misclassified were reclassified as employees. Those numbers are far more egregious in the trucking industry wherein a 2015 re-

³ https://www.bls.gov/opub/mlr/2019/article/is-the-us-labor-market-for-truck-drivers-broken.htm?utm_source=npr_newsletter&utm_medium=email&utm_content=20210524&utm_term=5413005&utm_campaign=money&utm_id=5246456&orgid=151&utm_att1=money

⁴ <https://www.trucking.org/news-insights/truth-about-trucking-turnover>

port suggested that 49,000 of the nation's estimated 75,000 port truck drivers are misclassified as independent contractors.⁵

The Teamsters have fought illegal independent contracting schemes with success at the National Labor Relations Board and at the state level and will continue to do so. However, the spread of this model is pervasive, and requires dedicated federal attention to ensure that employees are not being misclassified, that companies who do so face meaningful repercussions, and that drivers are aware of their rights as to not become ensnared in exploitative work arrangements.

California's AB5 represents a critical step in disentangling systematic misclassification of drivers. AB5 ensures that drivers, who by all the indicators of their relationship with a company should be considered employees, receive the benefits of employment, and if a driver wishes to driver as an independent owner-operator they are doing so with actual independence from the companies they are doing business with. In August of last year, the U.S. District Court for the Southern District of California correctly allowed AB5 to go into effect for truck drivers in the state of California, and the Teamsters welcome a brighter and economically just future for Californian freight workers.

Misclassification of employees often goes hand in hand with other destructive practices, like predatory truck leasing schemes. While many owner-operators enter the industry with an understanding of the financial conditions of their arrangement, some unscrupulous carriers have targeted would-be owner-operators with offers to lease vehicles that entrap these drivers in impossible conditions that will never result in truck ownership.

Frequently targeted at individuals with bad credit, poor financial acumen, or who do not speak English as a first language, these lease agreements often feature untenable interest rates, high monthly payments and binding and expensive requirements on preferred maintenance vendors, insurance policies and even fuel. When classified as independent contractors these drivers are not owed minimum wage, and in combination with a predatory lease agreement a driver may finish a week of work and net a zero-dollar paycheck. At the most extreme, a USA Today investigative report identified "seven different companies that have told their employees they owe money at week's end".⁶ In a nation that outlaws indentured servitude, no worker in any occupation should finish a hard week of work with nothing to show for it. In some instances, the nakedly predatory nature of these arrangements has drawn the ire of the legal system—in 2019, C.R. England Inc. settled a suit for \$37.8 million over its efforts to fraudulently induce 17,519 drivers into driving opportunities through such lease arrangements.⁷

When these are the kinds of conditions facing new entrants into the freight sector, we cannot be surprised at high turnover rates and unwillingness to enter commercial trucking as knowledge of these practices becomes more widely understood among prospective drivers. The Teamsters are proud to serve on the Federal Motor Carrier Safety Administration's recently formed Truck Leasing Task Force and look forward to working with FMCSA and stakeholders to put an end to the proliferation of these schemes.

Finally, the exponential growth of subcontracted logistics companies, notably at Amazon, also sheds light on the unpalatable and unsustainable nature of certain segments of the industry. In the case of Amazon, this has taken on a particularly pernicious twist through Amazon's Delivery Service Partners (DSP) and Freight Service Partners (FSP) programs. In contrast to a typical IC/owner-operator model, both the DSP/FSP programs involve Amazon contracting routes to a single owner or entity, who in turn hires bona fide employee drivers.

Through the structure, Amazon asserts that it can avoid an employer-employee relationship with the drivers and thus evade all the aforementioned responsibilities that would otherwise affix. This is despite the fact that DSP/FSP drivers wear Amazon-branded clothing, operate vehicles with Amazon logos, are subject to Amazon-dictated performance standards, have their location, speed and movement tracked by Amazon and are subject to numerous other mandates from Amazon, not the DSP/FSP operator.

Furthermore, given the IC relationship between Amazon and the DSP/FSP, Amazon can further exert control over drivers and their activity by terminating the DSP/FSP contract at any time, for any reason. In April, drivers with DSP Battle-Tested Strategies in Palmdale, California joined Teamsters Local 396, and the unit was vol-

⁵ <https://www.nelp.org/wp-content/uploads/2015/03/Big-Rig-Overhaul-Misclassification-Port-Truck-Drivers-Labor-Law-Enforcement.pdf>

⁶ <https://www.usatoday.com/pages/interactives/news/rigged-forced-into-debt-worked-past-exhaustion-left-with-nothing/>

⁷ <https://www.freightwaves.com/news/c-r-england-reaches-37-8-million-lawsuit-settlement>

untarily recognized by Battle-Tested Strategies. No sooner had it done so Amazon moved to directly intervene by holding a captive audience meeting and telling the employees of Battle Tested Strategies it was terminating the contract and shutting the DSP down, satisfying Amazon's prime directive to union-bust at all costs. All told, the DSP/FSP model allows Amazon to enjoy all the perks of employer-level control of drivers, with none of the attendant responsibilities.

It should also be noted that Amazon is able to deploy this model to shirk responsibility for the movement of its products. A recent Wall Street Journal investigation found that over 1,300 Amazon Freight Service Partners "received [safety] scores worse than the level at which DOT officials typically take action" that "Trucking contractors that worked frequently for Amazon were more than twice as likely as all other similar companies to receive bad unsafe driving scores" and that FSP drivers were cited for violations at a rate 70 times higher than Teamster-represented UPS drivers.⁸ All told, Amazon's version of moving freight exploits drivers, prohibits unionization, and operates substantially less safely than its peers. Given the extraordinary volume of goods that the company ships and American consumers increasing reliance on its service, Congress and FMCSA should consider how these operations weaken our supply chains, and how companies like Amazon can be held responsible to both the drivers who haul their products and for the safety of their contractors.

SAFER WORKPLACE IS A SAFER SUPPLY CHAIN

As discussed above, a stronger supply chain depends on both a healthy workforce, as well as a safe one. Putting more drivers on the road who are poorly trained, fatigued or operating unsafe equipment is not a step forward. In this regard, Congress should be singularly focused on how it can better work conditions for drivers and improve roadway safety.

We summarily reject watering down of Hours-of-Service fatigue protections as a salve to any purported shortage. Fatigue continues to be one of the most significant safety risks that commercial drivers experience. The Large Truck Crash Causation Study cited fatigue as a factor in 13 percent of large truck crashes, and other research has suggested the prevalence of fatigue factors at a much higher level.⁹

Unfortunately, in the last several years we have seen several steps in the wrong direction, made more egregious by the continued increase in highway fatalities. This includes the 2020 revision to the Short Haul Provision for Commercial Driver's License qualified drivers which expanded the 12-hour duty time period to 14 hours, and the alteration of the 30-minute rest period to allow an on-duty/not driving period to qualify as the required break. This also includes an unprecedented expansion of FMCSA's preemption authority under 49 U.S.C. § 31141 to preempt California's Meal and Rest Break rules and deny drivers state-mandated breaks that applied broadly to most California employees. We call on Congress and the Federal Motor Carrier Safety Administration to reverse these decisions, and to address fatigue as a fundamental threat to safety in the freight industry rather than an opportunity to keep drivers at work for yet more hours.

We continue to oppose increases to the maximum truck weight limit on federal highways to 90,000 pounds as well as certain efforts to increase truck weight for the hauling of specific goods and commodities—all of which threatens safety, increase wear and tear on our nation's roads, and adds unnecessary operational difficulties for drivers. DOT concurred with this assessment in its 2016 Comprehensive Truck Size and Weight Limits Study, which found that heavier trucks had a 47 percent to 400 percent higher crash rate than 80,000-pound trucks, that heavier trucks had out-of-service and brake violation rates that substantially outpaced 80,000-pound trucks and recommended against a nation-wide increase in maximum truck weights.¹⁰

A recent study also examined a gap in DOT's report relating to non-interstate local bridges. In the event that the federal truck weight limit was to be increased, it is likely that carriers would begin running maximum weight vehicles both on the interstate, but also on local roads and bridges. The report identified more than 72,000 local bridges which cannot safely accommodate 91,000-pound trucks. Oper-

⁸ <https://www.wsj.com/articles/amazon-trucks-crash-safety-11663793491>

⁹ <https://www.fmcsa.dot.gov/safety/research-and-analysis/large-truck-crash-causation-study-analysis-brief>

¹⁰ <https://ops.fhwa.dot.gov/freight/sw/map21tswstudy/ctsw/CTSLWS%20Report%20to%20Congress%20FINAL.pdf>

ating heavier trucks over these bridges invites a wholly unnecessary threat to the safety of drivers as well as threat to local infrastructure.¹¹

Finally, and most importantly, outside of this research, Teamster drivers, who would be expected to operate under any increased weight restriction, consistently report that heavier vehicles present operational difficulties such as controlling braking distance and maneuvering in congested traffic conditions. There is no amount of research or speculation that offers as reliable a barometer as the real-world experiences of our members. We call on Congress to forego any truck weight increases as part of supply chain legislation.

AUTOMATION IS NOT A SILVER BULLET

Despite the claims of Silicon Valley venture capitalists, Congress cannot ignore its responsibility for improving working conditions in the hopes that automated freight is coming to save the day. Today, actual commercialization of automated freight delivery vehicles is near non-existent, and while some firms are making estimates of driver-out operations as early as next year, we believe that these are overly optimistic projections influenced by shareholder demands and that considerable developmental and safety concerns remain outstanding. For example, commercial trucking operations that are regularly executed by human drivers—including navigating hazardous weather conditions, cooperating with law enforcement, and overcoming equipment malfunctions have all been reported as causing difficulties for various autonomous vehicle manufacturers and must be addressed before any wide scale commercialization occurs.

We also note that Congress should be aware of the differences between a successful demonstration in specific conditions and the ability of an autonomous commercial vehicle to perform the entirety of necessary driving duties on its own, without a driver. While sensationalist headlines are quick to amplify glowing press releases from manufacturers, many of these testing and demonstration projects are operating in largely ideal conditions, such as clear weather conditions in Sun Belt states, and are operating with a safety or “fall back” driver on board.

It is evident that widescale deployment is not on the immediate horizon, if for no other reason that the totality of purchase orders of autonomous trucks that would have to take place before a meaningful dent was made in the totality of trucks on the road is enormous. Further, we should bear in mind that any future deployment of autonomous freight vehicles will take on different characteristics in different freight subsectors in response to varied business cases. The application of autonomous trucks for long haul TL operations on the interstate system, (carrying the goods for and from a single customer) bears substantial variation to what deployment might look like for LTL carriers operating carrying goods from multiple customers, in more localized delivery.

Finally, we reiterate two fundamental tenets of our approach to the future of autonomous freight. First, it is a necessity that the Congress and federal regulators develop a safety framework for the operations of these vehicles that holds manufacturers and carriers to binding federal regulatory standards crafted with safety, not regulatory flexibility, as a first priority. Second, Congress must consider the impacts of autonomous freight deployment on the workforce. This includes ensuring drivers, mechanics, and other employees are trained to work in tandem with new technologies as they are deployed and that real measures are taken to address any displacement of existing workers. Simply allowing a large-scale displacement of existing drivers with no consideration to their future invites both a economic and sociological disaster that must be avoided.

The International Brotherhood of Teamsters thanks the Committee for the opportunity to testify today on the state of our supply chain. We look forward to continuing to work together, on a bipartisan basis, on these critical issues going forward.

Mr. CRAWFORD. Thank you. I now turn attention to questions to the panel. I will recognize myself for 5 minutes.

And I want to put this question to everybody, and we will start with you, Mr. Pugh. I would like for you to speak to what you think is the biggest regulation you see coming out of the DOT that makes

¹¹ <https://www.ajot.com/news/new-study-finds-legislation-to-increase-truck-weight-would-crush-local-bridges>

it harder to move goods efficiently and safely through our Nation's supply chain.

Mr. PUGH. Probably at the present time, the largest thing we see is speed limiters coming out of DOT. For one, it is going to create a speed differential across the country, which, as someone who has driven truck, I have lived in a State that had speed limiters for years and years and years, it does create unsafety. It creates lots more interactions between trucks and cars. First of all, it creates a lot of—upset other car drivers. I am sure we have all taken a trip somewhere across this country and gotten behind a couple trucks. It takes 8 or 10 miles to pass, one pass the other. And a lot of those times those trucks are speed limited. There is all kinds of research and studies out there that show that when traffic all travels the same speed, it is much safer for everyone, all the motoring public. This is also going to add to the retention problem we have.

I get all the time from the agency that they want to hear from truckdrivers. When they came out with this and asked for comments, they received 16,000 comments from truckers; the mass, mass majority were against this. They are still moving forward. And this is what I hear from my members all the time: We don't interact with Government, we don't do it because why bother because they don't listen anyway when we do. Sixteen thousand comments is record setting.

And then the final thing I will say with a speed limiter, if you do slow all these trucks down to 60 miles per hour, which is what we have heard, it is going to take more trucks to move the same amount of freight because we are going to become less efficient. So, again, that just adds to more and more of the congestion problem we see on the highway.

Mr. CRAWFORD. Gotcha. Ms. Reinke.

Ms. REINKE. Thank you, Mr. Chairman, for the question.

There is nothing currently pending that we feel is going to inhibit our members' progress. But far be it for me to say that there should be no more regulations promulgated, but we would like them to enforce the regulations they already have.

So, for example, when I talked about fraud, they have not investigated 80,000 complaints, never. There has never been an enforcement action and there has never been an investigation. And we hear from the FMCSA that they believe that they cannot enforce civil penalties, there is an ALJ ruling that would prohibit them. However, they can do other things. They could take a motor carrier out of service, they could assess other penalties. So, they are not doing that.

On safety, as I mentioned, 92 percent of the trucks that aren't rated because they have this antiquated physical audit system. Well, surely they could update that. They can modernize that so that it is not just 5,000 trucks that they actually audit every year. There are a far greater body of work. So, that is what we are hopeful of and wishing for.

Mr. CRAWFORD. Thank you.

Mr. FIALKOV.

Mr. FIALKOV. Thank you, Mr. Chairman.

Top of mind now is probably an effort to remove some of the flexibility that has been utilized in terms of waiving restrictions on

weight and hours of service in response to supply chain disruptions, particularly in terms of motor fuel. Just to illustrate an example, diesel fuel weighs more than gasoline does. So, under current weight laws, you are not allowed to fill a transport truck with diesel fuel before you hit your weight. So, if there is a hurricane and you are trying to get diesel to an area, it is really helpful to be able to waive that limitation so that you can move an extra 1,000 gallons of diesel in every truckload. Whenever we are in the trenches trying desperately with FMCSA and others to get fuel to places that are running out of it and growing desperate, I have never worked with a Government official who was happy to be hamstrung in their ability to inject flexibility into that process. I am supportive of your effort to push back on that.

Mr. CRAWFORD. Gotcha.

Mr. Scandaglia.

Mr. SCANDAGLIA. Yes, I think when we think about this question, we think about regulatory efforts that make trucking a worse place to work. And so, I think we would talk specifically about FMCSA's 2018 determination to vastly expand the scope of its preemption authority in the face of decades of precedent, as well as FMCSA's decision to make modifications to the hours-of-service rules in 2020.

Mr. CRAWFORD. Thank you.

I will now recognize Ranking Member Norton.

Ms. NORTON. Thank you, Mr. Chairman.

Mr. Pugh and Mr. Scandaglia, at the full committee supply chain hearing earlier this Congress, we heard about a worker shortage in the trucking industry. Yet, both of your organizations have argued that we do not have a worker shortage, we have a worker retention problem. In your view, what are the top reasons truckdrivers do not stay in their jobs?

Mr. PUGH. Yes, thank you, Ranking Member Norton.

Yes, the first and foremost is driver pay. There is plenty of research and plenty of studies out there, the pay is the driver's top concern. Actually this past year, pay and parking were the two reasons, biggest problems that drivers face. Because again, truckers' pay has not kept up with inflation since the 1970s, and it continues to go down. And like I mentioned in my testimony, truckdrivers are exempt from overtime, which is ridiculous when they work 70 to 80 hours a week every week. The average trucking week, they are allowed to drive 70 hours.

Ms. NORTON. Mr. Scandaglia.

Mr. SCANDAGLIA. Yes, I think we fundamentally agree with Mr. Pugh there. I think low wages for very hard work is the biggest issue that we face when it comes to retention. But as I mentioned in my opening remarks, I would also include the widespread impacts of illegal driver misclassification in that category as well.

Ms. NORTON. OOIDA and the Teamsters, women in the workforce, that is what this question is about, the Bipartisan Infrastructure Law directed the Federal Motor Carrier Safety Administration to establish the Women of Trucking Advisory Board to encourage women to enter the trucking field. The Board has been formed, and I am eager to hear their recommendations and findings. After all, women only make up 6.6 percent of the truckdriver workforce.

Mr. Pugh and Mr. Scandaglia, the Women of Trucking Advisory Board includes representatives that are independent owner-operators, as well as officials from the Teamsters. What actions are your organizations taking to improve the participation of women in the trucking workforce?

Mr. PUGH. Two big actions. One is Congressman Bost's parking bill, because we needed safe places, women especially, to park out there, and also Congressman Nehls' bill on restroom access, it is a huge problem for women and men in trucking. There are a lot of places that they deliver and pick up at that they are not allowed to use the restroom.

Ms. NORTON. Mr. Scandaglia.

Mr. SCANDAGLIA. We conduct our own CDL training program at IBT where we can bring folks into our industry. So, through these programs, our training programs, we can target a diverse workforce, including women, instead of relying on our employers to do it for us. And I would also add that the benefit of the union contract is that when we negotiate language, we guarantee equal pay, access to medical benefits, paid leave, parental leave that all, I think, incentivize women to enter the industry, at least through unionized driving.

Ms. NORTON. Mr. Pugh and Mr. Scandaglia, between your organizations, you represent a significant portion of the trucking workforce. You have a vested interest in ensuring the safety of motor vehicles. Can you each speak to the importance of entry-level driver training and how it improves the safety of our roads and helps retain workers in the trucking sector?

Mr. PUGH. I think as far as entry-level driver training, it needs to be stricter, and we need stronger standards and probably more minimal time. In the State of Missouri, it takes 1,600 hours to cut hair. There is no such standard for driving a truck. I think that we are setting ourselves up for failure. It is one thing we could help. If you train people how to do things and they feel comfortable with what they do, they generally stay with that occupation.

Ms. NORTON. Mr. Scandaglia?

Mr. SCANDAGLIA. When entry-level driver training is conducted properly, we can guarantee that regardless of where someone is being trained or who is training them, that they have a baseline level of competency and core competency, and be comfortable in their experience as they become commercial drivers.

Mr. CRAWFORD. The gentlewoman's time has expired. Mr. Bost is recognized.

Mr. BOST. Thank you, Mr. Chairman.

Mr. Pugh, I would like to start off by asking you some clarifying questions, if I can, about truck parking. Why do you see trucks parked along highway shoulders? And how do you know that there is a shortage?

Mr. PUGH. Well, you see trucks parked on the shoulders and all these different places because they have nowhere else to go. Truckers are mandated by hours of service on the time they can drive and the time they must rest. And the problem is that there is only 1 spot for 11 trucks right now. This has been a problem my entire career, and it is kind of at crisis stage now.

Lots of folks out there, I know they see these big warehouses and gas stations and all these different places where drivers can park, or where they think drivers can park I guess would be the better statement. Unfortunately, a lot of these places and businesses do not allow this. Some, it is who owns the land, it is the real estate company; some, it is just policy.

I have drivers who go to places, they sit there for 6 to 8 hours waiting to get unloaded. They run out of hours. And then the place where they deliver kicked them off the property telling them they have to leave. They will explain, and I have had this happen to myself: I am out of hours, there is nowhere else—I can't drive. Well, we don't know what to tell you because you are not parking here.

This has been a while ago, but I personally was ticketed in the State of Massachusetts at 3 a.m. because I was parked on the car side on a toll plaza. It was 3 a.m., nobody in there, I pulled off there to take a break at like 10:30, 11 o'clock at night. I woke up at 3 a.m. by an enforcement officer giving us an \$80 parking ticket and telling me I need to go on down the road. After explaining to this officer that I'm out of hours, he didn't care: Go on to Boston or wherever you are going. So, this is a real problem and this is why we need parking.

Mr. BOST. Also, how does the lack of truck parking create stress for drivers and make the job more difficult? And is this just a problem for drivers or does it cause safety hazards for others as well?

Mr. PUGH. Well, truckers want to be safe more than anybody out there, that is their office, it is where they work, out there on the highway. And it is very stressful. I don't know if anyone has ever gone on vacation and didn't make hotel arrangements and hung around for a motel, and you are trying to find a place to sleep, and it is hard. That happens to normal people. This happens to truckers every day. They can't find a place, they want to take a break, maybe they want to be an hour down the road.

Truckers, a lot of times, are paid by the mile, so, they want to be as efficient in their day as they can be. But a lot of times, they have to stop short maybe 100, 150 miles. They have to do things they don't want to do. Myself, again, for an example, I used to deliver in New York City a lot. I would like to go in at night and park. The place I went, I was able to do it, it was 24-hour. A lot of guys, they have to stay 100 miles out and then they end up going in in the morning across the GW Bridge with everybody else because there is no safe place for them to get closer to their delivery. And that is not only dangerous for them, it is just dangerous for the motoring public, because they do need their rest, and they deserve their rest.

Mr. BOST. Thank you.

Mr. Fialkov, can you please talk about NATSO and SIGMA members and how they could work with local stakeholders, if Congress would finally act and provide dedicated funding for truck parking?

Mr. FIALKOV. Sure. Thank you, Congressman.

As you know, the private sector currently provides north of 90 percent of truck parking capacity in the country. But it is a complicated and expensive business, right? And I am not just talking about land acquisition, which tends to be exceedingly expensive in the areas where there are more acute shortages and the expense

of concrete—trucks beat up a parking lot more than light duty vehicles do, as you can imagine. So, they have to have a lot more concrete, ongoing maintenance, lighting, security, and whatnot.

But there is also a lot of local opposition quite frequently, right? Everyone wants more truck parking spaces, very few people want them next to their house. So, there is a lot of complexity and expense associated with working with local, kind of, communities and towns to try to convince them of the upside to allow truck parking. And the idea of working with rather than against the Government in those endeavors is very appealing to us.

Mr. BOST. I am short on time. I am going to ask another question for Ms. Reinke, I will submit it for the record, but one statement I want to make because a question was asked earlier about why we lose truckdrivers and why we have a truckdriver shortage. Many of you know that I was born and raised in the trucking business, my family is still in it. One thing that people don't understand that we keep losing a lot of drivers to is the legalization of marijuana in States around this country. If you want to smoke it, I don't care, but the rules are very clear. You smoke it, you can't pop positive or you are going to pop positive for 30 days after smoking it. And several drivers were making choices to go ahead and party rather than drive. That is causing a problem in our shortage today, and we have got to deal with it somehow.

Now, I don't know what that is or how that is. It is very frustrating that they make the choice. But if you drink a beer on Sunday, you can drive on Monday. If you smoke a joint on Friday night, you ain't driving for another 30 days. And I don't agree with the legalization of marijuana, but something has got to be done to figure this out.

Thank you.

Mr. CRAWFORD. I thank the gentleman.

And I recognize Mr. Menendez for 5 minutes.

Mr. MENENDEZ. Thank you, Mr. Chairman.

I appreciate all the witnesses coming here today, and the careers and professions that you all represent in your various capacities. Trucking is often framed as a great career path where people can start earning high salaries without a college degree, which is something we should continue to develop and pursue greater pathways. But we also know that trucking is not an easy job. So, I want to talk about some of the experiences your members have had on the road and some of the challenges that they face, because I think one of the things that we highlighted is that there is a retention problem that isn't just about the legalization of marijuana.

Mr. Scandaglia, what is the average cost to earn and maintain a CDL?

Mr. SCANDAGLIA. The average cost?

Mr. MENENDEZ. To procure and maintain a CDL.

Mr. SCANDAGLIA. I am not sure I have that data in front of me. I'd have to get back to you.

Mr. MENENDEZ. A couple thousand dollars maybe?

Mr. SCANDAGLIA. It is probably reasonable. No, I will say a number of Teamster-operated schools, we do offer CDL training free of charge to the trainee.

Mr. MENENDEZ. That is great. And we appreciate Teamsters doing that for other people, they may not have that access, so, it is a great thing that Teamsters provides.

And also just sticking with you, just generally, how much time do your members spend away from their families when they are on the job?

Mr. SCANDAGLIA. So, for Teamsters members who are largely concentrated in the less-than-truckload sector of the trucking industry, I have seen most of our members come home at night, not all, but the vast majority of our members are not performing some of the long-haul, over-the-road operations that some of Mr. Pugh's members are.

Mr. MENENDEZ. Mr. Pugh, some of your members who are on the long-haul side would be away from their families for about how long on average?

Mr. PUGH. I beg your pardon?

Mr. MENENDEZ. The folks that are on the long-haul side of this, about how many days would they spend away from their families when they are on the job?

Mr. PUGH. How many days away during the week?

Mr. MENENDEZ. Yes.

Mr. PUGH. Probably 5 days a week. Leave on Sunday, get home on Friday. That's the way I work myself.

Mr. MENENDEZ. Yes. So, significant time away from their families. And there is also additionally the physical and mentally demanding aspect of this job, like driving in bad weather and transporting hazardous materials and dangerous substances. Is that correct, Mr. Pugh?

Mr. PUGH. Yes. My members transport all types of substances across the country, flatbed, tanker, van, reefer, everything.

Mr. MENENDEZ. Right. This morning we heard several testimonies that describe a driver shortage, and the need to recruit younger drivers to address this workforce issue, which is definitely one of the mechanisms that we need to pursue.

But Mr. Scandaglia, in your testimony, you described a retention problem rather than a recruitment problem. So, I wanted to highlight some of the challenges in this industry that drivers face. If we focus all of our efforts just on recruitment, will we have enough drivers to meet the current demand?

Mr. SCANDAGLIA. I don't think just shoving more drivers into a broken pipeline is the answer. During 2021, for example, States were issuing 50,000 new CDLs a month. And yet from the data we are seeing from the industry, at least on the truckload side, we are reporting no meaningful improvements in turnover and the purported shortage.

So, I think this is why it is so important for Congress and for regulators to have a conversation about why those drivers are leaving instead of just coming up with more ways to force people into the industry.

Mr. MENENDEZ. Right. Burnout, fatigue, lack of appropriate benefits would be some of the reasons that they may not stay in the industry.

Mr. SCANDAGLIA. Absolutely.

Mr. MENENDEZ. So, when we think about recruitment, it is about improving the quality of the job and the experience to reward that hard work, the time—5 days a week—that they are spending away from their families. And if we recognize the sacrifices that go into this job, maybe we would have higher retention if we pursued fair wages, reasonable hours, high-quality benefits, paid leave, and correct worker classification. Would that help with some of the retention issues that you are seeing?

Mr. SCANDAGLIA. Undoubtedly. And I think when you look at Teamsters-represented chunks of the industry, you see a much lower turnover rate. The LTL industry has less than 15-percent turnover as a whole. And I think that number is lower in our carriers. There are other reasons why that is. I think we should be honest about that, but I do think all of the items you mentioned absolutely contribute to the question.

Mr. MENENDEZ. As well as misclassification being a significant driver.

Mr. SCANDAGLIA. Undoubtedly.

Mr. MENENDEZ. And so, one of the things that I am sure we could do here in Congress is provide the tools that are sort of set forth and proactive in other pieces of legislation that would give people tackling the misclassification problem, also give people the right to be represented by a union—like yours—in this industry. Creating that greater representation, I imagine, would result in a lot of these tangible benefits that would improve the quality of life, and potentially create a higher retention rate than what we are currently seeing.

I am out of time, thank you all for your testimony. I yield back.

Mr. CRAWFORD. The gentleman yields.

Mr. D'Esposito is recognized for 5 minutes.

Mr. D'ESPOSITO. Good morning. And thank you all for being here. I represent the southwest corner of Long Island right on the border of New York City. And obviously, Long Islanders are no stranger to financial burdens passed down on to them for many different reasons. Already facing crippling State income taxes, property taxes, tolls, proposed congestion pricing, and much more, the impact of the supply chain crisis and inflation on their wallets is a family table issue and something that we hear about regularly.

New York prides itself on its port industry and robust commerce. And as a matter of fact, many of the residents and constituents that I have the honor of representing are in the trucking business. Many of them operate not only on the ports along the Northeast, but have businesses as well on the west coast.

So, I guess my first question is, how do you believe, just because the area that I represent is so beneficial on small business, it is truly the lifeblood of our communities, so, how do you feel that the shortage in the workforce has impacted local business? You can start on one and kind of work our way down.

Mr. PUGH. Well, I don't think there is a shortage. I think there is a retention problem first of all. Yes, I think the retention problem is to everybody because drivers aren't treated correctly. And when you get to your small business truckers like you are talking about, when it comes to tolling and congestion pricing, that's a killer on small business trucking. And it is probably a killer on some

of Ms. Reinke's members too, because they have to try to get this into the rates, it is hard to get these tolls. I know myself in New York—I ran to New York City a lot from Ohio. I spent \$10,000 to \$12,000 a year in just tolls. When it comes to congestion prices—

Mr. MENENDEZ [interrupting]. It is not going down.

Mr. PUGH. Yes, I know. It is going up, up, up, up. And with congestion pricing, it is really tough on truckers because unfortunately, most businesses are open 9 to 5, and that is when they want the trucks to come, and that is when the congestion pricing is. It would be much better if people would receive things at night because truckers would rather go in and out of the city late at night than through the day.

Ms. REINKE. Thank you, Congressman. It affects our members in that there is a capacity crunch. It is not as bad right now because we have somewhat of a freight recession, but in the height of the pandemic, finding the dear capacity—whether it is a retention issue or a shortage issue—regardless, we could not find the drivers we needed.

Our members pride themselves on having a good cadre of carriers that they can turn to, and if they are not there, then that affects everybody from the shipper to the consumer who can't get the toilet paper they want on their shelves.

Mr. D'ESPOSITO. Yes. I think we would agree that the retention and the shortage sort of become one at some point.

Mr. FIALKOV. Thank you for the question.

I think that, by and large, fuel retailers that employ drivers are employing fuel haulers, right? Hazmat haulers. So, they tend to be older. They have to go through more vigorous training. And we still have a very hard time keeping those positions filled.

And that can become a problem. When you have a thin staff and somebody doesn't show up to work, or there is a very high turnover rate and somebody quits on the job, suddenly you have an exceedingly difficult time identifying ways to get fuel from a terminal to a retail outlet. And as that becomes more expensive, that ultimately is absorbed by consumers, which, again, as you noted, has an extraordinarily counterproductive inflationary impact on an entire economy.

Mr. D'ESPOSITO. Thank you.

Mr. SCANDAGLIA. And I have to agree with Mr. Pugh. I have no doubt that if you are a small importer on Long Island who needs to put goods on a truck, and you can't access drivers, then that would be incredibly destructive for your business. But as I said earlier, I think it is critically important that we interrogate why those drivers may not be available.

Mr. D'ESPOSITO. Thank you.

And just as I mentioned when I began, I know that a lot of the trucking companies, a lot of the business owners in my district also operate on the west coast.

So, Mr. Pugh, I think you had discussed California's efforts to push electric trucks. So, I know that there is a lot of skepticism. The cost, the mileage range, battery weight, safety, charging time, availability. I only have about 40 seconds left.

Could you just briefly expand on that point? Share with the subcommittee some examples of how these challenges are already play-

ing out for the small business truckers, especially those who operate both here in my district on the east coast as well as the west coast.

Mr. PUGH. Yes. There are all kinds of operational challenges. And I have sat on the car board. In many of these places, they don't have these charging stations in place. They don't know if they have the grids.

And then, yes, you run into these fleets—if you have a fleet in different States, a lot of times they trade equipment or use different equipment. If they have a shortage of equipment out here and they move it there and vice versa, that is going to create that issue as well because they are not going to have electric trucks in New York, but they may have them in California.

Mr. D'ESPOSITO. Thank you very much.

Mr. Chairman, I yield back.

Mr. CRAWFORD. The gentleman yields.

Mr. Johnson, you are recognized for 5 minutes.

Mr. JOHNSON OF GEORGIA. Thank you, Mr. Chairman, for holding this hearing.

And thank you to the witnesses for your time and testimony.

The United States is a global leader in trade and commerce. Every day, millions of tons of goods are transported across our Nation's highways. These goods are essential to our economy and our way of life.

Our freight supply chain is a complex system that involves many different players, including shippers, carriers, and logistics providers. It is a critical part of our economy, and it plays a vital role in keeping our shelves stocked and our businesses running. Workers are the backbone of our supply chain.

Democrats have shown and proven that we support sustainable solutions to supply chain challenges that prioritize safety and truckdriver quality of life. Legislative proposals that undermine safety or threaten worker rights in the name of productivity are shortsighted and will weaken the supply chain.

Mr. Scandaglia, we can all agree that ensuring that we have the capacity to get the Nation's commerce where it needs to go is, or at least should be, a top priority for us all. However, given that we are seeing record increases in highway fatalities, I am very concerned about proposals to weaken hours-of-service protections or extend the amount of time a driver can be on the road or on duty.

What would it mean to your members if Congress or regulators allowed longer workdays for commercial truckdrivers, and how would weakening hours-of-service protection impact safety and workforce retention?

Mr. SCANDAGLIA. Thank you for the question, Congressman. I think it is a very important topic that you have brought up.

I think sometimes we get in the bad habit of thinking about regulations solely as they affect productivity or solely as they affect how a business is able to get something from point A to point B.

But the regulations that you discussed, including hours-of-service protections, are basic fatigue protections. It is how we keep our members safe. And when Congress or regulators make bad changes to our hours-of-service protections, the direct result is more fatigued drivers on the road.

And we know from years of data that fatigue is one of the most dangerous conditions drivers face. At the most extreme levels, levels of fatigue have similar effects on drivers as alcohol intoxication.

So, I think there are a lot of things that Congress can look at, but decreasing safety on our Nation's roadways, particularly for the reasons you highlighted, is going to be unacceptable for the Teamsters.

Mr. JOHNSON OF GEORGIA. Thank you.

Mr. Pugh, highway safety has always been a priority of mine, and that is why I have not only supported legislation but also led legislation to ensure that drivers on our roads are protected.

Recent studies show an increase in the number of trucks on the road, limited space for parking, and restrictive regulations on where trucks can park overnight. In your testimony, you stated that drivers are forced to spend more and more of their on-duty time finding a place to park rather than keeping goods moving.

Is there anything that you want to add to what you have already testified to today about the challenges that small business truck owners face with limited spaces to park?

Mr. PUGH. Again, I appreciate it. No, I mean, again, I think we talked about this and how important it is to truckdrivers to have a safe place and for the motoring public.

I would like to add to your previous question. My members, when it comes to hours of service, they don't want to drive more. They don't want to work more. They just want to be paid for the time that they do work now and would like to have a little more flexibility to decide when it is safe for them to operate and not operate.

For example, they would rather not drive through Washington, DC, traffic at 4 o'clock in the afternoon. They would rather be able to take a break for a couple of hours before coming. Thank you.

Mr. JOHNSON OF GEORGIA. Let me ask you this. What impact would it have if there was a push to build more places for trucks to park? What if that became a priority in this country? How would that impact your ability to move the goods?

Mr. PUGH. It would definitely help move the ability and would lessen congestion because if there are more places to park, we get at that hour that I discussed in the beginning that drivers—men and women behind the wheel—are wasting each day. Sometimes more than that. They would be able to get closer to where they deliver. They would be able to get there sooner, deliver, pick up, get out, and continue moving.

When you look at the amount of trucks we have on the highway and consider they each, on average, waste an hour a day every day, that is a lot of freight that is not being moved efficiently.

Mr. JOHNSON OF GEORGIA. Thank you.

I yield back.

Mr. CRAWFORD. The gentleman yields.

Mr. LaMalfa is recognized for 5 minutes.

Mr. LAMALFA. Thank you, Mr. Chairman. I appreciate the opportunity here today and our witnesses.

For Mr. Pugh, I had a chance to speak with you a little bit. In California, of course, we have to be always leading the way on dumb ideas. But we are forcing this electric mandate on so many vehicles, including trucks. And our chairman spoke about that a lit-

tle bit in the fact that trucks will now be heavier. So, you either have to raise the weight limits of what the trucks weighs to carry the same amount of cargo or have more truck traffic because now instead of 80,000 pounds with a net of 58,000, you are going to have less net cargo. So, it is going to require more truck trips.

So, tell us what you know more about the cost of doing this, not only to the individual—maybe mom-and-pop—truckers, but also the infrastructure it is going to take to be able to service them and keep them moving on a trip.

Mr. PUGH. Yes. You are correct. If we go to EVs, EV trucks are way heavier. And so, yes, that leaves us, like you said, two examples. You are either going to have to give them a weight exemption or there is going to be less freight moved.

When it comes to these other EPA rules and stuff we are seeing—and I urge everyone to support Representative Nehls' Resolution 53—small business truckers, they can't afford a lot of this stuff because it continually gets dumped on them, dumped on them, dumped on them. And unfortunately, this stuff isn't proven. That is the problem here. It is not more efficient. It costs more. It costs more to purchase. It is not as dependable. It is more downtime, more parts, more repairs, longer times in repair shops.

We saw this in 2011 when they forced mandates on the manufacturers, and consumers had to buy these things. And unfortunately, they weren't ready for prime time. They weren't tested. And here we are.

America was founded on capitalism and on business innovating and finding things. Trucking is a business. If the manufacturers come up with more efficient things—whether that is electric, hydrocarbon, whatever. I am not a scientist. But I do know that truckers will buy it because it is a business. And any way that they can make more profit by lowering their expenses, they will do that. The way that is done is through the free market and by coming up with things that we know that work and not using truckers and motor carriers as guinea pigs.

Mr. LAMALFA. Yes. Indeed. If we were just updating the fleet we have more and more with the clean, green vehicles, phasing them in, you wouldn't need this. But we don't get any credit for work we have done in the past.

So, let's talk about the speed limiting that they are proposing here. Now, in my experience on I-5 in California or "the 5" as they call it in L.A., you end up with these turtle races. One truck is going 54.9. The other wants to pass them going 55. It takes 2 or 3 miles for the pass to be completed. You've got cars behind that want to go 70 or more that are getting frustrated, and they start doing weird things, because they get impatient with all of that.

So, the truckers have governors on them in a lot of cases. One governor might be set a certain way, and another might be 55. One might be 56. They are trying to pass each other.

Talk to me about this further push on truck speed limit devices and this is on the heels of ELD devices. How much watching do we need to do on you?

Mr. PUGH. Yes. Again, this is a very unsafe rule. There are plenty of facts out there to prove and studies to show where traffic is safer all moving at the same speed.

And you are correct. The turtle races as they are called or elephant races—it doesn't matter. Trucks are mechanical. Nothing mechanical is a complete, exact science. So, we can all set our trucks—everybody in this room—at 60 miles an hour, but they are not going to be exactly 60.

Plus, when it comes to trucks, you throw in weight and all these other factors. If my truck's load weighs 50,000 and yours weighs 55,000 and we are governing at the same speed, you are going to be able to go up a hill just a little bit faster than I am because you are a little bit lighter.

Mr. LAMALFA. Certainly. There is a lot of hilly areas of I-5 in my district like that. If they don't have three lanes, you have got elephant races, and it is very frustrating for everybody else.

In my State, they are limited to 55, whereas you have got cars being able to go 70. And so, it seems like you are adding more risk by piling everybody up that way.

Go ahead. Finish.

Mr. PUGH. That is correct. It does cause more accidents.

I am from Ohio originally before moving to Missouri. We were at 55 for trucks, 65 for cars for a long, long time. The State finally let everybody on the turnpike go 70 for a test, and it wasn't long until the whole State went to that because they found out that accidents went down significantly.

Mr. LAMALFA. At what rate, sir?

Mr. PUGH. I beg your pardon?

Mr. LAMALFA. At what rate for everybody?

Mr. PUGH. I am sorry?

Mr. LAMALFA. They adjusted the speed to be the same for everybody?

Mr. PUGH. Yes, they adjusted the speed after doing a pilot program on the—

Mr. LAMALFA [interrupting]. What speed did they adjust it?

Mr. PUGH. Seventy miles per hour. Because, again, States probably know better what trucks should go than we do here in Washington.

Mr. LAMALFA. Most of them. I wouldn't count my State as one of them. So, anyway, thank you.

Mr. CRAWFORD. The gentleman's time has expired.

Mr. García, you are recognized for 5 minutes.

Mr. GARCÍA OF ILLINOIS. Thank you, Mr. Chairman, and to all the witnesses this morning.

Supply chain challenges and bottlenecks over the past few years have presented a number of critical issues in the trucking industry. However, improving the supply chain issues should not compromise safety on our roads.

I will pose the first question to Mr. Scandaglia. Would you agree that providing U.S. DOT with unfettered and poorly defined authority to waive truck size and weight requirements would undermine decades of regulation in maximum truck size and weight?

Mr. SCANDAGLIA. We would agree unequivocally. It is evident, I think, both in the research that has been done at DOT and elsewhere, as well as when we talk to our own members, that there are substantial safety challenges associated with larger, heavier trucks. I don't think that is up for debate, in our opinion.

And we understand that in certain circumstances, there are regulations that exist to contemplate emergency scenarios. But giving DOT the authority and giving the Secretary the authority to waive truck weight for anyone who happens to walk in the door would be a mistake, in our opinion.

Mr. GARCÍA OF ILLINOIS. OK. Thank you for that.

And what recommendation, if you would provide that, would you give to Congress to ensure safe truck size and weight maximums?

Mr. SCANDAGLIA. I think we would advise that, if Congress is considering making changes to truck size and weight, that they talk to truckdrivers before they do it.

Mr. GARCÍA OF ILLINOIS. Thank you.

Mr. Pugh, it is my understanding that OOIDA supports the DRIVE Act, a bill that would prohibit the FMCSA from implementing any rule or regulation requiring vehicles over 26,000 pounds that are engaged in interstate commerce to be equipped with a speeding-limiting device set to a maximum speed.

Is this true, and don't you think the bill will compromise safety on our roads?

Mr. PUGH. Yes, it is true. OOIDA does support that bill. We support it because our members who are all truckdrivers out there—they tell us—I have the experience as well—traffic, as was said in here multiple times now, is much safer when everyone is going the same speed limit and there is no differential.

I think there are plenty of studies. I think we are down to, what, six States or something or seven States that have split speed limits. In 1995, the States were given the authority to set their speed limits. And we feel, as an association and as our members, that, again, States probably know what the safe speed limit is for traffic to be moving in their State better than other folks do outside of that State.

Mr. GARCÍA OF ILLINOIS. OK. Thank you.

Back to Mr. Scandaglia. As a former Teamster myself, I have always prioritized the quality of life for workers in the transportation industry. As it stands now, Teamsters' contracts require drivers to be paid for the time they spend waiting, and as a result, detention time is less common for drivers that you represent.

If paying drivers for detention time became the industry standard, what safety or driver retention benefits would result from this?

Mr. SCANDAGLIA. I think we would see substantial safety benefits. Like you mentioned, most Teamster drivers, per the terms of their contracts, are going to be paid for any time that they spend in detention.

But I think, broadly speaking, when you are forcing drivers into difficult situations where they are, say, sitting at a port for 4 hours before they can drive again, before they can make money, you are incentivizing unsafe choices.

And to the broader question, you are hurting retention. Someone who sits at a port for 5 hours every day might look up one day and decide, this job is not for me. So, I think by covering things like detention time potentially from a Federal perspective, we can address multiple problems simultaneously.

Mr. GARCÍA OF ILLINOIS. Thank you for your insight.

Mr. Chair, I yield back.

Mr. CRAWFORD. The gentleman yields.

Mr. Stauber is recognized for 5 minutes.

Mr. STAUBER. Thank you very much, Mr. Chair.

And to the witnesses, thanks for spending some time with us here this morning.

I will tell you that I first want to talk about—Mr. Pugh talked about the truck parking. I want you all to know that Mike Bost has the piece of legislation, the Truck Parking Safety Improvement Act, and I am a cosponsor of it.

I left Des Moines, Iowa, at 5:30. I live in northern Minnesota. I left Des Moines, Iowa, at 5:30 on Sunday, and between 7 and 9 o'clock, I saw two rest stops with trucks and trailers parked on the off-ramp into the rest stops, trucks parked in the rest stops, and trucks parked onto the on-ramp to the rest stops.

So, Mr. Pugh, to your comments, we need more truck parking, and I think that piece of legislation will help get it started. And that is only just my small piece of southern Minnesota as I am traveling through. So, I appreciate you mentioning that.

Ms. Reinke, I have been a strong supporter of the need to establish a motor carrier safety selection standard. Could you elaborate on how the current lack of standards impacts the supply chain?

Ms. REINKE. Absolutely. So, as I mentioned in my testimony—thank you for the question, and thank you for your support of H.R. 915.

And as I mentioned in my testimony, the FMCSA can get to maybe 5,000 inspections a year. And so, there are upwards of 500,000 motor carriers. So, that means the vast majority of motor carriers are not rated. They don't receive a safety rating when they are new entrants into the marketplace, which they are supposed to after 90 days. They don't receive a followup compliance review, which they are supposed to every 5 years. They just don't have the resources to do it. And why is that? Because they have this requirement that they have to have a physical audit.

We are not suggesting to take away a physical audit, but what we are suggesting with H.R. 915 is to amplify with the data that they already receive. So, they already get weigh station reports. They already get State police reports. They already get State inspection reports. Use that data, filter it up to determine who is at risk and determine if it is up or down. Meaning, are they safe to travel on the Nation's highways, or are they not?

And H.R. 915, while that rulemaking is promulgated, would establish a minimum standard because, right now, our members don't have to check anything in order to hire a carrier. That doesn't seem to promote safety. And so, H.R. 915 would provide this interim standard while that rulemaking is pending.

Mr. STAUBER. Thank you. Well said.

Ms. REINKE. Thank you.

Mr. STAUBER. A similar provision to the Motor Carrier Safety Selection Standard Act was attached to the last House, which passed the FAA bill in 2018.

Ms. Reinke, again, can you explain why this is germane to both the Highways and Transit Subcommittee and the Aviation Subcommittee?

Ms. REINKE. Yes, sir. And as you noted, there is a long history of motor carrier provisions being inserted as part of a larger aviation bill from the F4A Act in 1994 to just as recently the 2018 FAA Reauthorization Act. So, this precedent has been established. To the extent there are any other issues that need to be addressed, we would be happy to work with the committee to address them.

Mr. STAUBER. Well, in the last minute or so that I have, I just want to thank you all for your testimony and also thank the men and women who drive these trucks and bring these products to the American people. During the pandemic, had it not been for the truckers, we would have been in dire straits. And so, thank you very much.

And lastly, when you talk about safety, safety is the number one, two, and three priority for you all. It is a tragedy whenever we have a crash involving a truck. In northern Minnesota, we had one last week. A 34-year-old young man lost his life. Every one of those is a tragedy.

And I don't know the particulars about it, but we will come back and—I think this, with the chair and ranking member putting safety as a priority, we are willing to work with the experts and listen and learn as we make our roads and our skies safer.

Mr. Chair, I yield back.

Mr. CRAWFORD. The gentleman yields.

Mr. Moulton is recognized for 5 minutes.

Mr. MOULTON. Thank you very much, Mr. Chairman.

And I would really like to pick up on the very point that my colleague was just discussing. Every year, there are over 100,000 truck crashes in the U.S. that result in injuries—100,000. Four thousand of these crashes result in deaths. And what is worse is that these numbers are on the rise. Truck crashes are up 10 percent from 2021 to 2022.

And that is why this past February, I reintroduced H.R. 915, the Motor Carrier Safety Selection Standard Act, alongside my colleague, Congressman Gallagher. Thank you very much for acknowledging it in your opening remarks, Ms. Reinke.

Companies rely on motor carriers to move their goods across the country, and when they enter into a contract, they assume that their products will be transported safely. Similarly, millions of Americans across the country drive alongside trucks every day assuming that these vehicles have been made safe.

Yet today, there is no way for shippers to verify the safety of their motor carriers. America's 3 million shippers and 20,000 third-party logistics providers are not required to vet their trucking partners to ensure that they meet basic safety requirements, like having insurance and making sure their vehicles pass inspection. Hence, shippers are still able to use carriers that have been rated by the DOT as unsafe.

So, this bill directs the Federal Motor Carrier Safety Administration to amend the safety rating process for motor carriers and shift away from the outdated and ineffective current physical audit system. Ninety-two percent of carriers are currently unrated. It is amazing. Ninety-two percent don't even have a rating because there is not adequate staffing to go and physically inspect the trucks.

So, Ms. Reinke, can you expand on the current state of the antiquated physical audit system and what alternative system we should have moving forward?

Ms. REINKE. Absolutely. So, the physical audit system—they are required, again, to go out and essentially put eyeballs on the trucks, eyeballs on the records, which is all a very well-intended thing, except if you don't have a number of inspectors—which they don't—and you don't have the wherewithal to go out there because of constrained resources, which they certainly did during the pandemic—I mean, I don't know if there were any physical audits or how many were done, but they were certainly reduced during the pandemic, of course. And so, that means that they just aren't done at all. And so, that doesn't seem the right outcome.

And further, I would say this. Because they have constrained resources, they are going to go visit the big legacy carriers. They are not going to go visit Mr. Pugh's members because they can't get to them. And so, Mr. Pugh's members get disadvantaged because then you have the big guys who get rated, and then you don't have people who may be new entrants into the space who get an inspection and can validate that they have a safe rating and are safe to operate.

Mr. MOULTON. So, while this new FMCSA rulemaking is being developed, my bill would also set an interim standard that requires brokers to do three things. It requires them to verify that their motor carriers are properly registered with DOT, have obtained the required insurance, and have not been determined unfit to safely operate commercial motor vehicles.

So, I mean, what is the sort of practical impact of this rulemaking on the industry?

Ms. REINKE. So, the practical impact is that the members—the guys and gals who are TIA members are already doing some freight vetting. But there are times when, because it is a last-minute thing, you have to pick the carrier that you choose. This way, you have some safety in knowing: All right, I've got to check these three things. I am going to feel pretty good and pretty confident that that truck is going to get to where it is going safely.

And to all of us who care about traffic and who is next to you—driving the truck next to you, I think that should give us all a peace of mind.

Mr. MOULTON. And just to open it up to the panel, what are other things that we should do in this realm? I mean, this is ridiculous that we don't have this rulemaking and this is essentially a patch that we are trying to provide. But we all want to be able to travel our highways more safely.

So, I don't know if anyone else would have a comment they would like to offer.

Mr. SCANDAGLIA. Well, Congressman, I think we fundamentally agree with kind of the underlying point that is being made on FMCSA clearly not having the resources to perform the oversight and the inspections that it needs to to make sure that carriers are operating safely.

And one thing we would particularly point to as we have seen the evolution of more complex and more convoluted contracting and subcontracting models—again, particularly at Amazon—we are

very concerned about the safety records of some of those operations and of FMCSA's ability to monitor them. So, making sure that we have a handle on the safety records of those systems is something that we would strongly recommend.

Mr. MOULTON. Thank you very much.

Mr. Chairman, I yield back.

Mr. CRAWFORD. The gentleman yields.

The gentleman from New Jersey is recognized, Mr. Van Drew.

Dr. VAN DREW. Thank you, Mr. Chairman.

And I don't know if it is on a lighter note, but it is just an observation of mine as I drive the beltway and go through Washington and New York and other areas because I drive around a good deal in my neck of the woods. The only thing that seems more problematic to me than the truckdrivers—frankly, they seem a lot safer and better and more organized than just the commuters who are driving back and forth.

And when I look at the number of crashes that occur, it is amazing how many of those commuter crashes—I live in southern New Jersey. It can take me anywhere from 3 hours—to get from Washington, DC, to way down deep South Jersey—to 6 hours. And, of course, last week was one of my 6-hour treks, and it is something that kind of sticks in your head. So, you guys are doing a pretty good job considering the circumstances.

And that is what I wanted to talk about a little bit today. I almost call this a come-to-God moment to some reason. Truck workers need to be treated fairly. I mean, let's talk about the real basic issues here. If it wasn't for truckdrivers, the supply chain—and I am saying what other people have said—we wouldn't have a supply chain at all. So, the truckdrivers are the ones that went out there, did the job, and kept this country going.

They need things. They need a place to park. They need to take a break. They need rest. They need help with fuel costs. They are hard workers. They break their backs. They deal with bad weather, dangerous substances, dangerous situations.

But quite frankly, I have been in this Congress—I am in my third term now—and we talk about it a lot. And I know we care. This is not a criticism. I am pretty easy to criticize the other side. I am not criticizing any side right now. This is just the reality. We have got to do stuff. We can't just keep talking about it.

And I for one—I do rise in support of removing the exemption under the Fair Labor Standards Act, FLSA. It denies truckers guaranteed overtime pay. Any other industry or business, when you work hours and hours over your regular time, you get paid overtime. It is only fair. And truckers work harder than just about anybody else, so, it makes it even more fair.

Last Congress, I cosponsored the Guaranteeing Overtime For Truckers Act, that would have eliminated FLSA's motor carrier overtime exemption, which means truckdrivers don't get the overtime. It would have increased driver pay. It would have improved highway safety. And it would have helped address supply chain delays.

Let's think about the times when this legislation was put in. When the Fair Labor Standards Act was enacted—anybody know what year it was? 1938. 1938. Truckdrivers were exempted from

the laws of requirement for overtime pay when they worked over 40 hours a week. This ain't 1938 anymore.

The thinking was in part that this would discourage drivers from working as many hours as possible to get overtime pay, and I get it. We need safety, too. But if you fast-forward 85 years into the future to today, a lot has changed in the trucking industry.

Truckers—every movement is tracked. They are under enormous pressure to get their work done as quickly as they can. This exemption is problematic for truckers because they are often paid by the miles they drive no matter how many hours they work. It ain't fair. It just isn't fair.

This means that if a driver experiences delays due to traffic, congestion, weather, or waiting to be loaded—again, things beyond their control—or unloaded, they are not paid overtime even though they are working. Truckers can easily work 50, 60, or 70 hours a week but not be compensated for any of that time.

Instead of preventing truckers from working too many hours, this exemption has devalued the truckers' time and led them to work even more hours. That is the bottom line. At the end of the day, they are working even more hours because of it.

Truckers are an essential component of our Nation's supply chain, and compensating them appropriately is the least we can do to support them, not just talking at committee hearings. Let's be fair. Let's be decent to the hard-working men and women who do this job. It is a hard job. I know truckers well. It is a hard job. I know I couldn't do it.

Mr. Pugh, these questions are for you. I got time for one. Is there any reason that truckers shouldn't be paid overtime like most other blue-collar employees? And if this exemption were to be repealed, what do you think the impact would be?

Mr. PUGH. I think, for one, the impact would be truckers would have a greater love for Congress. And, yes, I think it will improve safety. It will improve drivers' lives. It will improve retention.

The same people that are pushing for speed limiters because they say trucks need to slow down are the same people that are against paying truckers overtime. Trucking, for long, has been a piecework industry where you are paid by the mile.

My opinion would be, if you pay truckers by the mile, and you have some crazy concern that truckers are flying down the highway, which they are not, but if that is what you think, probably paying them by the hour and paying them overtime would automatically put them to where they should be going if that is what you are trying to get at.

Dr. VAN DREW. Absolutely.

I yield back.

Mr. CRAWFORD. The gentleman yields.

Mr. Garamendi, you are recognized.

Mr. GARAMENDI. Thank you, Mr. Chairman.

And for the witnesses, thank you for participating and giving us some good information.

A couple of questions. Mr. Scandaglia, does UPS have problems recruiting and retaining drivers?

Mr. SCANDAGLIA. I would say that UPS has a substantially different recruiting and training environment than just about any

other carrier because folks know that coming to UPS means strong wages, meaningful career progression, employer-paid healthcare. And when you can offer those things to your employees, people want to come.

Mr. GARAMENDI. I think we ought to keep that in mind. That is part of the answer to the question that was just raised by my colleague about hours and pay.

This question is for Ms. Reinke. The Ocean Shipping Reform Act, which this committee and Congress passed last year with rather strong support from your organization as well as others, also revised the advisory committee for the FMC, the Federal Maritime Commission. However, organizations like yours are not on that advisory committee. We are carrying a bill to address that.

Would you care to speak to that issue about who should be on the advisory committee for the FMC?

Ms. REINKE. Congressman, thank you for the question. I assume you are mentioning CTPAT, the customs and trade protection advisory committee. Yes, sir.

So, for whatever reason, after CTPAT was created, the brokers were not included in it. And essentially, it is a TSA precheck for freight. So, it seemed like the more eyeballs on freight coming in from international waters, it would be better to have people included who have a stake in it.

So, our argument has been that brokers have a visibility into the supply chain, have visibility into international partners, and should be included in that task force. There is legislation on the Senate side not yet introduced on the House side. It is a bipartisan solution to have 10 of our broker members be part of a pilot project to be included for a year. It seems like that is a no-brainer. We are hopeful that there will be House introduction and it can pass without incident.

Mr. GARAMENDI. I am quite certain every member of this committee heard your explanation for the support for the bill that I just introduced, and we will get it into the package along the way. I thank you for your testimony on that.

Finally, Mr. Fialkov, you spoke to the—all types of fuel should be available at your facilities. There is one type of fuel that you raised, and I am just curious about it. You said that the effort to go to biofuels was making it difficult for other fuels.

Could you speak to that in a little more detail about what you had in mind there?

Mr. FIALKOV. Sure, Congressman. Thank you for that opportunity. I think you are alluding to the discussion around renewable jet fuel and renewable diesel fuel.

Mr. GARAMENDI. Exactly.

Mr. FIALKOV. Yes. So, those are two petroleum fuel substitutes that have far more favorable environmental attributes than the petroleum fuel that they are intended to displace.

The question for Congress is, how should we allocate the finite amount of feedstock—this is generally vegetable oil, used cooking oil, animal fats, things like that—to make as much biofuel as possible so that we are displacing as much petroleum fuel as possible? And what we have seen is that renewable diesel fuel is far better for the environment than renewable jet fuel, and every incremental

unit of feedstock that you put into a production process, you make 10 percent more renewable diesel than you do renewable jet fuel.

There has been a concerted effort on the part of the aviation sector to try to achieve ESG and favorable climate outcomes. Well-intentioned, but their approach has been basically to try to encourage Congress to force taxpayers to subsidize the migration of that feedstock and that production process away from renewable diesel and over-the-road fuels, which are more efficient and far more better—

Mr. GARAMENDI [interrupting]. Thank you. I am about to run out of time.

Could you please give us detailed data on the argument that you just made? This issue is relevant in the NDAA. I and others are pushing the issue forward, and your argument is extremely important. Thank you so very much. But get us the detail right away.

Mr. FIALKOV. I am happy to do that. Thank you for that.

Mr. BEAN OF FLORIDA [presiding]. Thank you very much.

Good morning, T&I. Let's go to Missouri, where Mr. Burlison is recognized for 5 minutes. Mr. Burlison.

Mr. BURLISON. Thank you, Mr. Chairman.

Mr. Pugh, I wanted to kind of follow up on some of the comments that you made. During COVID, truckers saved America. I mean, they kept food getting into our grocery stores and provided medication and supplies, and transported everything that we needed.

Can you elaborate on the impact that your drivers had and the difficulties that they faced during COVID?

Mr. PUGH. Thank you for the kind words. And, yes, truckers helped save America along with the first responders and others as well. I am proud and happy to do so. Anytime there is a national emergency anywhere in this country, truckdrivers are always there hauling the supplies and the needed goods and getting the things there.

COVID was very tough for truckers, I guess you would say, because unfortunately, what happened was, we had this emergency. Truckers were asked to step up to the plate and get the goods there, which they did. But then restaurants closed. They couldn't get food. State rest areas closed and places like that where they could use the restroom. Now they had nowhere to go to the bathroom.

As far as getting the things that first responders—like the wipes, the masks, all these things they needed—personal protective gear, I guess you would say—they didn't have that. They couldn't get that. Fortunately, FMCSA—they finally did get that along with our help and ATA's to get that out to them. But there were all these things that we, as American consumers and people, were taking for granted that truckdrivers didn't have.

The big thing, I think, that nobody talks about, was what did truckdrivers do when they got sick? These people, these men and women on the road, they are 500, 1,000 miles from home. I have been sick like that. It is terrible. And that is just with a cold. Now, you want these people to quarantine and not be around people? Where are they supposed to go?

We had members who called in that their carriers told them just to park the truck and get home however they see fit. These people were just left out there with nothing. So, yes.

Mr. BURLISON. Thank you. Another question. So, after COVID, I remember speaking with our chambers of commerce, advocacy groups, and I had a question raised to me for the first time. And it was the first time that it became a top priority of the chamber, but they had no solution to it.

But they said, can you do anything—do anything that you can to improve the supply chain issues that are impacting all of the businesses, whether it was hospitals, any business down the line—whatever your business was that was being impacted and still today is impacted by supply chain.

In your testimony, you talked about some of the things that actually—that are being proposed. So, for example, the new EPA rule—the proposed rule—will that improve the supply chain?

Mr. PUGH. No, it will not improve the supply chain due to—again, we are talking—I am having technology forced upon an industry that doesn't—it either doesn't exist or it is not proven. And, again, we all know, things that are proven work, and end consumers should not be guinea pigs or test rats for anything.

Mr. BURLISON. Yes. So, the other question is, there is this push to move to electric vehicles. Is that going to improve the supply chain?

Mr. PUGH. Not at this point, no, because there are so many occupational things out there that nobody seems to have answers for. I look back to the snowstorm we had a couple months ago in northern California. How do electric snowplow trucks work because there is lots of componentry on a plow truck, for example. Not only does the engine move the truck, but it also operates the bed, the thing that spreads the salt, the plow. There are all these things that work off of that.

Mr. BURLISON. The other rule that is being proposed is the side underride guards, requiring that they be installed, which has an estimated annual cost of \$1.2 billion. Is that going to improve the supply chain?

Mr. PUGH. No. Again, we are looking at so many operational challenges that no one wants to discuss as far as side underride guards.

And, also, the unintended consequences—one big thing is it becomes—if all these trucks have these on them and they get stuck on a railroad track, we start seeing an increase of these center hangs on railroad tracks. There are only two ways to get a center-hung truck off of a railroad track: that is a tow truck or a train.

Mr. BURLISON. Mr. Pugh, it would appear that all of the policies being implemented are actually devastating to the supply chain as opposed to improving it.

Mr. PUGH. I think the ones that you brought up, you are correct. They are not helping the supply chain.

Mr. BURLISON. Thank you.

Mr. BEAN OF FLORIDA. Thank you.

Mr. Williams is on deck. But first, let's go to Nevada where Ms. Titus is recognized for 5 minutes.

Ms. TITUS. Well, thank you, Mr. Chairman. Drum roll. Here I am.

I would like to go back to Mr. Bost's point. I am a cosponsor of his bill that would invest \$755 million in a parking program for trucks. I know in Las Vegas, sometimes you just see them parking on residential streets. This isn't good probably for the truck, the trucker, or the people who live in that area.

So, could you all—any of you or all of you—talk about how putting that program in place for safe parking areas would help supply chain or help in the issues that we have been talking about today?

Mr. FIALKOV. Sure, Congresswoman. I will start. Thank you for the question.

What our membership—which, again, provides over 90 percent of existing truck parking capacity in the country. What we support in particular about the Bost bill is that it is clearly designed to facilitate public-private partnerships so that we are getting truck parking places—not just a greater number of them, but we are getting them built where drivers want them.

And what we find is that when drivers park, they don't necessarily want to park in an empty rest area or an empty weigh station. They want to park adjacent to or at a truckstop or another facility that has amenities that they want, right? We don't only have fuel, but we have showers. We have sit-down restaurants. We have facilities that function as the home away from home.

Ms. TITUS. Do they have slot machines?

Mr. FIALKOV. I am sorry?

Ms. TITUS. I said, do they have slot machines?

Mr. FIALKOV. Well, in Las Vegas, we certainly do. So does the airport, though.

Ms. TITUS. OK. Well, thank you.

Anybody else want to weigh in on how this helps maybe with safety or with the supply chain?

Mr. PUGH?

Mr. PUGH. Yes. I would add—and that is the good thing about this bill. This is something we all need to work on. This is something the Government, the truckstops—probably everybody is going to have to fix this problem. It is a huge problem.

The only concerns I have heard that really push back on this is the expense because, well, nobody likes the Government spending money. I point out the fact that we give FMCSA millions if not billions of dollars to go out here and oversee trucks and write truckers tickets for not parking in safe places or not taking breaks when they are supposed to. So, why would we not give them \$755 million to have some safe places to park?

Ms. TITUS. OK. Thank you. I agree. I think it is the one thing that we have consensus on this committee, that we can all agree on that need for parking.

Mr. Scandaglia, could you talk a little bit about the misclassification of truckers as independent contractors? You brought that up in, I think, a report that you cite and said you found 49,000 of the estimated 75,000 port truckdrivers were at one time or another misclassified.

Can you tell us how that process works at NLRB and what we might be able to do to improve it or what happens if somebody is misclassified?

Mr. SCANDAGLIA. Yes, absolutely. And to hit on, I think, both of those questions there, for what that means for drivers and what that looks like, really starting with deregulation in 1980. We saw a degradation and a snowballing effect in the industry for what trucking jobs look like and how trucking companies are arranged.

And we unfortunately now see this enormous explosion, as we have seen for decades now, of trucking companies who classify their—really their employees as independent contractors in order to get out of providing them any of the protections that would otherwise apply. They exert a level of control over them that suggests an employer-employee relationship. And that employee is out of luck. And that is a really terrible environment for the driver.

Ms. TITUS. So, they don't have to give any kind of benefits like health insurance, unemployment, that sort of thing?

Mr. SCANDAGLIA. You would be on your own. You would have to go look for health insurance on an exchange. As we discussed earlier, you wouldn't be eligible for overtime benefits. Critically, as an independent contractor, you would not inherently have the right to join a union.

But to your other question—because I think it is important on the NLRB—when these cases are brought before the Board, one unfortunate thing we have experienced is an enormous delay in getting them processed. I would say we have seen the Board historically take well over 150 days, and there are cases that have gone for years. And that is unacceptable for the employees that are being impacted.

So, whether that—that may very well be a question of funding for the Board. But we need to not continue to exist in a circumstance where folks are bringing cases and not having those cases adjudicated for unacceptable periods of time.

Ms. TITUS. Thank you.

I yield back. Thank you.

Mr. BEAN OF FLORIDA. Thank you very much.

Mrs. Sykes, you are on deck. But first, let's go to New York where Mr. Williams is recognized for 5 minutes.

Mr. WILLIAMS OF NEW YORK. Thank you, Mr. Chairman.

I love talking about supply chain. And it is fun to be here on this topic with experts and so much of our Nation's transportation supply chain and infrastructure that you touch. So, thank you for being here. I have a little bit of background. I studied operations in a business program at the Wharton School and just have enjoyed that and appreciate it.

Mr. Pugh, your comments on these driver issues—I just want to recap them because I think they are important. The waits to unload at different facilities, the driver comfort issues that you brought up, rest areas, the availability of parking places, and the drivers often are not paid overtime for these waits—these sort of enforced waits over which they have no control, right, until they can unload at their destination.

It strikes me that there is a tremendous human cost. This is a human issue. This is a workplace issue. It is potentially a safety

issue, as you talked about in your comments. And all of these are valid and come at a very high human cost.

But as I think about this hearing, I am thinking, what can Congress do to take action to address these issues? Can we hit two birds with one stone? Can we address these human costs for hundreds of thousands of drivers, and can we also perhaps help alleviate our supply chain?

This may be a little bit of a technical question, but I think that hopefully we will have some interesting answers. We all know how important buffers are in any process, right, including in any supply chain. You have built in buffers to avoid bottlenecks. And that also includes in our transportation supply chain.

And it sounds to me like drivers are being used—perhaps as Mr. Pugh has pointed out, maybe even abused—that they are being required to be this buffer, if you think of it as an entire system. And it is not because it is best for our supply chain. It is not because it helps us move goods in the most efficient manner. But it is because it comes at no cost, right? You can have a driver sit there as long as you like, and it is a no-cost option to build in a buffer into our supply chain. But there is a human cost. You have pointed it out. And I wonder, also, is there a real, actual business cost?

Are part of our supply chain issues—and I hope this is the discussion that we can have. Is part of the supply chain bottlenecks and issues that we have on a national scale precisely because there is this inefficiency built in for which there is no financial cost? There is no overtime pay. There is no wait time limits. There is no additional services.

If some of these costs for drivers' idle time or—I think of it as utilization, right? We should. They are a resource and asset like anything else. We could improve their utilization, speed up unload time, shorten wait times. Would that also help alleviate our Nation's supply chain problem?

And I direct it at you, Mr. Pugh, but I recognize all of your expertise to comment on thinking of this as a model. Could that be helpful? And I have left a lot of time for that. Look at that.

Mr. PUGH. Yes. I think you hit the nail right on the head. And, yes, I think we have taken the drivers and their time for granted for way too long, and it is a very big inefficiency that is allowed to continue.

I bring up—back during COVID, we saw the long lines of trucks out in California waiting to get into the port. And we kept saying, we need more trucks out there. We need more trucks. No, we didn't need more trucks. We needed them to load the trucks that were there more quickly. That is the key. If drivers and trucks were getting in and out of shippers and receivers in a timely manner, we'd need less trucks. There would be less congestion.

Mr. WILLIAMS OF NEW YORK. For the last moment, anybody else want to comment?

Ms. REINKE. I would just mention, we want to work with our industry partners. There are some advanced technologies that can help, including geofencing, along with trying to manage appointment times and working with the shipper and receiver to assure that they have the right timing for the carriers coming in.

Mr. COLLINS. Would the gentleman yield for a minute?

Mr. WILLIAMS OF NEW YORK. Certainly.

Mr. COLLINS. As someone in the trucking business on a day-to-day operation that I own, we have stuff called detention. So, if you are not loaded or unloaded in a certain amount of time, you are on the clock, and so are our drivers. So, I would say that the free marketplace works pretty well in that instance.

Mr. WILLIAMS OF NEW YORK. That is a good comment. My time is up, but hopefully that is a helpful conversation and perspective to look at the actual cost in the system.

Mr. EDWARDS [presiding]. Thank you.

Next, I would like to recognize Congresswoman Sykes from Ohio for 5 minutes.

Mrs. SYKES. Thank you very much. I was really looking forward to my game show introduction from the previous chair, but I will settle for that one. Thank you.

I wanted to talk a little bit about some of the safety considerations, maybe not so much in a question, but just a statement. And, Mr. Pugh, I know you mentioned what happened in Ohio. I'm an Ohioan, and it is always good to see a fellow Ohioan in committee.

In 2013, when the State made the change to increase the speed limit to 70 miles per hour, the Highway Patrol notified and reported several years later an increase of crashes upwards to 25 percent, and 22 percent of those were fatal. So, while that may have been an efficient need for the industry, we have been talking about the human toll.

And I am glad to hear us talking about humanity, but also, we should be considering our law enforcement officers and their suggestions, which is increasing speeds make people less safe, and it is probably one of the reasons why an increase of speed limit was tabled in Ohio this year as they were navigating their transportation budget.

But I do want to continue to talk about the human toll and the human condition in the trucking industry. We have talked a lot about drivers and whether or not there is in fact a driver shortage or retention shortage. But I know that there are other people who are supportive of the industry, particularly mechanics and those who navigate the maintenance system part of this.

So, whoever feels most qualified to answer this question, I will open it up to the full panel. But what are some of the challenges for supporting roles in the industry, particularly for maintenance mechanics that are impacting the supply chain of the industry?

Mr. FIALKOV. I will take the first crack at that. Thank you for that opportunity, Congresswoman.

As I said before, truckstops offer a variety of amenities, including truck repair shops. One of the challenges that we have found is that a lot of OEMs are reluctant—and trucks are getting exceedingly complicated to repair. They used to be an engine like a car, and now it is basically a computer system. And the longer it takes to repair a truck, obviously, the longer that truck isn't on the road serving the supply chain.

One of the challenges that we have found is that a lot of OEMs are reluctant to share a lot of information with independent repair shops to enable them to expeditiously learn how to fix something

that may not take a long time if you knew what—I am a little bit out of my element here—but if you knew how to fix that truck—if you went to a dealer that was affiliated with the OEM, they would be able to fix it quite quickly, but they are reluctant to share that information with others.

And we think that if they were able to do that—if they were more willing to do that or compelled to do that, it would not only lower the price of repairing a truck, but it would increase the speed at which trucks would be repaired.

Mr. SCANDAGLIA. I'll add on to that. I think as we see increasing levels, as was mentioned, of technology added onto trucks and the complexity, and the shopping of those products due to larger and larger markets, it seems fairly evident to us, at least, that we are not going to be able to do all that work via OEM warranty work on those vehicles. There is going to have to be a class of mechanics who is trained to do that work. We are proud to represent a number of mechanics who wrench our trucks, who wrench our transit buses, all number of specialized commercial motor vehicles. But it is going to be critical that if we are going to continue to deploy more and more advanced technology on trucks, that we are making sure that mechanics, like the members we represent, understand how to do their job.

Mrs. SYKES. Thank you very much for both those answers.

And Mr. Scandaglia, I would like to stick with you for this next question, because you mentioned autonomous vehicles, but you said you didn't have enough time to talk about it, so hopefully, I will give you the time here. I will bring it up, I also serve on the Science, Space, and Technology Committee where we have been talking about unmanned aeronautic equipment and the role in supply chain delivery services, and whether there are opportunities. And also, what are the impacts to the human workforce here? So, if you could in the next 40, 35 seconds or so, talk a bit more about what we could be doing to be forward thinking, for a change, in making sure that we are not decimating your industry and workforce.

Mr. SCANDAGLIA. I think one of the big things here is that Congress and Federal regulators need to lead on a safety framework for the deployment of autonomous vehicles that considers testing, that considers deployment, that considers prescriptive safety standards once these vehicles are on the road.

I think the Wild West, 50-State situation we have right now, I don't think works for safety, it doesn't work for our members.

Mrs. SYKES. Thank you, Mr. Chair. I yield back.

Mr. EDWARDS. The Congresswoman's time has expired. Next, the Chair would like to recognize Congressman Allred from Texas.

Mr. ALLRED. Well, thank you, Mr. Chairman. And I want to thank our witnesses for being here today and for sharing your expertise on how to keep consumer goods moving in our Nation's supply chain. I am a cochair of the Supply Chain Caucus, and I appreciate the opportunity to continue these conversations on these important issues and look forward to working with many of my colleagues on solutions.

Last year, as you all know, Congress provided a once-in-a-generation investment in our Nation's infrastructure, and I was proud to

work with many of my colleagues here to get that done and to make much of that funding available to all sectors of the transportation industry.

Mr. Pugh, something you said in your testimony really struck me. You noted that you found that a 15-minute increase in detention time increases the average expected crash rate by 6.2 percent. That is clearly unacceptable, and it is clearly something that has to be addressed, not only from a supply-chain-efficiency perspective, but also from a safety perspective. So, how can addressing detention time as shipping and receiving facilities improve safety outcomes and overall supply chain efficiency?

Mr. PUGH. Well, unfortunately, there is no real Government entity that has oversight over shippers and receivers on this thing. So, to me the easiest way this can be done is by removing the overtime exemption in the Fair Labor Standards Act. Rising tide raises all ships, and this is asked of us lots of times: you guys represent our operators. This is true, but we also represent employee drivers. And the way we see this is, and we have looked at this in many ways and it is different freight, different things. There are so many different things in trucking that makes it tougher. The thing is, if carriers are having to pay drivers overtime, they are, of course, going to put more pressure on shippers or receivers to load those trucks and get them moving down the road. You are correct, the longer you sit around somewhere waiting to get loaded and unloaded, just boredom, mental boredom and everything makes you tired.

So, that would be the thing, if there is a way to kind of force shippers and receivers to load you. When you are sitting there and the product is sitting on the dock and you sit there for 4 hours because nobody is really interested in putting it on your truck for whatever reason, that is not the driver's fault, and that driver shouldn't be there. It's one thing—things happen, machines break, things aren't ready. But a lot of times it is there, it's just nobody wants to put it on the dock.

Mr. ALLRED. Yes. I was going to ask you beyond making sure drivers receive overtime pay for time spent waiting, there are other ways that Congress can help address the root causes of the retention time, but it sounds like you already answered that, so, thank you for that.

I also think it is really important that folks can access the opportunities that the trucking industry provides, and that they are not kept from participating on the basis of their gender or any other considerations that the trucking industry may not have considered.

Mr. Scandaglia, I am glad to hear the Teamsters are serving on DOT's Women of Trucking Advisory Board. I was glad to hear you highlight the importance of paid leave in response to Congresswoman Norton's question. I would like to give you some time to expand on that, and what you have heard from your members on how important access to paid leave would be for them, particularly in terms of expanding these opportunities to women.

Mr. SCANDAGLIA. Absolutely. I think when we look at the retention issues and the ability of folks to work in the sector, providing protections that allow them to do that job and to also maintain their work life balance and their family balance is incredibly impor-

tant. And when we put people in untenable situations, we put people in situations where they are not going to stay. I think this is one of a lot of issues that we discussed today where drivers, some drivers exist in a universe where they are dealing with a lot of very serious problems, whether it is wages, whether it is a lack of paid leave, whether it's the way they're classified. And then we kind of throw our hands up in the air and say, well, why did they leave the trucking industry?

So, providing things like paid leave, paid sick leave, things that, for example, I think should be provided to all drivers regardless of where they work. But certainly that we provided drivers through collective bargain agreements is of tantamount importance.

Mr. ALLRED. I agree. When I was in the NFL, we had a 100-percent injury rate. That meant that every single player was going to get injured. Everybody is going to need some time off at some point for some reason. You don't know what it will be. It might be welcoming a child, it might be a family member who is ill, or it might be something in your life, but it does make a big difference. And I think the companies that do it and the agreements that are reached lead to more efficient workers and folks staying in the profession. So, thank you for your testimony.

I yield back.

Mr. EDWARDS. The gentleman yields back.

Next, the Chair recognizes Congressman Van Orden from the great State of Wisconsin.

Mr. VAN ORDEN. The great State of Wisconsin. You got that right. Thank you, Mr. Chairman.

I grew up with truckers in my family, so, I appreciate this industry tremendously. I also understand that it is a key portion of intermodal movement of goods and services, and the country would stop, it would just stop without our truckers. So, some of you have—I read every word of all your testimony. And some of you have conflicting views about, like, the labor market, for instance. So, you are saying you have got a tight labor market, but then we also want to have these programs to bring younger people into trucking. So, let me just throw this out there. What is the average age of a trucker right now? Anybody.

Mr. PUGH. Did you ask the average age?

Mr. VAN ORDEN. Yes.

Mr. PUGH. Yes, I think it is probably in the high 50s.

Mr. VAN ORDEN. OK. And is that going up or down?

Mr. PUGH. I would imagine it is going up. It is definitely an aging workforce.

Mr. VAN ORDEN. Yes. So, what's the average pay-ish. I know you've got union stuff going on, Mr. Scandaglia, you want a higher wage, I saw your comments in here, some of which were actually inflammatory. About the average pay, what is someone walking away with when they are driving full-time?

Mr. PUGH. The average pay?

Mr. VAN ORDEN. Yes.

Mr. PUGH. For the long-haul sector, I think it's around \$50,000 but I am not 100 percent sure, \$50,000, \$60,000.

Mr. VAN ORDEN. OK. Some of you are in favor of having 18-year-olds be able to drive across State lines. Is that correct? And some of you are not? And why is that, sir?

Mr. SCANDAGLIA. I think we have several objections to the under-21 program, some of them are predicated in safety and our beliefs—

Mr. VAN ORDEN [interrupting]. OK, hold on. What is the accident rate of 18- to 21-year-olds driving within State right now?

Mr. SCANDAGLIA. I think when we look at drivers in totality, anyone with a driver's license—

Mr. VAN ORDEN [interposing]. Ah-ha.

Mr. SCANDAGLIA [continuing]. The incidents rates are higher. I actually think that one of the problems we talked about under 21, CDL drivers, we talked at length about—

Mr. VAN ORDEN [interrupting]. Mr. Scandaglia, do you know the answer to that question or not? What is the percentage of accidents for 18- to 21-year-olds, compared to 20- to 40-year-olds, and 40- to mid-50-year-olds? Is there a discernible difference that we can quantify to prove your point that these drivers are less safe than older drivers?

Mr. SCANDAGLIA. Are you asking what the percent of total accidents per age group is?

Mr. VAN ORDEN. Yes.

Mr. SCANDAGLIA. I don't have the data in front of me.

Mr. VAN ORDEN. OK. Would you do me a favor please before we start discounting a younger workforce because you are aging. And as I said, this intermodal transfer of goods is going to stop without these drivers, and we are not recruiting people at the appropriate age. Please get me that information. And then we can have a real honest discussion instead of throwing around talking points.

So, if we can get a younger person, 18 years old, send him to school, or her to school, get a CDL, and they are walking out with zero college debt earning \$60,000 a year, that is a hell of a good deal. And that is what I would like to make sure that we can do.

Mr.—is it Fialkov?

Mr. FIALKOV. That is fine, Congressman.

Mr. VAN ORDEN. How do you pronounce it?

Mr. FIALKOV. Fialkov.

Mr. VAN ORDEN. Fialkov.

Mr. FIALKOV. Yes.

Mr. VAN ORDEN. What is the ethnicity?

Mr. FIALKOV. Russian.

Mr. VAN ORDEN. Oh, very well.

Mr. FIALKOV. It was a lot better until a few years ago, but—

Mr. VAN ORDEN [interrupting]. Exactly.

You talk in your testimony about trying to make sure that we have electric vehicle charging stations. I have grandchildren, I have eight grandchildren, my wife, Sara Jane, and I. And we want them to have energy. We also understand that we have four children right now that need to have energy. And I am concerned, looking at your testimony, that you may be trying to skip a generation like the rest of the Biden administration is doing in an impractical manner. So, what is the average time that an electric power tractor can drive right now?

Mr. FIALKOV. So, I don't know the average amount of time that an electric truck can drive, but I would appreciate the opportunity to clarify the testimony.

Mr. VAN ORDEN. Yes, please do.

Mr. FIALKOV. And we work very closely with, probably as well-regarded a retailer in the country as obviously—

Mr. VAN ORDEN [interposing]. I am with you, man.

Mr. FIALKOV [continuing]. [Inaudible] in your district. We don't care what kind of fuel people buy. We don't care if people buy gas or electricity, just like we don't care if people buy a Coke or a Pepsi. Our challenge in entering the electric vehicle charging market is that it remains unacceptably difficult to identify a viable business case for installing EV charging stations. Many companies are doing it anyway in anticipation of that market developing, including Kwik Trip, but the fact of the matter of our review is that these grant programs that are being developed should be pursued with a keener eye towards overcoming that particular challenge.

Mr. VAN ORDEN. I would like to speak to you later about this because this is incredibly important and right before my time gives up I want to make sure that you understand. And I appreciate your support of year-round E-15. That is awesome. With that, I yield back.

Mr. EDWARDS. The gentleman from the great State of Wisconsin yields.

Now, the Chair recognizes the Congressman from the other great State, New York, Mr. Molinaro.

Mr. MOLINARO. He says that about everyone, the great State. I appreciate that, Mr. Chairman. I was going to ask a couple of other questions. I want to actually jump. Mr. Scandaglia, putting aside the data which is important, and I join my colleague, if we are going to make these sorts of decisions, workforce decisions, certainly they ought to be based on actual data. And we appreciate that you all are engaged in that conversation. But when it does come to safety, it is paramount to all of us. And we recognize not only automation, but just the fact that we have an aging workforce.

Let me allow you then some more time to talk a little bit about what steps we ought to be taking to build up that workforce and to adapt the workforce to address what we expect and already are seeing as was discussed and you have all talked about already, advances in technology and the developments within the industry.

Mr. SCANDAGLIA. Yes, so, I think you take that as kind of two questions. On the retention piece and making sure that we have a younger workforce, and that we don't have a workforce that is all about to depart as they retire. I think that just comes back to the question of making the industry an attractive place to work. And when people are looking at the trucking industry—and certainly there are good actors, certainly we have, I think, very strong union-bargained contracts. But when you look at, you get hired as an independent contractor with a predatory truck lease and no healthcare insurance, or Social Security, that is a tough job. I think a lot of people are going to look at that and say, that is not where I want to work. And again, to my earlier point, I think it is important that Congress interrogates some of those questions, instead of

us kind of throwing our hands up in the air and saying it is a mystery.

To your second question on automation and technology, we know that and we are seeing increasing development and deployment of new technologies of both driver-assistive technologies as well as people who are looking at full automation. And I just think it is very important that we don't wait until these things are on the road, and until we are past the point where we need our needs met. If these technologies are going to be deployed, let's make sure mechanics know how to wrench on them now, not 10 years from now when all of a sudden we have no mechanics who are qualified to work on this kind of equipment.

I think that given the changes that these technologies present to the industry, it is incredibly important that both Congress and regulators are forward thinking.

Mr. COLLINS. Would the gentleman yield for a minute?

Mr. MOLINARO. I will yield for 30 seconds, Mr. Collins.

Mr. COLLINS. I am not sure if the gentleman out there is aware of it or not, but we already have platooning going on in this country where you can line up trucks, one behind another within about 3 feet. It looks like NASCAR drafting, which the first truck is handling all of the rest of the trucks and behind him as far as speed and brakes. So, we are already—the industry is already working on technology. As a matter of fact, Anheuser-Busch is running an automated truck, a driverless truck right now, 24 hours a day. And I think it is running between Texas and Louisiana, so, it is already being conducted out there.

Mr. MOLINARO. Well, I reclaim my time. I know that Mr. Collins knows the industry certainly better than I do. I will let you continue that conversation offline because I want to jump a little bit more to safety as well.

Ms. Reinke, if I could, I am cosponsoring the Motor Carrier Safety Selection Standard Act, as you likely know, and certainly understand. This bill would help fill the gaps in current law by requiring brokers to verify that the motor carrier is properly registered with the DOT, obtained the minimum required insurance levels, and is not determined as unfit. I certainly understand the value of the bill in that next step. Would you just expand on that and its benefit, please?

Ms. REINKE. Yes, Congressman. Thank you for your support of the legislation. As I mentioned in my testimony, NHTSA reports that truck accidents have gone up year over year in the double digits over the last 3 years. We believe one of the reasons why is that 92 percent of the trucks out there are not rated. If we had a safety rating, a system that worked, you could get that compliance rate much, much lower. In fact, you could actually have 100 percent compliance as opposed to 90 percent noncompliance. So, the purpose of the legislation is to establish this interim standard in the meantime, and we think that is going to be a benefit.

Mr. MOLINARO. Thank you, Ms. Reinke.

And to Mr. Pugh, since my time is basically up, New York is always on the top of the wrong lists. And when it comes to truck parking, I think we rank number 5 as having the greatest shortages. How bad is it in New York?

Mr. PUGH. As somebody who trucked in New York a lot, especially around the city, it is very bad, very, very limited spaces to park.

Mr. MOLINARO. Thank you, Mr. Chairman.

Mr. EDWARDS. Next, the Chair recognizes Congressman Stanton from Arizona for 5 minutes.

Mr. STANTON. Thank you very much, Mr. Chairman. And thank you to the witnesses for being here today for this important hearing. Moving freight into and through Arizona is an essential part of our economy and our Nation's supply chains. In 2019, 285 million tons of freight were carried by trucks across our State. In Maricopa County, our largest county, more than 17,000 trucks passed through each day, traveling either from or to the Ports of Los Angeles and Long Beach, and to the east, or from Mexico; 17,000 a day is a staggering number. In Arizona, more than 90 percent of truckdrivers say they have trouble finding a place to park their big rig, and more than 60 percent say they spend, on average, more than half an hour trying to find a safe place to park.

There are about 7,000 parking spaces throughout the State, but at prime locations, such as Interstate 40 near the California border, or near Phoenix, spaces start to fill by 9 p.m., and just a few hours later, parking is at full capacity. We don't have enough parking spaces now, and we certainly don't for the future. Truck freight is expected to increase by more than 50 percent in Arizona over the next two decades. This is a critical safety issue and an important economic issue for our State and country. And it is why I support Representative Bost's bill to provide dedicated Federal resources to improve existing parking infrastructures and to increase capacity. It is not often that we see near unanimity on an issue in the trucking sector, but the need to provide more safe truck parking might be that critical issue.

And I know throughout this hearing, there has been a lot of questions and discussion about parking. I wanted to make that point, but I am actually going to ask a different question, and this question is directed at Mr. Pugh.

Mr. Pugh, in 2018 the Department of Transportation's inspector general issued a report about driver detention, the delays truckdrivers face when loading and unloading their vehicles. The report found that just a 15-minute increase in the time a truck spends at a freight facility increases the average expected crash rate by 6.2 percent and decreases earnings of for-hire truck load drivers by over \$1 billion annually. Can you speak to the impacts detention time has on owner-operators and on the supply chains, and any suggestions you might have for Congress on helping on the issue of detention time?

Mr. PUGH. As I have stated before, the Fair Labor Standards Act exemption removal would be one good thing. We try to get our members and along with we have asked Ms. Reinke, and I know that her members try to get the importance to the shippers and the receivers of how important it is to get trucks in and out of these facilities.

Probably something else that would help which hasn't really been commented on is flexibility, a little bit of flexibility in our service. And by that, I don't mean more time to drive, I mean when

drivers can kind of make their schedule fit what they need for deliveries and pickups, because sometimes that creates a strain on the supply chain because everybody's showing up at the same time. And again, I want to preface it: I don't mean more driving, truckers don't want to drive more, no matter what people tell you, they don't. They just want to be paid for what they do drive.

Mr. STANTON. That is great. A few more moments, that was the singular question I asked. I open it up to any other witnesses who want to talk about the issue of detention time and what Congress may do to improve that issue.

Mr. SCANDAGLIA. I will just add, as I said earlier, generally speaking, detention time is covered in our contracts. But certainly we support everything Mr. Pugh just said on making sure that there are no drivers who are denied detention time pay.

Mr. STANTON. Thank you. Any other witnesses?

Mr. Fialkov?

Mr. FIALKOV. Sure, I am happy to chime in primarily with some anecdotal information that relates to the truck parking issue which is somewhat adjacent to this. But many years ago—and I am not advocating for a change in policy per se—but many years ago, before there was an hours-of-service regime, before a lot of consumers expected goods to be delivered to their house a day after they order it online or the same day they order it online, truck parking lots were full in the morning and the afternoon and at night, because different drivers were driving during different times of day.

Today, right now, you can go to a lot of truckstops throughout the country who have a lot of empty parking spots. That is because drivers are compelled by shippers and by other requirements, hours of service and whatnot, to all kind of drive during the same time, not only as one another but as motorists in general, which results in truck parking lots being empty during the day and full at night. So, I think that the truck parking shortage is something that needs to be addressed. And I think that Congressman Bost's and Representative Craig's bill goes a lot toward doing that, but there are a lot of other factors that influence this that need to be examined, too.

Mr. STANTON. Thank you very much.

My time is up, so, I yield back. Thank you.

Mr. EDWARDS. The gentleman yields.

Next, the Chair recognizes my friend from Georgia, Mr. Collins, for 5 minutes.

Mr. COLLINS. Thank you, Mr. Chair.

As I was sitting here listening, I guess I was running through different things on what y'all have been talking about. And as a small businessman, and someone who is second-generation in the trucking industry, I started my own trucking company a little over 30 years ago. I look at things as: what is the problem, what is the solution. And I know you were talking about my trying to make repairs and not having software, and you were talking about truck parking problems and driver retention, and driver attracting. And I would say that one of the main things that we have a problem with is the liability out there. We need tort reform in this country. You can't park at shippers and [inaudible] anymore because they don't want to hold the liability if something happens. So, they have

pushed them off their yard and made them go park somewhere else. A lot of your rest areas in these States, you can't park there because the Department of Transportation comes by and bugs you to death. So, we have created a lot of our problems, but a lot of it is tort reform.

And Mr. Pugh, no matter what is being said down here, that is the purest form of entrepreneurship and small business when you have an owner-operator out there. That is a person starting their own business. And if they don't want workers' comp or group insurance, that is up to them. But could you speak just for a few seconds on liability insurance and what insurance costs are doing?

Mr. PUGH. Yes, that is a huge concern and has been a huge concern of ours for a long, long time. We know we have seen in the past when we try to increase this cost on small business truckers and carriers, our members see anywhere from \$10,000 to \$30,000 a year that they are paying in liability for one truck—one truck. Trucking is not a high-profit industry, especially small business. It is a penny-saved business, not a penny-made business. And I have seen some guys with quotes as high as \$50,000 and \$60,000. Myself, I was leased to a carrier for many years. As you saw in my safety record, I was thinking about getting my own authority just before coming here to OOIDA. And at the time when I priced it, for a guy with 23 years' experience, 2½ million miles, my first year of liability insurance, I was quoted over \$25,000.

Mr. COLLINS. Thank you. The problem is nuclear verdicts out there, these runaway juries. We have got to have tort reform. I would say that Obamacare also increased group insurance tremendously for small businesses out there. I know it has for us.

Another problem I see out there is we have got a \$1.2 trillion infrastructure bill that is out there with only \$600 billion that went to fix roads and bridges. Do you see any congestion out there on the roads when you are driving?

Mr. PUGH. Yes, all the time.

Mr. COLLINS. Would you say that the advancement of EVs and electric buses and vehicles are going to help that congestion or just go out there and sit with the rest of us?

Mr. PUGH. I don't see where it is going to help, but that is my opinion.

Mr. COLLINS. It has been a proven fact over and over if we would just improve the congestion problems that we have on the interstate that the current amount of trucks out there could handle the freight that is needed to be moved. But instead, we have an administration that puts their emphasis on some of these other social issues, or some of these crazy issues that we can't even drive an EV truck because the things weigh 30,000 pounds.

Mr. Pugh, what is the average weight of one of your trucks?

Mr. PUGH. Probably around 30,000 pounds empty. It can haul 50,000 pounds loaded.

Mr. COLLINS. That includes the trailer.

Mr. PUGH. Yes.

Mr. COLLINS. The truck itself is what, 17,000?

Mr. PUGH. 15,000, 17,000 pounds.

Mr. COLLINS. Yes, sir. Yes, sir.

The other thing that I wanted to hit on because I know my time is limited now, 18-year-olds driving. Mr. Scandaglia—I can't pronounce—I'm sorry. Back in the 1980s that you referenced to when you said drivers started going away from this industry, what was the age of the minimum age you could get to drive a truck?

Mr. SCANDAGLIA. I am not sure.

Mr. COLLINS. It was 18. I got my driver's license, my class 5 when I was 18, 1985. Then we went to age 21, which in my opinion, if you had graduated from high school, you would have had to stay at home or do whatever until you turned 21 to get your commercial driver's license. Today, trucks are so much safer than they were when I learned on a 2-stick Mack. You get in it and you drive, you push or you enter "D," they are all automated. They have all got collision avoidance, they will all slow down if they come up on traffic. They all have rollover stability. We have ABS brakes now which we didn't have in the 1980s which these trucks stop on average about 150 feet short at 60 miles an hour. So, I do not understand why there is such a push to keep 18-year-olds from driving a truck. And I see that I am out of time. I hate to rant.

Mr. Chairman, I yield back whatever I have left. Thank you.

Mr. EDWARDS. The gentleman yields back.

Next, the Chair recognizes the Congresswoman from Oregon, Ms. Hoyle, for 5 minutes.

Ms. HOYLE OF OREGON. Thank you very much. I didn't go to Wharton, but I did spend 25 years working in manufacturing distribution in international and domestic trade. Also, I would be remiss not to mention that we are working to build a port in Coos Bay, Oregon. And it would be the third major container port on the west coast going straight to rail, but we will need trucks, but it would help reduce supply chain crisis. And if anyone wants to talk about it, check with me afterwards offline. I will talk about it a lot.

So, as I said, I worked in distribution, both domestic and international. And I certainly support the free market, absolutely, have been a small business owner, worked in business. But there is a role for Government, and that is an investment in infrastructure and roads and bridges and ensuring that there is adequate safe parking. Like, if we want to attract workers, the best way that I have found to do that, and I have hired a lot of people, worked a lot on apprenticeships and workforce, is to increase the wages, hours, working conditions, and safety conditions which we all agree we need more parking, especially if we want more women in the field. And as you mentioned, Mr. Pugh, that the age of drivers is getting older and older, younger people are not coming into trucking. We need to do that.

Now, I wish my friend from Wisconsin, Mr. Van Orden, was here. I did a cursory glance about the rates of accidents for younger drivers versus older drivers. So, drivers from 16 to 19 have three times the number of accidents as drivers 20 and older. And when we have so many trucks on the road, and I talked to a lot of truckers in my work, and they are concerned about the lack of qualified drivers on the road, and that is scary. So, there is a role. I know we need more drivers. We need to figure this out, but not if it is going to make our roads unsafe. And again, actions have consequences, I will point to NAFTA. We allowed all these Mexican

trucks to come over and they don't have the same safety considerations, right? Those trucks don't have the same standards.

So, I strongly believe in that role for Government. And I want to work with everyone here to make sure that we are moving young people into this job. And that as we do things, whether it is autonomous vehicles, or it is changing how we attract people to this business or train them, that we do it with an eye on safety. And I also will say we don't invest in our infrastructure enough. We have to figure out how to pay for the roads. And it is really, really critical.

But with the rest of my time, I would like to follow up and allow Mr. Scandaglia to—you were starting to talk about your concerns with autonomous vehicles, which again, I support moving that way, but only if we have clear safety considerations, because we have a lot of people on our roads.

Mr. SCANDAGLIA. Thanks for the question, Congresswoman. I think there are two things here that are primarily on our minds as the Teamsters. One is, from a Federal perspective right now, we are really dropping the ball in oversight of the autonomous vehicle industry. In our opinion, I don't think that is debatable. States are doing whatever they may want to do, both good and bad. And it has left companies to pursue autonomous vehicles in whatever the way they want, without the benefits of Federal oversight. So, I think the first piece is that we strongly support real Federal oversight, real Federal safety regulation on the deployment, testing, and performance of autonomous vehicles.

And the second piece is, I understand, to Mr. Collins' point earlier, that there are some extremely limited deployments of autonomous vehicles today in the market. That is very different from full-scale commercialization across the country. Those are not the same thing. Regardless, if that is the point that anyone expects that we will arrive at one day, it is incumbent on Congress and the Federal Government to think of and prepare for the effects that may have on a displaced workforce.

Ms. HOYLE OF OREGON. Thank you. I yield the remainder of my time.

Mr. EDWARDS. The Congresswoman yields.

Next is Congressman Nehls from the great State of Texas for 5 minutes.

Mr. NEHLS. Thank you, Mr. Chairman. Today I am going to use my time to discuss some priorities I have been working on in the 117th, and now the 118th Congress. And I think they are common-sense initiatives that will help the taxpayer. As both Chairman Graves and Ranking Member Larsen often reiterate, this committee is a workforce committee, and I would like to point that both of my bills are bipartisan.

I believe strongly that when taxpayer funds are spent the primary beneficiaries should be American companies and American workers. And in the 117th Congress, I partnered with Congressman Garamendi, and introduced the Domestic Preferences for Building America Act. We reintroduced the bill, and I believe it should pass.

Specifically, the legislation would require that infrastructure projects valued at more than \$100 million, receiving Federal financial assistance, be built by domestic contractors and domestically

controlled joint ventures. Our tax dollars should not go to foreign firms, supported by nonmarket economies or countries watchlisted by the U.S. Trade Representative.

The second piece of legislation I want to discuss is the Trucker Bathroom Access Act that I coauthored with Congresswoman Houlahan. And Mr. Pugh, can you tell us what it's like for a trucker to try to find a place to simply use the bathroom when you are out on the road? What is that like?

Mr. PUGH. Well, unfortunately, it can be a struggle, and I never thought we would be sitting here in the Halls of Congress of the greatest Nation of the world talking about giving people the right to use the restroom when they are trying to do their job. But unfortunately, I guess that is where we have gotten in society thanks to COVID. This all came out of COVID, as we saw so many places close their restrooms and close their restroom access.

Now it happened in places before, I have had it happen to myself personally. But since COVID, so many places have never opened their facilities back up. Drivers, like we have talked about, they are allowed to work a certain amount of time, they have a certain amount of hours. So, they are trying to get to where they need to be, get the products delivered to the shippers and the receivers. The least the shipper or receiver could do is allow that person to use their facility that they have in place already when they get there, and it is not happening.

Mr. NEHLS. It is just not that simple, is it. Yes.

The organization, Women In Trucking, they are very supportive of my legislation to ensure restroom access for truckers. Do you believe being denied access to a restroom is preventing women from starting careers in trucking?

Mr. PUGH. I think, yes, for sure. We all know that the operational challenges to use a restroom for a woman are more than for a man, so, of course. Why would women not—

Mr. NEHLS [interrupting]. Is it making it more difficult for women to remain in jobs behind the wheel?

Mr. PUGH. Yes, I would say for certain.

Mr. NEHLS. I just want to put on the record and say to all the lobbyists and trade associations trying to sink this bill—because they are out there trying to sink this bill—first of all, I really don't care what you think on this issue, I really don't care.

Just imagine if Congress opted to ban lobbyists from using bathrooms as you wait outside these committee rooms or offices. Imagine if you were told, hey, all the lobbyists, all you guys, go outside, find a tree, hell, go find a fire hydrant. Go outside and relieve yourself, because we are not going to let you do that here. How long do you think that would last? I bet you they would be very, very frustrated. What, do we want to treat our truckers like cats and dogs? You've got to take the dog outside to the backyard, this and that. Let's do it with women and men that are in the trucking industry. Shame on those lobbyists and those trade association for trying to sink this bill.

I believe it is the right thing to do. I will continue to fight like hell, Mr. Pugh, to pass these two important pieces of legislation.

And with that, sir, I yield back.

Mr. EDWARDS. The gentleman yields back.

Next, the Chair would like to recognize Congressman Burchett from Tennessee for 5 minutes.

Mr. BURCHETT. Thank you, Mr. Chairman.

Mr. PUGH, right? On the end down there? The Federal Motor Carrier Safety Administration is working to restrict all heavy-duty commercial vehicles to a single top speed nationwide. Do these speed limiters threaten highway safety? And is that commonly what we call governors?

Mr. PUGH. I beg your pardon? What did you say, the last?

Mr. BURCHETT. I said do these speed limiters threaten highway safety?

Mr. PUGH. Yes, they definitely would threaten highway safety. And there are many things we could do that would improve highway safety instead of this.

Mr. BURCHETT. How are these going to affect our supply chain, since it is already damaged?

Mr. PUGH. It is going to slow down our supply chain. If you slow down trucks, that means it is going to take them longer to get somewhere. With them taking longer to get somewhere, it is going to create: Do we need more trucks? We all heard about the retention problem and all of these things, so, we will need more trucks, which will create more congestion on the highway, which will just slow the supply chain down even more.

Mr. BURCHETT. Isn't it true that most of these trucks are tested out and rated to go a great deal faster than these minimum speed limits that we are setting, and it also chokes the trucks down to where the diesel fuel is emitting out the exhaust, it is not fully ignited?

Mr. PUGH. I am not a scientist, but I would say from my mechanical knowledge of what I've learned, that is true. And most trucks today are designed on spec. When you buy a truck like myself, when you purchase a truck, you purchase it to run at a set speed, you get a gear ratio and all these things to where you can run that truck, probably in the zone or the region you are running.

Mr. BURCHETT. In your opinion, what are the Federal laws and regulations that need to change to move freight faster more reliably?

Mr. PUGH. I think flexibility in hours of service would be a big help. I think better parking, of course, would be a big help. I think driver training, which is something we haven't talked about much in here at all. Training people to get in the industry in the first place, more teeth into that training to where people come into this industry, they know what they are doing, they feel safer, they are safer, better drivers, and they stay. Increasing pay, paying overtime to truckdrivers will also help with that.

One thing, another thing we talked about and this is a safety thing and would help the supply chain: more enforcement of the highways for speeders. And I am not talking trucks. I am talking just more cops out there on the road watching what all the motor-ing public is doing. You can take a trip anywhere across this country, and you hardly see cops at all anymore. People are speeding and cutting trucks off, you see these rideshares and different things. So, more enforcement over highways in general.

Mr. BURCHETT. All right.

Mr. Fialkov, is that correct? Is that how you say your name?

Mr. FIALKOV. Yes, Congressman.

Mr. BURCHETT. All right, thank you. How can these Federal electric vehicle charging grant programs better support and encourage the private sector investment, or can they?

Mr. FIALKOV. Yes, I appreciate the question. The challenge with electric vehicle charging, as we see it, is marrying two different industries. You have a regulated electric utility industry, that by definition, is kind of operating in a guaranteed rate of return environment. And then you have the refueling industry, which is an extraordinarily competitive industry, right? It is not uncommon to see multiple gas stations at the same corner selling the same fungible commodity for the same price right. Right? So, getting those two industries to work together is something that we think is extraordinarily important if that new vehicle fueling technology is to take off.

The challenge that we found with these EV charging grant programs is that they are being treated like they are any other infrastructure program, right? You get money to DOT, DOT gives the money to a State DOT, and they spend the money in accordance with whatever parameters are established for them. We think that those parameters should prompt States, which tend to have more jurisdiction over the electric utility industry, to update the regulatory regime governing that sector so that it better comports with the EV charging market that is going to need to take off to kind of initiate private capital to just systemically flow to this industry so that if new chargers that are faster are invented in 5 years, we have an incentive to buy it without having to rely on—

Mr. BURCHETT [interrupting]. They are not there yet. I mean, let's be honest, with these electric vehicles, you are going to take 6 to 8 hours to charge. I keep saying that what we need is to be like the propane tank industry: You just pull in and pull your battery out, get another battery that is fully charged and put it in because you are going to be waiting on the side of the road for 8 hours. My time is up. I could rant on that all day, but thank y'all so much for being here.

Thank you, Mr. Chairman.

I yield back no time to you.

Mr. EDWARDS. Thank you. The gentleman yields back. Are there any further questions from any member of the subcommittee who has not been recognized?

Seeing none, that concludes our hearing for today. I would like to thank each of you for taking time to be here to answer our questions and educate us on the intricacies of our supply chain, and for your testimony.

I ask unanimous consent that the record of today's hearing remain open until such time as our witnesses have provided answers to any questions that may be submitted to them in writing.

Without objection, so ordered.

I also ask unanimous consent that the record remain open for 15 days for any additional comments and information submitted by Members or witnesses to be included in the record of today's hearing.

Without objection, so ordered.

The subcommittee stands adjourned.
[Whereupon, at 12:45 p.m., the subcommittee was adjourned.]

SUBMISSIONS FOR THE RECORD

Letter of May 9, 2023, to Hon. Eric A. “Rick” Crawford, Chairman, and Hon. Eleanor Holmes Norton, Ranking Member, Subcommittee on Highways and Transit, Committee on Transportation and Infrastructure, from the American Association of Motor Vehicle Administrators, Submitted for the Record by Hon. Sam Graves

MAY 9, 2023.

The Honorable RICK CRAWFORD,
Chair, Subcommittee on Highways and Transit,
Committee on Transportation and Infrastructure, United States House of Representatives, 2422 Rayburn House Office Building, Washington, DC 20515.

The Honorable ELEANOR HOLMES NORTON,
Ranking Member, Subcommittee on Highways and Transit,
Committee on Transportation and Infrastructure, United States House of Representatives, 2136 Rayburn House Office Building, Washington, DC 20515.

DEAR CHAIR CRAWFORD AND RANKING MEMBER HOLMES NORTON:

As the Subcommittee addresses issues of economic importance with respect to the resiliency of the nation’s supply chain, the American Association of Motor Vehicle Administrators (AAMVA) urges the Subcommittee to consider the central role driver records and safety data play in ensuring driver throughput and getting licensed drivers on the road expeditiously and efficiently.

The Commercial Driver’s License Information System (CDLIS) has long served as the foundation for ensuring commercial driver safety and the continuity of one record being applicable to one, and only one, driver. Sustaining operations and maintenance of the system in the post-establishment environment have been largely funded utilizing state fees. The discretionary application of a fee system to fund CDLIS is established via 49 USC 31309(d).

The States fund and support this critical component of ensuring driver convictions are reported, that commercial drivers are unable to disperse unsafe driving records between jurisdictions, and that drivers are unable to hold more than one driving credential in any given State. CDLIS serves as the backbone for all commercial safety operations and continues to contribute globally to the federal safety dynamic—from drug and alcohol screening and conviction reporting, to exchanging jurisdictional safety records between States. The system is also a mandated component of driver processing. Before a driver is properly credentialed and put into service, CDLIS must be checked. Now, more than ever, continuity and support for the CDLIS system is imperative to keep the nation’s safe drivers on the road and expeditiously vet new drivers through the commercial driver’s program.

Legislative erosion has degraded State support for the CDLIS program under 49 USC 31309(d). The solution resides in a simple technical correction to this section that provides clarity and assurance that State paid fees continue to support the CDLIS program as the States intend. AAMVA and its members are not asking for additional funding, we are asking only for a short technical correction to substantiate State support to the federally mandated system.

AAMVA thanks the Subcommittee for its continued good work, and for its consideration of the role safety data has on the success of the federal commercial program. In a time of exceptional reliance on the commercial sector to provide the needs and goods the public sector has come to rely on, the importance of supporting state efforts remains essential. AAMVA stands with the Subcommittee and looks forward to rectifying the issue in the coming months.

ABOUT AAMVA:

The American Association of Motor Vehicle Administrators (AAMVA) is a tax-exempt, nonprofit organization developing model programs in motor vehicle adminis-

tration, law enforcement, and highway safety. Founded in 1933, AAMVA represents the state, provincial, and territorial officials in the United States and Canada who administer and enforce motor vehicle laws. The association also serves as an information clearinghouse in these areas and acts as the international spokesperson for these interests.

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Letter of May 16, 2023, to Hon. Eric A. “Rick” Crawford, Chairman, and Hon. Eleanor Holmes Norton, Ranking Member, Subcommittee on Highways and Transit, Committee on Transportation and Infrastructure, from Jeff Farrah, Executive Director, Autonomous Vehicle Industry Association, Submitted for the Record by Hon. Sam Graves

MAY 16, 2023.

The Honorable RICK CRAWFORD,
Chairman,

Committee on Transportation and Infrastructure, Subcommittee on Highways and Transit, U.S. House of Representatives, Washington, DC 20510.

The Honorable ELEANOR HOLMES NORTON,
Ranking Member,

Committee on Transportation and Infrastructure, Subcommittee on Highways and Transit, U.S. House of Representatives, Washington, DC 20510.

DEAR CHAIRMAN CRAWFORD AND RANKING MEMBER NORTON,

The Autonomous Vehicle Industry Association (“AVIA”) writes to thank you for holding the May 10th hearing entitled *Freight Forward: Overcoming Supply Chain Challenges to Deliver for America*. AVIA looks forward to working with you to increase long term supply chain resiliency by encouraging the safe and swift deployment of autonomous vehicles (“AVs”) in the United States.

By way of background, AVIA is comprised of leading companies with technical expertise and experience in the technology, automotive, trucking, and transportation network sectors. Bringing together their varied backgrounds, these companies formed AVIA to advance the tremendous safety, mobility and economic benefits of AVs to consumers in the safest and swiftest manner possible.¹

Currently, companies, ports, and policymakers are working to accelerate short-term solutions to improve the supply chain. Few proposed solutions have addressed a significant supply chain challenge—the long-term truck driver shortage. The United States has a dire truck driver shortage of nearly 80,000 drivers.² Without innovative solutions, this shortage is expected to double to 160,000 by 2030.³ The industry also faces extremely high turnover rates. For both new entrants and those considering retirement, the burden of long and stressful hours drivers spend away from their families outweighs the allure of a decent-paying long-haul job. Truck driving is also incredibly dangerous, with nearly 14% of all crashes involving a truck and 1 in 3 long-haul truck drivers experiencing a serious crash in their careers.^{4,5}

Autonomous trucks will serve an important role in the trucking ecosystem by filling long-haul rides to address the driver shortfall while fostering new short-haul jobs that alleviate the heavy physical and mental toll of long-haul driving. Autonomous trucks do not need to stop for breaks or otherwise maintain a human driver’s schedule, and can unlock new agricultural markets by reducing spoilage. Autonomous trucks will augment and create new opportunities for human truck drivers, while supporting the supply chain and U.S. economy.

Autonomous trucking has also already created thousands of high-paying jobs—vehicle operators, maintenance workers, technicians, engineers and more—and the sector’s growth will require more new hires. The successful partnership of human-

¹Our members include Apple, Aurora, Cavnue, Cruise, Embark, Ford, Gatik, Kodiak, Lyft, May Mobility, Motional, Nuro, TuSimple, Uber, Volkswagen Group of America, Volvo Cars, Volvo Autonomous Solutions, Waabi, Waymo, and Zoox.

²*Driver Shortage Update 2022*, AMERICAN TRUCKING ASSOCIATION (Oct. 25, 2022), https://ata.msgfocus.com/files/amf_highroad_solution/project_2358/ATA_Driver_Shortage_Report_2022_Executive_Summary.October22.pdf.

³*Id.*

⁴NAT’L HIGHWAY TRAFFIC SAFETY ADMIN., *Traffic Safety Facts: Large Trucks* (April 2022), <https://crashstats.nhtsa.dot.gov/Api/Public/ViewPublication/813286.pdf>.

⁵Centers for Disease Control and Prevention, *Crashes are the leading cause of on-the-job death for truck drivers in the US* (March 2015), <https://www.cdc.gov/media/releases/2015/p0303-truck-driver-safety.html#:~:text=An%20estimated%2014%20percent%20of%20long-haul%20truck%20drivers,or%20more%20serious%20crashes%20during%20their%20driving%20careers.>

driven and autonomous trucks was confirmed by a study from the U.S. Department of Transportation projecting that autonomous long-haul trucks will create up to 35,100 jobs per year across the economy, raise wages for all American workers and spur \$111 billion in investment across the nation's economy.⁶

Truck drivers are working hard, but the shortage is simply unsustainable. Already frustrated with rising prices and product shortages, U.S. consumers cannot afford to rely solely on stopgap, short-term measures to reinforce our supply chain in the long term. The U.S. needs to move forward on autonomous trucks so goods can keep moving.

Sincerely,

JEFF FARRAH,
Executive Director, Autonomous Vehicle Industry Association.

Letter of May 8, 2023, to Hon. Sam Graves, Chairman, and Hon. Rick Larsen, Ranking Member, Committee on Transportation and Infrastructure, from the Coalition Against Bigger Trucks, Submitted for the Record by Hon. Sam Graves

MAY 8, 2023.

The Honorable SAM GRAVES,
Chairman,
House Committee on Transportation and Infrastructure, 1135 Longworth House Office Building, Washington, DC 20515.

The Honorable RICK LARSEN,
Ranking Member,
House Committee on Transportation and Infrastructure, 2163 Rayburn House Office Building, Washington, DC 20515.

DEAR CHAIRMAN GRAVES AND RANKING MEMBER LARSEN:

We are members of the Coalition Against Bigger Trucks (CABT), a national non-profit highway safety organization that represents over 3,000 law enforcement leaders and local government officials who share our concerns about the dangers to motorists and infrastructure damage that would be caused by increases in semi-truck size and weight.

As your committee explores supply chain issues in the coming weeks, we urge you to reject any proposals to increase the size or weight of trucks. This committee is all too familiar with these bigger truck proposals and has wisely rejected them over the years.

Proponents of heavier trucks have claimed that size and weight increases would be a solution to perceived driver shortages. A survey of professional truck drivers conducted in March 2022 made it clear that bigger trucks would only make matters worse. Conducted in conjunction with the Owner-Operator Independent Drivers Association (OOIDA), the survey found that 68% of respondents felt that increasing truck size or weight limits would make it *more difficult* to recruit or retain truck drivers. Making the profession even more dangerous would not only fail to address existing concerns of driver recruitment, it would exacerbate the problem.

The U.S. Department of Transportation (USDOT) conducted a comprehensive, multi-year evaluation of the impacts bigger trucks would have on our national transportation system. Its final report issued in 2016 recommended against any increases in the size or weight of trucks (Comprehensive Truck Size and Weight Limits Study). The report found that heavier trucks had serious safety problems. Key findings include:

- Heavier trucks had a 47 percent to 400 percent higher crash rate than 80,000-pound trucks based on limited state testing.
- Heavier trucks were found to have a higher out-of-service violation rate and an 18 percent higher brake violation rate when compared to 80,000-pound trucks.

Law enforcement experience supports these findings. Heavier trucks are more likely to roll over and be involved in more severe crashes leading to more injuries and more deaths. So-called pilot programs for heavier trucks amount to little more than experimenting with more dangerous vehicles on the road with other motorists, in effect turning motorists into guinea pigs.

⁶ROBERT WASCHIK ET AL., JOHN A. VOLPE NAT'L TRANSP. SYS. CTR., FHWA-JPO-21-847, MACROECONOMIC IMPACTS OF AUTOMATED DRIVING SYSTEMS IN LONG-HAUL TRUCKING, 1 (2021), <https://rosap.nhtl.bts.gov/view/dot/54596>.

There are also significant infrastructure concerns with bigger trucks. The 2016 USDOT study examined the effect on a limited number of bridges on the Interstate and National Highway System and found significant repair costs to replace thousands of bridges.

Working with CABT, members of our coalition recently completed an analysis of the impacts of heavier trucks on the more than 470,000 local bridges (*The Impacts of Heavier Trucks on Local Roads, March 2023*). Locally owned infrastructure sees significant truck travel and is often built to far lower standards than the interstate system. Consider these facts:

- More than 72,000 local bridges cannot safely accommodate 91,000-pound trucks.
- The cost of replacing these local bridges would be \$60.8 billion.
- This cost would largely be borne by small local governments, many of which operate on very tight budgets.

Due to our very serious concerns about the dangers to motorists and our infrastructure, we ask that you reject any proposals that would increase the size or weight of semi-trucks.

RICK BAILEY,
Past President, County Judges and Commissioners Association of Texas, County Commissioner, Johnson County TX.

CHRISTOPHER BURGOS,
President Emeritus, New Jersey State Troopers Fraternal Association, State Trooper, New Jersey State Police (Ret.).

STEVEN CASSTEVENS,
Past President, International Association of Chiefs of Police, Chief of Police, Buffalo Grove Police Department IL (Ret.).

JOSH HARVILL, P.E.,
Southeast Region Vice President, National Association of County Engineers, County Engineer, Chambers County AL.

BRIAN KEIERLEBER, P.E.,
Past President, National Association of County Engineers, County Engineer, Buchanan County IA.

THOMAS KLASNER, P.E.,
Past President, Illinois Association of County Engineers, County Engineer, Jersey County IL.

ANDY MATTHEWS, ESQ.,
Executive Director, National Troopers Coalition, Sergeant, Connecticut State Police (Ret.).

DONALD SMITH,
Past President, New York State Sheriffs Association, Sheriff, Putnam County NY (Ret.).

CC: Members of the House Transportation and Infrastructure Committee

Letter of May 10, 2023, to Hon. Sam Graves, Chairman, and Hon. Rick Larsen, Ranking Member, Committee on Transportation and Infrastructure, and Hon. Eric A. "Rick" Crawford, Chairman, and Hon. Eleanor Holmes Norton, Ranking Member, Subcommittee on Highways and Transit, from Tom Madrecki, Vice President, Supply Chain, Consumer Brands Association, Submitted for the Record by Hon. Sam Graves

MAY 10, 2023.

The Honorable SAM GRAVES,
Chairman, Transportation and Infrastructure Committee, 2167 Rayburn House Office Building, Washington, DC 20515.

The Honorable RICK LARSEN,
Ranking Member, Transportation and Infrastructure Committee, 2163 Rayburn House Office Building, Washington, DC 20515.

The Honorable RICK CRAWFORD,
Chairman, Highways and Transit Subcommittee, 2422 Rayburn House Office Building, Washington, DC 20515.

The Honorable ELEANOR HOLMES NORTON,
Ranking Member, Highways and Transit Subcommittee, 2136 Rayburn House Office Building, Washington, DC 20515.

DEAR CHAIRMAN GRAVES, RANKING MEMBER LARSEN, CHAIRMAN CRAWFORD, AND RANKING MEMBER NORTON:

Thank you for convening today's hearing on supply chain and transportation challenges, recognizing the impact of recent supply chain problems on manufacturers, shippers, and consumers across America.

Trucking plays a critical role in the U.S. supply chain and economy. America's truck drivers were on the frontlines of the pandemic, delivering goods to every corner of this country. Nearly seventy-three percent of goods in America are shipped by truck. A strong, stable, and safe trucking industry that offers good-paying jobs to millions of truck drivers is a critical lifeline of our economy. Trucking and transportation are the backbone of economic growth, national security, and consumers' quality of life. But even before the COVID-19 pandemic, America's food, beverage, household, and personal care manufacturers expressed growing concern over the state of U.S. supply chains.

Acting now to improve supply chain fluidity will reduce the chances of high-profile problems in the future, while delivering economic and quality of life benefits today. Issues as far-ranging as the truck driver shortage, truck parking, freight capacity, rail performance, maritime shipping challenges, port congestion, inadequate data sharing and the untapped opportunity of emerging technologies imperil business operations, slow manufacturing lines, foster inefficiencies and add to consumer costs.

The SHIP IT Act, as introduced by Reps. Dusty Johnson (R-SD) and Jim Costa (D-CA), aims to address many of these supply chain challenges. Simply put, it is a holistic and comprehensive approach to many of the toughest problems limiting ground transportation performance. It includes provisions to incentivize the recruitment and retention of truck drivers; reduce regulatory and compliance burdens on truck drivers; and create efficiencies and reduce emissions through modest gross vehicle weight (GVW) limit reform. The SHIP IT Act also expands the circumstances under which the federal government would allow a state to waive federal weight limits on the interstate system to include declarations by the Secretary of Transportation, including declarations regarding disease and declarations regarding a supply chain emergency. Currently, once the president declares an emergency, it is only allowed to remain in effect for 120-days, but often that is not enough to mitigate the impacts of a national emergency and ensure consumers have access to critical goods.

Despite major advancements in vehicle safety and paving technology, GVW laws have not been updated since 1982. Currently, many shippers reach the current 80,000-pound weight limit before the truck is full and are forced to deploy trucks that are one-quarter empty. This requires more trucks to be sent out than otherwise would be needed to meet demand. The SHIP IT Act includes a safe and common-sense proposal to increase gross vehicle weight limits on federal interstate highways. This pilot program would be an opt-in program that would require states who participate to collect data and report to USDOT, including the estimated gross weight of the vehicles participating in the pilot program at the time of any reportable accident. Member companies of the Consumer Brands Association include America's most iconic food, beverage, household, and personal care brands—among the most recognizable and well-known companies in the world. The industry is extremely sensitive to issues that could tarnish those brands. It would not endorse policies if it did not fully believe that the proposed GVW increases are safe and fully bridge formula compliant, offering myriad performance and sustainability benefits while contributing less wear and tear due to the presence of a sixth trailer axle.

Time and time again, recent experience has taught us that there is no silver bullet solution to our nation's supply chain and transportation woes. But, if Congress is to consider any proposals to support trucking and to make incremental, practical improvements to the movement of goods and services across America, it could not do better than to pick up on the policies suggested in the SHIP IT Act. Government policy should help—not hinder—private sector efforts to deliver for consumers, working in parallel to ensure the availability, affordability, and accessibility of everyday essential products.

Thank you for your belief in strengthening American supply chains, and for convening today's hearing to open discussion of the policies and approaches to deliver for decades to come.

Sincerely,

TOM MADRECKI,
Vice President, Supply Chain, Consumer Brands Association.



**Statement of the National Association of Small Trucking Companies,
Submitted for the Record by Hon. Sam Graves**

The National Association of Small Trucking Companies (NASTC) commends the subcommittee for its attention to various challenges facing the U.S. freight supply chain. A major cause of supply-chain disruption domestically is unlawful supply-chain fraud and theft of trucked and brokered freight hauling.¹

NASTC is a member-based organization whose 15,000 member companies range from a significant segment that operates on the single-power-unit, owner-operator model to carriers having more than 100 power units; NASTC members average 12 power units. These companies for the most part operate in the long-haul, over-the-road, full-truckload, for-hire, irregular-route sector of interstate trucking. NASTC's members come from the largest segment of America's long-haul trucking—they all are small motor carrier businesses. They are representative of the vast majority of our nation's commercial motor carriers, those having fewer than 100 power units.

Fraud perpetrators and criminal enterprises plaguing trucking and brokerage account for an estimated 3,500 instances annually—a figure that admittedly understates the actual occurrences of these crimes because many go unreported. Nevertheless, the level of criminality is extensive, entailing for example identity theft, bait-and-switch proposals, and embezzlement of funds that intermediaries are required to receive in trust and pay to the carrier.

NASTC and allied stakeholders have illuminated “the severity of the problem and its effect on interstate commerce” in recent public comments. They include real-life “instances of theft of cargo, double brokerage and misappropriation of funds” that are illustrative of the “systemic problems of supply chain fraud involving organized crime and broker related fraud.”² Fraudsters that appear legitimate prey upon commercial motor carriers and freight brokers, though the harmful effects spread much wider. These crimes impose a heavy cost on the innocent parties involved, as well as on manufacturers, shippers, wholesalers, retailers, and consumers, not to mention the efficiency and reliability of our supply chains.

These frauds and thefts are enabled by two things: high-tech tools and relative nonenforcement of applicable criminal laws. These criminals can expand at scale because of their ability to exploit technology. They are easily able to open up under one company name, operate for a short while, then close and quickly reopen under a different name. These criminals face little risk of law enforcement involvement and much less risk of being caught and prosecuted.

Truck transportation and other stakeholders including NASTC have called to the Federal Motor Carrier Safety Administration's attention “the importance of vigorous retention and enforcement of these [interstate transportation] rules by not only FMCSA but the United States Department of Transportation.” We acknowledge “FMCSA's primary charter is to address highway safety ... [and] assigning safety ratings to all carriers” and its lack of authority in these matters. While the DOT Office of Inspector General has investigated, developed, and won cases against such freight fraud criminals under effective current law,³ what exists today “is a piecemeal approach to addressing a major issue of general transportation importance.”⁴

Therefore, the consensus solution NASTC and these stakeholders have proposed is that the “Office of the Inspector General (‘OIG’) at the U.S. DOT level establish a permanent task force to monitor supply-chain fraud complaints with the Secretary, and to investigate and prosecute fraudulent activity consistent with existing civil and criminal penalties.”⁵

The key is sustained, focused attention on this class of criminality by the agency most capable and empowered to fight it, vigilance in pursuit of holding accountable these criminals, and congressional backing of this badly needed attention. NASTC and other transportation and intermediary stakeholders firmly believe that OIG's successes, such as prevailing in the Padilla double brokerage case, plainly affirm

¹Todd Dills, “FMCSA needs a ‘cop on the block’ fighting brokered-freight fraud,” *Overdrive* (Nov. 29, 2022) (<https://www.overdriveonline.com/regulations/article/15303681/meaningful-enforcement-needed-to-fight-freight-fraud>).

²Air & Expedited Motor Carriers Assn., et al., comments on “Notification of Interim Guidance: Definitions of Broker and Bona Fide Agents” (FMCSA–2022–24923), Jan. 17, 2023 (<https://www.regulations.gov/comment/FMCSA-2022-0134-0103>). Appendices include examples of transportation-related crimes, a list of existing statutes and rules under which transportation and brokerage crimes are enforceable, and an example of DOT OIG's successful prosecution of such crime.

³For example, see “Tijuana Man Pleads Guilty to ‘Double-Broker’ Scheme Targeting San Diego Truckers” (<https://www.justice.gov/usao-sdca/pr/tijuana-man-pleads-guilty-double-broker-scheme-targeting-san-diego-truckers>).

⁴Air & Expedited Motor Carriers Assn., et al., comments.

⁵Air & Expedited Motor Carriers Assn., et al., comments.

OIG's statutory authority, capability, and institutional effectiveness for focusing attention and resources systematically to combat these crimes.

NASTC, along with other associations, individual truckers, carriers, intermediaries, and other stakeholders, applaud the initiative of Sen. Mike Braun and Rep. Mike Bost in urging OIG to create an antifreight fraud task force dedicated to investigating, developing, and referring cases of the kinds of crimes now disrupting the freight sector and its supply chains. We ask the committee to lend its support to this remedy. An OIG task force would put a cop on the block where today criminals operate with virtual impunity.

**Statement of the Shippers Coalition, Submitted for the Record by
Hon. Sam Graves**

The Shippers Coalition is a joint effort of more than 80 of the nation's most prominent manufacturers, agribusinesses, and trade associations, including Anheuser-Busch, PepsiCo, Coca-Cola, the American Chemistry Council, the Consumer Brands Association, Niagara Bottling, Tyson Foods, Procter & Gamble, and the National Cattlemen's Beef Association, among others. Our coalition members deliver, or arrange for the delivery of thousands of truckloads of goods to consumers daily. Clearly, we have a vital interest in improving the supply chain and the freight transportation network, as such improvements will benefit consumers, the economy and the nation.

Our members are completely mode neutral, using trucks, railroads and vessels to move products and supplies. We welcome improvements in the supply chain, and in service to shippers, from any mode. The Shippers Coalition is also committed to safety and would not support any initiative that it considered to be unsafe.

Supply chain challenges have plagued American consumers for the last several years. From the inability to get critical goods during the COVID-19 pandemic to the potential railroad strike, which would have cost the economy \$2 billion per day, we have seen the fragility of our supply chain. The effective, efficient and safe movement of freight is the backbone of the American economy, and Congress must pass common-sense legislation to better achieve those goals, fortify our supply chain, and strengthen the competitiveness of the nation's economy.

The SHIP IT Act is a holistic solution to some of the challenges in the movement of freight, including providing incentives to recruit and retain drivers, reducing regulatory burdens on truck drivers, and creating efficiencies and reduced emissions through modest gross vehicle weight (GVW) limit reform.

One of the solutions included in the SHIP IT Act that could immediately relieve pressure on the supply chain is modestly increasing gross vehicle weight limits through a state opt-in pilot program on the Interstate System. Under current Federal law, the general rule is that the gross vehicle weight limit for vehicles on the Interstate System is 80,000 pounds. The Federal Government does not regulate weight off the Interstate System (other than provide that a vehicle that can operate on the Interstate under Federal law must have reasonable access to and from the Interstate, a limited concept, not a displacement of State weight laws on roads throughout the State). Many states already allow heavier than 80,000 pounds GVW trucks off the Interstate System.

Currently, many shippers reach the current 80,000 pounds weight limit before the truck is full and are forced to send trucks out that are only three-fourths filled, requiring companies to send more trucks out than what otherwise would be necessary to meet the current demand.

Increasing that weight limit to 91,000 pounds on six axles, or the maximum allowed under the bridge formula, whichever is lower, would move trucks back to the better-built Interstates where they belong instead of state and local roads where they drive past schools, neighborhoods, and parks. The additional axle required for vehicle participation in this opt-in pilot program means there will be an extra set of brakes on these trucks, which the US Department of Transportation (USDOT) has found will allow the trucks to stop shorter than current five axle configurations.

Companies across the United States have already proven they can safely implement authority to utilize trucks with GVW over 80,000 pounds. A provision of the CARES Act allowed states to issue permits allowing trucks to operate above federal weight limits on Interstates during the COVID-19 crisis to provide much-needed supplies to families and communities. While this waiver authority was only available for 120 days, companies across the US were able to take advantage of this provision and found an increase in efficiency and a reduction in carbon dioxide emissions with no increase in reportable accidents when they were able to fill trucks to

a higher capacity. Further, other countries allow GVW higher than 80,000 pounds. One of our member companies has long operated six axle vehicles in Canada at GVW above 80,000 and with safety experience per movement equivalent to its U.S. experience. The pilot program included in the SHIP IT Act would further allow data to be collected during the life of the pilot program, in those states that opt in.

The recent investments made through the Infrastructure Investment and Jobs Act (IIJA) is helping to repair structurally deficient roads and bridges. The proposal in the SHIP IT Act will not lessen those dollars. The addition of a sixth axle better distributes the weight, protecting roads and bridges from wear and tear. In its 2015 Comprehensive Truck Size and Weight Study, USDOT found that the use of these six-axle vehicles at weights up to 91,000 pounds GVW would reduce life-cycle pavement costs.

Finally, the GVW provision in the SHIP IT Act does not increase the size of the trailer, it simply allows the trucks to be filled up more than what is currently available. The provision also explicitly excludes doubles and triples from this proposal. Simply, this is a carefully crafted, limited, state option weight pilot program; there is no size increase of any kind in it.

We must not wait for another crisis to occur, but rather take active steps now to strengthen our supply chain, and the SHIP IT Act is the solution. The Shippers Coalition is supportive of this thoughtful legislation and believes it is the right next step forward to help ensure consumers can get goods at the lowest possible cost, with attention to safety and emissions reduction.

**Statement of James Lamb, Executive Director, Small Business in
Transportation Coalition, Submitted for the Record by Hon. Sam Graves**

The Small Business in Transportation Coalition (SBTC) is a 501(c)(6) nonprofit trade organization representing small businesses motor carriers, independent truckers, small property (“freight”) brokers and other transportation professionals in the industry. The SBTC respectfully offers these comments to bring the perspective of small players to Congress’ attention with respect to the supply chain’s current challenges.

Chairman Crawford, Ranking Member Norton, and distinguished member of the subcommittee, SBTC comes now, to report that the state of the motor carrier transportation industry in America is not good. As the Transportation Intermediaries Association (TIA) will tell you, C.H. Robinson has released to investors their dire and disappointing First Quarter 2023 financials as compared to the First Quarter of 2022:

Total revenues decreased 32.3% to \$4.6 billion, primarily driven by lower pricing in our ocean and truckload services.

Gross profits decreased 24.7% to \$678.3 million. Adjusted gross profits decreased 24.3% to \$685.6 million, primarily driven by lower adjusted gross profit per transaction in ocean and truckload.

Operating expenses decreased 6.4% to \$524.6 million. Personnel expenses decreased 7.3% to \$383.1 million, primarily due to cost optimization efforts, including reduced headcount, and lower variable compensation. Selling, general and administrative (“SG&A”) expenses of \$141.5 million decreased 4.0%, primarily due to a decrease in credit losses.

Income from operations totaled \$161.0 million, down 53.4% due to the decrease in adjusted gross profits, partially offset by the decline in operating expenses. Adjusted operating margin of 23.5% declined 1,460 basis points.

Interest and other income/expense, net totaled \$28.3 million of expense, consisting primarily of \$23.5 million of interest expense, which increased \$9.0 million versus last year due primarily to higher variable interest rates, and \$9.6 million of foreign currency revaluation and realized foreign currency gains and losses, which increased \$8.1 million versus last year primarily due to foreign currency revaluation on intercompany assets and liabilities.

The effective tax rate in the quarter was 13.5% compared to 18.4% in the first quarter last year. The lower rate in the first quarter of this year was driven by incremental tax benefits of stock-based compensation deliveries and U.S. tax credits and the impact of those benefits in proportion to lower pre-tax income.

Net income totaled \$114.9 million, down 57.5% from a year ago. Diluted EPS of \$0.96 decreased 53.2%. Adjusted EPS of \$0.98 decreased 52.2%.

Big freight brokers are therefore in sheer panic. As a result, we believe these 3PLs are under extreme pressure to squeeze every bit of profit they can out of small business motor carriers and independent truckers to mitigate their 2023 losses, satisfy investors, and save their own employees' jobs. We contend their efforts to do so are seen in the rates truckers have been offered by big brokers over the past 30 days.

In April, rates offered to truckers by brokers dropped under \$1.00 per mile. On some lanes, as low as 53 cents per mile.

At the end of April, Freightwaves reported:

"America's \$875 billion trucking industry is struggling ... The number of authorized interstate trucking fleets in the U.S. declined by nearly 9,000 in the first quarter of 2023, according to federal data analyzed by Motive, a fleet management technology company. Several midsized fleets have already shuttered this year, including Florida's Flagship Transport and North Carolina's FreightWorks Transport. And major freight brokerages have laid off 1,000 employees in 2023 alone ... Per FreightWaves' Outbound Tender Rejection Index, trucking fleets are rejecting about 2.8% of load requests. That makes "early 2023 the softest sustained truckload market since the tender data history began in early 2018 ..."

As the truckers who protested on May 1, 2023 outside USDOT HQ told the FMCSA Administrator—reminiscent of the May 1, 2020 protest outside the White House exactly three years ago—you simply cannot run a truck and earn a profit under \$2.00 per mile, especially in these days plagued by inflation and high fuel prices. Drivers accepting these loads are slowly drowning, mitigating deadhead miles trying to stay afloat and just get home. More and more trucks are likely to remain parked and eventually sold when owner-operators can't meet their monthly payments. They are being ruthlessly punished by big brokers who are trying to save themselves and keep up their outrageous, secret "profit margins."

Three years ago, Robert Voltmann, then-CEO at TIA, wanted the industry and public to believe that those margins averaged 16% among his big broker members. But documents released on social media at the time showed that big brokers in the midst of that last COVID-induced economic crisis were still trying to score up to a 57% take on loads as truckers heroically risked their own safety, suffered through COVID on the road way from their families, and kept America stocked ... all while most Americans were hunkering down at home.

But big brokers should not be making "margins." They should be earning set commissions like brokers in every other industry, and those commissions should be disclosed to their shipper clients upfront and be made available to truckers upon request as is the current 49 CFR 371.3 rule.

None of us would allow a realtor to sell our homes without a contract that states they will charge us say a 4% commission. None of us, would allow a stock broker to execute a trade on our behalf without us knowing upfront, they will take 1-2%. Yet that is how the 3PL industry operates in America circa 2023. Under a cloak of secrecy thumbing their nose at the very notion of rate transparency that is already a Federal rule under 49 CFR 371.3 and has been the regulatory wisdom for 70 years dating back to the ICC.

This may come as a shock, but the SBTC has recently suggested that third party transportation intermediaries in America are not actually brokers at all. They are investors following a service arbitrage-style strategy of simultaneously buying and selling truck transportation to score a profit. When times get tough for everyone, they get especially ruthless and it is unclear if their activities constitute price-gouging, profiteering, and/or price-fixing in violation of antitrust law and restraint of trade. It is also unclear what ever happened to the Department of Justice investigation that former President Trump directed after President Biden was sworn in.

We know the large freight broker lobby has a PAC and that they donate to many members of Congress in the hopes of influencing public policy. Forty-seven members of Congress in the last cycle received such money. Dating back to 2000, over \$900,000 has been spent to influence their desire to raise the bar of entry, not to protect truckers from broker fraud, as they have purported to Congress, the industry, and public, but to protect these big brokers from competition, defeat attempts to enforce rate transparency, and sell more of their bonds.

Truckers cannot offer as much money as a trade group funded by its multi-billion third party logistics members, but their power is in their numbers ... and ultimately in their votes. They are understanding more and more what is happening in Washington, are acquiring more insight and are becoming more politically sophisticated and astute. There are about 3.9 million truck drivers in America. Those of them that operate as independent owner-operators and drivers for small and midsized

fleets need your help. Their livelihood is on the line. The time is now to help America's blue collar working class.

TIA hypocritically argues they are brokers when it comes to controlling entrance to the freight broker industry to keep competition for their big broker members low and outlawing "dispatchers" as unlicensed brokers, yet then suggests they shippers when they try to evade regulation. The FMCSA denied that argument on March 17, 2023 when they said they would not be opening up rulemaking at TIA's August 2020 request. TIA is now likely to appeal to you because they think they have bought and paid for friends who will just throw 70 years of conventional wisdom aimed at ensuring a level playing field and avoiding anticompetitive policies. We ask you tell them you appreciate their support but they are misguided if they think you can be bought and are for sale to the highest lobbyist.

FMCSA has also defended transparency as of March 1, 2020 when they wrote us advising brokers must abide by the 49 CFR Part 371 regulations as FMCSA considered requests from SBTC and OOIDA to open rulemaking to strengthen rulemaking to prohibit the coercing of truckers to waive their rights to transparency as a condition for doing business. And they approved both SBTC and OOIDA's requests to commence such rulemaking on March 16, 2023, the day before the dismissed TIA's request to repeal the rate transparency rule.

There is therefore a consensus that rate transparency should not only endure but be enhanced. The challenges to the supply chain are clear. The root causes of drivers' challenges couldn't be more obvious. Sadly, America is not on actually track to "Freight Forward." We are inside the DeLorean travelling backwards in time back to 2009. Indeed, all signs point to a new GREAT RECESSION as indicators always pop up in trucking before the economists make their formal declarations. But you can put the supply chain on the right track. We have written the playbook and we just need members of Congress to pick up the ball, run with it, and score touchdowns for small business and the American consumer.

The SBTC has written and proposed the Transportation Intermediaries Accountability Act of 2023 as a common-sense solution to the tackle and address head on the problem of big brokers circumventing and evading transparency. Despite 49 CFR 371.3, multiple big brokers have used the almost-identical—and we contend illegal and anticompetitive—language in their contracts that induce truckers who need loads to waive their rights to transparency:

"BROKER and CARRIER shall use commercially reasonable efforts to verify the accuracy of all freight charge billings invoiced by BROKER to CUSTOMERS for the Services performed by CARRIER. BROKER shall have the right to audit, from time to time, CARRIER's freight charges, and CARRIER shall fully cooperate with any audit. BROKER is not required to disclose its charges to CUSTOMERS, commissions, or brokerage revenue, and CARRIER waives its right to receive, audit, and/or review information and documents to be kept as provided in 49 C.F.R. § 371.3."

We all have to wonder how this language wound up in all of these different contracts issued by all these different companies. The odds of there not having been coordination are very slim. TIA has in the past even publicly encouraged "collaboration in pricing" among their members. That language scares us because it awfully close to price-fixing. Congress needs to investigate whether meetings have been held by 3PLs and/or their trade group that involve setting prices under \$1.00 a mile through the use of online rate making tools offered by "load boards" and through other means and encouraging brokers to use language to illegally manipulate the market to defeat transparency regulations, evade regulation, and circumvent America's antitrust laws.

We found one article that pointed out then FMCSA Administrator Jim Mullen was using the almost identical talking points as Voltmann was in 2020 about Pepsi not wanting Coca-Cola to know what their shipping costs were to be very alarming. Shortly thereafter Mullen moved on to the private sector and Voltmann "retired."

This all reeks of at best an appearance of impropriety in the form of conspiracy, corruption, and/or collusion worth of Congressional hearings.

We believe the business practices of these big brokers also clearly entail evasion of regulation in violation of 49 USC 14906, which states:

"A person, or an officer, employee, or agent of that person, that by any means tries to evade regulation provided under this part for carriers or brokers is liable to the United States for a civil penalty of at least \$2,000 for the first violation and at least \$5,000 for a subsequent violation, and may be subject to criminal penalties."

Yet that law is not enforced by any USDOT agency, including OIG, and evasion of broker transparency happens daily.

You should ask the Secretary why.

Congress also knows that 15 USC §1 states:

“Every contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce among the several States, or with foreign nations, is declared to be illegal. Every person who shall make any contract or engage in any combination or conspiracy hereby declared to be illegal shall be deemed guilty of a felony, and, on conviction thereof, shall be punished by fine not exceeding \$100,000,000 if a corporation, or, if any other person, \$1,000,000, or by imprisonment not exceeding 10 years, or by both said punishments, in the discretion of the court.”

It is time for Congress to conduct evasion of regulation hearings and deem it in the national interest for big brokers to actually be—and act like brokers—rather than mere investors. We are looking for our champions on both sides of the aisle who will co-sponsor this legislation which would include a private right of action for broker transparency violations above and beyond the restraint of trade private cause of action so carriers and truckers can seek relief in court if regulatory and law enforcement won't enforce the law. It is indeed high time for Congress to keep and fulfill its promises to America already codified in the Nation Transportation Policy.

Thank you for listening to the perspective of the little guys and gals. The SBTC and its members would be happy to appear before you and/or Senate Commerce to testify in Evasion of Regulation and Restraint of Trade hearings.

Letter of May 8, 2023, to Hon. Sam Graves, Chairman, Committee on Transportation and Infrastructure, from Jim Ward, President, Truckload Carriers Association, Submitted for the Record by Hon. Sam Graves

MAY 8, 2023.

The Honorable SAM GRAVES,
Chairman,

*House Transportation and Infrastructure Committee, U.S. House of Representatives,
2165 Rayburn House Office Building, Washington, DC 20515.*

DEAR CHAIRMAN GRAVES:

The Truckload Carriers Association, with offices at 555 East Braddock Road, Alexandria, VA, 22314, is the national trade association of the truckload segment of the trucking industry. As a major part of an industry that has over 524,000 companies within the United States operating millions of power units, TCA and its trucking company members regularly comment on matters affecting the national trucking industry's common interests and the potential impact these matters could eventually have on our operations. With that in mind, TCA and its members are vitally interested in the hearing scheduled for Wednesday, May 10, *Overcoming Supply Chain Challenges to Deliver for America* and respectfully submit our position on the following issues.

1. **Truck Parking**—TCA estimates that insufficient truck parking is costing our drivers approximately \$5,500 per tractor per year in lost wages due to time spent searching for adequate locations to park their truck. We believe that dedicated funding to improve the availability of safe and secure truck parking will provide relief to nation's professional truck drivers and increase the productivity of the industry.
2. **Independent Contractor Misclassification**—TCA continues to voice strong opposition to AB5-type legislation that has become a threat to the highly successful business model that the truckload industry was built upon. Creating impediments to this business model will only create more hurdles to the successful delivery of freight across the country.
3. **Environmental Regulations**—TCA believes that these regulations, if enacted would jeopardize the freight delivery model as we know it and should be implemented in a more strategic nature so that the trucking industry can ensure its rollout and corresponding timelines will be affordable, reliable, and achievable.
4. **Hair Testing for Drugs**—TCA strongly believes that in order to improve safety, we need to ensure a drug-free workplace and hair testing, as an alternative measure, has proven itself to be an effective tool in moving our industry towards that goal. Requiring FMCSA and HHS to implement these protocols to

an industry that needs them is necessary to recruit and retain drivers that can successfully deliver freight in a drug-free environment.

5. Size and Weight—TCA continues to advocate against size and weight changes that would disproportionately shift the cost burden of these changes to our membership. Any change would come in the form of increased capital costs to upgrade tractors and trailers, higher operational costs due to increased equipment and wear and tear, a reduced return on invested capital and a likely increase in safety costs.
6. Elimination of the Federal Excise Tax (FET)—While this 12% tax began in 1917 to help fund World War I, it has become a hindrance to the deployment of safety technologies and lower emission vehicles. The impact of this tax is even more amplified when calculated on emerging Zero-Emission vehicles, where it pushes the cost out of reach for many of our members. Removal of this tax would provide substantial relief, equating to millions of dollars that could be invested in safer, cleaner equipment.

We understand the challenges that your committee faces to streamline the freight delivery model in this country and appreciate your willingness to convene a hearing in an effort to provide solutions to an industry that delivers on a daily basis. Thank you for the opportunity to express our positions on some of these issues and we look forward to working with you and your staff on these important matters.

Sincerely,

JIM WARD,
TCA President.

Letter of May 9, 2023, to Hon. Eric A. “Rick” Crawford, Chairman, and Hon. Eleanor Holmes Norton, Ranking Member, Subcommittee on Highways and Transit, Committee on Transportation and Infrastructure, from Catherine Chase, President, Advocates for Highway and Auto Safety, Submitted for the Record by Hon. Eleanor Holmes Norton

MAY 9, 2023.

The Honorable RICK CRAWFORD, Chair,
The Honorable ELEANOR HOLMES NORTON, Ranking Member,
Committee on Transportation and Infrastructure,
Subcommittee on Highways and Transit, United States House of Representatives,
Washington, DC 20515.

DEAR CHAIRMAN CRAWFORD AND RANKING MEMBER HOLMES NORTON:

As you prepare for tomorrow’s hearing, “Freight Forward: Overcoming Supply Chain Challenges to Deliver for America,” Advocates for Highway and Auto Safety (Advocates) urges you to prioritize safety in policies and legislation involving our Nation’s commercial motor vehicles (CMVs) and the supply chain. We respectfully request this letter be included in the hearing record.

**FATAL TRUCK CRASHES CONTINUE TO KILL AND INJURE THOUSANDS EACH YEAR,
SLOW DELIVERY TIMES AND RESULT IN A MAJOR COST TO SOCIETY**

In 2021, 5,788 people were killed in crashes involving large trucks. Nearly 155,000 people were injured in crashes involving large trucks, over 2,800 of whom were non-occupants.¹ Since 2009, the number of fatalities in large truck crashes has increased by 71 percent.² Additionally, nearly 155,000 people were injured in crashes involving a large truck in 2021.³ In the first six months of 2022, traffic fatalities in crashes involving at least one large truck are up 10 percent; 2,811 people were killed.⁴ These numbers are more than just statistics. Motorists’ lives are at risk every time they get behind the wheel, walk, bike or roll. A recent crash in Illinois highlights the real and continuing danger on America’s roads as summer travel sea-

¹ Overview of Motor Vehicle Traffic Crashes in 2021, NHTSA, Apr. 2023, DOT HS 813 435.

² *Id.* and Traffic Safety Facts 2020: A Compilation of Motor Vehicle Crash Data, NHTSA, Oct. 2022, DOT HS 813 375. Note, the 71 percent figure represents the overall change in the number of fatalities in large truck involved crashes from 2009 to 2021. However, between 2015 and 2016 there was a change in data collection at U.S. DOT that could affect this calculation. From 2009 to 2015 the number of fatalities in truck-involved crashes increased by 21 percent, and between 2016 to 2021, it increased by 24 percent.

³ Overview of Motor Vehicle Traffic Crashes in 2021, NHTSA, Apr. 2023, DOT HS 813 435.

⁴ Traffic Safety Facts: Crash Stats; Early Estimates of Motor Vehicle Traffic Fatalities and Fatality Rate by Sub-Categories Through June 2022, NHTSA, Dec. 2022, DOT HS 813 405.

son is set to begin. Last week along Interstate 55, a crash caused by a dust storm involved 72 vehicles resulted in seven fatalities and over 30 injuries.⁵

In addition to the death and injury toll caused by truck crashes, there are significant impacts to roadways. Crashes result in lane or highway closures, increased traffic backups, slowdowns of deliveries, wasted fuel consumption, and costly damage to the infrastructure.

Moreover, the cost to society from crashes involving large trucks and buses was estimated to be \$143 billion in 2020, the latest year for which data is available.⁶ When adjusted solely for inflation, this figure amounts to over \$166 billion.⁷ In fatal two-vehicle crashes between a large truck and a passenger motor vehicle, 97 percent of the fatalities were occupants of the passenger vehicle.⁸

GOVERNING THE SPEED OF CMVs IMPROVES PUBLIC SAFETY

As detailed by the Federal Motor Carrier Safety Administration (FMCSA), the safety benefits of controlling the speed of a CMV are incontrovertible. The agency noted, “crashes involving heavy vehicles traveling faster are more deadly than crashes involving heavy vehicles traveling at lower speeds.”⁹ Further, a 2012 study commissioned by FMCSA “showed strong positive benefits for speed-limited trucks.”¹⁰ In addition, speed governing technology is used throughout the industry and is supported by drivers.¹¹ Lastly, speed limiting systems are required throughout world including in Canada, the United Kingdom and Australia.¹²

Data provided by FMCSA also demonstrates safety benefits of setting the speed at 60 miles-per-hour (MPH). The agency estimates that setting the device at 60 MPH has the potential to save almost 500 lives and prevent nearly 11,000 injuries annually. By comparison setting the speed at 65 or 68 MPH will result in far less lives saved and injuries prevented. In fact, setting the speed at 60 MPH will result in over five times the number of lives saved and injuries prevented each year compared to 68 MPH.¹³

For FMCSA to fulfill its mission to reduce crashes, injuries, and fatalities involving large trucks and buses, the agency must not be prevented from promptly completing a rulemaking to require the use of speed limiting technology on CMVs. As such, we urge this Committee to reject the Deregulating Restrictions on Interstate Vehicles and Eighteen-Wheelers (DRIVE) Act (H.R. 3039).

WEAKENING SENSIBLE SAFEGUARDS ENDANGERS TRUCK DRIVERS AND THE PUBLIC

Issues involving the Nation’s supply chain have highlighted problems that the trucking industry has not effectively addressed for decades including high turnover rates for drivers and poor working conditions. We urge the Committee to reject the following proposals that fail to address the root of these issues and will jeopardize all road users.

“*Teen Truckers*” are a substantial threat to public safety. Some segments of the trucking industry have been pushing to allow teenagers to operate CMVs in interstate commerce for at least 20 years, often relying on their own forecasts for the number of drivers needed as a rationale. These projections have consistently failed to materialize.¹⁴

The trucking industry continues to face a driver retention crisis, not a driver shortage. In fact, a March 2019 U.S. Bureau of Labor Statistics (BLS) analysis found that “the labor market for truck drivers works about as well as the labor markets for other blue-collar occupations” and “a deeper look [at the truck industry

⁵ Jessica D’Onofrio and Eric Horng, Illinois dust storm pile-up crash on I-55 involving 72 vehicles leaves 7 dead, over 30 hurt, ABC 7 News (May 2, 2023).

⁶ 2022 Pocket Guide to Large Truck and Bus Statistics, FMCSA, Dec. 2022, RRA-22-007.

⁷ CPI Inflation Calculator, BLS, Jan. 2020 to Jan. 2023, available at https://www.bls.gov/data/inflation_calculator.htm.

⁸ IIHS, Large Trucks, See: <https://www.iihs.org/topics/large-trucks#:~:text=In%20fatal%20two%2Dvehicle%20crashes,deaths%20in%20multiple%2Dvehicle%20crashes>.

⁹ 81 FR 61944 (Sep. 9, 2016).

¹⁰ *Id.* at 61950.

¹¹ Preliminary Regulatory Impact Analysis (PRIA) and Initial Regulatory Flexibility Analysis, FMVSS No. 140, Speed Limiting Devices, p. 28 (NHTSA, Aug. 2016); Insurance Institute for Highway Safety (IIHS), Speed limiters in trucks would serve 2 purposes, Status Report, Vol. 45, No. 8 (Aug. 21, 2010).

¹² PRIA.

¹³ See: 81 FR 61942 (Sep. 7, 2016).

¹⁴ FMCSA Document ID: 2000-84100-0782. American Trucking Associations, Truck Driver Shortage Analysis 2015 (Oct. 2015).

labor market] does not find evidence of a secular shortage.”¹⁵ Rather, industry data shows driver turnover at some carriers is near 90 percent.¹⁶ As U.S. Department of Transportation (U.S. DOT) Secretary Pete Buttigieg noted, such a high rate of turnover is indicative that there are some real issues with the quality of the job of driving a truck.¹⁷ In addition, states issue more than 450,000 new commercial driver licenses (CDLs) each year demonstrating that there are candidates to fill vacancies.¹⁸ Instead of proposing initiatives that will degrade public safety, the industry should be focused on addressing the retention issues through improved, safe working conditions.

Younger drivers are demonstrated to be less safe. The Insurance Institute for Highway Safety (IIHS), citing numerous studies, has stated that “age is a strong risk factor for truck crash involvement.”¹⁹ In fact, age is the most important factor in the high rate of involvement of younger CMV drivers in fatal crashes. The general pattern of over-involvement in fatal crashes for younger CMV drivers dominates all other factors. Studies of young CMV drivers show that as the age of the driver decreases, large truck fatal crash involvement rates increase.²⁰

CMV drivers under the age of 19 are four times more likely to be involved in fatal crashes, as compared to CMV drivers who are 21 years of age and older, and CMV drivers ages 19–20 are six times more likely to be involved in fatal crashes (compared to CMV drivers 21 years and older).²¹ This plain-truth reality is not surprising. Generally, younger drivers are more likely to be involved in fatal crashes because they lack driving experience and skills and tend to take greater risks. Development of the brain region vital to decision making and complex tasks, specifically the pre-frontal cortex, may not be fully reached until one’s mid-20s.²² While proponents of younger truck drivers have justified this misguided policy proposal by citing state laws that allow them to operate intrastate, expanding the operations of these dangerous drivers extends existing safety problems while introducing additional safety considerations such as unfamiliar terrain and weather conditions.

Diverse stakeholders including safety groups, law enforcement, public health and consumer organizations, truck drivers, labor unions, some trucking companies, and truck crash victims and survivors have repeatedly opposed efforts to lower the age to operate CMVs in interstate commerce. Additionally, the public has rejected lowering the minimum age for interstate truck and bus drivers with 62 percent of respondents in opposition, according to a 2020 public opinion poll conducted by Engine’s Caravan Survey.²³ Furthermore, in 2001, a petition was filed with FMCSA to lower the age at which a person could obtain a CDL to operate in interstate commerce from 21 to 18 as part of a pilot program. The FMCSA declined to lower the minimum age for an unrestricted CDL because the agency could not conclude that the safety performance of younger drivers was on par with, or even close to, that of older CMV drivers. In comments to the docket for the petition, the public strongly rejected the idea with 96 percent of individuals who responded opposing the proposal along with 88 percent of the truck drivers and 86 percent of the motor carriers.²⁴

The Infrastructure Investment and Jobs Act (IIJA) enacted in November 2021 included a provision requiring the establishment of pilot program to permit teen

¹⁵United States Department of Labor, Bureau of Labor Statistics, Is the U.S. labor market for truck drivers broken? (Mar. 2019).

¹⁶American Trucking Associations, Fourth Quarter Truck Driver Turnover Rate Shows Muddled Picture (Mar. 12, 2021).

¹⁷See: <https://www.msnbc.com/morning-joe/watch/transportation-secretary-buttigieg-on-supply-chain-issues-worker-shortage-125851717987> (Nov. 10, 2021).

¹⁸Greg Rosalsky, Is There Really A Truck Driver Shortage?, National Public Radio (May 25, 2021).

¹⁹Insurance Institute for Highway Safety, Comments to the docket, FMCSA–2000–8410–0515; citing Christie, R. and Fabre, J. 1999. Potential for fast-tracking heavy vehicle drivers. Melbourne, Australia: National Road Transport Commission; Blower, D. 1996. The accident experience of younger truck drivers. Ann Arbor, MI: University of Michigan Transportation Research Institute; Frith, W.J. 1994. A case-control study of heavy vehicle drivers’ working time and safety. *Proceedings of the 17th Australian Road Research Board Conference*, 17–30. Queensland, Australia: Australian Road Research Board; Stein, H.S. and Jones, I.S. (1988).

²⁰Campbell, K. L., *Fatal Accident Involvement Rates By Driver Age For Large Trucks*, *Accid. Anal. & Prev.* Vol 23, No. 4, pp. 287–295 (1991).

²¹Campbell, K. L., *Fatal Accident Involvement Rates By Driver Age For Large Trucks*, *Accid. Anal. & Prev.* Vol 23, No. 4, pp. 287–295 (1991).

²²Arian, M, et al., Maturation of the adolescent brain, *Neuropsychiatric Disease and Treatment* (Apr. 3, 2013).

²³Engine’s Caravan Survey Public Opinion Poll (2020).

²⁴Young Commercial Driver Pilot Training Program, Notice of denial of petition to initiate a pilot program, 68 FR 34467, 34469 (June 9, 2003).

truckers to operate in interstate commerce.²⁵ This imprudent initiative could have a drastic impact on public health, even more so if not executed with needed safeguards. This program is basically a “science experiment” with all road users serving unknowingly as “test subjects.” If accepted research protocols are not followed by FMCSA, it could result in preventable deaths and injuries and will also jeopardize the legitimacy of the outcomes of the program. Lastly, the agency’s recommendations and conclusions in the required report to Congress must be supported by sufficient evidence and data collected during the program. We urge this Committee to execute effective oversight of this program.

Allowing teenagers to drive trucks in interstate commerce will worsen and expand the major problems with truck driver working conditions from inside state lines to the entire nation. Improving working conditions to ensure experienced drivers are safer, rather than tapping into an unsafe pool of teenage drivers to fill the void, will ideally lead to healthier and more fulfilled drivers who stay in their jobs as well as attract new applicants. Further attempts to pull teenagers from high school hallways onto high-speed highways, such as the Ceasing Age-Based (CAB) Trucking Restrictions Act (H.R. 267) as well as attempts to weaken licensing standards such as Licensing Individual Commercial Exam-takers Now Safely and Efficiently (LICENSE) Act (H.R. 3013) should be rejected by Congress.

Driver fatigue is a well-known and documented dangerous issue that plagues the trucking industry. The National Transportation Safety Board (NTSB) has repeatedly cited fatigue as a major contributor to truck crashes.²⁶ Currently, truck drivers are permitted to drive up to 11 hours per day for a total of 77 hours per week. These grueling hours can lead to cumulative fatigue and devastating safety consequences. Self-reports of fatigue, which almost always underestimate the problem, find that fatigue in truck operations is a significant issue. In a 2006 driver survey prepared for FMCSA, “65 percent [of drivers] reported that they often or sometimes felt drowsy while driving” and almost half (47.6 percent) of drivers said they had fallen asleep while driving in the previous year.²⁷ Expanding the hours truck drivers can drive in an attempt to move more goods puts truck drivers, their loads and everyone on the roads with them at risk.

One of the most effective tools to help prevent driver fatigue is the use of Electronic Logging Devices (ELDs) to record drivers’ hours of service (HOS). Paper logs are frequently referred to as “comic books” throughout the industry because of the ease in falsifying actual driving and work time. The FMCSA estimated that requiring ELDs will save 26 lives, prevent over 500 injuries and avoid over 1,800 crashes annually.²⁸ The U.S. DOT also estimated the annualized net benefits of adopting ELDs to be over \$1 billion.²⁹ Congress, recognizing the benefits of ELDs, mandated their use as part of the Moving Ahead for Progress in the 21st Century (MAP-21) Act.³⁰ In 2015, the FMCSA delivered on this Congressional directive and issued a rule requiring the use of ELDs which went into effect in December 2017.³¹ FMCSA reports that since the implementation of the ELD rule, the percentage of driver inspections with an HOS violation has decreased significantly.³² Despite this compelling evidence, broad support and an established final rule, some continue to object to the use of this technology.

It is important to note that the ELD rule did not change the underlying HOS rules. Yet, a barrage of legislative and regulatory proposals continues to target these regulations. For instance, truck drivers hauling livestock or insects are currently exempted from having to use ELDs. In addition, the IIJA expands the HOS exemption already provided to these carriers to include one covering a 150 air-mile radius from the final destination (the prior exemption was for a 150 air-mile radius from the source).³³ Allowing certain haulers to skirt the ELD rules jeopardizes the safety of the animals in transport, truck drivers and all who travel on the roadways.

Additionally, in 2016, the FMCSA published an Advanced Notice of Proposed Rulemaking (ANPRM) requesting information regarding the potential benefits of regulatory action to address the safety risks posed by CMV drivers who are afflicted

²⁵ Pub. L. 117–58, § 23022 (2021).

²⁶ NTSB, Highway, Multivehicle Work Zone Crash on Interstate 95 Cranbury, New Jersey June 7, 2014, Accident Report NTSB/HAR–15/02 (Aug. 11, 2015).

²⁷ 75 FR 82170 (Dec. 29, 2010), citing Dingus, D.F. & Maislin, G., “Truck Driver Fatigue Management Survey,” May 2006, FMCSA–2004–19608–3968.

²⁸ 80 FR 78292 (Dec. 16, 2015).

²⁹ *Id.*

³⁰ Pub. L. 112–141 (2012).

³¹ 80 FR 78292 (Dec. 16, 2015).

³² FMCSA, Electronic Logging Devices: Improving Safety Through Technology, See: <https://eld.fmcsa.dot.gov/>

³³ H.R. 3684, 117th Congress 1st Sess., (2021).

with obstructive sleep apnea (OSA).³⁴ Compelling and consistent research has revealed that drivers afflicted with OSA that is not properly treated are more prone to fatigue and have a higher crash rate than the general driver population. In fact, the Federal Aviation Administration (FAA) considers OSA to be a disqualifying condition unless properly treated.³⁵ Yet, in August of 2017 the FMCSA withdrew the OSA rulemaking without providing any credible analysis or reasoning for such an ill-advised course of action.³⁶ We urge the Committee to address this critical safety issue.

In March 2020, FMCSA issued an Emergency Declaration exempting drivers from critical safety regulations including those governing hours of service for those operators providing direct assistance for relief efforts related to the COVID-19 pandemic.³⁷ The declaration expired in October 2022. Advocates has called for the agency to be transparent about the use of this exemption by making any related data available to the public.³⁸ To date, the agency has not responded or posted any data on its website. Release of this information will contribute significantly to the public's understanding of the impact to roadway safety resulting from the exemptions to the Federal Motor Carrier Safety Regulations granted by the Emergency Declaration, as well as the frequency of use of the exemptions by the industry.

Overweight trucks disproportionately damage America's crumbling infrastructure and threaten public safety. While certain special interests are advocating to suspend federal limits on the weight and size of CMVs in response to purported supply chain issues, these laws are essential to protecting truck drivers, the traveling public, and our nation's roads and bridges.

According to the 2021 Infrastructure Report Card from the American Society of Civil Engineers, America's roads receive a grade of "D" and our bridges were given a "C."³⁹ Nearly 40 percent of our 615,000 bridges in the National Bridge Inventory are 50 years or older, and one out of 11 is structurally deficient.⁴⁰ The U.S. DOT Comprehensive Truck Size and Weight Study found that introducing double 33-foot trailer trucks, known as "Double 33s," would be projected to result in 2,478 bridges requiring strengthening or replacement at an estimated one-time cost of \$1.1 billion.⁴¹ This figure does not even account for the additional, subsequent maintenance costs which will result from longer, heavier trucks. In fact, increasing the weight of a heavy truck by only 10 percent increases bridge damage by 33 percent.⁴² The Federal Highway Administration (FHWA) estimates that the investment backlog for bridges, to address all cost-beneficial bridge needs, is \$123.1 billion.⁴³

Raising truck weight or size limits could result in an increased prevalence and severity of crashes. Longer trucks come with operational difficulties such as requiring more time to pass, having larger blind zones, crossing into adjacent lanes, swinging into opposing lanes on curves and turns, and taking a longer distance to adequately brake. In fact, double trailer trucks have an 11 percent higher fatal crash rate than single trailer trucks.⁴⁴ Overweight trucks also pose serious safety risk. Brake violations are a major reason for out-of-service violations.⁴⁵ According to a North Carolina study by IIHS, trucks with out-of-service violations are 362 percent more likely to be involved in a crash.⁴⁶ This is also troubling considering that tractor-trailers moving at 60 miles per hour are required to stop in 310 feet—the

³⁴ 81 FR 12642 (Mar. 10, 2016).

³⁵ *Id.*

³⁶ 82 FR 37038 (Aug. 8, 2017).

³⁷ FMCSA, Extension and Amendment of Emergency Declaration 2020-002 (Aug. 31, 2021).

³⁸ Advocates for Highway and Auto Safety, Statement on Extension of Emergency Declaration and Exemptions from Certain Truck Safety Regulations (Sep. 2, 2021).

³⁹ 2021 Infrastructure Report Card—Bridges, American Society of Civil Engineers (ASCE); 2021 Infrastructure Report Card—Roads, ASCE.

⁴⁰ 2021 Infrastructure Report Card—Bridges (ASCE).

⁴¹ Comprehensive Truck Size and Weight Limits Study: Bridge Structure Comparative Analysis Technical Report, FHWA, June 2015.

⁴² Effect of Truck Weight on Bridge network Costs, NCHRP Report 495, National Cooperative Highway Research Program, 2003.

⁴³ 2015 Status of the Nation's Highways, Bridges, and Transit: Conditions and Performance, Chapter 7, p. 7-34, FHWA, 2016.

⁴⁴ An Analysis of Truck Size and Weight: Phase I—Safety, Multimodal Transportation & Infrastructure Consortium, November 2013; Memorandum from J. Matthews, Rahall Appalachian Transportation Institute, Sep. 29, 2014.

⁴⁵ Roadside Inspections, Vehicle Violations: All Trucks Roadside Inspections, Vehicle Violations (2019—Calendar), FMCSA.

⁴⁶ Teoh E, Carter D, Smith S and McCartt A, Crash risk factors for interstate large trucks in North Carolina, Journal of Safety Research (2017).

length of a football field—once the brakes are applied.⁴⁷ Actual stopping distances are often much longer due to driver response time before braking and the common problem that truck brakes are often not in adequate working condition.

There is overwhelming opposition to any increases to truck size and weight limits. The public, local government officials, safety, consumer and public health groups, law enforcement, first responders, truck drivers and labor representatives, families of truck crash victims and survivors, and even Congress on a bipartisan level have all rejected attempts to increase truck size and weight. Also, the technical reports released in June 2015 from the U.S. DOT Comprehensive Truck Size and Weight Study concluded there is a “profound” lack of data from which to quantify the safety impact of larger or heavier trucks and consequently recommended that no changes in the relevant truck size and weight laws and regulations be considered until data limitations are overcome.⁴⁸

The IIJA invested billions of dollars to improve and elevate the safety of our Nation’s roads and bridges. Any increase to federal truck size and weight limits will undermine this objective, worsen safety problems, and divert rail traffic from privately owned freight railroads onto our already overburdened public highways. Despite claims to the contrary, bigger trucks will not result in fewer trucks. Following every past increase to federal truck size and weight limits, the number of trucks on our roads has gone up. Since 1982, when Congress last increased the gross vehicle weight limit, truck registrations have more than doubled.⁴⁹ The U.S. DOT study also addressed this meritless assertion and found that any potential mileage efficiencies from the use of heavier trucks would be offset in just one year.⁵⁰ We urge this Committee to oppose any increases to federal truck size and weight limits, including mandating double 33-foot trailers, pilot programs and state or industry specific exemptions. This includes the Safer Highways and Increased Performance for Interstate Trucking (SHIP IT) Act (H.R. 471) which has numerous reckless provisions, among them, the establishment of a pilot program for overweight trucks.

Autonomous driving technology is far from ready to be deployed safely on our Nation’s roads and therefore is not a viable option to address the U.S.’s supply chain issues. The advent of autonomous driving technology must not be used as a pretext to eviscerate essential safety regulations administered by the FMCSA, and particularly in the absence of new standards to ensure the technology performs safely and as needed. The public safety protections provided by the Federal Motor Carrier Safety Regulations (FMCSRs) become no less important or applicable simply because a CMV has been equipped with an autonomous driving system (ADS). In fact, additional substantial public safety concerns are presented by autonomous commercial motor vehicles (ACMVs).

Autonomous technology is still in its relative infancy as evidenced by fatal and serious crashes involving passenger motor vehicles equipped with automated driving systems of varying levels.⁵¹ If those incidents had involved ACMVs, the results could have been even more catastrophic, and the death and injury toll could have been much worse. Some of the most pressing safety shortcomings associated with autonomous vehicle (AV) technology, which include the ADS properly detecting and reacting to all other road users, driver engagement and cybersecurity, are exponentially amplified by the greater mass and force of an ACMV. As such, it is imperative that ACMVs be subject to comprehensive regulations, including having a licensed driver behind the wheel for the foreseeable future.

Advocates and numerous stakeholders developed the “AV Tenets,” policy positions which should be a foundational part of any AV legislation.⁵² The AV Tenets have four main, commonsense categories including: 1) prioritizing safety of all road users; 2) guaranteeing accessibility and equity; 3) preserving consumer and worker rights; and, 4) ensuring local control and sustainable transportation. While the AV Tenets were developed for application to vehicles under 10,000 pounds, many of the principles also could apply to larger commercial vehicles. At a minimum, ACMVs must meet safety standards for the ADS and related systems, including for cybersecurity, and operations must be subject to adequate oversight as a starting point for their potential deployment. In February 2022, Advocates commissioned a public opinion poll that found that 85 percent of respondents were concerned with sharing the road

⁴⁷ Code of Federal Regulations (CFR) Title 49 Part 571 Section 121: Standard No. 121 Air brake systems (FMVSS 121).

⁴⁸ Comprehensive Truck Size and Weight Limits Study, Federal Highway Administration (June 2015).

⁴⁹ 2017 Annual Report.

⁵⁰ Comprehensive Truck Size and Weight Limits Study, Federal Highway Administration (June 2015).

⁵¹ NHTSA, Standing General Order 2021–01 (Aug. 2021).

⁵² See: <https://saferoads.org/autonomous-vehicle-tenets/>

with driverless trucks.⁵³ Moreover, 60 percent of respondents indicated that their concerns would be addressed if the vehicles were required to meet minimum government standards.

Lastly, we commend Congress for the safety advances included in the bipartisan IIJA and have been urging the U.S. DOT to implement the directives with urgency to address the motor vehicle crash fatality and injury toll. Every week of the year, about 826 people are killed on our roads, and 48,000 more are injured. The time to act is now.

Thank you for your consideration of these issues. We look forward to working with you to improve safety on our Nation's roadways.

Sincerely,

CATHERINE CHASE,
President, Advocates for Highway and Auto Safety.

cc: Members of the Subcommittee on Highways and Transit

⁵³ ENGINE'S CARAVAN SURVEY, Public Concern About Driverless Cars and Trucks (Feb. 2022).

APPENDIX

QUESTION TO WILLIAM “LEWIE” PUGH, EXECUTIVE VICE PRESIDENT,
OWNER-OPERATOR INDEPENDENT DRIVERS ASSOCIATION, FROM
HON. JESÚS G. “CHUY” GARCÍA

Question 1. One of the things that concerns me is the claim by some that bigger trucks would help solve any supply chain or perceived driver shortage. It is my understanding that you have some information on this. Can you share with the committee any data on support you have for this claim?

ANSWER. According to the U.S. Department of Transportation’s (USDOT) 2015 Comprehensive Truck Size and Weight Limits Study, the crash involvement rate for the six-axle alternative truck configurations in Idaho, Michigan, and Washington state were consistently higher than the rate for the five-axle control truck. For Washington state, the crash rate for six-axle trucks was 47% higher than the control truck, while Idaho’s crash involvement was 99% higher and Michigan’s was 400%. The study concluded that a 91,000 lb., six-axle configuration would negatively affect more than 4,800 bridges, costing \$1.1 billion.

A 2013 study found that double-trailer trucks have an 11 percent higher fatal crash rate than single-trailer trucks. The higher crash rates are consistent with DOT findings in the 2016 study that longer double-trailer trucks would take 22 feet longer to stop than current twin-trailer trucks on the road today, and heavier and longer trucks had higher out-of-service rates than 80,000-pound trucks.

Additionally, DOT found that increasing truck weight by only ten percent over the current 80,000-pound limit would increase bridge damage by 33%. Heavier and longer trucks would almost certainly mean more trucks on the road as freight is diverted onto our roads from other modes of shipping, creating billions of dollars in new repair and maintenance costs.

From an economic perspective, allowing for increased truck weights benefits only a handful of large or specialized motor carriers, while putting the rest of the industry, especially small businesses, at a disadvantage. Proponents of weight increases portray these new limits as completely optional and maintain that carriers won’t have to haul at these weights if they don’t want to do so. But inevitably these weights become the new standard as businesses and shippers seek out carriers that offer the increased capacity.

Small trucking businesses would be pressured to increase their hauling capacity just to stay competitive. A conservative cost estimate for a small carrier is \$10,500 per truck to upgrade an axle configuration to haul at 91,000 pounds. Unlike specialized or large carriers, who either possess the necessary equipment or could transition their fleets over time while maintaining business, smaller trucking companies and owner-operators would be forced to immediately modify their equipment at great cost just to remain viable. Unfortunately, previous weight and length configuration increases have demonstrated bigger trucks don’t lead to higher paychecks for professional drivers.

Finally, and most importantly, increases to truck weight limits should not be pursued to address any alleged “driver shortage.” Contrary to what is repeated by large carriers, there is no shortage of drivers or CDL-holders. The notion of a driver shortage is not supported by facts, data, or reputable research. Instead, there is a shortage of decent pay and satisfactory working conditions for drivers that generates exceedingly high levels of turnover within the industry and ultimately forces many truckers away.

○