Statement of

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Committee on Transportation and Infrastructure

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Building a 21st Century Infrastructure for America:
Long-Term Funding for Highways and Transit Programs

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Chairman Graves, Ranking Member Norton, and members of the subcommittee, thank you for giving the American Trucking Associations (ATA)[1] an opportunity to testify on the need for a long-term, sustainable funding solution for the Nation's surface transportation infrastructure. That we are having this discussion today, more than two years away from the expiration of the FAST Act, is both highly unusual and exceedingly welcome. It is a testament to the leadership shown by both this committee and by President Trump, who for the first time in decades has placed the power of his office behind a push for more infrastructure investment. I hope that Congress is able to take advantage of the momentum that the President has created and passes legislation that addresses the looming shortfall facing the Highway Trust Fund before state and local transportation agencies are forced to take drastic measures in anticipation of a federal transportation funding crisis.

Trucking is the fulcrum point in the United States' supply chain. This year, our industry will move 71 percent of the Nation's freight tonnage.[2] In 2012 the goods moved by trucks were worth more than $10 trillion.[3] Furthermore, the trucking industry employs 7.4 million people, accounting for every 1 in 16 jobs in the U.S. "Truck driver" is the top job in 29 states.

Without trucks, our cities, towns and communities would lack access to food and drinking water; there would be no clothes to buy, and no parts to build automobiles or fuel to power them. The rail, air and water intermodal sectors would not exist in their current form without the trucking industry to support them. Trucks are central to our Nation's economy and our way of life, and every time the government makes a decision that affects the trucking industry, those impacts are also felt by every American and by the millions of businesses that could not exist without trucks.

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

Mr. Chairman, we are once more on the cusp of a transformation in the movement of freight, one that you and your colleagues will greatly influence. Radical technological change will, in the near future, allow trucks to move more safely and efficiently, and with less impact on the environment, than we ever dared to imagine. Yet we are facing headwinds, due almost entirely to government

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

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

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

action or, in some cases, inaction, that will slow or cancel out entirely the benefits of innovation. Shortsighted attempts to prevent the trucking industry from utilizing new technology will make driving jobs less safe, not preserve them. Failure to maintain and improve the highway system that your predecessors helped to create will destroy the efficiencies that have enabled U.S. manufacturers and farmers to continue to compete with countries that enjoy far lower labor and regulatory costs. Eradicating trade policies that have created a North American trading bloc that has benefited all three countries will severely hamper our industry's customers' ability to compete globally. And federal inaction to ensure that truly cost-beneficial regulations enable the efficient movement of interstate freight will unnecessarily add costs to every delivery.

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

CONDITION OF THE HIGHWAY SYSTEM

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

The Highway Trust Fund (HTF), the primary source of federal revenue for highway projects, safety programs and transit investments, is projected to run short of the funds necessary to maintain current spending levels by FY2021.[9] While an average of approximately $40 billion per year is expected to be collected from highway users over the next decade, at least $60 billion will be required annually to prevent significant reductions in federal aid for critical projects and programs.[10] It should be noted that a $60 billion annual average federal investment *still* falls well short of the resources necessary to provide the federal share of the expenditure needed to address the Nation's surface transportation safety, maintenance and capacity needs.[11] According to the

[4] *Bumpy Roads Ahead: America's Roughest Rides and Strategies to make our Roads Smoother,* The Road Information Program, Nov. 2016; see also *2015 Urban Mobility Scorecard.* Texas Transportation Institute, Aug. 2015.
[5] *Cost of Congestion to the Trucking Industry: 2017 Update*. American Transportation Research Institute, May 2017.
[6] *Ibid.*
[7] *Roadway Safety Guide*. Roadway Safety Foundation, 2014.
[8] *Ibid.*
[9] *Projections of Highway Trust Fund Accounts – CBO's June 2017 Baseline*, Congressional Budget Office.
[10] *Ibid.*
[11] *2015 Status of the Nation's Highways, Bridges, and Transit: Conditions & Performance*. USDOT, Dec. 2016; see also *2017 Infrastructure Report Card*. American Society of Civil Engineers, 2017.

American Society of Civil Engineers, the U.S. spends less than half of what is necessary to address these needs. As the investment gap continues to grow, so too will the number of deficient bridges, miles of roads in poor condition, number of highway bottlenecks and, most critically, the number of crashes and fatalities attributable to inadequate roadways.

BUILD AMERICA FUND

ATA's proposed solution is the Build America Fund. The BAF would be supported with a new 20 cent per gallon fee built into the price of transportation fuels collected at the terminal rack, to be phased in over four years. The fee will be indexed to both inflation and improvements in fuel efficiency, with a five percent annual cap. We estimate that the fee will generate nearly $340 billion over the first 10 years. It will cost the average passenger vehicle driver just over $100 per year once fully phased in.[12]

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

Second, a new National Priorities Program (NPP) would be funded with an annual allocation of $5 billion, plus an annual increase equivalent to the percentage increase in BAF revenue. Each year, the U.S. Department of Transportation would determine the location of the costliest highway bottlenecks in the nation and publish the list.[13] Criteria could include the number of vehicles; amount of freight; congestion levels; reliability; safety; or, air quality impacts. States with identified bottlenecks could apply to USDOT for project funding grants on a competitive basis. Locations could appear on the list over multiple years until they are addressed.

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

ATA believes that this approach would give state and local transportation agencies the long-term certainty and revenue stability they need to maintain and begin to improve their surface transportation systems. They should not be forced to resort to costly, inefficient practices – such as deferred maintenance – necessitated by the unpredictable federal revenue streams that have become all too common since 2008. Furthermore, while transportation investment has long-term benefits that extend beyond the initial construction phase, it is estimated that our proposal would add nearly half a million annual jobs related to construction nationwide, including more than

[12] Federal Highway Administration, *Highway Statistics 2016*, Table VM-1. Average light-duty vehicle consumed 522 gallons of fuel.
[13] For examples of freight bottlenecks that could be eligible see: http://atri-online.org/wp-content/uploads/2017/01/2017-ATRI-Bottleneck-Brochure.pdf

11,000 jobs in Missouri and nearly 2,000 jobs in Washington, D.C. (see Appendix A for a full list of state-specific employment figures).[14]

The fuel user fee is the most immediate, cost-efficient and conservative mechanism currently available for funding surface transportation projects and programs. Collection costs are less than one percent of revenue.[15] Our proposal will not add to the federal debt or force states to resort to detrimental methods that could jeopardize their bond ratings. Unlike other approaches that simply pass the buck to state and local governments by giving them additional "tools" to debt-finance their infrastructure funding shortfalls for the few projects that qualify, the BAF will generate <u>real</u> money that can be utilized for <u>any</u> federal-aid project.

Mr. Chairman, while some have suggested that a fuel user fee is regressive, the economic harm of failing to enact our proposal will be far more damaging to motorists. The $100 per year paid by the average car driver under this proposal pales in comparison with the $1,500 tax they now pay annually due to additional vehicle maintenance, lost time and wasted fuel that has resulted from underinvestment in our infrastructure. Borrowing $20 billion a year from China to debt finance the HTF funding gap, a cost imposed on current and future generations of Americans who will be forced to pay the interest, is far more regressive than the modest fee needed to avoid further blowing up our already massive national debt. Forcing states to resort to tolls by starving them of federal funds is far more regressive than the $2.00 a week motorists would pay under our proposal. One needs to only look to I-66 in Northern Virginia, where tolls average more than $12.00 roundtrip and can sometimes exceed $46.00, to understand the potential impacts on lower- or middle-income Americans.[16] To put this into perspective, even if motorists only paid the average toll, the cost of a 10-mile trip over an eight day period on I-66 would be equivalent to their cost for an entire year under ATA's BAF proposal for all roads and bridges.

Furthermore, some groups have pointed out the annual rise in household expenses that would be incurred with a 25 cent increase in the gasoline tax as a reason to oppose such user fee increases.[17] What these groups fail to mention is that while the average household cost would be approximately $273 per year, $2,818 is lost per household annually due to vehicle maintenance costs as a result of poorly maintained roads, and lost time and fuel due to congestion.

ALTERNATIVE REVENUE SOURCES

We believe that the fuel user fee is the most fair and efficient method for funding highways. Just 0.2 percent of fuel tax revenue goes to collection costs.[18] We are willing to consider other funding options, provided they meet the following criteria:

- Be easy and inexpensive to pay and collect;
- Have a low evasion rate;
- Be tied to highway use; and

[14] *A Framework for Infrastructure Funding.* American Transportation Research Institute, Nov. 2017.
[15] *Ibid.*
[16] http://www.66expresslanes.org/documents/66_express_lanes_january_2018_performance_ereport.pdf
[17] https://freedompartners.org/wp-content/uploads/2018/02/GasTaxByState.pdf
[18] *Ibid.*

- Avoid creating impediments to interstate commerce.

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

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

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

FUTURE REVENUE SOURCES

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

THE ADMINISTRATION'S INFRASTRUCTURE PROPOSAL

ATA is encouraged by the President's focus on infrastructure, and we are thankful that it is a stated priority. However, we are troubled by certain aspects of the proposal.[19]

Most disturbing is the lack of a solution to address the HTF shortfall, although we are encouraged by reports that President Trump is open to supporting an increase in the fuel tax. Reducing the federal commitment puts the Nation on a path toward devolution of responsibility for improving the highway system to state and local governments. There are very good reasons for continued federal financial support of highway investment. The U.S. Constitution charges the federal government with responsibility for ensuring the free movement of interstate commerce, and such movement is not possible without an efficient roadway network. Some argue that with completion of the Interstate system, the federal government no longer has a valid reason to maintain a significant role in providing financial support for highway improvements. However, this belies the fact that the federal government has an interest in ensuring that the system is not only properly maintained, but also expanded, to accommodate economic and population growth, for the same reasons that it led the construction of the network in the first place. Mr. Chairman, there is a commonly used mantra that is applicable here: "hope is not a strategy." The federal government cannot on the one hand establish a policy goal of promoting safer, more efficient surface transportation systems and then hope that others will fill the funding gap when it fails to provide the resources necessary to achieve these objectives.

Half of the proposal's funding would be used for a new discretionary program to fund multiple infrastructure asset classes. The minimum required match from recipients is 80%. However, because 70% of the evaluation criteria is tied to the amount of the non-federal contribution, it is likely that the actual non-federal share will be higher than 80% for most projects as applicants effectively attempt to outbid each other in a type of blind auction.

It is ironic that a proposal that claims as a guiding principal that "States and localities are best equipped to understand the infrastructure investments needs of their communities" has adopted a strategy that would actually shift decision-making from local decision-makers to the federal bureaucracy. Under the current Federal-Aid Highway Program (FAHP) virtually all of the money flowing from the FAHP is apportioned directly to state and local governments, who have very wide discretion on how the funds are spent. In contrast, under the White House proposal the disposition of the discretionary money will be determined by the policies and subjective preferences of whichever administration happens to be in power at the time.

We are also very concerned with the proposal's statement in support of eliminating federal restrictions on Interstate tolls. Toll collection costs are significantly greater than the cost of collecting other user fees.[20] Furthermore, tolls cause motorists to use alternative routes that are generally less safe and not as well constructed. ATA strongly opposes expansion of Interstate tolling authority and we support rolling back existing exceptions to the current restrictions on tolling existing Interstates (other than HOV lanes). We cannot support any transportation proposal that so radically alters the treatment of Interstate tolls. Congress has for decades

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[19] *Legislative Outline for Rebuilding Infrastructure in America*, 2018. The White House.

[20] *Ibid.*

recognized the need for restrictions on tolling authority in order to maintain the efficient flow of interstate traffic and we strongly encourage the subcommittee to roll back, not expand, Interstate highway tolling authority.

Much of the Administration's proposal's anticipated funding derives from an expectation that a very significant amount of non-federal revenue will be leveraged using various financing instruments that are bolstered under the plan. However, few highway projects are likely to qualify for this type of financing, primarily due to a lack of sufficient traffic necessary to generate the revenue needed to attract private investment. It is also important to keep in mind that private investment is not free money. Whether through tolls or another revenue source, taxpayers will ultimately bear all of the costs, including financing costs and the profits that accrue to the private partners.

The Administration's proposal also promotes asset recycling, which involves a long-term lease of publicly owned infrastructure assets to investors in exchange for an upfront payment. In the U.S., similar schemes were used for long-term leases of the Indiana Toll Road and Chicago Skyway a decade ago. In both cases, toll rates skyrocketed, with little or no benefit for the users of those facilities. ATA will oppose any proposal that incentivizes asset recycling of highway infrastructure, although we have not taken a position on the use of this strategy for non-highway assets.

While we applaud the Administration for elevating the debate on infrastructure investment, real money is needed to address the country's infrastructure investment shortfall. No amount of state flexibility to toll Interstates or commercialize rest areas will plug the $15-$20 billion hole looming over the HTF. ATA does, however, support the Administration's efforts to streamline the environmental review process, which currently adds unnecessary time and cost to many federal-aid projects.

FREIGHT TRANSPORTATION IMPROVEMENT

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

Importance of the Federal Role

The federal government has a critical role to play in the supply chain. Freight knows no borders, and the constraints of trying to improve the movement of freight without federal funding and coordination will create a drag on all freight providers' ability to serve national and international needs. As the maps in Appendix B show, trucks move products to and from the far corners of the country, and serve international markets as well.

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

FREIGHT INTERMODAL CONNECTORS

Freight intermodal connectors – those roads that connect ports, rail yards, airports and other intermodal facilities to the National Highway System – are publicly owned. And while they are an essential part of the freight distribution system, many are neglected and are not given the attention they deserve given their importance to the Nation's economy. Just nine percent of connectors are in good or very good condition, 19 percent are in mediocre condition and 37 percent are in poor condition.[21] Not only do poor roads damage both vehicles and the freight they carry, but the Federal Highway Administration found a correlation between poor roads and vehicle speed. Average speed on a connector in poor condition was 22 percent lower than on connectors in fair or better condition.[22] FHWA further found that congestion on freight intermodal connectors causes 1,059,238 hours of truck delay annually and 12,181,234 hours of automobile delay.[23] Congestion on freight intermodal connectors adds nearly $68 million to freight transportation costs each year.[24]

One possible reason connectors are neglected is that the vast majority of these roads – 70 percent – are under the jurisdiction of a local or county government.[25] Yet, these roads are serving critical regional or national needs well beyond the geographic boundaries of the jurisdictions that have responsibility for them, and these broader benefits may not be factored into the local jurisdictions' spending decisions. While connectors are eligible for FAHP funding, it is clear that this is simply not good enough. We urge Congress to set aside adequate funding for freight intermodal connectors to ensure that these critical arteries are given the attention and resources they deserve.

MAP 21 AND FAST ACT FREIGHT PROVISIONS

We are grateful to the subcommittee for supporting the inclusion of significant freight provisions in the most recent authorization bills. These new programs recognize the centrality of freight

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[21] *Freight Intermodal Connectors Study*. Federal Highway Administration, April 2017.
[22] *Ibid.*
[23] *Ibid.*
[24] *An Analysis of the Operational Costs of Trucking: 2016 Update*. American Transportation Research Institute, May 2017. Estimates average truck operational cost of $63.70 per hour.
[25] *Ibid*.

transportation to the federal-aid program. We encourage Congress to build on this progress in future legislation.

Most notably, the FAST Act established the Nationally Significant Freight and Highway Projects (NSFHP) program, which provided $4.5 billion in dedicated discretionary funds specifically for projects that improve freight transportation safety and mobility. We encourage Congress to continue the program with at least as much funding as was provided by the FAST Act. We also suggest narrowing the eligibility criteria to ensure that the most critical projects receive funding and that selected projects are truly those that serve significant freight transportation purposes. We oppose lowering existing cost thresholds or increasing the amount of funding available for non-highway projects.

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

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

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

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

2. The NFSP suggests the establishment of a new multimodal freight funding program. While ATA could support the general concept under the right circumstances, we are concerned about how such a program would be funded and how the revenue would be distributed. Today, the vast majority of freight user-fee revenue comes from the trucking industry, with a significantly smaller amount of revenue coming from airfreight and

waterborne freight transportation sources. Freight railroads do not pay any user fees at all and have consistently opposed the imposition of fees. Any multimodal freight fund that derives its revenue wholly or partially from user fees is therefore likely to create an imbalance in the amount of revenue contributed by the trucking industry and the benefit the trucking industry gets from its investment. It would be both inappropriate and unfair to force the trucking industry to subsidize other freight modes, particularly if those modes compete with trucking companies. We are also concerned about the potential distribution of a freight funding program whose revenue comes from General Fund or other non-user fee revenue. Based on past experience with TIGER and similar programs, it is apparent that the money is more likely to be invested according to an administration's policy goals than based on an unbiased assessment of national needs.

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

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

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

TRUCK DRIVER PARKING SHORTAGE

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

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

ADDITIONAL PRODUCTIVITY IMPEDIMENTS

It is helpful to understand the full range of productivity constraints we are facing in the context of addressing infrastructure-related impediments. There are a host of actions that Congress can take to improve freight mobility without compromising important societal goals such as safety and air quality.

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

Automated Technology in Trucking

Automated vehicle technologies have the potential to dramatically impact nearly all aspects of the trucking industry. These technologies can bring benefits in the areas of safety, environment, productivity, efficiency, and driver health and wellness. The safety gains achievable by removing human error, a factor in 94 percent of all vehicle crashes,[26] could be transformative in reducing fatalities and injuries on our roadways, as well as in preventing even minor crashes, which would reduce traffic congestion and pollution, providing additional economic and societal benefits. This technology can also help to alleviate the truck driver shortage and prevent driver fatigue.

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

In addition, ATA sees great potential for vehicle connectivity using the 5.9 GHz Safety Spectrum to improve the performance of automated vehicles. Vehicle-to-vehicle (V2V) and vehicle-to-infrastructure (V2I) communication using the Safety Spectrum can save lives and reduce traffic congestion and vehicle emissions. The benefits of V2V/V2I technology will grow when coupled with automated vehicle technology, and vice versa. As the Federal Communications Commission (FCC) considers action that would allow other uses of the 5.9 GHz spectrum that was allocated for V2V and V2I communication, we believe it is important that any decisions over sharing the Safety Spectrum should be driven first and foremost by public safety, preserving all seven

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

channels of spectrum for safety. The FCC should take no action that could jeopardize the vehicle safety initiatives that the DOT is pursuing with this spectrum.

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

CONCLUSIONS

Mr. Chairman, over the next decade, freight tonnage is projected to grow by more than 40 percent.[27] The trucking industry is expected to carry more than two-thirds of the Nation's freight in 2028. It will be tasked with hauling 3.2 billion *more* tons of freight in 2028 than it moved this year.[28] Without federal support and cooperation, the industry will find it extremely difficult to meet these demands at the price and service levels that its customers, American businesses, need to compete globally. It is imperative to our Nation's economy and security that Congress, working with the Administration, invest in critical highway freight infrastructure and make the reforms necessary to create an improved regulatory environment that fosters greater safety and efficiency in our supply chain.

The trucking industry, and especially truck drivers, understands the importance of safe and efficient highways like nobody else. Roads and bridges are our workplace, and we cannot properly serve the needs of the Nation if elected officials continue to allow highways to fall into greater neglect. The trucking industry already pays nearly half the user fees into the HTF and we are willing to invest more. To us and most Americans this is not an ideological debate. It is simply a decision about whether we make the investments necessary to remain competitive and prevent needless injuries and deaths or continue on the current path.

Mr. Chairman, on January 6, 1983, President Ronald Reagan, in signing into law legislation that increased the federal fuel tax, said:

> *Today . . . America ends a period of decline in her vast and world-famous transportation system . . . . [We] can now ensure for our children a special part of their heritage—a network of highways and mass transit that has enabled our commerce to thrive, our country to grow, and our people to roam freely and easily to every corner of our land.*

That bill was supported by 261 Members of the House, including a majority of both Republicans and Democrats. Roads and bridges know no political party…we all drive on them. It is time for elected officials to put aside partisan politics and regional differences and fulfill the promise to the American people expressed so eloquently by President Reagan.

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

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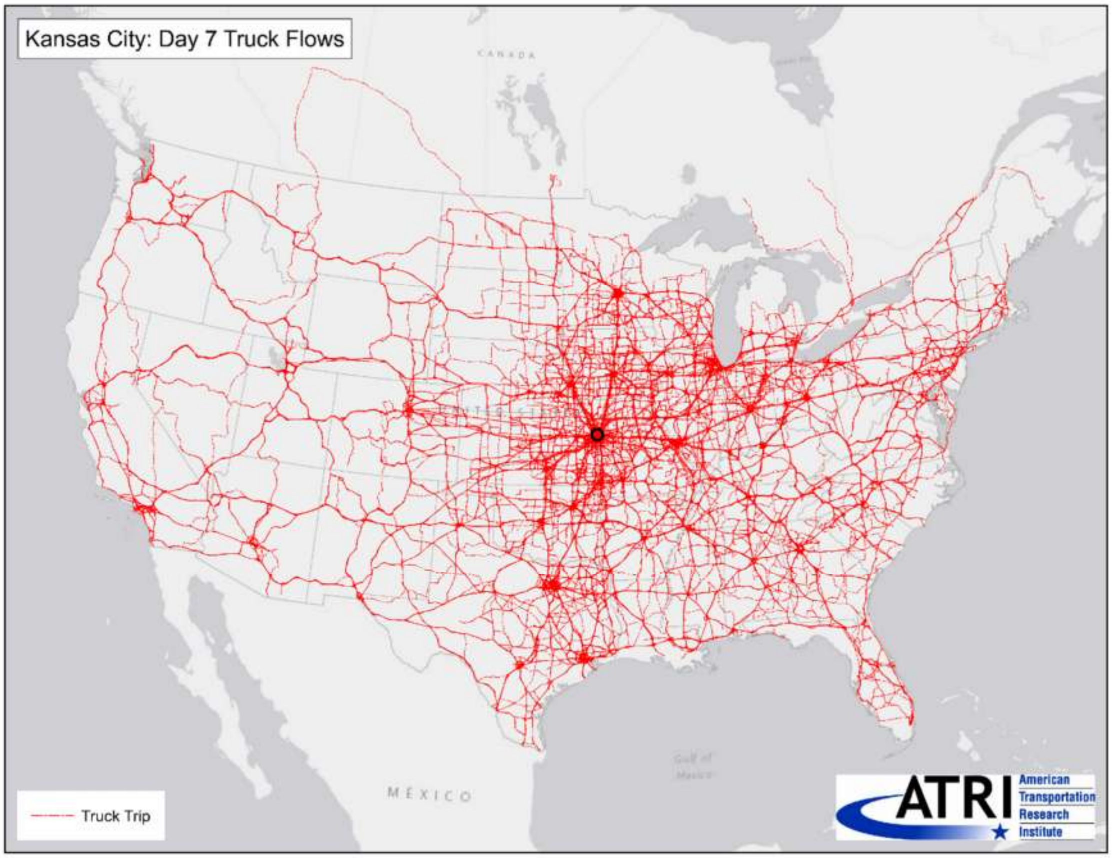
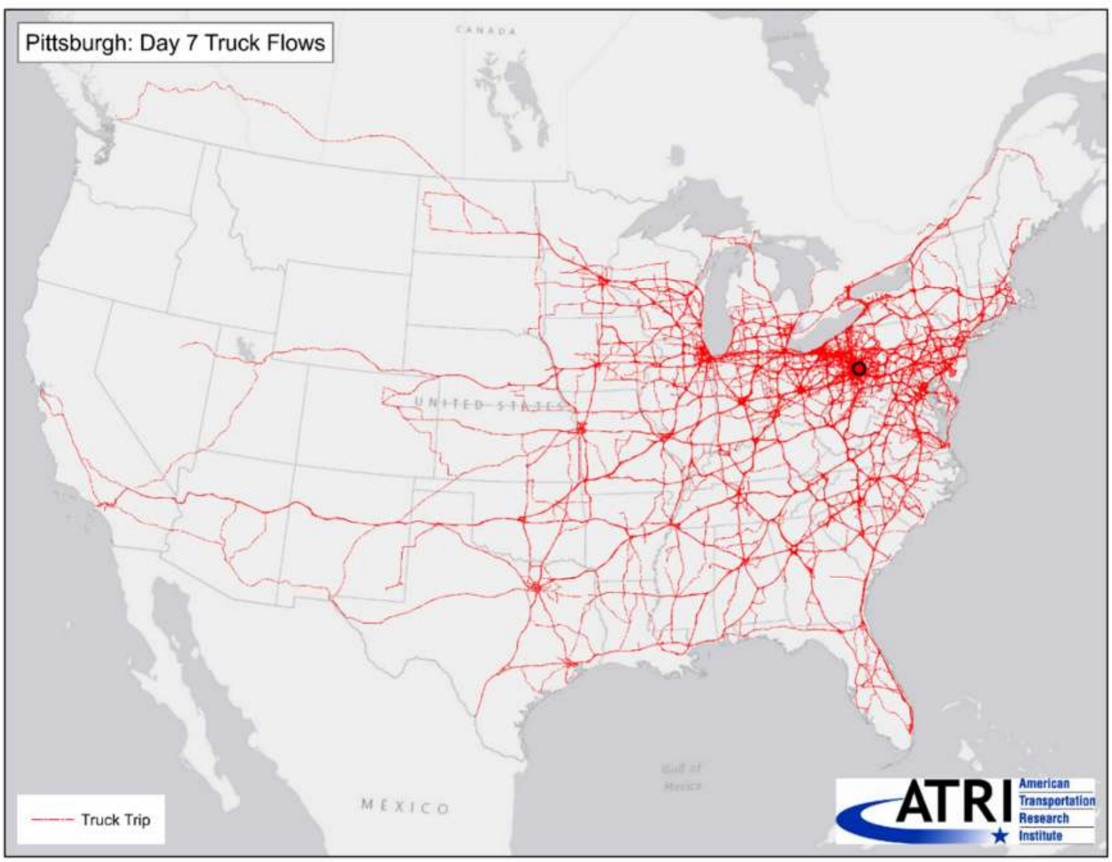
[27] *Freight Transportation Forecast 2017-2028*. IHS Global Insight, 2017.
[28] *Ibid.*

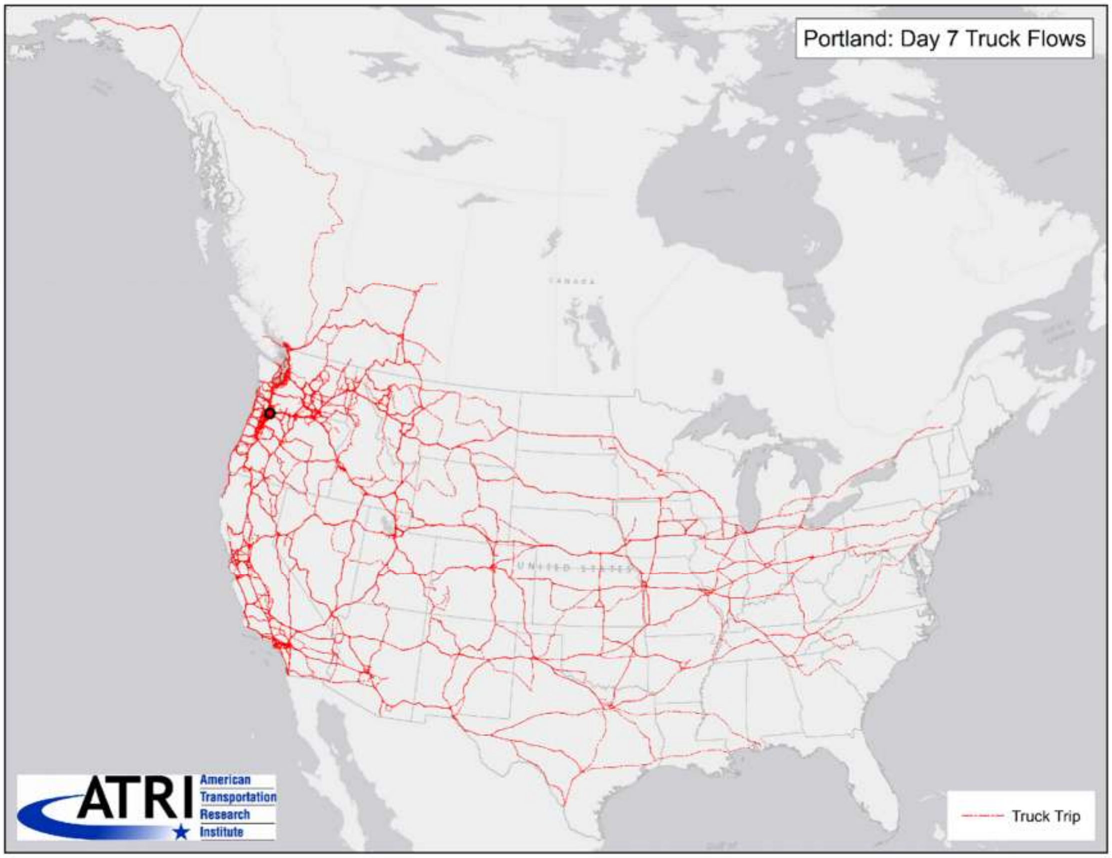
APPENDIX A: FUNDING IMPACT MATRIX - ANNUAL STATE-LEVEL JOB AND REVENUE INCREASES RESULTING FROM FEDERAL FUEL TAX INCREASES

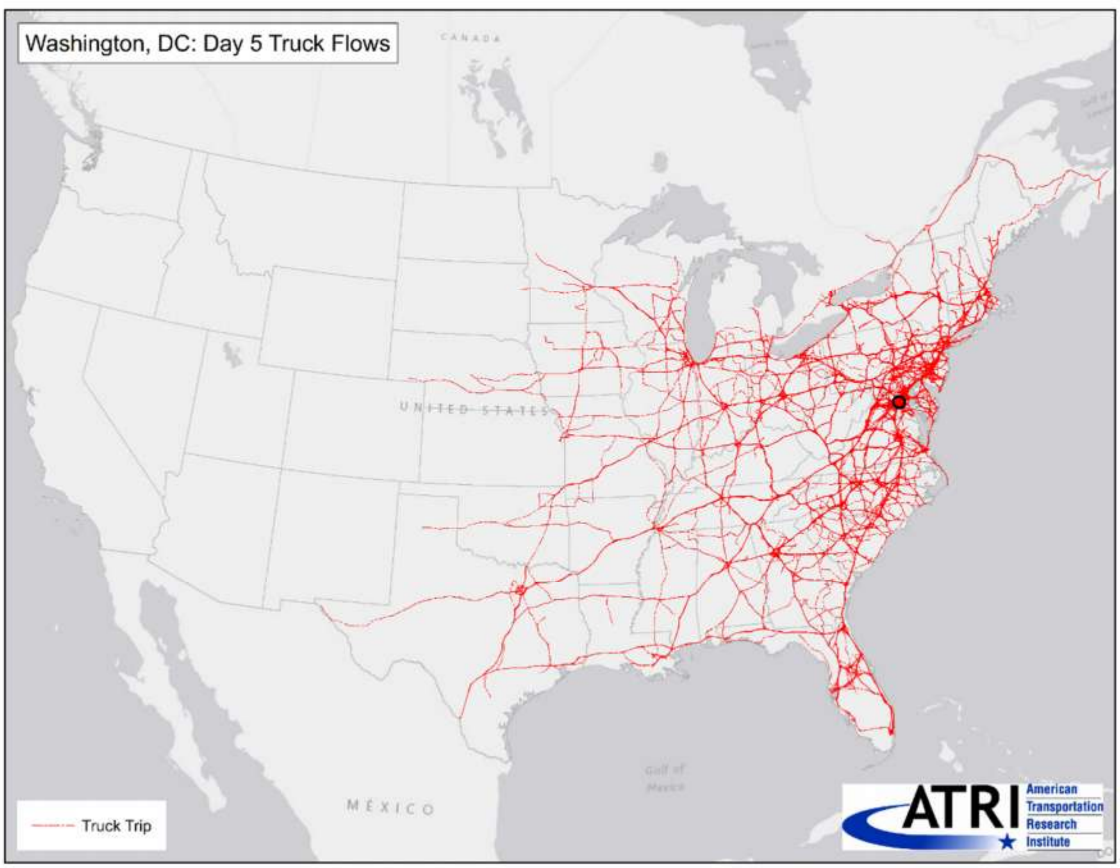
	Current Annual Allocation		Twenty Cent - Increase Federal Motor Fuels Tax Annual Benefits				Twenty Five Cent - Increase Federal Motor Fuels Tax Annual Benefits			
STATE	FAST ACT Apportioned Funds (in milions)	Percent of Total	Additional $30 Billion Federal Funding (in millions)	State Match (20%) (in millions)	Total New Funds (in millions)	# of Jobs	Additional $37.25 Billion Federal Funding (in millions)	State Match (20%) (in millions)	Total New Funds (in millions)	# of Jobs
ALABAMA	$ 770	1.9%	$ 581	$ 116	$ 697	9,067	$ 722	$ 144	$ 866	11,258
ALASKA	$ 509	1.3%	$ 384	$ 77	$ 461	5,992	$ 477	$ 95	$ 572	7,440
ARIZONA	$ 742	1.9%	$ 560	$ 112	$ 673	8,744	$ 696	$ 139	$ 835	10,857
ARKANSAS	$ 525	1.3%	$ 397	$ 79	$ 476	6,187	$ 492	$ 98	$ 591	7,682
CALIFORNIA	$ 3,723	9.4%	$ 2,812	$ 562	$ 3,374	43,862	$ 3,491	$ 698	$ 4,189	54,462
COLORADO	$ 542	1.4%	$ 410	$ 82	$ 492	6,390	$ 509	$ 102	$ 610	7,935
CONNECTICUT	$ 509	1.3%	$ 385	$ 77	$ 462	6,002	$ 478	$ 96	$ 573	7,453
DELAWARE	$ 172	0.4%	$ 130	$ 26	$ 156	2,022	$ 161	$ 32	$ 193	2,510
DIST. OF COL.	$ 162	0.4%	$ 122	$ 24	$ 147	1,907	$ 152	$ 30	$ 182	2,368
FLORIDA	$ 1,922	4.8%	$ 1,451	$ 290	$ 1,742	22,642	$ 1,802	$ 360	$ 2,163	28,114
GEORGIA	$ 1,310	3.3%	$ 989	$ 198	$ 1,187	15,430	$ 1,228	$ 246	$ 1,474	19,159
HAWAII	$ 172	0.4%	$ 130	$ 26	$ 155	2,021	$ 161	$ 32	$ 193	2,510
IDAHO	$ 290	0.7%	$ 219	$ 44	$ 263	3,418	$ 272	$ 54	$ 326	4,244
ILLINOIS	$ 1,442	3.6%	$ 1,089	$ 218	$ 1,307	16,990	$ 1,352	$ 270	$ 1,623	21,097
INDIANA	$ 967	2.4%	$ 730	$ 146	$ 876	11,387	$ 906	$ 181	$ 1,088	14,139
IOWA	$ 499	1.3%	$ 376	$ 75	$ 452	5,873	$ 467	$ 93	$ 561	7,292
KANSAS	$ 383	1.0%	$ 289	$ 58	$ 347	4,516	$ 359	$ 72	$ 431	5,607
KENTUCKY	$ 674	1.7%	$ 509	$ 102	$ 611	7,940	$ 632	$ 126	$ 758	9,859
LOUISIANA	$ 712	1.8%	$ 538	$ 108	$ 645	8,387	$ 668	$ 134	$ 801	10,414
MAINE	$ 187	0.5%	$ 141	$ 28	$ 170	2,206	$ 176	$ 35	$ 211	2,739
MARYLAND	$ 610	1.5%	$ 460	$ 92	$ 552	7,181	$ 572	$ 114	$ 686	8,917
MASSACHUSETTS	$ 616	1.6%	$ 465	$ 93	$ 558	7,258	$ 578	$ 116	$ 693	9,012
MICHIGAN	$ 1,068	2.7%	$ 807	$ 161	$ 968	12,582	$ 1,001	$ 200	$ 1,202	15,623
MINNESOTA	$ 661	1.7%	$ 500	$ 100	$ 599	7,793	$ 620	$ 124	$ 744	9,676
MISSISSIPPI	$ 491	1.2%	$ 370	$ 74	$ 445	5,780	$ 460	$ 92	$ 552	7,177
MISSOURI	$ 960	2.4%	$ 725	$ 145	$ 870	11,313	$ 900	$ 180	$ 1,081	14,047
MONTANA	$ 416	1.0%	$ 314	$ 63	$ 377	4,903	$ 390	$ 78	$ 468	6,088
NEBRASKA	$ 293	0.7%	$ 221	$ 44	$ 266	3,454	$ 275	$ 55	$ 330	4,289
NEVADA	$ 368	0.9%	$ 278	$ 56	$ 334	4,339	$ 345	$ 69	$ 414	5,388
NEW HAMPSHIRE	$ 168	0.4%	$ 127	$ 25	$ 152	1,974	$ 157	$ 31	$ 189	2,452
NEW JERSEY	$ 1,013	2.5%	$ 765	$ 153	$ 918	11,932	$ 950	$ 190	$ 1,140	14,816
NEW MEXICO	$ 372	0.9%	$ 281	$ 56	$ 338	4,389	$ 349	$ 70	$ 419	5,449
NEW YORK	$ 1,703	4.3%	$ 1,286	$ 257	$ 1,543	20,059	$ 1,597	$ 319	$ 1,916	24,907
NORTH CAROLINA	$ 1,058	2.7%	$ 799	$ 160	$ 959	12,464	$ 992	$ 198	$ 1,190	15,476
NORTH DAKOTA	$ 252	0.6%	$ 190	$ 38	$ 228	2,967	$ 236	$ 47	$ 283	3,684
OHIO	$ 1,360	3.4%	$ 1,027	$ 205	$ 1,232	16,019	$ 1,275	$ 255	$ 1,530	19,890
OKLAHOMA	$ 643	1.6%	$ 486	$ 97	$ 583	7,579	$ 603	$ 121	$ 724	9,411
OREGON	$ 507	1.3%	$ 383	$ 77	$ 459	5,973	$ 475	$ 95	$ 571	7,417
PENNSYLVANIA	$ 1,664	4.2%	$ 1,257	$ 251	$ 1,508	19,608	$ 1,561	$ 312	$ 1,873	24,346
RHODE ISLAND	$ 222	0.6%	$ 168	$ 34	$ 201	2,614	$ 208	$ 42	$ 250	3,245
SOUTH CAROLINA	$ 679	1.7%	$ 513	$ 103	$ 616	8,002	$ 637	$ 127	$ 764	9,936
SOUTH DAKOTA	$ 286	0.7%	$ 216	$ 43	$ 259	3,370	$ 268	$ 54	$ 322	4,185
TENNESSEE	$ 857	2.2%	$ 647	$ 129	$ 777	10,098	$ 804	$ 161	$ 965	12,539
TEXAS	$ 3,501	8.8%	$ 2,644	$ 529	$ 3,173	41,250	$ 3,283	$ 657	$ 3,940	51,219
UTAH	$ 352	0.9%	$ 266	$ 53	$ 319	4,150	$ 330	$ 66	$ 396	5,153
VERMONT	$ 206	0.5%	$ 155	$ 31	$ 187	2,425	$ 193	$ 39	$ 232	3,012
VIRGINIA	$ 1,032	2.6%	$ 780	$ 156	$ 935	12,161	$ 968	$ 194	$ 1,162	15,100
WASHINGTON	$ 688	1.7%	$ 519	$ 104	$ 623	8,101	$ 645	$ 129	$ 774	10,059
WEST VIRGINIA	$ 443	1.1%	$ 335	$ 67	$ 402	5,223	$ 416	$ 83	$ 499	6,485
WISCONSIN	$ 763	1.9%	$ 576	$ 115	$ 692	8,992	$ 716	$ 143	$ 859	11,165
WYOMING	$ 260	0.7%	$ 196	$ 39	$ 235	3,061	$ 244	$ 49	$ 292	3,801
TOTAL	$ 39,724	100.0%	$ 30,000	$ 6,000	$ 36,000	468,000	$ 37,250	$ 7,450	$ 44,700	581,100

APPENDIX B: TRUCK FLOWS AFTER 7 DAYS FROM CITY OF ORIGIN






Portland: Day 7 Truck Flows
ATRI
American
Transportation
Research
Institute
Truck Trip


Washington, DC: Day 5 Truck Flows
UNITED STATES
MÉXICO
Truck Trip
ATRI
American
Transportation
Research
Institute