Statement of

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Before the

Committee on Ways and Means
United States House of Representatives

Hearing on

Our Nation's Crumbling Infrastructure and
The Need for Immediate Action

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Chairman Neal, Ranking Member Brady, and members of the committee, thank you for providing the American Trucking Associations (ATA)[1] with the opportunity to testify on our nation's infrastructure needs. ATA is an 86-year old federation that represents every sector of the trucking industry, with affiliates in all 50 states. Our federation has members in every Congressional district and every community. More than 80 percent of U.S. communities rely exclusively on trucks for their freight transportation needs. Trucking is the glue that connects all modes in support of the American economy.

The title of this hearing is entirely appropriate. Our infrastructure is not being adequately maintained. It's inefficient, it's dangerous, and Congress is literally months away from losing its best window of opportunity to fix these problems before surface transportation funding reaches a crisis point as the Highway Trust Fund begins to rapidly deplete beginning in FY2021. We hope you will act with the urgency and expediency that this moment requires.

Trucking is the fulcrum point in the United States' supply chain. This year, our industry will move 70 percent of the nation's freight tonnage, and over the next decade will be tasked with moving three billion more tons of freight than it does today while continuing to deliver the vast majority of goods.[2] Trucks haul 98 percent of the freight originating in Massachusetts and two-thirds of the freight delivered from Texas. In 2017, the goods moved by trucks were worth more than $10 trillion.[3] The trucking industry is also a significant source of employment, with 7.7 million people working in various occupations, accounting for every 1 in 18 jobs in the U.S.[4] Furthermore, "truck driver" is the top job in 29 states.[5]

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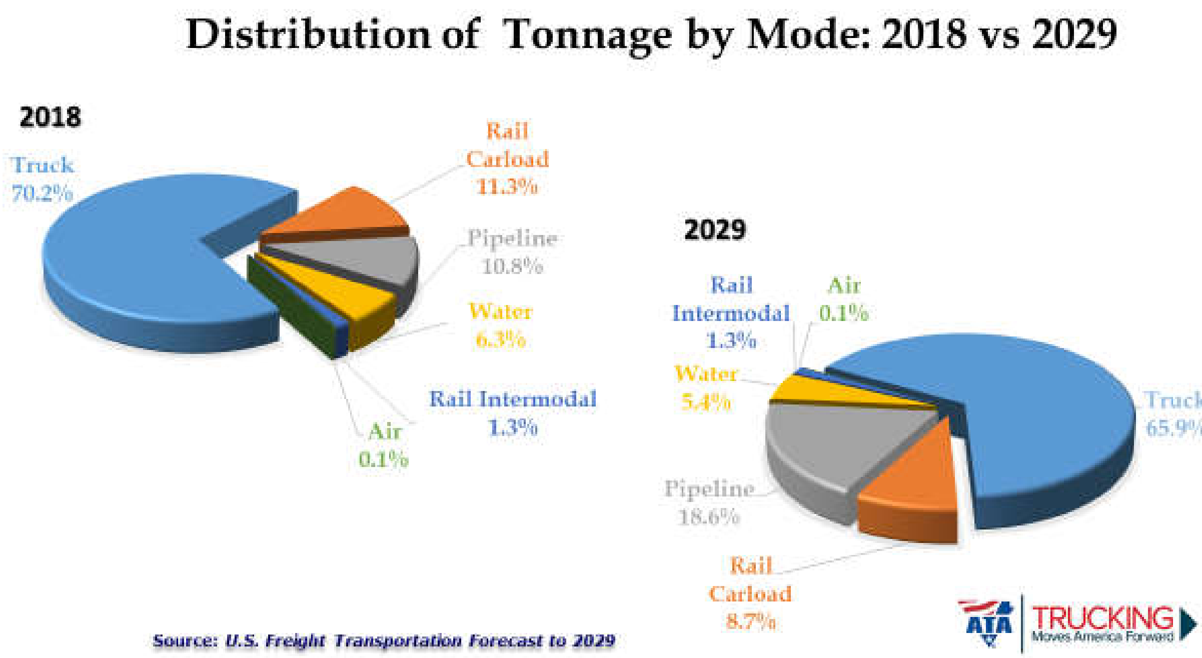
[1] *American Trucking Associations is the largest national trade association for the trucking industry. Through a federation of 50 affiliated state trucking associations and industry-related conferences and councils, ATA is the voice of the industry America depends on most to move our nation's freight.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

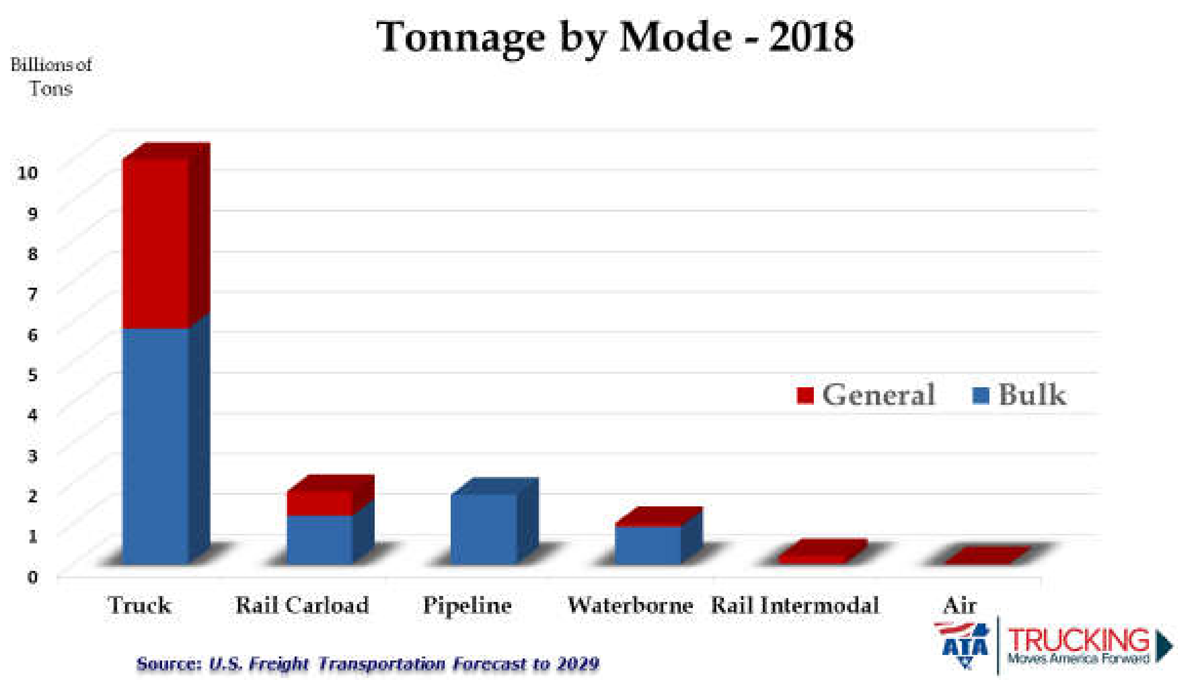
[2] *Freight Transportation Forecast 2018 to 2029*. American Trucking Associations, 2018.

[3] *2017 Commodity Flow Survey Preliminary Report*. U.S. Census Bureau, Dec. 7, 2018.

[4] *American Trucking Trends 2018*, American Trucking Associations.

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





Without trucks, our cities, towns and communities would lack key necessities including food and drinking water; there would not be clothes to purchase, 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 individuals and by the millions of businesses that could not exist without trucks.

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

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 their hands and require government action.

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 all 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 Boston to New York City is no different whether that congestion occurs in either city. There is little advantage to a truck moving a load of cars from the Port of Houston to a dealership in New Orleans if roadway improvements are made around the port, only to experience severe congestion in New Orleans. 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 investments at the expense of local priorities. This is why devolution of funding highway projects to state and local governments cannot and will not address our most important national needs.

We are at a critical point in our country's history, and the decisions made by this committee over the next few months will impact the safety and efficiency of freight transportation for generations. ATA looks forward to working with you to ensure the long-term stability of surface transportation funding, which will greatly benefit the millions of Americans and U.S. businesses who rely on a safe and efficient supply chain.

THE COST OF INACTION

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 is rapidly deteriorating, and costs the average motorist nearly $1,600 a year in higher maintenance and congestion expenses.[6] Highway congestion also adds nearly $75 billion to the cost of freight transportation each year.[7] In 2016, truck drivers sat in traffic for nearly 1.2 billion hours, equivalent to more than 425,000 drivers sitting idle for a year.[8]

These are impacts that serve as a brake on economic growth and job creation nationwide. Mr. Chairman, a first-world economy cannot survive a third-world infrastructure system. As such, the federal government has a Constitutional responsibility to ensure that the resources are available to address this self-imposed and completely solvable situation. The Commerce Clause does not represent an antiquated 18th century ideal; it is what binds us a nation. *E Pluribus Unum* – out of many, one.

Those who support abandoning or curtailing the federal role in surface transportation improvement do so in contempt of the ideals that have made the United States great. They are willing to put aside centuries of precedent in favor of a wager that 50 states will, at their own behest, take the actions that are necessary to prevent further deterioration of a transportation system that binds us together as one nation and allows our economy to thrive. This is especially problematic for low-population, large-area states, which carry large volumes of interstate traffic that benefit the entire nation, but do not have the population base to fund needed improvements. The trucking industry, the backbone of the economy, will not accept this reckless approach, and Congress should reject it as well.

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.[9] In 2011, nearly 17,000 people died in roadway departure crashes, over 50 percent of the total.[10] Many of these fatalities result from collisions with roadside objects, such as trees or poles located close to the roadway.

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.[11] While an average of approximately $42 billion per year is expected to be collected from highway users over the next decade, nearly $60 billion will be required annually to prevent significant reductions in federal aid for critical projects and programs.[12] 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.[13] According to the American Society of Civil Engineers, the U.S. spends less than half of what is necessary to address these needs. As the investment gap continues to grow, so too will the number of deficient

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[6] *Bumpy Road Ahead: America's Roughest Rides and Strategies to make our Roads Smoother,* The Road Information Program, Oct. 2018; *2015 Urban Mobility Scorecard.* Texas Transportation Institute, Aug. 2015.
[7] *Cost of Congestion to the Trucking Industry: 2018 Update*. American Transportation Research Institute, Oct. 2018.
[8] *Ibid.*
[9] *Roadway Safety Guide*. Roadway Safety Foundation, 2014.
[10] *Ibid.*
[11] *Projections of Highway Trust Fund Accounts – CBO's January 2018 Baseline*, Congressional Budget Office.
[12] *Ibid.*
[13] *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.

bridges, miles of roads in poor condition, number of highway bottlenecks and, most critically, the number of crashes and fatalities attributable to inadequate roadways.

While the cost and scale of addressing highway improvement needs is daunting, it is important to note that much of the congestion is focused at a relatively small number of locations. Just 17% of National Highway System (NHS) miles represents 87% of total truck congestion costs nationwide.[14] Many of these locations are at highway bottlenecks that are identified annually by the American Transportation Research Institute. ATRI recently released its annual freight bottleneck report, which identifies the top 100 truck bottlenecks around the country.[15] Massachusetts had three bottlenecks, all in Boston. ATRI found 13 bottlenecks in Texas, including seven in Houston, more than in any other city in the United States. In fact, Houston had as many truck bottlenecks as the entire state of California. While most of the bottlenecks were in large metropolitan areas, the report found trouble spots even in smaller cities like Baton Rouge, LA, San Bernardino, CA, Birmingham, AL, Chattanooga, TN, and Greenville, SC. ATA's highway funding proposal, described below, would adopt a strategy for funding improvements at these costly choke points.

A recently released report[16] by the Transportation Research Board (TRB) requested by Congress focused specifically on the current state and future needs of the Interstate Highway System. This critical network binds our nation together and reaps immeasurable economic and national security benefits for the United States. Most importantly, because interstates are far safer than surface roads, since 1967 its construction has prevented nearly a quarter million people from losing their lives in vehicular crashes.[17] The Interstate Highway System accounts for about one-quarter of all miles traveled by light-duty vehicles and 40 percent of miles traveled by trucks.[18] The TRB report estimates that conservatively, the state and federal investment necessary to address the Interstate system's maintenance and capacity needs will have to double or triple over today's expenditures in the next 20 years.[19]

BUILD AMERICA FUND

ATA's proposed solution to the highway funding crisis is the Build America Fund. The BAF would be supported with a new 20 cent per gallon fee built into the price of transportation fuels collected at the terminal rack, to be phased in over four years. The fee 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.[20]

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[14] *Ibid.*

[15] https://truckingresearch.org/2019/02/06/atri-2019-truck-bottlenecks/

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

[17] *Ibid,* p. 2-18

[18] *Ibid*, p. 2-10.

[19] *Ibid*, p. S-5

[20] Federal Highway Administration, *Highway Statistics 2016*, Table VM-1. Average light-duty vehicle consumed 522 gallons of fuel.

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

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

Second, a new National Priorities Program (NPP) would be funded with an annual allocation of $5 billion, plus an annual increase equivalent to the percentage increase in BAF revenue. Each year, the U.S. Department of Transportation would determine the location of the costliest highway bottlenecks in the nation and publish the list. Criteria could include the number of vehicles; amount of freight; congestion levels; reliability; safety; or, air quality impacts. States with identified bottlenecks could apply to USDOT for project funding grants on a competitive basis. Locations could appear on the list over multiple years until they are addressed.
The funds remaining following the transfer to the HTF and the NPP would be placed into the Local Priorities Program (LPP). Funds would be apportioned to the states according to the same formula established by the Surface Transportation Block Grant Program, including sub-allocation to local agencies. Project eligibility would be the same as the eligibility for the National Highway Freight Program or National Highway Performance Program, for highway projects only.

This approach would give state and local transportation agencies the long-term certainty and revenue stability they need to not only maintain, but also begin to improve their surface transportation systems. They should not be forced to resort to costly, inefficient practices – such as deferred maintenance – necessitated by the unpredictable federal revenue streams that have become all too common since 2008. Furthermore, while transportation investment has long-term benefits that extend beyond the initial construction phase, it is estimated that our proposal would add nearly half a million annual jobs related to construction nationwide, including more than 7,000 jobs in Massachusetts and over 41,000 jobs in Texas (see Appendix A for a full list of state-specific employment figures).[21]

The fuel tax 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.[22] Our proposal will not add to the federal debt or force states to resort to detrimental financing options 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 tax 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 $1,600 they are now

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

forced to pay annually due to additional vehicle maintenance, lost time, and wasted fuel that has resulted from underinvestment in our infrastructure. Borrowing billions of dollars each 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 only look to I-66 in Northern Virginia, where tolls average more than $12.00 per roundtrip and can sometimes exceed $46.00, to understand the potential impacts on lower- or middle-income Americans.[23] 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.

There is a perception that the fuel tax is no longer a viable revenue source due to the availability of electric vehicles and improvements in vehicle fuel efficiency. This notion is belied by the facts. According to the Congressional Budget Office's latest estimates, revenue from fuel taxes will drop less than eight percent over the next decade, or about $3 billion.[24] A modest increase in the fuel tax, or a new fee on alternative fuel vehicles, can easily recover these lost revenues.

Finally, ATA supports repeal of the federal excise tax (FET) on trucking equipment, provided the revenue it generates for the HTF is replaced. This antiquated 12% sales tax, which was adopted in 1917 to defray the costs of World War I, is a barrier to investment in the cleanest, safest trucks available on the market. In fact, when the FET was first adopted, it was applied to all vehicles, and now is imposed only on heavy trucks. Income from the FET has varied widely, mostly in response to economic conditions. Over the past decade revenue has ranged between $1.5 billion during the recession year of 2008 and $4.6 billion in 2015. This variability contributes to mismatches between federal-aid money authorized and revenue available for appropriation. In fact, the first bail-out of the HTF, in 2008, was necessitated largely by an unanticipated drop in FET revenue.

ALTERNATIVE REVENUE SOURCES

The fuel tax is the most fair and efficient method for funding highways. Just 0.2 percent of fuel tax revenue goes to collection costs.[25] However, we are willing to consider other funding options, provided they meet the following criteria:

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

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[23] http://www.66expresslanes.org/documents/66_express_lanes_january_2018_performance_ereport.pdf
[24] Congressional Budget Office, *Budget and Economic Outlook: 2019-2029*, January 2019.
[25] *Ibid.*

While we favor the fuel tax, ATA could 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 $30 billion annually if charged to all motorists, a total that exceeds the amount of revenue currently collected through the federal gasoline tax.

ATA opposes expansion of Interstate highway tolling authority and highway "asset recycling." Interstate tolls are a highly inefficient method of funding highways. One study found that converting all Interstate highways into toll roads would cost more than $55 billion.[26] Tolling also forces traffic onto secondary roads, which are weaker and less safe.

Furthermore, tolls distort the business model for companies that rely on Interstate highway traffic for a significant share of their revenue. Motels, restaurants, truck stops and other roadside establishments would be devastated by the imposition of tolls. Often they are the largest employer in rural areas and small towns, and if they are forced to cut back or close down, this could cause ripple effects through surrounding communities. Nor are the effects likely to be confined to the state that imposes the tolls. In Virginia, for example, the Governor is supporting tolls along the entire length of I-81. These tolls will not only severely hurt businesses in Virginia, but also in neighboring Tennessee, West Virginia and Maryland communities that rely on I-81 for freight services.

In addition, tolls present a strong temptation for states to contrive ways to unfairly shift their revenue burdens disproportionately to out-of-state users to whom they are not politically accountable. Rhode Island's RhodeWorks program is a case in point: the state legislature abused the federal bridge exemption to the general prohibition on tolling federal-aid highways to transform "bridges" like two-lane overpasses into toll facilities, and authorized imposition of tolls *only* on tractor-semitrailers—precisely the vehicles most likely to be engage in interstate commerce—while excluding passenger cars and heavy trucks such as construction vehicles and dump trucks that are more likely to come from in-state. Other states have expressed interest in similarly extorting the interstate trucking industry. To be clear, the trucking industry is committed to paying its fair share of highway costs. But to treat the industry as a piggy bank to avoid fairly distributing the burden is unacceptable—that is why ATA is currently challenging the RhodeWorks program in federal court, as an unconstitutional, discriminatory burden on interstate commerce. But Congress should also act to make clear to states that Rhode Island's cynical exploitation of the bridge exemption undermines the presumption against tolling federally supported roads, and to expressly prohibit states that choose to toll the channels of interstate commerce from doing so in a way that insulates favored in-state users from the impact.

Related to tolls, some have suggested using asset recycling to raise money for infrastructure investment. 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 rates

[26] *Renewing the National Commitment to the Interstate Highway System: A Foundation for the Future (2018).* Transportation Research Board, National Academy of Sciences, p. 6-13.

increased, only to subsidize projects with little or no benefit to them. One need only consider the recent 35% increase in truck toll rates on the Indiana Toll Road for an example of these abusive practices. The state gets a single tranche of money for road, broadband, airport and other projects that have no direct benefit for toll road users, while the private operator of the highway reaps the profits for the next six decades. This latest increase is on top of the doubling of toll rates prior to the initial lease in 2006, and subsequent annual increases that have resulted in a greater than 300% increase in truck toll rates over the past 13 years, with little or no benefit to toll road users. ATA is adamantly opposed to these types of forced subsidies. Please note that our position on asset recycling pertains only to the highway sector.

ATA is aware of proposals to create a new fee that taxes the cost of freight transportation services, sometimes known as a waybill or bill-of-lading fee. One such proposal, the BOLD Act, for example, would impose a one percent tax on the cost of moving domestic freight shipped by trucks. While 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. These are our concerns:

1. The fuel tax is collected from approximately 200 taxpayers, mostly very large ones. The proposed waybill tax would be collected by hundreds of thousands of, mostly, very small entities. The magnitude of the administrative costs involved for both business and government is probably even more disparate. The costs of enforcement, processing, collections, training, regulatory initiatives, just to name some of the government costs, would be enormously greater. Given the number of entities involved and the number of transactions, the Internal Revenue Service will not have the necessary resources to prevent evasion on a massive scale. For example, the New York State weight-distance tax has a 50% evasion rate, primarily due to the fact that most carriers subject to the tax are small operators who are unlikely to be audited.

2. Valuation of transportation services provided by private carriers will be extremely difficult for the carriers who will attempt to comply. It appears that the only way to address this is to collect information from for-hire carriers in order to establish a valuation. However, given the many potential adjustments (contract terms, commodity, additional services, etc.) it is almost impossible to come up with a fair rate, a fact that is likely to result in endless litigation and, potentially, market distortions between for-hire and private carriers. Furthermore, the required record-keeping creates an administrative burden for the for-hire carriers.

3. Separating transportation from accessorials (e.g. broker fees) will be very difficult. The same is true for separating the cost of intermodal and international movements. This situation will create significant opportunity for evasion.

4. The proposal may force freight into smaller vehicles that are not subject to the tax, increasing congestion and exacerbating the driver shortage.

5. The tax discriminates against movements of high-value freight, which tend to have higher transportation costs. Ironically, low-cost shipments, which tend to be raw commodities, are usually in heavier loads, which impose greater infrastructure costs.

FUTURE REVENUE SOURCES

While ATA considers an increase in the fuel tax to be the best and most immediate means for improving our nation's roads and bridges, we also recognize that 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 over the long term. We, therefore, encourage Congress, in consultation with the Executive Branch, state and local partners and the private sector, to continue to work toward identifying future revenue sources.

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 accomplished 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 Congress to consider as it eventually transitions away from the fuel tax.

While a Vehicle Miles Traveled (VMT) fee might ultimately be the favored approach, as many have suggested, full implementation faces significant hurdles. A weight-distance tax, the closest proxy to a VMT fee we've experienced in this country, is often considered to be widely evaded, and the structure of such a tax lends itself to evasion. A weight-distance tax is not subject to withholding, and government must try to collect it from a multitude of taxpayers, most of them small. Estimates of weight-distance tax evasion, depending on the state involved, range up to 50%.[27] How would a VMT fee fare from this perspective? Such a tax would have to be collected from millions of taxpayers – all those driving vehicles in the taxing jurisdiction. Indeed, there are nearly 270 million registered vehicles in the United States, and all would need an account under a VMT fee system.[28] Given the poor track record the trucking industry has experienced with distance-based fees, the challenges involved in collecting these fees from an exponentially greater number of individuals are daunting.

VMT fee proponents claim that modern technology can address many of these challenges. On-board recorders, now required on all commercial trucks, can compile mileage accurately, and broadcast it automatically to the taxing authorities for assessment. Cars can be fitted with GPS tracking units, so their operators leave a trail of their travels, for later audit. The prospect of requiring black boxes in private cars raises serious questions about the efficiency and intrusiveness of a VMT fee. How much would the chosen technology cost? Would drivers

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[27] *New York State Ton-Mile Tax Analysis: Estimation of Untaxed Commercial Vehicle Miles Traveled*. American Transportation Research Institute, February 2008

[28] Federal Highway Administration, *Highway Statistics 2017*, Table VM-1.

require training to use it? Would it be accurate and reliable? Could it be cheated readily? If the tax were imposed at the state level, what about drivers coming in from other states?

The traditional fuel tax is an inexpensive tax to administer; a VMT fee, in comparison, would not be. As for the recorders now outfitted on commercial trucks, federal regulatory requirements for these devices are designed to ensure an accurate record of hours driven, not the number of miles driven. Nor do the requirements provide an ability to broadcast data to taxing authorities. They are not, as currently configured, adaptable for taxing purposes.

How about equity? Although it appears on the surface that a VMT fee would treat alike all those traveling a given distance, the prospect of widespread evasion of the tax means that those who choose to pay it or can't avoid it, are penalized with having to pay the share of those who don't. Moreover, while under a fuel tax regime low-mileage vehicles that emit relatively more greenhouse gases are taxed more heavily, under a VMT fee, gas-guzzlers and low- or zero-emission vehicles are taxed alike. Furthermore, rural drivers, who pay less in fuel tax per mile compared with urban drivers due to less congestion, will pay the same rate per mile under a VMT fee, even though the relative costs they impose on the system are lower. While it is possible to charge different rates for different vehicle types, or vehicles operating in different locations, this adds cost, complexity and more opportunity for fraud.

These are just some of the challenges we have identified; there are many more hurdles to implementation that are known and likely many others that are currently unknown. This is why rushing into a VMT fee system is unwise. ATA supports a robust research and testing regime for VMT fees, and indeed we are currently participating in one pilot program and are willing to engage in others. It should also be noted that most experts – and even ardent advocates – of VMT fees believe that they are at least a decade away from full implementation.[29]Failing to provide interim funding for surface transportation while these solutions are developed would be highly irresponsible. However, a fuel tax increase could be paired with a plan to transition to a new revenue source, perhaps with the assistance of a blue-ribbon commission that reports its findings to the committee prior to the expiration of the next surface transportation bill.

CONCLUSION

Mr. Chairman, over the next decade, freight tonnage is projected to grow by 27 percent.[30] The trucking industry is expected to carry two-thirds of the nation's freight in 2029 and it will be tasked with hauling 3.1 billion *more* tons of freight than it moved this year.[31] 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 in concert 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.

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[29] For example, this was universally acknowledged by witnesses during a March 7, 2018 House Transportation & Infrastructure hearing on long-term surface transportation funding.
[30] *Freight Transportation Forecast 2018-2029*. IHS Global Insight, 2018.
[31] *Ibid.*

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.

Some opponents of additional federal spending view these investments with contempt, and fail to acknowledge the vast benefits that these investments deliver. In addition to the indirect benefits of an improved transportation system, ATA's BAF proposal would create nearly half a million jobs related to transportation construction. On the other hand, allowing the HTF to collapse would put hundreds of thousands of Americans out of work.

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 benefit from 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.

Mr. Chairman, in his State of the Union speech, President Trump called on Congress to work with him to pass an infrastructure bill, and correctly stated that this is not an option, it is a necessity. Key Members in both the House and Senate, including transportation leaders in both parties, have made similar commitments to pursue a robust, bipartisan infrastructure package. Finally, I would be remiss if I did not thank Representative Blumenauer for his longstanding and passionate leadership on infrastructure investment.

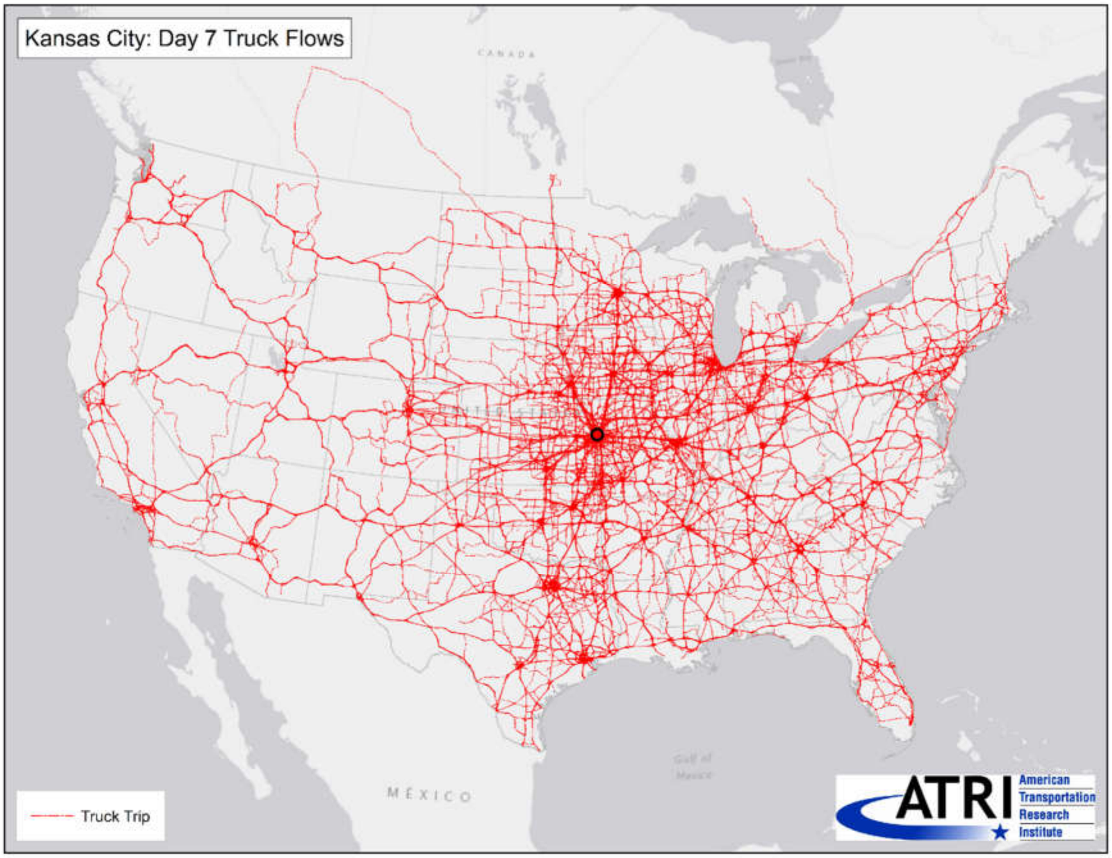
Congress has a unique opportunity this year to show the American people that it is, once more, able to work together, in partnership with the President, to pass bipartisan legislation that will improve their daily lives, create good jobs and grow the economy. Mr. Chairman, the political realities of a Presidential election cycle must be acknowledged and factored into the timing of moving legislation forward. If Congress does not act now, will it have the wherewithal to pass a funding bill that prevents the imminent collapse of the Highway Trust Fund in the next fiscal year?

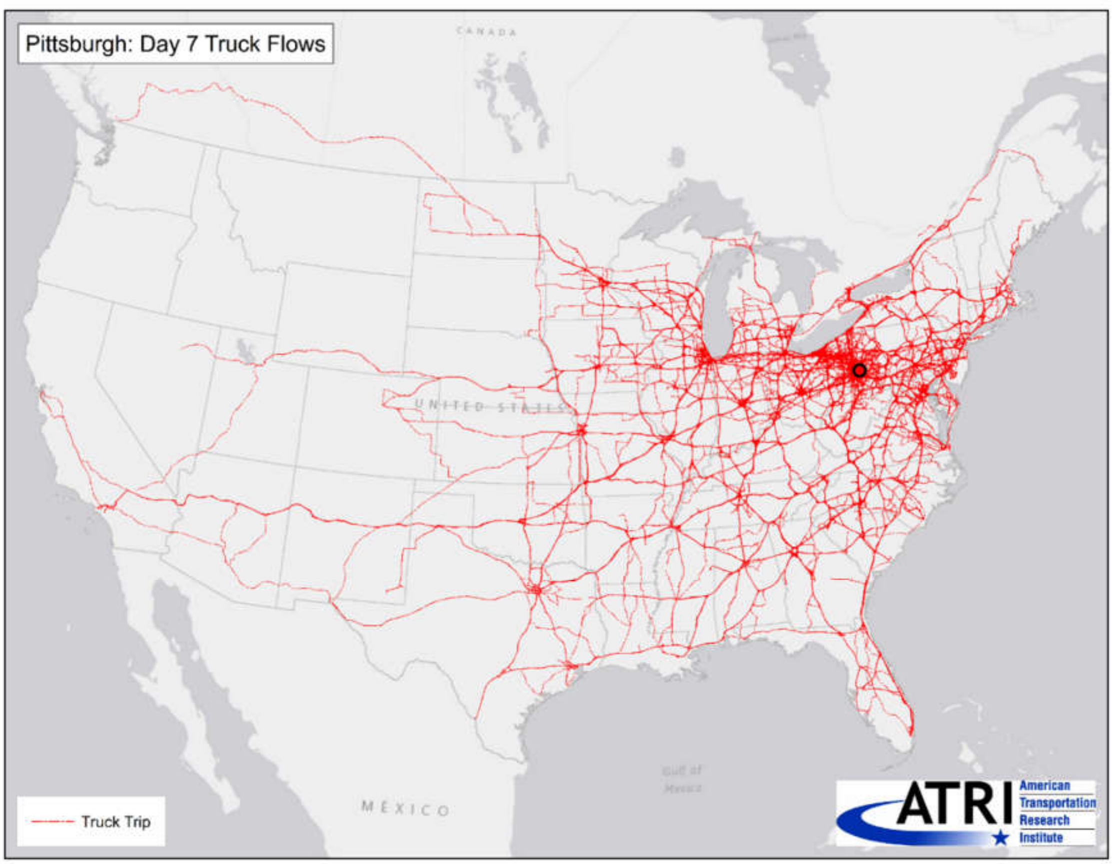
Thank you once again for the opportunity to testify on this important subject. We look forward to working with the committee to advance legislation that enables the trucking industry to continue to provide safe and efficient freight transportation services to the American people.

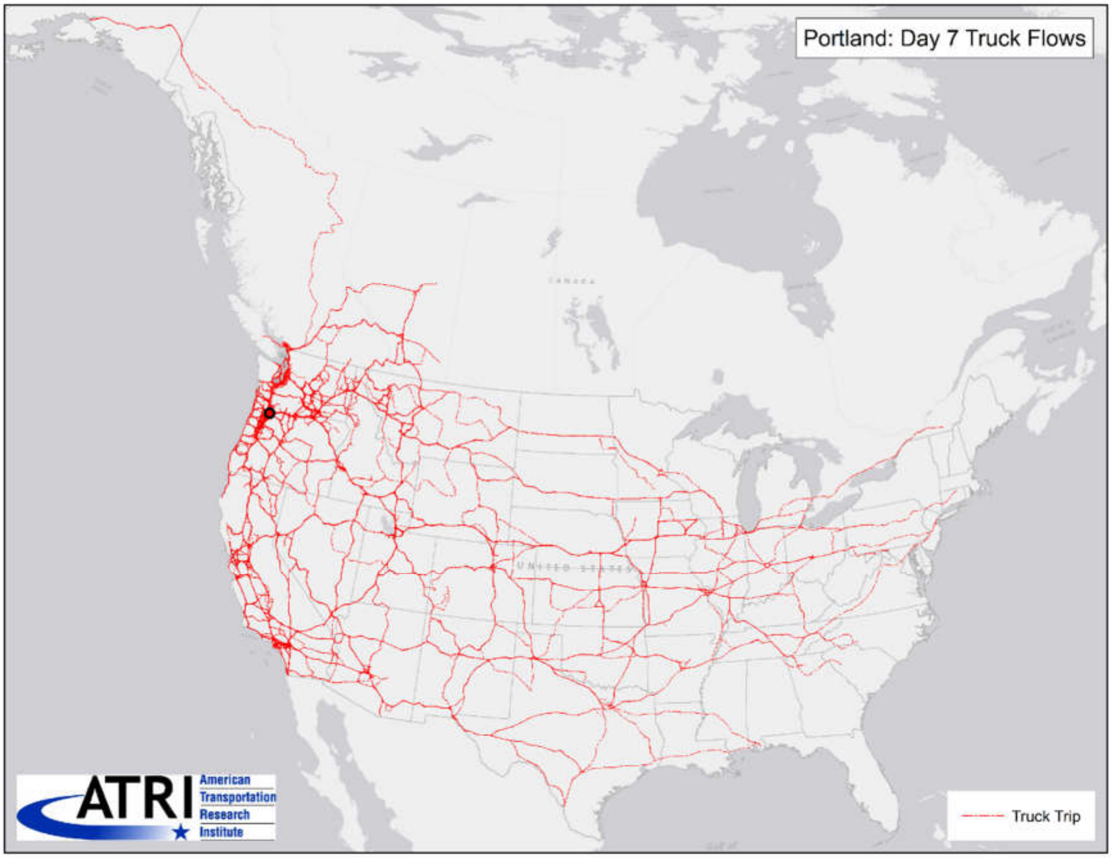
APPENDIX A: FUNDING IMPACT MATRIX - ANNUAL STATE-LEVEL JOB AND REVENUE INCREASES RESULTING FROM FEDERAL FUEL TAX INCREASES

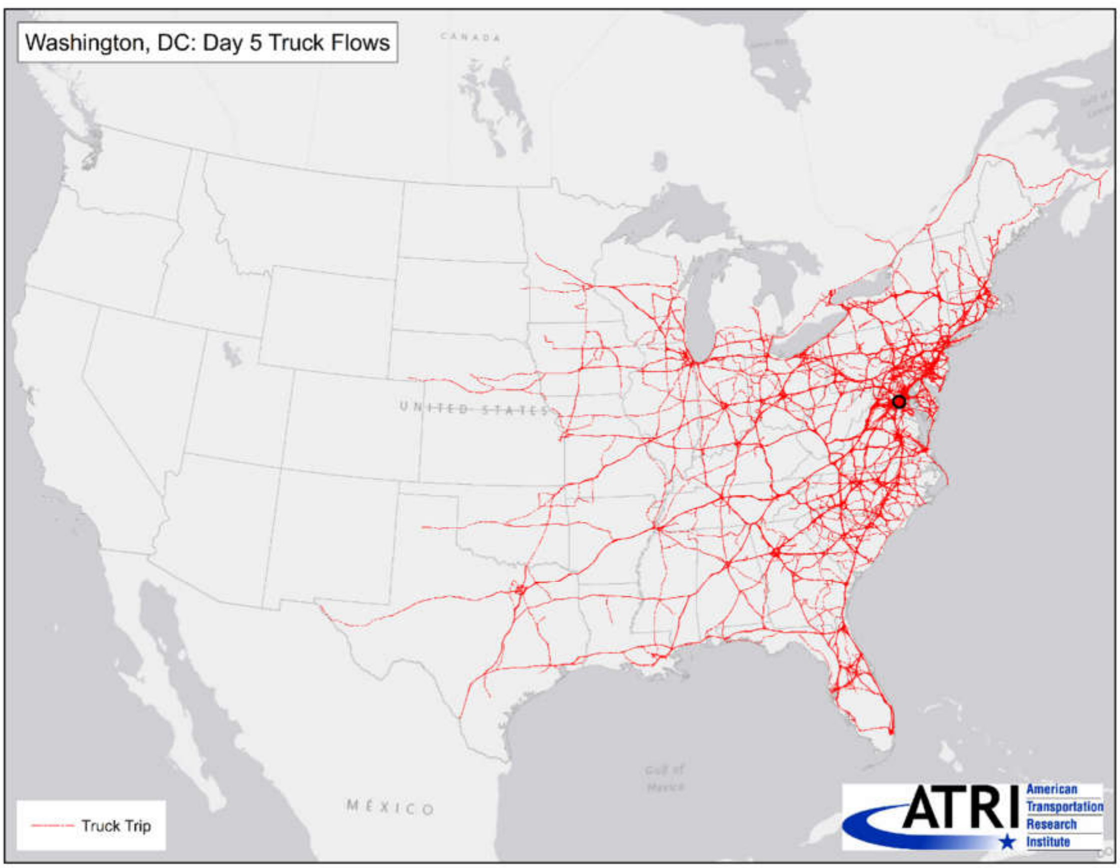
	Current Annual Allocation		Twenty Cent - Increase Federal Motor Fuels Tax Annual Benefits				Twenty Five Cent - Increase Federal Motor Fuels Tax Annual Benefits			
STATE	FAST ACT Apportioned Funds (in milions)	Percent of Total	Additional $30 Billion Federal Funding (in millions)	State Match (20%) (in 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
CANADA
UNITED STATES
ATRI
American
Transportation
Research
Institute
Truck Trip


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