

Statement of

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On behalf of:

AMERICAN TRUCKING ASSOCIATIONS, INC. (ATA)

&

NATIONAL TANK TRUCK CARRIERS (NTTC)

**BEFORE THE HOUSE SUBCOMMITTEE ON ENERGY AND POWER
OF THE COMMITTEE ON ENERGY AND COMMERCE**

**HEARING ON THE “BENEFITS OF AN CHALLENGES
TO ENERGY ACCESS IN THE 21ST CENTURY”**

MARCH 6, 2014



Driving Trucking's Success

Mr. Chairman and members of the Committee, thank you for inviting me to testify before you today on the issue of propane transportation.

My name is Charles “Shorty” Whittington. I am President of Grammer Industries, a for-hire trucking company headquartered in Grammer, Indiana. I am also a former Chairman of the American Trucking Associations, and I currently serve on the Board of the National Tank Truck Carriers.

My company operates 120 specialty MC331 tank trailers, 115 of which are capable of transporting propane. Not only do I haul propane, I am also a large consumer of propane as a farmer, with about 1,500 acres under management. My fleet currently employs over 200 logistics personnel and professional drivers.

This past year, Grammer Industries has experienced a substantial increase in propane hauls. In an average year, Grammer dedicates between 25 to 30 tank trailers to haul propane over the winter months. This year we have dedicated 80 trailers to this service. The significance of this sharp increase is that 95% of our hauls are not to the end user but the supplier for the end user.

I would like to further detail Grammer’s experience this winter hauling propane. There are roughly 11,000 tank trailers in the U.S. capable of hauling propane. To add some perspective, each of these specialized trailers cost about \$150,000 new, this is a sizable investment for carriers to participate in this segment. With the increase of natural gas production across the nation, and the corresponding increasing demands for tank truck services, competition for the use of existing tank trailers is at an all-time high, straining existing capacity and new trailer production capabilities at the same time. To put this in perspective, if I ordered a new tank truck today, I would not receive it before May of 2015.

Typical tank trailers have a capacity of 10,600 gallons. However, because of expansion we can only fill these tanks to 85% of capacity – or in other words – about 9,000 gallons. Typically, Grammer’s average length of haul falls into the 50-100 mile range. However, given the exceedingly difficult market dynamics in play, we found ourselves making longer hauls that have exceeded 800 miles.

When propane shortages, like the ones we have experienced this winter, occur, companies like mine need to be able to respond accordingly. In times of crisis, the tank truck community has offered its capacity and services to emergency response teams many times, as our carriers haul essential products necessary for recovery whether for hurricane relief in the Gulf Coast or a propane shortage in the midst of a devastating Midwest winter. As we've seen in every crisis situation, the Federal Hours-of-Service regulation is a key obstacle that must be waived in order to help us make our deliveries to the affected areas. While waiving these HOS regulations has been extremely helpful, the current process for seeking this relief can be confusing, time consuming, and to the detriment of both our customers and the critical service we provide.

If the President, the Governor of a state, or an FMCSA Regional Field Administrator declares a regional emergency, certain regulatory constraints are suspended for drivers and motor carriers providing direct relief to the emergency. This is true regardless of where the driver's trip originates, even if the emergency was only declared in one state, provided they are offering relief to the affected area. However, enforcement officials in distant states, or even neighboring ones, may not be aware that drivers may legally take advantage of this regulatory exemption, which results in various roadside enforcement disparities.

Exemptions provided under such circumstances are in effect for 30 days. Though authorized officials may extend the relief for another 30 days, they do not always make such decisions in a timely fashion. Near the end of a given exemption period, companies like mine may not know the circumstances under which they are allowed to operate in the coming days. This uncertainty affects our ability to effectively plan and provide the most beneficial service.

In addition to the provisions for *regional* emergencies, there is also a provision that provides similar regulatory relief for *local* emergencies. This is triggered upon a declaration by a Federal, State, or local official having appropriate authority. Drivers and motor carriers operating under these declarations experience similar, if not worse, problems with confused roadside enforcement officials. Furthermore, relief under local emergency declarations is limited to five days, which also exacerbates the planning issues discussed earlier.

To address these issues, Congress should work with the Department of Transportation to evaluate ways in which the emergency exemption declaration process could be improved at regional, state and local levels. Additionally, the Department of Transportation and States should seek to improve communication with enforcement officials when regulatory relief has been granted, identifying which drivers may take advantage of it, and under what circumstances they may operate.

Again, thank you for the opportunity to testify at today's hearing, and I am happy to respond to any questions you may have.