Statement of

Chris Spear
President and CEO of the
American Trucking Associations

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"The State of Transportation Infrastructure and Supply Chain Challenges"

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Introduction

Chairman Graves, Ranking Member Larsen, and Members of the Committee, I appreciate the opportunity to testify before you today on behalf of the American Trucking Associations (ATA).[1]

ATA is a 90-year-old federation and the largest national trade organization representing the 7.65 million men and women working in the trucking industry. ATA is a fifty-state federation that encompasses 34,000 motor carriers as well as their corresponding suppliers. ATA represents every sector of the industry, from Less-than-Truckload to Truckload, agriculture and livestock transporters to auto haulers and movers, and large motor carriers to mom-and-pop one-truck operations. ATA member companies have overcome tremendous challenges over the past couple years and will continue to adjust as international and domestic supply chains recalibrate in the wake of the COVID-19 pandemic.

The pandemic and resulting supply chain crisis shined a glaring spotlight on the costs of inaction. Over the last few decades, federal leadership and investment in infrastructure have decreased significantly, and our nation's transportation networks have gradually fallen into a state of disrepair. Years of neglect have materialized as deteriorating roads and bridges, unreliable intermodal connectors, a shortage of truck parking capacity, severe congestion, insufficient space at and around ports, and paralyzing freight bottlenecks. These inefficiencies predate the pandemic but were exacerbated by the global supply chain disruptions, and industry is still navigating the long-term consequences. The inescapable conclusion is that decades of underinvestment in our nation's transportation networks have weakened our supply chains and global economic competitiveness.

If the United States is to remain the leading economy, it must have the best infrastructure and a resilient transportation network that can withstand supply chain pressures. ATA applauded enactment of the Infrastructure Investment and Jobs Act (IIJA) last Congress because the legislation provides significant resources to remedy years of neglect, improve the efficiency of our transportation networks, and enhance U.S. competitiveness in the global economy. Looking forward, we hope that Congress will resolve its differences over existential threats to our economy—such as addressing the debt limit—so that we can continue implementing the necessary improvements to keep freight flowing through our supply chains.

To be clear, the degree to which investments in transportation infrastructure improve supply chain efficiency depends largely on how infrastructure investment strategies are defined and implemented. The IIJA has the potential to move the needle, but funding must be prioritized and allocated for projects that improve supply chain inefficiencies. As evidenced by the response to the COVID-19 pandemic, and as highlighted by the current challenges facing our supply chains, trucking is the dynamic linchpin of the U.S. economy, but trucking can only be as efficient as the roads and bridges upon which we operate.

Relatedly, the truck driver shortage and regulations impacting the movement of freight also limit supply chain efficiency. In 2021, the driver shortage reached a record high of roughly 81,000, and that number is only expected to grow over the next decade. Despite this significant and persistent labor constraint, some in Congress continue to contemplate the Protecting the Right to Organize (PRO) Act and other legislation that would decimate the independent contractor business model and ban most independent owner-operators from working in the trucking industry. If enacted, these legislative proposals would

[1] The 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.

destroy the livelihoods of over 350,000 small business entrepreneurs and needlessly gut the nation's already fragile supply chain.

More than 80% of U.S. communities rely *exclusively* on trucking to meet their freight transportation needs, and trucking currently moves more than 70% of the nation's annual freight tonnage.[2] Over the next decade, trucks will be tasked with moving 2.4 billion more tons of freight than they do today, and trucks will continue to deliver the vast majority of goods to American communities.[3] Smart, forward-leaning investments in our nation's transportation infrastructure coupled with concerted efforts to bolster the trucking workforce will help the industry meet these increasing demands.

As the Committee examines the nation's transportation infrastructure needs and ongoing supply chain challenges, I ask that you please consider four key areas: 1) responsible implementation of the IIJA, 2) workforce development for supply chain resiliency, 3) implementation of ocean shipping reforms to ensure the efficient movement of goods, and 4) ambitious yet achievable energy and environmental policies. I will address each of these areas in detail in my testimony, as they are critical to ensuring the economic vitality and competitiveness of the American trucking industry.

Thank you for holding today's hearing to consider these critical issues. I look forward to working with you to share information and inform potential legislative solutions to protect the safe and efficient movement of our nation's goods.

In Pursuit of the Best Infrastructure

Well-maintained, reliable, and efficient infrastructure is crucial to the delivery of the nation's freight—both international and domestic—and vital to our country's economic and social well-being. That is why ATA applauded enactment of the historic Infrastructure Investment and Jobs Act (IIJA) in 2021. The IIJA represents the largest investment in our nation's infrastructure and competitiveness in nearly a century, and we remain optimistic that the bill will create the conditions necessary for long-term prosperity and growth.

Barriers To Supply Chain Efficiency

Enactment of the IIJA is all the more important when one digs deeper into the entrenched problems that plague our nation's highway infrastructure. Highway congestion, for example, adds nearly $75 billion to the cost of freight transportation each year.[4] 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.[5] This caused the trucking industry to consume an additional 6.87 billion gallons of fuel in 2016, representing approximately 13% of the industry's total fuel consumption, and resulting in 67.3 million metric tons of excess carbon dioxide (CO2) emissions.[6]

Congestion serves as a brake on economic growth and job creation nationwide. A first-world economy cannot survive a developing-world infrastructure system. As such, the federal government has an obligation to ensure that necessary resources are available to address this self-imposed and completely solvable situation. Specifically, ATA recommends that the U.S. Department of Transportation (USDOT) prioritize the discretionary program resources made available by the IIJA to address major freight

[2] *U.S. Census Bureau Commodity Flow Survey.* U.S. Census Bureau, 2017.
[3] *Freight Transportation Forecast 2020 to 2031*. American Trucking Associations, 2020.
[4] *Cost of Congestion to the Trucking Industry: 2018 Update*. American Transportation Research Institute, Oct. 2018.
[5] *Ibid.*
[6] *Fixing the 12% Case Study: Atlanta, GA.* American Transportation Research Institute, Feb. 2019.

bottlenecks. A recent report from the American Transportation Research Institute identified the top 100 freight bottlenecks nationwide.[7] Furthermore, given the importance of the National Highway System—and especially the Interstate System—to the supply chain, a greater share of federal investment should be directed toward the maintenance and improvement of these highways.

Another barrier to supply chain efficiency is the poor state of freight intermodal connectors—those roads that connect ports, rail yards, airports and other intermodal facilities to the National Highway System—are critical to trade. While they are an essential part of the freight distribution system, many are neglected and denied the attention they deserve in spite of their importance to the nation's economy. Just 9% of connectors are in good or very good condition, 19% are in mediocre condition, and 37% are in poor condition.[8] Not only do poor roads damage both vehicles and the freight they carry, but the Federal Highway Administration (FHWA) found a correlation between poor roads and vehicle speed. Average speed on a connector in poor condition was 22% lower than on connectors in fair or better condition.[9] 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.[10] Congestion on freight intermodal connectors adds nearly $71 million to freight transportation costs each year.[11]

One possible reason connectors are neglected is that the vast majority of these roads (70%) are under the jurisdiction of a local or county government.[12] Yet, these roads are serving critical regional, national, and international needs well beyond the geographic boundaries of the jurisdictions that have responsibility for them, and these broader benefits may not be factored into the local jurisdictions' spending decisions. While intermodal connectors are eligible for federal funding, it is clear that this is simply not good enough. ATA supports a set-aside of funding for freight intermodal connectors to ensure that these critical arteries are given the attention and resources they deserve.

Prioritization of Projects That Improve Freight Mobility

Although the IIJA did not set aside funding for either highway bottleneck elimination or intermodal connectors, these projects are eligible for funding under several of the discretionary programs, including the Nationally Significant Freight and Highway Projects Program, the Bridge Investment Program, the National Infrastructure Project Assistance Program, and the Local and Regional Project Assistance Program. Congress should provide the necessary oversight to ensure that the resources available from these important programs are used primarily for projects that improve transportation safety and mobility, as well as projects that address infrastructure deficiencies that contribute to supply chain inefficiencies. These programs should not be used to advance parochial agendas that are outside of their Congressionally-mandated scope. Under the IIJA, States will receive more than $50 billion per year in federal-aid highway funding, and much of that can be used to repair and modernize existing infrastructure to improve the performance of freight corridors.

Additionally, ATA recommends against federal policies that are likely to prevent or hamstring State and local agencies' efforts to expand highway capacity. This includes conditioning the expenditure of federal funds for new capacity on a showing that alternatives, such as operational strategies or investment in

[7] *Top 100 Bottlenecks – 2022*. American Transportation Research Institute, 2022.
[8] *Freight Intermodal Connectors Study*. Federal Highway Administration, April 2017.
[9] *Ibid.*
[10] *Ibid.*
[11] *An Analysis of the Operational Costs of Trucking: 2018 Update*. American Transportation Research Institute, Oct. 2018. Estimates average truck operational cost of $66.65 per hour.
[12] *Ibid*.

alternative transportation modes, are definitively ruled out. The National Environmental Policy Act (NEPA) process already requires consideration of alternatives, and layering additional requirements onto the existing process is redundant, costly, and cumbersome. We are also concerned about policies that seek to eliminate or downgrade highways in the name of equity or environmental justice without fully accounting for the impacts of these approaches on supply chain efficiency.

Furthermore, ATA is concerned about a December 16, 2021 Federal Highway Administration (FHWA) memorandum to its staff that outlined Administration policies with regard to the federal-aid highway program. The memo, in part, directed staff to "encourage" states and other federal-aid recipients to prioritize roadway maintenance and non-highway modal projects over the construction of new highway capacity. This directly contravenes policies that Congress rejected during IIJA debate. While USDOT claims that the memo will not have a substantial impact on project selection, the Government Accountability Office (GAO) disagrees. In a December 15, 2022 report, GAO stated that the memo "…sets out FHWA's preferred projects for funding under the Infrastructure Investment and Jobs Act. When an agency rule has the effect of inducing changes to the internal policy or operations choices of the regulated community, that rule has a substantial impact on the rights and obligations of non-agency parties."[13] Therefore, GAO concluded that the memo is subject to the Congressional Review Act. ATA strongly supports current efforts by Members of Congress to pass a resolution of disapproval that negates the effects of the FHWA memo.

Truck Parking

Another barrier to supply chain efficiency is the shortage of truck parking, which has been well documented for decades. In 2015, the Federal Highway Administration's Jason's Law report acknowledged the shortage of truck parking capacity as a serious highway safety concern. The FHWA found that more than 75% of truck drivers and almost 66% of logistics personnel "regularly [experienced] problems with finding safe parking locations when rest was needed."[14] Due to inaction at the federal, state, and local level, the truck parking shortage has only worsened since 2016. In 2019, the FHWA found that the percentage of drivers who regularly experienced difficulty finding truck parking had skyrocketed from 75% to 98%.[15]

The lack of available truck parking has a severe impact on the health and wellbeing of truck drivers, but it also contributes to driver utilization inefficiencies. Time spent looking for available truck parking costs the average driver about $5,500 in direct lost compensation—or a 12% cut in annual pay, according to a 2016 report.[16] Truck drivers give up an average of 56 minutes of available drive time per day parking early to avoid the risk of being unable to find authorized parking down the road. Additionally, hours-of-service (HOS) violations stemming from an inability to find safe, legal truck parking can be costly as well. HOS fines range from $150 to $16,000, and an accumulation of violations can lead to a decrease in a driver's safety history, leading to higher insurance rates and even license suspension. All of these factors contribute to the driver shortage and supply chain inefficiency.

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[13] *Federal Highway Administration—Policy on Using Bipartisan Infrastructure Law Resources to Build a Better America.* U.S. Government Accountability Office, December 15, 2022.

[14] *Jason's Law Truck Parking Survey Results and Comparative Analysis*. Federal Highway Administration, U.S. Department of Transportation, August 2015.

[15] *Jason's Law Commercial Motor Vehicle Parking Survey and Comparative Assessment Presentation*. Federal Highway Administration, U.S. Department of Transportation, December 2020.

[16] *Managing Critical Truck Parking Case Study: Real World Insights from Truck Parking Diaries.* American Transportation Research Institute, December 2016.

Federal investment in the expansion of trucking parking capacity is key to addressing this longstanding problem. ATA supports the Truck Parking Safety Improvement Act, which would establish a competitive discretionary grant program and dedicate $755 million over five years for truck parking projects across the country. Unfortunately, the IIJA did not include dedicated funding for truck parking. We encourage Congress to seek other opportunities to address this critical problem.

Consistent, Sustainable Funding

Underpinning all these recommendations is the need for a long-term, stable revenue source. Without one, states will find it difficult to commit to funding crucial and expensive projects. The fuel tax has, for at least a century, provided that stable income. However, because Congress has failed to increase the rate of the federal tax since 1993, inflation has significantly reduced the value of the revenue generated by the tax. While the fuel tax will likely have to be replaced or supplemented at some point, it will be a viable revenue source for at least the next decade, and the rate of tax should be raised and indexed to inflation. In the meantime, the Administration should work with Congress, the States, and the private sector to find a viable replacement for the fuel tax that can provide stable highway funding for the foreseeable future. The IIJA included funding for State, national, and local pilot programs to explore new revenue sources. ATA looks forward to working with the U.S. Department of Transportation and grant recipients to implement a robust and comprehensive research and testing program.

Emergency Weight Limits Permit System Reform

Natural disasters – hurricanes, tornados, floods, wildfires or pandemics, to name a few – can cause serious disruption to communities for days, weeks, or even months. In the aftermath of disasters, the trucking industry gets to work providing life-saving supplies and helping affected communities to recover. Relief and recovery supplies can include water for drinking or fighting fires, food, generators, equipment for rebuilding a decimated power grid, trailers to provide shelter for those who are suddenly made homeless, or building supplies to repair or replace damaged homes, buildings, roads or bridges. In addition, trucks must often remove thousands of tons of debris in order to allow the recovery process to begin.

Most often in these scenarios, time is of the essence. Lives are at risk when potable water is in short supply, hospital or nursing home patients too sick to evacuate do not have the electricity needed to power life-saving medical equipment, or water needed to fight wildfires is in short supply. In these cases, maximizing the trucking industry's ability to move as much cargo as possible, as quickly as possible, is critical. A key to expediting these loads is to maximize a truck's cargo space by allowing the trucking company to exceed state and federal weight limits on a temporary basis.

Federal law limits a truck's gross (total) and axle weights when they are operating on the Interstate Highway System. States determine weight limits on non-Interstate roads. In 2012, federal law authorized states to issue special overweight permits for vehicles and loads that are delivering relief supplies during a Presidentially-declared emergency or major disaster. Both the routes that permitted trucks may operate on and the weight limits are to be determined by each state. A Presidential declaration expires after 120 days. Trucks operating under special permit may only deliver to a destination in the locations covered by the declaration, or haul debris from those locations. An overweight vehicle must have a permit from each state in which it operates if that vehicle exceeds the state's legal weight limits.

In practice the current system has significant flaws. Emergencies that qualify under the Stafford Act are limited to traditional natural disasters such as floods and hurricanes. Certain emergencies, such as the supply chain crisis caused by the COVID-19 pandemic and the energy shortage caused by the

cybersecurity attack on the Colonial Pipeline, do not qualify. In addition, relying on a Presidential declaration to enable the issuance of permits is problematic. First, some situations do not rise to the level of a national emergency. Some are more limited in scope, but still require a significant response from the trucking industry. Waiting for a Presidential declaration can also slow the process or make it less effective. Finally, Stafford Act declarations expire after 120 days. In some cases—the COVID-19 pandemic being a good example—emergency response may need to be extended.

To address these challenges, ATA recommends the following changes to federal law governing the issuance of emergency overweight permits:

- A more expansive definition of qualifying emergencies must be implemented to ensure that all potential situations receive an adequate response;
- Both the Secretary of Transportation (or Federal Highway Administrator) and Governors should be given the authority to issue an emergency declaration that enables the issuance of emergency overweight permits. If Governors issue the declaration FHWA should have the authority to override the order if it finds that the declaration is not consistent with Federal law; and
- The Secretary or FHWA Administrator should be given the authority to extend the declaration beyond 120 days.

In Pursuit of a Qualified Workforce

The trucking industry, which serves as the backbone of our nation's economy and supply chain, continues to face significant driver shortages. In 2022, the shortage of qualified drivers reached a near-record high of 78,000.[17] The already substantial shortage is expected to increase to 160,000 drivers by 2031 absent any changes to the status quo. Furthermore, over the next decade, the industry will need to hire roughly 1.2 million new drivers to keep pace with growing demand and an aging workforce.[18]

The driver shortage is the result of many concurrent factors. Like many industries, we are witnessing how the downstream impacts of the COVID-19 pandemic continue to exacerbate the trucking industry's already-dire labor constraints. The work to rebuild from the pandemic's effects will certainly take some time. In the meantime, companies working throughout the supply chain are facing higher transportation costs, leading to increased prices for consumers on everything from electronics to food. The driver shortage is a looming threat that, if left unaddressed, could destabilize the continuity of trucking operations with ripple effects across the supply chain that will be felt by every American.

Addressing the Driver Shortage

Given these realities, ATA is vitally interested in safely expanding the number of professional drivers to meet the demand for freight transportation in our economy. The shortage will only continue to grow unless Congress and regulators modernize requirements that govern who can drive in interstate commerce and make targeted investments in programs to attract a new, diverse generation of drivers and supply chain workers to the transportation industry.

We need Congress and the Administration to help us grow our workforce. The trucking industry offers fulfilling careers with family-sustaining salaries—all without the debt that often accompanies a college degree—but obsolete regulatory barriers prevent the trucking industry from offering these pathways to

[17] *ATA Driver Shortage Update 2022*. American Trucking Associations, October 25, 2022. Available online at: https://ata.msgfocus.com/files/amf_highroad_solution/project_2358/ATA_Driver_Shortage_Report_2022_Executive_Summary.October22.pdf (accessed January 19, 2023).
[18] *Ibid*.

recent high school graduates who may otherwise want to pursue a career in trucking. Truck drivers make good salaries, with truckload drivers earning a median amount of $69,687 per year, not including benefits, according to the ATA industry survey for 2021.[19] This represents an 18% increase from 2019.[20] Recent Bureau of Labor Statistics data on weekly earnings in the long-haul trucking sector show that average earnings are $1,202.04 per week or over $62,500 when annualized.[21]

In addition to rising pay, many fleets offer generous signing bonuses and other expanded benefits packages to attract and keep drivers. We want to welcome more individuals into the trucking industry, but we need Congress' help to open up career pathways that are currently closed to qualified individuals due to outdated or artificial barriers. One such outdated regulatory barrier is the general prohibition of 18-to-20-year-old drivers from driving trucks in interstate commerce, even though these same individuals are allowed to obtain their CDLs and drive in 49 States and the District of Columbia.

Safe Driver Apprenticeship Pilot Program

As you know, ATA strongly supported the inclusion of the Safe Driver Apprenticeship Pilot Program (SDAP) into the IIJA, and we are grateful that it was included as Sec. 23022 of the Act. This program, which was the result of a carefully crafted bipartisan compromise, will allow 18-to-20-year-old drivers to be trained as professional truck drivers and drive in interstate commerce, much like they are able to do in intrastate commerce in 49 States plus the District of Columbia. Through this program, the U.S. Department of Transportation will be able to collect data that proves what the States and the District of Columbia already know—that these individuals can be trained to safely operate in interstate commerce, just like they are able to do in intrastate commerce. ATA and its members are actively working to ensure that the entire 3,000 available apprentice slots in the program are filled.

We are enthusiastic about the SDAP and want it to be successful. That said, the rollout of the program has been frustratingly slow, and USDOT added additional requirements not found in law. These include a requirement that participating motor carriers be part of a U.S. Department of Labor-approved Registered Apprenticeship Program (RAP) to be eligible, and a requirement that participating motor carriers utilize another safety technology beyond the six safety technologies already required. I will also note that the latter requirement was added almost eight months after enactment of the IIJA. [22] The last-minute equipment addition prompted several motor carriers to decline participation in the program. Others who do not have a RAP may have also chosen not to participate.

ATA, in conjunction with the U.S. Department of Labor (USDOL), has done the work necessary to become a RAP sponsor and, as such, can help our member motor carriers gain eligibility to participate in SDAP. That said, our strong preference is for USDOT to implement the program as Congress

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[19] *2022 ATA Driver Compensation Study Executive Summary*. American Trucking Associations, June 30, 2022. Available online at: https://ata.msgfocus.com/files/amf_highroad_solution/project_2358/ATA_2022_Driver_Compensation_Study_-_Press_Executive_Summary.pdf (accessed January 19, 2023).

[20] *Ibid*.

[21] *Employment, Hours, and Earnings from the Current Employment Statistics survey (National), Average weekly earnings of production and nonsupervisory employees, general freight trucking, long-distance tl, seasonally adjusted*, Bureau of Labor Statistics, U.S. Department of Labor, November 2022. Available online at: https://beta.bls.gov/dataViewer/view/timeseries/CES4348412130;jsessionid=AE34706CE9F6C023880E7FE11F660D0C (accessed January 19, 2023).

[22] The *Infrastructure Investment and Jobs Act*, Public Law 117-58, was signed into law on November 15, 2021. The additional equipment requirement of an in-cab, inward-facing camera was first announced in a July 2022 Federal Register notice. Agency Information Collection Activities; Renewal of an Approved Information Collection: Safe Driver Apprenticeship Pilot Program, Federal Motor Carrier Safety Administration, U.S. Department of Transportation, 87 FR 41164 (July 11, 2022).

prescribed. The SDAP is critical to ATA's workforce development efforts because the data it generates will bolster our calls to eliminate the regulatory barrier preventing safe and qualified drivers from participating in interstate commerce. Given the importance of this program as a potential supply chain solution, we urge the Committee to conduct rigorous oversight of its implementation.

Protect Independent Contractors

In addition to creating pathways for the next generation of drivers, ATA is also committed to protecting the individuals who choose to become independent contractors (ICs) in the trucking industry. Unfortunately, the independent contractor business model is under sustained attack from some in Congress and government regulators at both the federal and State levels. California's AB-5 has wreaked havoc on our independent truckers in that state, and many motor carriers have been forced to either engage in the wholesale reorganization of their business structures or leave California altogether. Independent contractors are stuck in the middle and their options are limited, expensive, and filled with unnecessary red tape. Litigation on this awful law continues, and while we hope for a good outcome, significant damage has already been done.

At the federal level, a whole host of agencies—including the National Labor Relations Board, the Federal Trade Commission, the Consumer Financial Protection Bureau, and the U.S. Department of Labor—are engaged in activities intended to undermine the independent contractor business model. The Wage and Hour Division of the U.S. Department of Labor published a notice of proposed rulemaking (NPRM) that, if finalized, would create significant safety issues for both our truckers and the motoring public.[23] Unlike the rule currently in effect, the NPRM would create a morass of additional factors to be considered when determining whether an individual is an employee or an independent contractor. In particular, the proposed control provision—control either exercised or unexercised, directly or indirectly, over things like workplace health and safety—will disincentivize efforts to improve health and safety, increase environmental protections, and ensure compliance with other legal obligations in all industries. The proposed control provision will have an especially harmful effect on trucking. Indeed, virtually every motor carrier in our industry has contractual provisions with their ICs requiring adherence to the law, including health and safety, environmental, and taxation standards.

If ICs are prohibited from operating as ICs because the motor carriers with which they contract require ICs to follow the law and doing so transmutes those ICs into employees, then many hard-working entrepreneurs will suffer. The NPRM thus contains a perverse incentive to reduce or eliminate requirements that benefit everyone. As such, the NPRM poses a direct risk to health and safety, the environment, and tax responsibilities, among other things, and directly or indirectly contravenes congressional actions and several other agencies' requirements at the federal, state, and/or local levels.

The trucking industry has been utilizing independent contractors since the inception of interstate trucking, and court decisions over the last 90 years have continually reaffirmed the legitimate role that ICs play in the economy. Employers in our industry are also doing the right thing by adhering to applicable workplace safety requirements and including compliance monitoring—in many instances pursuant to a mandate from USDOT—in their contractual relationships. Some even go beyond what is required by law to make workplaces safer by providing training or equipment as part of their subcontracting arrangements with smaller motor carriers or independent contractors. Motor carriers often take this approach for environmental stewardship or to comply with other legal mandates. This is

[23] *Employee or Independent Contractor Classification Under the Fair Labor Standards Act*, Wage and Hour Division, U.S. Department of Labor, 87 FR 62218 (October 13, 2022).

good corporate citizenship, something to reward rather than turn into a liability by using it as evidence of control for classification purposes.

ATA led a national coalition to convey these and other points to USDOL during the comment period on this NPRM. Our affiliated state organizations provided numerous examples of real-life situations that would be negatively affected by the NPRM. We are hopeful that USDOL will recognize the harm that its NPRM would cause if finalized, but if they do not, then we may need to take additional actions to protect the health and safety of our members' employees, independent contractors, and the public. We hope Congress will echo those concerns with the USDOL. While this matter is primarily under the jurisdiction of the Committee on Education and the Workforce, your attention to it is warranted as well due to the negative impacts on the trucking industry and the supply chain it supports.

Furthermore, the USDOL proposal would revoke the freedoms of working Americans to choose occupations and economic frameworks suited to their needs and ambitions. Americans choose to work as ICs because of the economic opportunity it provides and the empowerment to select the conditions (e.g., hours and routes) that align with their lifestyles. Many of ATA's larger member companies today began as one independent contractor with a truck. Accordingly, the Americans who choose to become ICs in trucking should be respected and supported in their endeavors, not driven out of business because of the authoritarian view that employee status is better for them.

The IC model in trucking has also been a source of empowerment for women, minorities, and immigrants seeking to become entrepreneurs. One of ATA's Road Team Captains[24] put several kids through college while working as an independent contractor for one of our motor carrier members. At the driver level, the trucking industry is more diverse than the vast majority of industries in terms of ethnic representation. In many parts of the country, there are substantial concentrations of ICs performing vital supply chain services—Sikh drivers in northern California, Somali drivers in Minnesota, etc. They are as much a part of the trucking industry and supply chain as every employee truck driver, and their choices should be respected.

A Safe and Qualified Trucking Workforce

Safe and *qualified* are the operative words with regard to an expanded workforce. As such, this Committee must ensure that efforts to exempt training requirements for new drivers are rejected, and that efforts to better ensure a safe and qualified workforce are supported. ATA has long supported the Entry Level Driver Training (ELDT) rule, published in 2016 and implemented in January 2022.[25] Ensuring that entry-level drivers receive appropriate instruction from a consistent, industry-wide curriculum is paramount to improving safety on our nation's highways. While most of the trucking industry has embraced ELDT, ATA is discouraged by recent legislative efforts that attempted to exempt certain individuals from this standardized training curriculum. Rampant misinformation online prompted a belief that small businesses and other entities can no longer train their employees "in-house," and that ELDT now requires individuals to pay thousands of dollars in tuition for truck driver training schools. While truck driver training schools are a good option for compliance with ELDT, the regulations do *not* prohibit motor carriers of any size from continuing the in-house training programs they have offered for years. Carriers can complete the self-certification process to be listed on the FMCSA's Training Provider Registry and continue training as they always have.

[24] America's Road Team is a national public outreach program led by a small group of professional truck drivers who share superior driving skills, remarkable safety records and a strong desire to spread the word about safety on the highway.
[25] 81 FR 88732.

Safe and *qualified* truck drivers are the trucking industry's greatest asset. Conversely, there is no room on America's roads for drivers operating under the influence of a controlled substance. According to the National Highway Traffic Safety Administration (NHTSA), drug prevalence is on the rise among all drivers, and unfortunately truck drivers are not immune to this trend. ATA believes, and the scientific community generally agrees, that hair testing is a proven safety tool for detecting illegal drug use, but the U.S. Department of Transportation does not accept hair tests as an alternative to urinalysis. Furthermore, motor carriers are prohibited from reporting positive hair tests to the Drug and Alcohol Clearinghouse. Truck drivers who have tested positive on a hair test are able to escape accountability and sidestep the rigorous corrective actions that are otherwise required of individuals who are reported to the Drug and Alcohol Clearinghouse. There is nothing to prevent drivers who test positive on a hair test from operating a truck on our nation's highways today. Federal acceptance of hair testing as an independent, alternative testing method would allow employers to use this testing method to identify a greater number of safety-sensitive employees who violate federal drug testing regulations and keep these unsafe drivers off the road, and get them help as well.

In Pursuit of Fairness and Transparency at Ports

The extraordinary volumes of freight that challenged our maritime ports in the past three years exposed competition and infrastructure issues that have bedeviled America's intermodal motor carriers for years. Unfair and illegal treatment of truckers and other port users by foreign-owned ocean carriers and marine terminal operators was exacerbated by the historic inflow of freight. Agricultural exports were left on docks to rot, and bottlenecks led to enormous delays in the delivery of imported goods. Passage of the Ocean Shipping Reform Act last year, the first major rewrite of laws governing port practices in decades, will complement the major investments in IIJA for intermodal port connectors and projects of national economic significance, and ensure that American port users are treated fairly so that import and export goods can move more efficiently through our port facilities. With a level economic playing field in place, port facilities can then play an important and visible role in making our supply chains more sustainable.

Implementing Ocean Shipping Reforms

The passage of the Ocean Shipping Reform Act (OSRA) last summer with strong bipartisan support was a major step in the right direction. ATA thanks Rep. Garamendi, Rep. Johnson, and the other members of this Committee for their strong leadership in drafting this legislation and generating the widespread Congressional support that enabled such a substantive piece of legislation to pass on the suspension calendar.

OSRA will bring greater fairness and transparency to the relationships between ocean carriers, marine terminal operators, motor carriers, and shippers. The legislation also equips the Federal Maritime Commission with additional tools to ensure that ocean carriers are meeting their obligations under the law. ATA would like to recognize the Commission for the work they have done to meet the implementation deadlines outlined in the legislation and for the thoughtful approach they have taken in their regulatory proposals. The Commission's actions thus far have focused on increasing transparency between trading partners; for example, the Commission proposed that ocean carriers send detention and demurrage bills only to the person that has contracted for ocean carriage rather than to motor carriers. This will create significant incentives for all parties to provide accurate invoices and resolve any disputes that arise quickly and fairly. This is the kind of transparency that has long been lacking within the intermodal supply chain, and a final rule with these provisions would represent a strong step toward greater cooperation and efficiency among intermodal partners. We look forward to working with this Committee, Congress, and the Commission as the OSRA implementation process continues.

Addressing Chassis Supply Challenges

The last few months have seen significant reductions in freight volume coming into the nation's ports, which has alleviated many of the backups and bottlenecks that we saw last year. However, that does not mean that the root causes of these issues have disappeared. The insufficient supply of intermodal chassis needed to move containers was one of the largest contributing factors to the bottlenecks, yet the chassis provisioning process continues to be a source of considerable frustration for motor carriers both at the ports and at inland railheads. While OSRA does contain requirements to study this issue, we believe there are additional changes in this area that would significantly increase efficiency and reduce costs.

Motor carriers are often denied the ability to choose their chassis provider or use their own chassis due to ocean carrier interference in the marketplace. Provisions such as "box rules" permit ocean carriers to dictate which chassis provider must be used to move their containers. These requirements result in artificial limitations on chassis availability, which significantly impacts efficiency and adds unnecessary costs for motor carriers, as well as importers and exporters. ATA is currently litigating this issue before the FMC, in an attempt to resolve this problem without Congressional intervention. However, we encourage the Committee to consider legislation that would allow motor carriers to choose their chassis provider; increasing transparency and efficiency in chassis provisioning is critical to addressing some of the underlying supply problems that enflamed port operations over the last few years.

Implementing Port Sustainability Initiatives

Many states with significant maritime port activity are pursuing ambitious climate goals at those facilities. ATA and our members are committed to sound environmental policies but would emphasize that meeting the timeframes envisioned in many of these efforts will require significant advancements in both technology and infrastructure. Even if equipment with advanced environmentally friendly technologies become commercially available at the scale these climate goals require, the economics of acquiring and deploying that equipment need to be considered, and reasonable timetables set, in order to avoid destabilizing supply chains and the overall economy.

While the IIJA and Inflation Reduction Act contain considerable federal funding to assist ports in this process, the changes that will be required seem certain to bring with them the potential for substantial disruption. ATA urges this Committee to use its oversight authority to balance the focus on improving port efficiency and meeting environmental targets with the economic realities facing trucking and other supply chain providers who will be tasked with meeting those ambitious goals.

In December of 2022, 99.87% of visits to the Port of New York/New Jersey were by diesel-powered trucks,[26] while at the Port of Los Angeles, 93% of container moves and 95% of trucks are powered by diesel fuel with virtually all of the remaining portion powered by natural gas. At the beginning of this year, California prohibited the use of truck engines manufactured prior to 2010 which accounted for 15% of all containers moves at the Port of Los Angeles in November.[27] (The figure for New York/New Jersey is even higher at 30.48%.[28]) Thus far, the reduction in freight levels has meant that this requirement has not impacted the overall supply chain. However, the California Air Resources Board is considering a regulation phasing out older trucks each year and ultimately allowing only zero emission

[26] *PortTruckPass Comprehensive Report*. Port Authority of New York and New Jersey, December 2022.
[27] *Clean Truck Program (CTP) – Gate Move Analysis*. Port of Los Angeles, December 2022. Available online at: https://kentico.portoflosangeles.org/getmedia/452bad8c-4e16-490f-bab6-155b061866bb/POLA-Monthly-Gate-Move-Analysis (accessed January 19, 2023).
[28] *PortTruckPass Comprehensive Report*. Port Authority of New York and New Jersey, December 2022.

trucks at the ports by 2035.[29] This would mean all drayage trucking companies would need to replace their fleets entirely. While ATA has expressed our significant concerns regarding this potential regulation and similar efforts in other locations, there is little question that as new technologies become available, trucking companies will need to make substantial upgrades in their equipment at considerable cost in the years to come. As we look more closely at the fleets serving the nation's ports, we see that at ports as in most of the trucking industry, smaller companies comprise a significant portion of the overall trucking fleet. Truck statistics from the Port of Los Angeles show that 67% of fleets registered to work at the port have less than 20 trucks and these companies account for more than 27% of container moves.[30] Ensuring that trucking companies, especially smaller businesses, can make any required technological transition is critical to the ability of the trucking industry to meet the needs of our customers at the ports.

There is a critical role for Congress to play in continuing to ensure that the laws governing maritime freight ensure fairness as well as to help increase efficiency at ports and ensure that they have the resources they need to upgrade their facilities to meet future technology requirements. The Ocean Shipping Reform Act brought long-needed change, but the work is not done, and we look forward to working with the Committee to draft and enact additional legislation to ensure that foreign-owned ocean carriers treat all participants in the supply chain fairly. The IIJA provides significant resources to improve port operations and we are optimistic that this important funding will be used to implement new technologies to streamline operations as well as make the critical infrastructure improvements that will lead to more efficient operations. Together, we hope these changes will help us avoid the types of bottlenecks that we saw over the last two years when higher volumes return to the supply chain.

In Pursuit of Achievable Energy and Emissions Policies

The trucking industry has an admirable story to tell about our ongoing emissions reductions and sustainability initiatives and looks forward to working with Congress and regulatory agencies to set ambitious, achievable environmental goals. Our industry has made major steps over the past forty years to reduce our emissions even as the trucking industry has grown to transport more than 70% of all freight in the United States. One of the primary ways our industry has achieved these tremendous emission reductions is through incredible advancements in engines and emission control systems that make today's trucks significantly cleaner than the past. A new truck today emits 99% fewer particulate matter emissions than one in 1985, and 99% fewer nitrogen oxide (NOx) emissions than one in 1975. By comparison, 60 trucks today emit the same pollution as a single truck manufactured in 1988.

Our industry is unwaveringly committed to environmental sustainability. We have a long history of working with the U.S. Environmental Protection Agency (EPA) to reduce emissions and improve transportation efficiency through programs like the Cleaner Trucks Initiative and the voluntary SmartWay program. As a result of these efforts, participating fleets have saved billions of dollars in fuel costs, reduced oil consumption, and eliminated millions of tons of air pollutants. EPA SmartWay estimates that the program has helped its partners save 357 million barrels of oil since 2004.[31] If one barrel of oil produces 11 to 12 gallons of diesel fuel,[32] that means trucking companies participating in

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[29] California Air Resources Board Proposed Advanced Clean Fleets Regulation. Available online at: https://ww2.arb.ca.gov/rulemaking/2022/acf2022

[30] *Clean Truck Program (CTP) – Gate Move Analysis*. Port of Los Angeles, December 2022. Available online at: https://kentico.portoflosangeles.org/getmedia/452bad8c-4e16-490f-bab6-155b061866bb/POLA-Monthly-Gate-Move-Analysis (accessed January 19, 2023).

[31] *SmartWay Program Successes*, U.S. EPA, Available online at: https://www.epa.gov/smartway/smartway-program-successes.

[32] *Frequently Asked Questions*, U.S. EIA, Available online at: https://www.eia.gov/tools/faqs/faq.php?id=327&t=10

the SmartWay program have saved more than 4 billion gallons of fuel—over $19 billion at current prices—in the last eighteen years.

In 2006, our industry began phasing out harmful sulfur in diesel fuel, and practically eliminated sulfur oxide emissions. ATA championed two separate EPA and NHTSA regulations in 2011 and 2016, establishing the first-ever truck engine, vehicle, and trailer greenhouse gas (GHG) emission and fuel consumption standards—known as Phase 1 and 2, respectively. In total, between 2014 and 2027, the combined Phase 1 and 2 GHG standards stand to cut CO2 emissions by 1.37 billion metric tons, saving vehicle owners and operators $220 billion in fuel costs and reducing oil consumption by up to 2.5 billion barrels of oil over the lifetime of the vehicles sold under the program.

The trucking industry supports cleaner transportation technologies and fuels to protect our environment and diverse communities. As a society, we rely on trucks in our daily lives to receive everything from groceries, to mail, to packages—as we say in the industry, "if you got it, a truck brought it." Fleets don't make trucks—they are *consumers* that buy trucks; however, it is trucking companies that buy technologies that ultimately dictate the success or failure of any emission regulation or policy agenda. Trucks are not restricted by geography. They cross city, county, state, and international borders on a routine basis. It is for this reason that ATA supports national harmonized standards for the trucking industry.

As Congress and the Administration consider laws and regulations to meet ambitious environmental goals, ATA will evaluate proposals to determine whether they improve trucking's emissions profile, are technology neutral, significantly increase the cost of maintenance, are thoroughly tested, and are widely available to all segments of the industry. Trucking will work with our partners in every mode of the supply chain, the supplier community, and regulators to develop and deploy technologies that can achieve major improvements in sustainability. To accomplish those improvements, we need to ensure that the fuels that currently power our nation's supply chains are affordable for trucking fleets of all sizes, that the costs of clean heavy-duty vehicles do not serve as financial barriers to entry, and that national standards are put in place for key pollutants.

Powering the Future of Transportation Affordably

While diesel remains the key fuel source for our industry, new technologies that capture pollutants from diesel fuel have enabled the trucking industry to significantly reduce its emissions. However, investments in these new technologies are more challenging because of increasingly volatile fuel prices, which create existential challenges for fleets of all sizes. According to the American Transportation Research Institute's (ATRI) annual survey of the industry, fuel is the second-highest operating cost for trucking and accounts for 22% of the motor carriers' average marginal costs.[33] The burden of high, volatile energy costs falls hardest on small fleets. These smaller trucking companies, which are typically family-owned, struggle to operate in a competitive business environment when fuel prices and regulatory demands for cleaner equipment force those operating costs upward.

Surges in diesel prices hit the trucking industry hard and can cost the industry an additional tens of billions of dollars, which increases prices for American families and makes it more difficult for the industry to invest in new equipment and technology. In 2019, U.S. trucks consumed 45.6 billion gallons of distillate fuel—36.5 billion gallons of which were diesel fuel.[34] The trucking industry's diesel fuel bill

[33] *An Analysis of the Operational Costs of Trucking: 2022 Update*, American Transportation Research Institute, August 2022.
[34] *ATA Economics and Industry Data*. American Trucking Associations. Available online at: https://www.trucking.org/economics-and-industry-data

in 2019 was $112 billion when prices were $3.00/gallon. However, diesel prices rose throughout 2022, reaching a high of $5.81/gallon—90% higher than 2019 average prices. This would result in an annual diesel fuel bill exceeding $200 billion for the American trucking industry, nearly a $100 billion per year increase.

To address these critical fuel supply issues, ATA supports immediate action to increase domestic production of oil and gas. This can be achieved by expediting oil and gas permitting and removing regulatory barriers that were put in place in 2021. Additionally, offshore oil and gas lease sales should be considered in the current production areas of the Central and Western Gulf, as these can be brought online in a few short years and would send a powerful signal to world oil markets. Financial restrictions on oil and gas investments should also be removed to encourage exploration and development in an environmentally responsible way. Further, Congress should restore parity in tax incentives for renewable diesel and renewable natural gas with Sustainable Aviation Fuel, which benefitted from higher tax incentives under the Inflation Reduction Act and put trucking at a competitive disadvantage for renewable fuels with other modes of transportation.

Availability of New Clean Equipment and Supporting Infrastructure

Mandates for emissions reduction and decarbonization will require the widespread deployment of new, cleaner, or alternative fuel vehicles that are significantly more expensive, and which are not yet widely available. The antiquated Federal Excise Tax (FET) on heavy-duty vehicles, created by Congress to fund America's participation in World War I, adds an additional 12 percent to the cost of every new truck. If Congress is serious about reducing emissions from trucking and the supply chain, then the first step is to remove this onerous tax and immediately make new, clean equipment more affordable.

As Congress considers a path towards transportation electrification and conducts oversight of IIJA investments in EV charging and alternative fuel infrastructure, it is essential that existing fuel providers be prioritized. There is a symbiotic relationship that exists between trucking and our fuel providers. The energy transition can only work for trucking if it works for our fuel providers. It is essential that these IIJA alternative fuel grant dollars are distributed to entities that are attuned and responsive to the trucking industry's evolving needs.

The reality for many of these new technologies is that they are not yet commercially mature, and the deployment of equipment and supporting infrastructure will take time and money. Unrealistic mandates that are impossible for businesses to achieve may serve political purposes, but not practical ones. The transition to battery electric and zero emission vehicles can only occur after we make massive improvements to the national energy grid, install sufficient charging and fueling infrastructure nationwide, and increase the availability of affordable alternative fuel power units. Without all those elements, any mandate is destined to increase costs for supply chains, disrupt commerce, and fail to achieve emissions reduction goals.

For example, take battery electric vehicles—mandated by California and other states as the go-to replacement for internal combustion engine vehicles. A recent study from the American Transportation Research Institute (ATRI) raises significant doubts about the grid's ability to handle a transition to battery electric trucks. Electrification of the U.S. vehicle fleet would consume 40.3% of the current total electricity demand when our aging grid can hardly sustain its current energy needs.[35] In California where

[35] *Charging Infrastructure Challenges for the U.S. Electric Vehicle Fleet*, American Transportation Research Institute, December 2022.

rolling blackouts are common, utilities would need to generate an additional 57% of their current total electricity output to support an electric vehicle fleet.[36]

We also know the United States' minerals supply chains are not prepared for an abrupt transition to battery electric technology. To produce the lithium-ion batteries that would power the hundreds of thousands of long-haul power units needed to meet the Administration's emissions goals, we need tens of millions of tons of cobalt, graphite, lithium, and nickel, and that amount could take as long as 35 years to acquire given current levels of global production.[37] Expanding that capacity raises enormous ethical questions and costs related to both developing nations' exploitive child labor policies and the carbon reduction problem that battery production intends to resolve.

To provide a proper accounting, we need a holistic view—from "well to wheel"—that includes the total cost of carbon output through its lifecycle, from extraction, production, and transportation of the mined and refined product to ultimate fuel use. In the case of lithium mining, production creates considerably more CO2 and pollution than does the manufacturing of internal combustion engine materials alone. In some operations, a minimum of one million gallons of water are necessary to produce a single pound of lithium.[38]

Fleets face several practical challenges when acquiring battery electric technology. Few public fast charging stations currently have the space and infrastructure needed to accommodate battery electric heavy-duty vehicles, and building more stations could exacerbate the existing shortage of safe commercial truck parking. Battery electric truck models currently sell for significantly higher costs than do typical diesel trucks, and the number of models that are commercially available is limited to a small selection. Long-haul heavy trucks with significantly heavier batteries suffer from limited range and reduced payload capacity. And while some of these challenges can be mitigated with longer payback periods or the installation of private or semi-private charging facilities, we know this technology will require unprecedented advancements in battery range, capacity, and power grid integration to become a truly viable option for most operators.

Interestingly, the Biden Administration's multiagency *U.S. National Blueprint for Transportation Decarbonization* identifies battery electric technology as a "limited long-term opportunity" in the long-haul segment and points out better-positioned opportunities with hydrogen and sustainable liquid fuels.[39] These alternatives offer advantages in energy density, comparable refueling times with diesel fuel, and in the case of sustainable liquid fuels like biodiesel and renewable diesel, compatibility with many current internal combustion engine configurations. Despite the promising role of these liquid fuels in achieving emissions goals, the last Congress failed to level the playing field between Sustainable Aviation Fuels and other alternative renewable fuels when it passed the Inflation Reduction Act last year. ATA strongly encourages Congress to take action to lower the costs of new, clean equipment for trucking and, as mentioned before, restore parity in tax incentives for clean, renewable, alternative fuels to power future generations of clean trucks.

[36] *Ibid.*
[37] *Ibid.*
[38] *Ibid*.
[39] *The U.S. National Blueprint for Transportation Decarbonization*, page 50, U.S. Department of Transportation, January 2023.

Harmonizing Federal and State Emissions Requirements

ATA supports emissions regulations that are ambitious yet achievable. However, proposals by California and other states would create a patchwork of truck engine and fleet sales standards that are unworkable for trucking. National goals for emissions reductions and environmental sustainability need to be facilitated by achievable national standards.

The next round of GHG emission regulations will address a national zero-emission vehicle (ZEV) pathway. The President's August 2021 Executive Order requires EPA to complete a Phase 3 Rule by the Summer of 2024. With initial discussions already underway, new stringent carbon metrics for new heavy-duty vehicles will take effect beginning in 2030. The trucking industry supports the pursuit of one national ZEV plan that is reasonable, logical, affordable, and the least-disruptive to the nation's supply chains; establishing an unworkable piecemeal approach to address the nationwide impacts of climate change would impose chaos on trucking operations, supply chains, and the economy.

No single state will move the national needle on climate change, but a 50-state approach may. All 50 states in our country together face compelling and extraordinary conditions posed by global warming. The country as a whole may meet CAA Section 209(b)(1)(B) compelling and extraordinary conditions insofar as climate change is concerned, but such waiver definition is better applied to the whole of the country. This matter is not defined as "global warming" by chance, and opportunities to address potential solutions are best championed by national thought leaders.

As purchasers of new trucks and equipment and as an integral link in the American supply chain, trucking is keenly aware of the costs of new requirements and their impacts on energy supplies and supply chains. Projecting forward, fleets are apprehensive about product unavailability, infrastructure delays, and high upfront equipment and supply costs that will undoubtedly eat into their narrow profit margins. That is why our members support one national, low-NOx standard; a patchwork of state regulations is unworkable for an industry that crosses state lines daily.

For example, the implementation of a unique NOx program in California (which may be expanded to some opt-in states under Section 177 of the Clean Air Act) will put at least two different regulatory programs in play nationwide, which is unworkable and problematic for interstate freight transportation. Truck manufacturers would not only face the prospect of two different product lines, but also two different sets of engine certification requirements and two different review and approval processes for these products. This will undoubtedly add to the already high cost of bringing new engines to market and create duplication in the administrative approval process. Truck fleets purchasing new equipment will be forced to make difficult decisions on which product line and price point fits their operational needs to meet customer demands.

ATA does not define "harmonization" as federal standards mirroring those of a single state, such as California. California has unique air quality issues given its large population and unique geographical features. Their regulations should not automatically become the template for establishing the next national low-NOx standard. Our definition of "harmonization" is the creation of one federal standard that reduces NOx emissions nationwide, is technologically and economically achievable, and does not impede trucking operations or purchase plans across the country. If one national standard across the country is not established, fleets will become creative with how, where, and when they purchase equipment to remain compliant. For example, while States such as California will not allow you to register new trucks purchased outside the State that do not meet the California Air Resources Board's (CARB's) low-NOx and warranty requirements, such vehicles can be purchased and operated outside

the State and then be registered in California once their odometers hit 7,500 miles. Other states may have similar registration provisions.

Such creativity will be continually challenged by additional regulations, which will in turn needlessly complicate purchasing decisions for our nation's trucking fleets. As an example, in addition to the NOx program, California is moving forward with its Advanced Clean Trucks (ACT) Rule. The intent of the ACT Rule is to expedite in-state decarbonization efforts within the freight sector. This regulation requires manufacturers who certify Class 2b-8 chassis or complete vehicles with combustion engines to sell zero-emission trucks as an increasing percentage of their annual California sales from 2024 to 2035 and beyond. By 2035, zero-emission truck/chassis sales would need to be 55 percent of Class 2b-3 truck sales, 75 percent of Class 4-8 straight truck sales, and 40 percent of truck tractor sales. CARB's companion Advanced Clean Fleets (ACF) Rule will direct large fleets operating in-state to purchase increasing percentages of ZEVs beginning as early as 2024. Layering these blanket requirements on a state-by-state basis unnecessarily complicates business decisions for every company in the trucking industry, but especially for medium and small family-owned fleets.

While California has its unique topography and associated air quality issues, it is imperative that the state and EPA find common ground in plotting a path forward. Putting differences aside, ATA encourages EPA and CARB to ultimately unify their approaches. Fleets have choices and if one harmonized national standard cannot be achieved, fleets may be forced to change their business models and purchasing decisions. As Congress considers long-term legislation to combat climate change, and conducts oversight of federal agencies, ATA strongly encourages the development of clear, achievable, national goals.

In Conclusion

I am grateful for the opportunity to testify before you today on behalf of the American Trucking Associations and the 8 million people in trucking related jobs who power our nation's supply chains and keep the wheels of the economy turning. For the Committee to focus its first hearing on the status of our supply chains is encouraging; it is imperative that we as a nation continue to be mindful of the importance of safe and efficient freight transportation and its impact on the wellbeing of our nation. Trucking is the dynamic linchpin of the U.S. economy, and as I have emphasized in my testimony, the industry can only be as efficient as the roads and bridges upon which we operate.

Looking forward, Congress should seize opportunities to enhance the efficiency and resiliency of the supply chain, and that must involve smart oversight of IIJA implementation, as well as efforts to empower the next generation of *safe* and *qualified* transportation workers. By resolving key supply chain bottlenecks, making port operations fairer and more efficient, and taking meaningful steps towards environmental sustainability, we can grow our economy and ensure American competitiveness for generations to come. I look forward to working with Chairman Graves, Ranking Member Larsen, and the other Members of the Committee to support efforts to meet those challenges. Thank you.