



Statement of

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Before the

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Hearing on

“The Immediate Challenges to our Nation’s Food Supply Chain”

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Chairman Scott, Ranking Member Thompson, and Members of the Committee, I am grateful for the opportunity to testify on these important issues on behalf of the American Trucking Associations (ATA)¹.

ATA is an 88-year-old federation and the largest national trade organization representing the trucking industry, with affiliates in all 50 states. ATA's membership encompasses over 34,000 motor carriers and suppliers directly and through affiliated organizations. Our association represents every sector of the industry, from Less-than-Truckload to Truckload, agriculture and livestock transporters to auto haulers and movers, and from the large motor carriers to owner-operator and mom-and-pop one-truck operations. Those members who work in the food supply chain, whether they serve producers, packagers, distributors, wholesalers and grocers, or others, have overcome tremendous challenges over the past eighteen months and continue to adjust as inefficiencies arise in international and domestic supply chains.

Agriculture and food transporters play a critical role in our nation's economy. We produce the world's safest and most abundant food supply and trucking serves the producers and companies at every point in the supply chains to support agricultural production, processing, export, and domestic distribution. The trucking industry moves over 70 percent of the nation's freight tonnage every year, and agriculture and food transporters are responsible for transporting the subset of goods that, unlike stereos and televisions, are perishable products that cannot survive excessive wait times on maritime or warehouse docks.

Trucks deliver critical foodstuffs to store shelves and school lunch tables in every community nationwide. We enable flexible multimodal supply chains for agricultural producers and their service providers by moving goods the last mile from maritime, rail, air, and intermodal facilities. Truck drivers perform an indispensable service, and their work moving goods across the country is necessary and critical to our economy and way of life.

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. Our industry currently moves more than 70 percent 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 will continue to deliver the vast majority of goods to American communities.³

More than 80 percent of U.S. communities rely exclusively on trucking to meet their freight transportation needs. In 2017, trucks moved \$10.4 trillion worth of goods, 71.6% of the value of all goods moved in the U.S.⁴ The trucking industry is also one of the country's leading employers, including over 3.6 million drivers.⁵ Overall, nearly eight million people are employed in trucking-related occupations.⁶ Trucking accounts for one out of every eighteen American jobs and "truck driver" is the top job in 29 states.⁷

This hearing presents an opportunity for stakeholders to highlight major headwinds for agriculture and food transportation, and to consider the opportunities that this Committee and the House of Representatives have to ensure the safety, efficiency, and reliability of the agriculture supply chain during this ongoing national recovery. Deteriorating roads and bridges, severe congestion, freight bottlenecks, and unprecedented

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 U.S. Census Bureau Commodity Flow Survey, 2017.

³ *Freight Transportation Forecast 2020 to 2031*. American Trucking Associations, 2020.

⁴ U.S. Census Bureau Commodity Flow Survey, 2017.

⁵ *American Trucking Trends 2020*. American Trucking Associations.

⁶ *Ibid.*

⁷ <https://www.marketwatch.com/story/keep-on-truckin-in-a-majority-of-states-its-the-most-popular-job-2015-02-09>

backlogs of cargo at our U.S. ports and inland terminals all reduce the resiliency and efficiency of the agricultural supply chain. ATA and its Agriculture and Food Transporters Conference are grateful for the opportunity to provide insights on these challenges and potential solutions.

As the Committee examines agricultural supply chain challenges, please consider five key areas: 1) infrastructure investment, 2) workforce development, 3) potential consequences of an employer-based vaccine mandate, 4) the role that commercial flexibility played in the initial response to COVID-19 challenges, and 5) challenges created by equipment and labor shortages at U.S. maritime ports and inland storage facilities and distribution centers. I will address each of these areas in detail in my testimony, as they are critical to ensuring the economic competitiveness of the American trucking, agriculture, and food service industries.

America's truckers proudly answer the call to deliver necessities across the country day and night. They perform that duty whether challenged by a global pandemic, dilapidated and failing infrastructure, and rising prices and regulatory burdens that make it harder for companies to operate their businesses. 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.

Key Issues for Food and Agriculture Transportation:

1) INFRASTRUCTURE INVESTMENT

With H.R. 3684, the Infrastructure Investment and Jobs Act, pending final passage by the U.S. House of Representatives, I strongly encourage Committee members to support its historic investment in our nation's roads and bridges. Congress is on the cusp of finally ensuring that the roads and bridges that carry the nation's economy are safe, reliable, and prepared for future growth.

No legislation is perfect, but the American Trucking Associations strongly supports passage of the IJA because the costs of inaction are too high and because it is our best option at this time. Agriculture and food transporters working with perishable products depend on a well-maintained, reliable, and efficient network of highways that enable the timely and safe delivery of their cargo. Without highways in good repair, our nation's agriculture and food producers will struggle to get their commodities to domestic and global markets; food distributors will struggle to get their goods to store shelves, restaurants, and schools; and American families will suffer as a result.

For years, underfunded roads and bridges have increasingly choked our economy's supply lines, making it costlier and more time-consuming to transport all goods, including agricultural and food products. Furthermore, congestion caused by decayed infrastructure adds nearly \$75 billion to the cost of freight transportation each year.⁸ In terms of agriculture and food transport, as the Committee is likely aware, the consequences of these losses are far-reaching and extend to the need to dispose of expired or unsafe food products such as spoiled milk, tilled beans, or slaughtered meat products.

The bipartisan IJA provides important investments to maintain and improve our core interstate system, and targets additional funding for intermodal freight connectors and projects of national significance that are critical for efficient agriculture supply chains. I echo the comments of Chris Spear, the CEO and President of the American Trucking Associations, who has spoken to this issue before Congress, the industry, and national media: Infrastructure is not partisan, and anyone in Congress who believes that roads and bridges are political hasn't been driving on them. The time to pass a bipartisan infrastructure bill is now.

⁸ *Cost of Congestion to the Trucking Industry: 2018 Update*. American Transportation Research Institute, Oct. 2018.

2) WORKFORCE DEVELOPMENT

The IIJA does more than invest in those critical aspects of our nation's infrastructure. It authorizes critical programs and lays a path to ensure a highly trained, safe, and diverse workforce is available to truck goods across the country. According to statistics released just last week, the trucking industry is currently short 80,000 drivers.⁹ That deficit will only continue to grow without studying and modernizing regulations on who can drive in interstate commerce, and without targeted investments in programs to attract a new, diverse generation of drivers and supply chain workers. By 2030 and at current trends, the gap could grow to 160,000.¹⁰ Overall, nearly one million new drivers will need to be trained and hired in the next decade to keep pace with increasing consumer demand and an aging workforce.¹¹

The truck driver shortage is only one aspect of how unmet labor force needs create supply chain inefficiencies. Drivers working at maritime ports or transporting goods between domestic distribution facilities all rely on local labor forces to load or unload perishable cargoes so that trucking companies can keep their assets moving in service of their customers and so that drivers can maximize their on-duty time under federal hours of service regulations. The staffing shortages for these workers substantially decreases driver efficiency if they also have to wait for loading and unloading.

Accordingly, ATA and the members of our Agriculture and Food Transporters Conference strongly support the workforce development provisions in IIJA that will help ensure a resilient, safe, and diverse workforce. In particular I want to highlight the importance of the pilot program (based on the DRIVE Safe Act, H.R. 1745) to study allowing highly trained younger drivers to participate in interstate commerce, the establishment of an advisory board to promote the recruitment and retention of women in the trucking workforce (Promoting Women in Trucking Workforce Act, H.R. 1341), and the authorization of a program to promote and improve job opportunities for a diverse transportation workforce (Promoting Service in Transportation Act, H.R. 3310).

The DRIVE Safe Act pilot program will allow the U.S. Department of Transportation to collect the data to show what 49 states already recognize, that 18-to-20-year olds can be trained to operate safely in interstate commerce and help meet the critical need for 80,000 new truck drivers nationwide. This pilot program will remove an obsolete federal regulatory barrier for up to 3,000 drivers, and will demonstrate that young drivers can be trained in trucks equipped with the latest safety technology and deployed to add critically needed resilience and capacity to national supply chains. To qualify to operate in interstate commerce under the pilot program, drivers must complete 400 hours of training using leading safety equipment, including 240 hours with an experienced mentor, on top of the current minimum requirements to obtain a commercial driver's license for drivers of all ages. For agriculture and food transporters, the capacity that can be unlocked by bringing safe, trained younger drivers into the workforce is critically important to ensure the resilience of the supply chains on which they depend.

The Promoting Women in Trucking Workforce Act and the Promoting Service in Transportation Act are also important tools for our nation's supply chains to attract a younger and more diverse workforce. Although women currently make up 47% of the workforce, only 7% of truck drivers are women¹² and only roughly 26% of all transportation and warehousing jobs are held by women.¹³ For too long, blue-collar professions like trucking have been stigmatized, and the disproportionate emphasis on four-year colleges at the expense

⁹ *Driver Shortage Update 2021*. American Trucking Associations. October 25, 2021.

¹⁰ *Ibid.*

¹¹ *Ibid.*

¹² *American Trucking Trends 2020*. American Trucking Associations.

¹³ *Monthly Employment in the Transportation and Warehousing Sector*. USDOT Bureau of Transportation Statistics. September 2021.

of vocational schools and the skilled trades has discouraged too many potential drivers from getting behind the wheel. ATA supports both of these important legislative efforts and applauds their inclusion in the IJA.

Agriculture producers, processors, and distributors have seen the consequences of an undersized and less resilient workforce as they struggled to meet surging demand and adjust to constant challenges over the past two years. The inclusion of these workforce provisions will play a key role in bolstering the transportation industry and helping it attract and retain a new generation of labor that will ensure its ability to respond to future food supply chain disruptions. ATA strongly encourages the Committee to be aware of the importance of these workforce provisions in the pending infrastructure bill to the reliability of the agriculture and food transportation.

3) VACCINE MANDATE

The challenges facing our food supply chains are rooted in inefficiencies that are out of the control of truckers – potholes, closed bridges, congestion, and prohibitions on younger drivers – but those challenges impact everyone in the highly competitive trucking industry equally. As the Committee studies the challenges facing the food supply chain, ATA respectfully requests consideration of the negative consequences that an employer-based federal vaccine mandate will have on the resilience and sustainability of the supply chain.

As mentioned above, there are labor shortages causing inefficiencies at ports, inland warehouses, and distribution facilities. America's trucking industry is built on a deregulated model with hundreds of thousands of licensed motor carriers of all sizes. Setting an arbitrary threshold for vaccine mandates based on company size puts the companies above that threshold at a disadvantage where their drivers and workers can simply leave for jobs at companies where they will not be subject to a mandate. Trucking workforce data gathered by ATA indicates that an employer-based vaccination mandate based on the arbitrary threshold of 100 employees could mean the loss of up to 37% of drivers for covered companies to retirements, attrition to smaller carriers, or conversion to independent contractor owner-operators. Federal regulations should not play favorites among competitive industries but this proposal does exactly that.

ATA strongly supports efforts to provide access to vaccination and COVID-19 testing broadly throughout the country. Our members working in the supply chain play a major role in ensuring distribution of vaccines and medicines nationwide. More broadly, agriculture and food transporters ensure that the institutions and families across the country have access to necessities despite the ongoing challenges to daily life – milk, eggs, bread, produce, and the COVID-19 vaccine itself. Truckers in fleets of all sizes play a role in meeting that demand and transporting the goods we all need.

As of the drafting of this testimony, the Occupational Safety and Health Administration's (OSHA) COVID-19 Emergency Temporary Standard (ETS) had just cleared the Office of Management and Budget's review. While this Committee considers ways to support resiliency in food and agricultural supply chains, ATA requests that members be aware of the following necessary provisions that ATA explained to the Administration need to be included:

- (1) An exemption for truck drivers akin to that provided by Canada for its drivers or alternatively deferring coverage of truck drivers to the traditional regulating agency with transportation expertise – the Federal Motor Carrier Safety Administration (FMCSA) - rather than OSHA;
- (2) Federal contractors that implement the vaccine mandate required in Executive Order 14042 should not have to comply with a second set of OSHA rules -- those that implement the E.O. 14042 mandate should be deemed compliant with the OSHA ETS and ideally vice versa to avoid overlapping and contradictory requirements; and
- (3) A reasonable implementation timeline for any ETS of not less than 90 days.

While much of the country was sequestered in their homes over the past eighteen months, the trucking industry served its essential function and did so successfully with safety standards developed by public health experts. In fact, ATA surveyed its members and provided data to the Administration showing that our drivers were well below the infection and mortality rates of the general population. We support the Administration's goals of increased vaccination rates and clear health guidelines to enhance protections for all Americans. We have urged trucking industry employees to get vaccinated and will continue to do so. We will also continue to work with federal authorities to increase voluntary vaccination rates for our sector.

Unfortunately, however, the anticipated OSHA rule as outlined together with the federal contractor vaccination mandate may have vast unintended consequences. The scope of the mandate was an open question as of the drafting of this testimony, but the Committee should know that if the ultimately-published ETS and federal contractor requirements do not take into account the effects on our industry, ATA may be forced to take action against the ETS and contractor mandate to protect the industry. Because of its potential one-size-fits-all approach, such a rule would inherently fail to balance the risks of a single standard for all industries against the broad impact that such a rule will have in exacerbating challenges to the supply chain and economy. Even if the ultimate goal is something we all agree on – increasing vaccination protections and defeating the COVID-19 pandemic – it is vital that public health measures first do no harm, especially to critical elements of our food supply chain.

4) SUPPLY CHAIN ADJUSTMENTS IN RESPONSE TO COVID

The landscape-level challenges that face the entire trucking industry place unique challenges before the food and agriculture haulers. As I mentioned, these companies were at the forefront of helping their shipper customers adjust to an economy where the entire marketplace of mass food distribution disappeared almost overnight. Shippers and carriers were forced to find new homes for their products, and ATA worked closely with supply chain partners and regulators to accommodate those changes while minimizing waste and disruption.

By focusing on improving communication between supply chain partners outside their contractual obligations and addressing the ability to repackage from a large-market focus to the consumer level, the food supply chain evolved to meet the unique demands of the COVID-19 pandemic. Supply chain horror stories of dumping tankers of expired milk, containers of harvested products left to rot, and disposing of thousands of slaughtered animals that went unprocessed in a timely manner all illustrate the consequences of inefficiency and highlight the need for the private sector and regulators to strengthen the resiliency of supply chains to meet future challenges.

As shippers' traditional marketplaces collapsed they were left scrambling to find other consumers for their products. This immediate shift exposed the initial lack of connectivity among partners in the supply chain when faced with the dramatic changes wrought by the pandemic. However, by bringing together technology providers, logistics companies, shippers, government agencies, and charitable organizations, supply chains were cooperatively able to piece together short-term solutions to minimize disruptions.

We witnessed schools and restaurants shutter overnight, and many food distributors were left with commercially packaged foodstuffs. The market took a few days, but started to repackage those goods for consumer purchase. Many restaurants turned into "bodega-like" operations selling packages of uncooked goods to customers who ordinarily would have been sit-down restaurant customers. Produce trucks parked in parking lots also sold their perishable products directly to consumers.

A common thread in the discussions between supply chain partners is that there is no one silver bullet to ensuring resilient food and agriculture supply chains. The improved level of communication made necessary by COVID-19 response efforts must continue, and unique solutions must be found to workforce challenges

facing our respective industries supply chains struggle to provide necessary capacity to meet consumer demand. America's agriculture community produces the world's safest and most abundant food supply, and our motor carriers remain dedicated to playing their role in bringing those goods to market.

5) PORT PRODUCTIVITY CHALLENGES

As media and policymakers focus on the backlog of import cargo at U.S. maritime ports, particularly on the West Coast, it is an opportunity to examine the long-term trends in port practices that reduce the resilience of food supply chains. Volumes are surging at a time when labor and equipment shortages leave inland distributors unable to accommodate the demand. Inabilities to process cargo at ports, dray import and export containers between ports and inland distribution facilities, and transport inland goods efficiently between production facilities and warehouses all create challenges for our food supply chain.

The entire food supply chain would benefit from steps to incentivize communication between supply chain partners, realign financial incentives by modernizing regulations related to detention and demurrage charges by ocean carriers and marine terminal operators, and address the chassis and equipment shortage.

Improving Communication

Private sector partners need to continue improving their communication to avoid supply chain breakdowns, even in the face of peak season demands, a lack of carrier capacity, a lack of equipment availability, and ongoing labor supply challenges. In that context, Congress and federal regulators must understand the context of the current and potential bottlenecks in order to respond accordingly with effective and meaningful relief. For instance, a port remaining open 24/7 will do little to increase the flexibility of the supply chain if the port does not have adequate equipment available to move containers, they are slow to process the trucks that serve the facilities, inland warehouses are full, or if inland warehouses are only staffed to open their shipping docks for limited hours. Solutions should focus on addressing the constraints specific to those port facilities, not merely increasing the amount of time a driver can legally operate in order to overcome the inefficiencies.

In addition to the delays and limited hours of operation at inland facilities complicating the carriage of goods to and from ports, the ports themselves struggle with disjointed information sharing. ATA members working in intermodal freight, as well as those transporting agriculture and food, report that information systems and notifications vary substantially between facilities. Each terminal within a larger port often has its own information sharing system, an inefficient state of affairs for truck drivers and supply chain participants that would otherwise benefit from more global availability of information. Truckers working at ports often must return containers or chassis at one terminal then pick up new equipment at a different terminal, and most terminals operate on different systems. Miscommunication is often exacerbated by short notice of constantly-changing windows of availability for cargo and equipment pickup and drop-off at each terminal.

Modernizing Incentives at Ports

The Federal Maritime Commission has studied the issue of unjust and unreasonable practices relating to detention and demurrage penalty charges levied on carriers and shippers by ocean carriers and marine terminal operators. Fines intended to incentivize the efficient movement of goods to and from U.S. ports are, obviously, failing to do so. Rather, motor carriers and food shippers working at ports are too often forced to pay unfair penalties and then weigh the risks of pursuing litigation or arbitration with large, global shipping lines to recover their losses.

Too often, the delays for pickup and return of equipment and cargo for the movement of food and agriculture goods at ports are due to circumstances beyond motor carriers' control. Part of the challenge is in obtaining the necessary equipment, particularly chassis, to move containers to warehouses. Another aspect of the

challenge is that labor shortages at those inland facilities slow the loading and unloading of goods. Federal hours of service regulations do not account for or accommodate labor challenges, so the time a driver spends waiting on a chassis to move goods from the port, or missing the delivery window at an inland facility because of delays at the port is unrecoverable. Drivers and equipment are critical resources for the overall food supply chain, and effective utilization of both is critical to alleviate the current port backlog.

The answer to these myriad challenges is not increasing the amount of time a driver can be on-duty, but rather restoring financial incentives for ocean carriers and marine terminal operators to work with shippers and carriers to move goods efficiently. These entities should not benefit from unreasonable demurrage charges when cargo is not made available to carriers and shippers in a timely manner, and they should not be able to levy unfair charges for the late return of containers when there is no space for the carrier or shipper to return the equipment.

If drivers are unable to return a container and obtain the proper chassis, they cannot pick up their next container, slowing operations and contributing to the buildup of containers at the port. In addition to improving port information sharing and restoring fairness to the financial incentives for moving cargo, there is a critical need to incentivize better chassis management and to secure more chassis and equipment to move more containers at ports.

Equipment Availability

There is virtually zero availability of chassis, which is a critical chokepoint for U.S. ports at this time. Trucking companies and intermodal equipment providers that purchase this equipment rely on both domestic and foreign suppliers. Recent trade actions, including Section 301 tariffs imposed during the Trump Administration and an antidumping and countervailing duty ruling from the Department of Commerce and the U.S. International Trade Commission (USITC) earlier this year, limit chassis availability from global sources. ATA is concerned that the combination of the tariffs and duties only increases the cost of chassis without providing a sizeable increase in domestic production to meet the demands of the U.S. intermodal marketplace. Without increased chassis availability, the carriers serving our food supply chain will continue to struggle to meet consumer demand in an efficient and timely manner.

A lack of interoperability for chassis in certain locations further strains the motor carriers and shippers moving food and agricultural products through our ports. Many ocean carriers require motor carriers to use chassis from their preferred intermodal equipment provider in order to pick up a container from that shipping line. This is true even for merchant haulage where the shipper contracts with the motor carrier for land transportation rather than with the ocean carrier. This could require a motor carrier to return one chassis and pick up another one just to pick up a container from a specific ocean shipping line. This inefficient system that allows ocean carriers to sideline competition also prevents motor carriers from choosing their own chassis provider, adding time and expense that is eventually passed on to consumers.

Finally, the supply chain challenges that make it harder to move agriculture and food products efficiently are manifesting in an inability to receive new trucks and the necessary parts to maintain fleets. Making it harder to keep trucks that are already operating on the road places the economy at risk of an even greater capacity shortage. Semiconductor shortages are slowing delivery of new equipment because OEM companies are being forced to idle plants as they wait to build up sufficient stock to produce trucks. Fleets are cannibalizing older equipment to keep their assets moving as best they can. These shortages will continue to challenge those companies working in the food supply chain, and we encourage the members of this Committee to consider these industry concerns.

Conclusion:

Chairman Scott, Ranking Member Thompson, and Members of the Committee, thank you again for the opportunity to testify before the Committee at a moment where significant challenges face our nation's agricultural and food product supply chains. The members of the American Trucking Associations are working ceaselessly to move goods across this country, and on their behalf I am grateful for the opportunity to present you with insights on steps that can be taken to help the industry.

The entire ATA federation stands ready to work hand-in-hand with you, Congress, and the Biden Administration to address the issues we are discussing today. Thank you.