Committee on Transportation and Infrastructure
U.S. House of Representatives
Washington, DC 20515

Sam Graves
Chairman

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Ranking Member

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May 5, 2023

SUMMARY OF SUBJECT MATTER

TO: Members, Subcommittee on Highways and Transit
FROM: Staff, Subcommittee on Highways and Transit
RE: Subcommittee Hearing on "*Freight Forward: Overcoming Supply Chain Challenges to Deliver for America"*

I. PURPOSE

The Subcommittee on Highways and Transit of the Committee on Transportation and Infrastructure will meet on Wednesday, May 10, 2023, at 10:00 a.m. ET in 2167 of the Rayburn House Office Building to receive testimony on "*Freight Forward: Overcoming Supply Chain Challenges to Deliver for America."* The hearing will provide Members with the opportunity to hear from stakeholders to examine the trucking industry's essential link in the supply chain, and challenges moving freight by commercial motor vehicles. Members will receive testimony from the Owner-Operator Independent Drivers Association (OOIDA); the Transportation Intermediaries Association (TIA); NATSO, Representing America's Travel Plazas and Truck Stops (NATSO) and SIGMA: America's Leading Fuel Marketers (SIGMA); and the International Brotherhood of Teamsters (Teamsters).

II. BACKGROUND

Jurisdiction

The Subcommittee on Highways and Transit has broad jurisdiction over trucking, including motor carrier safety grant programs to States; safety oversight of trucking companies; commercial driver qualifications and regulations; commercial vehicle size and weight standards and safety requirements; cross border surface transportation; and automated commercial motor vehicles.[1]

[1] JURISDICTION AND ACTIVITIES, SUBCOMM. ON HIGHWAYS AND TRANSIT, 118TH CONG., (Jan. 2023) (on file with Comm.).

Trucking issues primarily fall under, or are affected by, three modal administrations under the Department of Transportation (DOT). First, the Federal Highway Administration (FHWA) which supports State and local governments in the design, construction, and maintenance of the Federal-Aid Highway program and the Federal lands program.[2] Second, the Federal Motor Carrier Safety Administration (FMCSA) which was previously within the FHWA and established as a DOT modal administration in 2000.[3] FMCSA's primary mission is to reduce commercial motor vehicle-related crashes, injuries, and fatalities.[4] Third, the Office of the Secretary of Transportation (OST) which is responsible for policy and program development for DOT, including transportation investments and multimodal freight policy.[5]

The United States Trucking Industry

The Nation's transportation infrastructure is the backbone of the United States economy. In 2020, all modes of transportation moved an estimated 19.3 billion tons of goods worth about $18 trillion (measured in 2017 dollars) on the Nation's transportation network.[6] Trucks moved approximately 73 percent of all domestic freight by value, totaling 12.6 billion tons of freight in 2020.[7] More than 80 percent of the communities across the country rely exclusively on trucking to meet their freight transportation needs.[8]

In 2020, approximately 10.5 million single-unit trucks (straight trucks) and nearly three million combination trucks (tractor-trailers) operated on the Nation's roadways, constituting less than five percent of the 275.9 million total registered vehicles in the United States.[9] Approximately 8.7 million Commercial Motor Vehicle (CMV) drivers operated in both interstate and intrastate in the United States.[10] Large trucks traveled 302.1 billion miles, representing approximately 10.4 percent of the total vehicle miles traveled by all motor vehicles.[11] Approximately 44.8 billion gallons of fuel, including diesel and gasoline, were used by trucks for commercial purposes in 2020. Of this, nearly 80 percent, or 35.8 billion gallons, was diesel fuel, as most heavy-duty trucks run on diesel.[12]

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[2] FHWA, *About FHWA*, *available at* https://highways.dot.gov/about/about-fhwa (last updated Apr. 19, 2023).
[3] *Motor Carrier Safety Improvement Act of 1999*, Pub. L. No. 106-159, 113 Stat. 1748.
[4] FMCSA, *Our Mission*, *available at* https://www.fmcsa.dot.gov/mission (last updated Dec. 13, 2013).
[5] 49 C.F.R. §§ 1.13, 1.21 (2023).
[6] DOT, BUREAU OF TRANSP. STATISTICS, POCKET GUIDE TO TRANSP. (2023), *available at* https://rosap.ntl.bts.gov/view/dot/64803/dot_64803_DS1.pdf.
[7] *Id*.
[8] *The State of Transportation Infrastructure and Supply Chain Challenges: Hearing Before the H. Comm. on Transp. and Infrastructure,* 118th Cong. (2023) (testimony of Chris Spear, President and CEO of the ATA), *available at* https://docs.house.gov/meetings/PW/PW00/20230201/115263/HHRG-118-PW00-Wstate-SpearC-20230201.pdf [hereinafter Spear].
[9] DOT, FMCSA, POCKET GUIDE TO LARGE TRUCK AND BUS STATISTICS (2022), *available at* https://www.fmcsa.dot.gov/sites/fmcsa.dot.gov/files/2023-02/FMCSA%20Pocket%20Guide%202022-FINAL%20508%20121922.pdf.
[10] *Id*.
[11] *Id*.
[12] AMERICAN TRUCKING ASSOCIATION, AMERICAN TRUCKING TRENDS (2022).

Persistently high fuel prices experienced in recent years have contributed to increased business costs at multiple points in supply chains. In particular, high diesel prices have acutely affected trucking businesses.[13] Fuel costs began increasing in 2021, and over the past year, gasoline and diesel prices surpassed record highs.[14] The rates at which these prices increased was also record-breaking.[15] In January 2021, the average price of diesel fuel was $2.68 per gallon.[16] After reaching a record high of $5.81 per gallon last summer, the national average price for a gallon of diesel fuel was $4.07 per gallon as of April 24, 2023, representing an increase of $1.39 per gallon, or 52 percent, from January 2021.[17] The average price for a gallon of regular gasoline rose from $2.33 in January 2021 to an all-time national high of $5.00 in June 2022. As of April 24, 2023, the price was $3.65 per gallon, representing a 57 percent increase from January 2021.[18]

III. Supply Chain Crisis Amplifies Challenges Impacting Truck Freight Delivery

The COVID-19 pandemic exposed several fragilities within our Nation's supply chain, further amplifying longstanding issues in truck freight delivery. These include a lack of truck parking, congestion at ports and freight distribution facilities, and inefficiencies and poor conditions at intermodal connectors. The increasing cost and shortage of equipment has hindered the capacity of the trucking industry to move freight.[19] Further, inconsistent information sharing also impacts how frequently and swiftly trucks can pick up loads, contributing to delays in loading and unloading at shipping facilities.[20]

Workforce Challenges

Detention time is time spent at shipping and receiving facilities beyond that which is legitimately needed for loading and unloading, as specified by contracts.[21] Contracts between shippers, receivers, and motor carriers generally define limits on loading and unloading time at

[13] Paul Page, *Rising Diesel Costs Are Straining U.S. Truckers, Shipping Operations*, WALL ST. J., (May 12, 2022), *available at* https://www.wsj.com/articles/rising-diesel-costs-are-straining-u-s-truckers-shipping-operations-11652376035.
[14] United States Energy Info. Admin., *Weekly U.S. No 2 Diesel Retail Prices*, *available at* https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=EMD_EPD2D_PTE_NUS_DPG&f=W (release date Apr. 17, 2023) [hereinafter *Diesel Retail Prices*].
[15] DOT, BUREAU OF TRANSP. STATISTICS, *Record Breaking Increases in Motor Fuel Prices in 2022*, *available at* https://www.bts.gov/data-spotlight/record-breaking-increases-motor-fuel-prices-2022 (last updated August 18, 2022).
[16] *Diesel Resale Prices*, s*upra* note 14.
[17] *Id.*
[18] United States Energy Info. Admin., *Weekly U.S. Regular All Formulations Retail Gasoline Prices*, *available at* https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=EMM_EPMR_PTE_NUS_DPG&f=W (last updated April 17, 2023).
[19] ATA, Comment Letter on America's Supply Chains and the Transportation Industrial Base; Docket No. DOT–OST–2021–0106 (Oct 18, 2021), *available at* https://downloads.regulations.gov/DOT-OST-2021-0106-0352/attachment_1.pdf [hereinafter ATA Comment Letter].
[20] *Id.*
[21] UNITED STATES DOT OFF. OF INSPECTOR GENERAL, ESTIMATES SHOW COMMERCIAL DRIVER DETENTION INCREASES CRASH RISKS AND COSTS, BUT CURRENT DATA LIMIT FURTHER ANALYSIS, 6 (Jan. 31, 2018), *available at* https://www.oig.dot.gov/sites/default/files/FMCSA%20Driver%20Detention%20Final%20Report.pdf.

two hours.[22] Any time beyond what is specified used to load or unload is detention time. [23] Loading and unloading times can vary based on the type of cargo, operations at the facility, congestion at a facility, and other factors.[24] Section 23022 of the *Infrastructure Investment and Jobs Act (IIJA)* required FMCSA to contract with the Transportation Research Board to conduct a study on the impacts of driver compensation, including detention time, which was awarded in July 2022.[25]

The COVID-19 crisis renewed a focus on workforce challenges in the trucking industry, including concerns about a truck driver shortage. The American Trucking Associations (ATA) estimated that the shortage of qualified drivers reached a near record high of 78,000 in 2022, and further forecasted that this shortage could grow to 160,000 in 2031.[26] ATA further reported the driver turnover rate was 91 percent in 2019, and 90 percent in 2020,[27] and that "more than 10 million Americans held commercial driver's licenses in 2019. That was nearly triple the 3.7 million trucks that required a driver holding that certification."[28] A high turnover rate does not necessarily mean that a company has complete turnover; rather, it could indicate that some positions turn over multiple times.[29]

Identified challenges impacting recruitment include the low percentage of women in the trucking workforce, lack of truck parking, lifestyle disadvantages, including greater time away from home for those in the long-haul market, and barriers to entry, such as the minimum driving age.[30] The International Brotherhood of Teamsters believe in the need to "improve wages and working conditions for truck drivers" as keys to improving the shipment of freight across the Nation.[31] According to the Bureau of Labor Statistics (BLS), the median pay for Heavy and Tractor-Trailer Truck Drivers in 2022 was $49,920, or $24 per hour.[32] Additionally, data from

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[22] Id. at 3.
[23] U.S. GOV'T ACCOUNTABILITY OFF. (GAO), GAO-11-198, COMMERCIAL MOTOR CARRIERS: MORE COULD BE DONE TO DETERMINE IMPACT OF EXCESSIVE LOADING AND UNLOADING WAIT TIMES ON HOURS OF SERVICE VIOLATIONS (Jan. 2011), *available at* https://www.gao.gov/assets/gao-11-198.pdf.
[24] *Id*.
[25] FMCSA, *Impacts of Driver Compensation on Safety and Driver Retention*, *available at* https://www.fmcsa.dot.gov/research-and-analysis/impacts-driver-compensation-safety-and-driver-retention (last updated Oct. 25, 2022).
[26] Spear, *supra* note 8.
[27] William B. Cassidy, *US Truckload Driver Turnover Flattens as wages, demand rise: ATA,* J. OF COMMERCE (Mar. 30, 2021), *available at* https://www.joc.com/article/us-truckload-driver-turnover-flattens-wages-demand-rise-ata_20210330.html.
[28] Peter S Goodman & George Etheredge, *The Real Reason America Doesn't Have Enough Truck Drivers*, N.Y. TIMES, (Feb. 9, 2022), *available at* https://www.nytimes.com/2022/02/09/business/truck-driver-shortage.html.
[29] Cassidy, *supra* note 27.
[30] American Trucking Associations, *Driver Shortage Update 2022* (Oct. 2022), *available at* https://ata.msgfocus.com/files/amf_highroad_solution/project_2358/ATA_Driver_Shortage_Report_2022_Executive_Summary.October22.pdf.
[31] Press Release, Teamsters Urge House Panel to Consider Wages, Safety in Supply Chain Discussions (Nov. 17, 2021), *available at* https://teamster.org/2021/11/teamsters-urge-house-panel-to-consider-wages-safety-in-supply-chain-discussions/.
[32] BLS, Dep't of Labor, *Occupational Employment and Wages, May 2022*, *available at* https://www.bls.gov/oes/current/oes533032.htm.

ATA showed that the "average truckload driver made over $69,000 in 2021, including salaries and bonuses but not benefits."[33]

Women are significantly underrepresented in the trucking industry. In fact, only 6.6 percent of truck drivers are women.[34] Section 23007 of *IIJA* required the FMCSA Administrator to establish a Women of Trucking Advisory Board (WOTAB) to encourage women to enter the trucking field.[35] The Secretary of Transportation chartered the board on February 11, 2022, and the WOTAB's first meeting was held on November 9, 2022.[36]

Currently, 49 states and the District of Columbia allow 18- to 20-year old truck drivers to operate commercial vehicles for intrastate commerce only; however, Federal law does not allow such drivers to operate vehicles in interstate commerce.[37] Section 23022 of *IIJA* required FMCSA to establish a three-year pilot program to allow drivers between the ages of 18 and 20 with an intrastate Commercial Driver's License (CDL) to operate in interstate commerce.[38] FMCSA established this program on January 14, 2022, but included program requirements beyond those specified in the law, such as registration with the Department of Labor (DOL) and requiring the use of inward-facing cameras.[39]

Hours of Service

Federal Hours of Service (HOS) regulations govern the amount of time a driver can operate a commercial motor vehicle (CMV).[40] These regulations have been updated over time due to Congressional action, DOT rulemakings, and legal challenges. Congress has granted exemptions from Federal HOS regulations for certain industries and under certain circumstances. The DOT has also granted exemptions using its authority.[41] For most property-carrying CMV drivers, for every eight cumulative hours of driving without at least a 30-minute interruption, truck drivers are required to take a 30-minute break. Drivers are also required to take a 10-hour break following the 14th consecutive hour on duty.[42]

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[33] American Trucking Associations, *Driver Shortage Update 2022* (Oct. 2022), *available at* https://ata.msgfocus.com/files/amf_highroad_solution/project_2358/ATA_Driver_Shortage_Report_2022_Executive_Summary.October22.pdf.
[34] *IIJA*, Pub. L. No. 117-58, 135 Stat. 761 [hereinafter *IIJA*].
[35] *Id*.
[36] FMCSA, *Welcome to FMCSA's WOTAB, available at* https://www.fmcsa.dot.gov/wotab (last updated Nov. 2022).
[37] ATA Comment Letter, *supra* note 19.
[38] *IIJA*, *supra* note 34.
[39] FMCSA*, Safe Driver Apprenticeship Pilot Program*, *available at* https://www.fmcsa.dot.gov/safedriver (last updated Apr. 21, 2023); *see also* Spear, *supra* note 8.
[40] FMCSA, *Hours of Service, available at* https://www.fmcsa.dot.gov/regulations/hours-of-service (last updated Nov. 2021).
[41] FMCSA, INTERSTATE TRUCK DRIVER'S GUIDE TO HOURS OF SERVICE (2022), *available at* https://www.fmcsa.dot.gov/sites/fmcsa.dot.gov/files/2022-04/FMCSA-HOS-395-DRIVERS-GUIDE-TO-HOS%282022-04-28%29_0.pdf.
[42] FMCSA, *Summary of Hours of Service Regulations, available at* https://www.fmcsa.dot.gov/regulations/hours-service/summary-hours-service-regulations (last updated March 2022).

Truck Parking

The FHWA's Jason's Law report is a required survey and comparative assessment on truck parking availability.[43] The most recent of these reports found that 98 percent of drivers reported problems finding safe truck parking. [44] Only one parking spot is currently available for every eleven trucks on the road.[45] Additionally, a 2016 study by the American Transportation Research Institute found that on average, truck drivers lose 56 minutes of available drive time per day either looking for suitable parking or stopping earlier than they need to, due to lack of parking closer to their endpoint for the day.[46]

Although there is no program solely dedicated to funding truck parking, States can currently use their highway formula funding for truck parking under the following eight DOT formula programs: the Surface Transportation Block Grant (STBG) program, the National Highway Freight Program (NHFP), the Highway Safety Improvement Program (HSIP), the National Highway Performance Program (NHPP), the Promoting Resilient Operations for the Transformative, Efficient, and Cost-saving Transportation (PROTECT) Program, the Carbon Reduction Program (CRP), and the Congestion Mitigation and Air Quality Improvement (CMAQ) program.[47] Projects related to truck parking may also be eligible for consideration under other authorized discretionary grant programs at DOT, such as Infrastructure for Rebuilding America (INFRA), Local and Regional Project Assistance (RAISE) grants, Rural Surface Transportation Grants, National Infrastructure Project Assistance (MEGA) grants, Promoting Resilient Operations for Transformative, Efficient, and Cost-saving Transportation (PROTECT) grants, Advanced Transportation Technologies and Innovative Mobility Deployment (ATTIMD) grants, Reduction of Truck Emissions at Port Facilities grants, and High Priority Innovative Technology Deployment (HP-ITD) grants.[48]

Historically, due to competing priorities, States have used little of their funding to address the lack of truck parking.[49] In fiscal year 2022, DOT awarded $38.6 million in funding for projects, some of which will be used to increase the availability of truck parking spaces.[50]

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[43] *Moving Ahead for Progress in the 21st Century Act*, Pub. L. No. 112-141 § 1401(c)(3), 126 Stat. 405.
[44] FHWA, *Jason's Law Truck Parking Survey Results and Comparative Analysis* (2020), *available at* https://ops.fhwa.dot.gov/freight/infrastructure/truck_parking/workinggroups/2020/mtg/mtg12012020_jasons_law.htm.
[45] Frank Morris, *There is 1 Parking Space for Every 11 Semi Trucks on the Road. Why that's a Problem*, NAT'L PUBLIC RADIO, (Jan. 19, 2023), *available at* https://www.npr.org/2023/01/19/1149924297/there-is-1-parking-space-for-every-11-semi-trucks-on-the-road-why-thats-a-problem.
[46] *Industry and Labor Perspectives: A Further Look at North American Supply Chain Challenges: Hearing Before the H. Comm. on Transp. and Infrastructure*, 117th Cong. (2021) (statement of Chris Spear, President and CEO of the American Trucking Associations), *available at* https://transportation.house.gov/calendar/eventsingle.aspx?EventID=405675.
[47] MARTIN C. KNOPP, ASSOCIATE ADMINISTRATOR FOR OPERATIONS, FHWA, AND THOMAS P. KEANE, ASSOCIATE ADMINISTRATOR FOR RESEARCH AND REGISTRATION, FMCSA, MEMORANDUM ON ELIGIBILITY OF TITLE 23 AND TITLE 49 FEDERAL FUNDS FOR COMMERCIAL MOTOR VEHICLE PARKING (UPDATED), (Sept. 20, 2022), *available at* https://ops.fhwa.dot.gov/Freight/infrastructure/truck_parking/title23fundscmv/title23_49_funds_cmv.pdf.
[48] *Id*.
[49] *Addressing the Roadway Safety Crisis: Building Safer Roads for All: Hearing Before the Subcomm. on Highways and Transit of the H. Comm. on Transp. And Infrastructure*, 117th Cong. (2022).
[50] Email from Office of Policy and Government Affairs, FHWA, to H. Comm. on Transp. and Infrastructure staff (Apr. 17, 2023, 4:06 PM EST).

IV. WITNESSES

Mr. Lewie Pugh
Executive Vice President
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Mr. David Fialkov
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