



AMERICAN TRUCKING ASSOCIATIONS

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Chris Spear
President & Chief Executive Officer

January 23, 2020

The Honorable Chuck Grassley
Chairman
U.S. Senate Committee on Finance
Washington, D.C. 20510

The Honorable Ron Wyden
Ranking Member
U.S. Senate Committee on Finance
Washington, D.C. 20510

Dear Chairman Grassley and Ranking Member Wyden:

On behalf of the American Trucking Associations (ATA), I write to encourage the inclusion of common-sense funding mechanisms in any forthcoming funding title associated with S.2302, the America's Transportation Infrastructure Act (ATIA), passed by the Senate Environment and Public Works (EPW) Committee in August 2019. The trucking industry applauds the EPW Committee's critical first step in the reauthorization process, and we are confident that under your leadership, a robustly-funded surface transportation reauthorization is within our grasp.

When the EPW Committee passed ATIA out of committee, it was flanked by a groundswell of stakeholder and industry support, including the trucking industry. That coalition, which will be key to the advancement of a surface transportation reauthorization, stands ready to support the Finance Committee's development of a funding title to accompany the EPW Committee's work on ATIA. As that work begins, any infrastructure investment must be grounded in long-term, sustainable funding, based on mechanisms where all road users contribute to rebuilding and revitalizing the American transportation network. The trucking industry will aid in those efforts, and welcomes the opportunity to contribute to infrastructure development in a meaningful and efficient way. In fact, the trucking industry currently accounts for 4% of registered vehicles and 9% of miles traveled, yet we contribute almost half of all revenue collected for the Highway Trust Fund. We are willing to pay more.

However, we strongly caution against discriminatory funding schemes that place the burden of supporting our infrastructure solely on the back of the trucking industry. Forcing the industry to cover the entire gap between available revenue and infrastructure funding needs will jeopardize economic stability, cripple our nation's supply chain, and threaten to decimate recent economic gains. Moreover, it will irreparably fracture the broad stakeholder support that has facilitated the advancement of past highway bills. Therefore, any discriminatory funding schemes, like a truck-only vehicle miles traveled (VMT) tax, will be met with resolute opposition by the industry, and must be dismissed as a misguided and prejudiced funding gimmick.

Mandating that the trucking industry bear the brunt of our nation's infrastructure investment via a truck-only VMT tax is unfair, imbalanced, and runs counter to public interest. In terms of feasibility, there are ample reasons why a truck-only VMT is an ill-conceived and dangerous solution, especially when compared to other available funding streams. First, experts agree that proper implementation of a VMT tax will require at least a decade to generate revenue because the relevant technology has yet to be fully developed, large-scale field testing has not been conducted, data privacy and security issues have not been addressed, and VMT enforcement mechanisms have not been implemented to combat the expected evasion. With the Highway Trust Fund edging closer to insolvency each day, we cannot afford to wait more than a decade to provide a new funding stream intended to pay for a five year bill. Second, a VMT fee would require individual accounts for each taxed vehicle. Even if applied only to trucking, this would affect as many as 36 million vehicles, which would impose an overwhelming administrative cost and the burden of creating and monitoring 36

million individual accounts. Third, the concept of using electronic logging devices (ELD) to track and report truck miles traveled is untenable, as federal law prohibits government agencies from using ELDs for any purpose other than Hours of Service compliance. Further complicating this concept is the fact that only 28% of commercial motor vehicles are legally required to be equipped with ELDs. Finally, the truck-only VMT funding scheme would not only cause irreparable harm to the trucking industry, but would prompt uncertainty in the supply chain and increase the cost of moving freight, making domestic manufacturers and farmers less competitive and consumer goods more expensive. The impact would reverberate throughout our cities, towns, and communities where trucks deliver vital necessities, including food and drinking water, clothes to purchase, parts to build automobiles, and fuel to power them.

The trucking industry stands ready and eager to work hand-in-glove with Congress and the White House towards stemming our deepening infrastructure crisis. More importantly, we have developed an economical, politically realistic, and effective plan to achieve that goal. Our Build America Fund (BAF) proposal, which calls for a phased increase of \$0.05 per year over four years to the federal fuel user fee for both gasoline and diesel, will shore up the Highway Trust Fund and also allow for investments in desperately-needed growth for the future. Our proposal would raise \$340 billion over ten years with an estimated \$30 billion per year upon full implementation. This significant investment is without substantial administrative costs and will address safety, congestion, and provide good paying jobs nationwide, including in trucking and construction.

As the Finance Committee works to advance a surface transportation reauthorization bill, funding mechanisms should be built around a system where all who benefit from the transportation system contribute fairly. As you well know, trucks are central to our nation's economy and our way of life, and every time the government makes a decision that adversely affects the trucking industry, those impacts are felt by everyday Americans and by the millions of businesses whose existence depends on trucks.

As you continue your important work to advance a surface transportation reauthorization bill before the expiration of the FAST Act this fall, the trucking industry looks forward to partnering with you and your colleagues to create a legislative package that includes long-term, sustainable funding supported by all road users. However, we emphatically caution you against the pursuit of discriminatory funding mechanisms such as a truck-only VMT, which will all but extinguish hope of enacting a meaningful surface transportation reauthorization bill this Congress.

Thank you for your attention and thoughtful consideration of this important and timely matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Spear", with a stylized, cursive script.

Chris Spear
President & CEO
American Trucking Associations

CC: Members of the Senate Finance Committee