

April 22, 2021

Dear Senators Duckworth and Braun and Representatives Garcia, Newman, and Schneider,

As representatives of businesses in the trucking, agricultural, construction, materials, manufacturing, and towing industries, we are writing to share our concerns about the threat that an increase to motor carriers' minimum liability insurance requirements poses to our members.

As you described in your recent letter to U.S. Department of Transportation Secretary Pete Buttigieg, obtaining insurance to satisfy increased federal mandates is not a simple process, and it is influenced and made more difficult by factors well outside the control of regulated entities. Like commuter railroads, motor carriers are required to carry liability insurance to cover unlikely catastrophic incidents. Motor carriers currently face many of the same challenges you raised in your letter when navigating the commercial auto liability insurance market. Increasing their minimum insurance requirements would only exacerbate these problems.

As you point out in your letter, a lack of competition in the marketplace forces participants to make difficult, expensive, and sometimes impossible decisions. This would be especially true for motor carriers subjected to increased federal requirements. In recent years, some insurance providers have left the commercial auto liability market entirely. Those who remain have continued to raise premium rates year after year. As a result, small-business truckers and other businesses have seen their premiums regularly increase even as they maintain impeccable safety records. With premium costs steadily rising without Congressional involvement, mandating higher levels of minimum coverage for all motor carriers would compound these challenges.

We would also note that the effect of proposed increases for motor carriers would likely be magnitudes greater than what commuter railroads are experiencing. Commuter railroads face an increase of just under 10% to their liability cap, whereas H.R. 2 from the 116<sup>th</sup> Congress would have increased motor carriers' liability responsibilities by over 160%, and previous iterations of standalone legislation to increase insurance requirements would have mandated an unimaginable 550% increase. It is extremely difficult for us to determine if there would be enough insurance capacity to even handle these increases or how high premiums would rise as result, but we are certain the impact would be devastating for our members.

A Congressionally-mandated increase to minimum insurance requirements would particularly harm small businesses, forcing many to cease operations entirely. This would come just as many are beginning to emerge from the COVID-19 pandemic. Not only would these increases kill small-businesses, they would also not provide any real measurable public safety benefit. Federal research, mandated by Congress, has shown that existing motor carrier insurance requirements cover costs in 99.4% of crashes, and there is no research to show that increasing insurance minimums would improve road safety.

If Congress were to mandate higher insurance requirements for motor carriers, it may be that these negative consequences are unintended, but they are certainly not unforeseen. The current experience of commuter railroads, as well as an assessment of the existing state of the

commercial auto liability insurance market, show that increasing liability requirements will increase costs for our members and possibly leave them with no way to meet these new standards.

It is clear in your letter to Secretary Buttigieg that you have serious and reasonable concerns for commuter railroads, who are struggling to meet federal insurance requirements. As Congress considers increasing insurance requirements for motor carriers, we hope you'll avoid imposing even more difficult conditions on businesses in the trucking, agricultural, construction, materials, manufacturing and towing industries. Not only does federal data indicate such an increase is unnecessary, it will certainly destroy countless small businesses and blue-collar jobs. We hope you'll agree such a policy has no place in the next highway bill or infrastructure package.

Sincerely,

Agricultural Retailers Association  
American Beekeeping Federation  
American Concrete Pavement Association  
American Concrete Pipe Association  
American Concrete Pumping Association  
American Dairy Coalition  
American Farm Bureau Federation  
American Forest and Paper Association  
American Pipeline Contractors Association  
American Sheep Industry Association  
Associated Equipment Distributors  
Colorado Motor Carriers Association  
Concrete Foundations Association  
Concrete Reinforcing Steel Institute  
Consumer Brands Association  
Customized Logistics and Delivery Association  
Distribution Contractors Association  
Energy Marketers of America  
Georgia Motor Trucking Association  
Hawaii Transportation Association  
Kansas Motor Carriers Association  
Maine Motor Transport Association  
Mid-West Truckers Association  
Minnesota Trucking Association  
Missouri Trucking Association  
Motor Carriers of Montana  
Motor Transport Association of Connecticut  
National Aquaculture Association  
National Asphalt Pavement Association  
National Association of Small Trucking Companies  
National Cattlemen's Beef Association  
National Precast Concrete Association

National Ready Mixed Concrete Association  
National Stone Sand and Gravel Association  
National Utility Contractors Association  
Nevada Trucking Association  
New Hampshire Motor Transport Association  
New Jersey Motor Truck Association  
New Mexico Trucking Association  
NFIB  
North American Renderers Association  
Owner-Operator Independent Drivers Association  
Pet Food Institute  
Port Drivers Association  
Power and Communication Contractors Association  
Precast/Prestressed Concrete Institute  
Rhode Island Trucking Association, Inc.  
South Carolina Trucking Association  
South Dakota Trucking Association  
Southwest Movers Association  
Tennessee Trucking Association  
Texas Trucking Association  
Tilt-Up Concrete Association  
Towing and Recovery Association of America, Inc  
Truck Renting and Leasing Association  
United Dairymen of Arizona  
United Fresh Produce Association  
United States Cattlemen's Association  
Vermont Truck & Bus Association  
Western States Trucking Association  
Wyoming Trucking Association, Inc

cc: Members of the Illinois and Indiana Congressional Delegations