



May 25, 2021

The Honorable Ron Wyden
Chairman
U.S. Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Mike Crapo
Ranking Member
U.S. Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairman Wyden and Ranking Member Crapo:

On behalf of America's trucking industry, which employs 7.9 million Americans and moves more than 71% of domestic freight throughout the country, we write to express our vehement opposition to any truck-only funding scheme that singles out truckers for the purposes of filling the nation's infrastructure funding gap. Placing a disproportionate burden on the backs of truckers to avoid Highway Trust Fund insolvency is shortsighted, inequitable, discriminatory against the industry, and deeply concerning to the millions of essential workers in trucking who have kept our nation fed, clothed, and with access to medicine throughout the COVID-19 pandemic.

During the Senate Finance Committee's hearing on May 18, 2021, Senator Cornyn asked the Committee to consider a truck-only Vehicle Miles Traveled (VMT) tax as Congress works to pass a comprehensive infrastructure package this year. Should the Committee pursue this Cornyn Tax proposal, know that it will encounter an intractable wall of opposition from our industry and from the many economic sectors which we serve. Doing so will not only alienate some of the strongest champions and natural allies of user-funded infrastructure investment, but it will also wreck the possibility of achieving the broad stakeholder support needed to advance the legislative process.

As the leading payer into the Highway Trust Fund (HTF) and the only mode of freight transportation with that responsibility, the trucking industry is proud to pay our fair share. To claim that cars are "subsidizing" trucks as a pretext to implementing a new, discriminatory, truck-only tax is egregious and misleading. While trucks account for only four percent of vehicles on the road and nine percent of all vehicle miles traveled nationally, we currently pay nearly half the entire HTF federal user-fee tab. A typical 5-axle truck pays \$4,454 in annual federal diesel and heavy-vehicle use taxes alone, whereas a car pays \$93 in annual federal gas taxes on average. In other words, trucks already pay 48 times more in federal highway user fees than do cars – on top of the other roadway taxes, business taxes, and income taxes that motor carriers pay.

Moreover, claims that trucks cause exponentially more damage than cars to roads are unfounded and not supported by any recent studies or credible empirical data. This often-repeated myth stems from the 1962 American Association of State Highway Officials (AASHO) Road Test, which, at the time it was conducted, was a legitimate and valuable research effort to help highway engineers understand how pavements of varying strength and construction respond to truck axle loads. To conduct the study, portions of the test road were deliberately under-designed in order to actually *achieve* deterioration so that engineers could learn how to better construct highways.

Setting aside that this study was conducted *60 years ago*, it was not scoped to examine—nor did it conclude—any comparison between truck loads and cars loads and their relative impacts on roadways. The National Academy of Sciences has refuted these erroneous ratios and pointed to the fact that the AASHO Road Test was partially conducted on under-designed pavement, saying, "When a highway is properly designed...it will not be damaged by the traffic it is designed to support. This is an important point because there are prevalent misconceptions that trucks damage pavements more than passenger cars."

Trucking is the most central and critical link in the supply chain, connecting everything our economy produces in response to consumer demands. As the COVID-19 pandemic reminded Americans, every product that your constituents use and depend on in their daily lives is delivered by a hardworking, professional trucker. When the operational costs of trucking fluctuate, the impacts are felt up and down the supply chain—from manufacturers and farmers, to retailers and restaurants, and on down to the end consumer. The bottom line is that any attempt to bankroll our nation's infrastructure by singling out the trucking industry will have an immediate impact that all Americans will feel: higher

prices in-store and online on everything from gas to food, from construction materials to machinery, and from medicine to clothing.

Further complicating this proposal are the enormous administrative, legal, and logistical hurdles. The concept of using electronic logging devices (ELD) to track and report truck miles traveled, as some have suggested, is untenable, as federal law prohibits government agencies from using ELDs for any purpose other than Hours of Service compliance. Additionally, many erroneously assume that all trucks have ELDs, when the reality is that only 28% of commercial motor vehicles are legally required to be equipped with the device. Even if applied only to trucking, a VMT tax would affect as many as 36 million vehicles, requiring a massive bureaucratic expansion at the Internal Revenue Service (IRS) to establish and monitor 36 million individual accounts. Moreover, administrative costs associated with a VMT tax could consume 10 to 20 percent of revenue compared to a penny in administrative costs for collecting state fuel taxes and 0.2% for the federal fuel tax.

Trucking is the one of the last bastions of blue-collar entrepreneurship in America, and a truck-only VMT tax would shutter the American Dream for the hundreds of thousands of individuals who created their own trucking companies. The industry is dominated by small and family-owned businesses; there are more than 928,647 trucking companies across the U.S., 91% of which operate fewer than six trucks. The median salary for a truckload driver working a national, irregular route is over \$53,000 – a steady path to the middle class that doesn't require a costly, four-year degree and the decades of debt that often accompany a college education. If this misguided and extortionary proposal to apply a \$0.25 per-mile VMT tax on the trucking industry were enacted, it would cost the average trucker \$25,000 in new federal taxes per year. That amounts to nearly 47% of their entire annual income.

The last year has been an extraordinary challenge for our country, but truckers rose to meet and overcome that challenge because it was the right thing to do. During the darkest days of the pandemic, they adopted the motto, "We've got your back America." They endured unimaginable conditions, as shuttered rest stops and travel plazas frequently denied them access to hot food, clean bathrooms, and safe places to rest. Despite those hardships, truckers forged ahead – because America needed them to deliver groceries, toilet paper, PPE, and all the basic essentials we need, use, and rely on in our daily lives.

Our industry has often said that we're willing to pay more to ensure the nation's roads and bridges have the funding certainty they need to carry our economy forward, but segregating commercial vehicles from all other road users with a new, punitive tax system represents a red line that we will not cross. Singling out trucks might seem to be a politically convenient alternative to raising new revenue equitably from the broader universe of road users, but doing so would impose serious economic costs that will reverberate in every state and congressional district. Had Senator Cornyn contacted his trucking constituents before floating this proposal, he would have learned that and everything else outlined in this letter.

The trucking industry stands ready to move our economy out of this recession and back on a trajectory to long-term growth. In order to succeed, truckers need partners in Washington – not a taxable target on their backs. We respectfully urge you to consider the impact that a truck-only VMT would have on the members of our industry, our supply chain, and the American consumer.

Sincerely,



Chris Spear
President & CEO
The American Trucking Associations



Todd Spencer
President & CEO
Owner-Operator Independent Drivers Association, Inc.

CC: Members of the U.S. Senate Committee on Finance