

Owner-Operator Independent Drivers Association

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The Honorable Richard Neal Chairman House Committee on Ways & Means 1102 Longworth House Office Building Washington, DC 20515 The Honorable Kevin Brady Ranking Member House Committee on Ways & Means 1139 Longworth House Office Building Washington, DC 20515

Dear Chairman Neal and Ranking Member Brady,

On behalf of the more than 150,000 members of the Owner-Operator Independent Drivers Association (OOIDA), we write to share small-business truckers' views on federal investment in infrastructure. The economic success and competitiveness of both small-business truckers and the nation depend on a safe, reliable, and well-funded national transportation system. Small-business motor carriers make up 96% of registered trucking companies, and Congress must address their specific concerns for any policies to be successful.

While the Infrastructure Investment and Jobs Act (IIJA) provides significant funding for our nation's infrastructure, it fails to deliver on priorities that are most important for truckers. Most notably, the law lacks any dedicated funding for expanding truck parking capacity. There is a national shortage of truck parking, which makes it difficult for drivers to find a place to take a break when they need rest or are required to do so by federal law. This parking shortage is a national safety crisis, which leads to delays and perpetuates inefficiencies in the supply chain. Truckers will often stop driving early just to take an available parking space, meaning the only thing stopping them from maximizing their productivity is uncertainty about whether they will be able to find parking later on.

Instead of focusing on truckers' specific needs, the IIJA dedicates additional funding to other programs, like \$250 million for invasive plant management and \$2.4 billion for commercial motor vehicle law enforcement. Additional funding for law enforcement is especially frustrating for truckers – rather than helping drivers operate more safely by addressing the truck parking shortage, IIJA instead gives law enforcement additional funds to write truckers tickets when they simply can't find a safe parking space.

Truckers are also disappointed that IIJA diverts funding from the Highway Trust Fund (HTF) to non-highway uses. The new law expands eligibilities and creates new programs that send money to dams, waterways, waterfront infrastructure, and electric vehicle charging, among numerous other purposes. HTF diversion is a constant frustration for small-business truckers who contribute significantly to the HTF through the diesel fuel tax, tire tax, tax on the purchase of new trucks, and the heavy vehicle use tax. Congress must focus infrastructure investment on programs and initiatives that benefit the users who actually pay in to the system, instead of rewarding electric vehicle owners and other users who do not contribute to the HTF.

IIJA also included harmful mandates on the trucking industry, such as automatic emergency braking systems and the first step towards requiring a side underride guard mandate. These will increase costs on small-business truckers, making it more difficult for them to make a living and possibly passing costs through to consumers.

Onerous mandates like these, packaged with misguided infrastructure funding, can outweigh any benefits that small businesses might see from increased investment in roads and bridges.

Looking ahead to the next few years, the passage of IIJA will temporarily take the pressure off of Congress to find a solution to the perpetual funding shortfall in the HTF. But inevitably, Congress will need to find a way to fund future highway investments given the declining returns from the gasoline tax that passenger vehicle drivers pay. The Committee must keep small business truckers' concerns in mind as it considers how to address this shortcoming.

OOIDA has consistently supported increasing HTF revenue through equitable increases to existing user fees. The federal gasoline and diesel taxes are proven mechanisms that provide a transparent and efficient way to fund highway construction and maintenance. The costs of administering these user fees are extremely low – estimated to be less than 1% of all revenues collected. Additional HTF revenues derived from the trucking industry through the heavy-vehicle and tire taxes are actually projected to *increase* over the next decade. Between the diesel tax and these additional fees, the trucking industry is estimated to increase its contributions to the HTF. Congress should be looking to build on this relatively stable and predictable system.

We are steadfastly opposed to funding proposals that would disproportionately burden truckers. One potential funding mechanism we are concerned with is a vehicle miles traveled (VMT) tax. While this concept may sound appealing in theory, there are far too many questions and uncertainties for Congress to begin implementing any sort of national VMT program. We are particularly concerned about any proposals that would single out the trucking industry for a truck-only VMT. This would assure that truckers pay a disproportionate cost to prop up the HTF. We also oppose any efforts to utilize Electronic Logging Devices (ELDs) to implement a VMT for trucks. Small-business truckers have already borne a significant and disproportionate cost for complying with the ELD mandate, and utilizing ELDs for VMT would create new costs and greater privacy issues.

OOIDA also remains opposed to the expansion of tolling. Tolling systems lack the efficiency and effectiveness of current funding mechanisms. Research has shown tolling is an extremely wasteful method of generating revenue compared to fuel taxes, with as much as 30% of funds going to administrative costs⁴ rather than the construction and rehabilitation of roads and bridges. Truckers predominantly pay tolls out-of-pocket, as shippers seldom reimburse toll charges under the freight rate system. For small trucking businesses, any expansion of tolling, especially on major highways like Interstates, will directly impact their bottom line. Often operating on the slimmest of margins, new out-of-pocket expenses would diminish an owner-operator and their family's income.

As your Committee considers how to fund and structure federal infrastructure investment, we hope that you will keep America's small-business truckers' concerns in mind.

Sincerely,

Todd Spencer President & CEO

Owner-Operator Independent Drivers Association, Inc.

¹ Transportation Research Board, Costs of Alternative Revenue Generation Systems, Report 689 (National Highway Cooperative Research Program, 2011)

² CBO, Issues and Options for a Tax on Vehicle Miles Traveled by Commercial Trucks (2019)

³ Ihid

⁴ Transportation Research Board, Costs of Alternative Revenue Generation Systems, Report 689 (National Highway Cooperative Research Program, 2011)