



Chris Spear
President & Chief Executive Officer

January 28, 2020

The Honorable Richard Neal
Chairman
Committee on Ways & Means
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Peter DeFazio
Chairman
Committee on T&I
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Kevin Brady
Ranking Member
Committee on Ways & Means
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Sam Graves
Ranking Member
Committee on T&I
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairmen Neal and DeFazio and Ranking Members Brady and Graves:

On behalf of the American Trucking Associations (ATA), I write to thank you for reinvigorating legislative efforts in the House of Representatives focused on comprehensive infrastructure development and surface transportation reauthorization. The industry appreciates that the Ways & Means Committee has scheduled an important hearing this week on infrastructure financing options, while the T&I Committee intends to release infrastructure principles this week, as well. We are confident that under your leadership, a well-funded surface transportation reauthorization supported by common-sense funding mechanisms is within our grasp.

As you proceed in this venture, we urge you to pursue ambitious yet realistic funding solutions. 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. As I have testified this Congress before both of your committees, the trucking industry will aid in those efforts, and welcomes the opportunity to contribute to infrastructure development in a meaningful 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 the supply chain, and roll back economic progress. Moreover, it will 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. Chief among those reasons is the widely accepted

understanding that VMT is nowhere near ready for implementation. During a T&I Highways & Transit Subcommittee hearing in March 2018, I was joined by members of the subcommittee and fellow witnesses, in acknowledging that VMT is more than a decade away from deployment and implementation.¹ Experts agree that proper implementation of a VMT tax will require at least a decade to generate revenue for a variety of reasons. Namely, the relevant technology has yet to be fully developed, large-scale field testing has not been conducted, data privacy and cyber security issues have not been addressed, and VMT enforcement mechanisms have not been implemented to combat the expected evasion.

While some proponents of VMT have cited a Washington state report recommending the transition to VMT begins now, they failed to mention that the same report also notes that a transition to VMT will take 10 to 25 years.² With the Highway Trust Fund edging closer to insolvency each day, we cannot afford to wait a decade or longer to provide a new funding stream to meet our immediate infrastructure needs.

It is also important to note that 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 not only impose an overwhelming administrative cost, but also carry with it the burden of creating and monitoring 36 million individual accounts. And where the current fuel tax model has an extremely low administrative cost and evasion rate, the aforementioned Washington state report also underscores the serious concern that requiring individual accounts for each taxed vehicle will result in significant increases in both evasion and administrative costs.

Additionally, 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. For these reasons, and all those mentioned above, support for VMT as a viable near-term funding mechanism calls into question the commitment of policymakers to address our nation's infrastructure needs in a fair and immediate way.

The trucking industry stands ready to work hand-in-glove with your committees, Congress and the White House towards bridging 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 Ways & Means and T&I Committees work to advance an infrastructure and/or surface transportation reauthorization bill, we reiterate this core principle: funding mechanisms should be built

¹ <https://www.govinfo.gov/content/pkg/CHRG-115hrg30253/pdf/CHRG-115hrg30253.pdf>

² https://waroadusagecharge.org/wp-content/uploads/2020/01/WSTC-Final-Report-Vol-1-WEB-2020_01.pdf

around a system where all who benefit from the transportation system contribute fairly. 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 investment in our nation's crumbling infrastructure 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". The signature is fluid and cursive, with the first name "Chris" being more prominent than the last name "Spear".

Chris Spear
President & CEO
American Trucking Associations

CC: Members of the House Ways & Means and Transportation & Infrastructure Committees