



January 28, 2020

The Honorable Richard Neal
Chairman
Ways and Means Committee
U.S. House of Representatives
1102 Longworth House Office Building
Washington, DC 20515

The Honorable Kevin Brady
Ranking Member
Ways and Means Committee
U.S. House of Representatives
1102 Longworth House Office Building
Washington, DC 20515

Dear Chairman Neal, Ranking Member Brady, and Distinguished Members of the House Ways and Means Committee:

On behalf of the Truckload Carriers Association (TCA), I am writing to thank you for your efforts to examine the funding and financing of infrastructure investment in this country. TCA appreciates the opportunity to provide comments to the committee on this important issue for our industry.

TCA, founded in 1938, is the only national trade association whose collective sole focus is the truckload segment of the trucking industry. The association represents dry van, refrigerated, flatbed, and rail intermodal carriers operating in the 48 contiguous U.S. states, as well as Alaska, Mexico, and Canada. Truckload accounts for roughly 75% of the total U.S. freight moved by all transportation modes and is comprised of over 524,000 companies operating millions of power units.

TCA is hopeful that Congress will enact meaningful infrastructure reform legislation in 2020. The Highway Trust Fund, the main source of funding for government expenditures on highways and mass transit, is expected to run out of money in 2021 unless the current trajectory of budgetary shortfalls is reversed. America's roads and bridges are in desperate need of repair, and until Congress acts, they will only continue to worsen. TCA is ready to work with you and your colleagues on rebuilding this nation's infrastructure to reestablish the premier transportation network our members and the country as a whole desperately need.

TCA supports bolstering the Highway Trust Fund through increasing the federal fuel tax and indexing it to inflation moving forward. The federal fuel tax represents the ideal user fee, linking highway use with the associated costs of building and maintaining roads. Yet because the federal fuel tax has not been increased since 1993 and is not indexed to inflation (e.g., the Consumer Price Index), the real purchasing power of the fuel tax revenue has declined by roughly 40% in the last 27 years.

The trucking industry fully supports increasing the federal fuel tax as soon as possible. Our vehicles travel on deteriorating roads and bridges daily, and the added expenses of wear and tear from the crumbling infrastructure, coupled with the cost of congestion to our country's economy, are staggering. TCA's members and our trucking industry partners are ready to pay more in fuel taxes to make the drastically needed improvements to our nationwide highway network.

Research shows the administrative cost associated with the collection of the federal fuel tax is around 1-2%, representing a laudable return on investment for the revenue collected. In contrast, estimates suggest any alternative to the fuel tax would experience a significantly higher administrative burden to initiate and maintain moving forward. While we recognize that tolling, congestion pricing, and public-private partnerships signify alternatives to the federal fuel tax, TCA primarily opposes these options. Toll financing should only be used for the construction of new highways; upgrading of existing non-Interstate roads to highways with significantly greater capacity and safety benefits; construction of new lanes on existing highways, provided the existing lanes remain toll-free and open to all vehicles that were allowed to use the highway prior to the capacity expansion; or conversion of High Occupancy Vehicle (HOV) lanes to High Occupancy Toll (HOT) lanes.

The vehicle miles traveled (VMT) tax, also called the mileage-based user fee (MBUF), has been discussed as an alternative taxation method for electric, hybrid, and other fuel-efficient vehicles to account for their impact on the highways and to recover future revenue shortfalls in the Highway Trust Fund. TCA believes that this taxation method is not yet ready for widescale deployment to serve as a replacement to the fuel tax. In order for a VMT to be considered, many important issues must first be addressed. These include the present lack of technological and administrative infrastructure to report and collect this tax, the potential for dual taxation, privacy concerns, and a higher risk of fraud. Furthermore, additional data must be collected to determine whether the VMT is a reliable alternative on a national scale.

We are excited to see progress on infrastructure funding and we look forward to working with you in the year ahead. Please do not hesitate to reach out if we can be of assistance to you and your staff.

Sincerely,

A handwritten signature in black ink, appearing to read "John Lyboldt", with a stylized, flowing script.

John Lyboldt
President
Truckload Carriers Association