



March 10, 2020

The Honorable Chuck Grassley
Chairman
Committee on Finance
219 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Ron Wyden
Ranking Member
Committee on Finance
219 Dirksen Senate Office Building
Washington, DC 20510

The Honorable John Barrasso
Chairman
Committee on Environment & Public Works
410 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Thomas Carper
Ranking Member
Committee on Environment & Public Works
456 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairmen Grassley and Barrasso, and Ranking Members Wyden and Carper:

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 and to express TCA's strong opposition to a truck-only vehicle miles traveled (VMT) taxation scheme.

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 78% 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.

However, TCA strongly opposes any taxation method which would target trucks to bear the burden of singlehandedly replenishing the Highway Trust Fund, particularly a truck-only vehicle miles traveled (VMT) tax. TCA believes that the VMT is not yet ready for widescale deployment to serve as a replacement to the commonly accepted 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.

In particular, the inequality posed by a VMT scheme singling out trucks to shoulder the load of transitioning to this new system represents an unfair added cost to the industry which literally drives the U.S. economy. Not only would a truck-only VMT be devastating to the small business-centric trucking community, but it would also put a strain on the very companies which are responsible for delivering the food Americans eat, the gasoline that powers Americans' travel, and the medicines Americans need to stay alive.

The trucking industry is fully committed to paying its fair share to fix our nation's infrastructure. 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.

We are excited to see progress on broad-based 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

CC: Members of the Senate Committee on Finance
Members of the Senate Committee on Environment & Public Works