

Before the

**National Surface Transportation Policy and
Revenue Study Commission**

Statement of

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Driving Trucking's Success

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INTRODUCTION

Chairperson Peters and members of the Commission, thank you very much for inviting the American Trucking Associations¹ to testify before you today and for the opportunity to make a contribution to the difficult, yet critical task before you. When the Clay Commission met, they could hardly have imagined that partially due to their recommendations, out of a patchwork of substandard, uncoordinated roads would emerge a system of highways that could safely carry vehicles from coast-to-coast in just a few days and would unite a great nation in a manner never previously contemplated.

The task facing this Commission five decades later is no less difficult and requires solutions at least as ambitious. Incremental solutions are inadequate to meet the nation's current and future transportation needs. The current path taken by the federal surface transportation program will not suffice. While more resources than are currently available will be necessary to finance the transportation improvements needed to get our country out of traffic gridlock and to make driving less hazardous, we can no longer afford to spend limited federal resources on projects that do not meet our most important national needs. Therefore, any new revenue must be invested in a manner that will most effectively address these requirements. Furthermore, outdated federal laws and regulations that are detrimental to motorists and to society at large must be reformed. While I know that the Commission's focus is broad, my testimony will center specifically on steps that ATA believes are necessary to allow the trucking industry to continue to move the nation's freight safely and efficiently.

The trucking industry is the linchpin in the nation's freight transportation system. The industry hauls 69 percent of the freight by volume and 84 percent by revenue.² In addition, the trucking industry plays an important role in the movement of intermodal rail, air and water freight. Truck tonnage will increase, reaching toward the 14 billion ton mark by 2017, an increase of 31 percent over the next 12 years. Intermodal rail, meanwhile, will grow by 77 percent, yet it will account for only two percent of the total tonnage. Trucking revenue accounts for \$623 billion of our nation's economy. The rest of the transportation modes combined account for \$116 billion. By 2017, we expect to see 79 percent growth, and trucking revenue will exceed \$1.1 trillion. This growth, of course, means a lot more trucks will be on the road. We estimate another 2.7 million more trucks will be needed to serve the nation's economy, a 40 percent increase.

The question is, will the industry have enough capacity to meet all of these needs – labor capacity, and highway capacity? Unlike most of the economy, productivity, as measured by average miles per truck per month, has been slipping over the last few years. This is due to a number of factors, including: congestion; the revised Hours-of-Service regulations; more frequent and shorter hauls; and more driver at-home time.

The bottom line on productivity for drivers is that while driver pay per mile is going up, their earnings may not be increasing, or not as fast, since they are driving fewer miles per year and get

¹ The American Trucking Associations is the largest national trade association for the trucking industry. Through a federation of other trucking groups, the industry-related conferences and its 50 affiliated state trucking associations, ATA represents more than 37,000 members covering every type of motor carrier in the United States.

² Global Insight, *U.S. Freight Transportation Forecast to...2017*, 2006.

paid on a per-mile basis. This is a difficult issue as we look to recruit drivers to our industry and address the generational shift in the driver population. Over the next 10 years, the long-haul truckload sector shortage alone is anticipated to rise above 110,000 drivers.³

Another major productivity challenge is the growing congestion that is choking our highways. A seamless, reliable national network of highways is crucial to our industry's ability to deliver goods safely, rapidly and on schedule. Since deregulation and completion of the Interstate Highway System over the previous quarter century, the trucking industry has made continuous improvements that have allowed its customers to significantly reduce inventories and create manufacturing and supply chain efficiencies that have saved the U.S. economy billions of dollars, increased salaries, slowed consumer price increases and created countless jobs. Any disruption to the movement of freight on our nation's highway system will jeopardize these gains. However, as has been frequently pointed out to Commission members, a growing percentage of the highway system experiences daily congestion, and what was once called "rush hour" is now a peak congestion period that can last several hours. Congestion slows delivery times, creates unpredictability in supply chains and ultimately makes U.S. businesses less competitive and consumer products more expensive.

A NEW FEDERAL VISION – A FOCUS ON MOVING FREIGHT

When the federal highway program was created, it had a clearly defined mission: to finance the construction of the Interstate Highway System. When that mission was complete, the money was still coming into the Highway Trust Fund (HTF), but Congress did not identify a new federal role. With few exceptions, Congress and the states tend to view the HTF and the highway reauthorization process as simply an opportunity to address parochial interests, without putting these decisions into the context of a broader national vision. What attempts are made to focus on national priorities tend to get lost in the battle for greater state apportionments and earmarks for local projects. In the meantime, critical projects whose failings have national or regional implications go unfunded. The ability to plan, from a national perspective, for the transportation challenges of the 21st century, is impossible within this parochial atmosphere.

This is not to suggest that the current federal program is devoid of benefit. Local transportation challenges are necessarily dealt with by state and local governments, and the continued flow of federal resources to address these needs is important. However, because the full benefits of moving freight extend beyond metropolitan and state boundaries, projects which might otherwise receive a higher priority go unfunded, in part because many are extremely expensive and would, by themselves, eat up state budgets.

The failure to identify and fund projects that are important to the movement of freight points to problems in the transportation planning process itself. While federal law requires states and Metropolitan Planning Organizations to identify transportation needs within their own boundaries, vehicle travel is not bounded by lines on a map. Transportation extends across state and local government borders, but currently the planning process does not. While some states have made great strides toward regional planning, the ability to fund projects outside of their

³ Global Insight, Inc., "The U.S. Truck Driver Shortage: Analysis and Forecasts," Feb. 23, 2005.

states, even when they are likely to benefit greatly by such decisions, is tempered by political reality. The federal government is the only entity in a position to determine the national and regional benefits of highway projects that facilitate the movement of freight, and is singularly equipped to provide sufficient resources and strong leadership to ensure that these projects are completed.

ATA believes that the federal government must adopt a new mission: to provide the leadership and resources necessary to facilitate the safe and efficient movement of goods on the nation's highway system. We agree with other groups – such as the American Road and Transportation Builders Association and the Coalition for America's Gateways and Trade Corridors – that such a program should be segregated from the existing federal surface transportation program, and that its source of funding should be walled off from the Highway Trust Fund.

While trucks serve 100 percent of American communities and utilize nearly the entire four million mile road system, freight tends to be concentrated along a few major corridors. Many of these corridors are also among the most heavily congested in the nation. This presents both a challenge and an opportunity. The challenge is in finding the will and the resources to make what are often extremely expensive improvements to these corridors in order to ensure that freight does not bog down, thus disrupting supply chains throughout the nation, and causing ripple effects around the world. The great opportunity before us is to not simply keep up with freight transportation demands, but to develop a long-term vision of the transportation system that results in supply chains that are swifter and more predictable than they are today. ATA is presenting to the Commission for its consideration proposals that address the immediate deficiencies plaguing important highway freight corridors and offer a new approach designed to meet freight needs into the next century.

Freight Corridors Initiative

A preliminary study for the Federal Highway Administration (FHWA)⁴ identified the highway bottlenecks that caused the greatest amount of delay for trucks. The study estimated that the more than 200 identified bottlenecks cost the trucking industry more than 243 million hours annually, with a direct financial cost of approximately \$7.8 billion. The study estimates that highway bottlenecks account for 40 percent of congestion, with the remainder caused by accidents, bad weather, construction, special events and poor signal timing.

On the following page, for illustrative purposes only, is a list of the 10 worst highway bottlenecks for truck congestion according to the FHWA report.

⁴ Cambridge Systematics and Battelle Memorial Institute for the Federal Highway Administration, "An Initial Assessment of Freight Bottlenecks on Highways," Oct. 2005.

Bottleneck		
Location	Urban Area	Annual Hours of Delay All Trucks
I-90 @ I-290	Buffalo-Niagara Falls	1,661,900
I-285 @ I-85 Interchange ("Spaghetti Junction")	Atlanta	1,641,200
I-17 (Black Canyon Freeway): I-10 Interchange (the "Stack") to Cactus	Phoenix	1,608,500
I-90/94 @ I-290 Interchange ("Circle Interchange")	Chicago-Northwestern IN	1,544,900
San Bernardino Freeway	Los Angeles	1,522,800
I-94 (Dan Ryan Expressway) @ I-90 Skyway Split (Southside)	Chicago-Northwestern IN	1,512,900
I-285 @ I-75 Interchange	Atlanta	1,497,300
SR 134 @ SR 2 Interchange	Los Angeles	1,489,400
I-77 @ Tryon Rd	Charlotte	1,487,100
Long Beach Freeway	Los Angeles	1,380,300

ATA supports our concept of a new federal program – the Freight Corridors Initiative – designed to fund highway projects that hold the greatest potential for improving the movement of freight.

Most of the money would finance those projects identified as providing congestion relief at bottlenecks on corridors which have the most significant impacts on trucking mobility and on the U.S. economy. This fund would be called the Freight Corridor Improvement Program. FHWA would be responsible for identifying these corridors and bottlenecks, contingent on review and approval by a panel with representatives of the trucking industry, shippers, state departments of transportation and other relevant stakeholders. In order to ensure that the money is spent where it is needed most, it would be distributed in a manner that takes into account the relative importance of the corridor and the degree of impediment to the flow of truck traffic. Distribution of money to the states would therefore be based on various factors such as, for example, the number of bottlenecks in the state, annual hours of delay, the number of critical corridor miles in the state, and the amount of truck traffic on these corridors.

A smaller percentage of Freight Corridors Initiative money would be placed in the Interstate Highway Improvement Program and distributed to states that do not receive money under the Freight Corridor Improvement Program for improvements to the states' Interstate Highway System. Distribution would be based on factors such as the number of Interstate Highway lane-miles and the amount of truck traffic in the state.

The amount of money states would be required to contribute as a matching share for both Freight Corridor Improvement Program and the Interstate Highway Improvement Program will be determined based upon the type of project according to existing law. Generally, the state match is 10 percent or 20 percent of the total project cost. The Freight Corridors Initiative and its source of revenue should sunset after a period of years to be determined in order to evaluate the effectiveness of the program.

We are confident that this approach will address immediate and long-term needs on major highway freight corridors. However, ATA is currently discussing this proposal with other stakeholders and we are willing to consider different options, provided they achieve the same goals.

A New Federal Truck Network

A complementary program to the Freight Corridor Improvement Program would finance the construction of a new network of truck-only highways. While this program is designed to address immediate, as well as long-term challenges, this program would meet highway freight needs well into the future. Over the next several transportation reauthorization bill cycles, a highway network could be built to facilitate the exclusive movement of freight by trucks throughout the nation.

The network of truckways would be built adjacent to the current high volume truck corridors of the Interstate Highway System. The network would be built outside of urban areas but with connections to other highways leading into and out of the urban area. Direct connections to ports, intermodal rail terminals and other freight transfer facilities would be provided as needed. The truckways would be four-lane, limited access divided highways designed to safely and efficiently allow the operation of the most productive truck configurations. The project would include staging areas and facilities for parking, rest, food and fuel. At the staging areas, more productive trucks would reconfigure into smaller units consistent with state laws for final delivery or transfer to another truck. The network would be limited for use by commercial motor vehicles, law enforcement vehicles, military, and emergency vehicles.

A map of the truckways would be developed based on data indicating future freight traffic flows and the need for additional capacity due to traffic growth among all vehicles in the parallel existing corridor. The network, if built today, is assumed to cost approximately \$4 million per lane-mile, for a total price tag of \$200 billion to \$300 billion. While this may appear daunting, it is important to understand that this investment is likely to pay dividends for decades to come and, like the Interstate System before it, the construction costs are likely to pale in comparison to the new system's total economic benefits. These benefits will be national in scope, and will accrue to regions that are both directly and indirectly served by the network.

Again, while we believe that this is a feasible concept, we are open to suggestions. We hope that our proposal will stimulate discussion of other non-traditional approaches to addressing future freight transportation needs.

Sources of Funding

The bottlenecks program and truck network will require a significant infusion of revenue. We believe that trucking companies would be willing to bear a significant share of this expense if they perceive value from the expenditures. The source of revenue from the industry should:

- be easy and inexpensive to pay and collect
- have a low evasion rate
- be tied to highway use and
- not create impediments to interstate commerce.

Fuel Tax

ATA believes that fuel taxes meet all of these criteria. Currently, the federal tax on diesel generates approximately \$400 million per year for each penny collected. ATA believes that a reasonable increase in this tax could finance a significant share of the programs described above, assuming the revenues are not diverted to other uses. We recognize that over the long term, due to changes in vehicle technologies, the tax on diesel and gasoline may not be a viable source of revenue. We are willing to consider alternatives that meet the criteria described above.

Tolls

Because of important measures adopted by Congress and by state and federal taxation agencies, fuel tax evasion is relatively low. Tolls, on the other hand, are often easily evaded, usually by motorists using alternative, less safe routes that were not built to handle the level and type of traffic experienced due to the toll.

There are significant capital and operating costs associated with collecting tolls, while fuel taxes are relatively inexpensive to administer. While state fuel tax collection costs are one to two percent of revenue, on major toll roads collection expenses constitute one-quarter to one-third of revenue.⁵ Furthermore, as the number of toll facilities grows, so too do the number of points of collection, creating an administrative nightmare for trucking companies who operate throughout the country and are often required to establish accounts with multiple tolling authorities. A lack of transponder uniformity will also force carriers to purchase and install multiple transponders.

ATA does not believe that tolls are a viable source of financing for the proposed truck network. On certain very heavily traveled routes, assuming productivity benefits are allowed, tolling might be feasible. However, in order to attract sufficient numbers of trucks to the entire network of truckways, this system must be no more expensive to operate on than the existing, mostly toll-free highway system. We also see no inherent value in toll financing versus diesel tax financing of the truck network.

⁵ American Transportation Research Institute, "Highway Funding Analysis: Defining the Legacy for Users," 2007.

Congestion Pricing

An element of tolling is congestion pricing – the theory that if users pay their full marginal social costs of driving some would make different choices. Generally, the choices are to travel at a time of day when traffic congestion is less severe or to choose an alternate travel mode. For the trucking industry, no alternate mode exists. In addition, the trucking company's customers generally decide pick-up and delivery times. Because of the competitive nature of the industry, many trucking companies find it extremely difficult to allocate toll costs to individual deliveries, thus giving the shipper no incentive to change schedules. Therefore, congestion pricing is not an appropriate mechanism for regulating travel time choices of trucking companies. A more effective approach would be to give direct incentives to shippers who make choices that are likely to reduce traffic congestion.

Privatization of Toll Facilities

We strongly believe that while private financing of highway infrastructure may play a limited role in addressing future transportation needs, certain practices may generate unintended consequences whose costs will vastly exceed their short-term economic benefits. In particular, we are very concerned about attempts by some states to carve up the most important segments of the highway system for long-term lease to the highest bidder. We believe that leasing existing highways to private interests is inconsistent with our goals and we therefore oppose these schemes.

While privatization discussions tend to center on financing concepts and the great public benefits from concession fee revenue, what often gets lost or ignored is the impact of these deals on the users of the toll facilities and on the general public. Chief among the concerns is the impact of toll road privatization on toll rates. Demand elasticity, the art and science of determining how high rates can increase before a significant number of users will abandon the toll road, is the private operator's chief method for deciding appropriate toll rates. Private toll road operators need not be concerned about the social impacts of toll rates on low-income workers, or on the costs to businesses that depend on the highway for transporting employees, customers, goods or services. Nor do private operators care about the extent of traffic diversion to lesser quality, usually less safe, roads. Their sole concern is to maximize the toll road's profitability within the confines of the lease agreement and the law.

Supporters of privatization point out that toll rates are unlikely to increase substantially because customers will choose to simply migrate to toll-free roads. In some cases, this may be true – a reasonable toll-free alternative may be available. On most major toll roads, however the only alternative may be a two-lane road with traffic lights and a significant amount of local traffic or, in the case of a toll bridge or tunnel, no alternative at all. Complicating the situation is a standard practice of including non-compete clauses in lease agreements, which prohibit or severely restrict improvements to competing roads.

Privatization boosters also point to caps on toll rate increases that have been a standard part of privatization agreements. However, the two major lease agreements that have been completed in the United States – the Indiana Toll Road and Chicago Skyway – have been accompanied by

very large initial rate increases combined with caps on future increases that by some estimates could exceed six percent annually. Close examination of these deals reveals the extent of the problem and should serve as warnings about future privatization efforts

Indiana Toll Road

In 2006, the state of Indiana agreed to a 75 year lease with Cintra-Macquarie in exchange for a \$3.85 billion concession fee. Under the agreement, toll rates for a 5-axle truck increase incrementally from \$14.55 to \$32.00 in 2010 (all figures assume the truck traverses the entire length of the highway). On June 30, 2010 the lessee can increase toll rates by 8.2 percent, the rate of inflation (CPI) or the annual rate of change in national GDP/Capita, compounded over the previous 4 years. Since 1960, the annual average rate of change in GDP/capita was 6.2 percent. From 2004 to 2005, the increase was 5.4 percent. Assuming a 5.5 percent annual average, the toll rate for a 5-axle truck may therefore increase by up to 23.9 percent, or to a rate of \$39.64. Therefore, toll rates for a 5-axle truck may increase by about 172 percent over five years if the lessees decide to maximize toll rate increases.

The experience from toll rate increases on the Ohio Turnpike during the 1990s is instructive. When the Ohio Turnpike increased its truck toll rate to 17.6 cents/mile for 5-axle trucks, the result was massive diversion to alternate routes. The Ohio Department of Transportation found that a decade after the increase, growth in truck traffic on the turnpike was static, while truck traffic on parallel roads tripled. ODOT determined that these parallel routes had much higher accident rates. For example, U.S. 20, which saw a 267 percent increase in truck traffic, had a fatal accident rate that was 17 times higher than the Turnpike's rate. By 2010, the truck toll rate on the Indiana Toll Road is likely to be approximately 25 cents per mile, 42 percent higher than the Ohio Turnpike's toll rate at its peak. The two highways are essentially the same route, and have similar alternatives. Therefore, it is reasonable to expect a level of diversion on the Indiana Toll Road that is at least as great as was experienced in Ohio.

The major difference between the states, of course, was that because the Ohio Turnpike Commission is a public authority, the Governor and Secretary of Transportation were able to make changes – including lowering truck toll rates and increasing speed limits – which attracted a substantial amount of truck traffic back to the turnpike. Because control of the Indiana Toll Road has shifted from public to private hands, addressing these types of issues will not be quite as easy, and the lessees will base all changes in their operations on the potential impacts on their profitability, and not on the impacts on the public welfare.

As bad as the situation may be under the 2010 toll rates, it may even get worse. Beginning on June 30, 2011, the lessees may use the same criteria identified for annual toll increases. Assuming an average annual 5.5 percent increase in GDP/Capita, the maximum potential toll rates for a 5-axle truck are:

- 5 years: 51.81
- 10 years: 67.71
- 20 years: 115.56

It has been suggested that these massive toll rate escalations are unrealistic because, as has been demonstrated on other facilities, including the Ohio Turnpike, raising the toll rate too high forces significant traffic off the highway. However, the lessee will set a toll rate to a level that maximizes profitability, not traffic. They have no interest in and no responsibility for what happens off the toll road. In fact, if Indiana wants to upgrade alternative routes to Interstate Highway quality standards to address traffic problems caused by diverted toll road traffic, the state will have to compensate toll road owners for loss of revenue. This creates a perfect scenario for the lessee: a portion of the revenue lost due to diversion of traffic as a result of high tolls will simply come back as compensation from the state, and the lessee profits additionally by avoiding maintenance and expansion costs that it would otherwise have borne had that traffic not diverted. The combination of construction costs and compensation to the lessee could, over the course of a 75 year lease, even exceed the state's concession fee plus earned interest.

Finally, the projected toll rates far exceed what is necessary to raise sufficient money for the operation, maintenance and improvement of the Indiana Toll Road. This means that toll road users will be forced to subsidize other state functions and enrich toll road investors, with little no benefit to themselves.

Chicago Skyway

The City of Chicago recently agreed to a concession agreement in which Cintra-Macquarie would take control of the highway for 99 years in exchange for \$1.8 billion. Concession revenue is to be used primarily to pay off city debt.

Macquarie-Cintra used similar toll escalation caps for both the Indiana Toll Road and Skyway deals. However, the availability of free alternatives may hold rates down. On the other hand, because the Chicago area is already very congested, an acceptable loss of traffic to the owners of the Skyway due to toll rate increases may have a negative impact on the mobility of the alternative routes. Again, however, profit, not regional mobility or the larger public interest, is the lessee's only concern. Therefore, by giving up control of this asset, the city has also given up the ability to incorporate it into a broader transportation strategy.

Toll rates will increase by 150 percent over the first 12 years of the lease and then are capped at about 6 percent (based on historical GDP/capita). Most Skyway users are Indiana residents, so there is little political impact from these increases and little recourse for users of the toll road other than to vote with their wallets and use an alternative route if possible. The toll increases are essentially a commuter tax, with the lessees and the city, not the payers of the tax, enjoying the benefits of the revenue.

Beyond the concerns over toll rates, there are also questions about whether private toll road operators will act in the public's best interest. It is impossible to predict changing circumstances over the life of a lease, which tend to be long-term – up to 99 years in duration. Many of the facilities under consideration for private takeover are among the most critical links in our freight and military logistics chains. They are also important commuter and tourist arteries. Will the private operators act in the public interest, even if it cuts into their bottom line?

Given that their responsibility is to their shareholders, this is unlikely. When other corporations act in a manner that is not perceived to be in the public's best interest, the free market tends to correct their behavior. In a situation where the corporation essentially has a monopoly, these market forces do not exist. When the free market fails, government must often step in to protect the public. ATA believes that when it comes to the long-term lease of critical highway infrastructure, it is necessary and appropriate for the federal government to take action to prevent the public from being gouged and to establish interstate commerce protections, as delegated to the federal government by the Constitution.

We also believe that if too much reliance is placed on the private sector for financing highways, the criteria for project selection will shift from larger public benefits such as congestion mitigation, safety and reduction of emissions, to an evaluation of the project's ability to pay for itself.

Tolls on Existing Interstate Highways

ATA is strongly opposed to tolls on existing Interstate highways. While federal law generally prohibits this practice, Congress has, over the years, created a number of exceptions. Imposing tolls on existing lanes of the Interstate System would have a devastating effect on the trucking industry. Virginia, for example, recently considered a truck-only toll on I-81 of \$0.37 per mile. The trucking industry is highly competitive and taxes of this magnitude simply cannot be passed along to shippers.

Tolls also represent double taxation. Truckers currently pay a federal diesel fuel tax of 24.4 cents per gallon, a 12 percent excise tax on new tractors and trailers, an annual vehicle use tax of up to \$550, and a tax on tires. They also pay various state highway user fees. While the industry supports a system of taxation based on highway use, charging tolls on top of these fees is inefficient, inequitable and unfair.

Mandatory tolls have other detrimental effects. They create two classes of drivers, those who can afford to pay a toll and those who cannot. And they cause diversion of traffic to other, often less safe roads.

Additional Revenue Sources

We encourage Commissioners to consider potential additional revenue sources identified in a new study by the American Transportation Research Institute.⁶ Government fleets represent a very large hidden subsidy vis a vis their exemption from, or tax reimbursement of, fuel taxes. These fleets are large – easily exceeding more than 5 million vehicles, although this may not include local government fleets. Of these, nearly 2 million are trucks. The simplistic argument is that government ought not to charge itself taxes. Unfortunately, the more pressing, and unstated, issue is user-payment equity and unfair subsidies. It is well understood that publicly owned vehicles such as transit buses, snow-plows and road construction trucks transmit considerable axle-weight pressures. ATRI research shows that a significant percentage of these government vehicles do not pay state and/or federal fuel taxes. The effect is that pavement

⁶ *Ibid.*

damage, infrastructure maintenance costs, and related revenue shortfalls caused by government fleet exemptions are borne by, and blamed on, the private-sector users. This creates a certain hypocrisy to government-generated arguments that vehicles are not paying fully allocated costs of using the transportation system.

All IRS federal fuel tax exemptions must be eliminated in order to identify, attribute and collect the desired federal user fees. The impact of exempting government fleets from state fuel taxes is also significant and important, but more politically challenging. The value to just the Federal HTF exceeds \$1 billion per year.

Existing transit operational subsidies are typically \$1 - \$2 per regular route passenger, and can exceed \$20 per rider for suburban and paratransit systems. While it may not be politically palatable to eliminate the \$6 billion HTF transfer per year made to transit, it is not well known that the hundreds of thousands of transit vehicles are also not paying the majority of state and federal fuel taxes. To fully understand the true costs and impacts of transit, transit exemptions should be disclosed and included in HFA calculations.

Eliminate all state and local LUST funds. In nearly every instance that a state “leaking underground storage tank” remediation fund has been challenged in court as not being an appropriate use of “highway trust fund” (HTF) revenues, the court has required the removal of the LUST fund from the HTF. Furthermore, the Federal LUST fund receives more than \$72 million each year from gas and diesel fuel taxes.

IMPROVE TRUCKING PRODUCTIVITY

The United States has the most restrictive truck size and weight regulations of any developed country: the lowest axle weight limits, most limiting bridge formula, and the lowest gross weight limit. At the same time, America’s freight transportation demands are greater than any other nation, and we have the world’s most well-developed highway system. Therefore, the potential productivity benefits of changes to size and weight regulations are very significant.

More important, however, are the possible safety benefits of size and weight reform. Research demonstrates that more productive trucks can be as safe as or safer than existing configurations. Furthermore, because fewer truck trips will be needed to haul a set amount of freight, accident exposure – and therefore the number of accidents – will be reduced.⁷ More productive trucks will reduce congestion and will decrease the amount of fuel needed to carry the same amount of freight, thus reducing emissions.

⁷ See for example: Campbell, K.L., *et al.*, “Analysis of Accident Rates of Heavy-Duty Vehicles,” University of Michigan Transportation Research Institute (UMTRI), Report No. UMTRI-88-17, Ann Arbor, MI, 1988.; Transportation Research Board, National Research Council, “Truck Weight Limits,” Special Report 225, Washington, D.C., 1990; Cornell University School of Civil and Environmental Engineering, “Economic and Safety Consequences of Increased Truck Weights,” Dec. 1987; Scientex, “Accident Rates For Longer Combination Vehicles,” 1996; Woodroffe and Assoc., “Longer Combination Vehicle Safety Performance in Alberta 1995 to 1998,” March 2001.

ATA recommends six limited reforms to federal truck size and weight regulations:

- 1. Allow western states to harmonize longer combination vehicle laws and regulations.**
- 2. Allow states to authorize 6-axle tractor semi-trailers with a maximum gross weight of 97,000 pounds.**
- 3. Uncap Bridge Formula B for 5-axle combination vehicles.**
- 4. Allow limited expansion of LCVs beyond western scenario states.**
- 5. Standardize 53 foot trailer length.**
- 6. Allow states to authorize the use of double 33-foot trailers with gross weight governed by current federal bridge formula and axle weight limits.**

CONCLUSIONS

ATA would like to thank the Commissioners for their tremendous commitment of time and energy to the very difficult task before you. We hope you will take our recommendations into consideration as you continue your deliberations. Please let us know if there is further assistance that ATA can provide.