



Statement of

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Before the

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United States House of Representatives**

Hearing on

**“Industry and Labor Perspectives: A Further Look at North
American Supply Chain Challenges”**

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Chairman DeFazio, Ranking Member Graves, and Members of the Committee, on behalf of the American Trucking Associations (ATA)¹, thank you for providing me with the opportunity to testify before you today.

ATA is an 88-year-old federation and the largest national trade organization representing the 7.65 million men and women working in the trucking industry. ATA is a fifty-state federation that encompasses 34,000 motor carriers and their affiliated suppliers. ATA represents every sector of the industry, from Less-than-Truckload to Truckload, agriculture and livestock transporters to auto haulers and movers, and from the large motor carriers to owner-operators as well as mom-and-pop one-truck operations. ATA member companies have overcome tremendous challenges over the past twenty months and continue to adjust as inefficiencies intensify disruptions in international and domestic supply chains.

Despite mounting challenges, the trucking industry continues to play a critical role in sustaining our nation's economy. Trucks deliver critical foodstuffs to store shelves, personal protective equipment (PPE) to our nation's first responders, and gasoline to every community nationwide. We enable flexible multimodal supply chains by moving goods the last mile from maritime, rail, air, and intermodal facilities. Truck drivers perform an indispensable service, and their work moving goods across the country is vital to our economy and way of life.

The trucking industry moves over 70 percent of the nation's freight tonnage every year², and more than 80 percent of U.S. communities rely exclusively on trucking to meet their freight transportation needs. Over the next decade, trucks will be tasked with moving 2.4 billion more tons of freight than they do today, and will continue to deliver the vast majority of goods to American communities.³ The trucking industry is also one of the country's leading employers, including over 3.6 million drivers.⁴ Trucking accounts for one out of every eighteen American jobs, and "truck driver" is the top job in 29 states.⁵

As evidenced by the response to the COVID-19 pandemic, and as highlighted by the current challenges facing our supply chains, trucking is the dynamic linchpin of the U.S. economy. When trucks are not operating efficiently, those slowdowns reverberate throughout the supply chain, and our supply chain partners feel the secondary impact on both the front- and back-ends. The supply chain is inherently interconnected and multimodal, and the supply chain issues we are witnessing today are a result of years of inaction that allowed small problems to metastasize into nationwide disruptions.

This hearing presents a unique opportunity for key supply chain stakeholders to highlight major headwinds for freight transportation, and for this Committee to consider targeted solutions that improve the safety, efficiency, and resiliency of the supply chain during this ongoing national recovery. Deteriorating roads and bridges, severe congestion, freight bottlenecks, and

¹ *American Trucking Associations* is the largest national trade association for the trucking industry. Through a federation of 50 affiliated state trucking associations and industry-related conferences and councils, ATA is the voice of the industry America depends on most to move our nation's freight. Follow ATA on [Twitter](#) or on [Facebook](#). [Trucking Moves America Forward](#).

² U.S. Census Bureau Commodity Flow Survey, 2017.

³ *Freight Transportation Forecast 2020 to 2031*. American Trucking Associations, 2020.

⁴ *American Trucking Trends 2020*. American Trucking Associations.

⁵ <https://www.marketwatch.com/story/keep-on-truckin-in-a-majority-of-states-its-the-most-popular-job-2015-02-09>

unprecedented backlogs of cargo at our U.S. ports and inland terminals all place significant strains on the trucking industry and our supply chain partners, and absent short-term and long-term remedies, these problems could permanently inflate the cost of moving goods.

Also, in spite of the dangers posed by the pandemic, America's truckers proudly answered the call to deliver necessities across the country around-the-clock without interruption. Truckers perform their duties irrespective of the challenges brought on by public health emergencies, dilapidated and failing infrastructure, rising equipment costs, and intrusive regulatory burdens that make it difficult for companies to operate. But we need your help to ensure we can continue to deliver for the American people.

As the Committee examines the nation's supply chain challenges, I ask that you please consider four key areas: 1) infrastructure investment, 2) workforce development, 3) challenges created by equipment and labor shortages at U.S. maritime ports, inland storage facilities, and distribution centers, and 4) potential consequences of an employer-based vaccine mandate. I will address each of these areas in detail in my testimony, as they are critical to ensuring the economic vitality and competitiveness of the American trucking industry and broader supply chain.

Thank you for holding today's hearing to consider these critical issues. I look forward to working with you to share information and inform potential opportunities to alleviate these supply chain disruptions and protect the safe and efficient movement of our nation's goods.

Key Issues for the Commercial Trucking Industry:

1) INFRASTRUCTURE INVESTMENT:

Well-maintained, reliable, and efficient infrastructure is crucial to the delivery of our nation's freight – both international and domestic – and is vital to our country's economic and social well-being. That is why ATA applauds the November 5th House passage of the *Infrastructure Investment and Jobs Act* (IIJA), a broadly bipartisan bill that will provide important investments to maintain and improve our core interstate system. Importantly, this bill also targets additional funding for intermodal freight connectors and projects of national significance that are critical for supply chain continuity. ATA strongly and vocally supported this important legislation, and we are pleased that Congress has finally moved to ensure that the roads and bridges that carry the nation's economy are safe, reliable, and prepared for future growth.

Enactment of the IIJA is all the more important in the context of the escalating problems that plague our supply chain and the nation's highway infrastructure. Highway congestion, for example, adds nearly \$75 billion to the cost of freight transportation each year.⁶ In 2016, truck drivers sat in traffic for nearly 1.2 billion hours, equivalent to more than 425,000 drivers sitting idle for a year.⁷ This caused the trucking industry to consume an additional 6.87 billion gallons of fuel in

⁶ *Cost of Congestion to the Trucking Industry: 2018 Update*. American Transportation Research Institute, Oct. 2018.

⁷ *Ibid*.

2016, representing approximately 13% of the industry’s fuel consumption, and resulting in 67.3 million metric tons of excess carbon dioxide (CO₂) emissions.⁸

Congestion serves as a brake on economic growth and job creation nationwide. A first-world economy cannot survive a developing-world infrastructure system. As such, the federal government has an obligation to ensure that necessary resources are available to address this self-imposed and completely solvable situation. More specifically, ATA recommends that at least \$5 billion in federal-aid highway funds should be set aside annually to address highway bottlenecks in key freight corridors that drastically impede the efficient movement of goods. Furthermore, given the importance of the National Highway System – and especially the Interstate System – to the supply chain, a greater share of federal investment should be directed toward the maintenance and improvement of these highways.

Another barrier to supply chain efficiency is the poor state of freight intermodal connectors – those roads that connect ports, rail yards, airports and other intermodal facilities to the National Highway System. While they are an essential part of the freight distribution system, many are neglected and are not given the attention they deserve given their importance to the nation’s economy. Just 9% of intermodal connectors are in good or very good condition, 35% are in fair condition, 19% are in mediocre condition, and 37% are in poor condition.⁹ Not only do poor roads damage both vehicles and the freight they carry, but the Federal Highway Administration (FHWA) found a correlation between poor roads and vehicle speed. Average speed on a connector in poor condition was 22% lower than on a connector in fair or better condition.¹⁰ FHWA further found that congestion on freight intermodal connectors causes 1,059,238 hours of truck delay annually and 12,181,234 hours of automobile delay.¹¹ Congestion on freight intermodal connectors adds nearly \$71 million to freight transportation costs each year.¹²

One possible reason connectors are neglected is that the vast majority of these roads – 70% – are under the jurisdiction of a local or county government.¹³ Yet, these roads are serving critical regional, national, and international needs well beyond the geographic boundaries of the jurisdictions that have responsibility for them, and these broader benefits may not be factored into the local jurisdictions’ spending decisions.

While intermodal connectors are eligible for federal funding under formula programs, it is clear that simple eligibility does not yield the results our country and the supply chain need. ATA supports a set-aside of funding for freight intermodal connectors to ensure that these critical arteries are given the attention and resources they deserve.

Additionally, we advise against federal policies that are likely to prevent or hamstring state and local agencies’ efforts to expand highway capacity. This includes conditioning the expenditure of federal funds for new capacity on a showing that alternatives, such as operational strategies or

⁸ *Fixing the 12% Case Study: Atlanta, GA*. American Transportation Research Institute, Feb. 2019.

⁹ *Freight Intermodal Connectors Study*. Federal Highway Administration, April 2017.

¹⁰ *Ibid.*

¹¹ *Ibid.*

¹² *An Analysis of the Operational Costs of Trucking: 2018 Update*. American Transportation Research Institute, Oct. 2018. Estimates average truck operational cost of \$66.65 per hour.

¹³ *Ibid.*

investment in alternative transportation modes, are definitively ruled out. The National Environmental Policy Act (NEPA) process already requires the consideration of alternatives, and layering additional requirements onto the existing process would be unnecessary, costly, and cumbersome. We also urge any policies that seek to eliminate or downgrade highways in the name of equity or environmental justice fully take into consideration the impacts of these approaches on supply chain efficiency.

While the IIA did not set aside funding for either highway bottleneck elimination or intermodal connectors, these projects are eligible for funding under several of the discretionary programs, including the Nationally Significant Freight and Highway Projects Program, the Bridge Investment Program, the National Infrastructure Project Assistance Program, and the Local and Regional Project Assistance Program. Congress should provide the necessary oversight to ensure that the resources available from these important programs are used primarily for projects that improve transportation safety and mobility, and that address infrastructure deficiencies that contribute to supply chain inefficiencies. These programs should not be used to advance parochial agendas that are outside of their Congressionally-mandated scope.

A further barrier to supply chain efficiency is the shortage of truck parking, which has been well documented for decades. In 2015, the FHWA's Jason's Law report recognized the shortage of truck parking capacity as a serious highway safety concern. The FHWA found that more than 75 percent of truck drivers and almost 66 percent of logistics personnel "regularly [experienced] problems with finding safe parking locations when rest was needed." Due to inaction at the federal, state, and local level, the truck parking shortage has only worsened since 2016. In 2019, the FHWA found that the percentage of drivers who regularly experienced difficulty finding truck parking had skyrocketed from 75 percent to 98 percent. The truck parking shortage is not just a safety and compliance issue; it is also an economic issue for drivers and fleets. Time spent looking for available truck parking costs the average driver about \$5,500 in direct lost compensation—or a 12% cut in annual pay. Truck drivers give up an average of 56 minutes of available drive time per day by parking early rather than risk being unable to find parking down the road. The result is declining industry productivity and further depletion of the driver pool, both of which contribute to supply chain inefficiencies.

Federal investment in the expansion of trucking parking capacity is key to addressing this problem. ATA thanks the committee for including \$1 billion in its surface transportation bill for truck parking capacity expansion. Unfortunately, the IIA did not include dedicated funding for truck parking. We encourage Congress to seek other opportunities to address this critical problem.

Underpinning all of these recommendations is the need for a long-term, stable revenue source. Without one, states will find it difficult to commit to funding crucial and expensive projects. The fuel tax has, for at least a century, provided that stable income. However, a failure to increase the rate of the federal fuel tax since 1993 has caused the value of the revenue generated to be significantly reduced due to inflation. While the fuel tax will likely have to be replaced or supplemented at some point, it will be a viable revenue source for at least the next decade, and

the rate of tax should be raised and indexed to inflation. In the meantime, the Administration should work with Congress, the states, and the private sector to find a viable replacement for the fuel tax that can provide stable highway funding for the foreseeable future. The IJA included funding for national, state, and local pilot programs to explore new revenue sources. ATA looks forward to working with USDOT and grant recipients to implement a robust and comprehensive research and testing program.

2) **WORKFORCE DEVELOPMENT:**

The trucking industry, which serves as the linchpin of our nation's economy and supply chain, has faced an escalating driver shortage over the past years. The driver shortage is the result of many concurrent factors, but the COVID-19 pandemic exacerbated the trucking industry's already-dire labor constraints. The COVID-19 pandemic brought with it the temporary closures of state DMV's and truck driver training schools, which dried up the already-fragile pipeline of new drivers entering the trucking industry. This pipeline is still slow and inefficient today. As a result, companies working throughout the nation's supply chain are facing higher transportation costs, leading to increased prices for consumers on everything from electronics to food. The driver shortage is a looming threat that, if unaddressed, could destabilize the continuity of trucking operations with a ripple effects across the supply chain that will be felt by everyday Americans.

According to statistics released within the last month, the trucking industry is currently short 80,000 drivers.¹⁴ That deficit will only continue to grow unless Congress and regulators modernize regulations that govern who can drive in interstate commerce and make targeted investments in programs to attract a new, diverse generation of drivers and supply chain workers to the transportation industry. Without substantial action, by 2030 and at current trends, the driver shortage could grow to 160,000.¹⁵ Overall, nearly one million new drivers will need to be trained and hired in the next decade to keep pace with increasing consumer demand and an aging workforce.¹⁶

The trucking industry offers fulfilling careers with family-sustaining salaries—all without the debt that often accompanies a college degree—but obsolete regulatory barriers prevent the trucking industry from offering these pathways to recent high school graduates who may otherwise want to pursue a career in trucking. The Bureau of Labor Statistics (BLS) reported a mean salary of \$47,130 for truck drivers in a May 2020 report.¹⁷ Additionally, an industry survey shows the average truck driver earns over \$54,000 per year, plus benefits like health insurance, a retirement plan (e.g., 401(k)), and paid time off.¹⁸ Since 2014, private fleet drivers have seen their pay rise from \$73,000 to more than \$86,000, or a gain of nearly 18%.¹⁹ In addition to rising pay, many fleets offer generous signing bonuses and other expanded benefits packages to attract and keep drivers. We want to welcome more individuals into the trucking industry, but we need

¹⁴ *Driver Shortage Update 2021*. American Trucking Associations. October 25, 2021.

¹⁵ *Ibid.*

¹⁶ *Ibid.*

¹⁷ [Heavy and Tractor-trailer Truck Drivers : Occupational Outlook Handbook: : U.S. Bureau of Labor Statistics \(bls.gov\)](https://www.bls.gov/publications/occupational/)

¹⁸ ATA Driver Compensation Study (2017); American Trucking Associations.

<https://www.atabusinesssolutions.com/ATAStore/ProductDetails/productid/3852684>.

¹⁹ *Id.*

Congress' help to open up career pathways that are currently closed to qualified people due to outdated regulatory barriers.

To that end, ATA is pleased that the IIJA included important workforce development programs that we believe will create new career pathways into trucking. ATA is particularly enthusiastic about three provisions, including a pilot program (based on the DRIVE Safe Act, H.R.1745) that will allow highly-trained younger drivers to operate in interstate commerce, the establishment of an advisory board to promote the recruitment and retention of women in the trucking workforce (based on the Promoting Women in Trucking Workforce Act, H.R.1341), and the authorization of a program to promote and improve job opportunities for a diverse transportation workforce (based on the Promoting Service in Transportation Act, H.R.3310).

The DRIVE Safe Act pilot program will allow the U.S. Department of Transportation to collect the data to show what 49 states and the District of Columbia already recognize: that 18-to-20-year-olds can be trained to operate safely in interstate commerce and *help* meet the critical need for 80,000 new truck drivers nationwide. Currently, federal regulations require an individual to be 21 years of age in order to operate a commercial vehicle across state lines or transport interstate freight. This, despite the fact that a driver—today—can obtain their commercial driver's license (CDL) between the ages of 18-20 and operate solely within state lines in 49 states and the District of Columbia. This pilot program will enable 3,000 drivers to operate in interstate commerce once they have successfully completed a rigorous training program. Ultimately, the data generated from this pilot program will demonstrate that young drivers can add critically-needed resilience and capacity to national supply chains if they receive the appropriate training in trucks equipped with the latest safety technology. To qualify to operate in interstate commerce under the pilot program, drivers must complete 400 hours of training using leading safety equipment, including 240 hours with an experienced mentor, on top of the current minimum requirements to obtain a CDL for drivers of all ages. The capacity that can be unlocked by bringing safe, trained, younger drivers into the workforce is critically important to ensuring the supply chain continuity that has eluded us for so long. Make no mistake, this pilot program is not a step toward allowing untrained individuals to operate a CMV, but rather a data-driven innovation designed to identify those individuals who can, with the correct amount of training, safely operate a CMV in interstate commerce.

The IIJA provisions based on the Promoting Women in Trucking Workforce Act and the Promoting Service in Transportation Act are also important tools for our nation's supply chains to attract a younger and more diverse workforce. Although women currently make up 47% of the workforce, only 7% of truck drivers are women²⁰ and only roughly 26% of all transportation and warehousing jobs are held by women.²¹ For too long, blue-collar professions like trucking have been stigmatized, and the disproportionate emphasis on four-year colleges at the expense of vocational schools and the skilled trades has discouraged too many potential drivers from getting behind the wheel. ATA supports both of these important legislative efforts and applauds their inclusion in the IIJA.

The inclusion of these workforce provisions in the IIJA will take significant steps in establishing new career pathways into the trucking industry. Broadening and diversifying the talent pools from

²⁰ *American Trucking Trends 2020*. American Trucking Associations.

²¹ [*Monthly Employment in the Transportation and Warehousing Sector*](#). USDOT Bureau of Transportation Statistics. September 2021.

which the trucking industry recruits will help to alleviate a significant pressure point imperiling the supply chain.

As this Committee and Congress consider additional measures to address the current supply chain disruptions, the truck driver shortage and workforce development should be major focal points of any future action. Given that the current shortage of truck drivers stands at 80,000, an immediate option for consideration should be an emergency funding authorization of workforce training dollars for job opportunities in essential critical infrastructure workforces, like the trucking industry. By subsidizing CDL training and testing, Congress can help qualified individuals overcome the financial barriers to entry and assist in an immediate infusion of trained drivers to allay current supply chain pressures. Similarly, ATA supports the enactment of the JOBS Act (H.R.2037), which would make CDL Training and Truck Driving Schools more likely to be eligible to receive federal Pell Grant funding, enabling workers to obtain the necessary credentials to join the trucking workforce without incurring significant debt. That all being said, ATA believes that any legislative proposals to expand the trucking workforce must be supported by the appropriate safety standards and performance criteria.

ATA also appreciates and supports the steps government agencies have taken to address driver recruitment bottlenecks, such as issuing emergency waivers and declarations during the pandemic, and we believe some of those should be made permanent.

For example, permanent waivers on certain requirements for Commercial Learners Permits (CLP) and Third-Party Testing could assist in easing the current delays associated with the testing of drivers who wish to obtain their CDL. These delays existed prior to the COVID-19 public health crisis and have only been exacerbated by the pandemic. ATA anticipates that the existing backlog of testing appointments will steadily increase in the future and encourages the Federal Motor Carrier Safety Administration (FMCSA) to harmonize state licensing procedures, including, for example, state of domicile requirements and Third-Party Testing.

FMCSA has mandated that an individual's state of domicile must accept the results of a CDL *skills* test that was administered out-of-state; however, the rule does not require the state of domicile to also accept the results of an out-of-state *knowledge* test. As a result, driver candidates who obtain training out-of-state are required to travel back to their state of domicile to obtain their credentials, creating an unnecessary burden. It has become all the more important to allow trainees to test, train, and receive their relevant credentials—be it a CLP or a CDL—without having to travel back and forth to their state of domicile during the pandemic, and there's no safety justification that would warrant returning to that requirement as we recover from the public health crisis.

Finally, I would be remiss if I did not address a piece of legislation that would be extremely harmful to the trucking industry and hurt the very workers it purports to help: the Protecting the Right to Organize (PRO) Act (H.R.842). The PRO Act, which I know many of you support, includes a provision that would effectively bar the trucking industry from utilizing the independent contractor business model. The trucking industry, American consumers, and the integrity of the nation's supply chain depend on independent contractors, and the implementation of a restrictive national test to limit independent contractor status would jeopardize the

livelihoods of over 350,000 owner-operators, destabilizing America's supply chain and irreparably harming the U.S. economy.

The involvement of independent contractors in trucking promotes efficiency and an increased ability to meet customer demand, which has been acutely necessary during heightened delivery periods like the COVID-19 pandemic, and annually during the peak holiday season. Americans choose to work as independent contractors because of the economic opportunity it provides and the empowerment to select the conditions (e.g., hours and routes) that suit their lifestyles. Accordingly, the Americans who choose to become owner-operators in trucking should be respected and supported in their endeavors, not driven out of business because of the authoritarian view that employee status is better for them.

3) ***PORT PRODUCTIVITY CHALLENGES:***

As media and policymakers focus on the backlog of imported cargo at U.S. maritime ports, particularly on the West Coast, it is an opportunity to examine the long-term trends in port practices that reduce the resilience of supply chains. Volumes are surging at a time when labor and equipment shortages leave inland distributors unable to accommodate the demand. Inabilities to process cargo at ports, dray import and export containers between ports and inland distribution facilities, and transport inland goods efficiently between production facilities and warehouses all create challenges for the overall supply chain. Ultimately, there is an incentive misalignment between major players in the supply chain, and in order to move cargo efficiently at ports, all supply chain partners should, at a minimum, share that mutual goal.

The entire supply chain would benefit from steps to incentivize communication between supply chain partners, realign financial incentives by modernizing regulations related to detention and demurrage charges by ocean carriers and marine terminal operators, and address the chassis and equipment shortage.

Improving Communication

Private sector supply chain partners need to continue improving their communication to avoid supply chain breakdowns in the face of peak season demands, a lack of carrier capacity, limited equipment availability, and ongoing labor supply challenges. Congress and federal regulators must understand the full context of the current and potential bottlenecks in order to respond accordingly with effective and meaningful relief.

For instance, a port remaining open 24/7 will do little to increase the flexibility of the supply chain if the port does not have adequate equipment available to move containers, or is slow to process the trucks that serve the facilities, or if inland warehouses are full or only staffed to open their shipping docks for limited hours. Solutions should focus on addressing the constraints specific to those port facilities, not merely increasing the amount of time a driver can operate in order to overcome the inefficiencies.

In addition to the delays and limited hours of operation at inland facilities complicating the carriage of goods to and from ports, the ports themselves struggle with disjointed information sharing. ATA members working in intermodal freight, report that information systems and notifications vary

substantially between facilities. Each terminal within a larger port often has its own information sharing system, an inefficient state of affairs for truck drivers and supply chain participants that would otherwise benefit from more global availability of information. For example, truckers working at ports often must return containers or chassis at one terminal then pick up new equipment at a different terminal, a process complicated by the fact that most terminals within a port operate on different appointment systems. Short notice of constantly-changing windows of availability for cargo and equipment pickup and drop-off at each terminal only increases the level of miscommunication.

Modernizing Incentives at Ports

Too often, the delays for pickup and return of equipment and cargo for the movement of goods at ports are due to circumstances beyond motor carriers' control. Part of the challenge is in obtaining the necessary equipment, particularly chassis, to move containers to warehouses. Additionally, labor shortages at those inland facilities can slow the loading and unloading of goods. Federal hours of service regulations do not account for or accommodate labor challenges, so the time a driver spends waiting on a chassis to move goods from the port, or missing the delivery window at an inland facility because of delays at the port is unrecoverable. Drivers and equipment are critical resources for the overall supply chain, and ensuring effective utilization of both is critical to alleviating the current port backlog and strengthening long-term efficiency.

The answer to these myriad challenges is not increasing the amount of time a driver can be on-duty, but rather restoring financial incentives for ocean carriers and marine terminal operators to work with shippers and carriers to move goods efficiently. Steamship lines and marine terminal operators should not benefit from unreasonable demurrage charges when cargo is not made available to carriers and shippers in a timely manner, and they should not be able to levy unfair charges for the late return of containers when there is no space for the carrier or shipper to return the equipment or when terminals are not open.

If drivers are unable to return a container and obtain the proper chassis, they cannot pick up their next container, slowing operations and contributing to the buildup of containers at the port. In addition to improving port information sharing and restoring fairness to the financial incentives for moving cargo, there is a critical need to incentivize better chassis management and to secure more chassis and equipment to move more containers at ports.

Pass the Ocean Shipping Reform Act of 2021 (H.R.4996)

The Federal Maritime Commission (FMC) has extensively studied the issue of unjust and unreasonable practices relating to detention and demurrage charges levied on motor carriers and shippers by ocean carriers and marine terminal operators. Last year the FMC issued an Interpretive Rule on detention and demurrage that outlined how these charges should be used to help properly incentivize the efficient movement of freight. Unfortunately, the rule has not brought the changes that were intended and motor carriers working at ports still receive bills for detention and demurrage that can be in violation of the regulation. These companies are all too often then forced to spend time and resources protesting these unfair penalties. If these protests are unsuccessful, then they must weigh the risks of pursuing litigation or arbitration with large, global shipping lines to recover their losses.

Due to consolidation, there are now fewer than a dozen major steamship lines, and those that are remaining have organized into three alliances, shrinking the marketplace even further. For truckers and shippers who must do business with the ocean carriers to transport freight, there often is little recourse when they believe they have been treated unfairly on detention and demurrage, chassis charges, or a host of other issues.

ATA is pleased to support the Ocean Shipping Reform Act of 2021, introduced earlier this year by Representatives John Garamendi (D-CA) and Dusty Johnson (R-SD) to end these unfair practices and ensure that all parties are properly focused on the efficient movement of freight. The legislation would require ocean shippers to certify that all detention and demurrage charges comply with the FMC regulation and place the burden of proof on the ocean carriers. Importantly for truckers who do not contract with the ocean carriers but are the ones who receive these bills, it would also require FMC to examine whether these charges should be billed to any party other than the shipper. The consolidation we have seen in recent years means that the maritime marketplace has changed significantly, and it is time that the law was updated to reflect this. We urge the Committee to take up this legislation as soon as possible.

Equipment Availability

There is virtually zero availability of chassis, which is a critical chokepoint for U.S. ports at this time. Trucking companies and intermodal equipment providers that purchase this equipment rely on both domestic and foreign suppliers. Recent trade actions, including Section 301 tariffs imposed during the Trump Administration and an antidumping and countervailing duty ruling from the Department of Commerce and the U.S. International Trade Commission (USITC) earlier this year, limit chassis availability from global sources. ATA is concerned that the combination of the tariffs and duties only increases the cost of chassis without providing a sizeable increase in domestic production to meet the demands of the U.S. intermodal marketplace. Without increased chassis availability, motor carriers will continue to struggle to meet consumer demand in an efficient and timely manner.

A lack of interoperability for chassis in certain locations further strains the motor carriers and shippers moving products through our ports. Many ocean carriers require motor carriers to use chassis from their preferred intermodal equipment provider in order to pick up a container from that shipping line. This is true even for merchant haulage where the shipper contracts directly with the motor carrier for land transportation rather than with the ocean carrier. This could require a motor carrier to return one chassis and pick up another one just to pick up a container from a specific ocean shipping line. This inefficient system that allows ocean carriers to sideline competition also prevents motor carriers from choosing their own chassis provider, adding time and expense that is eventually passed on to consumers.

Finally, the supply chain challenges that make it harder to move freight efficiently are compounded by the inability to receive new trucks and the necessary parts to maintain fleets. These shortages are making it harder to keep trucks on the road and placing the economy at risk of an even greater capacity shortage. Semiconductor shortages are slowing delivery of new equipment because OEMs are being forced to idle plants as they wait to build up sufficient stock to produce trucks. Fleets are cannibalizing older equipment to keep their assets moving as best they can. These shortages will

continue to challenge those companies working in the supply chain, and we encourage the members of this Committee to consider these industry concerns.

4) *VACCINE MANDATE*

Supply chain issues are not just the result of inefficiencies at ports, failing infrastructure throughout the nation, and regulations standing in the way of progress, but also the result of unintended consequences from unwise policy decisions. As we made clear in [our comments](#) to the Administration on the OSHA vaccine or testing mandate, while ATA has promoted voluntary vaccinations amongst the trucking industry, we are adamantly opposed to misguided mandates on the trucking workforce.

The Occupational Safety and Health Administration's (OSHA) COVID-19 Emergency Temporary Standard (ETS) specifically exempts employees who exclusively work outdoors or remotely and have minimal contact with others indoors. And as you know, commercial truck drivers spend the vast majority of their workday alone in the cab and outside. All indications thus far from the Department of Labor suggest this exemption applies to the commercial truck driver population. We are also thankful that OSHA stated in its rule that employers who are both government contractors subject to a separate requirement under contracting provisions will not also have to meet the requirements of the OSHA rule.

While we are pleased the rule exempts a large part of the trucking industry and doesn't overlay with the federal contractor requirements, it does not, however, take into account that trucking is not a one-size-fits-all industry, and we continue to believe OSHA is using extraordinary authority unwisely, applying it across all industries at an arbitrary threshold of 100 employees that fails to factor in actual risks.

As mentioned above, there are labor shortages causing inefficiencies at ports, inland warehouses, and distribution facilities. America's trucking industry is built on a deregulated model with hundreds of thousands of licensed motor carriers of all shapes and sizes. Setting an arbitrary threshold for vaccine mandates based on company size puts the companies above that threshold at a disadvantage where their drivers and workers can simply leave for jobs at companies where they will not be subject to a mandate. Trucking workforce data gathered by ATA indicates that an employer-based vaccination mandate based on the arbitrary threshold of 100 employees could mean the loss of up to 37% of drivers for covered companies to retirements, attrition to smaller carriers, or conversion to independent contractor owner-operators. Federal regulations should not play favorites among competitive industries, but this proposal does exactly that.

ATA strongly supports efforts to provide access to vaccination and COVID-19 testing broadly throughout the country. To that end our members working in the supply chain play a major role in ensuring distribution of vaccines and medicines nationwide. More broadly, truckers ensure that institutions and families across the country have access to necessities—milk, eggs, bread, produce, fuel, and the COVID-19 vaccine itself—despite the ongoing challenges to daily life. Truckers in fleets of all sizes play a role in meeting that demand and transporting the goods we all need.

While this Committee considers ways to support resiliency in our nation's supply chains, ATA requests that members be aware of the following necessary provisions that ATA explained to the Administration should have also been included to protect the supply chain:

- (1) A specific written exemption for truck drivers akin to that provided by Canada for its drivers or alternatively deferring coverage of truck drivers under a vaccine or testing protocol to the traditional regulating agency with transportation expertise – the Federal Motor Carrier Safety Administration (FMCSA) - rather than OSHA; and
- (2) A reasonable implementation timeline of not less than 90 days.

Without these two changes at least, there is almost no way that the vaccine mandate doesn't further deteriorate our supply chain situation. This mandate is wholly unnecessary based on our data also. While much of the country was sequestered in their homes over the past eighteen months, the trucking industry served its essential function, and did so successfully with safety standards developed by public health experts. In fact, ATA surveyed its members and provided data to the Administration showing that our drivers were well below the infection and mortality rates of the general population. We support the Administration's goals of increased vaccination rates and clear health guidelines to enhance protections for all Americans. We have urged trucking industry employees to get vaccinated and will continue to do so. We will also continue to work with federal authorities to increase voluntary vaccination rates for our sector.

Unfortunately, however, the OSHA rule together with the federal contractor vaccination mandate, will have significant unintended consequences. Because the rule does not take into account the effects on the trucking industry, ATA has been forced to take action against the ETS to protect the industry. Because of its one-size-fits-all approach and short implementation timeline as well as logistical impossibility of administering testing on our incredibly mobile workforce, the rule inherently fails to balance the risks of a single standard for all industries against the broad impact that such a rule will have in exacerbating challenges to the supply chain and economy. Even if the ultimate goal is something we all agree on – increasing vaccination protections and defeating the COVID-19 pandemic – it is vital that public health measures first do no harm. This one will make the supply chain difficulties worse if it is not revisited substantially and that is why ATA felt compelled to bring a legal challenge in spite of our overall support for the Administration's goals.

Conclusion:

Chairman DeFazio, Ranking Member Graves, and Members of the Committee, thank you again for the opportunity to testify before the Committee at a moment when the challenges facing our nation's supply chains are significant and complex. The members of the American Trucking Associations are working ceaselessly to move goods across this country, and I appreciate the opportunity to present you with insights on steps that can be taken to meet those challenges help improve the nation's movement of goods.

The entire ATA federation stands ready to work hand-in-hand with Congress and the Biden Administration to address the issues we are discussing today. Thank you.