Statement of

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Introduction

Subcommittee Chairman Crawford, Ranking Member Norton, and Members of the Subcommittee, thank you for the opportunity to testify today on behalf of the American Trucking Associations (ATA). ATA is a 90-year-old federation and the largest national trade organization representing the 8.4 million Americans working in trucking-related jobs. The organization is a fifty-state federation that encompasses 37,000 motor carriers and their suppliers, working in all sectors of the industry, from less-than-truckload (LTL) to truckload, refrigerated transport for food and beverage and life sciences, intermodal trucking, auto haulage, and household goods movement.

Members of ATA range in size from the nation's largest motor carriers to mom-and-pop one-truck operations. These companies move goods nationwide, in a competitive industry that is faced with steep regulatory cost increases stemming from new emission regulations implemented by the State of California and the U.S. Environmental Protection Agency (EPA), like the recently finalized Greenhouse Gas (GHG) Phase 3 regulation. The diversity of the industry means that successful regulations need to be technology-neutral and cannot be one-size-fits-all. ATA opposes the new GHG Phase 3 rule because the post-2030 targets are unachievable given the current state of zero-emission technology, the lack of charging infrastructure, and restrictions on the power grid.

The company I work for, PITT OHIO, is a regional motor carrier offering less-than truckload, drayage, and logistics services. This family-owned company has roots that stretch back to 1919. More recently, in 1979, three brothers bought three trucks and leased a one-door warehouse in East Liverpool, OH, to facilitate freight movements between Pittsburgh and Ohio. Our company now employs over 3,500 people and provides first-rate freight services across the mid-Atlantic and midwestern U.S. As the company has grown from those humble beginnings, our mission for environmental sustainability has grown as well. We pride ourselves on being leaders in the movement towards cleaner, safer freight transportation.

Our sustainability goals are reflected in our core values: people, planet, and purpose. We believe that a focus on purpose – creating innovative solutions for our customers and improving efficiencies in our business – is good corporate citizenship. We are an active participant in EPA's SmartWay program and a recipient of the Excellence Award that recognizes the most fuel-efficient fleets in the country. We have received Leadership in Energy and Environmental Design (LEED) certifications for our warehouse facilities and have received multiple awards such as a Top Green Fleet from Heavy Duty Trucking and a Top Green Supply Chain Partner by Inbound Logistics magazines. In 2022 and 2023, the Ohio Environmental Protection Agency presented our company with a Gold award for Encouraging Environmental Excellence Stewardship.

As the Vice President of vehicle maintenance and fleet services, I am responsible for managing the vehicle specifications, acquisitions, and maintenance to support PITT OHIO's fleet of over 950 company-owned tractors, 2,900 trailers, 600 straight trucks, 16 chassis, and other vehicles. This is a demanding and fulfilling job that informs my perspective on the challenges of electrifying our nation's commercial trucking fleet. More than 80% of U.S. communities rely *exclusively* on commercial trucking fleets like PITT OHIO's to meet their freight transportation needs, and trucking currently moves more than 70% of the nation's annual freight tonnage.[1] Over the next decade, trucks will be tasked with moving 2.4 billion more tons of freight than they do today, and trucks will continue to deliver the vast

[1] *U.S. Census Bureau Commodity Flow Survey*. U.S. Census Bureau, 2017.

majority of goods to American communities.[2] As we meet that growing demand, the industry will continue experimenting with new technologies that fit their business models and reduce overall emissions.

I am grateful for the chance to inform Congress, federal agencies, and stakeholders about the opportunities and challenges for PITT OHIO and our industry peers to reduce our environmental footprint while serving our customers. Our industry association, ATA, works on our behalf to spread the message that ambitious policy and regulatory goals can be accompanied by achievable timelines for fleets of all sizes to deliver emissions reductions without risking supply chain disruption.

It is a privilege to sit before you today, and I welcome our discussion. The deployment of newer, cleaner heavy-duty trucks will provide environmental benefits. To achieve these reductions, federal policy and regulations need to reflect the unique operating and technology-adoption drivers that provide business benefits for fleets. To ensure adoption, technology must be proven with significant miles in real-world conditions to ensure durability, performance, and cost recovery of the investments. I hope that my testimony will be helpful as the Committee works on achievable paths forward on electrification and emissions reductions from the commercial vehicle industry.

Our Commitment to the Environment

PITT OHIO is not alone among our trucking peers in seeking to proactively reduce emissions from our trucking fleet. Our industry has a positive story to tell about the progress we have made. A new truck today emits 99% fewer particulate matter emissions than one in 1985, and 99% fewer nitrogen oxide (NOx) emissions than one in 1975.[3] In fact, 60 trucks today emit what one truck emitted in 1988. These cleaner trucks are meeting Americans' demands to move more freight than ever before. Since 2004, the Environmental Protection Agency's (EPA) SmartWay partners have saved billions of dollars in fuel costs, reduced oil consumption, and eliminated millions of tons of air pollutants. EPA estimates that the program has helped its partners save 379 million barrels of oil since 2004.[4] If one barrel of oil produces 11 to 12 gallons of diesel fuel, trucking companies participating in the SmartWay program have saved more than 4 billion gallons of fuel—over $18 billion at current prices—in the last nineteen years.[5] Fuel savings have directly resulted in critical emissions reductions of nitrogen oxide (NOx) and particulate matter, in addition to millions of metric tons of CO2.

Trucking began phasing out harmful sulfur from diesel fuel in 2006, practically eliminating sulfur oxide emissions. ATA also championed two separate EPA and National Highway Traffic Safety Administration (NHTSA) regulations in 2011 and 2016, establishing the first-ever truck engine and vehicle greenhouse gas (GHG) emission and fuel consumption standards—known as Phase 1 and 2, respectively. In total, between 2014 and 2027, the combined Phase 1 and 2 GHG standards stand to cut CO2 emissions by 1.37 billion metric tons, saving vehicle owners and operators $220 billion in fuel costs and reducing oil consumption by up to 2.5 billion barrels of oil over the lifetime of the vehicles sold under the program.[6]

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[2] *Freight Transportation Forecast 2020 to 2031.* American Trucking Associations, 2020.
[3] U.S. EPA, Nonattainment Areas for Criteria Pollutants (Green Book). https://www.epa.gov/green-book
[4] *SmartWay Program Successes*, U.S. EPA, Available online at: https://www.epa.gov/smartway/smartway-program-successes.
[5] *Frequently Asked Questions*, U.S. EIA, Available online at: https://www.eia.gov/tools/faqs/faq.php?id=327&t=10
[6] U.S. EPA, "Final Rule for Phase 2 Greenhouse Gas Emissions Standards and Fuel Efficiency Standards for Medium- and Heavy-Duty Engines and Vehicles," October 2016.

ATA and the trucking industry proactively engaged with the EPA throughout the drafting and comment period for the new Phase 3 GHG rulemaking. Setting ambitious, achievable, and technology neutral standards under that new regulation was a top priority. Requiring early-stage technology that has not been fully validated will fail to deliver environmental results in the expected regulatory timeframe under the current GHG Phase 3 finalized regulation. EPA's work should focus on the national needs and not on California, which will be forced to readjust its flawed regulations to reflect reality. Trucking is a willing partner in finding a path towards a zero emissions future that reflects the diversity of our industry, not a one-size-fits-all approach.

The Promise and Challenges of Medium- and Heavy-Duty Electrification

Over the past several years, PITT OHIO has taken steps to meet demand for lower-carbon deliveries. Beginning in 2014 we introduced compressed natural gas to our fleet. We have run over 21 million miles with our natural gas fleet and have a good understanding of that technology and what it takes to support it. We are looking forward to the new engine technology recently released due to the perceived improvement in performance, fuel economy and maintenance costs. PITT OHIO has also introduced battery electric vehicles into our fleet to better understand the technology. In 2022, we obtained our first Class 7 battery-electric trucks, which we operated on 100-mile regional routes as part of our testing and validation process. We recently in-serviced the second generation of these trucks and we are seeing improved ranges and payloads, but these figures still fall short compared to our ICE vehicles. Currently, the technology does not support our tractor operations. During the day our tractors operate in city operations running between 150-200 miles. At night they run linehaul operations, averaging over 500 miles an evening with some running over 600 miles. BEV technology will not allow for electrification of those vehicles today. Although we continue to be optimistic about the promise of electrification in medium- and heavy-duty vehicles, we continue to encounter challenges related to costs, vehicle range, durability, and charging infrastructure that complicate broader deployment of heavy-duty battery-electric trucks.

Zero Emission Vehicles' (ZEV) upfront acquisition costs are much higher than their diesel equivalent, making it difficult for fleets to embrace electrification until they see meaningful year-over-year upfront purchase price declines. Before incentives, a Class 7/8 battery electric truck can cost two to three-and-a-half times more than its comparable diesel model and a hydrogen fuel cell Class 8 truck can be as much as seven times more.[7] In our fleet, we have found acquisition costs to be roughly three-fifths of the total cost of operation.[8] For many fleets like ours, that calculation is often complex and cannot be done without significant trial and error and at great capital expense.

For our fleet, the process of adopting battery-electric trucks required meticulous evaluation, planning, and collaboration with our truck manufacturer partner before an order was even placed. After deliberation, we settled on box trucks due to their range and payload capacity. They were the closest fit to our current operation. We carefully positioned these vehicles to not go beyond their technological limitations. On some occasions, we were able to leverage offsite charging to extend the range, however this was done at retail sites not set up for truck parking/charging and not even close to ideal. Increased

[7] Class 4-6 battery electric delivery vehicles can range from $100,000 to $200,000, while Class 8 over-the-road vehicles can cost $400,000 or more before incentives. Diesel MDV is around $75,000 and HDV is $165,000.
[8] See, e.g., Volvo Trucks North America, Press Releases, "Volvo Trucks' New Electromobility Total Cost of Ownership Tool Demonstrates Financial, Environmental Benefits of Volvo VNR Electric," October 23, 2022; and Dana, Inc., Total Cost of Ownership Tool, n.d.

vehicle weight from the batteries reduced our payload and limited our usage of haul. These limitations have impacted the company's timeline on how and when to transition to ZEV.

ATA conducted a survey of fleets that found most fleet respondents were uncertain about ZEVs' residual value.[9] With the rapid technological changes in these vehicles, these early trucks will be dinosaurs. Given the continued uncertainty around factors such as energy prices, uptime, and residual value, the vehicle purchase price must be significantly reduced to make the total cost of operation comparable to using existing diesel engines. If fleets do not see the expected financial benefit, they will be forced to hold onto their existing equipment longer, resulting in an older fleet with a higher emissions profile.

Vehicle purchase incentives can help reduce costs, and robust and stable federal and state incentives that cover the entire cost of the vehicle or cover the cost differential between a ZEV and diesel truck can help support early adoption. Only a few states offer vehicle purchase incentives, however, and the federal government's Commercial Clean Vehicle Credit is capped at $40,000 for a ZEV, covering the federal sales tax for vehicle purchases. In our case, we were able to leverage funding through the state for a ZEV demonstration project to help offset the increased vehicle costs and reduce some of our infrastructure expenses. That said, it has been an incredibly long process to add 3 megawatts of power at our Harrisburg, PA, facility. This effort has involved many calls, e-mails and follow-ups with the utility, along with engineering and construction firms that many smaller organizations may not have access to or wonder where to even start. When complete in early 2025 this power upgrade will have taken two years. Had we asked for more power it would have pushed the lead time to five years. And we are doing this ahead of the curve. Looking over our network, we have 12 facilities that would make sense to start the infrastructure upgrade process. At those 12 facilities, we will be working with 10 different utility partners to make this happen. Although incentives are sometimes available at the state level, wading through numerous pages of funding applications is incredibly complex for fleets and not simple or easy.

Despite our optimism about battery-electric vehicle technology, the availability and reliability of charging stations are inhibitors to adoption. Earlier this month, the Clean Freight Coalition (CFC) published findings from a study conducted by Roland Berger examining the required investment to fully electrify the trucking industry by 2040. Fleets would be expected to invest $620 billion for charging infrastructure, with utilities needing an additional $370 billion for grid upgrades.[10] These costs represent an unsustainable financial burden on trucking fleets to facilitate this technological transition.

The CFC study highlights some key realities for the trucking industry. First, a fleet's optimal vehicle and charging profile largely depend on its duty cycle. Assuming improved technology allows for a 250-mile usable range and on-route charging enhancements, a robust on-route charging network will be essential for high-mileage medium-duty and heavy-duty vehicles. Second, serious constraints exist on the current grid, particularly concerning the power needs of medium- and heavy-duty BEVs. This necessitates substantial investment, from generation to distribution. As charging primarily occurs overnight, introducing on-site charging will significantly alter daily electricity load profiles, potentially straining current grid capacity—especially in areas distant from urban infrastructure, where necessary upgrades represent a greater cost and percentage of existing capacity.

[9] ATA Technology and Maintenance Council, "Greenhouse Gas Phase 3 Member Survey," June 16, 2023
[10] Clean Freight Coalition, "New Report Pegs Cost of Electrifying U.S. Commercial Truck Fleet at $1 Trillion," March 19, 2024.

Utilities will face challenges in upgrading infrastructure, particularly in areas requiring entirely new infrastructure. Last year, the American Transportation Research Institute calculated that electrification of the entire U.S. vehicle fleet would consume an astounding 40% of the country's existing electricity generation and require a 14% overall increase in energy generation, yet our aging grid can hardly meet current demands.[11] In California, where rolling blackouts and brownouts are not uncommon, utilities would need to generate an additional 57% beyond their current output to support an electric vehicle fleet.[12] In some states, the staggering power demands for heavy-duty truck charging could increase even as sources of carbon-free power generation, such as hydropower facilities, are taken offline or during the implementation of complicated statewide clean power plans.

Conversations with utilities often reveal lengthy lead times for electrical infrastructure upgrades. Forty percent of fleets surveyed by ATA said that their utility estimated it would take at least a year before they could provide the electricity to support battery-electric trucks at their facilities, while 30 percent received wait time estimates of over three years.[13] We have facilities where without significant upgrades we only have the power to support limited Level 2 charging. As an example, that Level 2 charger would take 10 hours to charge a medium duty truck.

Current regulatory targets for the deployment of battery-electric vehicles are predicated on unprecedented advancements in battery range and capacity, as well as a significant buildout of the national power grid over years, not decades, which has historically been the case. Mandates and targets for decarbonization of the PITT OHIO fleet, and others across the industry, require acknowledgement of market realities that both keep supply chains moving and enable fleets like mine to affordably acquire and install infrastructure. Along with all my fleet management peers, I would note that for me to deploy more battery-electric or alternative fuel vehicles, it would require certainty that the infrastructure to support that investment is affordable, available, and compatible with my purchase.

The Value of Achievable, Neutral, Federal Standards

Trucking companies traverse state lines multiple times a day, and a strong *national* emissions framework ensures the continuity of our nation's freight networks. ATA strongly advocates for federal emissions regulations to ensure that interstate commerce continues to move unimpeded. State-based emissions regulations that increase the cost of trucks—or mandate the deployment of zero-emission trucks—while the technology is still in early-stage development disrupt the business operations of our industry and make it harder for us to meet the needs of our customers—your constituents. Absent federal standards for emissions reductions, companies transporting freight interstate will be forced to reconfigure their business operations, which will increase complexity and the costs of doing business.

For this reason, ATA has opposed state-based regulations such as those promulgated by the California Air Resources Board and joined by other states that would mandate the sale and purchase of zero emission technology under aggressive timelines. California's Advanced Clean Trucks (ACT) and Advanced Clean Fleet (ACF) rules are designed to move the commercial vehicle industry as quickly as possible towards zero emission technology, ignoring the lack of supporting infrastructure. Therefore, these regulations are destined to fail. EPA's decision to grant California's Clean Air Act waivers to

[11] *Charging Infrastructure Challenges for the U.S. Electric Vehicle Fleet*, American Transportation Research Institute, December 2022. Available online at: https://truckingresearch.org/2022/12/06/charging-infrastructure-challenges-for-the-u-s-electric-vehicle-fleet/
[12] *Ibid.*
[13] ATA Technology and Maintenance Council, "Greenhouse Gas Phase 3 Member Survey," June 16, 2023.

enforce policies that are unworkable for the trucking industry – policies developed via a process that wholly discounted and marginalized trucking industry participation – will result in unworkable regulations and undermine long-term cooperative efforts to reduce emissions.

EPA's GHG 3 rule was an opportunity for the agency to reassert their leadership in setting harmonized national emissions standards that could provide certainty for the trucking industry. The final regulation acknowledges today's challenges with ZEVs for model years 2027-2029. However, by 2030, EPA's targets will spike to unrealistic levels.

Imposing unachievable state and federal mandates will reduce investment in alternative low-carbon technologies like ultra-clean renewable diesel (RD), renewable natural gas, and other low-carbon fuels, moving us further away from our goal to reduce emissions in the freight transportation sector. The new GHG 3 rule represents a missed opportunity to course-correct unworkable, aggressive proposals laid out by states like California that create a patchwork that complicates interstate supply chains.

PITT OHIO and our peer companies would benefit more from a technology- and fuel-neutral approach with timelines that allow for the buildout of infrastructure to support these new vehicles and for the technology market to mature so that fleets of all sizes can afford to deploy these cleaner trucks.

Unfortunately, forced zero-emission vehicle penetration rates in the later years of the GHG 3 rule as currently constructed fail to offer flexibility and will limit fleets' choices with only early-stage technologies that are still unproven.

The Cost of Unreasonable Timelines: Utilities, Vehicles, Technology Maturity

The Biden Administration's multiagency U*.S. National Blueprint for Transportation Decarbonization* recognized battery-electric technology as having "limited long-term potential" in the long-haul segment.[14] It pointed to better-positioned opportunities with hydrogen and sustainable liquid fuels. These alternatives offer advantages in energy density, comparable refueling times to diesel fuel, and compatibility with many current internal combustion engine configurations, as seen with biodiesel and renewable diesel. Despite the ambitious timelines set by California to mandate battery-electric vehicle production and fleet sales, the Administration's blueprint outlined longer, more manageable timelines extending to 2050.

Mandates that set the industry up for failure will not help to accelerate the deployment of zero carbon fuel technologies nationwide. Such standards, whether state-based or federal, distort the market for vehicle manufacturers and complicate decisions for purchasers of new heavy-duty trucks. Nearly half of the heavy-duty trucks on the road today are model year 2010 and older diesel engines, meaning they lack advanced emissions reducing technologies.[15] Replacing those trucks with current 2024 ultra-clean diesel trucks that are available on the market today would deliver environmental emissions reductions immediately. It could be done without subjecting fleets to the enormous expense of ZEV technology vehicles that are not readily available, and which lack the infrastructure to support their operations and maintenance as part of regional and national interstate trucking fleets.

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[14] *The National Blueprint for Transportation Decarbonization: a Joint Strategy to Transform Transportation,* September 2022, U.S. Department of Energy, U.S. Department of Transportation, U.S. Environmental Protection Agency and U.S. Department of Housing and Urban Development. Available at: https://www.energy.gov/sites/default/files/2023-01/the-us-national-blueprint-for-transportation-decarbonization.pdf

[15] Diesel Technology Forum, dieselforum.org

So far, battery-electric is not more efficient for my operation than internal combustion. Currently, in just 15 minutes, a truck driver can refuel a new clean-diesel truck for a journey of up to 1,200 miles. Conversely, a two-hour charge can provide around 200 miles for battery-electric trucks, though this range may significantly decrease due to factors like cold weather, hilly terrain, or the use of HVAC systems. In the regions we serve, adverse weather conditions and congestion have the potential to further reduce this range. Even with adequate utility service capacity and investment in chargers, achieving the same range as a modern, clean-diesel truck in ideal conditions would still require over five hours. While faster direct current (DC) chargers can cut that recharging time in half, that equipment is expensive – roughly $100,000 each.

Battery-electric trucks also require significantly heavier batteries (ranging from 6,000 to 17,000 lbs.), which results in lower payload capacity than an internal combustion engine vehicle. This reduced efficiency, combined with limited mileage range and charging downtime, necessitates deploying more trucks and drivers to move the same amount of freight. With the industry facing significant logistical hurdles, battery-electric truck deployment could require a ratio of three battery-electric trucks in some operations for every two diesel trucks. An increase in the number of drivers needed to move the nation's freight could exacerbate the ongoing nationwide driver shortage, which currently stands at 78,000 drivers and which will require the industry to hire over a million new drivers over the next decade to meet demand. Hydrogen refueling infrastructure to support hydrogen internal combustion engine (ICE) or hydrogen fuel cell trucks is even more nascent, and those technologies raise similar weight- and productivity-related concerns.

The transition to zero-emission trucks will require drivers and mechanics to be retrained on the new equipment, which will drive today's workforce investment costs higher. Additionally, while diesel fueling stations can handle four to five trucks per hour, charging stations would only accommodate two to three trucks per day. Each truck parking spot (excluding fueling) would need a charging station, exacerbating the shortage of truck parking capacity. Currently, there is only one truck parking spot available for every 11 trucks on the road.[16] Combined with the related and complicated issues surrounding hours of service, cargo securement, and cybersecurity, the industry will need time to validate approaches and identify the most efficient suite of fuels and technologies that perform according to our duty cycle and keep in line with our commitment to decarbonization.

How Congress Can Help Today

Infrastructure can support the reduction of truck emissions in two ways: eliminating bottlenecks so that the trucks currently on the road can operate more efficiently, and building out the power generation, transmission, and charging infrastructure necessary to support battery-electric commercial trucks. As mentioned previously, electrification of trucking is going to require enormous investments and attention to areas that are not within the control of trucking. This transition will require utility upgrades, power transmission improvements, construction of additional space for truck parking, and modernization of our nation's workforce development programs to bring in a new generation of trucking workforce to drive and maintain these vehicles.

[16] U.S. Department of Transportation, Jason's Law Commercial Motor Vehicle Parking Survey and Comparative Assessment, December 1, 2022

For today's environmental wellbeing, the greatest near-term reduction in emissions can be accomplished by careful oversight and distribution of Infrastructure Investment and Jobs Act (IIJA) funding to mitigate congestion and ensure the efficient movement of freight on our nation's highways. Reducing idling hours and time wasted in stop-and-go traffic on our nation's highway bottlenecks will make more efficient use of every gallon of fuel burned, as well as benefit our nation's truck drivers and highway safety. Congress should ensure that highway funding is directed to new construction that targets those chokepoints.[17]

Highway congestion adds nearly $75 billion to the cost of freight transportation each year.[18] 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.[19] This caused the trucking industry to consume an additional 6.87 billion gallons of fuel in 2016, representing approximately 13% of the industry's total fuel consumption and resulting in 67.3 million metric tons of excess carbon dioxide (CO2) emissions.[20]

Congestion serves as a brake on economic growth and job creation nationwide, and I see every day the maintenance and operational challenges that are created by stop-and-go traffic and the hazards of roads and bridges in disrepair.

Repealing the current federal excise tax on heavy-duty trucks and trailers would also make enormous strides in emissions reductions while utilities and other stakeholders evolve to meet the demands of heavy-duty trucking electrification. The current 12% tax is the highest excise tax on any good and reduces our ability to invest in cleaner, safer equipment. This tax adds roughly $25,000 to the cost of a new clean-diesel tractor and can add $40,000 to $50,000 to the cost of a battery-electric or alternative fuel truck. This limits me every year when I am forced to buy twenty or twenty-one trucks instead of twenty-five newer, cleaner tractors. Along with my entire industry, I support and encourage the passage of H.R. 1440, the Modern, Clean and Safe Trucks Act, to eliminate this World War I-era tax and spur further investment in the trucks with the latest safety and emissions reduction technologies.

New clean-diesel trucks can further reduce their environmental footprint by burning sustainable fuels. However, while the Inflation Reduction Act (IRA) increased the tax credit for Sustainable Aviation Fuel (SAF) to a range of $1.25 to $1.75 per gallon, the credits for renewable diesel remain at $1.00 per gallon. As a result, feedstocks for this valuable emissions-reduction tool for trucking are likely to be cannibalized for aviation. Restoring parity for tax credits for renewable diesel – and increasing the tax credit for renewable natural gas, which is used by some trucking companies and is currently eligible for a $0.50 per gallon tax credit – can have immediate and sustainable environmental benefits.

Moreover, incentivizing alternative fuels can potentially offer significant, and potentially greater, benefits than electrification in more difficult to decarbonize segments of the industry. A recent ATRI report shows technologies like renewable diesel may yield larger emissions-reduction benefits than battery electric technology.[21] While BEV trucks offer a reduction of 30% in CO2 emissions compared to ICE trucks using petroleum diesel, renewable diesel (RD) powered trucks offer a more substantial

[17] "After Capito, Graves Pledge to Formally Challenge Federal Highways Memo, FHWA Issues Substantially Revised Replacement," U.S. Senate Committee on Environment & Public Works, Press Release, 24 February 2023, Available online at: https://www.epw.senate.gov/public/index.cfm/2023/2/after-capito-pledge-to-formally-challenge-federal-highways-memo-fhwa-issues-substantially-revised-replacement.
[18] *Cost of Congestion to the Trucking Industry: 2018 Update.* American Transportation Research Institute, Oct. 2018.
[19] *Ibid.*
[20] *Fixing the 12% Case Study: Atlanta, GA.* American Transportation Research Institute, Feb. 2019.
[21] ATRI, *"Renewable Diesel: A Catalyst for Decarbonization,"* April 2024.

reduction of 67.3%. This reduction includes emissions throughout the vehicle and battery production, energy consumption, and disposal phases.[22]

Further related to fuels, Congress and regulators also need to understand that ongoing price volatility for diesel, and state-based regulations increasing prices at the pump, continue to cost the industry tens of billions of dollars and make it harder to upgrade equipment to new, cleaner trucks. The trucking industry's fuel bill in 2019 was $112 billion when prices were $3.00/gallon. However, diesel prices rose throughout 2022, reaching a high of $5.81/gallon—90% higher than 2019 average prices. This increase resulted in an annual diesel fuel bill exceeding $200 billion for the American trucking industry, a nearly $100 billion yearly increase.

According to a 2022 ATRI survey of the industry, fuel costs (22%), equipment and lease payments (15%), and repair and maintenance costs (9%) account for 46%, or nearly half of the overall operating costs for trucking companies nationwide. Surging fuel and truck prices, as well as the deployment of new technologies that are difficult for fleets to maintain, create enormous headwinds that stymie efforts to incentivize fleets to invest in newer, cleaner equipment.

As a practitioner, I would also recommend that Congress and agencies focus and prioritize distribution of funding through National Electric Vehicle Infrastructure (NEVI) grants, Charging and Fueling Infrastructure (CFI) grants, Qualified Commercial Clean Vehicles tax credits, and Alternative Fuel Vehicle Refueling Property tax credits for heavy-duty infrastructure projects to begin to provide momentum and set stakes in the group for fleets. These programs can have long-term impacts that will make it easier for PITT OHIO and our competitors to invest in decarbonization without putting our businesses at risk. This Committee in particular has a valuable role to play in overseeing management and funds distribution by those programs, and the industry is grateful to you for your leadership on that effort.

Finally, according to statistics from the U.S. Department of Transportation, 95.7% of private and for-hire motor carriers operate 10 or fewer trucks and 99.7% operate fewer than 100 trucks. I urge the Subcommittee to be aware of the challenges facing those small- and medium-sized trucking fleets, in particular, because they are the heart of our supply chains and face the biggest barriers to obtaining new, clean trucks.

In Conclusion

Thank you for the opportunity to testify before you today. I am grateful for the opportunity to share my company's unique story and encourage others to join in our dedicated movement towards environmental sustainability.

On behalf of PITT OHIO, the American Trucking Associations, and the 8.4 million people in trucking-related jobs who power our nation's supply chains and keep the wheels of the economy turning, we look forward to working with the Subcommittee and Congressional leaders to support legislation that will help us meet ambitious energy and emissions goals. Thank you.

[22] RD derived from various feedstocks exhibits significantly lower greenhouse gas intensity than petroleum diesel production.