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Subcommittee on Surface Transportation, Freight, Pipelines, and Safety
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Chairman Young, Ranking Member Peters, and members of the Subcommittee, thank you for the opportunity to testify today on "Shifting Gears: Issues Impacting the Trucking and Commercial Bus Industries in the U.S." The International Brotherhood of Teamsters represents 1.3 million hardworking people in the United States, Canada, and Puerto Rico, in nearly every Congressional district, including hundreds of thousands of members who start their workday behind the steering wheel. While today I am proud to serve as the General President of the Teamsters Union, I also started my career as a truck driver, working in the rigging industry as a heavy-equipment driver in the Greater Boston area.

For decades, the Teamsters have led the way in making the trucking industry a better, safer place to work. Thanks to strong union contracts, our drivers earn wages and benefits that ensure they can support their families and have access to a dignified retirement. In the sectors in which we represent drivers, our members earn wages and benefits significantly higher than nonunion workers, particularly in the Less than Truckload (LTL) sector. For example, at UPS, a typical package car driver working full-time in last-mile delivery brings in salary plus benefits with a which substantially surpass their peers at nonunion operators FedEx and Amazon. Our members also work safer, with access to both high-quality training and workplace protections and it is our privilege to regularly induct members into the UPS Circle of Honor, recognizing 25 years of driving without an accident.

I appear before you today at a critical moment as this Committee and Subcommittee begin consideration of the surface transportation reauthorization. This legislation provides an opportunity to work on a bipartisan basis to improve our nation's infrastructure, strengthen supply chains, create economic prosperity, and improve the lives of millions of Americans who drive, maintain, dispatch, and load the trucks that deliver goods to every corner of this nation and sustain the lifeblood of American commerce.

I call on the Committee to embrace legislative proposals that prioritize these workers and their labor and reject corporate schemes eager to make driving more dangerous, drivers more fatigued, or replace humans entirely with unproven technologies.

DRIVER PIPELNE

The Teamsters have no doubt that members of this Subcommittee have heard and will continue to hear about the specter of a so-called driver shortage and the actions that Congress should take in response. Industry has been pushing this narrative for more than two decades, including the claim that the nation is short of as many as 60,000 or more drivers today, and potentially hundreds of thousands in the future. The Teamsters continue to reject this narrative. We agree fully with the recent, Congressionally mandated, National Academies of Science study on driver compensation and driver retention which noted that "the application of traditional economic principles, therefore, does not support assertions of persistent shortages of drivers in the long-distance TL sector" and that "what seems likely, in the committee's view, is that carriers in the long-distance TL sector have come to believe there are chronic shortages of drivers because of

the constant need to replace them during both expansions and contractions of the long-distance TL sector".¹

Instead of accepting mass driver shortage narratives on their face, we urge subcommittee members to instead consider several key points. First, that claims of driver shortages are frequently accompanied by legislative or regulatory requests that are harmful to drivers, including solving "shortages" by requiring them to drive longer hours, operate heavier trucks, or by attacking key elements of labor law which prevent the abuse and misclassification of drivers. In this regard, we view shortage claims as little more than a pretext for actions that might otherwise draw opposition and scrutiny.

Secondly, we continue to encourage this subcommittee and Congress broadly to delve further into the "why" of large carriers and their representatives' supposed difficulties. In 2021, an average of 50,000 Commercial Drivers Licenses (CDL) were issued each month.² Yet the truckload sector has long reported annual turnover rates of between 80-90 percent. While we acknowledge that long-haul truck driving is a challenging career that is not suitable for everyone, a turnover rate of such magnitude in any other industry would raise significant alarm bells. As we have long maintained, there are persistent and endemic issues in the trucking industry driving this incredible turnover, including low wages, exploitative contracting schemes, predatory truck leasing arrangements, and more. We believe these issues are worthy of deeper consideration, more so than proposals which would supposedly and paradoxically increase driver supply by making driving a more difficult job.

Finally, our experience at Teamsters carriers like TForce, ABF, and UPS, as well as dozens of smaller trucking companies, offers a striking contrast to the turnover challenges in the truckload sector. While we acknowledge that there are substantial differences between truckload and less than truckload careers, it is still significant that we experience only 10-15 percent annualized turnover at Teamsters LTL carriers. At UPS, depending on location, an employee may spend years working in various positions before a position as a feeder driver, operating UPS tractor trailers, becomes available — at which point most members stay in that position until retirement. The reasons for this are not mysterious — as discussed above, when offered industry leading wages, health care, and retirement benefits, workers are incentivized to stay, and "shortages" do not occur.

To that point, we are unsurprised by a 2019 Bureau of Labor Statistics report into the question of driver availability and economic behavior which largely concluded that the supply of drivers behaves in the manner a basic supply and demand model would anticipate, with expected responses to economic incentives. BLS stated that "the overall picture is consistent with a market in which labor supply responds to increasing labor demand over time, and a deeper look does not find evidence of a secular shortage" and further, "Econometric models of in- and outmigration of

¹ Pay and Working Conditions in the Long-Distance Truck and Bus Industries: Assessing for Effects on Driver Safety and Retention, National Academies of Science, 2024

² https://www.fmcsa.dot.gov/registration/commercial-drivers-license/states

drivers support this conclusion. Drivers with higher earnings and [better] hours [when first observed by the study] are less likely to leave driving [12 months later]."

While we reject the shortage narrative, that does not mean that Congressional action on the driver pipeline is unwarranted. There are opportunities for Congress to include initiatives that are simultaneously pro-worker and pro-business in the upcoming reauthorization. For years, Congress has funded driver training though the Commercial Motor Vehicle Operator Safety Training (CMVOST) grant program. The program is small in scope — in 2024 it awarded a total of \$3.5 million to 27 awardees, and most awards are targeted at advanced safety training for previously licensed drivers. However, a reworked/larger CMVOST, or the creation of a new competitive grant program dedicated to new licensure, could create significant opportunities for prospective drivers.

The need for high quality CDL training is increasingly clear as predatory CDL programs persist across the country. As the Commercial Vehicle Training Association (CVTA) stated in a recent letter to Secretary Duffy, "the continued presence of non-compliant entities on the TPR allows these bad actors to offer substandard training services, resulting in students paying out-of-pocket for instruction that does not meet federal standards. These students are often left unable to pass the CDL skills test, obtain employment, or operate safely; creating a significant risk to all who share the road." It benefits no one to generate "graduates" who can't pass a skill tests or, if they can, are not able to operate safely.

Teamsters local unions in 20 states have established training trusts or apprenticeship programs to train and certify our members and other workers as CDL drivers, as well as offering training in hazmat, passenger, school bus and doubles/triples endorsements — all at little or even no cost to students. Our programs graduate CDL holders who not only have the actual skills needed to be safe drivers but also obtain a pathway to employment. We have deep interest in growing our current programs to reach more Americans in new locations, to expand our offerings in existing programs, and to graduate increased numbers of highly skilled drivers. The expansion and/or creation of new funding streams accessible to Teamsters training programs would be critical to this effort, and we ask for support for this initiative in the surface reauthorization.

Opportunities to expand driver training programs also exist outside of the Federal Motor Carrier Safety Administration orbit. The Teamsters are proud to represent the affiliated Brotherhood of Maintenance of Way Employes (BMWED), protecting 37,000 rail workers who build, inspect, and maintain railroad tracks, bridges, and structures. As part of these responsibilities, many maintenance of way workers (MOW) are required to hold a CDL to operate specialized rail equipment. Our BMWED members report substantial bottlenecks in receiving railroad-provided training. To solve this issue, we strongly support explicit clarification of the workforce development eligibility within the Consolidated Rail Infrastructure and Safety Improvements (CRISI) Program to include CDL training programs. As labor organizations are already eligible recipients under CRISI, this would allow the BMWED to apply for federal support to conduct training programs directly.

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³ https://ai.fmcsa.dot.gov/Grants/CMVOST.aspx

AUTONOMOUS VEHICLES

With increased efforts by autonomous vehicle (AV) manufacturers to commercialize autonomous trucks, and examples of actual, limited, commercial deployments, it has never been clearer that federal action is long overdue. At this hour, the sole unique responsibility that the federal government places on the testing or deployment of autonomous vehicles is for the operator to report significant accidents via the National Highway Traffic Safety Administration's (NHTSA) Standing General Order 2021-01.

It is incomprehensible that in the same universe in which the federal government regulates the size of hazard material placards down to a millimeter, autonomous vehicles are permitted to freely roam the country without oversight. Allowing the unfettered and unregulated operation of autonomous vehicles — ultimately seeking to replace human drivers with robots — is unequivocally a threat to safety on our roadways and the existence of good jobs in the trucking industry. The surface reauthorization presents an opportunity for Congress to finally take decisive action on autonomous vehicles.

This Committee has the advantage of holding jurisdiction over both NHTSA, responsible for vehicle manufacturing standards, and FMCSA, responsible for issues regarding commercial deployment and operations. It is essential that the reauthorization mandates the creation of a regulatory framework for autonomous vehicles governing aspects under the jurisdiction of both agencies. We call for the adoption of policies and other actions enumerated in the Teamsters' Autonomous Vehicle Federal Policy Principles.⁴

We urge the Committee to specifically consider the economic impacts of mass deployment of unregulated autonomous vehicles on your constituents. The single most common occupation for men in the United States without a college degree is driver/sales workers and truck drivers. Industry talking points on "fostering innovation" and "competing with foreign adversaries" falls on deaf ears for the millions of Americans the AV industry seeks to automate out of a job. Among other efforts, the Subcommittee should consider enacting workforce recommendations made by the Department of Transportation's Transforming Transportation Advisory Committee, on which the Teamsters served.

While certain regulatory responsibilities concerning autonomous vehicles clearly rest with the federal government, the subcommittee should not pursue legislative efforts that seek to preempt states from exercising their existing authorities to oversee autonomous vehicles. Particularly as it relates to the terms and permissibility of operating within states without the presence of human drivers, and the collection of data to inform states' decision-making. We commend every member of this subcommittee for their recent vote to strike a restriction on state action on artificial intelligence from the reconciliation bill.

⁴ https://teamster.org/2023/09/teamsters-autonomous-vehicle-federal-policy-principles/

⁵ <u>https://www.pewresearch.org/short-reads/2024/07/11/among-young-us-workers-without-a-college-degree-men-and-women-hold-very-different-types-of-jobs/</u>

⁶ https://www.transportation.gov/priorities/transformation/transforming-transportation-advisory-committee/TTACReport2024

PREDATORY MODELS

As the Subcommittee considers how to best promote safety in modern-day trucking, it must act on the growth of novel corporate arrangements that render existing safety and accountability metrics ineffective. We draw the Subcommittee's attention to the trucking practices of Amazon.

Much of Amazon's trucking services are provided by its Freight Service Partners (FSP). These are contractors to Amazon who in turn use drivers to haul Amazon products. However, these individual motor carriers, many of which are small operations of only a few drivers, exist as unique entities with individual Department of Transportation (DOT) identification numbers under FMCSA's Compliance, Safety, Accountability (CSA) program, and subject to related enforcement actions through the Safety Fitness Determination (SFD) rating system.

The resulting effect of this model is that the safety behavior and metrics of the contracted carrier reflects only the performance of that individual carrier, not the parent organization impelling these fleets en masse. FMCSA lacks the ability to connect the dots between individual carriers or establish a pattern of unsafe behavior across the contracted fleet. This practice of devolving responsibility has come with tragic results — a 2022 *Wall Street Journal* investigation found that trucking companies hauling freight for Amazon have been involved in crashes that killed more than 75 people since 2015. The investigation further revealed that some carriers were found to be operating despite FMCSA Out of Service Orders; were rehired after significant violations; and that FSP drivers were cited for violations at a rate 70 times higher than UPS Teamsters drivers.⁷

While the use of contracting and freight brokerages are a fundamental component of the trucking industry, the use of contracting for the express purposes of avoiding safety responsibility should not be permitted. To address this scourge, FMCSA should be directed to amend the CSA program to collect comprehensive safety metrics for entities making use of large numbers of contracted fleets, which would be inclusive of the safety performance of all contracted carriers. This would permit FMCSA to take relevant enforcement action in response to such arraignments.

Similarly, we note that Amazon performs most of its local last-mile delivery service using vehicles under 10,001 GVWR, unlike the package cars deployed by UPS. Critically, this also means that because these vehicles are generally not classified as commercial motor vehicles because of their weight, they fall outside the scope of FMCSA's safety authority, once again putting federal regulators in the dark regarding their safety performance. To better understand the safety risks presented by these operations, the committee should require that FMCSA, in conjunction with safety research organizations and the Motor Carrier Safety Advisory Committee conduct a study on the safety of such operations and risks presented by their unregulated status and make recommendations to Congress.

SAFETY ISSUES

As discussed previously, it is imperative that the surface reauthorization legislation does not reduce safety on our roadways and for our members.

⁷ https://www.wsj.com/articles/amazon-trucks-crash-safety-11663793491

The Teamsters oppose efforts to water down critical Hours of Service (HOS) regulations, including increasing drive or duty time windows, or providing unwarranted HOS flexibility. The DOT has previously identified that fatigue is a contributing factor in at least 13 percent of large truck crashes, and fatigue is tragically endemic to the industry. Allowing corporations to further push drivers to dangerous levels of fatigue is a proposal that can only result in unnecessary accidents, injuries, and deaths.

We also strenuously oppose efforts to raise maximum truck length and weight. While we appreciate that these items are bifurcated between this committee (length) and the Committee on Environment and Public Works (weight), we call on members to oppose any changes within this committee's jurisdiction, and in the reauthorization writ large. Research, including the 2019 Comprehensive Truck Size and Weight Limits Study and recent studies concerning the impacts of larger trucks on bridge infrastructure, make clear that increasing truck size and weight is a clear threat to safety. Our members continue to report that heavier vehicles present operational difficulties such as controlling brake distance and maneuvering in congested traffic conditions. Our members also report that these larger trucks are more likely to overturn. These proposals are also strenuously opposed by the Teamsters Law Enforcement League, representing law enforcement and first responders across the country, based on their experiences dealing with overweight trucks in the states in which they are currently permitted.

DRUG AND ALCOHOL TESTING

The Teamsters Union remains committed to compliance with DOT's drug and alcohol testing requirements, as informed by the Department of Health and Human Services' (HHS) Mandatory Guidelines for Federal Workplace Drug Testing Programs. We acknowledge that HHS has failed to date to complete scientific and technical guidelines for hair follicle testing as a method of detecting the use of a controlled substance for purposes of DOT testing.

However, we are deeply disturbed by, and strongly opposed to, proposals seeking to skirt the statutory frameworks for DOT testing and guarantees that have been in place for almost 30 years. Specifically, any effort permitting the use of privately tested hair follicle samples to satisfy DOT panel tests and/or uploads to FMCSA's Drug and Alcohol Clearinghouse must be rejected. Congress must continue to entrust the scientific professionals at HHS to determine whether mandatory guidelines for the use of a sample can be developed in a manner that satisfies scientific and due process concerns. In lieu of this, no legislative action should be taken.

CABOTAGE

Since the adoption of NAFTA, Mexico-domiciled motor carriers have been prohibited from engaging in U.S. point-to-point (domestic) transportation within the United States. ¹⁰ Despite this, recent research conducted by the Teamsters into issues surrounding cross-border trucking networks in California revealed a concerning prevalence of illegal cabotage operations by these

⁸ https://www.nhtsa.gov/sites/nhtsa.gov/files/18esv-000252.pdf

⁹ https://ops.fhwa.dot.gov/freight/sw/map21tswstudy/ctsw/CTSLWS%20Report%20to%20Congress%20FINAL.pdf

^{10 49} CFR 365.501(b)

motor carriers. We encourage the Committee to direct FMCSA to conduct an analysis of the scope of current cabotage violations, and work in concert with relevant law enforcement agencies to curtail these operations.

LABOR STANDARDS

While outside the jurisdiction of the Committee, it is important that Congress broadly is aware that one of largest impediments the Teamsters face in providing the benefits of Teamsters representation to more drivers is the ability for corporations, including trucking companies, to abuse existing labor law and refuse to bargain in good faith with newly organized workers. Too often we have witnessed employers dragging out negotiations to deny workers from securing the wages and conditions they deserve indefinitely. This is a feature, not a bug, in our current labor codes. For this reason, we urgently express our strong support for the Faster Labor Contracts Act, which would require employers to collectively bargain with newly organized workers within 10 days of voting to form their union. We thank Ranking Member Peters and Senator Moreno for their co-sponsorship of this essential legislation.

The International Brotherhood of Teamsters thanks the Subcommittee for the opportunity to testify today. We look forward to continuing to work together on a bipartisan basis on the upcoming surface transportation reauthorization.