

### Testimony of Lewie Pugh, Executive Vice President Owner-Operator Independent Drivers Association before the United States Senate, Committee on Commerce, Science & Transportation Subcommittee on Surface Transportation, Freight, Pipelines, & Safety "Shifting Gears: Issues Impacting the Trucking and Commercial Bus Industries" July 22, 2025

Chairman Young, Ranking Member Peters, and members of the Subcommittee, my name is Lewie Pugh and I am the Executive Vice President of the Owner-Operator Independent Drivers Association (OOIDA). Prior to working at OOIDA, I was a small-business trucker for nearly 23 years with 2.5 million miles of safe driving. Before operating my own trucking business, I drove a truck during my service in the United States Army. I still proudly hold a Commercial Driver's License (CDL).

# **ABOUT OOIDA**

The Owner-Operator Independent Drivers Association (OOIDA) is the largest trade association representing small-business truckers and professional truck drivers. OOIDA has approximately 150,000 members located in all fifty states that collectively own and operate more than 240,000 individual heavy-duty trucks. OOIDA's mission is to promote and protect the interests of our members on any issues that impact their economic well-being, working conditions, and the safe operation of commercial motor vehicles (CMVs) on our nation's highways.

Almost all freight in the United States is carried by a truck at some point and over 70 percent is carried exclusively by truckers. Small trucking businesses, like those we represent, account for 96 percent of registered motor carriers in the United States, making them a key component of the nation's supply chain. We are undoubtedly the safest and most diverse operators on our nation's roads. Every region of our country and segment of our economy relies upon long-haul truck drivers. Our members are an integral part of the global supply chain and have a unique perspective on the many challenges our nation faces in moving freight in the safest, most efficient manner.

#### **INTRODUCTION**

The Trump Administration has embraced a new approach to developing trucking policy that prioritizes the needs of truckers. It began in February when the U.S. Department of Transportation (USDOT) reopened the public comment period for its broker transparency rulemaking that was launched in 2020 in response to an OOIDA petition. It continued in April with an Executive Order addressing an OOIDA request to enforce existing English language proficiency rules that have long been ignored. And just last month, Secretary Duffy announced the launch of 9 major initiatives to improve working conditions for truckers that directly addressed many longstanding driver concerns, including withdrawing the controversial speed limiter mandate.

These steps are a welcomed and long-overdue departure from the old ways of Washington. They demonstrate regulators are finally prioritizing truckers over corporate megafleets, shippers, trial lawyers, and safety advocates.

To be clear, OOIDA is a non-partisan organization. We've always had a reputation for telling it like it is. We don't pull punches. But we also give credit where credit is due, and advocate tirelessly on behalf of our members.

Truckers now need lawmakers to embrace the new approach taken by the White House with as much energy and resolve. I assure you this can be done in a bipartisan manner that promotes highway safety, improves driver recruitment and retention, and increases supply chain efficiency. In fact, many of OOIDA's proposals for the highway bill already achieve these objectives.

This includes enhancing driver training, improving restroom access at facilities where truckers pick up and deliver freight, and combating freight fraud. More broadly, efforts to expand truck parking capacity, eliminate the federal law that prevents truckers from being guaranteed overtime pay, and stopping unsafe increases to truck size and weight have all garnered significant bipartisan support.

While truckers are thrilled folks in Washington are finally prioritizing their needs, others in our industry will resist this new approach. They will want to return to the old way of doing things – when maximizing corporate profits, overregulating small businesses, and dodging responsibility for improving working conditions for drivers took precedence.

For example, large carriers will oppose OOIDA's efforts to prohibit predatory lease-to-own scams that intentionally leave truckers broke and empty-handed. Law enforcement will again attempt to mandate 'trackers on truckers', which have been soundly rejected by industry. Trial lawyers will pursue totally unnecessary increases to minimum insurance requirements that will destroy small trucking businesses. Safety advocates will push for mandating unproven and cost-prohibitive equipment like side underride guards. And brokers will fight efforts to ensure they finally comply with existing transparency rules.

If you're not yet ready to embrace the new trend of prioritizing the needs of truckers, let me remind you that the old approach simply doesn't work. Policies that large carriers swore would improve safety, like the electronic logging device mandate, have proven ineffective. As predicted, pilot programs for teenage drivers have been colossal failures, leading their proponents to blame inward facing camera requirements rather than admit their own policies have made trucking unappealing to younger Americans.

Congress has the ability to make the next highway bill the most pro-trucker in history, but only if you commit to prioritizing their needs. In my testimony, I've outlined several ways you can do so while promoting highway safety, improving driver recruitment and retention, and increasing supply chain efficiency. I look forward to discussing these proposals with you during questioning.

#### **DRIVER TRAINING**

The 2022 implementation of new Entry-Level Driver Training (ELDT) requirements represented an important first step to ensuring drivers entering our industry are properly trained. Unfortunately, far too many drivers still lack the basic skills necessary to safely operate a commercial vehicle. Congress must take steps to further enhance safety by implementing measured and widely-supported improvements to ELDT regulations.

OOIDA favors the introduction of mandatory behind-the-wheel (BTW) hours for new drivers. In 2015, we participated in the Federal Motor Carrier Safety Administration's (FMCSA) Entry-Level Driver Training Advisory Committee (ELDTAC). ELDTAC was comprised of 26 industry representatives tasked with conducting a negotiated rulemaking on training regulations and requirements. The panel overwhelmingly supported establishing a minimum number of BTW hours in the rulemaking. As a result, the agency's Notice of Proposed of Rulemaking originally contained a 30-hour BTW benchmark. Regrettably, this critical element was omitted in the final ELDT rule.

Compared to the brief evaluation an examiner is currently required to conduct, mandatory BTW training provides greater opportunity to evaluate the skills of the entry-level driver and for the trainer to offer corrective actions. These hours expose the entry-level driver to multiple road signs and various traffic/roadway situations, giving the instructor more options to identify and correct deficiencies. At a minimum, Congress should improve ELDT by embracing the ELDTAC's recommendation that drivers complete a minimum of 30 hours BTW training.

OOIDA also supports the Commercial Motor Vehicle English Proficiency Act, S. 2114, introduced by Senator Roger Marshall (R-KS). This common-sense bill would require drivers demonstrate they can read critical road signs **<u>before</u>** being permitted to operate an 80,000 lb. vehicle on public roadways. It would also require CDL testing be conducted only in English. In addition to reading road signs, professional truckers routinely communicate with law enforcement and first responders in order to do their jobs safely and effectively. OOIDA has long advocated for stronger driver training requirements and we believe S. 2114 is a key element to achieving this goal.

### **RESTROOM ACCESS**

Most Americans take for granted the fact they readily have access to a restroom, especially where they work. For truckers who make their living on the road, they often depend on accessing restrooms at facilities where they pick-up or deliver freight. Unbelievably, professional drivers are frequently denied restroom access at these locations. While this problem effects all truckers, it is particularly burdensome for female drivers.

Although this problem has been going on for years, the COVID-19 pandemic made it worse. Throughout the pandemic, truckers literally put their lives on the line to keep the nation safe. Yet at the same time, shippers and receivers started restricting access to their facilities, including restrooms. Suddenly, finding a place to use the bathroom became more difficult, even impossible at times for our members. While the pandemic has subsided and life has largely returned to normal, some businesses have kept these crude restrictions in place.

OOIDA has championed legislation in the House that would solve this problem. The Trucker Bathroom Access Act, H.R. 2514, is straightforward, bipartisan legislation that would provide truckers the dignity and respect they deserve. It is supported by both trucking and retail organizations. The bill simply requires that if a business has a restroom available for employees or customers, then that restroom must also be available to truckers when they are picking up or delivering freight. Importantly, the legislation

**does not** require that a business build any new restrooms and includes guardrails for safety and security considerations at shippers and receivers.

# BROKER TRANSPARENCY, FREIGHT FRAUD, & THE FEDERAL REGISTRATION SYSTEM

Existing regulations (49 CFR 371.3) require brokers to keep records of transactions with motor carriers. Under 371.3, each party to a brokered transaction also has the right to review the record of the transaction. This allows our members to know precisely how much a shipper paid the broker and how much the broker then paid the motor carrier. These regulations also enable carriers to verify claims charged against them after they finish hauling a load. As motor carriers are increasingly victimized by freight fraud, unpaid claims, dubious charges, unpaid loads, double brokered loads, and load phishing schemes, the current lack of transparency has left them little to no means to defend themselves from fraud.

Unfortunately, brokers have a long history of deliberately and blatantly circumventing transparency requirements. In order to protect against fraud and scams, we tell our members that they should closely examine documentation and verify that all information is legitimate. If brokers are allowed to continue evading federal transparency regulations, it makes it difficult for carriers to determine who is adhering to the rules or who may be trying to scam them. In short, practices that undermine trust and transparency will make it harder to determine who is a bad actor.

In May 2020, OOIDA submitted a Petition for Rulemaking with FMCSA to ensure compliance with 371.3. The petition requested that brokers automatically provide an electronic copy of each transaction record within 48 hours after the contractual service has been completed and asked that brokers be prohibited from including any provision in their contracts that requires a carrier to waive their rights to access transaction records – a shady practice that is rampant among brokers. Our rulemaking was granted by FMCSA during the first Trump Administration.

Since the launch of the rulemaking in August 2020, OOIDA and its membership submitted thousands of comments to FMCSA, conducted meetings with regulators and lawmakers, and participated in public listening sessions supporting the need for transparency. These efforts culminated in the Biden Administration publishing an NPRM in November 2024, demonstrating that ensuring transparency has bipartisan appeal. The public comment period initially closed on January 21, 2025, but was reopened by the Trump Administration earlier this year for additional feedback.

Unfortunately, the NPRM does not explicitly include the two significant reforms we recommended. However, the proposal will help ensure that carriers finally have access to fundamental transactional documentation and restore a level playing field between carriers, shippers, and brokers. We have submitted separate comments detailing what FMCSA must do to strengthen the rulemaking, such as clarifying how they will enforce the rules and closing all loopholes that let brokers waive transparency rights. If implemented properly, this rulemaking will contribute to a more ethical, fair, and efficient freight brokerage marketplace.

If FMCSA is unable to finalize a rule that fully prevents brokers from evading federal transparency regulations, it is imperative Congress compel the agency to do so.

Additionally, OOIDA, along with numerous other trucking industry stakeholders, strongly supports bipartisan legislation introduced by Senators Deb Fischer (R-NE) and Tammy Duckworth (D-IL) to combat freight fraud. S. 337, the Household Goods Shipping Consumer Protection Act, would restore FMCSA's authority to impose civil penalties on unauthorized brokers, require physical addresses for

brokers, compel the agency to analyze trends and commonalities among companies applying for shipping authority to identify potentially bad actors before they commit fraud, and allow states to use federal funds to enforce consumer protection laws relating to freight movement. Earlier this year, the bill passed this Committee with broad bipartisan support. If it is unable to pass the Senate independently, it is critical S. 337 be included in the next Highway Bill.

We also thank FMCSA for responding to feedback from the trucking industry by addressing freight fraud through other actions. The agency has proposed and/or finalized various fraud-related rulemakings, established a registration fraud team, and is currently rolling out an updated registration modernization hub known as the Federal Registration System (FRS). FRS should help motor carriers, drivers, and brokers consolidate their required business information into a centralized portal, while preventing fraudulent actors from entering the industry. If administered effectively, we are optimistic the system can improve the registration process, enhance user experience, incorporate identity verification tools, and more readily identify fraud within the supply chain. However, the Committee must ensure that FMCSA is implementing these new systems and identify verification protocols in a safe, reliable manner that protects legitimate stakeholders.

### **UNDER-21 DRIVERS**

Large motor carriers have long peddled the thoroughly debunked myth of a driver shortage to promote policies that enable them to hire the cheapest labor possible. This includes recent efforts to lower the minimum age for driving interstate to 18 years old.

Over the objections of OOIDA, organized labor, and safety advocacy groups, Congress authorized the failed Safe Driver Apprenticeship Pilot Program in IIJA. Since the pilot program's launch in January 2022, large carriers have struggled mightily to find 18, 19, and 20-year-olds interested in participating. In several years, the program has only registered a few dozen applicants. The American Trucking Associations, who clamored for the inclusion of this initiative in IIJA and called the utilization of existing registered apprenticeship programs the "gold standard" for driver training, later reversed course and said the stringent apprenticeship standards discouraged participants. Carriers have also blamed the required use of inward-facing cameras for lackluster driver participation. This is despite the fact that one of their largest carriers recently announced they will equip all of their tractors with driver-facing cameras.<sup>1</sup> Large carriers will continue to struggle to find participants in the Safe Driver Apprenticeship Pilot Program as long as it is authorized, but it's not because of the scapegoats they have identified.

The pilot program has failed to yield a valid sample size and has inadvertently shed light on some of the fundamental problems in trucking that have stunted the retention of drivers. Rather than extending the pilot or decreasing the minimum age requirements for CDL holders, the Committee should consider **alternative solutions** that solve some of the problems that drive support for permitting younger drivers to haul interstate.

OOIDA agrees prohibiting younger drivers from crossing state lines is foolish. For example, it makes little sense for a young trucker in Kansas City, KS, to be allowed to drive to the state's border with Colorado, but not deliver freight in neighboring Kansas City, MO. But the solution to this problem is not suddenly permitting that inexperienced driver to cross the country without limitations, entering terrain and experiencing elements they find unfamiliar and have not been trained to handle safely.

<sup>&</sup>lt;sup>1</sup> Avila, Larry. "JB Hunt Rolls out Driver-Facing Ca6meras." Transport Dive, 26 Apr. 2023,

https://www.transportdive.com/news/jb-hunt-driver-facing-cameras-ATRI-issues-opportunities-report/647985/.

Instead, the Committee should consider implementing an air-mile radius for younger drivers to operate within that would permit them to cross state lines. Not only will this allow businesses shipping across state borders to improve their efficiency, it will give inexperienced drivers better opportunity to develop their skills in familiar conditions while receiving more advanced training. Then, they can enter the long-haul segment of our industry when they reach 21 years of age better prepared for safe, productive careers behind the wheel of a CMV. OOIDA believes a 150-mile radius, which is currently in effect for other programs at USDOT, would be appropriate.

While OOIDA has long opposed large carriers' efforts to expand their driver pool to teenagers on the false narrative of a driver shortage, we view our air-mile radius proposal as a safer alternative that provides benefits to shippers, carriers, and new drivers.

### PREDATORY LEASE-TO-OWN SCHEMES

Predatory truck leasing schemes are another longstanding problem within our industry. While traditional lease agreements can allow truckers to operate as independent small-businesses, there is a subset of leasing arrangements that almost always exploits drivers. Under these "lease-purchase" or "lease-to-own" agreements, a motor carrier (or related entity) owns a truck and leases it to a driver. In turn, the driver enters in to an agreement to lease the truck back to and operate it for the motor carrier. This this scenario, the motor carrier and lessor are effectively the same entity.

Companies peddling these supposed "opportunities" typically offer the false promise of fair compensation, future ownership of the truck, and independence from employer-employee requirements. While the purported goal of these agreements is for the driver to become a full-fledged owner-operator at the end of the lease, these schemes rarely work. Instead, drivers are paid pennies on the dollar and have their work limited by the leasing entity to prevent them from ever securing ownership of the truck they lease. They are also provided no independence to seek better compensation or more steady work with other motor carriers.

This system pushes individuals who genuinely desire a career in trucking out of the industry and further contributes to driver turnover. Additionally, the financial and personal pressures resulting from escalating debt can create highway safety risks.

OOIDA supported the establishment of the Truck Leasing Task Force (TLTF) in IIJA and its mission to examine the terms, conditions, and equitability of common truck leasing arrangements. Following a series of productive meetings and discussions, TLTF submitted their findings to USDOT, the Department of Labor, and Congress in January 2025. OOIDA echoes TLTF's final report which found that the negative impacts of inequitable lease-purchase programs negatively affect individual drivers (especially new drivers), the trucking workforce, the health of the industry, and roadway safety. We encourage the Committee to implement TLTF's comprehensive recommendations including enacting a statutory prohibition on CMV lease-purchase agreements as irredeemable tools of fraud and driver oppression.

### MINIMUM LIABILITY INSURANCE REQUIREMENTS

OOIDA has long fought efforts to increase minimum liability insurance requirements for motor carriers and will vehemently oppose legislation that includes an increase of any amount. Not only is such an increase wholly unnecessary, it would do nothing to improve highway safety, needlessly jeopardize countless blue-collar jobs, and destroy many small trucking businesses. Federal research has demonstrated such a change is entirely unnecessary. A Congressionally-required study determined the vast majority of truck-involved crashes do not exceed today's minimum insurance levels. In fact, the existing minimum of \$750,000 covers costs in over 99% of crashes involving a CMV.

It's important to understand the impact any increase would have on our economy. Increasing motor carriers' minimum liability requirements would affect all businesses transporting property, not just long-haul trucking operations. The impact would be felt in many sectors of the economy, including the agriculture, construction, manufacturing, towing, and materials industries. Raising insurance minimums for countless businesses engaged in trucking would undoubtedly cause many to shutter, leading to the loss of blue-collar jobs. This policy clearly does not belong in legislation that is designed to rebuild our infrastructure and encourage economic growth.

Calls for higher insurance requirements have come from trial lawyers looking to line their pockets at the expense of truckers, farmers, ranchers, towers, construction firms, manufacturers and any other industries reliant upon trucking. We strongly encourage members of the Committee to prevent any such provision from being included in the next surface transportation reauthorization.

### SPEED LIMITERS

In 2022, FMCSA launched a controversial speed limiter rulemaking that would restrict all heavy-duty CMVs to a single top speed across the country, as low as 60 miles per hour. This mandate would have a negative effect on road safety, crash rates, driver retention, and supply chain performance, which is precisely why it is incredibly unpopular among professional drivers.

While the Trump Administration has recognized the strong opposition to speed limiters among truckers and announced USDOT will withdraw the rulemaking, there are lawmakers who want to use surface transportation reauthorization to impose a mandate over our members' and other industry stakeholders' objections. These efforts must be rejected by the Committee.

However, OOIDA strongly supports efforts to go a step farther. The DRIVE Act, S. 1696, is legislation introduced by Senator Steve Daines (R-MT) that would prevent future Administrations from advancing any policies that create dangerous speed differentials among vehicles, which are proven to lead to higher crash rates. We believe this proposal must be included in the next Highway Bill.

### ELECTRONIC LOGGING DEVICE CERTIFICATION

Since its implementation in 2017, the federal Electronic Logging Device (ELD) mandate has been beleaguered by FMCSA's decision to allow manufacturers to self-certify devices. Over the last several years, nearly 300 ELDs have been deemed non-compliant by the agency, leaving truckers little confidence in determining what devices will ensure their long-term compliance with the regulation.

Since Congress forced truckers to comply with this mandate, you must now compel FMCSA to implement a long overdue certification process that prevents non-compliant devices from ever entering the marketplace.

A robust certification process would also address long-standing concerns involving cybersecurity threats related to ELDs. In 2020, the Federal Bureau of Investigation (FBI) issued a bulletin indicating self-certified devices did not follow cybersecurity best practices and were vulnerable to compromise. Specifically, the bulletin stated, "Although the mandate seeks to provide safety and efficiency benefits, it does not contain cybersecurity requirements for manufacturers or suppliers of ELDs, and there is no requirement for third-party validation or testing prior to the ELD self-certification process. This poses a

risk to businesses because ELDs create a bridge between previously unconnected systems critical to trucking operations." These conditions have not changed in five years.

Furthermore, Congress must impose a ban on technology from hostile nations like Russia and China from being utilized in ELDs that track American truckers. ELDs generate copious amounts of data about our supply chain, including the movement of specific vehicles. Allowing our enemies and competitors unimpeded access to this data should concern lawmakers as much as it does the truckers who are forced to use the devices. This kind of ban could also be achieved by enacting a rigorous certification process at FMCSA.

### SIDE UNDERRIDE GUARDS

Truckers hold a number of concerns about mandating underride equipment, specifically side underride guards. These include operational and safety challenges regarding rail-crossings, loading docks, and low ground clearances, as well as equipment damage resulting from curbs, roundabouts, speed bumps, and other highway features. Additionally, there are no commercially-available side underride guards that have demonstrated a capability to fully prevent passenger compartment intrusion among passenger vehicles in highway driving conditions, raising serious concerns about their purported efficacy and benefits.

For decades, the National Highway Traffic Safety Administration (NHTSA) has considered numerous options involving side underride guards. NHTSA has consistently concluded federal mandates would be impractical and cost-prohibitive. The Committee must reject calls for this unworkable and costly mandate to be included in surface transportation reauthorization.

### UNIQUE ELECTRONIC IDENTIFIERS OR "TRACKERS ON TRUCKERS"

Truckers strongly oppose the Commercial Vehicle Safety Alliance's (CVSA) proposal to mandate the use of Universal Electronic Identifiers (UEI) or as OOIDA calls them, "Trackers on Truckers". Our members have been extremely clear that this concept is an unwarranted intrusion into their privacy, as well as an overly costly and burdensome requirement that does nothing to improve their efficiency or safety. Due to the absence of any research demonstrating how the use of UEI technology would improve safety, the motivation for pursuing this mandate appears to be nothing more than adding convenience for enforcement agencies.

In fact, truckers are concerned the implementation of this proposal would negatively affect highway safety if enforcement officers begin prioritizing roadside inspections based on potentially unreliable data, instead of observable safety hazards. To make matters worse, barreling forward with a new mandate involving the transmission of sensitive information only intensifies concerns involving identity theft, cargo theft, security threats, and more.

This is likely why FMCSA's September 2022 ANPRM on UEI was soundly rejected by industry stakeholders and never advanced through the regulatory process. Having reached a dead-end at the agency, CVSA is now turning to Congress to impose an unnecessary mandate over the objections of motor carriers and professional drivers. The organization claims the technology would only be required to transmit identifying information related to the CMV. However, FMCSA's stalled ANPRM went much further and included the possible transmission of information related to the individual trucker operating the vehicle. And as we've seen with the ELD mandate, manufacturers have gone well beyond what Congress required and offered devices that collect and transmit all types of information. As a result, truckers have little faith in CVSA and others' long-term commitment to limiting the type of information being shared.

### **TOLLING AUTHORITY EXPANSION & CONGESTION PRICING**

Truckers **hate** tolls. They are an extremely inefficient and unreliable source of funding. Truckers also hate congestion pricing, which unfairly penalizes them for conditions beyond their control. Efforts to expand the use of tolling and congestion pricing are the direct result of federal lawmakers' inability to establish sustainable funding streams for our highways. Rather than shifting responsibility (and blame) to state and local decisionmakers for your own lack of political will, Congress should increase the efficient and reliable user fees in place today, as well as take simple steps to ensure all road users are contributing to the maintenance and development of our infrastructure.

Truckers often have limited control over their schedules, and are subject to the demands of shippers and rigid hours-of-service (HOS) regulations. They have little choice but to use a tolled road (if a non-tolled alternative isn't available) or drive through metropolitan areas during times of high congestion. Unlike other highway users, truckers may lack the ability to choose alternate routes to avoid congestion due to size and weight restrictions, heavy vehicle prohibitions, and other limitations on ancillary roads. For these reasons, tolling and congestion fees disproportionately and unfairly impact truckers.

Let us be clear – small trucking businesses, which already pay tens-of-thousands of dollars in taxes every year to maintain our infrastructure, are willing to pay more for improved infrastructure, so long as it is done in a fair and equitable way. OOIDA has long advocated for increases to existing fuel taxes as a way to fund greater infrastructure investment. We support new funding mechanisms proposed by both the American Highway Users Alliance (AHUA) and the Truckload Carriers Association (TCA), which ensure **all** users are finally paying to maintain our roads and bridges.

If Congress is considering raising revenue, it should have the political courage to do so through proven, cost-effective methods like fuel taxes, instead of methods like tolling that disproportionately harm truckers. The Committee must take steps to not only limit the tolling of currently non-tolled highways, but ensure revenue is being used exclusively for the maintenance of the tolled asset.

# **VEHICLE MILES TRAVELED FEES**

The authorization of programs to administer Vehicle Miles Traveled (VMT) fees, including those targeting only truckers, would be premature for the next highway bill. Existing user fees are already incredibly efficient and easily administered. These are thoroughly proven mechanisms that provide a transparent and effective way to fund highway construction and maintenance. The costs of administering these user fees are extremely low – estimated to be less than 1% of all revenues collected. If Congress is serious about raising revenue in the near term, it must acknowledge increasing existing user fees is the most practical and effective solution.

In contrast, truck-only VMT taxes have proven to be highly problematic and largely unsuccessful. Whereas gasoline and diesel taxes have low administration costs because they are collected from a small number of entities, a VMT tax imposed on truckers would skyrocket the number of payers into the millions. Such a tax structure would be incredibly difficult to enforce and would require a major expansion of federal bureaucracy.

It is a common misconception that increased costs associated with truck-only VMTs could simply be passed on to shippers. While its true most motor carriers are now capable of passing fuel surcharges along, it took truckers decades to defer the rising cost of fuel to their customers. Shippers will similarly be unlikely to immediately accept higher fees to cover the cost of truck-only VMT. Instead, they will simply hire carriers willing to absorb the most cost. For small-business truckers, who operate on the slimmest of

margins, this would be particularly harmful. While shippers may one day be willing to accept charges for VMT, the initial years or decades of implementation could be devastating to small businesses.

IIJA required USDOT to create the Federal System Funding Alternative Advisory Board, a panel directed to analyze VMT. OOIDA has a seat on this advisory panel, but the board has only recently begun its work. It would be premature for Congress to take any additional steps to advance VMT until the panel has finished its report, which will include recommendations related to the structure, scope, and methodology for developing and implementing a nationwide pilot program.

# NATIONAL CONSUMER COMPLAINT DATABASE IMPROVEMENT

FMCSA's National Consumer Complaint Database (NCCDB) has proven to be an ineffective tool for motor carriers and drivers to report coercion and unsafe practices committed by motor carriers, unscrupulous activities conducted by brokers, and cases of freight fraud. Typically, truckers do not receive a satisfactory response when they call the NCCDB hotline or submit their concerns via the online portal – if they receive one at all. The lack of response from FMCSA discourages truckers from using the NCCDB to submit cases, which also contributes to a lack of understanding of the scope of the problems our members face with motor carries and brokers.

FMCSA must improve its response to complaints filed through NCCDB, but we recognize the agency likely lacks the resources to do so. NCCDB improvements are especially important in light of potential changes to HOS rules resulting from upcoming FMCSA pilot programs. HOS flexibility must be used at the discretion of drivers; in instances where carriers are forcing or coercing drivers to use flexibility in an unsafe way, drivers must have a reliable outlet to report these abuses.

IIJA required the Government Accountability Office (GAO) to examine the NCCDB and evaluate the effectiveness of efforts to consider and follow-up on complaints submitted to the database, the types of complaints, and awareness of the system. The GAO published their findings in September 2023, stating, *"FMCSA has not designed sufficient controls to help ensure its policy for reviewing complaints related to motor carriers is followed."*<sup>2</sup>

We are optimistic that Secretary Duffy's recent announcement that the NCCDB is being migrated to a modern customer service platform to be more user- and mobile-friendly will help streamline the response process, improve response timeliness, expand complaint categories to include property brokers, and initiate enforcement action when applicable.

We believe ongoing NCCDB changes can further be supplemented simply by changing the name of the system. Possible suggestions for a more logical name would be the "National Truck Safety Hotline" or the "Truck Safety and Compliance Hotline." A new, more identifiable name would help raise the platform's awareness among professional truckers and improve its utilization.

Each year, FMCSA receives hundreds-of-millions of dollars for enforcement purposes, a large portion of which is devoted to ensuring compliance with regulations that have little to do with highway safety. While OOIDA is not in favor of increasing overall enforcement funding for FMCSA, we encourage the Committee to repurpose many of these dollars – derived largely from user fees imposed on motor carriers – to make NCCDB an effective and reliable tool for truckers to report concerns.

<sup>&</sup>lt;sup>2</sup> GAO Report to Congressional Committees, "Motor Carrier Operations: Improvements Needed to Federal System for Collecting and Addressing Complaints against Truck, Moving, and Bus Companies," September 19, 2023, (GAO-23-105972, <u>https://www.gao.gov/assets/d23105972.pdf</u>.

### ENGLISH PROFICIENCY, NON-DOMICILED CDL HOLDERS, & CABOTAGE

At a minimum, motor carriers and drivers should be expected to comply with existing regulations that promote safety. One such requirement is that drivers are able to understand and communicate in English. 49 CFR 391.11(b)(2) states that a person is qualified to drive a truck only if they, "*Can read and speak the English language sufficiently to converse with the general public, to understand highway traffic signs and signals in the English language, to respond to official inquiries, and to make entries on reports and records.*" The ability to understand and react to road signs, especially in emergency situations, is critical for public and operational safety. Drivers must also be able to communicate with law enforcement and, in the case of an emergency, first responders.

On April 28th, President Trump issued Executive Order 14286, "Enforcing Commonsense Rules of the Road for America's Truck Drivers." The action outlined procedures that have since reinstated English proficiency violations back into the Out-of-Service Criteria. OOIDA strongly agrees with President Trump's decision to resume enforcement of English proficiency requirements for commercial drivers. We believe the Executive Order is a welcome step towards restoring a commonsense safety standard. OOIDA has also supported legislative efforts strengthening English Language Proficiency regulations. S. 2114 would ensure English Language Proficiency is included in CDL testing procedures, while H.R. 3608 would codify licensing and enforcement aspects of the Executive Order into regulations.

Additionally, we applaud the Executive Order's objective to gather more information on the number of drivers with non-domiciled CDLs currently operating on our roads. Non-domiciled CDLs allow individuals to operate a CMV for work, regardless of whether they are an American citizen or came to the U.S. with a work visa. FMCSA issued regulatory guidance in 2019 that created a loophole for states to expand the issuance of non-domiciled CDLs. We are hearing growing concerns from truckers about the prevalence of drivers using these licenses. As USDOT conducts a nationwide audit into state practices about issuing non-domiciled CDLs, we urge the Committee to consider how these drivers are being recruited, compensated, and treated, and the safety records of carriers utilizing these CDL holders. Furthermore, we question the need for this program entirely, as trucking is currently experiencing over-capacity that limits job opportunities for domestic drivers.

Finally, drivers from Mexico and Canada are being enticed by fleets to remain in the U.S. after hauling freight across our borders for the purpose of illegally transporting domestic loads. In many cases, fleets utilizing these drivers can pay them a fraction of the compensation of an American trucker, providing a financial incentive to continue this illegal practice. In addition to suppressing domestic wages, this practice allows drivers who have completed lower safety standards to operate on American roads. Law enforcement must do a better job identifying violations and enforcing existing cabotage rules, and FMCSA must take aggressive action against fleets found to be violating these laws.

# UNIFIED CARRIER REGISTRATION REPEAL

Administered by the federal and state governments through a partnership with the motor carrier industry, the Unified Carrier Registration (UCR) system imposes various taxes on motor carriers and distributes the resulting revenue to 41 participating states. The system was established in 2005 for the purpose of maintaining a single national register of motor carriers conducting interstate travel. However, the system no longer meets its original objectives and currently does nothing more than generate revenue for states. As a result, UCR is a chief example of government bloat and should be repealed.

Truckers also have concerns with how the system is administered, starting with the inequity in the assessment of fees on motor carriers. The current tax structure is particularly burdensome and costly for single truck operators or small fleet carriers, who are assessed disproportionately higher fees than their larger competitors. In addition to concerns about inequality, the system lacks the transparency and accountability to merit the trust and support of motor carriers and Congress. Because oversight of the system is practically non-existent, lucrative contracts for services have been doled out with little to no competition or transparency.

In fact, transparency throughout the program is severely lacking. Often, it is difficult to determine precisely what programs UCR taxes are supporting within participating states. Many states use UCR revenue as a non-federal match for Motor Carrier Safety Assistance Program (MCSAP) funding, which is devoted primarily to enforcement. Essentially, these states are utilizing a federally-authorized tax on motor carriers to leverage additional federal funding for the policing of truckers. Rather than returning surplus funds to the depository, several 'donor states' are currently flouting the UCR agreement and keeping revenues that exceed their entitlement in state coffers.

### HAIR TESTING

No one better understands the critical role that drug and alcohol testing fulfills in keeping America's highways safe than OOIDA members. However, there are still significant debates and unanswered questions concerning the use of hair testing. We do know hair testing can lead to false positives because of environmental contamination and the interference of cosmetic treatment on the analysis of hair. Variances in hair types have also posed difficulties in standardizing drug testing. Hair shape, size, color, texture, formation, and other qualities varies by race, sex, age, and position on the scalp. Not surprisingly, all these limitations have led to discriminatory employment practices. There is no shortage of research illustrating these concerns and that is why the Department of Health and Human Services (HHS) refrained from mandating hair testing in their 2020 proposed guidelines. OOIDA remains opposed to any sort of hair testing mandate that would be initiated by Congress or HHS.

# CRITICAL ISSUES OUTSIDE THE JURSIDICTION OF THE COMMITTEE

### TRUCK PARKING

OOIDA will not support surface transportation reauthorization that fails to dedicate federal funding exclusively for the expansion of truck parking capacity. Specifically, truckers favor solutions included in the Truck Parking Safety Improvement Act, H.R. 1659. This bipartisan legislation enjoys universal industry and stakeholder support.

Alleviating the truck parking shortage has been the top safety concern for American truckers for decades. Members of Congress from every corner of the country and across the political spectrum have supported this legislation over the years because they understand the truck parking crisis is negatively affecting their constituents who make a living behind the wheel. With research indicating there is a single parking spot available for every 11 trucks on the road, the lack of available spaces is forcing truckers to choose between parking in a potentially unsafe location, such as a highway shoulder, or continuing to drive while they feel fatigued or are out of available driving hours under **federally-mandated** HOS regulations. Increasingly, these factors are also negatively affecting the safety of the driving public.

The current highway bill increased spending on things like CMV regulatory enforcement, created new uses of funds from the Highway Trust Fund (HTF) for water infrastructure projects, vegetation management, and other non-road projects, and authorized \$800 million for a new bike lane program, as

well as a new program to promote "pollinator management" along highways. At the same time, Congress – specifically the Senate - failed to prioritize or dedicate funding for truck parking.

Somehow, after nearly a decade of unified advocacy, the trucking industry still finds itself pleading for help and feeling anxious that the Senate may again fail to act. Frankly, truckers are sick and tired of some lawmakers ignoring their pressing safety needs while funding other pet projects, and rest assured, they will be watching closely to see if Washington finally delivers. If the next surface transportation reauthorization fails to provide dedicated funding for truck parking, but authorizes even a single penny of funding for new initiatives, OOIDA will use every tool it has to ensure the legislation is defeated.

### SIZE & WEIGHT INCREASES

OOIDA opposes controversial proposals to increase the size and weight of CMVs, which would reduce safety and adversely impact small trucking businesses. In fact, allowing bigger and heavier trucks on our roads would only benefit shippers and a handful of large corporate motor carriers.

These proposals would pressure small trucking businesses to increase their hauling capacity to stay competitive. Unlike large carriers, who could transition their fleets over time while maintaining business, smaller trucking companies and owner-operators would be forced to immediately modify their equipment at great cost just to remain viable. Unfortunately, previous weight increases have demonstrated heavier trucks don't lead to better compensation for professional drivers, as some proponents have mistakenly claimed.

We remind lawmakers that earlier this year, one of the nation's largest retail businesses admitted before a House Committee that they would not pay truckers a penny more for hauling additional freight. Considering these factors, increasing size and weight is all cost and no benefit for truckers. Additionally, there is currently an excess of trucking capacity, and motor carriers remain more than capable of meeting the nation's ongoing transportation needs.

Congress must also reject efforts to allow commodity-specific exemptions, especially for the movement of electric vehicles (EV). Providing preferential treatment to EV manufacturers would create a scenario in which heavier auto transporters inflict greater damage to our roads, while the owners of the EVs being hauled will pay NO fees to maintain our infrastructure. Truckers see these proposals for the scams they are and implore the Committee to reject policies that benefit EV manufacturers and owners at a cost to small trucking businesses. Rather than providing favors to select entities in our industry, Congress should instead focus on policies that improve conditions for trucking operations of all sizes.

### **INDEPENDENT CONTRACTORS & WORKER CLASSIFICATION**

Some trade associations and large motor carriers have claimed independent contractors in trucking are threatened by the Department of Labor's (DOL) 2024 worker classification rule, and that this rule presents safety issues for truckers and the public. This is patently false.

To set the record straight, the 2024 rule has not jeopardized or limited any of our 150,000 members' ability to utilize the independent contractor model as owner-operators, and claims that this rule must be changed to protect the trucking industry, public safety, or the supply chain are unfounded. Small-business truckers and owner-operators continue to have the discretion to run their business in the safest and most efficient way possible.

We believe DOL's 2024 rule struck an appropriate balance for worker classification and eliminated a concerning provision from the 2021 rule that encroached on USDOT's, and this Committee's, authority. This 2021 provision would have also allowed carriers to micromanage an owner-operator's business.

In its 2021 Final Rule, DOL created an exemption for "safety" requirements, clarifying that anything a carrier required in the name of safety could not be used as evidence that a hiring entity was controlling its worker. DOL specifically noted that a contractual requirement for an owner-operator leased to a carrier to use a speed limiter was "implemented in order to comply with specific legal obligations and to ensure safety," and that this requirement wasn't controlling how an owner-operator chose to manage their business.

Going further, in an opinion letter issued in conjunction with the Final Rule, DOL said that requiring owner-operators to use and comply with intrusive inward-facing cameras, monthly safety meetings, onboard monitoring systems, and numerous other measures were simply adhering to "certain rules to which the worker is already legally bound," and that they therefore aren't controlling a trucker's operation.

Given that USDOT has never mandated these technologies or requirements, we believe that DOL infringed on USDOT's authority by determining that these measures improved safety and constitute a specific legal obligation. In fact, as already mentioned in this testimony, USDOT recently announced that it would withdraw its proposed speed limiter rulemaking. In its announcement, the Department even called speed limiters a "safety hazard", eliminating any argument that these devices should be considered safety equipment by DOL.

We urge lawmakers to reject any proposals that are promoted under the guise of protecting independent contractors and be skeptical of legislation that would limit or conflict with this Committee's work to promote safety, small businesses, and the supply chain.

### **GUARANTEED OVERTIME FOR EMPLOYEE DRIVERS**

An outdated exemption in the Fair Labor Standards Act (FLSA) denies employee drivers guaranteed overtime pay. This policy has exacerbated problems the Committee has sought to address in the past, including detention time, driver retention, and even highway safety. S. 893, the Guaranteeing Overtime for Truckers (GOT Truckers) Act, would eliminate this exemption, finally placing a value on all of the hours a driver works, and help address these problems.

First, eliminating the current exemption would force shippers, receivers, and others throughout the supply chain to value all of a driver's working hours, and in turn, reduce detention time. Drivers are often not paid for detention time, and even when they are, industry practice dictates that drivers give up two hours of their time for free while they wait to be loaded or unloaded. As a result, drivers work 50, 60, and up to 70 hours in a week, with many of these hours spent unpaid, waiting at the loading dock. If drivers were paid overtime, then entities throughout the supply chain would finally have to pay drivers for all their hours on the clock and have an incentive to keep them moving.

Eliminating the exemption would also help improve driver pay and retention, especially in light of the One Big Beautiful Bill (OBBB). OBBB exempts overtime wages from taxes, but only if these overtime wages are required to be paid under the FLSA. Because truck drivers are exempt from the FLSA overtime provision, even if they are currently working for a carrier that pays them overtime, they will not benefit from "no taxes on OT". Eliminating this discrepancy will put truckers on equal footing with most other blue-collar workers who will be getting tax-free overtime in the coming years. This in turn will help keep drivers in the industry instead of seeking a new job with better compensation.

While this legislation falls outside the Committee's jurisdiction, we hope that you will support S. 893 to help address a number of related issues before the committee.