



AMERICAN TRUCKING ASSOCIATIONS

950 N. Glebe Road ★ Suite 210 ★ Arlington, VA ★ 22203-4181
www.trucking.org



Chris Spear
President & Chief Executive Officer

May 26, 2020

The Honorable Roger Wicker
Chairman
Committee on Commerce, Science
& Transportation
United States Senate
Washington, D.C. 20510

Dear Chairman Wicker:

Thank you for your letter regarding the impact of COVID-19 on our nation's surface transportation system and critical supply chains. On behalf of the American Trucking Associations (ATA), our industry and the approximately 7.4 million men and women employed by trucking in the United States, I appreciate the opportunity to illustrate how these patriots have risen and responded to the COVID-19 pandemic—and how they're positioned to now lead our nation's economic recovery.

As you know, major national crises tend to expose underlying truths about society that otherwise go unnoticed during life's regular routines. They reveal the individuals among us who are truly essential to upholding the high standard of living that we as Americans have collectively come to expect. They remind us of our unsung heroes.

Since the onset of the COVID-19 pandemic in the U.S., most economic, social and cultural activity in our country has ground to a halt. But one group that hasn't stopped: truckers. America's 3.5 million truck drivers – and the personnel who support them, such as technicians, dispatchers and truckstop operators – have kept our country running despite the enormous challenges created by this pandemic.

We hear the term 'essential' more frequently of late, as Americans open their eyes to the gravity of what essential truly means. Truckers have been the difference between a fully-stocked grocery store and one lined with empty shelves. They're why doctors and nurses have PPE to protect themselves while treating the sick. They're why test kits arrive at hot-spots for use by local officials to mitigate the virus' spread.

The resilience and integrity of our supply chain rests on the courage, dedication and professionalism of this most vital workforce. Without them, this crisis would devolve into something much worse. Perhaps the President of the United States said it best when he recently proclaimed from the South Lawn of the White House: "Thank God for Truckers."

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Office: 703-838-1804 ★ Cell: 980-230-9115 ★ FAX: 703-838-1994 ★ cspear@trucking.org

Truckers are proud to do their part to help fellow Americans get through this crisis. What they ask—and what they need—is for government officials at all levels to permit them to do so without unnecessary delay or interruption. And, when ready, to safely open the economy to allow commerce to flow. As the “essential critical infrastructure worker” designation suggests, it’s essential that trucks keep rolling through whatever tough and necessary measures are taken to protect public health. Because impeding their safe and efficient movement, and disrupting national supply lines, only compounds our challenges.

When supply lines are disrupted, consequences are fast to follow. Grocery shelves don’t get restocked. Shipments of PPE don’t fall into the hands of vital frontline workers. Doctors, first responders, emergency technicians and medical personnel are unable to access the life-saving supplies they critically need in the thick of this fight.

It’s also true that the trucking industry, like the businesses and communities we live in, is coping with serious economic challenges caused by the pandemic and the public health response. Safely reopening our economic and public lives is the ultimate solution to our economic challenges, and truckers support the combined efforts of public officials to get back to work, balancing safety with the economic and social needs of modern life.

With respect to the specific questions raised by your letter, I offer these responses below. Additionally, I’ve included three documents as accompanying materials: (1) ATA Priorities for Future COVID Recovery and Response Efforts; (2) a Report from ATRI & OOIDA on the COVID-19 Impacts on the Trucking Industry, and (3) the results of an ATA COVID-19 Membership Survey.

- ***What impacts have your members seen from COVID-19 on our transportation networks and supply chains, and how have they responded to these impacts?***

The impact of COVID-19 on supply chains, and thus the trucking industry, has been significant as freight demand has declined significantly over the past six weeks. After an initial surge for groceries and other consumer staples to big-box retailers, freight levels have generally fallen since. For example, the spot market, which is where overflow freight goes when shippers have more loads than their contract carriers can handle, fell 54% in April on a year-over-year basis. While we don’t have full April contract data, ATA is expecting a 15% to 20% decline from a year earlier. In a recent COVID-19 survey conducted by ATA, 85% of nearly 500 fleets said that truck freight levels were somewhat or much lower than would be expected during this time of year. In fact, 62% said freight was “much” lower.

This big drop in freight has many implications for trucking, which is a high-cash flow, low-profit industry. One of the major supply chain impacts we see is how less freight throws carriers’ networks off balance. For example, in normal times, if a carrier has a customer with freight from Indianapolis to Savannah, GA, the carrier will find a customer(s) with freight from or near Savannah back to Indiana. But under these current circumstances, the carrier might still have freight to Savannah—but no return freight for the backhaul. Thus, the carrier is forced to drive long, “deadhead” miles or take a load in the spot market for well below sustainable rates. Either way, this situation puts added financial pressures on fleets. In ATA’s COVID-19 survey, 32% of responding fleets, which equates to roughly 200 carriers, said they were forced to lay off or furlough drivers due to the current coronavirus economic situation. Our data shows that this group released a total of 6,364 drivers. Additionally, data from the Department of Labor showed that payrolls for the for-hire trucking industry fell by 88,000 in April.

Outside of these challenges to freight networks, the transportation portion of supply chains seem to be faring relatively well. In the ATA-conducted COVID-19 survey, only 81 out of the nearly 600 responding fleets indicated that they had at least one driver infected with the virus. That’s

less than 20% of fleets. Truck drivers, due to their line of work, are accustomed to social distancing during normal times. While we continue to cautiously assess, at this point we do not foresee any supply-chain breakdowns because of illness among trucking companies.

- ***What are your expectations for how freight transportation networks or the supply chain may continue to be impacted in the near term? What impacts do you anticipate in the long term?***
We expect the motor carrier industry will continue to deliver freight as it has been under COVID-19, and that supply chains will hold strong, thanks to the fortitude of the trucking workforce. However, should this steep economic downturn continue its slide into June and July—when PPP money runs out for many smaller fleets—we could see an increasing number of motor carriers forced to close down. This would noticeably impact supply chains as the economy labors to restart. It could create a situation where, at least temporarily, the number of loads outnumbers the number of drivers and equipment available to haul them. However, as that situation persists, rates would eventually respond by increasing, enabling fleets to add more capacity, and bringing new carriers into the industry. We saw a similar scenario following the 2008 financial crisis.

However, boundless liability threatens to impact our industry and impede our country's economic recovery in the near term. Given the unprecedented nature of this crisis, the trucking industry is, in the course of that essential duty, operating in an environment of enhanced risks that are not yet fully understood. While the safety of our drivers, our customers and those we share the highway with is always paramount for the trucking industry, the fact remains that the risks associated with keeping the nation supplied during the crisis cannot be completely mitigated. In order to ensure motor carriers are not punished for stepping up in the face of this national emergency (and are not dis-incentivized from doing so), Congress should impose reasonable limitations on the liability of motor carriers for these crisis-related risks that threaten the trucking recovery. In addition to being temporary, we believe that these liability protections should be limited in scope and preserve recourse for those harmed by truly bad actors who engage in willful misconduct.

Looking to the long-term, one issue that deserves and requires further Congressional attention is workforce development. The mobilization of our industry in responding to the COVID-19 emergency has demonstrated how critical workforce development is to the trucking industry, the economy and our emergency response supply chain. As the industry has most recently faced a shortage of more than 60,000 qualified drivers, coupled with a need to hire 1.1 million new drivers over the next decade to meet freight demands, we are confronted by the glaring reality that any attrition during this and future emergencies will cripple our industry's ability to effectively and swiftly deliver goods and supplies.

As Congress pivots from legislation focused on emergency response and relief to that of recovery, helping the 36 million people now unemployed because of coronavirus return to work should be a key pillar of those efforts. The trucking industry is uniquely positioned to aid in those efforts, and we urge the Committee to consider workforce-focused legislation to provide the industry greater employment certainty as we work to jumpstart the economy.

- ***How have critical infrastructure employees been affected during the COVID-19 crisis while performing their duties, and what steps have your members taken to protect them?***
Since the onset of the COVID-19 pandemic, ATA's member companies have been forced to react to many state and local restrictions, which, while well-intentioned, have negatively impacted fleets' ability to operate efficiently. Specifically, the closure of state-run facilities, such as rest areas and service plazas, had a serious impact on the health and wellness of truck drivers transporting freight in response to COVID-19. For example, in Pennsylvania, both rest areas and service plazas closed across the entire state, just days into the pandemic. Truck drivers were

suddenly left with few options when searching for a place to park and rest, use restroom facilities or find something to eat—all while delivering critical goods that keep our communities safe and fed. Truck parking options on a *normal* day are scarce, and the closing of these state-run facilities at a time of heightened urgency for freight deliveries was a devastating blow. Shortly after the sudden closing of these facilities, ATA educated Pennsylvania policymakers on the serious impact of their decision. The result was the reopening of a limited number of rest areas and service centers across the state.

Like other critical infrastructure workers, ATA's member companies have struggled to obtain non-medical grade personal protective equipment (PPE), so that their drivers can reduce their exposure to COVID-19 while ensuring the supply chain remains intact. Several states have required "face coverings" when in public, and truck drivers are not exempt from these requirements. In light of these requirements, ATA was able to obtain over 100,000 face coverings and distributed those masks to various trucking companies and trucking associations throughout the country.

Additionally, the ability for drivers to refill their personal hand sanitizer bottles was critical. Through a partnership with Protective Insurance and a custom distillery, Hotel Tango of Indianapolis, 550 gallons of hand sanitizer was distributed to 10 different truck stop and truck companies throughout the country. The hand sanitizer was transported via ATA member companies to these various locations. ATA is currently in the process of procuring additional hand sanitizer to be distributed throughout the country. By distributing these supplies to several public facilities, *all* truck drivers—regardless of whether they're an ATA member—have access to these supplies.

- ***The U.S. Department of Transportation has a number of authorities that can be utilized to respond to extraordinary and unanticipated events. How has the use of these authorities affected your members during the COVID-19 crisis, and are additional authorities needed to provide additional support to the transportation sector in unforeseen circumstances?***
ATA appreciated U.S. DOT/FMCSA's prompt response to COVID-19 by issuing an emergency declaration that waived Hours of Service (HOS) and other regulations for drivers engaged in providing direct assistance to COVID-19 relief efforts. Exemptions, such as this emergency declaration, should be rare and limited in scope and only apply to those operations providing emergency support.

With regard to the additional waivers issued by FMCSA related to Commercial Learners Permits and Third Party Testing, we encourage the Agency to consider pursuing permanency of these waivers, which could assist in easing the current delays associated with the testing of drivers who wish to obtain their Commercial Driver's License (CDL). These delays existed prior to COVID-19 and have only been exacerbated by this pandemic. ATA anticipates that the existing backlog of testing appointments will steadily increase in the future and encourages FMCSA to harmonize state licensing procedures, including state of domicile requirements and Third-Party Testing. FMCSA has mandated that an individual's state of domicile must accept the results of a CDL *skills* test that was administered out-of-state; however, the rule does not require the state of domicile to also accept the results of an out-of-state *knowledge* test. As a result, driver candidates who obtain training out-of-state are required to travel back to their state of domicile to obtain their credentials, creating an unnecessary burden. It has become all the more important to allow trainees to test, train, and receive their relevant credentials—be it a CLP or a CDL—without having to travel back and forth to their state of domicile.

Additionally, ATA has been working with U.S. DOT to find a solution that would enable truck drivers to utilize electronic shipping papers. Both the U.S. Centers for Disease Control and Prevention (CDC) and the Occupational Safety and Health Administration (OSHA) recommend that individuals practice social distancing to slow the spread of COVID-19. Further, it is recommended that drivers, inspectors, shippers, and the entirety of the hazardous materials (hazmat) supply chain avoid touching documents whenever possible to reduce the likelihood of virus transmission. Unfortunately, truck drivers hauling hazmat do not have the option to apply this best practice due to certain shipping paper requirements in 49 CFR § 172.201 - § 172.205. The rigid procedures related to the preparation and retention of shipping papers inadvertently prevent truck drivers from taking precautionary measures intended to mitigate the spread of the virus. Transitioning to electronic shipping papers would enable truck drivers, their customers, law enforcement personnel and first responders to avoid the risks associated with passing hazmat documents back and forth. The option to utilize electronic shipping papers is long overdue, and is especially timely given the current public health emergency. Highway carriers should have the option to transition to electronic shipping papers if they are able to comply with comparable electronic shipping paper regulations governing hazmat transportation by air and rail.

The coronavirus doesn't distinguish between federal, state and local government, but our success in defeating it hinges on smart policy from all government levels. The virus doesn't recognize state borders, but mitigating its spread – and curbing its impact on public health and the economy – requires policies across states and localities that recognize and support the paramount function of interstate commerce.

Truckers continue to serve on the frontlines, operating in challenging conditions under heightened states of urgency, to ensure Americans' most basic and vital needs are met. And as crucial as they've been in responding to the outbreak and curbing its impact, truckers will be just as pivotal now as we turn toward recovery. Truckers hold the keys to restarting America's economic engine, and on the backs of trucks is how we'll get from here to there.

Thank you for working with us to ensure America's trucking industry has the federal support it needs to serve our country through this crisis, and any others we may encounter down the road. Your outreach and partnership are appreciated and valued by the millions of patriotic men and women who work in trucking.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Spear". The signature is fluid and cursive, with a large initial "C" and a stylized "S" at the end.

Chris Spear
President & CEO
American Trucking Associations