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Testimony of the Trucking Association of New York

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The Trucking Association of New York (TANY) is a not-for-profit trade association representing the interests of the trucking industry in New York. There are approximately 46,000 trucking companies located in New York. It is important to note that these companies are primarily small, locally owned businesses, operating less than 20 trucks. Representing one out of every 28 jobs, these small businesses have a significant impact on New York's economy. Nearly 90 percent of New York communities depend exclusively on trucks to move their goods and over 96 percent of all manufactured goods are transported by trucks. Over two million New York State businesses of every size rely on the shipment of goods to their factories, stores and customers.

Despite the ongoing challenges presented by the COVID-19 pandemic, the trucking industry continues to play a critical role in sustaining our economy. Delivering food, water, toiletries, personal protective equipment, medical supplies and the life saving vaccine, the trucking industry has kept this country running during one of our greatest times of need. Our truck drivers have been on the front lines of the pandemic, putting themselves at risk to deliver these critical goods every day of the year.

The highways are the trucking industry's work place. We have seen first-hand the impact when trucks are not able to operate efficiently. Supply chain disruptions, deteriorating roads and bridges, severe congestion, and freight bottlenecks all serve to place strains on the trucking industry leading to increased costs and significant delivery delays. Well-maintained, reliable, and efficient infrastructure is crucial to the economic competitiveness of New York State.

The trucking industry in New York paid approximately $1.3 billion in federal and state roadway taxes in 2019. This represents 36 percent of all taxes owed by New York motorists despite trucks representing only 6 percent of vehicle miles traveled in the state. To break this down to a per truck basis, a typical tractor trailer combination in New York pays $20,699 In state and federal highway user fees. Nearly $12,000 - more than half - of which is attributable to New York registration fees and fuel tax. These taxes are over and above the typical taxes paid by businesses in New York. The trucking industry is more than willing to pay their fair share to maintain the roads and bridges they use every day.

TANY appreciates the Governor's budget proposal of a record $32.8 billion NYS Department of Transportation (NYSDOT) Capital Plan. However, in light of the record funding received by New York from the Federal Infrastructure Investment and Jobs Act (IIJA), the proposal does not go far enough. New York received $13.4 billion in federal aid, which represents a 52 percent increase to NYSDOT for bridges and highways. Yet, the Executive Budget Proposal doesn't match the increase in federal funding. The increase in federal funds equates to a $4.6 billion increase whereas there is only a $2 billion increase in NYSDOT program growth. In addition, the average annual state road and bridge construction spending declines in the proposal over the five-year period as does overall investment in state roads and bridges. The Capital Plan represents a major missed opportunity to not only bring the state's infrastructure into a state of good repair, but to also ensure we are planning for the future and ensuring we have reliable roads and bridges to facilitate the efficient movement of freight.

TANY feels the IIJA provides a unique opportunity for New York to address several infrastructure areas of concern to the trucking industry:

Truck Parking

The shortage of safe, secure and accessible truck parking is a long-standing, and well-known issue. In 2012, "Jason's Law" was passed as part of The Moving Ahead for Progress in the 21st Century (MAP-21) legislation. The law, named after Jason Rivenburg, a truck driver from New York who was shot and killed as he rested in an abandoned gas station after being unable to find available truck parking, was established to provide a national priority on addressing the shortage of long-term parking for commercial motor vehicles. A report required by "Jason's Law", issued by FHWA in 2015, found more than 75 percent of truck drivers "regularly experienced problems with finding safe parking locations when rest was needed." This situation has only worsened and the FHWA found in 2019 that the percentage of drivers who regularly experienced difficulty finding truck parking had skyrocketed from 75 percent to 98 percent. The truck parking shortage is not just a safety and compliance issue; it is also an economic issue for drivers and fleets. Time spent looking for available truck parking costs the average driver about $5,500 in direct lost compensation - or a 12 percent cut in annual pay. Truck drivers give up an average of 56 minutes of available drive time per day by parking early rather than risk being unable to find parking down the road.

The lack of truck parking also presents a significant hurdle as New York moves toward vehicle electrification. Unless the state invests in expanding truck parking, the build out of necessary charging infrastructure to support medium and heavy-duty truck electrification will be discourage fleets from investing in cleaner technology.

Aside from the safety and cost concerns, expanding safe and secure truck parking is simply the right thing to do. In spite of the dangers posed by the pandemic, our truck drivers answered the call to deliver necessities across the country. Not only do they deserve our respect, but in the simplest of terms, they deserve a safe, secure and accessible place to get their needed, and required, rest.

Congestion/Truck Bottlenecks

A study conducted by the American Transportation Research Institute (ATRI) calculates annual congestion costs to the trucking industry to be over $75 billion. Ninety-one percent of those costs occur in large metropolitan areas. In fact, of the primary metropolitan areas across the country, the New York/New Jersey region was the costliest with nearly $4.6 billion in total congestion costs. To put this in perspective, that equates to a congestion cost of over $630,000 per mile to the trucking industry to operate in this region. Of the top 10 counties across the nation with the highest cost per mile, the city of New York holds the top four spots with the counties of New York, Bronx, Queens and Kings topping the list.

Related to the congestion issue, ATRI recently released its annual list of worst truck bottlenecks and New York unfortunately has six locations on the list. The 2022 Top Truck Bottleneck List measures the level of truck-involved congestion at over 300 locations on the national highway system. The analysis, based on truck GPS data from over 1 million freight trucks uses several customized software applications and analysis methods, along with data from trucking operations to produce a congestion impact ranking for each location. ATRI's truck GPS data is also used to support the U.S. DOT's Freight Mobility Initiative. The bottleneck locations detailed in this latest ATRI list represent the top 100 congested locations.

Congestion and truck bottlenecks lead to billions of lost hours from truck drivers sitting idle. In addition to lost time and money, this leads to increased consumption of fuel as well as an increase in carbon dioxide (CO_2) emissions. Dedicating funds to relieve congestion at these choke points is critical as congestion serves as a brake on economic growth and job creation. Additionally, as the state works to achieve the goals of the Climate Leadership and Community Protection Act (CLCPA) addressing these truck bottleneck locations would reduce greenhouse gas emissions (GHG).

Vehicle Electrification

A key consideration regarding the need to increase the NYSDOT Capital Plan funding, is the road to medium and heavy-duty vehicle electrification. It is estimated that the batteries and other parts needed to operate an electric commercial truck could weigh up to 5,300 pounds more than diesel components. This is a significant concern as the need to invest in our roads and bridges is often not viewed as a key piece of meeting the goals of the CLCPA. Additionally, as more vehicles become more fuel efficient and as consumers move toward electric vehicles, the downside is a loss of fuel tax revenue to invest in infrastructure.

Highway Use Tax

In addition to the fees paid by the trucking industry previously cited, New York's trucking industry continues to be burdened by an antiquated Highway Use Tax (HUT). New York is only one of five states which collects a highway use tax (HUT), and it is the only on of two states in the Northeast. The tax creates an additional administrative expense to trucking companies operating in New York.

The reporting requirements of the HUT are burdensome and complex. Calculation of a motor carrier's tax burden depends on a variety of factors including the weight of the vehicle and the miles traveled on New York highways. A motor carrier could potentially be subject to over 50 different tax rates depending on the method they choose to file, the characteristics of their fleet, type of cargo and their operating location.

The tax is self-reported by motor carriers and the ability to enforce the law is limited. As a result, there is little risk to those who underreport mileage or do not report mileage at all. This is especially true for out-of-state motor carriers, who may be more inclined to underreport their mileage in New York due to the administrative burden of paying the tax. Evasion of the tax is a serious issue that results in lost revenue to the state, and inadvertently results in an unfair competitive disadvantage to New York carriers. If an out-of-state carrier neglects to report their New York miles, they are not only failing to pay the HUT, they are failing to pay other mileage-based taxes, including those under the International Fuel Tax Agreement (IFTA) and the International Registration Plan (IRP), resulting in significant revenue loss to the state.

TANY has long supported the repeal of the HUT and has advocated for an increase in registration and fuel tax to replace the lost revenue. An increase in registration and fuel tax would affect all trucking companies operating in New York, generating necessary funds for investing in our infrastructure, while eliminating an onerous, antiquated tax that puts New York's trucking industry at an economic disadvantage.

Elimination of the HUT would go a long way in providing relief to the 46,000 small trucking companies located across New York state, providing necessary resources for companies to invest in cleaner equipment, technology and safety.

Conclusion

TANY respectfully requests consideration to increase the funding above the proposed $32.8 billion for the NYSDOT Capital Plan. The IIJA has provided New York with an opportunity that cannot be missed, to make long-term, significant investments into our roads and bridges. Over the last two years we have seen first hand the importance of a reliable infrastructure network to support the efficient movement of freight.

TANY appreciates the opportunity to comment and looks forward to continuing to work with you to address the concerns raised.