



NATIONAL
TANK TRUCK
CARRIERS



Truck & Engine
Manufacturers
Association®

July 24, 2023

The Honorable Ron Wyden
Chairman
U.S. Senate Committee on Finance
Washington, DC 20510

The Honorable Mike Crapo
Ranking Member
U.S. Senate Committee on Finance
Washington, DC 20510

The Honorable Jason Smith
Chairman
U.S. House Committee on Ways & Means
Washington, DC 20515

The Honorable Richard Neal
Ranking Member
U.S. House Committee on Ways & Means
Washington, DC 20515

Dear Chairmen Wyden and Smith, and Ranking Members Crapo and Neal,

Thank you for your leadership in the House and Senate on tax issues that impact every American business and household. The trucking industry plays a vital role in our nation's economy. Trucks move 72% of all freight by tonnage, and 80 percent of American communities receive their freight solely by truck. Over eight million people are employed by the industry, including 3.5 million professional truck drivers. Our coalition is writing you today to highlight an opportunity to modernize our tax code in a way that will make it easier to ensure that those hardworking professional drivers are operating the cleanest, safest trucks available on the market.

Repealing the century-old Federal Excise Tax, or FET, on heavy-duty trucks and trailers would immediately reduce the cost of new equipment by 12 percent. This burdensome additional charge, which was originally instituted to help fund American participation in World War I, currently discourages trucking fleets of all sizes from investing in new equipment that has the latest safety and low-emissions technologies. Eliminating this tax will remove a barrier to retiring older trucks that lack modern emissions control and safety technologies, allowing owners to replace them with modern, clean models that are safer and more environmentally friendly.

As our nation looks to make the necessary improvements in utility infrastructure, minerals procurement, and manufacturing to support decarbonized supply chains, we must acknowledge the reality that this process will take decades. In the meantime, there is a solution available right now that would rapidly slash emissions. New trucks available today are cleaner than they have ever been. For instance, cutting-edge technologies introduced by the industry-supported 2016 EPA Greenhouse Gas Phase 2 Rule are now standard. These emissions-reducing improvements include advanced aftertreatment systems, NOx sensors and control systems, and onboard diagnostics to detect malfunctions and emission control system deterioration. Removing the FET is a critical step to deploying these environmentally friendly technologies faster across the entire industry.

Nearly half of the trucks in America's trucking fleet were manufactured prior to 2010. **Each new clean-diesel truck will reduce emissions by 83% compared to the pre-2010 model power unit it replaces on our highways.**

Additionally, today's vehicles are equipped with the latest safety innovations that have been proven to save lives. New truck models meet 2015 standards for stability control and increasingly include advanced driver assistance systems that improve braking, steering, warning, and monitoring responses to prevent crashes. As federal agencies consider the opportunities and costs related to additional truck safety equipment mandates, repealing the FET will lower prices for end users who typically pay higher prices than the isolated costs of specific components when federal requirements change, and thus speed the deployment of these valuable technologies on our nation's highways.

Just two years ago, Congress made an historic investment in our nation's highways that will benefit the American economy for generations. These investments, made beyond the revenues currently generated by the Highway Trust Fund (HTF), guarantee that freight will flow smoothly across our interstate highway system. As one of the few direct federal excise taxes levied on manufactured goods, the FET is an additional burden on trucking – an industry that pays more than its fair share into the HTF through taxes on diesel fuel and tires. As the House and Senate oversee implementation of those vital investments, the trucking industry continues to support the examination of every component of the funding mechanisms that support our interstate highway system to ensure that all road users pay their fair share while at the same time encouraging investments in clean, safe vehicles moving goods on those roads.

Our coalition is grateful to the House and Senate champions of the Modern, Clean, and Safe Trucks Act (H.R. 1440, S. 694) for once again putting forward legislation that will help the trucking industry unleash the latest technologies. Stakeholders across the trucking supply chain stand ready to work with those champions and other leaders in Congress to advance this important proposal. As the Senate Finance Committee and House Ways & Means Committee consider tax policies to continue growing our economy, we are grateful for your consideration of repealing the outdated FET.

Sincerely,



Chris Spear
President & CEO
American Trucking Associations



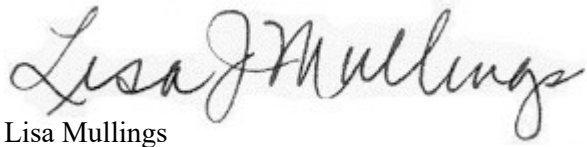
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Jim Ward
President
Truckload Carriers Association



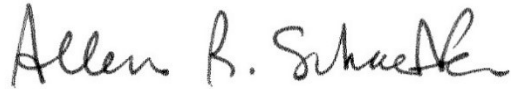
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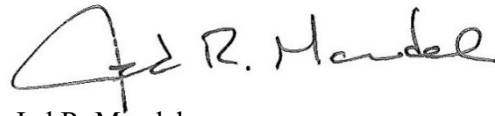
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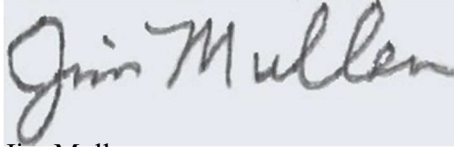
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