

Statement of

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Before the

# Committee on Education and the Workforce United States House of Representatives

Hearing on

"Unleashing America's Opportunities for Hiring and Employment"

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#### **INTRODUCTION**

Chairwoman Foxx, Ranking Member Scott, and Members of the Committee, I appreciate the opportunity to testify before you today on behalf of the American Trucking Associations (ATA). I care deeply about this Committee's efforts to advance opportunity for working Americans and the businesses that depend on them. My testimony today is informed, in part, by the privilege I had to serve as the Assistant Secretary for Policy at the U.S. Department of Labor (USDOL).

ATA is a 90-year-old federation and the largest national trade organization representing the 7.65 million men and women working in trucking-related jobs. ATA is a fifty-state federation that encompasses 34,000 motor carriers as well as their corresponding suppliers. ATA represents every sector of the industry, from Less-than-Truckload to Truckload, agriculture and livestock transporters to auto haulers and movers, and large motor carriers to mom-and-pop one-truck operations.

More than 80% of U.S. communities rely *exclusively* on trucking to meet their freight transportation needs, and trucking currently moves more than 70% of the nation's annual freight tonnage.<sup>2</sup> Over the next decade, trucks will be tasked with moving 2.4 billion more tons of freight than they do today, and trucks will continue to deliver the vast majority of goods to American communities.<sup>3</sup> Smart, forward-leaning investments in our nation's transportation infrastructure and concerted efforts to bolster the trucking workforce will help the industry meet these growing demands and ensure the United States retains its position and leverage as the world's leading economy.

The trucking workforce has always been essential, but the COVID-19 global pandemic greatly underscored that fact. Essential workers, like truck drivers, kept America moving forward even as the nation hunkered down to ensure that communities across the country had access to critical goods like food, medicine, fuel, and toilet paper. The trucking industry shouldered this incredible responsibility with the fortitude that being 'essential' demands, and while grappling with devastating driver and technician shortages. Our member companies have overcome tremendous challenges since the pandemic, and they will continue to adjust as international and domestic supply chains recalibrate in the wake of the pandemic and the evolving geopolitical landscape.

To remain the world's leading economy, the United States must have the best infrastructure, a capable workforce, and a resilient transportation network that can withstand supply chain pressures. Having ready and able workers is of limited value if we do not have the infrastructure to support them and enable their productivity. Trucking is the dynamic linchpin of the U.S. economy, but trucking can only be as efficient as the roads and bridges upon which the industry operates. That is why ATA applauded enactment of the historic *Infrastructure Investment and Jobs Act* (IIJA) in 2021. The IIJA represents the largest investment in our nation's infrastructure and competitiveness in nearly a century, and we remain optimistic that the bill will create the conditions necessary for long-term prosperity and growth. Like infrastructure, the vitality of the trucking workforce and the health of our economy are bipartisan issues that should inspire bipartisan solutions.

<sup>&</sup>lt;sup>1</sup> The American Trucking Associations is the largest national trade association for the trucking industry. Through a federation of 50 affiliated state trucking associations and industry-related conferences and councils, ATA is the voice of the industry America depends on most to move our nation's freight.

<sup>&</sup>lt;sup>2</sup> U.S. Census Bureau Commodity Flow Survey, U.S. Census Bureau, 2017.

<sup>&</sup>lt;sup>3</sup> Freight Transportation Forecast 2020 to 2031, American Trucking Associations, 2020.

Looking ahead, I am optimistic about the prospects for economic growth and advancement for our workforce. But there are significant risks against which we must guard while taking full advantage of the opportunities before us. Do this, and our economy prospers and lifts the workers who make it all possible.

This Congress, the Committee on Education and the Workforce has the opportunity to fashion solutions that will protect and enhance the American workforce. To that end, we encourage you to consider the following recommendations:

- (1) Address the Shortage of Drivers and Technicians, and Expand the Trucking Workforce;
- (2) Protect Independent Contractors and Support All Pathways to the American Dream;
- (3) Reject Bad Policies that Threaten the Safety, Stability, and Sustainability of the Supply Chain; and
- (4) Update the *Workforce Innovation and Opportunity Act* (WIOA).

All of these important policy recommendations are addressed in more detail in my testimony below and, if carried out, would have a direct and meaningful impact on the trucking industry, the supply chain, the economy, and the American public.

As you know, our industry dutifully answered the nation's call during the COVID-19 pandemic because it was the right thing to do. We now call on Congress, in that same spirit, to embrace and address our nation's workforce needs. America's trucking industry stands ready to support and work hand-in-hand with you in that effort.

We commend you for holding this important hearing today, and for your continuing efforts to address the workforce challenges that impact the trucking industry and other businesses across America that rely on the safe and efficient movement of our nation's goods, as well as the millions of American workers and consumers.

# Address the Shortage of Drivers and Technicians, and Expand the Trucking Workforce

The trucking industry, which serves as the backbone of our nation's economy and supply chain, continues to face an alarming driver shortage. In 2022, the shortage of qualified drivers reached a near-record high of 78,000.<sup>4</sup> This figure is expected to increase to 160,000 by 2031. Furthermore, over the next decade, the industry will need to hire roughly 1.2 million new drivers to keep pace with growing demand and to replace an aging workforce.<sup>5</sup>

Similarly, there is a diesel technician shortage in our industry. According to data from the TechForce Foundation, an estimated 41,000 additional diesel technicians were needed in 2022, including new positions for additional work, unfilled prior openings, and replacement of those leaving the position. This shortage does not include collision repair techs, tire techs, etc. who are also in demand for the industry. Long term, without additional skilled technicians to perform both regular and acute maintenance of trucks, our vehicles will be less safe and fuel efficient—and so will your automobile.

<sup>&</sup>lt;sup>4</sup> ATA Driver Shortage Update 2022. American Trucking Associations, October 25, 2022. Available online at: <a href="https://ata.msgfocus.com/files/amf\_highroad\_solution/project\_2358/ATA\_Driver\_Shortage\_Report\_2022\_Executive\_Summary.October22.pdf">https://ata.msgfocus.com/files/amf\_highroad\_solution/project\_2358/ATA\_Driver\_Shortage\_Report\_2022\_Executive\_Summary.October22.pdf</a> (accessed March 1, 2023).

<sup>5</sup> Ibid.

<sup>&</sup>lt;sup>6</sup> ATA works with TechForce to track the technicians needs of the industry. TechForce's report on national technician needs is available upon request. The Committee can contact them through their website: <a href="https://techforce.org/">https://techforce.org/</a>.

The driver and technician shortages are the result of many factors. Like many other industries, trucking is contending with ongoing impacts of the COVID-19 pandemic that continue to exacerbate the industry's already-dire labor constraints. The pandemic prompted a decrease in labor force participation coupled with temporary closures of State Driver Licensing Agencies (SDLAs) and truck driver schools, crippling the already-fragile pipeline of new drivers entering the trucking industry. Similarly, the mentoring and training of new technicians was limited during the global health crisis. Recovering from the pandemic's impact on the trucking industry workforce will take time. That said, these shortages are a looming threat that, if left unaddressed, could destabilize the continuity of trucking operations to the detriment of every American.

As we seek to expand the trucking industry workforce, we cannot sacrifice safety. Safety is the heart of the trucking industry, shaping our core values and decision-making. And education is the bedrock of safety. We must ensure that education is accessible and affordable so that those seeking to enter our workforce can develop the skills, knowledge, and attitudes necessary to do their jobs safely. We will accept nothing less and know that you share our view.

Education is also the bedrock upon which great careers with family-sustaining wages and benefits are built. Whether that education comes from an apprenticeship program, learning received at a community college or four-year college, employer-provided programs, military service, an individual's self-study and experience, or elsewhere, we must ensure the ability of individuals to obtain the education they need to start and grow their careers.

Given the severity of the labor shortages and the overwhelming evidence that they will continue to grow in tandem with freight demand, we encourage Congress to explore initiatives that will expand the pool of qualified drivers and technicians and reduce backlogs in their development. The shortages will become more acute unless Congress and regulators modernize requirements that govern who can drive in interstate commerce and also make targeted investments in programs to attract a new, diverse generation of drivers, technicians, and other supply chain workers to the transportation industry.

As a highly regulated industry, we need the help of this Committee, Congress, and the Administration to help us grow our workforce. The trucking industry offers fulfilling careers with family-sustaining salaries and quality benefits without the debt that often accompanies a college degree. The vast majority of diesel technicians make \$50,000-\$80,000 per year in base salary plus bonuses. And, contrary to ill-informed assertions to the contrary, drivers also earn family-sustaining, middle class wages. According to ATA's 2021 industry survey, the median pay for a truckload driver is \$69,687 per year, not including benefits. This represents an 18% increase from 2019. However, obsolete regulatory barriers prevent the trucking industry from offering these lucrative opportunities to recent high school graduates interested in pursuing a driving career in trucking.

In addition to increasing base salaries to attract and retain drivers, many fleets offer generous signing bonuses and expanded benefits packages. We are excited to welcome more individuals into the trucking industry, but we need Congress' help to open career pathways currently closed to qualified individuals due to outdated regulatory barriers. One such barrier is the general prohibition on 18-to-20-year-olds

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<sup>&</sup>lt;sup>7</sup> *The State of Diesel Mechanics*, Randall Reilly/Shell Lubricant Solutions, 2022, at 12 (copy available upon request from https://www.randallreilly.com/).

<sup>&</sup>lt;sup>8</sup> 2022 ATA Driver Compensation Study Executive Summary. American Trucking Associations, June 30, 2022. Available online at: <a href="https://ata.msgfocus.com/files/amf\_highroad\_solution/project\_2358/ATA\_2022\_Driver\_Compensation\_Study\_-\_Press\_Executive\_Summary.pdf">https://ata.msgfocus.com/files/amf\_highroad\_solution/project\_2358/ATA\_2022\_Driver\_Compensation\_Study\_-Press\_Executive\_Summary.pdf</a> (accessed March 1, 2023).

<sup>9</sup> Ibid.

driving trucks in interstate commerce, even though these same individuals are allowed to obtain Commercial Driver's Licenses (CDLs), drive in 49 States and the District of Columbia, and operate heavy duty vehicles in all regions of the world while serving in our nation's military.

We also need your help to promote the opportunities for technicians in our industry through outreach and support for their development via our technician apprenticeship program.

#### Safe Driver Apprenticeship Pilot Program

ATA strongly supported the Safe Driver Apprenticeship Pilot Program (SDAP) for 18-to-20-year-old drivers created by Section 23022 of the IIJA, and we are grateful for the inclusion of this carefully crafted, common-sense bipartisan compromise in the landmark legislation. The SDAP allows 18-to-20-year-old drivers to be trained as professional truck drivers and drive in interstate commerce after 400 hours of additional education on top of receiving their CDL, much like they can already do in intrastate commerce in 49 States plus the District of Columbia with no additional hours of education. Through this pilot program, the federal government will be able to collect data that proves what the States, the District of Columbia, and the United States military already know—these individuals can be trained to operate safely in interstate commerce, just as they do in intrastate commerce and war zones.

We are enthusiastic about the SDAP and want it to be successful. Sadly, the program's rollout has been frustratingly slow, and the U.S. Department of Transportation (USDOT) added additional requirements to those included in the law. For example, to participate in the SDAP, motor carriers must be part of a USDOL-approved Registered Apprenticeship Program (RAP) and utilize technology beyond what is statutorily required. Some entities that are not in USDOL-approved RAPs, which were not required by Congress, have had their applications denied by USDOT, and others have simply declined to apply. Working with USDOL, ATA has fulfilled the standards to become a RAP sponsor to help our members become eligible to participate in SDAP, but not every trucking company is an ATA member or wants to be in a large apprenticeship program.

It is worth noting the additional technology requirement regulators have unilaterally imposed on the SDAP not only goes beyond what Congress negotiated but was imposed almost eight months after the enactment of the IIJA and only 14 days before the application process began. This costly, unexpected, last-minute equipment mandate prompted several motor carriers to decline participation in the program altogether. ATA urges the U.S. Department of Transportation to implement the program as Congress prescribed without these additional requirements to ensure participation in the pilot program and data that reflects activity are consistent with current industry standards. Recent SDAP enrollment information provided to Congress shows that these additional requirements are discouraging participation in the program.

The SDAP is critical to ATA's workforce development efforts because the data it generates will inform reconsideration of the regulatory prohibition on safe and qualified young professional drivers operating in interstate commerce. Given the potential of this program to open career pathways for a new generation and address a critical supply chain challenge facing our nation, we urge Congress to exercise

<sup>10</sup> The *Infrastructure Investment and Jobs Act*, Public Law 117-58, was signed into law on November 15, 2021. The additional equipment requirement of an in-cab, inward-facing camera was first announced in a July 2022 Federal Register notice. Agency Information Collection Activities; Renewal of an Approved Information Collection: Safe Driver Apprenticeship Pilot Program, Federal Motor Carrier Safety Administration, U.S. Department of Transportation, 87 FR 41,164 (July 11, 2022).

rigorous oversight of the implementation and operation of the pilot program. Should the data support it, we also ask you to ultimately work to remove this outdated regulatory barrier to address the driver shortage.

### Registered Apprenticeship Programs

In March of last year, ATA was formally recognized by the USDOL as a registered apprenticeship program sponsor for heavy truck drivers. We also have been approved as a sponsor of a mechanic/technician RAP. This designation provides ATA member companies the option to offer registered apprenticeships to job applicants. A number of our members have also been approved for their own proprietary apprenticeship programs, joining others who previously joined the registered apprenticeship system to recruit military veterans.

These apprenticeship programs are a significant step in the right direction to help address the industry's driver and technician shortages. The apprenticeship model has stood the test of time and provides a way for individuals to obtain good-paying jobs that enable them to support their families without taking on large student loans. Apprenticeships also give industries such as ours the opportunity to cultivate skilled workers who are equipped to meet the needs of our modern economy. When properly integrated with other aspects of the federal, state, and local workforce development system, apprenticeship programs can be one piece of the solution to the trucking industry's workforce challenges.

For technicians, the ATA registered apprenticeship has a detailed curriculum developed in partnership with the Institute for Automotive Service Excellence (ASE) Education Foundation. The program is currently being piloted in Arkansas, but we expect to see growth and a return on investment in terms of improved safety and efficiency for fleets as it expands. As trucks become more automated and move towards new fueling technologies like hydrogen or electric batteries, this program will ensure that ATA members have the resources and the manpower to adapt and support the supply chain. ATA set up an apprenticeship program for technicians and created the curriculum because of a critical need—many mechanical programs at governmental entities like community colleges or even vocational schools are not keeping pace with industry needs. In many cases, for example, they are still educating enrollees for diesel overhauls despite changes in the industry that make such work rare.

Despite our sponsorship of RAPs and appreciation of USDOL's support and investment in RAPs, the program may not be for every employer or profession.<sup>11</sup> So, we are also pursuing other efforts that are critical to ensuring the trucking industry has the workforce it needs to keep America moving.

## Credentialing and Licensing

Licensing and credentialing procedures should be streamlined, accessible, and affordable so that truck drivers can obtain the documentation they need to do their jobs without navigating needless bureaucracy. Given the critical need for truck drivers in support of the U.S. supply chain on which our economy depends, we urge this Committee to consider how bureaucracy serves as a barrier to entry for

<sup>&</sup>lt;sup>11</sup> As noted above, USDOT's requirement for being part of a USDOL RAP has substantially delayed participation in the SDAP, which we warned about when USDOT first added the requirement. Outside the construction industry, very few employers have experience with the registered apprenticeship program nor willingness to have federal or state governmental oversight of their workforce development. Thus, the added federal government mandate was unnecessary and ultimately counter-productive to the SDAP program goal.

those seeking to join the trucking workforce, as well as for those seeking lucrative opportunities as specialized haulers.

The COVID-19 public health emergency provided lessons for Congress and our industry. When the Federal Motor Carrier Safety Administration (FMCSA) provided flexibility on several regulatory requirements, drivers and motor carriers gained new operational efficiencies without compromising safety. For example, FMCSA issued waivers<sup>12</sup> twelve times since March 2020 allowing States to administer the driving skills test to any out-of-state CDL applicant regardless of where the applicant received driver education. FMCSA also issued six waivers since June 2020<sup>13</sup> permitting third-party CDL skills test examiners to also administer the CDL knowledge test. Each time FMCSA re-issued these waivers, the Agency acknowledged that these flexibilities "achieve a level of safety that is equivalent to, or greater than, the level of safety that would be obtained in the absence of the waiver." The permanent incorporation of these waivers into law by enactment of the *LICENSE Act* will help mitigate the pervasive driver shortage plaguing the trucking industry. The *LICENSE Act* is a prime example of how Congress can advance regulatory relief that addresses the driver shortage without compromising safety.

Another bureaucratic obstacle Congress can streamline is the requirement for duplicative security credentials necessary to operate in secure areas and to handle sensitive freight. Although the Department of Homeland Security (DHS) houses most credentialing programs critical to supply chain continuity, the programs have distinct regulatory requirements that make them inefficient and costly. For example, the Transportation Worker Identification Credential (TWIC), Hazardous Materials Endorsement (HME), and PreCheck programs all require the same exact background check and are all managed by the Transportation Security Administration (TSA), but these programs are not coordinated. Individuals enrolling in these programs must undergo the same background check multiple times, pay duplicative fees, and wait 60+ days on average for TSA to make an eligibility determination. Similarly, U.S. Customs and Border Protection (CBP) manages the Free and Secure Trade (FAST), Global Entry, NEXUS, and SENTRI programs, but individuals seeking enrollment in these programs are not granted reciprocal recognition of background checks and enrollment across these CBP programs. Such inefficiencies are costly for government, industry, and American workers.

We understand and appreciate the need for security credentials to protect the nation from evolving threats, but Congress must take responsibility for the impact that poorly managed programs have on the workers who keep our supply chain running. On behalf of the trucking industry, the rail industry, the pipeline industry, the bus industry, and all of our supply chain partners who need these credentials as a condition of employment, I ask that Congress scrutinize the financing of these stove-piped programs and take the appropriate steps to harmonize duplicative processes. To be clear, we are advocating for the wholesale reorganization of these programs because the status quo is unsustainable. It does not make sense for TSA and CBP to perform the same functions independently and demand that the supply chain cover the steep costs of their inefficiency and mismanagement.

<sup>12</sup> FMCSA issued the "Three-Month Waiver in Response to the COVID-19 Emergency – For States and CLP Holders Operating Commercial Motor Vehicles" on March 28, 2020; June 17, 2020; October 1, 2020; January 1, 2021; February 16, 2021; May 26, 2021; August 31, 2021; November 29, 2021; February 26, 2022; May 27, 2022; August 31, 2022; and

December 1, 2022.

<sup>&</sup>lt;sup>13</sup> FMCSA issued the "Waiver for States Concerning Third Party CDL Skills Test Examiners In Response to the COVID-19 Emergency" on June 22, 2020; January 1, 2021; February 16, 2021; May 26, 2021; August 31, 2021; and November 29, 2021.

Congress should embrace formal recommendations<sup>14</sup> from the Government Accountability Office (GAO) dating back to 2007 that DHS should coordinate its background check programs and harmonize programs that require the same background check. In 2019, the Homeland Security Operational Analysis Center (HSOAC) also recommended that DHS allow applicants to apply valid background checks to multiple TSA-managed credentialing programs to reduce costs and hassles for users.<sup>15</sup> The status quo is indefensible. The men and women who keep our supply chain running deserve a federal credentialing process that respects their time and money. It is hard to claim to value America's workforce but continue to ignore the well-documented inefficiency of these important security programs.

# Advising USDOT on Expanded Opportunities for Women in Trucking

ATA strongly supported language in the IIJA requiring the U.S. Department of Transportation to establish a Women of Trucking Advisory Board (WOTAB). The Board, which convened its inaugural meeting in November 2022, will provide advice and recommendations to the Secretary of Transportation and Congress on barriers dissuading women from careers in trucking, as well as ways that companies and other entities can work together to support women who want to pursue careers in our industry. We are pleased that representatives from ATA and several of our member companies were appointed to serve on the WOTAB and contribute to its critical mission. We are dedicated to expanding pathways for women to advance their careers in the trucking industry, and we look forward to working with USDOT and Congress to implement recommendations and best practices to realize this important goal. ATA is also pursuing several other initiatives aimed at bolstering the trucking workforce and ensuring every American knows about and can pursue the tremendous opportunities that exist within our industry. Some of the more developed and exciting initiatives we are pursuing are detailed below.

#### Women in Motion

In conjunction with the establishment of the WOTAB last year, ATA launched the Women in Motion (WIM) program. It focuses on the core issues facing women in our industry. Working with coalition partners, policymakers, and business leaders, ATA's WIM program seeks to provide a more secure work environment for women in the industry. To that end, WIM has been vocal about challenges like the national truck parking shortage that create safety issues for all drivers, but especially female drivers. The WIM program promotes trucking as a viable career path for women while providing support and opportunities for women to advance in our industry.

Women represent less than 10% of the professional truck driver and diesel technician workforce. While that figure has increased substantially over the past few years thanks to concerted industry efforts, we must do more. Through the Women in Motion program, our industry hopes to attract a valuable, untapped, and underutilized segment of the population that has proven ready and able to address the driver shortage. ATA is committed to continuing its work to remove barriers to women joining the trucking workforce. The trucking industry has learned important lessons, and we will continue to pursue meaningful and sustainable progress toward gender equality. I want to be crystal clear with the Committee: ATA and its members are 100% committed to stamping out sexual assault and sexual harassment across our industry. We have zero tolerance for these behaviors in our workplaces. And we

<sup>14</sup> Transportation Security: DHS Efforts to Eliminate Redundant Background Check Investigations, (Government Accountability Office, April 2007), 45.

<sup>&</sup>lt;sup>15</sup> Heather J. Williams et al., *The Risk-Mitigation Value of the Transportation Worker Identification Credential: A Comprehensive Security Assessment of the TWIC Program*, (Homeland Security Operational Analysis Center, 2019), 156.

are working with organizations like Truckers Against Trafficking and law enforcement groups to prevent violence against women in our communities and across the country.

#### Task Force Movement

ATA is also an active participant in the Task Force Movement initiative to help the trucking industry connect with transitioning service members, veterans, and military spouses. We were pleased to join President Biden, Secretary Buttigieg, former Representative and Secretary of the Army Patrick J. Murphy, ATA member companies, and the International Brotherhood of Teamsters at the White House launch event last year that featured ATA trucks on the South Lawn. The trucking industry continues to welcome returning service members into fulfilling careers in trucking. We know that veterans have the skills and dedication to succeed in our industry, and we are grateful that so many heroes continue to serve America as trucking professionals. ATA is also actively working to promote opportunities in our industry for dual career Americans by working with organizations serving the National Guard and Reserve forces.

# ATA DEI Change Leader Award and Best Practices

ATA is also proud of its new Diversity, Equity, and Inclusion (DEI) Change Leader Award<sup>16</sup> encouraging innovation and continuous improvements to the trucking industry's longstanding commitment to equal opportunity. The award recognizes companies embracing best practices and operating in a manner that reflects a culture of acceptance and belonging. In addition to the award, ATA publishes a helpful "best practices" guide for our members to use as they work to further these principles. As I noted in the document, "establishing new career pathways into the trucking industry while broadening and diversifying the talent pools from which the trucking industry recruits will help to alleviate a significant pressure point imperiling the supply chain. It's both the right thing to do and a business necessity."<sup>17</sup>

#### Sensible Immigration Reforms

Another part of the solution to labor shortages is more effective immigration policy. Everyone in this room knows that our immigration system is broken. The situation on our southern border illustrates the need for immediate action. While there is significant debate about the proper path to take, we should reform the immigration system in a manner that makes sense and supplements our existing workforce. We also need to allow businesses with a demonstrated need (where U.S. workers are not available and won't be displaced) to better access skilled and unskilled guest workers while protecting U.S. workers from improper discrimination or unfair competition. We need to have a calm, level-headed, factual, and honest discussion about these matters. For example, there are Canadian Members of the International Brotherhood of Teamsters who might be interested in working in the U.S. and could do so more easily if the current cap and rules didn't limit their eligibility. I think this Committee can spearhead the effort to identify ways to help our economy through appropriate immigration reforms while protecting U.S. workers.

<sup>&</sup>lt;sup>16</sup> Details of the award are available at: <a href="https://www.trucking.org/DEI-Award">https://www.trucking.org/DEI-Award</a>.

<sup>&</sup>lt;sup>17</sup> The Best Practices Document is available at: <a href="https://www.trucking.org/sites/default/files/2022-07/ATA%20DEI%20Best%20Practices\_0.pdf">https://www.trucking.org/sites/default/files/2022-07/ATA%20DEI%20Best%20Practices\_0.pdf</a>.

# Protect Independent Contractors and Support All Pathways to the American Dream

Fundamental to ATA's commitment to ensuring an adequate new generation of drivers is ATA's commitment to protecting the rights of individuals to become independent contractors in the trucking industry. I can think of nothing more un-American than for the government to extinguish the freedom of workers to choose work arrangements that suit their needs and satisfy their ambitions. Legislative and regulatory efforts to force independent contractors to become employees are an existential threat to addressing the driver shortage. Legislators cannot credibly claim to support addressing the driver shortage if they are working to eliminate independent owner-operators from the trucking industry. On behalf of ATA and the more than 350,000 owner-operators working in the trucking industry throughout this great nation, I want to make it abundantly clear to this Committee that restrictive, arbitrary, one-size-fits-all independent contractor classification standards only benefit special interests and paternalistic politicians at the expense of American workers.

Americans choose the independent contractor model because of the economic opportunity it offers and the flexibility it provides to select the conditions of work (e.g., hours and routes) that suit their lifestyles. Bureau of Labor Statistics surveys show that independent contractors overwhelmingly prefer their work arrangement (79%), with fewer than 10% interested in traditional employee status. This is not surprising because drivers can earn more as owner-operators while retaining the freedom to decide when and where they work. Furthermore, owner-operators are entrepreneurs, and a significant number of today's best motor carrier companies were started by owner-operators.

The trucking industry has been utilizing owner-operators since the inception of interstate trucking, and court decisions over the last 90 years have continually reaffirmed the legitimate role these independent contractors play in the economy. Notably, in our industry, trucking companies are ultimately financially responsible for the actions of the independent contractors they use under certain USDOT regulatory provisions and vicarious liability doctrines under state tort laws. Accordingly, employers in our industry are also doing the right thing by adhering to applicable workplace safety requirements and including compliance monitoring—in many instances pursuant to a mandate from USDOT—in their contractual relationships. Some of our members even go beyond what is required by law to make workplaces safer by providing education or equipment as part of their subcontracting arrangements with smaller motor carriers or independent contractors. Motor carriers often take this approach to advance environmental stewardship or to comply with other legal mandates. This is good corporate citizenship, something to reward rather than turn into a liability by using it as evidence of control when analyzing worker classification or joint employment.

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<sup>&</sup>lt;sup>18</sup> Contingent and Alternative Employment Arrangements Summary, U.S. Bureau of Labor Statistics, 7 June 2018. Available online at: <a href="https://www.bls.gov/news.release/conemp.nr0.htm#">https://www.bls.gov/news.release/conemp.nr0.htm#:~:text=%28See%20table%206.%29%20--While%2079%20percent%20of%20independent,temporary%20help%20agency%20workers%20preferred%20their%20work %20arrangement</a>

<sup>&</sup>lt;sup>19</sup> See, e.g., Am. Trucking Associations, Inc. v. United States, 344 U.S. 298, 303 (1953) ("Carriers subject to [Interstate Commerce] Commission jurisdiction have increasingly turned to owner-operator truckers to satisfy their need for equipment as their service demands."); US v. Silk, 331 US 704 (1947); Merrill v. Pathway Leasing LLC, 21-2195 (10<sup>th</sup> Cir. Aug. 8, 2022) (https://www.ca10.uscourts.gov/sites/ca10/files/opinions/010110730376.pdf).

<sup>&</sup>lt;sup>20</sup> See 49 CFR 390.5. "Employee means any individual, other than an employer, who is employed by an employer and who in the course of his or her employment directly affects commercial motor vehicle safety. Such term includes a driver of a commercial motor vehicle (including an independent contractor while in the course of operating a commercial motor vehicle), a mechanic, and a freight handler." (emphasis added).

The independent contractor/owner-operator model in trucking has also been a source of empowerment for women, minorities, and immigrants pursuing the American Dream. One of ATA's Road Team Captains<sup>21</sup> put several kids through college while working as an independent contractor for one of our motor carrier members. At the driver level, the trucking industry is more diverse than most industries as far as ethnic representation. In many parts of the country, concentrations of diverse owner-operators perform vital supply chain services—Sikh drivers in northern California, Somali drivers in Minnesota, etc. They are as much a part of the trucking industry and supply chain as every employee truck driver, and they should be embraced rather than pushed away.

Unfortunately, the independent contractor business model is under sustained attack from some in Congress and government regulators at the federal, state, and local levels. California's AB-5 has wreaked havoc on our independent truckers in that State. Many motor carriers have been forced to either engage in the wholesale reorganization of their business structures or leave California altogether. Independent contractors are stuck in the middle, and their options are limited, expensive, and filled with unnecessary and costly red tape. The fact that California issued over 100 statutory exemptions to AB-5 demonstrates that the policy is fundamentally flawed. Litigation on this awful law continues, and while we hope for a good outcome, significant damage has already been done. With the ill-fated stroke of a pen, politicians in California revoked the livelihoods and long-standing businesses of 70,000 owner-operators. California politicians severely exacerbated the existing national driver shortage of 78,000 in the span of a moment. We hope the State of California recognizes the value of independent contractors and provides guidance on aspects of the law that could provide a compliance mechanism recognizing bona fide independent contractors in trucking.

At the federal level, a whole host of agencies—including the National Labor Relations Board, the Federal Trade Commission, the Consumer Financial Protection Bureau, and the U.S. Department of Labor—are engaged in activities intended to undermine the independent contractor business model. Unfortunately, some Members of Congress are encouraging these efforts. We strongly urge them to reconsider.

#### Reject USDOL's Proposed Rule on Independent Contractor Status

The Wage and Hour Division of the U.S. Department of Labor published a notice of proposed rulemaking (NPRM) last October on worker classification under the Fair Labor Standards Act that, if finalized, would create significant safety issues for both our truckers and the motoring public.<sup>23</sup> The agency has targeted May of this year for a final rule.<sup>24</sup>

Unlike the rule currently in effect, the NPRM would create a morass of additional factors to be considered when determining whether an individual is an employee or an independent contractor. In particular, the proposed control provision—control either exercised or unexercised, directly or indirectly, over things like workplace health and safety—will disincentivize efforts to improve health

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<sup>&</sup>lt;sup>21</sup> America's Road Team is a national public outreach program led by a small group of professional truck drivers who share superior driving skills, remarkable safety records and a strong desire to spread the word about safety on the highway.

<sup>&</sup>lt;sup>22</sup> "California Trucking Association Responds to U.S. Supreme Court's Decision to Deny Cert on *CTA v. Bonta*," California Trucking Association, Press Release, 30 June 2022. Available online at: <a href="https://www.caltrux.org/ab-5-faq/">https://www.caltrux.org/ab-5-faq/</a>.

<sup>&</sup>lt;sup>23</sup> Employee or Independent Contractor Classification Under the Fair Labor Standards Act, Wage and Hour Division, U.S. Department of Labor, 87 FR 62218 (October 13, 2022).

<sup>&</sup>lt;sup>24</sup> Fall 2022 Unified Regulatory status for RIN 1235-AA43, *Employee or Independent Contractor Classification Under the Fair Labor Standards Act*, Wage and Hour Division, U.S. Department of Labor. Available online at: <a href="https://www.reginfo.gov/public/do/eAgendaViewRule?pubId=202210&RIN=1235-AA43">https://www.reginfo.gov/public/do/eAgendaViewRule?pubId=202210&RIN=1235-AA43</a> (accessed March 1, 2023).

and safety and environmental protections. The proposed control provision will have an especially harmful effect on trucking.

Virtually every motor carrier in our industry has contractual provisions with their independent contractors requiring adherence to the law, including health and safety, because they are required by law and/or because it is the right thing to do. Punishing motor carriers with massive legal liability for having these provisions in their agreements is wholly unfair and legally suspect, as is forcing them to convert their independent contractors to employees. Moreover, the American public will ultimately suffer if DOL finalizes a rule that disincentivizes safety, tax compliance oversight, and thoughtful environmental policies. Such a rule would be perverse. It would also contradict congressional mandates and exhortations on the expectations Congress has set for America's commercial motor vehicle operators.

ATA led a national coalition to convey these and other points to USDOL during the comment period on this NPRM. Our affiliated state organizations provided numerous examples of harmful real-life situations the NPRM would create. We hope USDOL will recognize the harm the NPRM would cause if finalized without considerable revisions.<sup>25</sup> If this occurs, ATA will take additional actions to protect the health and safety of our members' employees, independent contractors, and the public. We hope Congress—and this Committee in particular—will emphasize to the USDOL the adverse impacts this rule could have on the trucking industry and America's supply chain.

#### National Labor Relations Board Atlanta Opera Case

Unfortunately, as noted above, the USDOL is only one of many federal agencies threatening the viability of the independent contractor model. The National Labor Relations Board (NLRB) has also been working aggressively to curtail the ability of independent contractors to operate. In late 2021, the Board solicited briefs on the issue of whether it should overrule existing Board case law and change the standard for determining independent contractor status under the *National Labor Relations Act* (NLRA) to be more restrictive. Such a change would disrupt current business relationships in our industry to the detriment of owner-operators. ATA and others filed briefs explaining how overruling existing caselaw would be harmful to the trucking industry in several respects. We hope the NLRB's decision in this case recognizes the importance of a clear and fair rule and the need to avoid confusion.

#### The Draconian PRO Act

Despite the significant and persistent workforce shortages trucking and other industries currently face, and despite the unpopularity of AB-5 in California, some in Congress continue to advocate for the *Protecting the Right to Organize (PRO) Act* and other legislation that would destroy the independent contractor business model and exacerbate the driver shortage by effectively banning most of the over

<sup>&</sup>lt;sup>25</sup> ATA's comment is available here: <a href="https://www.regulations.gov/comment/WHD-2022-0003-51407">https://www.regulations.gov/comment/WHD-2022-0003-51407</a>. Related comments were filed by Trucking Associations in Florida, Minnesota, Virginia, Alabama, Arizona, Illinois, Missouri, Kentucky, Iowa, Pennsylvania, Georgia, and Maryland as well as ATA members and other trucking industry representatives opposing the proposal.

<sup>&</sup>lt;sup>26</sup> NLRB Invites Briefs Regarding Independent Contractor Standard, National Labor Relations Board, December 2021. Available online at: <a href="https://www.nlrb.gov/news-outreach/news-story/nlrb-invites-briefs-regarding-independent-contractor-standard">https://www.nlrb.gov/news-outreach/news-story/nlrb-invites-briefs-regarding-independent-contractor-standard</a> (accessed February 27, 2023).

<sup>&</sup>lt;sup>27</sup> NLRB docket containing all briefs is at: https://www.nlrb.gov/case/10-RC-276292.

350,000 owner-operators currently working in the trucking industry.<sup>28</sup> This would result in a sudden and severe impairment of the nation's already fragile supply chain.

Experience has shown that California's AB-5 and its "ABC test" for determining worker classification has been a disaster for the trucking industry, further threatening the stability and sustainability of our nation's supply chain. Compounding this disaster by adopting California's risky experiment as federal law governing all fifty States would exponentially magnify the harm being inflicted on owner-operators, the trucking industry, and the supply chain. We strongly urge Congress to reject the *PRO Act*. Instead of crippling the independent contractor model on which the trucking industry relies, Congress should seek to strengthen it as a means to address the driver shortage.<sup>29</sup>

Continued enforcement of decades-old labor laws and regulations has and should continue to be the basis for punishing the small minority of bad actors. *Bona fide* ICs and good motor carriers generally deserve a level playing field so that the government can hold accountable those who violate these laws and rules while respecting the decisions of individual entrepreneurs and the business practices of the vast majority of our industry who respect the requirements. In short, Congress and this Administration should avoid upending the time-tested balance between employers and employees with schemes entirely engineered to remove personal freedoms. Such outcomes are anti-American, anti-worker, and anti-choice, and collectively would be the result of unabashed pandering to special interests.

# Reject Bad Policies that Threaten the Safety, Stability, and Sustainability of the Supply Chain

Congress and regulators can also help the trucking industry by rejecting bad policies that hinder safety, make commercial relationships between supply chain partners more challenging, or harm ongoing workforce development efforts.

#### In Pursuit of a Safe and Qualified Trucking Workforce

Safe and qualified are the operative words for an expanded workforce. As I stated at the beginning of my testimony, safety is at the heart of our organization. As such, we must ensure that efforts to eliminate education requirements for new drivers are rejected and that efforts to ensure a safe and qualified workforce are supported. ATA has long supported the Entry Level Driver Training (ELDT) rule, published in 2016 and implemented in January 2022. Ensuring entry-level drivers receive appropriate instruction from a consistent, industry-wide curriculum is paramount to improving safety on our nation's highways. Most of the trucking industry has embraced ELDT, but ATA is discouraged by recent legislative efforts to exempt certain individuals from this standardized curriculum. Rampant misinformation online prompted a belief that small businesses and other entities can no longer train their employees "in-house," and that ELDT now requires individuals to pay thousands of dollars in tuition to truck driver schools. While these schools are an excellent option for compliance with ELDT, the regulations do *not* prohibit motor carriers of any size from continuing the in-house programs they have

contractors and joint employer status would be beneficial.

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<sup>&</sup>lt;sup>28</sup> One of the talking points we hear fairly often is that the *PRO Act* only applies to labor representation and bargaining issues. That is entirely misleading. Any worker classified as an employee for NLRA purposes is ultimately going to also be an employee for all other purposes. How else would an employer comply with the collective bargaining responsibilities like pay, benefits, seniority, etc. if its employees and independent contractors are in the same bargaining unit?

<sup>29</sup> Legislation like provisions in the *Employee Rights Act* that create updated statutory bright-line rules for independent

offered for years. ATA encourages this Committee and Congress to support the continued implementation of ELDT, and work with FMCSA to determine how best to increase auditing activities of ELDT, particularly as they relate to noncompliant entities listed on ELDT's Training Provider Registry (TPR).

Safe and qualified truck drivers are the trucking industry's greatest asset. Conversely, there is no room on America's roads for drivers operating under the influence of a controlled substance. According to the National Highway Traffic Safety Administration (NHTSA), drug use is on the rise among all drivers, and unfortunately professional truck drivers are not immune to this trend. ATA and the scientific community generally agree that hair testing is a proven safety tool for accurately detecting illegal drug use. Still, the U.S. Department of Transportation does not accept hair tests as an alternative to urinalysis. Furthermore, motor carriers are prohibited from reporting positive hair tests to the Drug and Alcohol Clearinghouse. Truck drivers who have tested positive on a hair test can escape accountability and sidestep the rigorous corrective actions that are otherwise required of individuals who are reported to the Drug and Alcohol Clearinghouse. Today, there is nothing to prevent drivers who test positive on a hair test from operating a truck on our nation's highways. Federal acceptance of hair testing as an independent, alternative testing method would allow employers to use this testing method to identify a greater number of safety-sensitive employees who violate federal drug testing regulations. This will improve the industry's ability to keep these unsafe drivers off the road and get them help as well.

## National Labor Relations Board Joint Employer Rule

In addition to potentially harmful adjudicatory activity regarding independent contractors, the NLRB is pursuing a proposed rulemaking on the standard for determining joint-employer status under the NLRA.<sup>31</sup> We believe the proposed rule is arbitrary and capricious, vague to the point of uselessness, contrary to the NLRB's statutory authority and purposes, unsupported by evidence, and otherwise fails to provide any value to the regulated community for working Americans.<sup>32</sup>

The NLRB's NPRM contains specific provisions that, if finalized, would be extremely harmful to commercial vehicle drivers, motor carriers, and the motoring public. Particularly problematic is the NLRB's decision to include "workplace health and safety" in the list of "essential terms and conditions of employment," the sharing or codetermining of which by two employers could make them joint employers. Equally troubling is the NPRM's treatment of indirect and reserved control as factors militating in favor of finding a joint employment relationship.

Extending the reach of joint employment status based on such provisions will discourage employers from maintaining robust employee protections, as well as safety and environmental standards for contractors that effectuate federal and state mandates benefitting the American public. The NLRB should remove these ill-advised provisions, specifically exempt safety and health requirements that flow from legal mandates and focus only on what employers are actually directly doing rather than what they might do in the future.

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<sup>&</sup>lt;sup>31</sup> Standard for Determining Joint-Employer Status, National Labor Relations Board, 87 FR 54,641 (September 7, 2022).

<sup>32</sup> ATA filed comments available at: https://www.regulations.gov/comment/NLRB-2022-0001-11286.

#### Attacking Workforce Development Programs Through Non-Workforce Agencies

Recent actions by the Consumer Financial Protection Board (CFPB) and Federal Trade Commission (FTC) have the potential to radically curtail financial support for individuals entering the workforce, especially truck drivers.

Many of our members provide reimbursement for individuals taking the required CDL classes or provide in-house CDL education. When a driver joins the company after obtaining their CDL or as part of a company-sponsored program, there is a reasonable and necessary expectation of employment for a period of time to compensate the employer credentialing a driver. Such programs only seek a portion or the actual cost of these programs that are incurred by the employer in providing this professional development. Both CFPB and FTC have taken regulatory actions—an NPRM at FTC<sup>33</sup> and a request for information (RFI) at CFPB<sup>34</sup>—hostile to such investments that open careers to drivers on the grounds they are anticompetitive or abusive "employer-driven debt."

In comments ATA filed with CFPB, we noted that absent our members' investment through these mechanisms, many qualified individuals who want to enter our industry simply cannot afford to do so. Shockingly, the FTC has suggested that such arrangements may be the equivalent of a non-competition agreement.<sup>35</sup> The FTC admits in its NPRM that its proposal could significantly curtail employer investments in workforce development, but nevertheless insists on a paternalistic standard that will only foreclose opportunities for workers—especially economically disadvantaged individuals—and exacerbate the driver shortage.

# Update the Workforce Innovation and Opportunity Act

The trucking industry recognizes that a baccalaureate degree is not the appropriate or necessary path for everyone, and we strongly support the empowerment of individual freedoms by providing multiple pathways to achieving the American Dream. There is an opportunity for this Committee to find common ground this Congress and put forward bipartisan solutions to update the *Workforce Innovation and Opportunity Act* (WIOA) and modernize federal assistance to develop the next generation of American workers.

As the Committee on Education and the Workforce examines the nation's workforce needs and contemplates reauthorization of WIOA, I ask that you please first ensure that workers can continue to seek opportunities without the government adding additional red tape or restrictions. Where appropriate, the ATA further recommends that you consider legislative changes to the workforce development system that will better serve the needs of our dynamic, modern economy. Almost all of our public policy and societal challenges are best solved with more freedom and more opportunity, and I urge you to use those principles to guide your legislative efforts.

<sup>&</sup>lt;sup>33</sup> The FTC rulemaking is primarily about non-competition agreements, which are allowed in 47 states generally. ATA does not believe FTC has the legal authority to regulate in this area and certainly not when it states that the rule also curtails non-solicitation of employees and customers as well as non-disclosure agreements, and the aforementioned reimbursement agreements. The proposal also includes employees all the way up to the executive level, which even if legally permitted, is extremely bad policy for a number of reasons.

<sup>&</sup>lt;sup>34</sup> The CFPB RFI is available at: <a href="https://www.federalregister.gov/documents/2022/09/02/2022-19016/request-for-information-regarding-employer-driven-debt">https://www.federalregister.gov/documents/2022/09/02/2022-19016/request-for-information-regarding-employer-driven-debt</a>. ATA's comment on the CFPB RFI is available at: <a href="https://www.regulations.gov/comment/CFPB-2022-0038-0050">https://www.regulations.gov/comment/CFPB-2022-0038-0050</a>.

<sup>&</sup>lt;sup>35</sup> Non-Compete Clause Rule, Notice of Proposed Rulemaking, Federal Trade Commission, 88 FR 3,482, at 3,483 (January 19, 2023).

### Make the Workforce Development System More Adaptable

Programs take time to develop, and policymakers must generally allocate resources and set priorities without advance knowledge of economic changes, such as the COVID-19 pandemic or natural disasters, which may change the landscape of priorities. Given this reality, state and local workforce officials should be allowed to innovate and incorporate sector strategies and partnerships and adapt to different economic conditions as they see fit. In reauthorizing the *Workforce Innovation and Opportunity Act*, we urge Congress to recognize that a true one-stop delivery system should grant flexibility for States (and, if the States deem it appropriate, to local bodies) to make decisions about allocations and priorities. Waiver and program demonstration authority allowing almost complete discretion to innovate delivery services aligned to regional economies should be considered. Mandates from Washington will accomplish a lot less than could be accomplished by empowering governors with full authority to channel funds within their States.

#### Apply Lessons from the COVID-19 Pandemic Response to Identify In-Demand Priorities

Although the pandemic and resulting supply chain crisis exposed the gravity of the truck driver shortage to the American public, we have known about (and warned about) this growing problem for many years. Similarly, the White House has recently identified cybersecurity as an acute need for every American business. Unfortunately, the workforce investment system is not structured or resourced to quickly address such urgent workforce needs. To address these emerging issues and priorities, the Committee should provide a mechanism for USDOL to provide workforce systems greater capacity to quickly focus on such pressing needs. For example, Congress could direct USDOL to designate "truck driver" or "cybersecurity professionals" as national in-demand occupations to ensure every workforce board is authorized to reallocate resources for jobs in these sectors. Such authority would, of course, need to include safeguards to avoid trampling on the important value of State and local control while cutting red tape for the benefit of workers, businesses, and the nation's economy.

#### Place Authority and Responsibility at the Same Level, and Incentivize

Much of the burden for reporting and legal compliance is on State workforce officials. These officials need more enforcement power and better incentives to ensure programs deliver quality education for indemand jobs. Those responsible for the delivery of services should also be responsible for the results. This also generates continuity among States, directly supporting the efficient flow of interstate commerce. Moreover, those individuals should have all the necessary authorities to meet the workforce needs of their local economy, including integrating funding streams and delivery. Additionally, these authorities should include the ability to provide incentives for grantees and contractors involved in education programs for greater efficiency and/or effectiveness in job placements, as well as timely payment to those providing the education. For example, truck driver schools that participate in workforce programs in some States have historically complained that payment can be months behind, which means they are discouraged from participating in such programs.

#### Better Integrate Federal Workforce Programs to Reduce Confusion and Waste

The *Workforce Innovation and Opportunity Act* was a step forward in streamlining programs and creating more uniform metrics for measuring success. However, other programs at the Department of Labor (i.e., Trade Adjustment Assistance, Wagner-Peyser, *National Apprenticeship Act* programs), Department of Education (i.e., Postsecondary Education; Career, Technical, and Adult Education),

Department of Health and Human Services (i.e., Temporary Assistance for Needy Families), the Department of Veterans Affairs, and other federal agencies are all stove-piped and subject to a dizzying array of varying standards and performance metrics. These variations make it difficult for state and local officials to make one-stop service delivery a reality. Some of the programs are managed or funded at the local level, but most are managed or funded at the State level, creating a convoluted framework of responsibility and accountability, as well as bureaucratic redundancy.

Various overlapping and contradictory mandates in federal law also create inefficiencies. For example, some statutory programs require local employees to provide career services to some customers. Still, state employees must provide similar or identical employment services to other customers. There are, likewise, requirements for the number of workforce boards in a state and the number of physical locations required for various services in every workforce board jurisdiction. These types of managerial decisions should be left to the discretion of States, particularly given the greater capacity for virtual services developed during the COVID-19 pandemic.

# Collaborate with Industries to Direct Resources and Develop Curricula

A significant hurdle to effective workforce development is that private-sector employers are not always directly involved in developing curricula created by non-profits or governmental entities that are the recipients of federal and state funds. In the trucking industry, this results in programs that often do not meet current workforce needs. For example, as I noted above, many community college mechanical programs are still educating enrollees for diesel overhauls despite changes in the industry that make such work rare and devalue the education to perform it. Funding match requirements that make recipients partner with local employers (including allowing in-kind services or equipment options or hiring commitments if direct financial commitments are not an option) would ensure better coordination between what programs offer and the skills local businesses are seeking. This would increase employment prospects for program participants and make programs more effective at filling in-demand positions.

Likewise, standards making private for-profit sector entities ineligible for most federal funding streams should be reconsidered. In the context of the trucking industry, several ATA members have established and funded their own truck driver schools (some outsource their programs but subsidize them for recruited drivers). There is no reason a truck driver educated at a for-profit motor carrier's truck driver school is any less knowledgeable or prepared than a truck driver educated at a non-profit or community college program or an unaffiliated school. Indeed, given the overwhelming truck driver shortage, trucking companies are incentivized to educate new drivers quickly and ensure they receive a superior education to assist with retention. And, as noted earlier in my testimony, regulations governing our industry also incentivize high-quality education for new drivers to avoid potential tort liability for accidents.

The vast majority of drivers in our industry obtain their credentials from the for-profit sector. By denying these vital workforce partners access to the workforce system, Congress is inherently discriminating against those workers most in need of financial support for a career in trucking. Similarly, companies that provide loans or at cost education with reimbursements over time for a CDL need to be recognized as part of the solution. Indeed, some union-registered apprenticeship programs have long required reimbursement by workers who leave before a set period.

#### Allow Broader Eligibility for Education Funding Streams

Allowing individuals to determine what kind of education they want and how to get it would afford more significant control over career paths and increase the likelihood of candidates receiving education for in-demand careers. This is already done to a degree in higher education through Pell grants and student loans. These programs, however, are often restricted to degree programs that are defined to require hours and/or type of credential requirement that exclude truck driver schools and a lot of mechanic programs. The Committee should consider expanding higher education programs to certificate programs, or at least education programs that result in an official state-required license for a profession. Even if changing Pell grant requirements is not a viable option, there should be a proper mechanism for short-term but high value programs like CDL education or diesel technician that would allow students access to the same financial support as a degree program<sup>36</sup>—especially if the FTC and other regulators are going to enact rules dissuading employers from investing in workforce development.

#### Seize the Opportunity to Find Common Ground

We all recognize that there will be situations that prompt honest disagreement. That said, it is imperative that we work together when there is common ground; legislating does not have to be a zero-sum game. When I served on the HELP Committee many years ago, Senator Enzi and Senator Kennedy would regularly reach a compromise on legislation. Each got a portion of what they wanted, and nobody was forced to compromise their substantive principles in the process.

An example of where this model would be beneficial is the *Workforce Innovation and Opportunity Act*. Last Congress, the bill to reauthorize the Act, sponsored by the then-Chair of this Committee, Rep. Bobby Scott, had provisions such as the relaxation of the restrictions for providing services to incumbent workers that I think we can all get behind. Individuals who have proven themselves by working diligently in a low-wage position should not have that diligence punished or be excluded from supplemental education opportunities. Helping these working Americans expand their skills and productivity benefits everyone.

Common sense improvements to our nation's workforce development systems should garner the support of all—and it is imperative that, where we can achieve consensus, we seize the opportunity.

#### **CONCLUSION**

In closing, I am grateful for the opportunity to testify before you today on behalf of the American Trucking Associations and the nearly 7.65 million men and women in trucking-related jobs who power our nation's supply chains and keep the wheels of the economy turning. Trucking is the dynamic linchpin of the U.S. economy. As I have emphasized in my testimony, the trucking industry's best asset is our incredible workforce. Truckers move practically everything we touch in our daily lives.

<sup>&</sup>lt;sup>36</sup> The U.S. Department of Education's "gainful employment" rule that is currently pending notes plans to regulate vocational education programs and assess their quality. While that appears to be a longer-term prospect and we do not believe truck driving programs need additional regulation by the Education Department given their cost and time, we believe any quality trucking school in the country will beat virtually every other vocational education category and school in terms of taxpayer value given the wages drivers currently command and the 4-8 weeks education.

Congress should avoid bad policies that will exacerbate the driver and technician shortages and seize opportunities to enhance our workforce and empower the next generation of *safe* and *qualified* transportation workers. By removing the roadblocks to education discussed above and protecting our workers' ability to earn a living—including those budding entrepreneurs who have launched an independent business—we can grow our economy and ensure American competitiveness for future generations. I look forward to working with Chairwoman Foxx, Ranking Member Scott, and the other Members of the Committee to support efforts to meet those challenges. Thank you.