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American Trucking Association (1)

Max S. Baucus

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American Trucking Association Remarks
Senator Max Baucus
13 February 2007

In 1999 I drove a loaded tractor-trailer on I-90 from Missoula to Billings, Montana to get a better "feel" for the needs of truckers. I didn’t want a "ride along," I wanted to drive. I had spent two days qualifying to operate a big rig, first with a bobtail, then with a trailer, and early in the morning on Sept. 3, I took the wheel of a 1998 Volvo 610 pulling a 53-ft. dry van owned by Watkins-Shepard in Missoula.

I drove 340 miles to Billings and assisted with unloading the trailer full of furniture when I arrived. I just had to experience this because trucking is critical to the economy in Montana and in the nation. Trucking is big business. It helps support one in 11 workers in Montana, and provides $690 million a year in payroll. And truckers in the Big Sky State deliver more than 80 percent of manufactured freight destined for Montana locations.

The trucking industry delivers the food on our tables and helps get the gasoline to our cars and trucks. When you stop to think about it, you help power our economy. We can't underestimate the importance of trucking, especially to the West and to land-locked states like Montana.

While I was on the road I had the opportunity to really checkout out our highway system and I do so every chance I get. As a nation, we want to count on our highway system for movement of goods and services as well as military logistics. We provide oversight to ensure proper investments in the highway system and guard against misuse of tax payer dollars or overcharging of the users. We manage our system to ensure high quality roads are available to all that need them, when they need them.

Highway privatization does not serve our national transportation needs. Our highway system is a national asset and we need to manage it. This includes the oversight of how we finance our infrastructure, how we manage our system, and how we ensure access to it. I do not support the current push by the Department of Transportation to alleviate congestion by selling off toll roads and entering into public-private partnerships. This simply does not allow for an accessible national highway system that serves the needs of America's commerce and other national transportation interests. I know that the ATA held a press conference last week voicing your opposition to such plans and I am with you.

As Chairman of the Senate Finance Committee, there are additional transportation issues that I plan to address this year. Then new 2007 Environmental Protection Agency regulation requiring Ultra Low Sulfur Diesel (ULSD) vehicles is creating big market disruptions. This regulation for diesel trucks was created to phase in dramatic reductions in emissions of nitrogen oxides and particulate matter. It will result in diesel engines having near-zero
emissions when the regulation is fully implemented in 2010. However, while federal regulation can require manufacturers and suppliers to produce emissions compliant products, the government cannot mandate the purchase of these engines. 2006 was a banner year for diesel truck sales, but so far this year, truck sales are dipping. This is at least in part because of the 2007 EPA regulations.

Because of the cost of installation of costly emissions equipment, a new 2007 EPA compliant diesel engine is $4,000 to $10,000 more expensive than a 2006 engine. To avoid this cost increase truckers accelerated purchases at the end of last year. This has resulted in many lost jobs at manufacturing plants both for professionals such as engineers and for the hard labor employees. With truck sales slumping so far this year, it is clear that the market is out of whack.

This issue does not go away. In fact, we are likely to see this problem again in 2009 when the EPA rules are fully implemented on January 1 of 2010. I know that this is a problem and there may be some opportunities within the Finance Committee. I am looking into providing truckers accelerated depreciation or investment tax credits for the purchase of new, EPA compliant diesel trucks.

As a separate issue, auxiliary power units, small diesel-powered engines and electrified truck stops that can heat and air condition a parked truck are available. These devices can be added to diesel trucks and decrease emissions and save truckers some money. An idling diesel truck burns 1 gallon of diesel per hour. That can cost up to $25 per night. I am also looking into tax incentives that encourage the use of idling reduction devices.

I am also concerned about the size and weight restrictions to which trucks are expected to adhere. In Montana, often the trucking industry is the only reliable way we can transport goods across the state. For that reason, truck size and weight regulations should stay under the control of the interstate system and not be moved to the entire National Highway System. The Safe Highways and Infrastructure Preservation Act (SHIPA) legislation which was introduced in the 109th Congress extending federal truck weight limits and non-divisible load regulations is not the way to go. States have been responsible in exercising their authority over truck size and weight and should retain their existing regulatory authority.

Finally, the funding of our highways is critical. I am proud to be an author of the highway bill and I look forward to your input on the next one. I feel that I have a responsibility to protect the funding that keeps our roads safe and well maintained. That is why I fought hard to get the 2007 levels of the Highway Trust Fund included in the Continuing Resolution that Congress is considering on the Senate floor this week. When we work together we can accomplish much for transportation and I am honored to have such a great relationship with the American Trucking Association.