Before the
United States House of Representatives
Committee on Natural Resources

Statement of William P. Graves
on behalf of the
American Trucking Associations, Inc. (ATA)

Harnessing American Resources to Create Jobs and Address Rising Gasoline Prices: Impacts on Businesses and Families

March 31, 2011

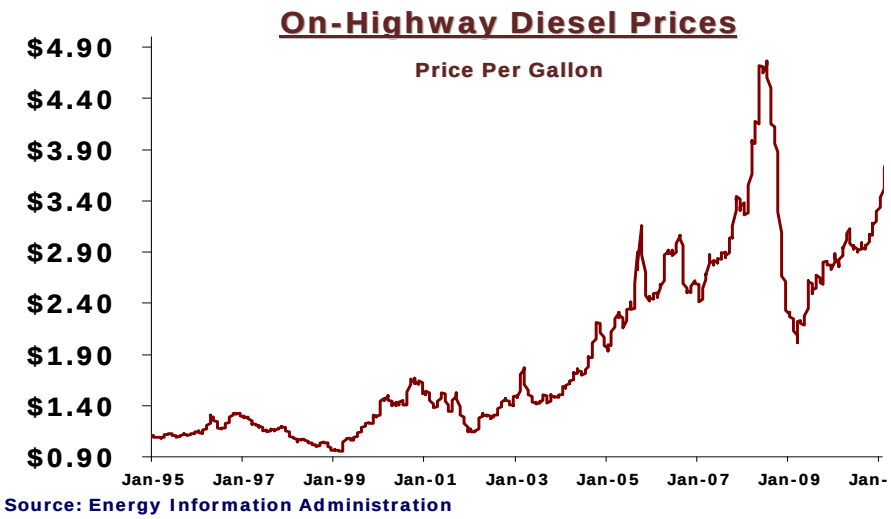
Chairman Hastings, Congressman Markey and Members of the Committee:

My name is Bill Graves, and I am the President and Chief Executive Officer of the American Trucking Associations. Prior to joining ATA, I spent 22 years in Public service in the State of Kansas, highlighted by two terms as Governor. However, it's my trucking heritage, and not my political history, that I am representing today. My father, and his father, started Graves Truck Lines in 1935 at the height of the Great Depression. I was fortunate to have been raised in the industry and I attribute much of the success I've had in my professional and political careers to the "trucking" values I've learned along the way: the importance of safety, the value of customer service, the essentiality of trucking, and the value of being involved in an Association at both the state and national levels.

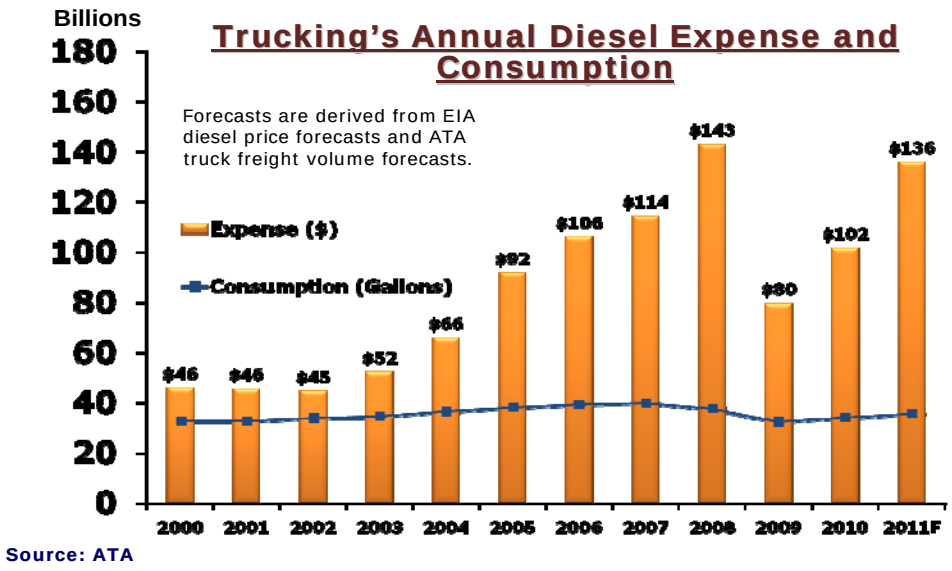
The American Trucking Associations (ATA) is the national trade association of the trucking industry. Through its affiliated state trucking associations, affiliated conferences and other organizations, ATA represents more than 37,000 trucking companies throughout the United States.

The trucking industry is the backbone of this nation's economy with nearly 7 million Americans working in trucking-related jobs. Trucks move 70% of our Nation's freight tonnage and earn 82% of the nation's freight revenue. The trucking industry delivers virtually all of the consumer goods in the United States. We are an extremely competitive industry comprised largely of small businesses. Roughly 96% of all interstate motor carriers operate 20 or fewer trucks.

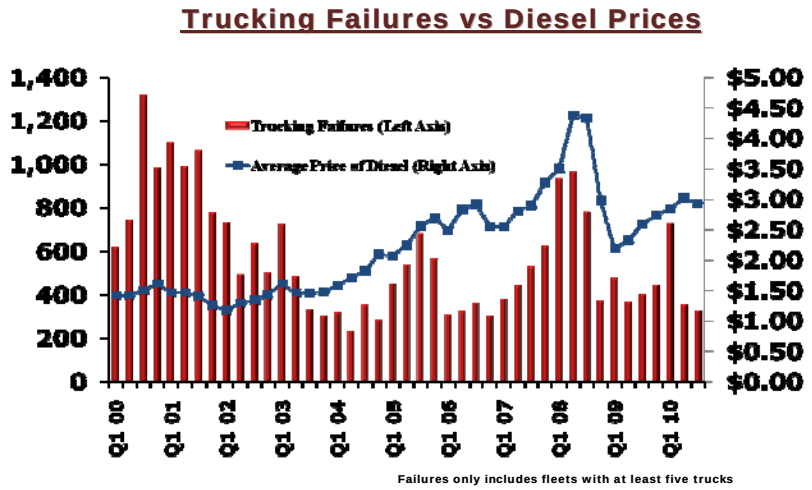
The hearing title focuses on gasoline, but I will direct my remarks to the price of diesel fuel, which is the lifeblood of the trucking industry. This year, the trucking industry will consume over 35 billion gallons of diesel fuel. This means that a one-cent increase in the average price of diesel costs the trucking industry an additional $356 million a year in fuel expenses. The national average price of diesel fuel is currently over $3.90 per gallon, which is nearly $1.00 more than just one year ago.



The trucking industry is on pace to spend $135.8 billion on fuel this year. This is $34.3 billion more than we spent in 2010 and $56.3 billion more than in 2009.



Today it costs approximately $1,200 to refuel a long-haul, over-the-road truck. As a result of this dramatic increase in the price of diesel, we expect an increasing number of trucking companies to fail. Despite the widespread use of fuel surcharges, the price of diesel fuel and motor carrier failures are highly correlated.

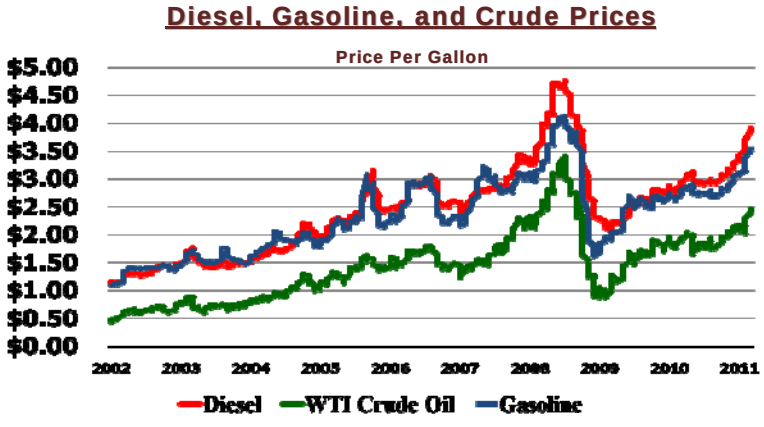


Sources: Avondale Partners & Energy Information Administration

This hardship surprises few in the industry. For many truckers, fuel has surpassed labor as their largest operating expense. Trucking is a highly competitive industry with very low profit margins. Our industry cannot simply absorb these rapid increases in fuel costs and eventually these costs must be passed through to our customers. So not only do high fuel prices devastate truckers, but they harm consumers who are forced to pay higher prices for food, clothing and other basic necessities.

A. Why has the Price of Diesel Increased?

Diesel fuel is a commodity that is refined from petroleum. Like most commodities in a competitive marketplace, its price is determined by supply and demand. The following chart demonstrates the close correlation between the price of petroleum and the prices of gasoline and diesel fuel.



Source: Energy Information Administration; *The Wall Street Journal*

With the exception of a brief period following Hurricanes Katrina and Rita in 2005, the prices of gasoline and diesel have paralleled the price of petroleum.

The recent run-up in petroleum product prices, including gasoline and diesel, is the result of a confluence of factors.

First, domestic oil production is under siege. The U.S. is the third largest oil producer in the world; however, our production of domestically produced oil from Alaska and the Gulf of Mexico is declining and new sources of production have been placed off limits for environmental reasons. Drilling moratoria, the refusal by the Department of the Interior (DOI) to process drilling permits, multi-year environmental impact studies, and political decisions that declare vast amounts of American energy resources on federal lands off limits to energy production have all taken their toll on U.S. petroleum production and – will have an even greater impact on future production. Each year our existing wells yield less oil. This natural depletion reduces domestic production by 3% annually. Without a concerted effort to drill more wells, domestic oil production will continue to fall and the U.S. will have to import an increasing percentage of its crude oil. Indeed, this year, as a result of aggressive government intervention, domestic oil production in the Gulf of Mexico is expected to fall by 16%.[1] Current U.S. regulatory policy has put the country on a path towards declining domestic supplies and has led speculators to conclude that crude oil will soon be in short supply. This has resulted in an unnecessary increase in the current price of oil at a time when the supply of oil is adequate to meet current demand.

Second, recent events in North Africa and the Middle East have reminded us of how vulnerable our energy supply is to geo-political events beyond our control. While current supplies appear to be adequate to satisfy global demand, the fear that revolution will spread to other oil producing nations in the region has contributed to a spike in crude oil prices. This recent geo-political instability and its impact upon petroleum prices should serve as a wake-up call to reduce our dependence on foreign oil.

Third, there has been a dramatic decline in the value of the dollar. Since oil is denominated in dollars, a portion of the increase in the price of oil can be attributed to the fall in the value of the dollar relative to other world currencies.

Fourth, there has been a significant increase in investments petroleum futures by non-commercial participants. This increased speculation may be partially responsible for the increase in commodities prices. We note that the last Congress passed financial reform legislation and that Commodity Futures Trading Commission (CFTC) is in the process of drafting regulations to implement new authority to curb excessive speculation.

Lastly, federal and state biodiesel mandates have contributed to higher diesel prices. This year, the federal Renewable Fuel Standard (RFS) mandates that 800 million gallons of biomass-based diesel fuel be blended into the diesel fuel pool. Because biodiesel costs

[1] Source: American Petroleum Institute, *citing* Energy Information Administration, *Short-Term Energy Outlook* (March 8, 2011)

significantly more than Ultra Low Sulfur Diesel (ULSD) fuel, this federal mandate increases the country's diesel fuel bill by more than a billion dollars annually. In addition to the federal RFS requirements, diesel consumers are forced to pay higher prices due to state biodiesel consumption mandates that distort fuel distribution efficiencies and disadvantage consumers that refuel in those states.

It is clear that our energy crisis is a complicated problem that requires a comprehensive solution. Against this backdrop, we greatly appreciate the opportunity to discuss actions that Congress can take to help address the soaring price of diesel fuel.

B. A Comprehensive Solution

The fuel crisis we face today is severe. There is no single solution to high oil prices and Congress must embrace a multifaceted approach to resolving this problem. We are not going to be able to either simply conserve *or* drill our way out of this crisis. Instead, we must embrace a "we need it all" approach that focuses on the following recommendations to increase our domestic crude oil supplies and incentivize conservation measures.

1. Recommendations to Increase Supply

For the foreseeable future, the trucking industry will continue to depend upon the diesel engine and an adequate supply of diesel fuel to deliver America's freight. Presently, there is no affordable technology that is capable of replacing the efficiency of the diesel engine for heavy duty trucks. As our population continues to grow and other nations continue to industrialize, the global demand for diesel fuel will continue to increase.

The dramatic increase in the price of oil is fed by the perception that over the next few years there will be a shortage of oil. For this reason, in addition to investing in alternative fuels and reducing the demand for petroleum, Congress and the administration must both embrace measures to increase our domestic production of crude oil.

Increasing access to – and production of – American crude oil supplies will help lower diesel fuel prices. To achieve this goal we need to begin environmentally responsible exploration for crude oil in the Arctic National Wildlife Reserve and Outer Continental Shelf. We also must begin developing the oil shale resources in Colorado, Utah and Wyoming and eliminating the barriers to utilizing coal-to-liquid technologies to take advantage of our vast domestic coal resources. The technology exists to ensure that these resources are developed in a manner that protects the environment.

Drilling for oil in Alaska and the Gulf of Mexico, or mining oil shale in Colorado, Wyoming and Utah requires multiple government approvals and permits. The fact that the Bureau of Land Management, Bureau of Ocean Energy Management Regulation and Enforcement, EPA, the Fish and Wildlife Service, National Oceanic and Atmospheric Administration, and the Army Corps of Engineers (just to name a few) each have the

ability to unilaterally stop energy development projects is a very large reason for declining U.S. production and the diesel and gasoline price surges that we are experiencing today. These redundant processes present multiple opportunities for special interest groups to derail energy development projects.

The debate over whether to drill in these areas of the United States has been ongoing for decades. In light of geopolitical instability, the growing demand for energy in Asia and Europe, as well as the development of new drilling techniques and more robust environmental safeguards, it is time to change these policies and develop these critical domestic resources. As Congress considers reforming our domestic energy policy, we should keep in mind that Clean Air Act permits, Clean Water Act permits and land use development permits, all of which contain a host of environmental protections, are preferable to importing oil from Venezuela or off the coast of Cuba with virtually no environmental protections and adverse implications for U.S. energy security.

Congress and the administration must reverse the current policies that have declared vast areas of American energy resources off-limits and have led to the perception that the U.S. will begin to produce even less oil and become increasingly dependent on imports to satisfy the demand for transportation fuels.

a. <u>Develop U.S. Offshore Petroleum Resources</u>. Notwithstanding the Administration's stated intent to encourage the development of additional domestic petroleum resources, DOI has taken numerous actions that will impede our ability to maintain (and grow) our domestic production of crude oil.

Twenty-nine percent of our domestically produced oil comes from the Gulf of Mexico. As we approach the one-year anniversary of the Macondo blowout, it is important that we analyze the steps that have been taken to minimize the already small risk that a similar event could occur in the future. The federal government has stepped up its regulatory oversight of Gulf drilling operations and implemented new regulations and safety requirements. Simultaneously, the petroleum industry has invested over a billion dollars in new technologies to enhance its oil spill response capabilities and ensure that oil from a future spill can be captured to avoid significant environmental damage.[2] As this was occurring, the administration imposed a moratorium on drilling in the Gulf of Mexico. When a federal court overturned the moratorium, the administration ignored the court's decision and unilaterally decided to stop issuing drilling permits. As a result, U.S. oil production in the Gulf of Mexico is expected to decline by 16% this year. DOI recently issued five deepwater drilling permits and we hope that this signals the administration's intent to reverse course and permit the continued development of this critical domestic energy resource. *Congress should require DOI to issue both shallow and deepwater drilling permits in the Gulf of Mexico.*

In March 2010, the administration canceled lease sales in the Beaufort and Chukchi Seas and withdrew Bristol Bay from the existing offshore leasing program. Two months later,

[2] New York Times, http://www.nytimes.com/2010/07/22/business/energy-environment/22response.html?_r=1 (July 2010)

the administration canceled a Virginia offshore lease sale and the remaining 2010 Gulf of Mexico lease sales. These areas were previously studied and determined to be viable areas for the safe and environmentally responsible production of crude oil.

The administration recently narrowed the scope of the areas to be studied in connection with the 2012-2017 Outer Continental Shelf (OCS) leasing program to remove large areas in the Atlantic and the eastern Gulf of Mexico from the scope of the environmental analysis. DOI's declaration that it will not even study these areas amounts to willful blindness and risks great harm to the fragile U.S. economic recovery. Studying these areas is not a decision to develop them; it simply ensures we understand the environmental implications of drilling there. Ultimately, DOI and the affected states may determine not to develop certain areas, but that determination must be an informed decision, which will not happen if politics displaces science and areas are declared off limits before they are even studied. *Congress should require the administration to include these OCS regions in the environmental impact study underlying the 2012-2017 OCS leasing program.*

b. <u>Develop U.S. Onshore Petroleum Resources</u>. To improve our domestic energy security and lower diesel fuel prices, onshore energy production also must be encouraged.

Oil shale deposits in the Rocky Mountains are estimated to contain 800 billion barrels of oil and there are vast conventional oil and natural gas resources on federal lands in the West. Yet these resources are being systematically removed from the nation's energy portfolio. The administration reduced the size of commercial oil-shale leases by 87% and cancelled oil and gas leases on 77 parcels in Utah, even though these parcels had already been subjected to the required environmental analysis.[3] The administration also suspended 61 leases in Montana. *Congress should require the administration to proceed with the development of these domestic energy resources.*

Three months ago, the administration designated nearly 200,000 square miles of Alaska as critical habitat for the polar bear. The breadth of this designation is unprecedented and will preclude the development of our on-shore oil and gas resources in Alaska. In addition, the Arctic National Wildlife Refuge (ANWR) remains off limits to oil and gas development. Allowing the development of 2,000 out of almost 20 million acres is necessary to balance environmental interests with our need to enhance domestic energy security. Moreover, the failure to move forward with energy projects in Alaska exposes the Trans-Alaska Pipeline System to supply shortages that create operational challenges. *Congress should require the administration to embrace a sensible approach to oil and gas development in Alaska that balances energy and environmental interests and takes into consideration the desires of the citizens of Alaska.*

c. <u>Canadian Oil Sands.</u> Although located outside U.S. borders, the Canadian oil sands represent a secure source of oil that currently accounts for 9% of the oil we consume. To ensure our continued access to this strategic resource, *Congress should*

[3] Source: American Petroleum Institute (March 2011).

require the administration to approve the permit for the Keystone XL pipeline. The development of Keystone XL will provide a stable, long-term supply of crude oil from Canada – one of our strongest and most loyal allies – to refineries in the United States. Upon completion of Keystone XL, it is estimated that the Canadian crude being transported to the United States through the pipeline system will approach 1.1 million barrels per day. This is equal to roughly half the crude oil we import from the Middle East. Keystone XL would create jobs and increase tax revenue for state and local governments along the pipeline route.

d. <u>Renewable Fuels</u>. The trucking industry supports the development of alternatives to diesel fuel, including the voluntary use of renewable diesel that meets the ASTM D975 diesel standard – the fuel that trucks were engineered to operate on. Biofuels represent a potential fuel source that could increase the domestic supply of diesel fuel; however, they are significantly more expensive than petroleum-derived diesel fuel and present several operational challenges for the trucking industry. Even if the price were equivalent, first generation biodiesel yields a ten percent energy penalty compared to ULSD, gels in cold weather, and requires increased truck maintenance obligations. As such, federal and state mandates to use biodiesel disadvantage diesel fuel consumers.

There is a significant difference between first generation biodiesel and renewable diesel. Renewable diesel uses renewable feedstock to produce a biofuel that is substantially similar to petroleum-derived ULSD fuel. It has equivalent energy content to ULSD, better cold weather performance than biodiesel, and can be transported through our existing pipeline system, which lowers its distribution costs. Today, the most cost effective way to produce renewable diesel is to co-process it in a modern petroleum refinery. Yet, the first generation biodiesel producers have successfully lobbied to create economic barriers to the development of this high quality next generation renewable fuel by denying this fuel equivalent treatment under the tax code. These economic disincentives built into the tax code also discourage the development of new processes (*e.g.*, algae-based bio oil) to make renewable diesel. *Congress should remove the barriers to co-processed renewable diesel (and other middle distillates) and embrace a technology neutral approach to biofuel production. To ensure that trucking companies are insulated from poor performing alternative fuels, Congress should require all on-road diesel fuel to meet the ASTM D-975 standard.*

While on the subject of biodiesel and renewable diesel, we support a tax credit that helps narrow the cost differential between ULSD and renewable diesel; however, *Congress should eliminate this credit for renewable fuel that is produced in the U.S., and subsequently exported for consumption outside the U.S.* While the last Congress eliminated the "splash and dash" loophole on foreign produced biodiesel, the American public would be outraged if they knew that their tax dollars were still being spent to subsidize biodiesel that is ultimately exported for foreign consumption. Biodiesel blending tax credits should be contingent upon the fuel being consumed in the U.S.

e. Natural Gas. Another alternative fuel of interest to the trucking industry is natural gas. While compressed natural gas (CNG) is being used for light and medium trucks on relatively short routes, CNG does not appear to provide sufficient range for the long-haul, heavy truck. There are, however, a very limited number of centrally refueled long-haul trucks operating successfully on liquid natural gas (LNG). This fuel may not be appropriate for trucks engaged in long-haul, irregular routes, which would require a robust LNG refueling infrastructure.

While there are numerous challenges associated with a switch to natural gas, there are three significant hurdles that must be overcome to increase the penetration of this alternative fuel. First is the significant price premium for natural gas vehicles. Currently, a truck that runs on LNG costs almost twice that of a comparably equipped diesel truck. Second, is the need for financial assistance in building out a robust, competitive, standardized refueling infrastructure. LNG refueling stations can cost a million dollars or more to construct. Third, there is a significant weight penalty associated with this technology, which can reduce payload and affect productivity in weight sensitive applications. To address these hurdles, *Congress should enact natural gas vehicle tax credits to offset the significant cost differential between diesel trucks and trucks that operate on LNG.* This could facilitate the economies of scale in production of these heavy trucks to bring the initial costs down. *Congress also should incentivize the construction of LNG refueling stations and ensure that the industry embraces a single refueling standard to overcome refueling compatibility issues. Congress should provide a weight variance from the federal gross vehicle weight limits to accommodate the increase in weight associated with LNG technology.* These measures could reduce our reliance on petroleum, enhance our energy security, and reduce long-term operating costs of some trucking sectors.

f. One National Diesel Fuel Standard. While gasoline moves people, diesel fuel moves our economy. Due to the uniquely interstate nature of diesel fuel, Congress should take extraordinary steps to ensure that no state enacts a boutique *diesel* fuel mandate. Today, California and Texas require special boutique diesel fuel blends. These unique blends cost more to produce and prevent diesel fuel from simply being transported from one jurisdiction to another in times of shortage. In addition, boutique fuels are typically produced by only a handful of refineries, which results in less competition, higher refining margins, and ultimately higher fuel prices.

While Congress took steps to curb the proliferation of boutique fuels as part of the Energy Policy Act of 2005, the Act created a loophole for states seeking to enact renewable fuel mandates. To date, seven states have enacted biodiesel mandates and several others are considering this course of action. In light of the biomass-based diesel mandate included as part of the expanded federal renewable fuel standard (RFS), Congress should preempt state biodiesel mandates. These duplicative state mandates are not needed to ensure a strong domestic biodiesel industry and will simply create an economic environment where biodiesel producers can charge extraordinarily high prices for their product – insulated from the checks and balances of a competitive market. The federal RFS guarantees that 1 billion gallons of biodiesel will be consumed domestically

– the free market must be allowed to operate to ensure that this mandate is achieved in the most cost effective manner possible. State biodiesel mandates will distort the free market and prevent biodiesel from being consumed in those parts of the country where it is most economical to do so. *Congress must preempt state biodiesel mandates as inconsistent with our national interest and efforts to promote the cost effective production and use of biofuels.*

2. Recommendations to Reduce Demand

Reducing the nation's consumption of diesel fuel will reduce the overall demand for petroleum and should result in lower prices for petroleum products.

a. Control Speed. The typical heavy-duty diesel truck travels between 5 and 7 miles on a gallon of diesel, depending upon load, route, equipment and drivers' skill. Speed has a direct correlation to fuel consumption. In fact, for each mile per hour that a truck travels above its optimal fuel efficiency point, its fuel economy decreases by 1/10 of a mile per gallon. For example, a truck traveling at 65 mph that is capable of achieving 6 miles per gallon, will achieve only 5 miles per gallon when traveling at 75 mph. Reducing speed has a positive impact on fuel consumption in both cars and trucks. For this reason, *Congress should establish a national speed limit of 65 mph for all vehicles.*

ATA also has petitioned the Administration to require that all new trucks be equipped with factory-installed devices that electronically limit the truck's maximum speed to 65 mph. The National Highway Traffic Safety Administration has agreed to begin a rulemaking in 2012. Given the significant benefits, we believe action should be taken sooner. In addition to the fuel conservation benefit from ensuring that trucks do not exceed this speed, we are confident that this measure will further reduce the number of truck-related fatalities that occur on our nation's roadways.

b. Address Congestion and Highway Infrastructure. Americans waste a tremendous amount of fuel sitting in traffic. According to the most recent report on congestion from the Texas Transportation Institute, in 2009, drivers in metropolitan areas wasted 4.8 billion hours sitting in traffic, and burning 3.9 billion gallons of excess fuel at a cost of $115 billion. The cost to the trucking industry was $33 billion. ATA estimates that if congestion in these areas was eliminated, nearly 32 billion gallons of fuel would be saved and carbon emissions would be reduced by 314 million tons over a 10-year period. *Congress should invest in highway infrastructure improvements that eliminate major traffic bottlenecks, with a specific focus on bottlenecks that have the greatest impact on truck traffic.*

c. Enhance Truck Productivity. By reducing the number of trucks needed to move the nation's freight, the trucking industry can reduce fuel consumption, which would produce significant environmental benefits. More productive equipment - where it is consistent with highway and bridge design and maintenance of safety standards - is an

additional tool that should be available to states. A recent study by the American Transportation Research Institute found that use of these vehicles could reduce fuel usage by up to 39%, with similar reductions in criteria and greenhouse gas emissions. The reduction in truck vehicle miles traveled on highways such as the New York Thruway, Massachusetts Turnpike, Florida Turnpike, and on roads throughout the Western United States, has lowered the amount of fuel burned in these states. *Congress should provide flexibility to the states, with federal oversight, to allow the use of more productive trucks.*

d. <u>Support Truck Fuel Economy Standards</u>. The Energy Information and Security Act of 2007 requires EPA and NHTSA to promulgate fuel economy standards for commercial medium- and heavy-duty trucks. This congressional mandate is being implemented through the rulemaking process. ATA supports truck fuel economy standards as the preferred method of controlling greenhouse gas emissions from our industry, provided that the standards set are technologically and economically feasible, do not compromise truck performance, and provide manufacturers sufficient stability and lead time for production.

e. <u>Reduce Main Engine Idling</u>. The Federal Motor Carrier Safety Administration (FMCSA) *Hours-of-Service* regulations require mandatory off duty rest periods. Many over-the-road drivers rest in the sleeper berth compartment in their truck cabs and need to cool or heat the cab to rest comfortably. In extremely cold weather, truck drivers also will idle their engines to prevent the engine block from freezing. Argonne National Laboratory estimates that the average long-haul truck idles for 1,830 hours per year. With hundreds of thousands of these trucks on the road, idling has a significant impact on fuel consumption and the environment. The U.S. Environmental Protection Agency (EPA) estimates that idling trucks consume approximately 1.1 billion gallons of diesel fuel annually.

Several options are currently available to reduce engine idling. Auxiliary power units (APUs) are among the most popular choices in anti-idling equipment providing climate control (heating and cooling), engine preheating, battery charging, and power for household accessories without use of the truck's main engine. APUs have been proven by the Federal Highway Administration to save up to one gallon of fuel per hour of idling and to substantially reduce emissions and greenhouse gases.

While reducing main engine idling is a laudable goal, three major barriers stand in the way of trucking companies purchasing such equipment for their daily use: (1) the failure to grant exceptions for the additional weight associated with anti-idling equipment, (2) the imposition of a federal excise tax on the purchase of such devices, and (3) the actual cost of the devices themselves.

Since idling reduction equipment will add weight to a truck, many fleets cannot afford to reduce their cargo capacity to compensate for the installation of idle reduction equipment on a truck. To address this concern, Congress authorized a 400-pound weight exemption for trucks equipped with idle reduction equipment under Section 756 of the *Energy Policy Act of 2005*. While Congress' intent was to mandate this exemption, the Federal

Highway Administration (FHWA) has determined that states "may" adopt the exemption on a voluntary basis. FHWA's interpretation of the weight exemption gives states the option of whether to allow the exemption or not. To date, 32 states have passed legislation recognizing the 400-pound weight tolerance and a handful of states are exercising enforcement discretion. *Congress should clarify that the 400-pound weight exemption is applicable to idling reduction equipment nationwide.*

While APUs are a proven alternative to main engine idling, most trucking companies just cannot afford purchasing devices that can cost up to $10,000 per unit. *Congress should provide tax credits or grants to expedite the introduction of idling reduction equipment*.

f. <u>Fully Fund EPA's SmartWay Program</u>. In February 2004, the freight industry and EPA jointly unveiled the SmartWay Transport Partnership, a collaborative voluntary program designed to increase the energy efficiency and energy security of our country while significantly reducing air pollution and greenhouse gases. The program, patterned after the highly-successful Energy Star program developed by EPA and DOE, creates strong market-based incentives that challenge companies shipping products and freight operations to improve their environmental performance and improve their fuel efficiencies. To become a partner a fleet must commit to reduce fuel consumption through the use of EPA-verified equipment, low-viscosity lubricants, or other measures. Participation in the program doubles each year and by 2012, the SmartWay program aims to save between 3.3 and 6.6 billion gallons of diesel fuel per year. EPA predicts SmartWay participants will also reduce their annual greenhouse gas emissions by 48 million tons of CO_2 equivalents.

SmartWay is a unique resource that reviews the use of new technologies that are proven to reduce fuel consumption and then uses market incentives to promote their deployment. Although the program is a demonstrated success story, its future funding remains uncertain. *Congress should add a specific line item appropriation for SmartWay and increase our investment in this program to facilitate its expansion.*

g. <u>Support Research and Development of New Technologies</u>. As we look toward the future, the trucking industry will be pressured to further conserve fuel. The industry will find it difficult to do this without new affordable technologies. Technology advancements have stalled for many years and an infusion of funding into an organized research program will be critical to developing the next generation of more efficient and lower carbon-emitting trucks. To address this issue, *Congress should fund research and development in the areas of new engine technologies, aerodynamics, tires, batteries, hybrids, cab insulation, anti-idling equipment, and alternative fuels.*

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ATA appreciates this opportunity to offer our insight into measures that the country should take to help address high diesel fuel prices.