

Chairman Coffman, Ranking Member Altmire, members of the Subcommittee, thank you for your time today. My name is Jim Burg and I am the President of James Burg Trucking Company, a small business located near Detroit. I started my company in 1984 with one truck at the age of 19. We now operate 75 trucks and employ over 85 people. I personally hold a commercial driver's license and have driven over 1.3 million miles. I am testifying today on behalf of the American Trucking Associations (ATA).

The proposed hours of service changes, if finalized, would have a profoundly negative impact on small businesses, would restrict productivity, and would result in greater congestion and increased emissions.

These impacts are significant since there are more than 700,000 trucking companies in the United States and, according to FMCSA, 99 percent of these companies are small businesses.

The proposed changes come at a time when the pool of qualified drivers has shrunk. Last year I needed to raise driver compensation by over 6% just to attract and retain qualified drivers.

If the proposed rules are finalized, I will need to add more trucks and drivers - and their corresponding expenses - simply to counter the loss in productivity.

By my calculations, the hours of service changes would trigger the need to increase our retained

earnings by between 20 and 25% - just to maintain our current level of financial stability.

At some point, companies like mine need to pass these costs on to consumers which – as we know – fuels inflation and reduces global competitiveness.

Ironically, increased costs and reduced productivity prohibit me from investing in promising on-board safety-based vehicle technologies.

Regrettably, my current business strategy must be to hoard cash and delay expansion until the economic and regulatory uncertainties are diminished.

With respect to the proposed hours of service regulations, my strong belief is that the agency should abandon its proposal and retain the current HOS regulations. This belief is founded upon the following points:

- 1) The safety record of the trucking industry has improved dramatically while operating under the current rules. Since 2003 when the basic framework for the current hours of service regulations was first published, the numbers of truck-related injuries and fatalities have both dropped more than 30% to their lowest levels in recorded history.

2) The proposed changes would cause enormous productivity losses. FMCSA previously estimated that changes like the ones proposed would cost society over \$2 billion annually. These losses would disproportionately impact small businesses.

3) The proposed changes would have virtually no benefit in terms of reducing fatigue-related truck crashes. Only a small percentage of truck crashes are caused by driver fatigue and only a very small number of crashes occur in the later hours of drivers' shifts. FMCSA's own cost benefit analysis acknowledges that the safety benefits of the proposed rules would not outweigh the economic costs.

4) Only by adding creative, questionable, “health-related” benefits, does the agency’s proposal pass the cost/benefit test. However, as explained in my written testimony, the Agency has misinterpreted and misapplied the sleep duration and mortality risk studies it relied on in its analysis. Hence, there is simply no scientific support for the health benefits claimed by the Agency.

5) Ironically, the proposed rules would trigger unintended safety consequences. Drivers feeling pressured to meet tighter restrictions would be more prone to rushing or poor decision making. The reduction in productivity would drive a need

to increase in the number of trucks on the road, especially during peak hours of congestion. And finally, the resulting productivity losses would raise demand for inexperienced, more crash-prone drivers.

Certain elements of FMCSA's proposal are particularly troubling. The agency has proposed that drivers utilizing the restart provision be required to ensure that each "restart" include two nighttime periods between midnight and 6 a.m. As a result, drivers using this provision will enter the traffic flow at approximately the same time - further exacerbating rush hour congestion and the corresponding consequences.

FMCSA's proposal to eliminate the 11th hour of driving simply reflects a lack of understanding over how the 11th hour is used. Even though the 11th hour is not used extensively, eliminating it would not only impact the trips where it *is* used, but those trips where it *might* be used. In short, eliminating the 11th hour would only serve to render certain routes impractical or would pressure drivers to make runs in tighter time constraints.

FMCSA's proposed rest break requirement is also problematic. Drivers frequently take breaks under the current rules, but simply cannot log them as off-duty time. Regulating that breaks must be taken and when they must be taken only serves to further restrict drivers and reduce flexibility/productivity.

In summary, FMCSA's proposed changes to the hours of service rules are unnecessary, unjustified and would have profound negative impacts on the economy, particularly on small businesses.

I speak on behalf of the American Trucking Associations, companies just like mine, and the 99 percent of the trucking industry's over 700,000 motor carriers which are classified as small businesses.

In our view, the only rational and reasonable course of action is for FMCSA to abandon this proposal, retain the current hours of service regulations, and spend its resources better enforcing the current rules.

Thank you again for your time and I am pleased to answer your questions.