



Before the Committee on Transportation and Infrastructure

**Hearing on
“Investing in Infrastructure: The Road to Recovery”
October 29, 2008**

Testimony of the American Trucking Associations

Chairman Oberstar, Congressman Mica and members of the Committee, thank you for giving the American Trucking Associations (ATA)¹ the opportunity to testify. As you know, the question is no longer whether the economy is in a recession, but how deep will it be and how long will it last. ATA believes that our Nation is entering its toughest economic period in over 20 years. High energy costs, tightened credit markets, decreased factory output, a slumping housing market and general weakness in the economy that has contracted consumer spending have affected the trucking industry especially hard. Beginning in July, truck tonnage began to fall significantly. We expect this weakness in truck tonnage to continue into 2009. Mr. Chairman, the recession has already taken its toll on our industry. According to Avondale Partners, LLC, 1,905 motor carriers with at least five trucks failed during the first half of 2008, with an additional 785 ending operations in the third quarter. Together, these carriers operated over 100,000 trucks and employed thousands of people.

With no end in sight to the economic downturn, our Nation cannot simply wait for the current situation to improve. While we are confident that the steps taken by Congress, the Treasury Department and the Federal Reserve to address the situation thus far will be helpful in the coming months and years, immediate action is needed to jumpstart the economy and put America back to work. ATA strongly believes that investing in America’s infrastructure is a crucial part of a broad strategy to bring the United States out of the current economic crisis. Such investments will stimulate immediate job creation, put American businesses back on track and restart our country’s economic engine.

¹ The American Trucking Associations is the largest national trade association for the trucking industry. Through a federation of other trucking groups, the industry-related conferences and its 50 affiliated state trucking associations, ATA represents more than 37,000 members covering every type of motor carrier in the United States.

It is important to note that infrastructure spending will also have long-term benefits. More efficient transportation systems will more than pay for themselves over the long run by making our businesses more competitive, by reducing consumer prices, lowering health and other costs associated with highway accidents, and by reducing energy, environmental and efficiency costs related to highway congestion. Indeed, every dollar invested in the Nation's highway system yields \$5.40 in economic benefits as a result of reduced delays, improved safety and lower vehicle operating costs. Furthermore, eliminating congestion in urban areas can reduce carbon emissions by more than 31 million tons per year.

Highway investment will give a shot in the arm to trucking companies serving the construction sector, who have suffered the devastating effects of the housing slump. The income that infrastructure investments create will spur consumer spending, spreading the benefits of the economic recovery package to retailers and manufacturers, and to the trucking companies which deliver their freight.

Mr. Chairman, ATA is grateful to the Committee for recognizing the difficulties facing American businesses and individuals, and for the Committee's efforts to spur economic growth through investments in infrastructure that will pay dividends for years to come. We fully support an economic recovery package that invests in highway infrastructure and we pledge to provide our assistance to secure its passage.