



**Where shippers
learn, advocate,
and connect.**



2014 National Policy Agenda



About NASSTRAC

The National Shippers Strategic Transportation Council (NASSTRAC) provides education, advocacy, and provider relations opportunities for companies and professionals involved in transportation and logistics. Founded in 1952, NASSTRAC members manage freight across all modes of transportation including truckload, rail, ocean, and air.

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Dear Policymakers:

As Congress continues its work to restore economic growth and opportunity for our country, the National Shippers Strategic Transportation Council (NASSTRAC) member companies are committed to the efficient movement of freight through supply chains in a manner that is both cost-effective and benefits consumers. The health of our country's economy depends on a sound infrastructure and on promoting common-sense transportation policies that enhance our Nation's competitiveness. NASSTRAC is committed to working with and supporting our leaders in the legislative and regulatory areas to achieve these objectives.

With MAP-21 due to expire on September 30, 2014, NASSTRAC believes that it is imperative to pass a properly funded, multi-year highway bill supporting necessary investments in our Nation's highways and other components of the transportation infrastructure with a concentration on our Nation's critical freight corridors. User fees are still the most effective way of financing America's surface transportation network. Any funds from tolling highways, or the imposition of increased and inflation-adjusted taxes on fuel (which we support), or from alternatives like the vehicle miles traveled (VMT) taxes being tested in Oregon, should be devoted exclusively to the construction and maintenance of roads and bridges. It is imperative for our leaders in Washington to work together to achieve sustainable long-term funding for our national highway system.

Proposed safety regulations should go through a formal rulemaking process allowing for input from shippers, carriers and transportation intermediaries, as well as other stakeholders. We support the objectives of the Federal Motor Carrier Safety Administration (FMCSA) and its Compliance, Safety, Accountability (CSA) program to improve carrier safety. However, CSA must be improved, to correct such deficiencies as CSA safety scores for carriers that too often do not bear any relationship to crash risk. FMCSA should acknowledge the flaws in the CSA program, fix them, and clarify that the CSA program is a tool for targeted safety enforcement and is not intended to be used in tort litigation involving motor carriers.

Regulators also need to adequately consider the economic impact of new requirements on shippers, carriers and the economy. Changes to the Hours-of-Service (HOS) rules intended to reduce truck driver fatigue were based on subjective and questionable data and have caused productivity losses. There are other critical issues that will be considered by the FMCSA, and NASSTRAC encourages the Agency to ensure that regulatory activities aimed at improving highway safety do not entail unreasonable adverse impacts on motor carrier productivity. In addition, shippers and carriers depend on a flexible workforce to efficiently move freight, and we join with other Industry Associations in supporting efforts that allow drivers (where appropriate) to continue their work as independent contractors.

We look forward to working with Congress to review and roll back regulatory red tape and to pass common-sense, pro-growth policies that will facilitate safe and effective transportation, logistics and supply chain operations and contribute to growing and strengthening our national economy.

The enclosed policy positions outline NASSTRAC's priorities for 2014. We look forward to working with you in helping move the country forward.

Sincerely,



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President, NASSTRAC
Director of Supply Chain Solutions
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Freight Transportation



NASSTRAC, its members, and the economy as a whole, have benefited from economic deregulation of the major modes of transportation. Of particular importance to the economy has been the transformation of the trucking industry in the last three decades from an industry characterized by barriers to entry and excessive uniformity of pricing and service to a highly efficient, customer-oriented, technologically-advanced and safety-conscious industry providing a range of services at reasonable prices. Alone among the modes, trucking is able to serve virtually all U.S. origins and destinations, offering many shippers and receivers the optimal combination of pricing and service quality.

American businesses have worked hard for many years to develop highly efficient supply chains that reduce inventories and minimize costs, benefiting consumers and shareholders. The success of these supply chains, many of which apply just-in-time approaches, depends more on a healthy and productive trucking industry than on rail, water or air carriers, which serve more specialized markets. Rail and water carriers are the mode of choice for bulk transport of many types of commodities and air carriers are used for high-value, time-sensitive shipments in smaller volumes. Rail intermodal is growing in importance but still represents less than five percent of U.S. freight transportation.

The trucking industry continues to account for approximately 70 percent, by value and by weight, of the freight transported in the U.S. Moreover, trucking is projected to continue as the dominant mode for freight transportation in coming years. However, we are concerned about the lack of government efforts to help the trucking industry grow and thrive to meet the increasing demand for motor carrier service. Too often, too much emphasis is placed on considerations other than the critical role of motor carriers in supporting commerce and the economy.

Federal decision makers must recognize the importance of motor carriers. The trucking industry provides some 6 million jobs through direct employment and many other jobs depend on a healthy and growing trucking industry. We face severe cost increases due to lost growth and reduced national economic competitiveness if the trucking industry is not adequately supported by government policies. At a minimum, federal policies must not do more harm than good. Shippers and other logistics professionals should be able to decide for themselves on the modes and services that best suit their freight transportation needs. These market-based decisions should not be distorted by government policies favoring modes of transportation that may be less efficient and less responsive to the needs of customers, consumers and the larger economy.

- NASSTRAC supports intermodal policies recognizing the critical role trucking has in U.S. freight transportation, and the expectation for it to continue being the dominant mode of freight transportation for years to come. The federal government should help the trucking industry grow and thrive to meet increasing demand for motor carrier service, and focus on the ability of motor carriers to support commerce and the economy.
- NASSTRAC supports allowing states to authorize more productive vehicles to operate on America's highways, consistent with sound engineering standards, improved safety, highway maintenance needs and cost responsibility. States should have the discretion to allow 6-axle vehicles with gross vehicle weights of up to 97,000 pounds, as well as 33-foot trailer combinations.
- NASSTRAC supports initiatives to improve air quality and the environment. However, we oppose the use of environmental claims as pretexts for programs at U.S. ports that do not improve air quality but impose burdensome mandates on drayage operators to hire drivers as direct employees rather than contract with owner-operators.

continued



Freight Transportation...continued

- NASSTRAC supports policies that preserve the option of the owner-operator business model, allowing drivers to work as independent contractors and not as employees of trucking companies.
- NASSTRAC opposes policies that make it more difficult to hire and retain quality drivers.
- NASSTRAC opposes excessive government regulations that impose additional costs on shippers and carriers without commensurate public benefits.



Infrastructure Investment and Maintenance

NASSTRAC continues to support the need for a multi-year highway bill that facilitates infrastructure investment and focuses funding on critical freight corridors. NASSTRAC also supports funding highway infrastructure needs in the most efficient ways — through increased taxes on fuel, including diesel fuel, and indexing of tax rates for inflation. Funds from the tolling of interstate highways should be used exclusively for the construction and maintenance of America's roads and bridges.

Infrastructure investment is also needed for U.S. ports to allow for the efficient transfer of cargo between ships and trucks. Addressing the nation's transportation challenges is critical to economic growth and output, and the economy cannot sustain growth if transportation networks cannot move goods efficiently.

- NASSTRAC supports a federal highway program that is financed primarily by user fees, and which focuses on improving highway networks that are most critical to the movement of freight.



- NASSTRAC supports eliminating the revenue shortfall in the Highway Trust Fund to address both deferred maintenance and the need for additional capacity in the federal highway system.
- NASSTRAC believes to the extent that new tolls are imposed on existing interstate highways, the resulting revenues should be devoted to financing needed improvements to the nation's surface transportation system, with the funds used for investment in roads and bridges and not diverted to the General Fund of the Treasury or unrelated infrastructure projects.
- NASSTRAC believes that structurally deficient bridges should be repaired or replaced for the safety of all users and efficient movement of freight.
- NASSTRAC supports federal investments and policies that allow U.S. ports to meet global demand and ensure adequate, congestion-free landside access to the broader transportation network.



Truck and Driver Safety



NASSTRAC supports and promotes the safety of truck transportation, which serves as the dominant mode of freight transportation in America. Laws and regulations relating to commercial motor vehicle safety are necessary but should remain practical and not impose unnecessary burdens on shippers, carriers and other supply chain stakeholders. They should also produce clear benefits to the public, while imposing minimal burdens on commerce. Safety data gathered by the Federal Motor Carrier Safety Administration (FMCSA) should be used to draw conclusions about individual carriers only where there are strong correlations between the data and safety performance.

It is critical that proposed safety regulations go through the formal rulemaking process allowing for feedback from shippers as well as carriers. New safety requirements should only be implemented when supported by rigorous safety and economic analysis that determines the benefits outweigh the costs, and the requirements focus on the carriers most at risk of involvement in highway accidents. Finally, federal regulations should promote conformity between state and federal requirements, and should have uniform impacts on shippers and carriers engaged in both interstate and intrastate commerce.

- NASSTRAC supports the original purpose of FMCSA's Compliance, Safety, Accountability (CSA) allowing the Agency to target unsafe carriers, encourage them to improve, and remove them from the road if they do not. Reforms to the CSA program should ensure that Safety Measurement System (SMS) scores have a strong statistical relationship to future crash risk, that consideration is only given to crashes a motor carrier caused or reasonably could have prevented, and that safety fitness determinations are not based on SMS scores unless peer reviewed research confirms a strong correlation between such scores and crash risk. In addition, we oppose use of CSA related information in tort litigation, given the unreliability of the data.
- NASSTRAC believes any changes to the Hours of Service rules should be based on statistically valid analysis using representative industry data.
- NASSTRAC believes federal efforts to address driver sleep disorders, such as obstructive sleep apnea, should be implemented through the rulemaking process and not through regulatory guidance issued without notice or public comment. In addition, any such rule should concentrate on factors that pose an elevated crash risk, should be cost-effective and should promote effective treatments that minimize adverse impacts on shippers and carriers.
- NASSTRAC supports flexibility as part of any Federal Motor Vehicle Safety Standard requiring stability control systems on truck tractors with a gross vehicle weight of greater than 26,000 pounds.
- NASSTRAC believes any regulations requiring speed limiters on heavy trucks should be based on sound data demonstrating a link to improved safety.
- NASSTRAC prefers performance-based standards over mandates that require a minimum number of training hours.
- NASSTRAC believes any requirements for electronic logging devices should be cost-effective and respect legitimate privacy concerns.
- NASSTRAC believes safety must be of paramount concern in the design, construction, maintenance and traffic operations of the nation's highway system.



International Shipping and Trade



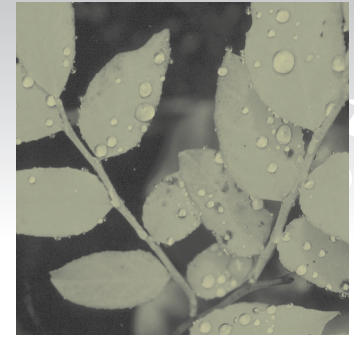
NASSTRAC and its members support expansion of international commerce needed for continued economic growth and the movement of freight through the supply chain. Freight crossing international borders with Canada and Mexico raises a unique set of operational challenges. Not only must shippers and carriers comply with U.S. regulatory requirements, but they must also meet transportation, customs and immigration, and other requirements established by neighboring countries where they do business.

U.S. shippers and carriers should be treated fairly in the international freight market, and government policies should require foreign countries to provide them with the same opportunities as foreign shippers and carriers operating in the U.S. A growing concern for shippers moving goods across the U.S.-Mexico border is the lack of uniformity in U.S. Customs and Border Protection (CBP) policies at the 24 commercial vehicle land border crossings. Delays and other inefficiencies at the U.S.-Mexico border make U.S. shippers less competitive, and CBP should work to reduce wait times at border crossings.

- NASSTRAC supports the U.S.-Mexico Cross-Border Trucking Pilot Program, which allows Mexico-based motor carriers to operate in the U.S. beyond the municipalities and commercial zones along the U.S.-Mexico border for up to three years.
- NASSTRAC supports policies that increase the efficiency of cross-border operations for U.S.-based motor carriers while maintaining a high level of safety and security.
- NASSTRAC supports the Customs-Trade Partnership Against Terrorism (C-TPAT) program but believes trusted traders should not be automatically suspended or disqualified for minor security breaches.
- NASSTRAC believes that data provided by CBP on commercial vehicle wait times at U.S. border points of entry should be reliable and measured using the same techniques at various border crossings.
- NASSTRAC supports shorter wait times at U.S. border crossings for the efficient movement of freight.



Energy and Environment



NASSTRAC supports reduced emissions, reduced reliance on imported oil, minimizing congestion and other environmental goals. However, government environmental policies regulating commercial truck operations should be based on sound data and focus on proven methods to achieve clean air goals. Our members are committed to environmental improvements through supply chain best practices.

The Environmental Protection Agency (EPA) SmartWay program has sought to identify and promote use of “cleaner” operators among the transportation modes, so that truck shippers seeking to improve their sustainability performance, including many NASSTRAC members, can consider environmental benefits in choosing among trucking companies. Government programs to reduce transportation-related emissions should work with private industry toward common goals rather than imposing new requirements without the benefit of stakeholder input. In addition, clean truck programs at U.S. ports should focus solely on efforts to reduce truck emissions.

- NASSTRAC supports technologically-feasible federal fuel efficiency standards for medium and heavy duty trucks.
- NASSTRAC supports efforts to reduce truck emissions through federal incentives that encourage reduced discretionary off-road idling.
- NASSTRAC believes any federal biodiesel mandate should properly balance benefits to the environment with economic impacts on carriers, shippers and the economy.
- NASSTRAC supports the EPA SmartWay Transport Partnership goal of reducing transportation-related emissions by creating incentives to improve supply chain fuel efficiency.
- NASSTRAC believes clean truck programs at U. S. ports should be focused solely on emissions-reductions and not peripheral issues that impermissibly regulate drayage operators.



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