

May 5, 2021

The Honorable Josh Gottheimer
Co-Chair
Problem Solvers Caucus

The Honorable Brian Fitzpatrick
Co-Chair
Problem Solvers Caucus

Dear Co-Chairs Gottheimer and Fitzpatrick,

As the House Committee on Transportation & Infrastructure develops the next surface transportation reauthorization bill, our organizations strongly oppose any increase in the existing minimum liability coverage for motor carriers. An increase in insurance requirements is wholly unnecessary, would do nothing to improve highway safety, and would have a severe negative impact on our members by significantly increasing their operational costs. If Congress were to include this harmful policy in a highway bill or infrastructure package, it would jeopardize the opportunity to enact bipartisan legislation.

Increasing minimum liability coverage would affect all businesses transporting property, not just long-haul trucking operations. As illustrated by the diversity of our coalition, the impact would be felt in many sectors of the economy that have been working to help our nation recover from the COVID-19 pandemic, including the trucking, agriculture, construction, manufacturing, towing and the materials industries. Raising insurance rates for countless businesses engaged in trucking in the midst of the current economic disruption caused by the virus would undoubtedly lead to the loss of even more American jobs. This policy clearly does not belong in legislation that is designed to support economic recovery and encourage growth.

Furthermore, federal research has demonstrated such a change is entirely unnecessary. As required by MAP-21, the Federal Motor Carrier Safety Administration (FMCSA) commissioned the John A. Volpe National Transportation Systems Center to research this issue in greater detail. In 2014, Volpe released its report, which explained, “The **vast majority** of CMV-caused crashes have relatively small cost consequences, and the costs are easily covered with the limits of mandatory liability insurance” [emphasis added]. Volpe adds, “A small share exceed the mandatory minimum but are often covered by other insurance or assets.” In fact, this study determined today’s minimum insurance level adequately covers damages in all but 0.6% of crashes.

What studies haven’t shown is any improvement to safety associated with increasing insurance requirements. There is no reputable research indicating an increase of any amount would help reduce crash rates. Proposals to raise minimum liability coverage are nothing more than an opportunity for their most ardent supporters - trial lawyers - to receive higher payouts from settlements at the expense of American businesses.

Supporters of insurance increases have said they are necessary because crashes that are not covered by the existing minimums are occurring. We do not disagree with this, but it is again important to highlight that FMCSA has shown these instances are extremely rare. FMCSA itself has said these crashes represent less than one-percent of all CMV crashes. It is difficult to think of any other policy that addresses over 99% of cases and would be considered a failure in need of fixing.

Most importantly for your caucus, increasing minimum insurance requirements would make it much more difficult to pass a bipartisan highway bill in the House. Furthermore, it appears unlikely that such a divisive policy could be included in any highway bill that passes the Senate given the need for bipartisan consensus to move legislation in that chamber. Therefore, this policy stands little chance of being signed into law, and we urge the House to avoid an unnecessary vote on this contentious issue.

Rejecting calls for increases in insurance coverage will help protect American jobs and businesses, including countless small businesses, from an unnecessary and excessive policy designed to further line the pockets of trial lawyers at the expense of truckers, farmers, construction firms, manufacturers and more. We strongly discourage you from supporting any such provision in the next surface transportation reauthorization bill or any infrastructure package.

Thank you for your consideration.

Sincerely,

Agricultural Retailers Association
American Beekeeping Federation
American Concrete Pavement Association
American Concrete Pipe Association
American Concrete Pumping Association
American Dairy Coalition
American Farm Bureau Federation
American Forest and Paper Association
American Pipeline Contractors Association
American Sheep Industry Association
Associated Equipment Distributors
Colorado Motor Carriers Association
Concrete Foundations Association
Concrete Reinforcing Steel Institute
Consumer Brands Association
Customized Logistics and Delivery Association
Distribution Contractors Association
Energy Marketers of America
Georgia Motor Trucking Association
Hawaii Transportation Association
Kansas Motor Carriers Association
Livestock Marketing Association
Maine Motor Transport Association
Mid-West Truckers Association
Minnesota Trucking Association
Missouri Trucking Association
Motor Carriers of Montana
Motor Transport Association of Connecticut
National Aquaculture Association
National Asphalt Pavement Association
National Association of Small Trucking Companies
National Cattlemen's Beef Association
National Grain and Feed Association
National Precast Concrete Association
National Ready Mixed Concrete Association
National Stone Sand and Gravel Association
National Utility Contractors Association
Nevada Trucking Association
New Hampshire Motor Transport Association
New Jersey Motor Truck Association

New Mexico Trucking Association
NFIB
North American Miller's Association
North American Punjabi Trucking Association
North American Renderers Association
Owner-Operator Independent Drivers Association
Pet Food Institute
Port Drivers Association
Power and Communication Contractors Association
Precast/Prestressed Concrete Institute
Rhode Island Trucking Association, Inc.
South Carolina Trucking Association
South Dakota Trucking Association
Southwest Movers Association
Tennessee Trucking Association
Texas Trucking Association
Tilt-Up Concrete Association
Towing and Recovery Association of America, Inc
Truck Renting and Leasing Association
United Dairymen of Arizona
United Fresh Produce Association
United States Cattlemen's Association
Vermont Truck & Bus Association
Western States Trucking Association
Wyoming Trucking Association

cc: Members of the Problem Solvers Caucus