

Testimony Before the House Committee on Ways and Means
Select Revenue Measures Subcommittee
February 15, 2022
“Examining the Economic Impact of Federal Infrastructure Investment”

Chairman Thompson, Ranking Member Kelly, and Members of the Subcommittee, I want to thank you for the opportunity to appear today.

The McClymonds trucking business was formed in 1945 by my father, George R. McClymonds. Upon returning home from World War II, he launched the business by purchasing his first truck, a single axle truck, which he would haul sand, gravel and coal to people’s houses and shovel it into their basement for their heat. Along with my mother, Gladys, he operated the family business under the name George McClymonds Trucking while raising 6 children.

The company grew upon developing a great reputation in service and honesty winning over a network of customers and drivers throughout the 1950s, 1960s and 1970s. A lot of those customers are still with us today but most of those drivers have retired and with the shrinking driver pool it has become a real challenge to replace them.

In 1983, I purchased and incorporated the company as McClymonds Supply & Transit Co., Inc. Since incorporation, McClymonds Supply & Transit has grown to include a variety of trucking services, four trucking terminals, including an over-the-road division. As we developed a network of diverse regional customers, we started an affiliated third-party logistics company. MST Logistics, Inc., was founded 2004 to expand our ability to service customers by brokering freight to other reputable carriers and owner operators.

I appreciate this opportunity to share my perspective on infrastructure and the economy.

Trucking Industry

Truck drivers are an indispensable part of our economy and way of life.

The trucking industry moves over 70 percent of U.S. freight tonnage every year, and many communities rely exclusively on trucks to send and receive products. The industry is one of the country’s largest employers, with over 3.5 million drivers, or 1 of every 18 American jobs.

Increasingly, truck drivers are stuck with highway congestion and other inefficiencies. One report showed that traffic jams add nearly \$75 billion to the cost of freight transportation every year. The same report showed that truck drivers sat in traffic for 1 billion hours in 2016, burning nearly 7 billion gallons of fuel – about 13% of the industry’s total fuel use – and resulting in significant excess CO2 emissions. We must address bottlenecks in important freight corridors to ensure we don’t cause more harm to our economy and environment.

Infrastructure Investments are Critical to U.S. Economic Success

Because of the global pandemic many Americans have learned first-hand about the importance of a strong and well-functioning transportation system. When trucks are not able to operate efficiently, the entire supply chain faces slowdown. Consumers may see empty shelves and American businesses may not be able to obtain the products in a timely fashion.

All “infrastructure” spending isn’t created equal. The United States has some critical needs that should be a priority, especially considering our current supply chain challenges. The infrastructure bill last year included some long-overdue investments in our highways and bridges, yet there is a lot more investment needed. It also ignored some key shortfalls, like truck parking. Instead of spending money on special interest ideas like EV charging stations or unnecessary studies, Congress should put federal dollars into projects that will meet our most pressing needs.

When truckers are forced to spend money to comply with new government regulations or mandates, we must either absorb those costs when the market is tight or pass them along to the customer. In the first case, that leaves fewer resources for us to invest in our business to ensure we get goods or parts to the end user. If the costs are passed on to the customer, the result is higher prices – fueling the painful inflation we’ve seen in recent months. In both cases, the ultimate harm falls on hardworking Americans.

Higher Taxes Would Hurt Family Businesses and Truckers

Most of the family businesses that have incorporated since the 1980’s are Sub S corporations so the owners pay these taxes personally and any increase in taxes takes away re-investment dollars and any decrease in taxes allows the owners to increase their investment into equipment, new hires and the benefits to their employees.

The 2017 tax law provided tax relief to many businesses, with lower tax rates and expensing for equipment purchases. The plan to repeal so-called “stepped-up basis” would have worsened the effects of the death tax. It could force generational businesses like ours to sell off pieces in order to pay a tax bill to the IRS.

In addition, proposals to impose a truck-only tax on vehicle miles traveled would discriminate against the millions of truckers who deliver essential products to American families. While trucks account for only four percent of vehicles on the road and nine percent of all vehicle miles traveled nationally, they pay nearly half the tab for the entire Highway Trust Fund. If excise taxes to pay for roads and bridges are increased or amended, it should not be done in a discriminatory way.

Economic Benefits of a Strong Trucking Industry

We all share the goals of rebuilding the economy and improving our supply chains. By ensuring that truck drivers can move goods across the country safely and efficiently, we can reduce frustration for American families and businesses and clamp down on harmful inflation.

Since the start of the global pandemic, our industry has shown that it is up for the challenge. We look forward to continuing to deliver the correct materials at the correct time, location and volumes required to benefit the projects of our customers.