



March 16, 2021

The Honorable Peter DeFazio
Chairman
Committee on Transportation
and Infrastructure
U.S. House of Representatives
Washington, DC 20515

The Honorable Sam Graves
Ranking Member
Committee on Transportation
and Infrastructure
U.S. House of Representative
Washington, DC 20515

Dear Chairman DeFazio and Ranking Member Graves:

I am writing on behalf of the National Retail Federation to provide our views on the Committee's efforts to identify infrastructure priorities and report out a surface transportation reauthorization bill. The retail industry, which depends on the nation's roads, rails and ports, strongly believes investment in transportation infrastructure is an essential need.

NRF, the world's largest retail trade association, passionately advocates for the people, brands, policies and ideas that help retail thrive. From its headquarters in Washington, D.C., NRF empowers the industry that powers the economy. Retail is the nation's largest private-sector employer, contributing \$3.9 trillion to annual GDP and supporting one in four U.S. jobs — 52 million working Americans. For over a century, NRF has been a voice for every retailer and every retail job, educating, inspiring and communicating the powerful impact retail has on local communities and global economies.

U.S. retailers are among the country's largest shippers, moving hundreds of billions of dollars in merchandise through their supply chains, using America's transportation infrastructure. The condition of the U.S. freight transportation system is vital to American competitiveness, and especially the retail industry, which must be able to deliver goods to the consumer at bricks-and-mortar stores or through direct-to-consumer options. The U.S. freight infrastructure — particularly those segments such as the nation's highways that rely on public-sector funding — has suffered from decades of underinvestment, leading retailers to fear that future growth in global commerce will be stalled because of a lack of infrastructure to support it.

NRF urges Congress to act on a long-term infrastructure bill that will address current challenges, as well as plan for future growth. To achieve this goal, NRF offers the following recommendations:

Find a long-term, sustainable source of revenue for the federal Highway Trust Fund

While much of the nation's freight infrastructure is privately financed, the nation's highways are publicly financed through fuel taxes, which are a proxy for user-fees. Unfortunately, there has been no significant increase in the federal fuel taxes in decades. In addition, fuel-efficient

automobiles have decreased revenues over time, and this trend is likely to accelerate. Congress must find a funding mechanism that preserves the concept that the users of the system — trucks, automobiles and buses — should pay for it. New funding mechanisms or concepts, such as freight fees or taxes on freight transportation services, would overly burden one segment of users and should be avoided.

Create an Office of Multimodal Freight Transportation

By definition, moving freight across the nation requires the use of many modes of transportation. The products that line the shelves at NRF-member stores came by truck, but they also may have come by rail, air and water modes. Unfortunately, the U.S. Department of Transportation is organized by transportation mode, making it difficult to coordinate responses on important multimodal freight projects and issues. An Office of Multimodal Freight Transportation should be created within the U.S. Department of Transportation to holistically address these issues.

Support common-sense truck regulations

Retailers support safe and efficient trucking, but we also believe many regulations affecting commercial motor vehicles (CMVs) are not based on sound research with respect to the correlation between regulations and safety. Certain regulations have exacerbated the nation's truck driver shortage and congestion issues. NRF strongly supports the establishment of a commercial driver apprenticeship program, such as the ones proposed by the Developing Responsible Individuals for a Vibrant Economy (DRIVE-Safe) Act and the FMCSA's Under 21 Commercial Driver Pilot Program. These programs would help replenish the truck driver pool and offer promising careers to young adults. In addition, modernizing the national twin trailer standard from 28 feet to 33 feet would improve truck safety, efficiency and sustainability. Modernizing trucking equipment would lead reduced congestion with no cost to the taxpayer, increased safety, maximized efficiency and increased environmental gains.

Foster operational and environmental efficiencies in goods movement

Federal policy should employ positive approaches to enhance freight system efficiency and throughput with the goals of improving safety and reducing energy consumption and related greenhouse gas emissions.

Improve efficiency and reduce congestion

Congress should support and expand innovative government approaches to improve efficiency and reduce congestion. In particular, we believe the Supply Chain Innovation Teams created by the Federal Maritime Commission (FMC) provide an example of proactive government engagement that supports industry solutions that will improve supply chain efficiency, transparency and fluidity, while reducing congestion that contributes to greenhouse gas emissions. Improving port efficiency will also improve working conditions for short-haul truckers, and reduce consumer costs.

Build out America's broadband infrastructure

High-speed broadband Internet is essential to American life in the 21st century, and digital goods and services are intrinsically woven into the future of retail. Broadband is an important component of last mile infrastructure needs of both businesses and consumers. In addition to ensuring supply chain efficiency for retailers, adopting policies to expand broadband infrastructure would help rural, urban and other underserved customers connect with retailers,

restaurants and other businesses online that supply essential goods and services. Our experience during the pandemic has been a powerful lesson in the need to better serve customers by meeting the growing demand for digital services that will continue post-pandemic as more Americans increasingly come to rely on broadband to purchase food, goods and services. No community should be left behind in this digital evolution and Congress should include broadband infrastructure expansion in its broader infrastructure priorities.

We applaud the Committee for its continued efforts to improve the nation's infrastructure and address its long-term needs. A modernized and expanded infrastructure system is vital to American businesses, workers, consumers and global economic competitiveness. We look forward to working with you on these issues and surface transportation reauthorization.

Sincerely,

A handwritten signature in black ink, appearing to read "David French".

David French
Senior Vice President
Government Relations

cc: Members of the Committee on Transportation and Infrastructure