



The Honorable Earl Blumenauer  
1502 Longworth House Office Building  
Independence and New Jersey Aves. SE  
Washington, DC 20510

May 16, 2012

Dear Congressman Blumenauer,

On behalf of the Oregon Trucking Associations, Inc we want to thank you and your colleague Congressman Jim Gerlach for introducing HR4321, the Heavy Truck Tax Fairness Act of 2012. OTA members are part of a network of carriers that drive Oregon's highways to deliver freight, including to the 77 percent of Oregon communities that depend solely on trucks for the delivery of goods.

This legislation would replace the 12% federal excise tax (FET) on new trucks, tractors, and trailers with a comparable 6.4-cent per gallon tax on diesel fuel. We support this important legislation because it will;

1. Encourage trucking companies to buy the safest, most fuel efficient, and environmentally friendly equipment
2. Provide more stability to the Highway Trust Fund
3. Create jobs

As you are aware, on average the FET adds \$15,000 to the cost of a Class 8 tractor, and \$3,000 to the cost of a van trailer. Yet the FET's contribution to highway construction and maintenance funding is relatively small, accounting for only about 5% of all revenues deposited in the Highway Trust Fund in fiscal year 2009.

We believe as you do that trucking companies should be encouraged -- not discouraged -- from buying the newest equipment with the most advanced safety technologies, best fuel efficiency, and most up-to-date emissions systems. Encouraging new truck and trailer sales would also create much-needed, well-paying jobs for truck manufacturers, dealers, and suppliers.

To eliminate the FET disincentive, we encourage Congress to replace the FET with an equivalent diesel fuel tax, estimated by the Joint Committee on Taxation to be 6.4 cents per gallon. This would represent less than a 2% increase in the retail price of diesel fuel (assuming \$4.15/gallon).

The Highway Trust Fund would receive the same amount of revenue, and be more financially stable. FET receipts are highly cyclical because truck sales are influenced greatly by the state of the economy. Diesel fuel tax receipts, by contrast, are more steady and predictable.

For all of these reasons, the FET should be replaced with an equivalent tax on diesel fuel.

Once again, on behalf of the members of the Oregon Trucking Associations, Inc we want to thank you for your work on this important issue. Please do not hesitate to contact me should you have any questions.

Sincerely,

Handwritten signature of Debra Dunn in blue ink.

Debra Dunn  
OTA President

Handwritten signature of Dale Lemmons in blue ink.

Dale Lemmons  
President, Interstate Wood Products  
OTA Chair, 2011-13

Handwritten signature of Mike Card in blue ink.

Mike Card  
President, Combined Transport  
ATA First Vice Chair