AMERICAN LOGGERS COUNCIL 2023 CONGRESSIONAL FLY-IN



Mashington DC

State Association Members:

- Alabama Loggers Council
- Associated California Loggers
- Associated Contract Loggers & Truckers of Minnesota
- Associated Logging Contractors Idaho
- Associated Oregon Loggers
- Carolina Loggers Association (North Carolina)
- Great Lakes Timber Professionals Association (Wisconsin and Michigan)
- Green River Logger's Council (Kentucky)
- Independent Logging Contractors of Alabama
- Logging Standards Council (Ohio)
- Louisiana Loggers Association
- Louisiana Logging Council
- Michigan Association of Timbermen
- Mississippi Loggers Association
- Montana Logging Association
- New Hampshire Timberland Owners Association
- Northeastern Loggers Association (New York, Pennsylvania, Vermont, Rhode Island, Connecticut)
- Professional Logging Contractors of Maine
- South Carolina Timber Producers Association
- Southeastern Wood Producers Association (Florida and Georgia)
- Southern Loggers Cooperative
- Texas Logging Council
- Virginia Loggers Association
- Washington Contract Loggers Association
- West Virginia Loggers Council

Associate Member Organizations:

- Maryland Forests Association
- Loggers Association of Northern California
- Sierra Cascade Logging Conference (California)
- Intermountain Logging Conference (Washington, Oregon, Idaho, Montana)
- Biomass Power Association
- Alleghany Hardwoods Utilization Group (Pennsylvania)

Sponsors:

- Southern Loggers Cooperative
- International Union of Operating Engineers
- Associated California Loggers
- Great Lakes Timber Professionals Association
- Tigercat South Carolina Timber Producers Association
- Morbark

- John Deere
- Bandit
- Tigercat
- Caterpillar
- Navistar/International
- Bitco
- FM Fuel Resources

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American Loggers Council

The National Voice of Professional Loggers "Loggers Working for Loggers"

Established in 1994 by loggers from across the country to establish a national voice to speak on behalf of the American logger and defend the historical tradition of natural resource utilization upon which the country was built.

Today, the American Loggers Council represents loggers and timber industry representatives in 38 states. Thirty state timber and forestry associations, Independent Logger Members, and Associate Members are the collective voice of the American Loggers Council. Now, the largest logging industry association in the country, the American Loggers Council leads national policy on behalf of 50,000 loggers and truckers.



Today's timber industry has evolved into a vital component of healthy forest management essential to sustainable forestry, animal habitat preservation, wildfire mitigation, carbon sequestration, forest-based products (lumber, paper, energy), and rural jobs.

The American timber industry is vital to maintaining healthy forests, which must be a key component of any



national forest management policy. Increased active forest management on federal lands (already being conducted on other public and private lands) is necessary to ensure the forests can contribute positively to this effort. At present, where the National Forests account for the majority of the timberlands, forests are often a net carbon source, not a carbon sink. Poor forest management – or lack of any management – is the leading cause.

Forest management depends on a strong and stable timber and forest products industry comprising timberland, logging, trucking, and consuming mills. When one of these components becomes unsustainable, the entire system begins to fail. Enacting the legislation referenced in the following pages will help shore up a system experiencing significant stress. The issues outlined can contribute to the stabilization and post-pandemic recovery of the timber industry. Congressional inclusion of these issues, or Executive action, will provide an unmatched return on investment in the American environment and economy.

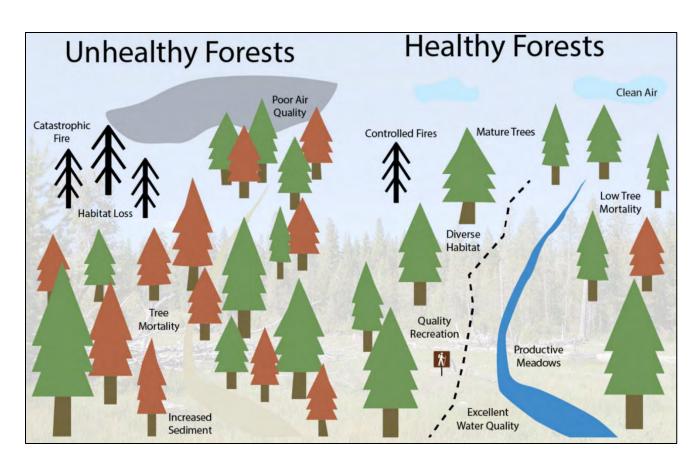
As President Teddy Roosevelt said over 100 years ago.

"You must remember that the forest, which contributes nothing to the wealth, progress, or safety of the country, is of no interest to the government."

Forest management depends on a stable supply chain infrastructure, including timber harvesters, haulers, and end-product mills. The loss of any component compromises the entire process.

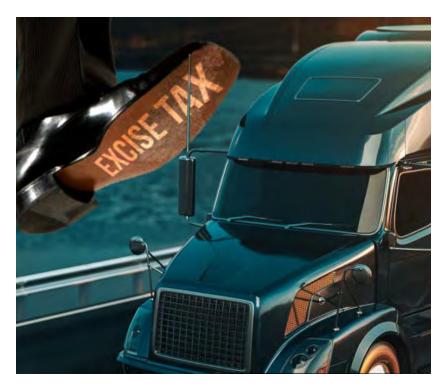
In many regions, federal timber lands are the primary source of timber for mills. A loss or reduction in federal timber availability results in the closure of mills in these areas, consequently impacting and reducing logging capacity and undermining the forest management objectives of public and private land management interests. It is a finely balanced inter-dependent system.

However, when any sector of the process is not stable or lost, it becomes a self-perpetuating downward spiral of collapse. This is evident in the USFS decision to reduce timber sale volume in the Black Hills of South Dakota, which directly contributed to the closure of a mill in Hill City that had been in operation for over 50 years. Twelve logging operations supplied this mill. Now, when the USFS decides to resume timber harvesting operations at increased volume, there will not be a mill or loggers to utilize the timber, meaning the forest management objectives of the USFS will not be accomplished.



Bi-partisan Congressional Support for a Cleaner Climate with Elimination of Excise Tax

The Federal Excise Tax on Semi-Trucks and Trailers has proven counterproductive to encouraging investment in new state-of-the-art trucks, with improved emission technology and fuel efficiency. Consequently, the effect is older, higher emission, lower fuel efficiency trucks remaining in service. To properly incentivize the purchase of new trucks, Congress should repeal the Federal Excise Tax on trucks and trailers.



CONGRESS AGAIN AIMS TO ELIMINATE FEDERAL EXCISE TAX ON TRUCKS

<u>June 2022</u> - For the second time in the last 12 months, Congress has introduced legislation that would repeal the 12% federal excise tax (FET) on heavy trucks.

On Thursday, Reps. Doug LaMalfa (R-California) and Chris Pappas (D-New Hampshire), introduced the Modern, Clean, and Safe Trucks Act of 2022. Sens. Todd Young (R-Indiana) and Ben Cardin (D-Maryland) introduced a similar Senate bill last year, but it never advanced past the Committee on Finance.

The excise tax on heavy trucks, which was first enacted in 1917 to help pay for World War I, is the highest excise tax levied by the federal government

and could add more than \$30,000 to the cost of new heavy trucks, trailers, semitrailer chassis and tractors for highway use, according to a press release from bill sponsor LaMalfa. Off-highway equipment such as agriculture, earthmoving, forestry, and mining machinery are exempt from the tax. This tax is paid at the time of sale and is not levied on used truck sales, consequentially encouraging the purchase of used vehicles.

It was last increased in 1982 to 12%, and although it was set to expire in 1987, it was extended in 1987, 1991, 1998, 2005, 2012, and 2015.

"The federal excise tax has outlived its original purpose by over a century," LaMalfa said. "Between Sacramento and Washington, truckers have dozens of regulations on emissions and safety to follow. However, at the same time, our tax code disincentivizes them from purchasing the most up-to-date trucks, with the federal excise tax adding as much as \$30,000 by itself."

The American Truck Dealers (ATD) applauded the bill's introduction.

"We need new and more environmentally friendly trucks deployed on our roadways," said Scott McCandless, ATD Chairman and president of McCandless Truck Center. "Half of the Class 8 trucks on the road are over 10 years old and lack the cleaner technologies and fuel efficiency gains of today's new trucks. The FET is a barrier to our national goal to put more cleaner-emission trucks in service. For electric trucks, the FET is a counterproductive dead weight."

"The federal excise tax (FET) is bleeding companies dry. A 12% FET on a \$115,000 cost is a lot different than a 12% FET on a \$225,000 purchase. As a counterpunch, why doesn't Congress reduce the FET from 12% to 6%? The same sum of money that came from tractor purchases in 2013 will go into the highway fund, but it will save contractors money."

- Dana Doran, Executive Director, Professional Logging Contractors of Maine

117TH CONGRESS 2D SESSION

H. R. 8116

To amend the Internal Revenue Code of 1986 to repeal the excise tax on heavy trucks and trailers, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

June 16, 2022

Mr. LAMALFA (for himself and Mr. PAPPAS) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to repeal the excise tax on heavy trucks and trailers, and for other purposes.

Be it enacted by the Senate and House of Representa-

- 2 tives of the United States of America in Congress assembled,
- 3 SECTION 1. SHORT TITLE.
- This Act may be cited as the "Modern, Clean, and
- Safe Trucks Act of 2022".
- SEC. 2. FINDINGS. 6

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- Congress finds that-
- (1) the 12-percent Federal retail excise tax on
- Q certain new heavy trucks, tractors, and trailers, cou-
- 10 pled with new regulatory mandates, significantly in-

- (8) over the past 3 decades, cleaner fuel and advanced engines have combined to reduce nitrogen oxide (NOx) emissions by 97 percent and particulate matter (PM) emissions by 98 percent;
- (9) the Federal excise tax disproportionately impacts electric and alternative-fueled trucks, which currently have a higher up front cost, at a time when adoption of these technologies is needed to accelerate the transition to zero emission vehicles and the reduction of carbon pollution from transpor-
- (10) there are approximately 1,300,000 United States manufacturing, supplier, dealership, and heavy-duty trucking and trailer related jobs;
- (11) since the Federal retail excise tax on certain new heavy trucks, tractors, and trailers is based on annual sales, receipts from the tax deposited in the Highway Trust Fund can vary greatly;
- (12) Congress should consider a more reliable and consistent revenue mechanism to fund the Highway Trust Fund;
- (13) Congress should advance the deployment of the most modern, clean, and safe trucks through eliminating the Federal excise tax on trucks; and

creases the cost of new heavy-duty trucks, tractors, and trailers and discourages the replacement of older, less environmentally clean and less fuel economical vehicles:

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- (2) this 12-percent Federal retail excise tax is the highest percentage rate of any Federal ad valorem excise tax:
- (3) the Federal excise tax was first levied by Congress in 1917 to help finance America's involvement in World War I;
- (4) the 12-percent Federal retail excise tax routinely adds between \$12,000 and \$22,000 to the cost of a new heavy truck, tractor, or trailer;
- (5) more than half of the Class 8 trucks on the road are over 10 years old and lack a decade of environmental and safety technological advancements;
- (6) since 2007, new trucks have reduced carbon dioxide emissions by 202 million tons, nitrogen oxide emissions by 27 million tons, and saved 20 billion gallons of diesel and 472 million barrels of crude oil;
- (7) an owner of a single Class 8 truck powered by the latest clean diesel engine can expect to save about 2,200 gallons of fuel each year compared to previous generations of technology;

- (14) repealing the Federal excise tax would re-1 2 sult in the replacement of older internal combustion engine trucks with new heavy duty trucks that employ the latest safety and environmental tech-5 nologies.
- SEC. 3. REPEAL OF EXCISE TAX ON HEAVY TRUCKS AND 7 TRAILERS.
- (a) IN GENERAL.-Chapter 31 of the Internal Rev-9 enue Code of 1986 is amended by striking subchapter C 10 (and by striking the item relating to such subchapter from
- 11 the table of subchapters for such chapter).

(b) Conforming Amendments.—

- 13 (1) Section 4072(c) of such Code is amended to 14 read as follows:
- "(c) TIRES OF THE TYPE USED ON HIGHWAY VEHI-15 16 CLES .-
- "(1) IN GENERAL.—For purposes of this part, 18 the term 'tires of the type used on highway vehicles' 19 means tires of the type used on-
 - "(A) motor vehicles which are highway vehicles, or
 - "(B) vehicles of the type used in connection with motor vehicles which are highway vehicles.
- 25 "(2) EXCEPTION FOR MOBILE MACHINERY .-

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1	"(A) IN GENERAL.—Such term shall not
2	include tires of a type used exclusively on mo-
3	bile machinery.
4	"(B) Mobile Machinery.—For purposes
5	of subparagraph (A), the term 'mobile machin-
6	ery' means any vehicle which consists of a chas-
7	sis—
8	"(i) to which there has been perma-
9	nently mounted (by welding, bolting, riv-
10	eting, or other means) machinery or equip-
11	ment to perform a construction, manufac-
12	turing, processing, farming, mining, drill-
13	ing, timbering, or similar operation if the
14	operation of the machinery or equipment is
15	unrelated to transportation on or off the
16	public highways,
17	"(ii) which has been specially designed
18	to serve only as a mobile carriage and
19	mount (and a power source, where applica-
20	ble) for the particular machinery or equip-
21	ment involved, whether or not such ma-
22	chinery or equipment is in operation, and
23	"(iii) which, by reason of such special
24	design, could not, without substantial
25	structural modification, be used as a com-

ponent of a vehicle designed to perform a function of transporting any load other than that particular machinery or equipment or similar machinery or equipment requiring such a specially designed chassis.". (2) Section 4221 of such Code is amended— (A) in subsection (a)— (i) by striking "(or under subchapter 10 C of chapter 31 on the first retail sale)", 11 12 (ii) by striking "4051 or", 13 (B) in subsection (c), by striking "and in the case of any article sold free of tax under 14 15 section 4053(6),", and 16 (C) in subsection (d)(1), by striking ", 17 and, in the case of the taxes imposed by subchapter C of chapter 31, includes the retailer 19 with respect to the first retail sale". 20 (3) Section 4222(d) of such Code is amended 21 by striking "4053(6),". 22 (4) Section 4293 of such Code is amended by 23 striking "section 4051,".

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1 (5) Section 4483(g) of such Code is amended 2 by striking "section 4053(8)" and inserting "section 3 4072(c)(2)".

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- (6) Section 6416(b)(2) of such Code is amended by striking "or under section 4051".
- (7) Section 6416(b) of such Code is amended by striking paragraph (6).
- (8) Section 9503(b)(1) of such Code is amended by striking subparagraph (B) and by redesignating subparagraphs (C), (D), and (E) as subparagraphs (B), (C), and (D), respectively.
- 12 (c) EFFECTIVE DATE.—The amendments made by 13 this section shall apply to sales and installations on or 14 after the date of the introduction of this Act.

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ALC 2nd Vice President Josh McCallister and Louisiana Logger's Association and PAC, Executive Director Toni McCallister. Representing the ATA were Henry Hanscom, Vice President Legislative Affairs and Will Sehestedt, Director of Legislative Affairs.



Future Logging Careers Act

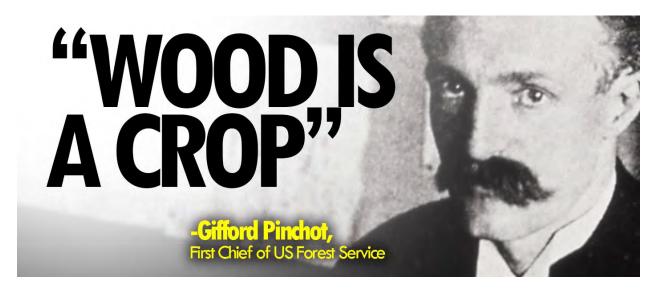
The Fair Labor Standards Act exempts minors from employment by their parents in any occupation on a farm owned and operated by their parents. Minors 16 and older may perform any job, whether hazardous or not. U.S. Department of Labor, Wage and Hour Division, reference quide.

Workforce development is an issue impacting and delaying the post-pandemic economic recovery. The situation is similar within the timber industry. It is further compounded by the aging workforce, projected retirements (14% over the next 8 years), lack of interest or knowledge by young entry-level prospective employees, and competitiveness.



One of the traditional and historically typical workforce pipelines for rural jobs has been the generational family transitional experience. This is like the family farm situation. Based on this multigenerational workforce development path, family farms have been permitted to incorporate family members ages 16 and 17 in the family farming business's operation (mechanized equipment). The timber industry is similarly positioned and has promoted an identical allowance through the Future Logging Careers Act legislation. A copy of the legislation is attached and has had bipartisan support.

The logging industry is an agricultural industry, like farming. Generational succession is necessary to ensure that the skills are taught and conveyed from generation to generation.



117TH CONGRESS 1ST SESSION

H. R. 2727

To amend the Fair Labor Standards Act of 1938 to exempt certain 16and 17-year-old individuals employed in timber harvesting entities or mechanized timber harvesting entities from child labor laws, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 21, 2021

Mr. Golden (for himself, Mr. Thompson of Pennsylvania, Mr. Gallagher, Ms. Kuster, Mr. Tiffany, Mr. Palmer, Mr. Grothman, Ms. Pin-GREE, Mr. NORMAN, Mr. PALAZZO, and Mr. GUEST) introduced the following bill; which was referred to the Committee on Education and Labor

A BILL

To amend the Fair Labor Standards Act of 1938 to exempt certain 16- and 17-year-old individuals employed in timber harvesting entities or mechanized timber harvesting entities from child labor laws, and for other purposes.

- 1 Be it enacted by the Senate and House of Representa-
- 2 tives of the United States of America in Congress assembled,
- 3 SECTION 1. SHORT TITLE.
- This Act may be cited as the "Future in Logging Ca-
- 5 reers Act".

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eighteen years;

1	SEC. 2. CHILD LABOR LAW EXEMPTIONS FOR TIMBER HAR-
2	VESTING ENTITIES AND MECHANIZED TIM-
3	BER HARVESTING ENTITIES.
4	The Fair Labor Standards Act of 1938 (29 U.S.C.
5	201 et seq.) is amended—
6	(1) in section 3 (29 U.S.C. 203), by adding at
7	the end the following:
8	$``(\mathbf{z})(1)$ 'Timber harvesting employer' means an em-
9	ployer engaged in—
10	"(A) the felling, skidding, yarding, loading
11	and processing of timber by equipment other
12	than manually operated chainsaws and cable
13	skidders;
14	"(B) the felling of timber in mechanized
15	operations;
16	"(C) the bucking or converting of timber
17	into logs, poles, ties, bolts, pulpwood, chemical
18	wood, excelsior wood, cordwood, fence posts, or
19	similar products;
20	"(D) the collecting, skidding, yarding,
21	loading, transporting and unloading of such
22	products in connection with logging;
23	"(E) the constructing, repairing and main-
24	taining of roads or camps used in connection
25	with logging; the constructing, repairing, and

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•HR 2727 IH

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maintenance of machinery or equipment used in 2 logging; and "(F) other work performed in connection with logging. 5 "(2) 'Mechanized timber harvesting employer'-"(A) means an employer engaged in the felling, skidding, yarding, loading and processing of timber by equipment other than manually operated chainsaws and cable skidders; and 10 "(B) includes an employer engaged in the use 11 of whole tree processors, cut-to-length processors, 12 stroke boom delimbers, wheeled and track feller-13 bunchers, pull thru delimbers, wheeled and track 14 forwarders, chippers, grinders, mechanical debark-15 ers, wheeled and track grapple skidders, yarders, 16 bulldozers, excavators, and log loaders."; and (2) in section 13 (29 U.S.C. 213), by adding at 17 18 the end the following: "(k) The provisions of section 12 relating to child 19 20 labor shall not apply to an employee between the ages sixteen and eighteen years who is employed— 21 "(1) in an occupation that the Secretary of

Labor finds to be particularly hazardous for the em-

ployment of children between the ages of sixteen and

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"(2) by a person who is a parent, or standing 2 in the place of a parent, of such employee; and 3 "(3) by a timber harvesting employer or a 4 mechanized timber harvesting employer, owned or operated by such person.".

NATIONAL LOGGERS' DAY

Last year, the American Loggers Council announced the introduction of a Senate Resolution, House Resolution of Support, and Letter of Recognition from President Biden designating October 12th as "National Loggers Day".

Loggers were a part of carving out a new life in America 400 years ago and continue to build America daily. Loggers today carry on the proud tradition that has been a part of the American fabric since the beginning and will continue to be in the future. The proud timber industry heritage depicted by the iconic Paul Bunyan lives on in today's loggers. They are an American legacy.



"Our forest products industry has supported goodpaying jobs, driven local economies, strengthened rural communities, and protected our natural
environment. I come from a six-generation forest-products family and know of no other enterprise that
requires more faith in the future and respect for the past," said Senator Collins. "I am proud to join
Senator Baldwin in honoring the skilled and resilient loggers in Maine and across the country. I have
strongly supported these hardworking men and women by advocating for workforce development
programs and securing financial assistance during the pandemic, and I look forward to continuing to be a
strong partner on issues to protect this resilient industry and its talented employees."

"I'm proud to lead this bipartisan effort with Senator Collins to spotlight the importance of logging businesses and workers who keep our forests healthy and support our Made in America forest products supply chain," said Senator Baldwin. "Wisconsin's logging economy provides good-paying jobs and revenue for rural communities and the National Park System. Healthy forest management also provides public recreational opportunities that make the Wisconsin way of life a national treasure. With this bipartisan Senate Resolution, we are showing our commitment to the loggers who work hard to advance what has been a cultural tradition in the United States for centuries."

"The significance of this proclamation for loggers across the United States cannot be overstated," Dana Doran, Executive Director of the Professional Logging Contractors of Maine, said. "At no prior time in our nation's history have loggers been recognized for their selfless and heroic efforts by our nation's government, and we especially want to thank U.S. Senator Susan Collins for leading the effort to honor their contribution to our nation's economy on behalf of the hard-working small family businesses in the industry. Loggers work hard day in and day out to supply every American with products that they need to live safe and productive lives. It's important to not only honor this heritage industry but also to be sure that every American recognizes the importance of their contribution now and in the future."

Loggers supply the renewable resources that the forest products industry (paper, lumber, biomass, etc.) requires to produce the products people need, use, and depend on. That is why they were deemed essential and continued working through the pandemic.

American forests are healthy and sustainable due to the services that loggers provide to the public and private forest managers which allows them to meet their sustainable forest management objectives.

The American logger improves rural communities, forest health, animal habitat, wildfire mitigation, carbon sequestration, and renewable energy development. Without loggers, these public economic and environmental benefits would not be possible.

The American Loggers Council appreciates the Congressional and Presidential recognition of the American Logger and the contribution that they have made for generations in building America.



THE WHITE HOUSE WASHINGTON

October 12, 2022

I send my warmest greetings to all those celebrating National Loggers Day.

America is the largest producer of forest products in the world, and every day we rely on the timber industry for so many essential goods: the lumber that builds our homes, the paper we print, the medicines we take, and much more. We owe a great deal to America's loggers who make this all possible. Their hard work not only helps power our economy but also sustainably stewards vital natural resources.

To enable the future success of our Nation's loggers, my Administration is committed to conserving and restoring the health of our forests and the bounty they provide. In the years ahead, I know that we can continue to create new jobs and ensure that forest management and economic growth go hand-in-hand.

Ist Jean

To America's loggers, I look forward to all that we can accomplish together.

117TH CONGRESS 2D SESSION S. RES.

Designating October 12, 2022 as "National Loggers Day".

IN THE SENATE OF THE UNITED STATES

Ms. BALDWIN (for herself, Ms. COLLINS, Mr. RISCH, Mr. CASSIDY, Mr. KING, and Mr. Daines) submitted the following resolution; which was referred to the Committee on

RESOLUTION

Designating October 12, 2022 as "National Loggers Day".

Whereas the logging industry has served as an economic driver and cultural tradition in the United States for centuries;

Whereas the logging industry creates rural jobs and provides revenue for local and State governments and National Forests;

Whereas loggers provide renewable material for products used by people in the United States every day;

Whereas loggers are the first link in the \$300,000,000,000 domestic forest products supply chain;

Whereas loggers are the means by which healthy forest management plans are accomplished; LIP22585 WCN

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S.L.C.

Whereas logging provides for healthy forests that maintain vital animal habitats;

Whereas logging provides for healthy forests which-

- (1) protect watersheds;
- (2) sequester carbon;
- (3) provide public recreational opportunities; and
- (4) reduce loss of life and property from wildfires; and

Whereas logging provides for healthy forests through regeneration, including planting 2,500,000,000 trees annually: Now, therefore, be it

- 1 Resolved, That the Senate—
- 2 (1) designates October 12, 2022, as "National
- 3 Loggers Day"; and
- 4 (2) encourages the President to officially des-
- 5 ignate October 12th as "National Loggers Day".



The Strengthening Supply Chains Through Truck Driver Incentives Act

Co-Leads: Reps. Abigail Spanberger (D-VA) and Mike Gallagher (R-WI)

Background:

The truck driver shortage impacts all Americans through delayed and more expensive shipping costs, leading to higher prices of consumer goods. Trucks move more than 72 percent of US freight, and truck driver shortages have significantly contributed to persistent supply chain issues.



In 2021, US trucking companies experienced

a record deficit of 80,000 drivers. Additionally, a 2019 BLS report found that the average turnover rate was 94% across large freight carriers and 79.2% across smaller ones. The median age of truck drivers is 51-52 years old, and the industry will need to add even more new drivers in the coming years as thousands of drivers retire. To address this, the Department of Labor is working with trucking companies to expand trucking registered apprenticeship programs to recruit and train younger drivers. Trucking companies have also offered drivers incentives to stay in the industry and to attract new drivers.

While several factors impact prospective drivers' choice to pursue other fields, and drivers are leaving the profession, this bill will provide a short-term, fast, and straightforward incentive to attract and retain drivers.

What the bill does:

- Create a new refundable tax credit of up to \$7,500 for truck drivers with a valid Class A commercial driver's license (CDL) who drive at least 1,900 hours annually.
- Create a refundable tax credit of up to \$10,000 for new truck drivers or individuals enrolled in a registered trucking apprenticeship.
- New truck drivers would be eligible for the credit if they did not drive a commercial truck in the previous year, drive for at least 1,420 hours in the current year, or may receive a proportion of the credit if they drive less than 1,420 hours in the year, but drove at least an average of 40 hours a week upon starting to drive.
- The tax credit will last two years (2023 and 2024).
- To be eligible, a driver's income may not exceed the following levels:
 - o Individual: \$90,000
 - o Head of household: \$112,500
 - o Joint filer: \$135,000

Contact Info:

For additional information or if you would like to endorse the legislation, please email Isabel Coughlin (Rep. Spanberger) at isabel.coughlin@mail.house.gov. I appreciate your consideration.

117TH CONGRESS 2D SESSION

H.R.7348

To amend the Internal Revenue Code of 1986 to establish a refundable tax credit for commercial truck drivers.

IN THE HOUSE OF REPRESENTATIVES

MARCH 31, 2022

Ms. Spanberger (for herself and Mr. Gallagher) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to establish a refundable tax credit for commercial truck drivers.

- 1 Be it enacted by the Senate and House of Representa-
- 2 tives of the United States of America in Congress assembled,
- 3 SECTION 1. SHORT TITLE.
- 4 This Act may be cited as the "Strengthening Supply
- 5 Chains Through Truck Driver Incentives Act of 2022".
- 6 SEC. 2. CREDIT FOR COMMERCIAL TRUCK DRIVERS.
- 7 (a) IN GENERAL.—The Internal Revenue Code of
- 8 1986 is amended by inserting after section 36B the fol-
- 9 lowing new section:

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- 1 "(B) in the case of an individual who did
 2 not drive a commercial truck in the preceding
 3 taxable year, not less than an average of 40
 4 hours per week with respect to weeks during
 5 the taxable year in which such individual drove
 6 such a vehicle in the course of a trade or business.
- 8 "(c) Special Rule for Apprentices.—With re-
- 9 spect to an individual enrolled in an apprenticeship pro-
- 10 gram registered under the Act of August 16, 1937 (com-
- 11 monly known as the 'National Apprenticeship Act'), who,
- 12 upon completion or in the course of such apprenticeship
- 13 program will receive a Class A commercial driver's li-
- 14 cense—
- 15 "(1) the requirements of subsection (b)(1) shall
- 16 not apply, and
- 17 "(2) such individual may count training hours
- in such program as hours driving a vehicle described
- 19 in subsection (b)(1) for the purposes of this section.
- 20 "(d) Special Rule for New Truck Drivers.—
- 21 Except as provided in subsection (e), in the case of an
- 22 eligible taxpayer who did not drive a commercial truck in
- 23 the course of a trade or business during the preceding tax-
- 24 able year, subsection (a) shall be applied by substituting
- 25 '\$10,000' for '\$7,500'.

"SEC. 36C.	CREDIT	FOR	COI	MMERCIAL	TR	UCK	DRIV	ER	S
"(a)	ALLOWA	NCE	OF	CREDIT.—	-In	the	case	of	a

- 2 "(a) Allowance of Credit.—In the case of an eli-3 gible individual, there shall be allowed as a credit against 4 the tax imposed by this subtitle an amount equal to 5 \$7,500 for the taxable year.
- 6 "'(b) ELIGIBLE INDIVIDUAL.—For the purposes of 7 this section, the term 'eligible taxpayer' means, with re-8 spect to a taxable year, an individual—
- 9 "(1) who holds a valid Class A commercial driv10 er's license (except as provided in subsection (c))
 11 who operates a tractor-trailer combination that
 12 qualifies as a Group A vehicle under section
 13 383.91(a)(1) of title 49, Code of Federal Regula14 tions.
- 15 "(2) whose adjusted gross income for the tax-16 able year does not exceed—
- 17 "(A) in the case of a joint return or sur-18 viving spouse, \$135,000,
- 19 "(B) in the case of an individual who is a 20 head of household, \$112,500, or
- "(C) in the case of any other individual,
 \$90,000, and
- 23 "(3) who drove such a vehicle in the course of 24 a trade or business—
- 25 "(A) not less than 1900 hours during such 26 taxable year, or

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- "(e) Special Rule for Drivers With Less Than
- 2 1420 Hours.—In the case of an eligible taxpayer who did
- 3 not drive a commercial truck in the preceding taxable year
- 4 who drives a commercial truck for less than 1420 hours
- 5 in the course of a trade or business during the taxable
- 6 year, the amount of the credit allowed by subsection (a)
- 7 shall be the amount that bears the same proportion to the
- 8 dollar amount (determined without regard to this sub-
- 9 section) with respect to the individual under subsection (a)
- 10 as the number of hours such individual drove a commercial
 11 truck in the course of a trade or business during such tax-
- 11 duck in the course of a trade of business during such tax
- 12 able years bears to 1420 hours.
- 13 "(f) Inflation Adjustment.—In the case of any
- 14 taxable year beginning after 2022, the dollar amounts in
- 15 this section shall be increased by an amount equal to-
 - "(1) such dollar amount, multiplied by
- 17 "(2) the cost-of-living adjustment determined
- 18 under section 1(f)(3) for the calendar year in which
- 19 the taxable year begins, determined by substituting
- 20 'calendar year 2021' for 'calendar year 2016' in sub-
- 21 paragraph (A)(ii).
- 22 "(g) TERMINATION DATE.—This section shall not
- 23 apply to any taxable year beginning after December 31,
- 24 2023.".

16

25 (b) Conforming Amendments.—

Renewable Fuel Standard Biomass Forest-Based Feedstock Hazardous Fuels Reduction RIN's Eligibility

Until recently, the United States was the only developed country in the world that did not recognize forest-based biomass as a carbon-neutral renewable resource. This impeded the development and utilization of forest-based biomass feedstock to produce bio-crude, biochar, biofuel, and wood pellets.



The Renewable Fuel Standard (RFS), as Congressionally developed and intended, includes several categories. However, D-3 and D-7 categories have never been produced or recognized. The EPA's misinterpretation of

eligible biomass feedstock is the single impediment to this. The EPA's determination contradicts all publicly and privately accepted biomass source standards. In fact, the USDA has advised the EPA of this contradiction and provided expertise to correct this discrepancy. Until this is resolved, billions of dollars in investment remain sidelined, and critical unmerchantable timber (hazardous fuels) markets remain undeveloped.

If and when this issue is resolved, the forest-based biomass feedstock can produce renewable bio-crude / biofuel and reduce fossil fuel use.

The correction of the EPA opinion is necessary before the USDA / USFS can fully implement many of the hazardous fuel reduction provisions in the Infrastructure Investment and Jobs Act and the Inflation Reduction Act. Otherwise, viable markets will not be developed to utilize the hazardous fuels, leaving them to be disposed of via burning (releasing carbon into the atmosphere).

Additionally, it is critically necessary to amend the faulty EPA Renewable Fuel Standard 2, definition of Areas of Risk of Wildfire, restriction of eligible biomass that is obtained from within 200 feet of buildings and other areas regularly occupied by people, or of public infrastructure, in an area at risk of wildfire, i.e., Wildland Urban Interface. Instead, eligible biomass should be designated by USFS wildfire hazard maps, and any high-priority wildfire landscape areas and fire sheds already identified by the USFS and further identified in the future.

Lower Emissions and Safer Streets Through Interstate Routing LESS TIRing

A study found that nearly 78% of all log truck fatal crashes occurred in the Southeast portion of the United States. In these states, oncoming cars infringing on the logging trucks' lanes were the leading cause of logging truck accidents. These accidents account for 20% of all log truck accidents and often occur on rural roads.

The logistical transportation challenges of the supply chain are affecting all industry sectors. Timber transport capacity is no exception.

However, efficiency improvements can increase capacity within limited resources. A simple no-cost opportunity to increase capacity, reduce truck trips, reduce fuel consumption, reduce carbon emissions, and improve safety was introduced in the House of Representatives' "Safe Routes Act of 2021" (H.R. 2213), with bipartisan support.



Additionally, consideration to incorporate

legislation established by precedent in Wisconsin and other states to grandfather local / state road systems being transferred into the Interstate System must be authorized to maintain access and the weight limits as previously permitted. Loss of these routes will increase truck trips, fuel consumption, miles transited, and carbon emissions and transfer semi-truck traffic onto less safe rural routes. Maintaining and continuing the weight limits on these roadways does not change what they were subject to previously.

There is precedent for another "targeted" option of identifying and designating priority corridors within each state to address high-priority transportation routes. The legislation was passed in 2015 allowing a 23-mile corridor in Minnesota to access the federal Interstate System with logging trucks at 99,000 pounds. This authorization removed logging trucks from downtown cobblestone roads in Duluth, Minnesota, and took them out of residential / school zones.

The following letter was submitted to the White House following a discussion White House officials had regarding the fuel crisis and recommendations to address it.



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NOVEMBER 5, 2022

The American Loggers Council respectfully requests that President Biden, under the authority of the Stafford Act, issue a National Emergency Declaration regarding the diesel fuel crisis. Diesel fuel costs are near record highs, and current inventories are at record lows. This supply and demand imbalance is anticipated to increase costs above the current level and potentially cause supply disruptions. The economic impacts of escalating diesel prices and potential rationing will contribute to further inflationary increases, resulting in transportation capacity reductions, particularly within the timber industry sector. The timber industry supplies the raw materials for all forest product manufacturers, with a \$300 billion-dollar economic impact.

The Administration recognizes the economic threat that the current diesel prices and supply represent to the supply chain of all sectors of the economy and has taken emergency actions to stabilize and reduce diesel fuel costs.

The Strategic Petroleum Reserve (SPR), maintained by the United States Department of Energy, is the largest "emergency" supply in the world, established primarily to reduce the impacts of disruptions in the supply of petroleum products. The Administration has released one million barrels of oil per day from the SPR, beginning in March 2022, for 180 million barrels. This "emergency" action was required due to geopolitical events that threaten and disrupt the supply of petroleum products.

On October 28th, 2022, as notified through the Federal Motor Carrier Safety Administration, the State of Iowa issued a Proclamation of Disaster Emergency addressing the "extensive challenges" to access of fuels and therefore issued waivers on Hours-of-Service limitations to drivers transporting fuel. This Disaster Emergency Proclamation also allows petroleum transportation trucks to transport heavier loads (90,000 pounds) "except on federal interstates." This action further confirms the "emergency" situation threatening the supply of fuel products in Iowa.

On November 1st, 2022, as distributed by the Federal Motor Carrier Safety Administration, the State of Nebraska issued an Executive Order, Emergency Relief Due to Fuel Supply Shortages, stating that due to high demand and logistical delays, (it) "finds that these conditions constitute an emergency and meet the purpose of facilitating a waiver to the



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U.S. Department of Transportation, Federal Motor Carrier Safety Regulations, specifically Hours of Service of Drivers." Therefore, a temporary waiver of federal requirements under Hours of Service of Drivers for the limited purpose of hauling gasoline or gasoline blends, diesel, fuel oil, ethanol, propane, and biodiesel has been ordered. Again, the fuel crisis constituted an "emergency" situation in Nebraska and warranted the waiver of federal regulations.

Based on the "emergency" intent of the Strategic Petroleum Reserves and the Administration's actions supporting the petroleum "emergency" by releasing reserves to maintain the stability of petroleum markets; the State of Iowa Proclamation of Disaster Emergency regarding waivers to Hours of Service for drivers and truck weights; and Nebraska's Executive Order waiving federal Hours of Service regulations for truck drivers transporting petroleum products, it is clear that President Biden would be warranted in declaring a National Emergency Declaration under the authority of the Stafford Act.

Within President Biden's authority of the National Emergency Declaration, the American Loggers Council requests that Interstate Truck Weights be waived for raw unfinished timber and agricultural products corresponding to raw unfinished timber and agricultural products' state weight limits.

There are limited short-term options to increase supply and reduce diesel fuel prices. However, allowing trucks that are currently operating on non-interstate road systems with state-established weights to access the federal interstate systems at these same weights will allow for more direct, safer, and efficient routes, thus indirectly reducing transportation expenses; allowing for fewer miles traveled; increasing miles per gallon (10%-20%); and reducing carbon emissions.

There is ample precedent to support this request. Logging trucks in Maine, New Hampshire, and Vermont are authorized via federal legislation to transport raw unfinished timber products up to 100,000 pounds on federal interstates within those states. In 2015, the State of Minnesota was authorized via Congressional legislation for logging trucks to access a 23-mile segment of the federal interstate system at weights of 99,000 pounds.

Recent Congressional legislation grandfathered road systems that were state highways incorporated into the federal interstate system in North Carolina and Wisconsin to allow



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logging trucks at the prior state weights to continue accessing these roadways at the higher weights.

Additionally, comprehensive studies in Maine, Minnesota, Mississippi, and the University of Georgia of the accident rates for logging trucks after routing onto the federal interstate system and off state and local roads confirmed a significant reduction in accidents overall.

In summary, the diesel fuel crisis has immediate and ongoing negative economic and societal impacts that will threaten supply chain logistics, home heating oil supply, cost, and business viability. Ongoing state and federal emergency responses confirm the urgency of the situation. Immediate options to increase supply and reduce costs are extremely limited. A National Emergency Declaration would allow federal action to authorize raw timber products and agricultural product transportation via the federal interstate system at truck weights equal to current state weight limits. Instead of decreasing costs at the pump, this approach would decrease operational costs by reducing miles traveled, increasing fuel efficiency, and increasing the volume transported. This would be a no-cost option that is supported by Congressional precedent. Furthermore, safety and emission improvements would be realized as an added environmental benefit.

The American Loggers Council, representing the logging industry in 38 states, has a professional and positive working relationship with the Biden Administration and looks forward to continuing to work with them to develop solutions to issues challenging the timber industry and the U.S. economy. I will be in Washington DC from November 29th – December 1st and December 13th – 15th and would welcome the opportunity to follow up on this issue and the options we've discussed.

Respectfully,

Scott Dane, Executive Director American Loggers Council

218-780-5927

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(Original Signature of Member)			2
118TH CONGRESS II D	1	1	"(x) CERTAIN LOGGING VEHICLES.—
18TH CONGRESS 1ST SESSION H. R.	1	2	"(1) In general.—The Secretary shall waive,
To amend title 23, United States Code, with respect to vehicle weight	1	3	with respect to a covered logging vehicle, the appli-
limitations for certain logging vehicles, and for other purposes.	1	4	cation of any vehicle weight limit established under
	1	5	this section.
	1	6	"(2) Covered logging vehicle defined.—
IN THE HOUSE OF REPRESENTATIVES	1	7	In this subsection, the term 'covered logging vehicle'
Mr. Gallagher introduced the following bill; which was referred to the		8	means a vehicle that—
Committee on	1	9	"(A) is transporting raw or unfinished for-
	1	10	est products, including logs, pulpwood, biomass,
	1	11	or wood chips;
A BILL	1	12	"(B) is traveling a distance not greater
To amend title 23, United States Code, with respect to	1	13	than 150 air miles on the Interstate from origin
vehicle weight limitations for certain logging vehicles,	1	14	to a storage or processing facility; and
and for other purposes.	1	15	"(C) meets State legal weight tolerances
1 Be it enacted by the Senate and House of Representa-	1	16	and vehicle configurations for transporting raw
2 tives of the United States of America in Congress assembled,	1	17	or unfinished forest products within the State
3 SECTION 1. SHORT TITLE.	1	18	boundaries in which the vehicle is operating.
4 This Act may be cited as the "Safe Routes Act of	1	19	"(3) Application of weight tolerances.—
5 2023".	1	20	The waiver in this subsection shall only apply with
6 SEC. 2. VEHICLE WEIGHT EXEMPTIONS.	1	21	respect to a State legal weight tolerance in effect on
7 Section 127 of title 23, United States Code, is	1	22	the date of enactment of this subsection.".
8 amended by adding at the end the following:			
	L		

"When logging trucks aren't allowed to use federal highways, they use state and local roads where they encounter school zones, crosswalks, and sharp curves. This doesn't just extend the time it takes to get their products from point A to point B, but increases the number of accidents involving these trucks.... This bill makes a common-sense change that allows certain trucks to travel on the interstate, and in doing so, helps reduce carbon emissions, increase efficiency, and make roads safer."

- Representative Mike Gallagher (R-WI)



"You must remember that the forest which contributes nothing to the wealth, progress, or safety of the country is of no interest to the government, and it should be of little to the forester. Your attention should be directed not to the preservation of the forests as an end in itself, but as the means for preserving and increasing the prosperity of the Nation."

PRESIDENT TEDDY ROOSEVELT,
AMERICA'S CONSERVATION PRESIDENT