Mr. Chairman, thank you for the opportunity to submit testimony on the impact of the coronavirus pandemic on the trucking industry on behalf of the Modernize the Truck Fleet coalition. The coalition is led by the American Truck Dealers (ATD), a division of the National Automobile Dealers Association. As a result of government-ordered closures, truck manufacturing plants and truck dealers have either had to suspend or scale back operations. Truck sales in the U.S. are predicted to decline by 50% in 2020 due to the coronavirus pandemic, and trailer sales decreased by 51% compared to the same time last year. To protect trucking-related jobs, increase highway safety and speed the national economic recovery, the coalition respectfully requests that Congress suspend the 12% federal excise tax (FET) on heavy duty trucks and trailers in the next coronavirus economic recovery bill.

The Trucking Industry is United Behind FET Suspension to Protect Trucking-Related Jobs
The current economic climate has united the trucking industry in support of FET suspension, until the end of 2021, in the next coronavirus economic recovery legislation. The FET on heavy-duty trucks was first imposed in 1917 to help pay for World War I and has grown to 12% today. As the highest excise tax on a percentage basis that Congress levies on a product, the FET, on average, adds approximately $21,000 to the price of a new heavy-duty truck and discourages the purchase of new trucks and trailers. With Class 8 truck orders stalled due to coronavirus pandemic and Congress considering initiatives to revive our economy, a suspension of the FET would immediately spur the purchase of newer, safer and cleaner heavy-duty trucks and trailers and help support the 7.8 million Americans in trucking-related jobs.

On April 28, ATD, joined by 116 other industry organizations, such as the American Trucking Associations and UPS, led a letter to congressional leaders urging suspension of the 12% FET on new

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1The Modernize the Truck Fleet coalition is a broad coalition of trade groups, equipment manufacturers and businesses representing broad sectors of the trucking industry that have come together to suspend the FET. There are six official members of the Modernize the Truck Fleet Coalition: the American Truck Dealers, National Tank Truck Carriers, National Trailer Dealers Association, The Association for the Work Truck Industry, the Truck Renting and Leasing Association, and the Truck and Engine Manufacturers Association.
2ATD represents over 1,800 franchised commercial truck dealerships, who employed more than 125,000 people nationwide in 2019.
3Since its inception at 3%, the tax has been briefly eliminated, raised twice prior to World War II, increased again and rolled into the Highway Trust Fund in 1956, repealed by the Senate in 1975, and increased to 12% in 1982. That was the last time Congress had any substantive debate or made any changes to this tax. See The History of the Federal Excise Tax on Heavy-Duty Trucks, AMERICAN TRUCK DEALERS (January 2019), https://www.nada.org/WorkArea/DownloadAsset.aspx?id=21474858078.
heavy-duty trucks and trailers through 2021 in response to the economic turmoil caused by the pandemic. The letter, which is attached, was updated on June 6 and now includes 122 groups.

Heavy-duty trucks and trailers are nearly entirely made in North America, and these trucks and trailers are designed, tested, and assembled across the U.S. Suspension of the FET would help protect manufacturing, dealership and supplier jobs nationwide for this important domestic industry during this challenging economic time.

The impact of the economic contraction caused by the pandemic on the trucking industry has been rapid, severe and without parallel. The Wall Street Journal reported an estimated 73% decline in Class 8 truck orders from April 2019 compared to April 2020. According to Freight Transportation Research Associates, a transportation intelligence firm, this figure is the lowest since 1996, the year in which they first tracked truck orders. This year, truck sales are expected to decline by 50%

Because our economic recovery depends in large part on maintaining a flow of goods provided by trucks, we urge Congress to provide a catalyst to restart domestic truck factories and bring back the jobs of those who maintain and manage America’s trucking fleet. We believe that the fastest and most direct way for Congress to aid jobs in the trucking industry is to suspend the 12% FET on heavy-duty trucks and trailers.

**FET Suspension would Spur the Sale of New Safer Trucks and Increase Highway Safety**

Given the Committee’s jurisdiction over highway safety, it is important to note that FET suspension would spur the deployment of today’s safer heavy-duty trucks by making new trucks and safety features more affordable during this difficult economic time. Roadway safety and crash avoidance are top priorities for the trucking industry.

While new commercial trucks and trailers are the safest they have ever been, deployment of new safety equipment can be delayed due to the high cost of a new truck, which includes the 12% FET that Congress levies on new trucks and trailers. New trucks and trailers have several mandated safety features to help the driver maintain control of the vehicle and prevent a collision, such as anti-lock braking systems and electronic stability control. Additionally, new truck buyers can choose from an array of innovative, new safety technologies like adaptive cruise control, automatic emergency braking systems, and other advanced driver assistance systems that help reduce crashes.

The FET constrains the ability of businesses to afford new trucks and deters the selection of additional safety features that could be purchased with a new truck because the tax is applied to the cost of each safety feature the customer may decide to add to the vehicle at the point of sale.

Suspending this 12% tax through 2021 will help spur the sale of new trucks, which offer the latest safety options, such as: automatic emergency braking; adaptive cruise control with braking; lane departure

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5 The letter highlighted that FET suspension could save jobs amidst an historic decline in truck sales. In part, it read, “During this crisis, our nation has been more dependent than ever on our trucking fleet for delivery of goods and critical medical supplies … We believe the suspension of the FET can help both in keeping the nation well supplied and in rebuilding America’s vital trucking industry and related employment.”


7 Esha Dey, *U.S. Truck Retail Sales May Decline 50% This Year, Citi Predicts*, BLOOMBERG (March 31, 2020), https://www.bgov.com/core/news/#/articles/Q82KDGT0AFB6.
warning, and lane-keeping assist (with intervention); forward collision mitigation; blind spot warning; traction control; tire pressure monitoring, automatic tire inflation; automatic wipers and headlamps; and side airbags for rollovers.

Including suspending the FET in economic recovery legislation would also help the trucking industry update its fleet and adopt safety equipment at a faster pace. Accelerating heavy-duty truck fleet turnover will have a significant impact on highway safety, as more than half of the Class 8 trucks on the road are over 10 years old. Therefore, many trucks in service today lack the benefits offered by nearly a decade of technological advancements in safety. The federal government should encourage the sale of new heavy-duty vehicles, which utilize the significant improvements from earlier generations in safety technology.

Temporarily suspending an affordability barrier such as the FET which inhibits the adoption of the latest trucks and available safety features would help modernize the fleet and deploy newer, safer trucks that will help reduce roadway crashes and related injuries and fatalities. Please see the attached document, “Deploy Newer, Safer Trucks and Trailers on the Highways.”

**FET Suspension Would Help Modernize the Fleet and Put Cleaner Trucks on the Road**

Suspension of the FET would benefit the environment by ensuring quicker deployment of cleaner and more fuel-efficient trucks. New trucks have made significant environmental gains due to recent federal emissions and fuel-economy mandates and industry innovation. Since the FET significantly increases the cost of new heavy-duty trucks, and discourages the replacement of older, less environmentally clean and less fuel-efficient vehicles, FET suspension would introduce cleaner, greener heavy-duty trucks into the nation’s fleet. Over the past two decades, the trucking industry has made strong environmental gains, and today’s heavy-duty trucks are cleaner than ever before.

Cleaner fuel and engines utilizing advanced technology have combined to reduce nitrogen oxide (NOx) emissions by 97% and particulate matter (PM) emissions by 98%. To put that in perspective, it would take 60 new trucks to generate the same level of emissions as a single truck manufactured in 1989. Diesel engine improvements to trucks manufactured since 2010 and those on the road today have reduced carbon dioxide (CO2) emissions by 43 million tons, NOx emissions by 21 million tons, and PM emissions by 1.2 million tons. Since 2010, more efficient diesel trucks have saved 101 million barrels of crude oil and 4.2 billion gallons of diesel fuel.

However, the investments in new technologies required to fulfill these new environmental and regulatory mandates have added nearly $40,000 to the price of a new truck, as these regulatory costs are also subject to the FET. In this way, the FET’s demand-suppressing effect delays fleet turnover and

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9 Help Save Jobs that Put Newer, Cleaner Trucks and Trailers on the Road, AMERICAN TRUCK DEALERS (May 2020).
10 Ibid.
11 The FET is on top of the nearly $40,000 on average per truck cost of these regulatory mandates, which include since the early 2000s tailpipe emissions rules, greenhouse gas emissions standards and fuel efficiency standards. The aggregate costs of these mandates results in an additional $4,700 FET, on average, yet the industry never received any tax credits or incentives to absorb these higher costs. The Environmental Protection Agency’s (EPA) Model Year (MY) 2004–2010 tailpipe emissions rules account for $20,000 of the average price of today’s new heavy-duty trucks. See Patrick Calpin and Esteban Plaza-Jennings, “A Look Back at EPA’s Costs and Other Impact Projections for MY 2004-2010 Heavy Duty Truck Emissions Standards,” NATIONAL AUTOMOBILE DEALERS ASSOCIATION (February, 2012). The 2011 EPA/NHTSA “Final Rulemaking to Establish Greenhouse Gas Emissions Standards and Fuel Efficiency Standards for Medium
deprives society of the benefits of environmental gains, as truck owners decide to hold onto their older less environmentally clean and less fuel efficient trucks for longer periods of time.

**FET Suspension Would Immediately Speed the Economic Recovery**

The trucking industry has been hard hit by this unprecedented crisis, with shutdowns that have taken a severe toll on the trucking industry. Government-ordered closures have compelled truck manufacturing plants and truck dealers to either suspend or scale back operations. During this time, trucks have continued to provide a lifeline to the nation, supplying it with essential goods. Many Americans, who are unaccustomed to bare shelves, now realize the vital role the trucking industry plays in keeping our nation supplied and our commerce moving.

There are several ways in which FET suspension would provide clear and immediate relief to the trucking industry. First, it would remove a costly barrier to demand for heavy-duty trucks. As previously mentioned, the FET at 12% is the highest percentage rate of any excise tax. This is in addition to the nearly $40,000 in recent federal emissions and fuel-economy mandates that already make it harder for small businesses and fleets to afford new trucks.

The uncertainty caused by the pandemic has led to a 50% decline in Class 8 sales and orders are being delayed. Incentives are needed to help this slow and uneven recovery. In May, Class 8 retail sales declined 62.5% compared with a year earlier.

We are confident that suspending the FET would provide an immediate incentive for truck sales and economic stimulus. According to a survey by the American Trucking Associations, almost 60% of fleets responded that they were either somewhat or very likely to buy additional trucks or trailers if the FET was suspended. The FET is an even greater millstone on the trucking industry during this extraordinary time, and its temporary suspension would provide an immediate and beneficial effect on a vital industry and the overall economy.

**Conclusion**

Mr. Chairman, relief from FET suspension would be simple and immediate. Unlike some economic stimulus programs, suspension of this tax would require no additional bureaucracy to administer, no rules or guidance that needs to be issued, no audits, and no new paperwork. Furthermore, temporary

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10. Roger Gilroy, “Class 8 Sales in May Fall to Lowest Point Since 2011,” Transport Topics (June 10, 2020)
11. See Attachment C: Survey response data, American Trucking Associations.
12. FET suspension would also reduce costly compliance burdens on small businesses. Because the FET is a complicated tax to administer, compliance is difficult and costly. Truck dealers, who are responsible for collecting and remitting the tax, incur considerable expenses when navigating the complex IRS regulations that apply to this tax. This is the case largely because contemporary heavy-duty trucks are highly customizable. To increase various engine efficiencies, or for additional driver and highway safety purposes, truck buyers may select additional cab or engine components that are specific to the tasks for which a truck is built. As each modification is made to a truck or trailer, dealers must, on a part-by-part basis, determine whether the FET applies, and, in turn, assess the tax for every truck sold. These
suspension of a federal excise tax is neither novel nor unprecedented. In the recently enacted Coronavirus Aid, Relief, and Economic Security (CARES) Act, Congress suspended certain aviation taxes through January 2021.\footnote{P.L. 116-136}

In addition, over the past two decades, the trucking industry has made significant strides in safety and green technology making new heavy-duty trucks cleaner and safer than ever before. With more than half the Class 8 trucks on the road over 10 years old, FET suspension would effectively replace older trucks with newer, cleaner, and safer trucks. The trucking industry is playing a vital role during this crisis by moving freight and providing critical supplies for medical workers, individuals, and essential businesses. Yet the orders of new Class 8 trucks, which had already slowed due to weak demand in the trucking sector, have sunk even further due to the pandemic. Suspension of the FET is the quickest way to get the assembly lines moving and for truck buyers to increase their orders this year.

We urge the Senate to include FET suspension through the end of 2021 in future coronavirus related legislation to retain jobs in the trucking industry and spur immediate economic recovery during this pandemic.\footnote{On May 14, three members of the North Carolina congressional delegation, Reps. Ted Budd (R), David Rouzer (R) and Mark Walker (R), wrote a letter to House leadership requesting that temporary FET suspension be included in coronavirus pandemic response policy. The letter, which can be found at this link, argued that temporary suspension would support the beleaguered trucking industry, which is playing a critical role in supporting the nation during the pandemic. FET suspension is a corollary of FET repeal, which has bipartisan support in Congress. Reps. Doug LaMalfa (R-Calif.) and Collin Peterson (D-Minn.) introduced H.R. 2381, the “Modern, Clean, and Safe Trucks Act of 2019,” which would repeal the FET. This bill currently has 32 bipartisan cosponsors. Additionally, on December 19, 2019, Rep. Chris Pappas (D-N.H.) sent a letter signed by 22 House Democrats to the leadership of the House Ways and Means Committee requesting consideration of FET phase-out/repeal in infrastructure legislation. Furthermore, a Senate companion FET repeal bill (S. 1839) has been introduced by Sen. Cory Gardner (R-Colo.), and Sen. Joe Manchin (D-W.Va.) sent a letter on December 21, 2019 to the leadership of the Senate Finance Committee asking that FET repeal be considered as infrastructure funding issues are deliberated in the context of reforming the Highway Trust Fund.} To immediately stimulate the economy, temporary suspension of the FET is needed to support manufacturing, dealership and supplier jobs across the nation during this critical time for our nation. In the long term, the coalition stands ready to work with Congress to modernize infrastructure and the truck fleet and to enact reliable and sufficient user-based funding options to replace the FET and fund the Highway Trust Fund.

We urge Congress to suspend the FET to save and restore jobs in the trucking industry and spur the sale of new, cleaner and safer trucks that will help rebuild our economy. Thank you again for the opportunity to submit testimony.
Attachment A

April 28, 2020 UPDATED (June 6, 2020)

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
S-230, The Capitol
Washington, D.C. 20510

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
H-232, The Capitol
Washington, D.C. 20515

The Honorable Charles E. Schumer
Minority Leader
U.S. Senate
S-221, The Capitol
Washington, D.C. 20510

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
H-204, The Capitol
Washington, D.C. 20515

Dear Leader McConnell, Leader Schumer, Speaker Pelosi, and Leader McCarthy:

As Congress considers legislation to respond to the coronavirus pandemic and assist with economic recovery, we are writing to request Congress suspend the 12% federal excise tax (FET) on the purchase of new heavy-duty trucks and trailers until the end of 2021. As representatives of the trucking industry and other important sectors of the economy, we believe that the suspension of the FET would serve as an extremely effective and immediate policy to spur the sales of newer cleaner trucks, which would retain jobs in the trucking sector and help rebuild our economy.

Truck sales in the United States are now predicted to decline by 50% in 202019 due to the pandemic. In March, Class 8 truck orders dropped by 52% compared to last year.20 As a result of government-ordered closures, truck manufacturing plants and truck dealers have either suspended or scaled back operations. To jump start the economy after the pandemic, a suspension of the burdensome FET, which increases the cost of new heavy-duty trucks and trailers by $22,000 on average, would immediately spark the purchase of heavy-duty trucks and trailers. In turn, this would help save or bring back the livelihoods of the 7.8 million Americans employed in jobs related to trucking.21

In addition to saving jobs, a suspension of the FET would spur sales of today’s cleaner and safer heavy-duty trucks and trailers by making them more affordable during this difficult economic time. Over the past two decades, the trucking industry has made strong environmental gains, and today’s heavy-duty trucks are cleaner than ever before. Cleaner fuel and engines utilizing advanced technologies have combined to reduce nitrogen oxide emissions by 97% and particulate matter emissions by 99%. Since 2010, more fuel-efficient diesel trucks have saved 101 million barrels of crude oil and reduced CO₂ emissions by 43 million tons. Suspension of the tax would also encourage the sale of newer trucks,

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19 Dey, Esha. “U.S. Truck Retail Sales May Decline 50% This Year, Citi Predicts,” Bloomberg (March 2020).
which have the latest safety technologies that help reduce roadway crashes and related injuries and fatalities.

During this crisis, our nation has been more dependent than ever on our trucking fleet for delivery of goods and critical medical supplies, yet the average age of a truck on the road today is almost 10 years old. We believe the suspension of the FET can help both in keeping the nation well supplied and in rebuilding America’s vital trucking industry and related employment. The organizations below are united in urging Congress to suspend the FET in any upcoming coronavirus legislation. Thank you for your consideration.

Sincerely,

**National Organizations/Companies**
American Truck Dealers – a division of the National Automobile Dealers Association
Cummins Inc.
Daimler Trucks North America
Mack Trucks
Navistar Inc.
PACCAR Inc
Volvo Trucks North America
Agility Fuel Solutions
Agriculture and Food Transporters Conference of the American Trucking Associations
Allison Transmission Inc.
American Trucking Associations
Automobile Carriers Conference of the American Trucking Associations
Baker Commodities Inc.
Central Transport LLC
Diesel Technology Forum
Eaton
Environmental Solutions Group
Hexagon Composites
Intermodal Association of North America
Knight-Swift Transportation
McNeilus Companies, Inc.
Momentum Fuel Technologies
Motor & Equipment Manufacturers Association
NAFA Fleet Management Association
National Association of Chemical Distributors
National Association of Trailer Manufacturers
National Association of Truckstop Operators
National Beer Wholesalers Association
National Industrial Transportation League
National Private Truck Council
National Ready Mixed Concrete Association
National Retail Federation
National Tank Truck Carriers
National Trailer Dealers Association
National Waste & Recycling Association
NGV America
North American Renderers Association
NTEA – The Association for the Work Truck Industry
Old Dominion Freight Line, Inc.
Oshkosh Corporation
PAM Transport Services, Inc.
Recreation Vehicle Dealers Association
Republic Services, Inc.
Schneider National, Inc.
Specialized Carriers & Rigging Association
Transportation Intermediaries Association
Truck and Engine Manufacturers Association
Truck Mixer Manufacturers Bureau
Truck Renting and Leasing Association
Truck Trailer Manufacturers Association
Truckload Carriers Association
Universal Logistics Holdings, Inc.
UPS
Volumetric Mixer Manufacturers Bureau
WCA Waste
Werner Enterprises
Western States Trucking Association
Women in Trucking Association, Inc.

State and Local Organizations/Companies (HQ Location)
Automobile Dealers Association of Alabama, Inc.
Alabama Trucking Association
Alaska Trucking Association
Arizona Trucking Association
California Trucking Association
Colorado Motor Carriers Association
X3CNG Colorado LLC (Colo.)
Motor Transport Association of Connecticut
Delaware Motor Transport Association
Florida Trucking Association
Peterson Industries, Inc. (Fla.)
Georgia Motor Trucking Association
Hawaii Transportation Association
Idaho Trucking Association
Illinois Trucking Association
Best Way Disposal (Ind., Mich. and Ky.)
Decatur Hills Landfill (Ind.)
Indiana Motor Truck Association
Randolph Farms (Ind.)
South Side Landfill (Ind.)
Iowa Automobile Dealers Association
Iowa Motor Truck Association
McLaughlin Family Companies (Iowa)
New Way Trucks (Iowa)
Scranton Manufacturing, Inc. (Iowa)
Sparta Waste Services (Iowa)
Kansas Motor Carriers Association
Kentucky Trucking Association
Louisiana Motor Transport Association
Maine Motor Transport Association
Maryland Automobile Dealers Association
Maryland Motor Truck Association
Trucking Association of Massachusetts
Michigan Trucking Association
Minnesota Automobile Dealers Association
Minnesota Trucking Association
Mississippi Trucking Association
Missouri Automobile Dealers Association
Missouri Trucking Association
St. Louis Automobile Dealers Association
Motor Carriers of Montana
Nebraska Trucking Association
Nevada Trucking Association
New Hampshire Motor Transport Association
New Jersey Motor Truck Association
New Mexico Trucking Association
Trucking Association of New York
North Carolina Trucking Association
North Dakota Motor Carriers Association
Ohio Trucking Association
Rumpke Consolidated Companies, Inc. (Ohio)
Oklahoma Trucking Association
Oregon Trucking Associations
Pennsylvania Motor Truck Association
Rhode Island Trucking Association
South Carolina Trucking Association
South Dakota Trucking Association
Tennessee Trucking Association
Texas Trucking Association
AAL Enterprises (Utah)
Ogden Financial Group (Utah)
Ogden Polar Group (Utah)
Utah Trucking Association
Vermont Truck & Bus Association
Virginia Automobile Dealers Association
Virginia Trucking Association
Washington Trucking Associations
West Virginia Trucking Association
Wisconsin Motor Carriers Association
Manitowoc Disposal and Recycling (Wis.)
Wyoming Trucking Association

cc:
Hon. Charles Grassley, Chairman, Senate Committee on Finance
Hon. Ron Wyden, Ranking Member, Senate Committee on Finance
Hon. Richard Neal, Chairman, House Committee on Ways and Means
Hon. Kevin Brady, Ranking Member, House Committee on Ways and Means
Hon. John Barrasso, Chairman, Senate Committee on Environment and Public Works
Hon. Thomas Carper, Ranking Member, Senate Committee on Environment and Public Works
Hon. Peter DeFazio, Chairman, House Committee on Transportation and Infrastructure
Hon. Sam Graves, Ranking Member, House Committee on Transportation and Infrastructure
Hon. Roger Wicker, Chairman, Senate Committee on Commerce, Science, and Transportation
Hon. Maria Cantwell, Ranking Member, Senate Committee on Commerce, Science, and Transportation
Hon. Frank Pallone, Chairman, House Committee on Energy and Commerce
Hon. Greg Walden, Ranking Member, House Committee on Energy and Commerce
Suspend the Federal Excise Tax (FET) To Help Increase the Deployment of Safer Trucks and Trailers on the Highways

ISSUE

Suspending the federal excise tax (FET) would not only help boost the sales of new trucks and trailers to accelerate the economic recovery, it would also increase the purchase of trucks and trailers with the newest safety features. The trucking industry continues to make roadway safety and crash avoidance top priorities, and to deploy new safety technologies to keep drivers and other road users safe. While new commercial trucks and trailers are the safest they have ever been, deployment of new safety equipment can be delayed due to the high cost of a new truck, which includes the 12% FET that Congress levies on new trucks and trailers. Congress should include suspension of the FET in future coronavirus response legislation.

New trucks and trailers have several mandated safety features to help the driver maintain control of the vehicle and prevent a collision, such as anti-lock braking systems and electronic stability control. Additionally, new truck buyers can choose from an array of innovative, new safety technologies like adaptive cruise control, automatic emergency braking systems, and other advanced driver assistance systems that help reduce crashes.

The FET constrains the ability of businesses to afford new trucks and deters the selection of additional safety features that could be purchased with a new truck because the tax is applied to the cost of each safety feature the customer may decide to add to the vehicle at the point of sale. In fact, the FET routinely adds $10,000 - $22,000 to the price of a new truck or trailer—on top of the nearly $40,000 in regulatory costs for recent federal emissions and fuel-efficiency mandates.

Suspending the 12% tax through 2021 will help spur the sale of new trucks, which offer the latest safety options, such as: automatic emergency braking; adaptive cruise control with braking; lane departure warning, and lane-keeping assist (with intervention); forward collision mitigation; blind spot warning; traction control; tire pressure monitoring, automatic tire inflation; automatic wipers and headlamps; and side airbags for rollovers.

KEY POINTS

- Suspending the 12% FET, a tax which delays the deployment of the newest, safest trucks and trailers, will help the trucking industry update its fleet and adopt safety equipment at a faster pace. Paying the FET, which often exceeds $20,000 per truck, discourages fleet owners and trucking companies from purchasing new trucks. As a result, owners hold on to older trucks longer.
- Accelerating heavy-duty truck fleet turnover will have a significant impact on highway safety. The average age of heavy-duty trucks on the road is almost 8 years old. Therefore, many trucks in service today lack the benefits offered by nearly a decade of technological advancements in safety.
- The federal government should encourage the sale of new heavy-duty vehicles, which utilize the significant improvements from earlier generations in safety technology. The deployment of newer, safer trucks will help reduce roadway crashes and related injuries and fatalities.

STATUS

Members are urged to include FET suspension in future coronavirus response legislation. FET suspension would support jobs in the trucking industry, spur new truck sales to help the economy recover, and promote the deployment of cleaner, safer trucks. For further information, please contact David Bell at 202.547.5500 or dbell@nada.org.

#suspendthefet

May 19, 2020
Attachment C

Federal Excise Tax (FET) Suspension Would Provide Economic Stimulus

An American Truck Associations (ATA) Survey, "Will Suspending the Federal Excise Tax (FET) Create Orders for New Equipment?" demonstrates that nearly 60% of fleets were somewhat or very likely to buy additional trucks and/or trailers beyond their scheduled buy if the FET were eliminated.

Were Congress to enact in future COVID legislation incentives to buy new trucks and/or trailers, like the elimination of the 12% Federal Excise Tax, how likely are you to purchase additional new equipment beyond what you would have bought anyway without an incentive?

- Wouldn’t Change Buying: 12.6%
- Not Likely: 23.4%
- Somewhat Likely: 28.2%
- Very Likely: 35.8%

n = 517

Nearly 60% of fleets said they were somewhat or very likely to buy additional trucks and/or trailers beyond their scheduled buy if the FET was eliminated. Nearly 25% said they were “very likely”.