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New York Times.
12-24-82 p1, B4

New Law on Trucks Will Permit Big Rigs On More U.S. Roads

By ERNEST HOLSENDOLPH
Special to The New York Times

WASHINGTON, Dec. 23 — Sometime before next summer, motorists on crowded city streets that lead to major highways are likely to see a startling new sight: 75-foot double trailer trucks competing for space on the road.

Already a common sight on lonely highways through California, Nevada and other Western states, the biggest commercial trucks would be allowed to rumble into more congested places under legislation approved by Congress today and last weekend.

The legislation outlines the first set of uniform standards for truck weights and lengths. Currently, each state sets a standard.

Rules in many states, including New York, New Jersey and Connecticut, will be liberalized by the new Federal laws: states that refuse to go along with the changes risk losing Federal aid by order of the Transportation Secretary.

The more permissive new rules were extended to the trucking industry in exchange for higher taxes, including an increase in fuel taxes to 9 cents a gallon from 4 cents, and additional taxes on truck equipment and truck use that would gradually be put into effect over the next few years.

In theory, the new sizes are supposed to make the lagging trucking industry more profitable, but many critics of the legislation say the benefits are doubtful and cite studies purporting to show that the longer and heavier trucks may well speed up the deterioration of roads.

The new law compels states, 90 days after President Reagan signs the legislation, to allow trucks up to 80,000 pounds in weight, 102 inches wide, in double-trailer combinations, and more than 65 feet long to operate the full length of the Interstate highway system and on much of the nation's 230,000 miles of "primary" Federal and state roads.

Under current rules, all states except Illinois, Missouri and Arkansas permit trucks weighing up to 80,000 pounds. These three exceptions present a barrier across the middle of the nation that has hampered commerce, trucking officials have complained. Length rules vary widely.

Under the legislation, some two-lane highways and streets that function as access arteries to the Interstate roads, or that carry truck traffic to terminals, major pickup points and fuel depots will be used to convey the huge trucks. The final plans will be drawn up by the states, which would have to provide "reasonable access" to such points, under the guidance of regulations that the Federal Department of Transportation will supply in the next 90 days. The states must designate such roads within 270 days after the bill becomes law.

Fears of Safety Experts

The thought of the larger trucks mingling with automobiles in such close quarters as undivided highways in some states touches off fears among some safety experts.

"We are concerned about many aspects of safety," said Charles N. Brady, director of the highway department at headquarters of the American Automobile Association here. "But we are especially concerned about what may happen on two-lane highways, where cars may encounter empty or partly-laden double trailers."

While the larger trucks will be allowed on the Interstate system promptly in 90 days after the President signs the legislation into law, it is possible that states could delay the vehicles from being allowed on many other roads for a while, according to transportation specialists here.

Some lawyers speculate, however, that the Federal Government may be able to withhold highway funds from uncooperative states until their legislatures act on the Federal requirements.

What is clear, however, is that the trucking industry seems sure to get the advantages of larger trucks well before they must begin paying the higher truck-use taxes, which would be gradually introduced starting July 1, 1984. All consumers of gasoline or diesel fuel, including autos and trucks, must begin paying the higher fuel tax starting April 1, 1983.

In New York, New Jersey and Connecticut, commercial trucks will have more freedom to operate than they have now. In all three states trailers or combinations of trailers up to 65 feet, excluding the cab, will be allowed to operate. In New York State the length limit was extended last Jan. 1 to 65 feet, cab included; in New Jersey the limit is 55 feet, cab included; and Connecticut allows 60 feet over all, or single trailers not to exceed 45 feet.

All three states permit trucks up to eight feet in width, and the new Federal law will increase the width to eight and a half feet. All three states already permit maximum weights of 80,000 pounds. In the New York metropolitan region, double trailers are allowed only on the New York State Thruway.

John Marino, an assistant commissioner of the New York State Department of Transportation, said officials expected the new legislation to have some effect in upstate communities but only slight impact in New York City.

He said the only arteries through the city to be affected would be the Cross-Bronx, Brooklyn-Queens and Van Wyck Expressways and the New England Thruway. Other major roads, including the Long Island Expressway, are not classified as interstate routes.

Many highway experts argue that gains in highway revenue made possible by the new legislation will be more than offset by the increased costs to repair roads damaged by bigger trucks, but there is some dispute.

"Even though they will have the privilege of using double trailers, I don't expect to see a large increase in them right away," said Francis Francois, executive director of the American Association of State Highway and Transportation Officials. "Even though they may use two trailers, the whole combination is limited to 80,000 pounds so that they will only be able to haul lighter materials such as breakfast foods. The truckers really wanted to get a limit of 107,000 pounds but failed."

Furthermore, Mr. Francois said that even though some added damage could result, the roads "clearly are designed to handle the loads — but the potential problems on the access roads are undeniable."

Mr. Brady, the highway director of automobile association, cites studies done for the Federal Highway Administration that purport to show that double-trailer combinations are not as afe as ordinary trucks and cause more damage to highways.

Double trailers, especially when they are empty or less than full, have a greater tendency to have their wheels shudder and lose contact with the road when brakes are applied, because of insufficient weight on the axles, he said. "As a practical matter, these trucks could wind up going anywhere — jackknifing or crossing the road," he said, "which would be very hazardous on an

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New Truck Law to Permit Big Rigs on More Roads

Continued

undivided highway — and many of the access roads will be undivided."

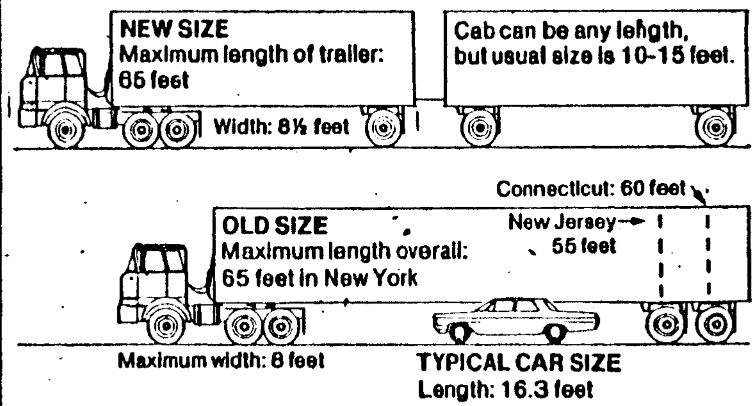
He also said that another study done for the highway department showed that the single axles on double-trailer combinations were more damaging to roads than the double tandem axles common on regular single trailer combinations. A principle at work, engineers agree, is that damage potential increases with the concentration of weight on the axles.

Trucking industry officials here and regulatory officials at the Interstate Commerce Commission say the new laws will have mixed effects around the country. Because of the recession, many trucks are empty, so most companies are not expected to invest in bigger equipment now. This could change with an upturn in the economy.

But truck operators in the far West who already own and operate large, double-trailer combinations because of more liberal local laws in their region may well extend their lines into the East for the first time

New Rules of the Road: U.S. Truck Dimensions

The new Federal law would make maximum commercial truck sizes uniform throughout the country.



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Washington Post
1-8-83 p. A2

Revved-Up Truckers Riding Hill to Ease Increase in User Fees

By Douglas B. Feaver
Washington Post Staff Writer

America's truckers, one of the best-financed and strongest interest groups on Capitol Hill, are already pressing Congress for relief from the major tax increase on heavy trucks voted last month along with the increase in the federal gasoline tax.

Early betting is that the truckers may succeed, at least partially. "Every congressman in the country has at least one trucking company in his district or has a commodity that needs to be hauled by a trucker," a congressional staff member said. "They can touch everyone."

The American Trucking Associations' political action committee paid out $285,565 to 398 congressional candidates during the last campaign. More than one-fifth of that total—$59,860—was given to members of the House Ways and Means and Senate Finance committees, the tax-writing bodies on Capitol Hill.

So what did it buy?

"I'm not so naive to believe that political contributions do any more than give you an opportunity to sit down with the congressman or his staff members and explain your position," said Bennett C. Whitlock Jr., president of the ATA.

Rep. James J. Howard (D-N.J.), chairman of the House Public Works Committee, which wrote all but the tax section of the House version of the highway bill, received $6,000 from ATA's PAC in the last two years, according to Federal Election Commission records.

He nevertheless voted for the bill, including the taxes, on every occasion it came up in the House.

So did Rep. Dan Rostenkowski (D-Ill.), chairman of Ways and Means, who received $2,020 from ATA.

Sen. Robert J. Dole (R-Kan.), chairman of the Senate Finance Committee, who also voted aye, received $1,000 from ATA in 1979 and 1980, but was not up for reelection last year and got nothing.

On the other hand, Sen. Robert C. Byrd (D-W.Va.), the Senate minority leader, who voted against the highway bill and tax increase, got $9,040, more than any other senator.

It was no secret at the time of the last congressional campaign that trucking taxes were likely to be discussed by the new Congress. What surprised the ATA was the fact that the subject came up during the lame-duck session of the old Congress when long-dormant highway legislation took on the aura of a jobs program.

"I just think this [loss by the ATA] is an aberration due to fact there was a tremendous push for a jobs bill and a huge highway and transit bill," Howard said. "It all got wound up in its own momentum."

The highway tax and construction bill, signed this week by President Reagan, would bump the heavy vehicle user fees on 18-wheelers from a maximum of $240 a year to a maximum of $1,900 by 1988 if allowed to take full effect.

That, the truckers say, would be confiscatory, and this time they say they do not intend to be bushwhacked in a short lame-duck session where they have no time to mobilize and fight.

But the lame duck was not a total loss for the truckers. "Considering the odds," said Whitlock in an interview this week, "I feel we did a fairly decent job as far as the Hill is concerned."

The Transportation Department, after computing how much damage various kinds of vehicles do to highways and concluding that trucks were not paying their share, initially proposed increasing the heavy truck tax to $2,900 annually, to take effect April 1, the same day the new gasoline tax will take hold.

By the time the administration bill left the Office of Management and Budget the tax was down to $2,700. When it left the House Ways and Means Committee it was $2,000, but would phase in over three years.

When it left the Senate Finance Committee it was $1,600, to phase in over six years. The Senate, by a 96-to-1 vote, cut it to $1,200. The House-Senate conference agreement, which became law, pushed the tax back to $1,900, but the first penny will not be collected until July 1, 1984. It will be fours years after that before the tax reaches the $1,900 maximum.

What was gained in that process was not only a reduction from the administration's goal, but also a substantial amount of time before the tax takes effect.

That time, justified on Capitol Hill as needed to help the ailing industry through hard times, gives the ATA and its allies 18 months to work out a better deal.

The ATA's goal in the new Congress, Whitlock said, will be to reduce the tax at least to a maximum of $1,200 per 18-wheeler.

"I've got to look at the 96-1 vote and figure that is a place to start," Whitlock said. He agreed that the truckers will have to give up something in exchange for liberalized weight and width limits they also received in the new highway legislation.

The Transportation Department says that trucks do 33 percent of the highway damage. Under current tax rates they pay 25.1 percent of the federal cost of building and repairing highways. Under the new tax package, which assumes a much higher level of federal highway spending, they would pay 27.7 percent.

Whitlock's $1,200 maximum would leave them paying 24.6 percent, or less than the current percentage when applied against 1985 highway needs.

Whitlock said, in effect, that the Transportation Department's formulas are all wet, and he has been trying to prove that to Congress.

In years past, the ATA annually held a dinner party at which hundreds of trucking executives would come to visit their representatives.

"It was the best dinner," said Howard. "There were no speeches." One year the cherries jubilee were delivered in small semi-trailer trucks carved from ice and equipped with battery-powered headlights.

The ATA hasn't held that party for several years. "The cost was enormous," said Whitlock. He paused. "Maybe we should do it again," he said, winking.

Staff researcher Carin Pratt contributed to this report.

Rig Shutdown Set Jan. 31

Independent Association Urges Nationwide Strike

By Douglas B. Feaver
Washington Post Staff Writer

The Independent Truckers Association, which represents an unknown number of truckers with a list of demands ranging from repeal of the 55 mph speed limit to a ban on state trucking taxes, yesterday called for a nationwide truck strike beginning Jan. 31.

Mike Parkhurst, president of the ITA and editor and publisher of Overdrive, a trucking magazine that says the $2.50 it costs is the "price of truth," said at a well-attended news conference that the strike "will last as long as Congress wants it to."

The primary target of the walkout appears to be the 5-cent-a-gallon gasoline and diesel fuel tax rise, scheduled to go into effect April 1, and large increases in trucking taxes Congress passed in the recent lame-duck session to finance highway construction and improvements in mass transit. Parkhurst's literature calls the act "the truck bankruptcy bill."

Parkhurst continually provided non-answers to questions about how effective a strike would be, how many truckers acutally pledge fealty to the ITA and precisely which of many ITA demands Congress would have to meet to avoid or end a strike. He said there are about 100,000 independent truckers and that they transport 80 to 90 percent of the food moved by truck.

The ITA has been successful in the past in disrupting the nation's transportation system, particularly when striking to obtain relief from fuel shortages. No ITA strike attempt has been completely successful, however, as many independents have continued to operate.

Parkhurst's strike call is not supported by the American Trucking Associations, which represents 10,000 to 15,000 truck firms.

Federal officials familiar with the trucking industry said yesterday that they are monitoring the situation and taking it seriously, but that they expect many truckers to continue working if they can find work. The trucking business, like many others, has been seriously affected by the recession.

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New Truck Laws May Cut Rail Trade 5%

By RIPLEY WATSON 3RD
Journal of Commerce Staff

As much as 5 percent of traffic will switch from rail to truck as a result of new legislation on gas taxes and heavy trucks.

That is the conclusion reached by Booz Allen Hamilton analysts who studied the issue and found that most of the traffic being diverted would be low margin merchandise traffic.

Hugh Randall, vice president of the firm, and Dr. Paul Roberts, a principal, said in an interview that they felt there would be some net effect on railroads, but that the reduction in profits would not be large.

Six railroads recently requested a study of the effect of the heavy truck tax increases and the nickel-a-gallon hike in fuel taxes.

While that study was not made public, Dr. Roberts and Mr. Randall did discuss some of the issues which relate to the question.

They declined to release more specific statistical material, though they said that as much as 50 percent of the traffic currently moving by rail is susceptible to diversion to trucking. They noted that "a substantial portion" of truck traffic also could be attracted to rails, though they declined to cite a specific percentage saying that there is wide disagreement about the precise amount.

They said that competition was stiffest for merchandise traffic such as manufactured goods moving in trailerload sizes by piggyback or truck.

The stiff competition has forced prices down to a paper-thin margin, Mr. Randall noted.

The new regulations will affect that type of traffic substantially, said Mr. Randall. As much as 20 percent of the merchandise traffic could use the higher cubic foot capacity granted by the new laws before reaching the weight limit, he said.

But Mr. Randall said that there was almost an anomaly now because carriers might actually benefit by losing some traffic being carried at little or no profit.

The analysts pointed out that a number of factors are affecting the marketplace, changing the nature of shipments and forcing a change in the traffic patterns.

Among the new factors cited were changing regulatory responsibility, overcapacity, state of the infrastructure and new philosophies on inventory management.

Dr. Roberts said that one little noted aspect of the new climate was the fact that Congress has taken the powers to regulate sizes and weights for itself, leaving other agencies out of the picture.

He suggested that this could lead to faster and less publicized changes in regulations, noting that the 1974 legislation which increased allowable weights in response to the Arab oil embargo was done as a rider to another bill.

Mr. Randall termed the new arrangement a sort of "anti-New Federalism."

Other impacts were seen in possible increases in state taxes and levels of enforcement of the new weights by financially pressed states.

Dr. Roberts suggested that the movement toward heavier trucks has not ended and that the possible outcome of that issue could be adoption of the federal bridge formula to determine the permissible maximum weights.

This would increase the weight currently set at 80,000 pounds to at least 107,000 pounds.

They declined to release more specific statistical material, though they said that as much as 50 percent of the traffic currently moving by rail is susceptible to diversion to trucking.

"There's a real possibility that the weights will be jacked up again," Dr. Roberts said.

At those levels, Booz officials feel that railroads would be especially vulnerable because much of their traffic base traditionally has been bulk commodities which cannot be carried on highways.

One problem the truckers face in taking advantage of any higher weight limits is the lack of capital to replenish their fleets, Mr. Randall noted.

Dr. Roberts predicted fleets wouldn't be replenished until new capacity was needed. "Overcapacity is rampant," he said.

That would work in favor of the railroads since the truckers couldn't take advantage of the new limits they have advocated for years.

For that reason, he said, the trucking industry would benefit more from a slower economic upturn which would give them more time to accumulate captial to use for new trucks.

On the other hand, a fast economic upturn will benefit the railroads because truckers wouldn't have enough time to re-equip their fleets.

Another factor which the railroads have on their side is the nature of the condition of the highways and rail facilities.

"The infrastructure is falling apart," Mr. Randall said.

Both men noted that the $4.4 billion program to rebuild the roads wouldn't be sufficient to restore the roads to top condition. Mr. Randall called it a "finger in the dike."

In contrast, all but one major railroad has tracks which are in better condition than they have been in years.

Railroads have parked vehicles in good condition while trucks have been wearing out slowly competing for available loads, Mr. Randall said.

The Booz officials agreed with railroad marketing officials who saw the long-range dangers to piggyback traffic in the building of larger trucks that won't fit on the current generation of flatcars.

Dr. Roberts said one major result of the economic depression while interest rates were high was the seemingly permanent drop in inventory levels. Those levels, he said, were first drawn down in response to high interest rates, but inventory levels haven't risen as carrying costs dropped.

One reason for that situation is the increasing acceptance of the "Kanban" theory which calls for inventory levels to be dropped drastically and tied closely to production.

The low levels of inventory have changed the marketplace because traffic managers are choosing to make smaller shipments rather than larger ones which tend to increase inventory, Dr. Roberts said.

That has favored truckers who are more adept at the less than trailerload movements, he said.

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How gas tax bill impacts on transportation

by Frank Shafroth

As adopted by Congress, the gas tax bill, H.R. 6211 will provide nearly $71 billion for surface transportation needs for the remainder of this decade.

The bill not only increases federal gas taxes on gasoline and diesel fuels to increase revenues to the federal highway trust fund, but also reauthorizes the federal surface transportation legislation.

All urban highway programs had expired Dec. 17 when the stopgap 90-day bill passed in October ended.

H.R. 6211 includes 4 major sections: highway, public transportation, commerce, and tax. Outlined below are the items pertinent to cities in each of these sections. Anyone with questions should contact Frank Shafroth in the Office of Federal Relations at (202) 626-3020.

"The Highway Improvement Act of 1982."

This title reauthorizes the federal highway programs, including the urban and secondary which expired Dec. 17. As agreed to, the title provides $4 billion a year for interstate construction with each state guaranteed at least one-half of 1 percent.

The bill dramatically increases funding for the so-called 4 R program—to reconstruct, rehabilitate, resurface, and repair the interstate system—from the current level of $800 million to $1.9 billion this year and to over $3 billion by FY 1986.

Funds for the bridge replacement and rehabilitation programs increase from the current level of $900 million to $1.3 billion this year to $1.8 billion in FY 1986. There are currently over 200,000 bridges in the country in need of rehabilitation.

Funding for state primary highways would also significantly increase and the allocation system was significantly changed. Funding would increase from the current level of $1.5 billion to $1.8 billion this year and $2.4 billion by FY 1986.

The House had proposed to change the existing apportionment based upon area, rural population, mileage of postal routes, and urban population to a new formula based one-half on rural population and one-half on urban population. The Senate insisted upon retaining the current provisions.

To compromise, the Congress agreed to use a CDBG—the formula, where each state will receive the greater amount between the Senate or the House formula, but adjusted to reflect a hold-harmless provision, a minimum allocation, and the reduction to 100 percent of the authorization.

There is no increase from the current funding level for the urban FAUS program; however, the federal match will remain at 75 percent, rather than 50 percent as originally recommended by the Senate.

There is an increase for the secondary program to $633 million a year.

The Conference Report rejected the House proposed changes in the Highway Beautification Act which NLC opposed. The bill would have expanded the rights of the billboard industry at the expense of cities.

The highway title contains an amendment to guarantee that no state receives less than 85 percent of each dollar it puts into the Trust Fund. In Chart this adjustment is reflected in the column second from the end.

The highway title also includes a provision to require that at least 40 percent of primary, secondary, and urban systems funds be spent on repair.

Finally, the highway title contains a compromise reflecting fiscal concerns of a number of states—a temporary matching fund waiver. Under this provision, the federal match may be as high as 100 percent when a state highway department so requests, subject to repayment of the state-local match by Sept. 30, 1984. This amendment was agreed to in order to permit construction to proceed in these states which would be unable to meet match requirements due to current state fiscal problems.

As adopted, the estimated apportionments for each state for the highway program would be as shown in accompanying chart.

"Federal Public Transportation Act of 1982"

The public transportation portion of the bill reauthorizes the public transportation program for 4 years, adding on $779 million in new funds from the federal Highway Trust Fund gas tax revenues in the current fiscal year, and up to $1.1 billion in the subsequent years. This title creates a new unified grant to allocate capital and operating assistance, and distributes the funds to all cities over 200,000 in size by a new formula based upon service factors. The bill reduces operating assistance in the current fiscal year from the FY'82 level by 15 percent for cities over 1 million, 10 percent for cities between 200,000 and 1 million, and 5 percent for cities between 50,000 and 200,000. The Section 18 program for small cities increases from the current level to approximately $88 million over the four years of the authorization.

Operating Assistance

Efforts to phase out federal operating assistance or to reduce it annually over the period of the legislation failed. As adopted, the bill would retain the current section 5 program for the remainder of fiscal year 1983, before phasing in the new section 9 unified grant in FY'84.

Under the provisions of this legislation, cities of more than 1 million would be permitted to use up to 85 percent of their FY'82 operating assistance in each of the years 1983-1986; cities of between 200,000-1,000,000 would be permitted to use 90 percent; cities between 40,000-200,000 would be permitted 95 percent. Because in many instances the levels of operating assistance made available through the FY'83 appropriations will be less than the amount cities are permitted, the legislation would permit cities to use the section 5 bus funds (Tier IV) for operating assistance.

The bill also includes a waiver provision, permitting cities to use higher levels for FY'83 and FY'84. In these years, any city is permitted to transfer capital money for operating assistance up to the operating level received in FY'1982. In order to utilize the waiver provision, a city is required to: (A) certify it has provided public notice and opportunity for comment, (B) certify it has developed a 3 year plan to assure compliance with the reduced federal operating levels by FY'1985, and (C) remit one-third of the transferred amount to the U.S. Transportation Secretary, where it shall be deposited in the capital discretionary fund. The federal match for operating remains at 50 percent.

Capital Allocations

This year, a separate public transportation capital grant will be distributed to all cities based upon a new service based formula. For bus cities over 200,000, the formula will be 50 percent population/population density, and 50 percent bus revenue vehicle miles. For rail cities, the formula will be 60 percent fixed guideway revenue vehicle miles and 40 percent fixed guideway route miles. These grants may be used for capital purposes only, including new starts. The federal share will be 80 percent.

The current discretionary grant program will be funded at a level of $1.6 billion for FY'83. The federal match will be 75 percent.

Unified Transit Grants

Commencing in FY'1984, the current section 5 operating assistance program will disappear to be replaced by a combined capital-operating grant formula. The formula allocations will be based upon the factors related in the previous paragraph, except that there will be a 4 percent set aside for rail productivity and a 9 percent set aside for bus productivity. These productivity formulas will be based upon the number of passenger miles traveled multiplied by the number of passenger miles traveled for each dollar of operating cost.

Under the unified grant, cities will only be permitted to use a portion for operating assistance, as explained above. The remainder must be used for capital with an 80 percent federal share. The waiver provisions allowing some capital to be used for operating assistance will apply in FY 1983-84. The capital may be used for new starts.

Discretionary Capital Grants

The existing discretionary capital grant program will remain. It will, however, shrink as it becomes an allocation from the penny for transit from the Federal Highway Trust Fund. Also, the current federal match for discretionary grants will change from 80 percent to 75 percent.

Commerce

This section of the bill prohibits any state from establishing or enforcing any truck length regulation of less than 48 feet for a single trailer or 28 feet per trailer for a double. It is similar to another provision in the bill prohibiting the allocation of any federal surface transportation funds to a state which does not permit trucks weighing up to 80,000 pounds. The bill permits the heavy trucks on interstate highways, but provides the Secretary of Transportation authority to designate portions of state primary highways for the truck length preemption. In each case, states are prohibited from enacting or enforcing any law denying reasonable access to these trucks from "terminals, facilities for food, fuel, repairs, and rest, and points of loading and unloading for household goods carriers."

This section of the bill gives the Secretary of Transportation authority to set insurance requirements for motor carriers.

ADAP

The commerce portion of the bill also accelerates increases in the airport development grant program by taking $225 million authorized for 1986 and 1987 and authorizing them for 1983 and 1984. The new funds are to be expended for projects involving construction, reconstruction, or repair work commenced after enactment. The secretary is directed to give preference to projects which increase airport safety or capacity.

"Highway Revenue Act of 1982"

This portion of the legislation authorizes an increase in the federal gasoline tax from 4 to 9 cents effective April 1, 1983. Similar increases are provided for the taxes on diesel fuel, special motor fuels, and motorboat fuels. Present law exemptions for buses, local and state governments, nonprofit educational institutions, and farming use are retained. Taxicabs are provided a 4 cent exemption through Sept. 30, 1984, and the conditions through which the exemption is granted is broadened to include cities where ride-sharing is prohibited by local law.

Truck-related taxes

The 10 percent tax on trucks and trailers whose gross vehicle weight exceeds 10,000 pounds is increased to 12 percent, and the weight thresholds are increased to 33,000 pounds for trucks and 26,000 pounds for trailers. The tax is converted from a manufacturer into a retail tax. Roadtrailer trailers are exempt from the tax. The present law tax on truck parts is repealed. These provisions are effective on April 1, 1983, for tax increases and on Dec. 2, 1982, for tax reductions.

Heavy vehicle use tax

The heavy vehicle use tax is converted to a graduated tax effective July 1, 1984. The maximum tax is increased to $1,600 on July 1, 1984, $1,700 on July 1, 1986, $1,800 on July 1, 1987, and $1,900 on July 1, 1988. There is a one-year delay of this phase-in for fleets with 5 or fewer trucks. If a truck is retired from service during the year because of accident or theft, the use tax will be refunded on a pro rata basis. There is also an exemption for trucks used on highways for 5,000 miles or less.

Social Security Act provisions

The bill adds certain types of energy assistance provided to AFDC and SSI recipients to items of income not counted as income for purposes of determining benefits under these programs.

Unemployment compensation

The bill provides from 2 to 6 weeks of supplemental unemployment compensation. □

Nation's Cities Weekly
1-3-83

Highway improvement

TABLE C101–1983 (REVISED DEC. 21, 1982) ESTIMATED APPORTIONMENTS FOR FISCAL YEAR 1983 NONINTERSTATE AND FISCAL YEAR 1984 INTERSTATE PROGRAMS

[Dollars in thousands]

State	Interstate construction	I-4R	Primary	Secondary	Urban	Bridge	Hazard elimination	Railroad highway crossings	Total apportionment	Percent	85 percent floor	Grand total
Alabama	92,868	32,647	33,557	13,540	10,096	27,054	3,491	3,670	216,923	2.07		216,973
Alaska	18,200	15,866	66,859	34,895	3,900	3,295	980	2,893	146,888	1.40		146,888
Arizona	51,231	41,330	26,890	10,024	10,076	3,295	2,641	1,786	147,273	1.41		147,273
Arkansas	18,200	21,857	25,687	11,599	4,762	26,500	2,361	2,873	113,839	1.09		113,839
California	382,418	182,166	123,724	24,320	98,778	33,799	16,860	11,583	873,648	8.35	24,491	898,139
Colorado	59,441	37,328	29,038	11,803	10,455	14,304	2,726	2,479	166,774	1.59		166,774
Connecticut	108,456	18,097	16,807	4,229	11,183	20,276	2,167	1,208	182,433	1.74		182,433
Delaware	18,200	9,507	9,020	3,169	3,900	3,295	980	580	48,651	.47		48,651
District of Columbia	26,707	9,507	9,020		3,900	13,513	980	257	63,884	.61		63,884
Florida	183,380	60,246	56,797	14,018	37,213	25,764	7,244	5,729	389,392	3.72	12,360	401,752
Georgia	154,353	63,947	43,870	17,018	14,842	26,868	4,675	5,149	330,722	3.16		330,722
Hawaii	69,001	9,507	9,020	3,169	3,900	3,295	980	468	99,340	.95		99,340
Idaho	18,200	18,249	16,646	7,957	3,900	4,654	1,417	1,743	72,766	.70		72,766
Illinois	45,862	72,513	68,866	18,601	42,806	47,901	8,737	8,704	314,990	3.01	70,554	385,544
Indiana	18,200	50,154	40,513	14,969	15,503	36,987	4,536	6,412	187,274	1.79	49,155	236,429
Iowa	18,200	26,781	32,722	14,347	7,095	35,948	3,188	5,259	143,540	1.37		143,540
Kansas	26,845	22,041	30,135	13,172	6,632	41,825	3,097	5,520	149,367	1.43		149,367
Kentucky	92,314	36,514	31,451	13,327	7,833	27,212	3,115	3,046	214,912	2.06		214,912
Louisiana	164,155	32,467	30,430	10,825	12,650	32,317	3,308	3,656	289,808	2.77		289,808
Maine	18,200	9,507	12,392	5,682	3,900	6,663	980	1,127	58,451	.56		58,451
Maryland	232,776	29,238	23,301	5,835	15,347	22,760	2,949	1,797	334,103	3.20		334,103
Massachusetts	103,398	24,574	28,959	6,268	21,750	23,961	3,975	2,783	215,178	2.06		215,178
Michigan	57,328	64,905	60,472	19,734	29,413	15,243	7,193	6,787	261,075	2.50	75,531	336,606
Minnesota	64,083	34,934	40,285	16,390	11,795	23,393	4,058	5,037	199,975	1.91		199,975
Mississippi	18,200	23,918	26,225	11,795	4,974	35,736	2,432	2,725	127,005	1.21		127,005
Missouri	31,245	54,324	44,168	17,277	14,600	65,014	4,510	4,951	236,089	2.26		236,089
Montana	18,200	30,269	23,890	11,921	3,900	9,839	1,372	2,052	101,503	.97		101,503
Nebraska	18,200	17,293	23,251	10,506	4,294	22,700	2,106	3,408	101,758	.97		101,758
Nevada	18,200	15,945	16,631	7,532	3,900	3,295	1,032	942	67,477	.65		67,477
New Hampshire	18,200	9,507	9,020	3,169	3,900	7,952	980	752	53,480	.51		53,480
New Jersey	103,329	24,811	34,034	5,530	28,361	51,626	4,981	3,156	257,428	2.46		257,428
New Mexico	18,200	31,941	22,351	10,110	4,103	3,295	1,471	1,355	92,826	.89		92,826
New York	172,261	69,454	90,132	19,569	67,505	131,800	12,244	7,396	570,361	5.45		570,361
North Carolina	52,167	33,904	47,152	19,900	12,086	56,457	4,790	4,578	231,034	2.21	16,898	247,932
North Dakota	18,200	16,406	16,444	8,106	3,900	6,941	1,464	3,322	74,783	.72		74,783
Ohio	56,739	81,115	65,571	19,846	35,625	37,719	8,077	7,914	312,606	2.99	96,152	408,758
Oklahoma	29,443	28,838	31,054	12,807	8,680	27,460	3,233	3,937	145,452	1.39	16,943	162,395
Oregon	37,618	29,796	26,864	10,975	7,757	15,035	3,130	2,521	133,696	1.28		133,696
Pennsylvania	173,404	55,663	74,324	24,065	36,606	78,313	8,804	6,851	458,030	4.38		458,030
Rhode Island	65,884	9,507	9,020	3,169	3,900	4,347	980	527	97,334	.93		97,334
South Carolina	51,474	28,874	24,686	10,070	7,165	12,256	2,710	3,086	140,321	1.34		140,321
South Dakota	18,200	19,751	17,604	8,779	3,900	5,273	1,329	2,258	77,094	.74		77,094
Tennessee	40,632	50,946	37,384	14,691	12,194	47,280	3,878	3,622	210,627	2.01		210,627
Texas	180,124	148,248	114,155	39,391	50,383	58,682	12,136	12,241	615,360	5.88	135,233	750,593
Utah	46,798	28,345	17,026	6,720	5,484	3,295	1,446	1,419	110,533	1.06		110,533
Vermont	18,200	9,723	9,020	3,169	3,900	6,220	980	724	51,936	.50		51,936
Virginia	124,597	49,440	39,295	14,199	15,804	17,457	4,114	3,223	268,129	2.56		268,129
Washington	149,919	41,006	31,199	10,873	12,513	26,515	3,581	3,488	280,099	2.68		280,099
West Virginia	80,086	14,772	18,020	8,365	3,900	29,003	1,641	1,900	157,687	1.51		157,687
Wisconsin	20,264	27,676	39,113	15,213	13,135	26,617	4,253	4,852	151,123	1.45	23,820	174,943
Wyoming	18,200	26,082	15,389	7,608	3,900	3,295	980	1,064	76,528	.73		76,528
Puerto Rico			15,441	4,267	8,366	3,295	2,081	896	35,346	.34		35,346
Total	3,640,000	1,901,446	1,803,934	633,814	780,074	1,317,999	183,383	186,201	10,456,851	100.00	521,137	10,977,988

Source—Congressional Record

Public transportation

(in millions)

	FY' 1983	FY' 1984	FY' 1985	FY' 1986
Highway Trust Fund Revenues	$ 779	$1,250	$1,100	$1,100
Discretionary Grants 75% federal Share	$1,600	$1,250	$1,100	$1,100
Operating Assistance	$1,200	—	—	—
Unified Grants	$ 779	$2,750	$2,950	$3,050
Small Cities	$ 91	$ 80	$ 86	$ 89
Cities Between 50,000-200,000	$ 67	$ 238	$ 255	$ 264
Bus Cities 200,000-1,000,000	$ 122	$ 660	$ 708	$ 732
Over 1,000,000	$ 337	$1,831	$1,965	$2,031
Bus Productivity Rail Cities	$ 229	$ 149 $ 978	$ 159 $ 834	$ 165 $ 862
Rail Productivity		$ 32	$ 35	$ 36
Interstate Substitutions	$ 365	$ 380	$ 390	$ 400

Source—NLC

Nation's Cities Weekly
1-3-83

New York Times 1-27-83 p.D1, D5

Hard Times for Truckers

Tax-Protest Strike Nears

By WILLIAM SERRIN

Once again, troubles are piling up for the trucking industry. Tonnage and revenues are down because of the recession. Scores of truckers, caught in rate wars following deregulation of the industry, have gone bankrupt. Washington has just imposed a new series of tax increases on truck fuel, truck parts, truck use and truck sales.

And once again, as they did twice in the last decade, the nation's 100,000 independent truckers — who haul 90 percent of the nation's fresh food and half of its steel — are threatening to strike. This time their aim is to persuade Congress to provide some relief from the new taxes. The stoppage is scheduled next Monday.

No one knows how many of the independents — drivers who own their own tractors but generally haul trailers provided by someone else — will heed the strike call or how many other drivers will honor the stoppage if it comes. But there appears to be wide support for some sort of action.

In 1974 and 1979, while dramatizing their opposition to sharp increases in the price of fuel, the independents demonstrated their strength, tying up truck stops, expressway entrances and secondary roads throughout the country. Sometimes their activities were accompanied by violence.

"I've never seen things as bad as this," said Edward V. Kiley, senior vice president of the American Trucking Associations, the industry's main trade organization. And many truck drivers agree. "All the drivers are saying, 'I hope we go on strike,' " said Willie Bell, a trucker from Washington who was driving a load of clothing to Atlanta.

Of most immediate concern to truckers is the law imposing the new taxes. Signed by President Reagan on Jan. 6, it is expected to raise more than $5 billion a year to help rebuild the nation's highways, bridges and mass transportation. The Government considers the law an employment act through which perhaps 320,000 jobs will be created.

Transportation Secretary Drew Lewis, who is urging the truckers not to strike, says the tax increases are equitable. Indeed, he and other Administration officials assert that heavy trucks have never paid a proper share of highway maintenance and that only now, with the new taxes, will that imbalance begin to be righted.

But the industry complains that the tax increases are excessive. Michael Parkhurst, president of the Independent Truckers Association and editor of Overdrive, a trucking magazine, says the new law will mean unemployment for many truckers, particularly among the independents, who pay their own fuel costs and taxes. "They slipped it through as slick as grease," he said.

Yet the new law, which will raise fuel taxes beginning April 1 and phase in the other tax increases over five years, is only one of many problems facing the trucking industry. Trucks haul a major portion of the nation's goods and constitute a bulwark of the economy.

The recession has dramatically reduced tonnage and revenues for the trucking industry. According to Richard Staley, senior economist with the A.T.A., the industry is operating 30 to 40 percent over capacity — there are about a third more carriers than business will sustain.

He also said that in the first nine months of 1982 (the latest period for which information is available) tonnage was down about 10 percent, mileage was down somewhat less and revenues were down about 6 percent. "We aren't making any money," Mr. Staley said.

Moreover, deregulation, which went into effect in July 1980 as an effort to increase competition, has brought a big increase in the number of trucking companies. It has also brought what the industry and the International Brotherhood of Teamsters, the principal trucking union, say is rate-cutting reminiscent of the rate wars that led to regulation in 1935. Many companies have refused to sign the National Master Freight Agreement, the industry's primary labor contract.

According to the Interstate Commerce Commission, more than 8,000 new trucking companies have been chartered since deregulation. The industry says more than 200 regulated carriers have gone bankrupt since deregulation, and a lot of others are on the brink. The union says tens of thousands of truck drivers are out of work, with unemployment in the industry now exceeding 30 percent.

Mr. Kiley of the American Trucking Associations says one major problem for the industry is the way the I.C.C. observes the deregulation law. He said the agency almost automatically certifies new companies and is creating "excess capacity" even though the law, he added, stipulates that companies should not be certified if it appears they will engage in predatory activities, including extensive rate-cutting.

"Congress didn't say, 'complete free market — dog eat dog,' " Mr. Kiley said. "The I.C.C. is acting as if it did."

Talks With Union Requested

Facing such far-reaching industry problems, Arthur H. Bunte Jr., president of Trucking Management Inc., the bargaining arm of the unionized trucking industry, has asked the teamsters' union to discuss what he called adjustments to the master agreement.

The union granted the industry significant concessions in 1982, the first time the agreement had been reopened since it was established by James R. Hoffa, then the union's president, in 1964. The teamsters' general executive board, at a meeting in Florida yesterday, discussed the industry's latest request but reached no decision. The meeting is to resume today.

The situation is complicated because the union faces difficulties of its own. Roy L. Williams, president of the teamsters, accepted last year's changes in the master freight agreement, which covers some 300 companies, without major objections from union members. But subsequent concessions for United Parcel Service ran into strong opposition. If Mr. Williams were to agree to more trucking concessions now, he might find his support within the union weakened.

The call for a strike by independent truckers was issued by Mr. Parkhurst of the Independent Truckers Association, which claims a membership of 30,000. He served as a leader during the two previous trucker walkouts. Although the 1979 strike cost his organization $200,000, he declares that such actions are the only way to gain national attention.

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Organizations' Views Differ

The American Trucking Associations has supported a fuel tax increase, saying that the nation's roads desperately need money for repairs, and is not endorsing Mr. Parkhurst's strike call. But Mr. Kiley of the A.T.A., which includes many large companies, said it sympathizes with the independent truckers. Mr. Kiley said his organization believes the best way to change the law is through legislative pressure.

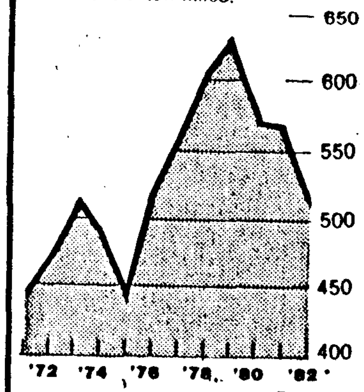
Mr. Parkhurst, while urging members of Congress to revise the tax-increase law, says a strike threat — and perhaps a strike — is necessary to get Congress to act. "We tried gentlemanly, civilized behavior," he said, "and look where that got us." Some members of Congress have already said the law does impose excessive burdens on the trucking industry and have promised to seek amendments.

Some drivers say they will act with caution if the strike occurs next week.

"We'll have to do like we did last time — kind of see how it's going," said Max Smith, who was hauling cars from North Carolinia to Maryland. He plans to do whatever his boss tells him to do, he added. Others seem more militant. W. C. McKean, a trucker from Auburn, Me., noting the rough-and-tumble image sometimes associated with truckers, declared: "People seem to think we're not much good for anything. If we shut this country down for a few days, they'll know better."

Hard Times Hit The Truckers

Intercity freight hauled by truck, in billions of ton-miles.



*Projection

Source: Standard and Poors, American Trucking Association