

**Testimony of Mr. Tom Carpenter
Director of Transportation
International Paper**

**Before the House Subcommittee on
Highways and Transit**

**US House of Representatives
Wednesday, July 9, 2008**

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Mr. Chairman and members of the Subcommittee, my name is Tom Carpenter and I am currently the Director of Transportation for International Paper, based in our headquarters in Memphis, Tennessee. Thank you for the opportunity to speak to the subcommittee on the important issue of truck weight.

International Paper Company is a global paper and packaging company that is complemented by an extensive North American merchant distribution system. International Paper operates 16 pulp, paper and packaging mills and 85 converting and packaging plants in the United States. We distribute printing, packaging, graphic arts, maintenance and industrial products through more than 273 distribution branches located primarily throughout North America. As of Dec. 31, 2007, we had approximately 51,500 employees, 33,100 of whom were located in the United States.

International Paper had sales in 2007 of \$22 billion and for 2008 is ranked No. 114 among Fortune 500 companies. In 2007 the company was also named No. 1 in the forest products sector for the fifth consecutive year on Fortune magazine's Most Admired Companies list. The company has 49 facilities that are certified or recommended for certification in OSHA's Voluntary Protection Program, the U.S. government's elite safety program. International Paper is committed to environmental stewardship and is engaged in partnerships with the U.S. Environmental Protection Agency, state agencies and non-governmental organizations throughout the world.

In 2008, International Paper will spend well over \$1 billion on freight transportation. This expenditure includes about 600,000 truckload and intermodal shipments, over 100,000 rail car shipments, and over 100,000 containerized export shipments.

My experience in transportation and logistics management spans about 23 years since graduating from the University of Tennessee with a bachelor's degree in transportation and logistics management. Since then, I have worked for an intermodal transportation company, and three different companies involved in the forest products, building products and paper and packaging businesses. I also hold an MBA in International Business from Georgia State University. As a result, I have developed an expertise in global transportation, logistics, and supply chain management. In my current role, I have overall responsibility for International Paper's transportation operations throughout North America. I am frequent speaker and guest lecturer at business seminars, industry association meetings, and also colleges and universities on the topic of supply chain management, integrated logistics, and corporate transportation.

International Paper is here today not only on our own company's behalf, but also on behalf of the coalition Americans for Safe and Efficient Transportation – or ASET. The ASET coalition is made up of shippers, motor carriers and manufacturers, as well as state and national associations all dedicated to finding safe and more productive ways to move freight. ASET has long sought authority to give six-axle single-trailer vehicles access to Interstate

highways for loads up to 97,000 lbs. This configuration is not new nor is it unusual. In fact, nearly every industrialized country in the world utilizes six-axle single-trailer trucks over 95,000 pounds on their highways. In the U.S., many states such as Michigan and several western states operate these vehicles now due to grandfather clauses that allow operations on both local and federal highways.

There are many reasons why there is a need now to begin to lift the federal freeze on truck weights. I would like to list some of the realities that both shippers and carriers face in today's environment that have hurt our productivity and ability to move freight:

- Diesel fuel costs have skyrocketed, making it more costly than ever to move freight. This is putting many truck companies out of business.
- Congestion has tripled since 1982 and will only worsen in coming years. With our heightened focus on homeland security, our ports and border crossings are more crowded than ever, which directly affects the shipment of goods.
- There are now more stringent truck engine emissions standards.
- The supply of qualified drivers has tightened and the average age of truck drivers is nearly 50. That means in the next decade there will be a major problem filling not only existing jobs but those that will be needed in an ever-growing economy.
- Insurance premiums have risen for the trucking industry and...
- Changes in drivers' hours-of-service continue to be challenging.

All of these complex issues are interrelated and Congress needs to recognize there will be no quick fix. While congestion and engine emissions standards may not seem at first glance as if they would affect each other, they all result in a net productivity loss for any company that moves freight in this country. While the trucking industry faces steadily escalating costs, inevitably these costs are borne by consumers. More money for diesel fuel combined with congestion and a shortage of drivers ultimately leads to higher costs for products once they hit the store shelves.

This is why we are supporting an effort to couple improvements in trucking efficiency through higher weight limits, with improvements to the safety of the truck fleet through the addition of a third trailer axle on single trailer vehicles. We feel that allowing six-axle vehicles the ability to carry heavier loads will improve industry efficiency, reduce fuel use and carbon emissions, and reduce the total amount of weight carried on our highways by reducing the number of trucks needed to carry a fixed amount of goods. All of this serves to reduce the total vehicle miles traveled by trucks which should serve to reduce the number of highway accidents.

Let me give you a specific example of how we think raising the weight limit in tandem with the addition of a third axle will be a win/win for shippers, truckers and the commuting public.

Taking just one of our mills in Alabama as a hypothetical example, we ran some numbers we think should be compelling to this committee. Each week, we send almost 600 fully loaded trucks from Courtland, Alabama via our nation's interstate system either to or through major metropolitan areas like Nashville, Tennessee, Birmingham, Alabama and Atlanta, Georgia. The trucks weigh 35,000 lbs. empty and can carry up to 45,000 lbs. of paper before hitting the 80,000 lb. weight limit. If the weight limit was increased to 97,000 lbs. we could increase the weight of the cargo on each truck from 45,000 lbs. to almost 60,000 lbs. IP could then transport the 27 million pounds of paper it ships from Courtland, Ala. to customers each week on 450 trucks instead of 600. On average, these truckload shipments travel 628 miles to their respective destinations.

Here is why this is critically important: 150 fewer trucks on the road driving the 628 miles one-way results in a reduction of 94,200 vehicle miles traveled each week. With fuel today costing \$.77 per mile, the fuel savings would be close to \$73,000 per week, with a reduction in CO2 emissions each week of 130,000 lbs. Perhaps most startling is the total weight reduction achieved each week on the roads and bridges between Courtland and these destinations of 5,250,000 lbs. per week.

I am not an engineer, but it seems clear to me that if we are taking more than 5 million lbs. per week off the roads and bridges surrounding just one of our 16 mills, that this has to be of long term benefit to our infrastructure. I believe passenger car commuters would welcome this reduction in the number of trucks on the road. If one company could achieve these kinds of reductions, imagine the impact of this economy-wide.

International Paper is confident this proposal will improve truck safety. IP has a long history of being a leader in employee safety and we would not be supporting this issue without being firmly convinced it is a positive move for all concerned. Congress has looked into this issue in the past and commissioned studies both by the Department of Transportation as well as the Transportation Research Board (TRB) and both studies concluded that accidents would decrease if there was a reduction in vehicle-miles-traveled (VMT) for large trucks with six axles. Simply put, the TRB Study stated that there was, and I quote, "slight or no relationship between weight and fatal accident involvement rate for large trucks... (which is) evidence that severity (of crashes between cars and trucks) is not sensitive to weight." Most importantly, the TRB declared that, and I quote again, "Accident losses were projected to decline because the reduction in truck VMT would more than offset any greater risk per mile of travel of the new trucks compared with the vehicles replaced."

One more point about truck safety. The Department of Transportation found a direct correlation between two factors involving truck accidents with the driving public. The first and most important was that the longer a truck is on the road the more likely it is to have an accident. Therefore, lowering truck VMT is the greatest way to reduce accidents. The other factor was that the vast majority of truck accidents occur on non-Interstate highways which means that the safest routes for large trucks are the roads and bridges that were designed for them – federal ones. This is an important point because of the vast state variances already on

the books for either grandfathered rights or special permitting in nearly every state, often for trucks weighing in excess of 80,000 lbs. The unintended affect of these regulations means that the heaviest trucks are often permitted on secondary roads through small towns because the federal freeze prohibits them from utilizing the Interstate system.

Another key reason for the need to lift the freeze on truck weights is our dependence on fossil fuels and the greenhouse gases that are emitted into the air from trucks. Simply put, if you could cut the number of trucks on the road there would be a corresponding reduction in emissions. When the DOT looked at this issue – they looked at our 97,000 lb. proposal and found it would reduce truck VMT by 11% and fuel usage by 6%. That would mean annual savings of approximately 1.9 billion gallons of diesel fuel resulting in a decrease of 6.5 million tons of criteria pollutants emitted into the atmosphere each year. Using the EPA calculation of 22.2 lbs. of CO₂ emitted for every gallon of diesel, improving truck weight limits would reduce some 42 billion lbs. of CO₂ emissions on an annual basis. This is a great step forward for both energy security and greenhouse gas reduction.

One final point I'd like to make about the reasons for increasing truck weights is international competition. Recently the Premier of New Brunswick, Canada was in Washington, DC and one of the key topics he discussed with members of Congress was truck weights. Even though Canada operates over 95,000 lbs. on six axles, they are not in favor of having this so-called advantage over the U.S. The reason is that it is counter-productive to the free flow of goods between our two countries. Canada is by far the largest trading partner with the U.S. and their heavy trucks often hit the U.S. border and then must break apart their shipments into lighter loads so that they can get on our federal highways. Likewise, U.S. trucks traveling to Canada are less efficient than their Canadian counterparts.

I believe I've covered the safety issues but let me add that as part of the DOT study, they operated a six-axle 97,000 lb. vehicle and compared it to the 80,000 lbs. five-axle one and their safety statistics were almost identical. With infrastructure, we are all well aware that our federal roads and bridges are deteriorating and are in need of repair. That being said, part of the DOT study looked at the footprint of a tractor-trailer and found that in fact a 97,000 lb. six-axle vehicle has a softer footprint across the whole vehicle than an 80,000 lb. five-axle one. The bridge wear and tear would be increased slightly per truck, but that should be offset by the vast number of trucks coming off of the road, which I mentioned in our example of International Paper's trips from our paper mill in Courtland, Alabama.

However, because we recognize the need to improve our transportation infrastructure, particularly in bridge reinforcements, IP along with the ASET coalition, would be willing to support an increase in the highway user fee tax for six axle trucks seeking to carry the heavier loads. We recognize that it is time to "pay to play" and we are prepared to do so.

The U.S. DOT predicts that freight moved on trucks will nearly double in the next 20 years. This is without any increases to truck size and weight. How will our congested highways handle this traffic? It is unrealistic to think that within a few years thousands of new miles of

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federal highways will be built or that somehow we won't need trucks nearly as much to deliver freight. Trucking will continue to carry the vast amount of freight in this country and we should continue to work to see that this important mode of transportation operates as efficiently as possible.

The example of nearly every industrialized country in the world operating heavier, six axle trucks ought to be instructive. We do not believe that England, Canada, Sweden, let alone the states of Michigan, Montana, and Utah are risking the lives of their citizens with six-axle trucks. When you consider the safety statistics of those countries or states that have operated these trucks for years, you will find that they have not suffered relative to states in our country that do not have access to these higher weight limits.

Mr. Chairman and members of the committee, our goal is to improve trucking efficiency and create a safer highway transportation system at the same time. We are willing to work with the members of this committee on any reasonable proposal to advance this issue. While we believe there is an urgent need to act on this issue today, we would certainly be willing to discuss any number of ways to phase in the effort, or provide additional testing through the implementation of pilot programs. We stand ready to assist you in this effort in any way we can.

I appreciate this opportunity to share my views and I would welcome any questions this committee may have. Thank you.