A bold voice for transportation workers

WRITTEN STATEMENT OF
EDWARD WYTKIND, PRESIDENT
TRANSPORTATION TRADES DEPARTMENT, AFL-CIO

BEFORE THE HOUSE COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE PANEL ON 21ST CENTURY FREIGHT TRANSPORTATION HEARING
ON
"OVERVIEW OF THE UNITED STATES' FREIGHT TRANSPORTATION SYSTEM"

April 24, 2013

Chairman Duncan, Congressman Nadler, and members of the Panel on 21st Century Freight Infrastructure, thank you for the opportunity to testify today on the importance of freight transportation.

As the President of the Transportation Trades Department, AFL-CIO (TTD), I am honored to speak on behalf of workers who make freight transportation possible. By way of background, TTD consists of 33 affiliated unions that represent workers in every mode of transportation including those engaged in the movement of freight.[1] Without transportation workers, goods would travel only as far as consumers would be willing to drive, imports and exports would never arrive at or leave our docks, and raw materials needed by our manufacturing sector would never be received. As a result, the abundance of choices available to today's American consumers and businesses would dwindle, jobs would be slashed and our nation's presence as the leading force on the global field would vanish.

But through the work of the members we are proud to represent, the movement of freight becomes a reality. And because these workers have secured the benefits of collective bargaining, they earn a middle-class living, with good health care, retirement and other benefits, workplace safety protections, and an important level of job security for them and their families. These good jobs in turn support communities across the nation and drive our economy.

These members include many of the approximately 170,000 Americans who operate and maintain the freight railroad network, signal systems and equipment while transporting over a billion tons of cargo each year.

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[1] A complete list of TTD affiliates is attached.

Transportation Trades Department, AFL-CIO

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TTD unions also represent tens of thousands of maritime, longshore and warehouse workers employed on vessels that transport our freight and at docks in Hawaii, Alaska, the Great Lakes, major U.S. rivers, and along the East, West and Gulf coasts where they unload cargo. These workers play a vital role in the ability of the U.S. to export and import goods that fuel the world's most powerful economy.

Additionally, we represent virtually all aviation unions whose members operate, maintain and support air carrier operations – both the all-cargo carriers and the commercial passenger carriers that combined carry millions of tons of freight domestically and across the globe. So when you think of the nation's aviation employees – both air carrier employees and the men and women who work in and maintain our air traffic control system – they play a vital role in our complex freight transportation network.

Taken together, freight transportation workers helped move an estimated 12.5 billion tons of freight valued at more than $11.6 trillion in 2007. Compared to 10 years prior, this data reflect an increase of 13% in freight weight and 68% in freight value. Notably, the Department of Transportation projected that our national freight tonnage will increase almost 70% by 2020 with some freight gateways experiencing a tripling of freight volumes. This projected growth in freight volume will require leadership in Washington if we're serious about making sure our transportation infrastructure can keep pace.

We all know the facts. Our infrastructure is currently in a deplorable state of disrepair. In the World Economic Forum's 2012-2013 *Global Competitiveness Report* the U.S. ranked 25th in the world on the quality of its overall infrastructure. The fact that the world's strongest economy must function with an infrastructure that barely cracks the top 25 should worry government and business leaders. The 2013 report card issued by the American Society of Civil Engineers (ASCE) says it all. Our infrastructure received a cumulative grade of D+. ASCE rated our ports a 'C', our railroads 'C+', our roads 'D', and our aviation system a 'D', finding that underinvestment and deferred maintenance are undermining the state of our infrastructure.

Our economic strength is intrinsically linked to the condition of our transportation infrastructure. When channels are too shallow to receive large vessels, or railroads are located miles away from ports, unnecessary delays and congestion cause the flow of commerce to slow and cost our economy billions. As a result, our ability to compete in the international market and meet President Obama's goal of doubling exports by 2015 is undermined. Thus, the national discussion about the state of our freight transportation system isn't just another transportation policy debate; it's about providing American businesses the infrastructure they need to distribute their products to the rest of the world and ensuring the U.S. remains a dominant force in the global marketplace.

Fortunately, we have the opportunity to reverse years of underinvestment and neglect. There are plenty of good ideas that, if implemented will produce the resources needed to support a transportation network that reaches its potential, can keep pace with an expanding economy and is safe and efficient. What is missing is the political will to invest in such a system. While the private sector has a vital and necessary role to play in investing in our freight transport system, the government simply cannot abdicate its responsibility to properly fund this sector of our transportation system across all modes.

We can start by spending the money we take in each year through the Harbor Maintenance Tax (HMT). As this Committee knows, these funds are collected for the purpose of improving a vital link in our freight system: our ports and navigation channels. The U.S. Army Corps of Engineers estimates that 95% of our international trade travels through our ports, yet ASCE estimates that between now and 2020, our ports and inland waterways will require $30 billion of investments to meet their growing needs. This comes just as the expansion of the Panama Canal is approaching, when vessels and ships are increasing their size and trade volume at ports is expected to double. Many of our channels are already too shallow to allow vessels to pass through, and this problem will only worsen with the emergence of mega-vessels carrying heavier loads.

The $7 billion that has been accumulated and is sitting in the Harbor Maintenance Trust Fund should be invested in our ports to accommodate for the Panama Canal expansion and the realities of today's vessels. TTD is encouraged by this Committee's bipartisan interest, support and discussions regarding a Water Resources Development Act (WRDA) bill and specifically, HMT funding reform. We urge the Committee to work with the Senate and send a bill to the President that finally unlocks the HMT funds that are held hostage at the expense of the port/maritime sector and our economy.

Congress must also tackle the surface transportation funding crisis. As this Committee knows and as transportation labor has testified before, the Highway Trust Fund (HTF) spends $15 billion more than it receives each year and may become insolvent after Fiscal Year 2014. The demands on the HTF are tall, yet its funding source, the gasoline and diesel fuel tax, hasn't been increased since 1993 and its buying power has fallen 33%. The threat of insolvency must be addressed – the most straightforward way to do so is by increasing the gas tax and indexing it to inflation. It is time for our political leaders to tell the truth to Americans and businesses: unless we increase revenues flowing into the collapsing HTF – yes by raising the federal fuel user fee – our highways, bridges and public transit systems will fail us and our economy will crater.

We also recognize that as vehicles become more fuel efficient and the public increasingly drives alternative fuel vehicles, other revenue sources must be identified as well. We've supported other funding mechanisms to complement the gas tax, and we'd be interested in talking to the Committee and others regarding different options.[2]

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[2] Attached is our 2013 Policy Statement "Options for Avoiding the Highway Trust Fund Cliff" that was adopted by the TTD Executive Committee in February 2013. It provides further detail on TTD's call on Congress to fix the HTF.

It comes as a shock to no one that our surface transportation infrastructure is failing our economy. Everyone here understands that there are viable funding solutions that will allow our country to boost investments and create hundreds of thousands of jobs along the way. However, there is a profound lack of political will in Washington to actually propose methods of addressing the funding shortfall. While we appreciate the strong message from lawmakers (many of whom serve on this Committee) about modernizing and expanding our transportation system, America needs real, viable funding options to be put on the table and enacted.

The tepid support found in the just unveiled Gallup Poll for raising the federal fuel tax and dedicating the funds for roads, bridges and mass transit should worry those on this Committee attempting to lead a national debate about the importance of investing in our failing transportation system. While data show that a majority of state transportation revenue initiatives are passing, this poll demonstrates that we are failing to paint an honest picture for the American people on the severe impact to our economy of continuing to neglect our severely aging infrastructure.

Enhancing funding for surface transportation programs will also support vital intermodal projects. As I mentioned earlier, we represent workers employed in an array of components and subcomponents of the freight transportation system. We understand better than most that in order for the U.S. to remain competitive, we need a robust, integrated system that connects ports, railroads and roads with each other and with cargo-carrying aircraft. Investing in intermodal facilities will connect the modes, reduce congestion, and decrease shipping time, which help make products more affordable to consumers and facilitate domestic and international trade. Congress must ensure that the needs of these facilities are considered as the expansion of freight transportation is debated and as legislation is crafted.

With regard to our aviation system, the FAA is in the midst of transforming our decades-old radar-based air traffic control system to a modernized satellite-based system that will employ new technologies to increase efficiency, expand capacity, reduce congestion and enhance safety. The air transport of freight, on both cargo and passenger aircraft, will benefit from the cost savings and capacity enhancements resulting from NextGen, allowing consumers and businesses to save as well. But unless Congress commits to appropriating the funds needed to fully implement this modernized air traffic system, freight transportation will suffer as well. The model used today – subjecting air traffic control modernization to funding fits and starts – isn't serving our nation's economic interests and is slowing progress on this vital initiative.

It is clear that greater federal investment is needed throughout our freight infrastructure systems to help our economy grow and prosper. Further, it is critical that we maximize the domestic economic impact of these investments by including strong Buy America provisions in any legislation authorizing the construction and maintenance of freight infrastructure. The application of and strong adherence to Buy America laws helps ensure that taxpayer dollars are spent here at home rather than sent overseas. The use of American-made steel, other raw materials and manufactured goods in any infrastructure investment serves as an economic multiplier by creating and sustaining American manufacturing jobs.

The role of the private sector in project delivery will undoubtedly be debated. We acknowledge that long-term transportation projects may require innovative financing and we understand that expanding the use of public-private partnerships (PPPs) may be proposed. The fact is that the private sector has always played a robust role in our transportation system and will continue to do so.

TTD continues to believe that PPPs have a finite role to play in the delivery of transportation projects, as PPPs cannot provide the revenue streams necessary to finance a national, intermodal transportation system. In other words, if we fail to solve the significant public funding issues, there will be limited opportunity to attract the private investment needed to execute more PPPs. I hear this point all the time from the private capital professionals: in order for private investors to come to the table, the dysfunctional federal policy regime that is failing to provide a reliable federal funding stream must be reversed.

As Congress considers the role of PPPs, we will make the case for rigorous initial cost-benefit analyses and clear accountability for the cost and quality of the work performed. Further, longstanding worker protections must be applied and rules that safeguard the rights of workers must be honored. PPPs and innovative financing measures cannot be used as a mechanism to eliminate collective bargaining rights or worker protections as part of a business model to increase profits at the expense of workers. If that is indeed the path that is taken, we will oppose those efforts and the political support for these types of projects and funding options will be fractured and weakened.

I would be remiss not to discuss the severe impact that sequestration is having on the transportation system and specifically on our freight network. Earlier this week, furloughs took effect for virtually every employee of the Federal Aviation Administration (FAA) and the delays and uncertainty that are plaguing air travel is massive and growing. While passengers are the most visible victims of these cuts, we know that air cargo will suffer from delays as well jeopardizing this important segment of our freight system. We also have to realize that we cannot responsibly talk about enhanced investments in freight transportation while allowing sequestration to arbitrarily cut vital programs across the board. Instead of continuing to play the blame game and point fingers at each other, Congress and the Administration need to work together to solve this problem, put FAA workers back on the job and stop the funding cuts before more harm is done to our country.

It is impossible to have a discussion on the role of our freight transportation system without acknowledging that there are a number of pending policy issues outside the funding challenges already noted that have a direct impact on this sector's ability to move cargo efficiently and safely.

For example, a viable U.S. maritime presence cannot be sustained without strong cargo preference laws that ensure U.S. cargo is transported on U.S. flag vessels. I must note that this law was weakened for U.S. food aid transports in the recently completed MAP-21 reauthorization – a law that previously had little to do with maritime commerce.[3] TTD and our affiliates are working to reverse this misguided departure from our cargo preference laws and to ensure that changes proposed for this program by the Obama Administration are not enacted.

There are also a number of freight rail safety issues that will be considered by this Committee as part of any reauthorization of the Rail Safety Improvement Act. Chronic fatigue issues left unresolved by the last law must be addressed, positive train control needs to be implemented, and we will oppose efforts to allow larger and heavier trucks on our nation's highways. We agree with the freight rail carriers that repealing certain antitrust rules for the industry would be a mistake as would new unfair economic regulatory requirements. These changes would harm the wages and jobs of workers employed in this industry and make it more difficult for rail carriers to invest in the infrastructure improvements sorely needed to improve freight transportation.

On the aviation side, we are committed to extending to pilots in the all-cargo sector the new fatigue rules that cover passenger carriers. We strongly objected to the Obama Administration's decision to completely exempt cargo pilots from the new regulations. Despite claims to the contrary, pilots who fly for cargo carriers suffer from the same fatigue issues as commercial passenger pilots and share the same air space. They should therefore be covered by the same fatigue rules. We support legislation introduced by Reps. Michael Grimm (R-NY) and Tim Bishop (D-NY) to close this regulatory loophole and we urge the Committee to consider and pass this legislation that improves the safety of this important sector of the freight transportation system.

We commend the Committee and Congress for the work you've done so far in placing greater priority on establishing a comprehensive freight system, and in particular for the freight provisions included in MAP-21 which will change the way we address freight transportation at the national and state levels. Among other freight-related requirements, MAP-21 called for the development of a national freight policy, national freight network, national freight strategic plan, and state freight advisory committees, which will produce a comprehensive approach to freight transport. By establishing and pursuing national freight goals, we can build a system that integrates our freight needs with states' needs and capabilities. In doing so, Congress established freight as an important aspect of our transportation system, and we applaud Congress for its work.

We also applaud the Administration for aggressively implementing the freight provisions of MAP-21. In February, the Administration announced the process for designating the national freight network and identified milestones for future progress. Additionally, the Administration created the National Freight Advisory Committee to advise the Secretary of Transportation on

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[3] Attached is our 2013 Policy Statement "Reforms to Strengthen U.S. Maritime Cargo Preference Laws" that was adopted by the TTD Executive Committee in February 2013. It provides further detail on TTD's call for strong cargo preference protections.

issues relating to freight transportation planning and the implementation of the new freight provisions included in MAP-21. We believe this Advisory Committee is an important step in the Department of Transportation's efforts to develop an integrated, comprehensive approach to freight movement, and transportation labor looks forward to participating in its deliberations.

We are pleased to support this Committee's work to develop a comprehensive freight transportation policy framework. We share your view that without a renewed focus on freight transportation and the investments that are clearly needed, we will be missing the opportunity to boost America's competitiveness, create middle-class jobs that still elude too many Americans, and modernize the way our companies and people compete in the global economy.

We appreciate the opportunity to testify today and look forward to participating in the Panel's efforts to address the needs of the 21st century freight transportation system. Thank you.

ATTACHMENT 1

TTD MEMBER UNIONS

The following labor organizations are members of and represented by the TTD:

Air Line Pilots Association (ALPA)
Amalgamated Transit Union (ATU)
American Federation of Government Employees (AFGE)
American Federation of State, County and Municipal Employees (AFSCME)
American Federation of Teachers (AFT)
Association of Flight Attendants-CWA (AFA-CWA)
American Train Dispatchers Association (ATDA)
Brotherhood of Railroad Signalmen (BRS)
Communications Workers of America (CWA)
International Association of Fire Fighters (IAFF)
International Association of Machinists and Aerospace Workers (IAM)
International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers (IBB)
International Brotherhood of Electrical Workers (IBEW)
International Longshoremen's Association (ILA)
International Longshore and Warehouse Union (ILWU)
International Organization of Masters, Mates & Pilots, ILA (MM&P)
International Union of Operating Engineers (IUOE)
Laborers' International Union of North America (LIUNA)
Marine Engineers' Beneficial Association (MEBA)
National Air Traffic Controllers Association (NATCA)
National Association of Letter Carriers (NALC)
National Conference of Firemen and Oilers, SEIU (NCFO, SEIU)
National Federation of Public and Private Employees (NFOPAPE)
Office and Professional Employees International Union (OPEIU)
Professional Aviation Safety Specialists (PASS)
Sailors' Union of the Pacific (SUP)
Sheet Metal, Air, Rail and Transportation Worker (SMART)
Transportation Communications International Union (TCU)
Transport Workers Union of America (TWU)
UNITE HERE!
United Mine Workers of America (UMWA)
United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union (USW)
United Transportation Union-SMART (UTU-SMART)

April 2013

ATTACHMENT 2

TTD

A bold voice for transportation workers

OPTIONS FOR AVOIDING THE HIGHWAY TRUST FUND CLIFF

While Washington obsesses over the so-called "deficit crisis," the reality is that America has a jobs and transportation infrastructure crisis, a product of decades of neglect and indifference by policymakers. This crisis reaches into every sector of our transportation system and we are committed to its reversal.

The most significant barrier to restoring America's surface transportation infrastructure is a broken and outdated funding system as politicians from both parties have been all too willing to postpone difficult choices. This "kick the can down the road" approach may have been politically expedient or even necessary in the short-term, but the consequences have been devastating to our transportation system and our economic competitiveness. If Washington gridlock kills serious proposals to fix our surface transportation funding mechanisms, millions of jobs will be at risk and the already alarming deterioration of our freight and passenger transportation systems will only worsen.

Projections tell us that at the current rate of investment, the U.S. will spend $1.1 trillion below what is needed between now and 2020. Sadly, at this rate it would take almost 80 years to complete the transit projects that are currently on the books. And with the projected insolvency of the Highway Trust Fund (HTF) in 2015 – sort of a "mobility cliff" staring us in the face – there is no more time for brinksmanship.

The HTF provides financing for public transportation and road and bridge construction. Until recently, the HTF was funded primarily by the assessment of federal excise taxes of 18.4 cents per gallon on gasoline and 24.4 cents per gallon on diesel fuel. These user fees were never indexed for inflation and as a result, their buying power has fallen 33 percent since they were last increased in 1993. No nation in the world can run a 2013 surface transportation system on a 1993 budget.

In the early 1990s, the per gallon charge accounted for 17 percent of the cost of a gallon of gas, but today it represents only about 5 percent of the per gallon assessment. This decrease in buying power has caused the HTF to pay out more than it takes in. As a result, the HTF now spends $15 billion more than it receives each year, and every state received more in funding than it contributed in the years between 2005 and 2009. To fill this funding gap, over $40 billion has been injected into the HTF from the General Fund since 2008. The Congressional Budget Office recently projected that the trust fund would be able to meet its obligations through the end of fiscal year 2014, but after that it may be insolvent. Without any reforms to the revenue stream, the Highway Account would incur a $365.50 billion deficit over the next 23 years.

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Exacerbating the HTF's underfunding is that the date of its anticipated insolvency coincides with the expiration of MAP-21, the surface transportation reauthorization legislation signed into law in 2012. Although MAP-21 did provide needed stability in trust fund expenditures, Congress was unable to agree on a sustainable and long-term solution to address the shortfall in the HTF. When MAP-21 expires, however, it will no longer have that luxury. If the HTF is allowed to become insolvent in fiscal year 2015, annual federal investments for transit would drop from $11 billion to $3.5 billion and for highways these payments would plummet from $40 billion to $4.5 billion. Allowing these programs to fall over this cliff would kill most planned projects and threaten millions of jobs. Clearly, Congress cannot delay any longer. An answer must be found.

The simplest solution to the threat of insolvency is to increase the gas tax and index it to inflation. The gas tax has a long bipartisan history. It was Ronald Reagan who defended a gas tax increase by saying, "Our country's outstanding highway system was built on the user fee principle – that those who benefit from a use should share in its cost." And in 2009, the bipartisan National Surface Transportation Infrastructure Financing Commission proposed a 10-cent increase in the gasoline tax, a 15-cent hike in the diesel tax and indexing each tax rate to inflation. This approach has been endorsed by the labor movement and businesses of all sizes. Yet to date, anti-tax zealots and extremists who clearly fail to understand how America maintains and modernizes its transportation system have managed to stop any progress.

One approach to the problems of insolvency and increasing trust fund revenues would be to include a gas tax hike in a deficit agreement. A gas tax increase has been incorporated into debt relief packages on several occasions. In late 2010, as a part of the contemporary discussion of this issue, the Simpson-Bowles Commission recommended increasing the gas tax by 15 cents per gallon over three years and dedicating the revenues to fund transportation. These types of negotiations may be the most appropriate forum for addressing the HTF shortfall.

In the absence of an agreement to increase the gas tax, we recognize that other approaches may be necessary. One recent proposal, offered by John Horsley, the former Executive Director of the American Association of State Highway and Transportation Officials, would replace the current excise tax with a sales tax. This would require the conversion from a flat per gallon rate (that is, 18.4 cents for each gallon of gasoline) to a per dollar percentage. The specific percentage of such a tax would be set at a level sufficient to provide $350 billion in funding for highway and transit programs over six years. The end result for drivers would be about $1 per week for each vehicle. This assessment is structured to ease the pain on consumers, would not change the trust fund's user fee structure and would continue to be pegged to the price of fuel. Without an increase in the gas tax as currently structured, we encourage Congress and the White House to give this proposal serious consideration.

Over the longer term, other revenue sources must also be identified. With increased fuel efficiency standards going into effect, by 2025 cars and light trucks will be required to average 54.5 miles per gallon. Additionally, many consumers and producers are moving to alternative fuel vehicles powered by electricity and natural gas. As a result, the current revenue structure for the HTF will need to shift away from one that is predicated on the consumption of gasoline and diesel fuel. Several longer term options are available. We believe those that continue to be based on user fees are preferable to those that do not. However, these long-term revenue sources must be viewed as complements to an adjustment in the gas tax. They cannot serve as a way to avoid important decisions on looming trust fund revenue needs over the next few years.

A vehicle miles traveled (VMT) fee would provide trust fund revenue by assessing a charge to roadway users for each mile they drive. It is the most thoughtful revenue proposal that is not directly linked to fuel consumption. Like the gas tax, the VMT assesses fees to roadway users, which preserves the user fee model for surface infrastructure investment touted for decades by presidents in both parties. VMT has been endorsed by an array of commissions, including the National Surface Transportation Infrastructure Financing Commission. Differing assessments could be levied on various vehicle types, with trucks and other heavy vehicles being assessed higher charges because of the additional wear they cause on roadway surfaces. Further study may be necessary before full implementation of this approach and such evaluations should focus on easing public concerns regarding privacy and equitable fee assessments. Additionally, commercial driver's license holder protections should be provided, similar to those offered for electronic onboard recorders.

Innovative finance initiatives could also help fund certain transportation projects but are not a substitute for real action to address the chronic underfunding of the HTF. Of course, how these initiatives are implemented is extremely important given the public and employee interest issues that have surfaced over the years. At a minimum, any innovative financing proposal, including a federal infrastructure bank or a separate public private partnership, must apply Section 13(c) transit worker protections, Davis-Bacon prevailing wage rules, project labor agreements, public employee protections and Buy America requirements.

Creation of a federal infrastructure bank has received significant support and been an element of the President's vision for economic growth and infrastructure investment. Such a bank, if properly capitalized, could help to fund intermodal projects and those that affect large regions of the country by offering low-interest loans and loan guarantees. However, despite the rhetoric that one often hears about this topic inside the beltway, infrastructure banks do not replace the need to provide HTF revenue over the immediate or long term.

Public private partnerships (PPPs) are often lauded as an answer to many national infrastructure challenges; however, their implementation can be complicated and raise certain concerns that must be addressed. In essence, these transactions are billed as an opportunity to fund public infrastructure needs when public resources are scarce or inadequate. But of course not all forms of infrastructure can provide sufficient revenue to support this approach and the public interest must be carefully considered as private profits are extracted from public infrastructure. Those who promise job creation from a PPP should be held accountable and the jobs and rights of public employees must be protected. PPPs can have their place in the delivery of certain transportation projects but they must be carefully managed to ensure they are not used to weaken labor standards, eliminate public sector jobs or ignore the public interest.

As this debate unfolds, we will focus our energy on seeking a bipartisan political solution to the gridlock in Washington that is strangling our economy. Real policy solutions to the funding crisis faced by our surface transportation system do exist. What have been lacking are the political will to move forward and a serious commitment to fixing this systemic problem. TTD is committed to this effort and will make the case that funding our surface transportation system will create and sustain jobs, grow our economy and ensure our country can compete and win in the international marketplace.

Policy Statement No. W13-01
Adopted February 24, 2013

ATTACHMENT 3

A bold voice for transportation workers

REFORMS TO STRENGTHEN U.S. MARITIME CARGO PREFERENCE LAWS

U.S. government policy has long recognized the importance of a strong U.S. merchant marine to our national economy and global defense network. These policies and laws reflect the changing dynamics of the global maritime system, and are designed to promote the health and viability of a privately owned U.S.-flag fleet and the maintenance of a trained U.S. mariner workforce capable of meeting the U.S. government's sealift objectives. Most of this will be at risk if we fail to advance a sensible federal maritime policy.

The U.S.-flag fleet plays an important role in our national security, serving as a naval auxiliary in time of war or national emergency, in addition to being an economic engine capable of moving goods to and from our nation's shores. U.S.-flag ships have delivered the majority of the material to Operation Enduring Freedom/Operation Iraqi Freedom, and since 2009, U.S.-flag vessels have moved more than 90 percent of all the cargoes to Afghanistan and Iraq supporting U.S. and coalition forces. The success of our maritime policies is as important today as ever due to the fiscal constraints facing the U.S. and the burdens on our national defense across the globe.

Cargo preference statutes and other U.S.-flag shipping requirements are integral to the maintenance of a strong U.S.-flag fleet. These statutes ensure that U.S. Government-generated import and export cargoes move in substantial volume on U.S.-flag vessels. Cargo preference does not apply to the transport of purely private commercial export-import cargoes, but only to the movement of those generated by the U.S. government. While limited in scope, these policies are critically important to maintaining the merchant fleet necessary to meet our national goals. The U.S. is not alone in implementing such policies either, as it is the general practice of other maritime nations to move the vast majority of their government shipments in vessels of their own flag. We must continue to vigorously defend our national maritime interests.

Unfortunately, cargo preference laws have been hampered both by their loose application by federal agencies and recent legislative actions meant to undermine the goals of cargo preference. We oppose language that was inserted into last year's surface reauthorization law (MAP-21) that reduced the application of cargo preference for the Food for Peace program from 75 percent of government-generated cargo to 50 percent. This language was inserted in the dead of night, without consulting maritime labor or the U.S. maritime industry, and without even a single congressional hearing on the subject. The loss of cargo for U.S.-flag vessels could result in the loss of good middle class jobs for U.S. mariners and cause more than 16 privately owned ships to fly a foreign flag. The legislation strikes at the core of U.S. cargo preference laws and undermines the U.S.-flag fleet's ability to serve our national economic and security interests.

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TTD strongly opposes this legislative action, and will work to prevent any further efforts to undermine U.S. cargo preference laws. In fact, we supported bipartisan legislation introduced in the 112th Congress by Reps. Elijah Cummings (D-MD) and Jeff Landry (R-LA), the Savings Essential American Sailors Act (H.R. 6170), that would have overturned the language in MAP-21 and restored the cargo preference requirement for Food for Peace cargo to 75 percent. We look forward to this legislation being introduced in the 113th Congress and will push for its swift passage.

Improvements to U.S. cargo preference laws do not stop in the halls of Congress as the Administration must vigorously enforce the laws throughout our government. In recent years, the applicability of cargo preference requirements to specific federal activities has been called into question. All too frequently federal agencies and departments have implemented them in ways that allow for only minimal compliance, missing an opportunity to further strengthen the U.S. fleet and its workforce.

The Administration's policy should reaffirm a commitment to fully adhere to cargo preference laws, and should give the Maritime Administration – the only federal agency tasked with promoting the U.S.-flag fleet – the resources and authority it needs to implement cargo preference throughout the federal agencies. The cargo preference laws are broadly written and should be broadly applied to federal activities without exception.

To further this goal, the Administration has an opportunity to maximize the use of U.S.-flag vessels. Some cargo preference laws require less than 100 percent of applicable government-generated cargo to be transported on U.S.-flag vessels, such as the 50 percent minimum for the international food aid program noted above. In these circumstances the minimum percentage required under law should be viewed as just that: a minimum. The goal for every federal agency should be to maximize their use of U.S.-flag vessels when shipping government-generated cargoes and 100 percent should be the clear objective.

The Maritime Administration must be given the authority to determine the applicability of cargo preference to various federal agencies. Agencies should work closely with the Maritime Administrator to implement regulations and guidelines necessary for the Administrator to fulfill his or her enforcement authorities granted by law (PL 110-417). Federal agencies should also provide the Administrator the data and statistics related to cargo preference activities in order to develop a pathway forward to maximize the use of U.S.-flag vessels. Finally, the Administrator should have sole responsibility, as provided by law, to issue waivers to cargo preference laws.

These reforms are not radical, nor are they burdensome. They will, however, provide necessary clarification about cargo preference laws, and allow the U.S. government to fulfill these laws in the spirit in which they were written.

The U.S.-flag fleet and its dedicated and highly trained workforce are an extremely important resource for our economic health and national security. In order ensure that the U.S.-fleet remains viable and effective in the global marketplace, cargo preference laws need to be strengthened by Congress and fully adhered to by our government.

Policy Statement No. W13-02
Adopted February 24, 2013

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
Truth in Testimony Disclosure

Pursuant to clause 2(g)(5) of Rule XI of the Rules of the House of Representatives, in the case of a witness appearing in a nongovernmental capacity, a written statement of proposed testimony shall include: (1) a curriculum vitae; and (2) a disclosure of the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by the witness or by an entity represented by the witness. Such statements, with appropriate redaction to protect the privacy of the witness, shall be made publicly available in electronic form not later than one day after the witness appears.

(1) Name:
Edward Wytkind

(2) Other than yourself, name of entity you are representing:
Transportation Trades Department, AFL-CIO

(3) Are you testifying on behalf of an entity other than a Government (federal, state, local) entity?

YES — **If yes, please provide the information requested below and attach your curriculum vitae.**

NO

(4) Please list the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by you or by the entity you are representing:

No Federal grants, subgrants, contracts or subcontracts were received by Edward Wytkind or the Transportation Trades Department, AFL-CIO during the current fiscal year or either of the two previous fiscal years.

Signature

4/22/13
Date

TTD

A bold voice for transportation workers

Edward Wytkind
President
Transportation Trades Department, AFL-CIO

Edward Wytkind is the President of the Transportation Trades Department, AFL-CIO (TTD), a Washington, D.C.-based labor organization representing several million workers in the private and public sectors of the aviation, mass transit, rail, motor carrier, highway, longshore, maritime and related industries. TTD is a separately managed national transportation policy and legislative organization within the institution of the national AFL-CIO, which represents 12.2 million workers in the United States. Immediately prior to his election as President in the fall of 2003, Wytkind served as TTD Executive Director for 13 years.

Wytkind oversees TTD's daily legislative, policy, regulatory and political programs and initiatives, serving as transportation labor's chief spokesman. One of Wytkind's primary duties is to work together with TTD's 33 member unions representing transportation labor's collective interests before the United States House and Senate, the executive branch and independent agencies, boards and commissions of the federal government including the U.S. Department of Transportation and its many agencies, the U.S. Department of Labor, the National Mediation Board, the National Transportation Safety Board, the Surface Transportation Board, the White House and others. Wytkind also regularly testifies before Congress and provides a transportation labor perspective to conventions, conferences and other labor, industry and government meetings. Wytkind has also served as a transportation advisor in previous presidential elections and transitions. He has also been a guest lecturer at several universities.

Many of the issues Wytkind works on fall under the topics of increasing investment in our nation's transportation system and infrastructure; defending and enhancing collective bargaining and organizing rights; strengthening transportation safety and security, and protecting workers from outsourcing, the ill-effects of bad trade policy and globalization.

Wytkind is currently appointed by the U.S. Trade Representative and Secretary of Labor to serve on the Labor Advisory Committee for Trade Negotiations and Trade Policy, which consults the President and Congress on trade policy issues including proposed agreements and treaties. He serves on the Board of Trustees for the Mineta Transportation Institute and has served on the Eno Transportation Foundation's Board of Advisors.

Wytkind is from Los Angeles, California, and holds membership in the Office and Professional Employees International Union. He earned a Bachelor of Arts degree from the University of California, Santa Barbara. He is married and resides in suburban Washington, D.C.

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