

April 30, 2025

The Honorable Sam Graves Chairman House Transportation & Infrastructure Committee U.S. House of Representatives Washington, DC 20515

The Honorable Rick Larsen Ranking Member House Transportation & Infrastructure Committee U.S. House of Representatives Washington, DC 20515

RE: Stakeholder Proposals for 2025 Surface Transportation Reauthorization Bill

Dear Chairman Graves and Ranking Member Larsen,

On behalf of the National Retail Federation, I am submitting comments to support the Transportation & Infrastructure Committee's work in developing legislation for the next surface transportation reauthorization bill. We applaud your leadership and bipartisan work of the committee in seeking to develop this important reauthorization legislation.

NRF, the world's largest retail trade association, passionately advocates for the people, brands, policies and ideas that help retail succeed. NRF empowers the industry that powers the economy. Retail is the nation's largest private-sector employer, contributing \$5.3 trillion to annual GDP and supporting one in four U.S. jobs — 55 million working Americans. For over a century, NRF has been a voice for every retailer and every retail job, educating, inspiring and communicating the powerful impact retail has on local communities and global economies.

U.S. retailers are among the country's largest shippers, moving hundreds of billions of dollars in merchandise through their supply chains, using America's transportation infrastructure. The condition of the U.S. freight transportation system is vital to American competitiveness, and especially the retail industry, which must be able to deliver goods to the consumer at bricks-andmortar stores or through direct-to-consumer options. We rely on a multimodal system, including planes, trucks, railroads and vessels to make that happen.

The U.S. freight infrastructure — particularly those segments such as the nation's highways that rely on public-sector funding — has suffered from decades of underinvestment. Retailers are concerned that future growth in global commerce will be stalled because of a lack of infrastructure to support it. We have all witnessed the impact of congestion and bottlenecks on the supply chain over the past few years. Whether getting products to consumers or parts to manufacturers, delays have a negative impact on those businesses and the economy as a whole. NRF's most recent <u>Global Port Tracker¹</u> show that container volumes, which hit record highs again in 2024, continued to increase during the first quarter of 2025, but will see significant reductions the remainder of the year because of the tariffs and ongoing uncertainty.

¹ Import Cargo Levels to Drop Sharply Amid New Tariffs and Uncertainty, April 9, 2025

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NRF urges Congress to act on a long-term infrastructure bill that will address current challenges, as well as plan for future growth. To achieve this goal, NRF offers the following recommendations:

Find a long-term, sustainable source of revenue for the federal Highway Trust Fund

Congress must find a funding mechanism that preserves the concept that the users of the system — trucks, automobiles and buses — should pay for it. New funding mechanisms should be fair and balanced and continue to follow the "everyone pays" model. We encourage Congress to avoid new funding mechanisms or concepts such as freight fees or taxes on freight transportation services that would overly burden one segment of users.

Maintain and support the Office of Multimodal Freight Infrastructure and Policy

By definition, moving freight across the nation requires the use of many different modes of transportation. The products that line the shelves at our member stores came by truck, but they probably also were transported by air, rail or water and came through U.S. land or maritime ports. The Infrastructure Investment and Jobs Act established the Office of Multimodal Freight Infrastructure and Policy, which has made great strides in developing a multimodal freight policy.

The office has also been instrumental in helping to address several supply chain disruptions we've seen over the past couple of years from COVID to Red Sea disruptions to a port strike. It has not only coordinated with industry to identify key issues but has worked to resolve some of those challenges. The development of the Freight Logistics Optimization Works program has been an important part of this process by collecting key information from supply chain stakeholders to help identify potential issues and help stakeholders better plan for potential issues. We encourage a continuation of FLOW and a focus on how to make the program more robust with more participation and better data requirements.

In addition, the office needs to continue to focus on the National Freight Strategic Plan. Within that plan, there should be a focus on strategic freight corridors which will help to reduce congestion along major freight corridors through investment in upgraded roads and dedicated truck lanes. There should also be a focus on ramp access at our seaports, intermodal rail facilities and airports that improve highway access to these facilities. Finally, continued investment in rail grade separations on state and county highways will help with uninterrupted container and bulk trains, but can help reduce wait times and disruption of local freight and passenger traffic.

There should also be continued support for the different industry advisory committees such as the Motor Carrier Safety Advisory Committee and the Maritime Transportation System National Advisory Committee. We need to have more industry engagement in the committees with a multimodal focus.

Improve efficiency and reduce congestion

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Congress should support and expand innovative government approaches to improve efficiency and reduce congestion. This includes programs like FLOW as well as the Supply Chain Innovation Teams that were created by the Federal Maritime Commission (FMC). Providing government support for industry-based solutions to improve supply chain efficiency, transparency and fluidity while reducing congestion is critical. Incentivizing data standardization and information sharing, including accurate, real-time data, across the supply chain will drive efficiencies and increase planning and coordination. Improving port efficiency, in particular, will also improve working conditions for short-haul truckers, and reduce consumer costs.

Safety and Innovation

Part of this effort should also evaluate the use of technology and AI in freight transportation, especially with a focus on how these technologies can not only help lead to better planning, efficiency and safety, but also create new high-value jobs. This includes continued work by FMCSA and NHTSA on autonomous vehicles, collision avoidance systems and auto emergency braking systems. Carriers also need flexibility to move at pace in adopted tested and proven technologies, for example, the option to adopt MirrorEye technology to help reduce drag and lower fuel costs/consumption. This could be an example of an enabling rule that creates an exemption from the requirement to purchase trucks with standard mirrors.

There should be a continued focus on improvements to crash reporting data and standardized crash reports as well as a more robust New Entrant carrier safety audit program and the development of CDL requirements for ADS-equipped vehicles. Overall, Congress should seek ways to promote continued innovation in our transportation system, especially when it comes to freight movement. Congress should work with DOT to promote rulemaking to unlock safe, new applications of modern technology to help improve freight movement.

Congress must continue to support improvements and expansion of truck parking in order to support truck drivers. DOT must ensure that existing grants that may be used for truck parking are optimized.

Foster operational and environmental efficiencies in goods movement

Federal policy should employ positive approaches to enhance freight system efficiency and throughput with the goals of improving safety and reducing greenhouse gas emissions. Many retailers have set sustainability and carbon reduction goals, including within their supply chains. We need to make sure that any new requirements meet the reality of available technology, equipment and infrastructure to support those requirements. Industry must be a partner for any new goals or regulations that are established.

Organized Retail Crime and Supply Chain Theft

We have seen an alarming increase in cargo theft across rails, roads and the various distribution points across the nation as part of a larger organized retail crime trend. CargoNet, a database of reported incidents in the U.S., reported a 27% increase in cargo theft incidents in 2024 compared with the previous year. These thefts range from large-scale physical theft of

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goods from containers and warehouses to sophisticated cybercriminal methods that divert shipments to illicit receivers causing significant financial losses and operational supply chain disruptions.

We urge Congress to pass the Combating Organized Retail Crime Act of 2025 (H.R.2853), which would help create a coordinated federal response to help state and local law enforcement to address these crimes, along with other forms of organized retail crime. We also encourage Congress to work with the Department of Transportation and the Federal Motor Carrier Safety Administration to focus on identifying, removing and prohibiting "chameleon/reincarnated" motor carriers.

Tariffs and the Supply Chain

While not specific to the infrastructure bill, Congress must evaluate the impact of the variety of tariff proposals on the supply chain. The global, reciprocal and variety of sectoral tariffs that have been implemented and proposed could lead to sourcing shifts in the global supply chain, which could ultimately lead to changes in cargo flows at key U.S. ports. In addition, tariffs could lead to increased costs for infrastructure repairs and new investments which must be considered.

The recent actions by the United States Trade Representative to charge a port service fee on Chinese-built vessels that arrive at U.S. seaports, and those included in the SHIPS for America Act and the Executive Order on Restoring America's Maritime Dominance, could lead to changes in supply chains. Vessel operators have talked about removing some U.S. port calls to avoid paying such fees.

Conclusion

We applaud you for your ongoing leadership on these important transportation and infrastructure issues. NRF stands ready to work with the Committee on passing a comprehensive surface transportation reauthorization bill focused on enhancing current infrastructure and planning for future growth needs. If you have any questions, please contact me or Jonathan Gold, NRF's Vice President for Supply Chain and Customs Policy (goldj@nrf.com).

Sincerely,

David For

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