

FORT WORTH BUSINESS PRESS

Commentary: Cornyn's vehicle miles tax would crush truckers, wreck supply chain

By David Bishop, CEO of Refrigerated Transport, Inc. - June 18, 2021

I've always been a staunch supporter of Senator John Cornyn. I've campaigned for him, have a picture of us together on the wall in my office, and I even held a 300-person event for him when I was the Chair of the Midland Chapter of the Texas Trucking Association. I thought he understood truckers and our roll in the economy. I thought he was on our side and knew how critical we are to the supply chain. Today, the picture of us is about to come off my wall because Cornyn is trying to dismantle the trucking industry with an outrageous 25-cents per mile vehicle miles traveled—or VMT—tax that would only apply to trucks.

Instead of increasing the fuel tax, Cornyn wants to use a new VMT tax to replenish the Highway Trust Fund and pay for infrastructure. A tax of that size would force most trucking companies, including many of the nearly 80,000 small trucking businesses in Texas, to shut down. You see, one long-distance truck can travel upwards of 100,000 miles annually. A 25-cents per mile tax adds up to \$25,000 in new taxes every year.

At Refrigerated Transport, we drive 1.5 million miles a year which adds up to \$375,000 in new taxes. That's not sustainable for us or the vast majority of trucking businesses. We simply can't charge customers enough to cover it.

My dad started the company that became Refrigerated Transport seven decades ago and I was proud to take over the family business. Today we have 38 trucks that are completely owner/operator, which means that the drivers own their trucks and pay fees to Refrigerated Transport for shipping, services, etc. Each of those trucks is a small

business and each of those drivers is an entrepreneur. You can't throw a new \$25,000 annual tax at an entrepreneur making about \$75,000 and expect them to be able to pay it.

For years we've faced a nationwide driver shortage and it was exacerbated by the pandemic. In the last year, I only signed two new owner/operators. I won't get any this year if I have to tell them that Cornyn's new VMT tax will absorb a third of their income.



At Refrigerated Transport, we're still fighting our way back from the COVID-19 pandemic. We deliver a lot of refrigerated foods and during the pandemic we lost 40% of our business. Thankfully, only five drivers left. Because of that low turnover and the fantastic group I have the pleasure of working with, I know we have staying power despite the coronavirus outbreak and the nationwide driver shortage—unless we're dealt another blow. And that's exactly what Cornyn's VMT tax would be: a blow when our back is turned, a kick when we're down. Think of how many of the nearly 680,000 jobs Texas' trucking companies provide that

will be lost if Cornyn's VMT tax comes to fruition.

But it's not only the trucking industry that will suffer. More than 80% of Texas communities are completely reliant on trucks to move their goods. They'll have no option but to pay whatever prices the behemoth trucking companies—the only businesses that will survive Cornyn's VMT tax—charge them to get things in and out of town. The entire supply chain will be impacted.

As a trucker, I know we need to maintain our roads and I have no problem paying my fair share. Truckers already pay an annual heavy vehicle tax of \$550 per truck and the fuel tax on diesel is more than 24-cents a gallon. We pay these taxes in order to keep the roads safe for everyone, including ourselves; these roads are our office after all. I urge Senator Cornyn to abandon the VMT tax plan and develop one that will fund our highways without ending trucking as we know it or dismantling our supply chain.

David Bishop is the CEO of Refrigerated Transport, Inc., and the former Chair of The Midland Chapter of the Texas Trucking Association.