

SUBMITTED FOR INCLUSION IN HEARING RECORD

TESTIMONY OF

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The Intermodal Association of North America (IANA)

REGARDING

The Future of Low Carbon Transportation Fuels and
Considerations for a National Clean Fuels Program

BEFORE

The Senate Committee on Environment and Public Works

FEBRUARY 15, 2023

On behalf of the Intermodal Association of North America (IANA), thank you Chair Carper, Ranking Member Capito, and Committee Members for convening this hearing to examine policies to reduce transportation emissions. IANA applauds your leadership on this important issue and appreciates the opportunity to share our views. As you begin your work in the 118th Congress, IANA would be pleased to serve as a resource and looks forward to working with you.

As the only transportation trade association that represents the combined interests of intermodal freight providers and customers, IANA represents more than 1,000 corporate members, including railroads, ocean carriers, ports, intermodal truckers and over-the-road highway carriers, intermodal marketing and logistic companies, and suppliers to the industry. IANA's associate (non-voting) members include shippers (defined as the beneficial owners of the freight to be shipped), academic institutions, government entities, and non-profit trade associations.

Intermodal freight transportation is the movement of cargo in shipping containers or trailers by more than one mode of transport – ship, rail, and/or truck. Globally, 95 percent of all manufactured goods are transported in a container at one point in their journey, generating over \$51 billion in intermodal revenues annually in the North American market.

Intermodal transportation is the most sustainable and environmentally friendly approach to moving goods in both domestic and international markets. The ability to utilize the operating efficiencies of ships and rails over long distances, with trucks providing the first and last mile of service, reduces overall greenhouse gas emissions and allows freight to bypass congested highways. A typical intermodal train is equivalent to 280 truckloads and can move one ton of freight nearly 500 miles on a gallon of fuel. Annually, the movement of goods through intermodal transportation conserves 2.3 billion gallons of fuel, results in 100,000 fewer heavy trucks on highways, and eliminates 25 million tons of carbon dioxide (CO₂) emissions.

As demonstrated by these statistics, the intermodal industry recognizes the importance of reducing harmful emissions and improving supply chain sustainability and resiliency. Congress can support these efforts by ensuring any new regulations and policies set realistic standards that balance the need for environmental improvements with the unique operational and economic considerations of intermodal supply chain participants.

The intermodal community is exploring various initiatives to further increase its environmental stewardship, including the deployment of zero-emission commercial trucks, the electrification of port equipment, and the use of carbon credits. However, multiple challenges remain in the widespread adoption of these efforts. The cost burden of transitioning to zero-emission trucking equipment and technology can be prohibitive, particularly for small fleets and independent owner-operators. IANA has concerns regarding requirements by the California Air Resources Board and similar state programs that would implement aggressive timelines to phase out diesel powered trucks without incorporating

resources to aid intermodal trucking companies in the purchase of replacement equipment. Other challenges include ongoing workforce shortages, which could be exacerbated by the training requirements and operational impacts associated with new technologies, the lack of widely available zero-emission technology, and manufacturing and sourcing considerations for the materials, parts, and production of alternative infrastructure, vehicles, and equipment. We encourage the Committee to collaborate closely with intermodal industry stakeholders to assess the feasibility and practical implementation of any new environmental regulations. Given our diverse membership of freight providers and customers, IANA would be pleased to serve as a resource in identifying the real-world impacts of proposed legislation.

Existing federal resources provided by the Bipartisan Infrastructure Law (BIL), Inflation Reduction Act, and other legislation offer significant opportunities to advance national climate goals and contribute to greener, cleaner supply chains. IANA strongly supports the funding increases provided by the BIL for various new and existing grant and formula programs that contain eligibility for intermodal freight project needs. In addition to their positive impacts on economic growth and job creation, investments in intermodal freight infrastructure improve supply chain fluidity, thereby reducing congestion, idling, and related emissions. We encourage Congress and the Administration to prioritize federal investments in critical intermodal projects that address major freight bottlenecks, support supply chain efficiency, and improve intermodal connectors, which are essential links that facilitate the transfer of freight between modes. A study conducted by the Federal Highway Administration (FHWA) found that only 9 percent of freight intermodal connectors are in good or very good condition. Additionally, FHWA estimated that travel delays on intermodal connectors constitute over 1 million hours of truck delay and more than 12 million hours of auto delay annually. Improvements to these important connectors would benefit our national transportation system and the movement of people and goods, while also reducing emissions and promoting environmental sustainability.

Thank you for your time and your leadership in support of intermodal goods movement and its related issues. IANA looks forward to working with you and would welcome the opportunity to further engage with your offices. If you or your staff have any questions, please do not hesitate to contact me at jcasey@intermodal.org or 301-982-3400 ext. 349.