January 20th 2009

TO: Virginia Forestry Association Members

FR: VFA Transportation Task Force

RE: Trucking Permit Fee Increase Legislation

Legislation has been proposed (Senate Bill 1048) to address a Virginia Transportation Research Council (VTRC) report of the maintenance damage from overweight vehicles using state-maintained highways. The Virginia Department of Transportation (VDOT) utilized this report as the basis for proposed truck permit fee increases in order to derive funding to address the maintenance items. The VFA Transportation Task Force (VFA TTF) has identified the following impacts of the legislation:

- Increase the Temporary Registration Permit fee from $40 per year to $250 per year
- Increase the "Tree Length" Permit from $40 for 2 years to $250 for 2 years
- Increase the Over-width Permit from $85 for 2 years to $250 for 2 years
- Increase the 5% weight Overload Permit from $200 to $250 per year
- The bill allows the Department of Motor Vehicles (DMV) to substantially increase administration fees in addition to the above permit increases

The VFA TTF is very concerned these increases will have direct negative effects on the trucking force which moves raw materials (sawtimber and pulpwood logs) to mills and put the Virginia forest products industry at a competitive disadvantage in the midst of the worst economic environment in decades. The VFA TTF suggests contacting elected officials to communicate the impact of this proposed legislation to your business. VFA TTF provides for following suggested comments:

- The Virginia based forest products industry is in the midst of a severe economic downturn which started over 1 year ago
- The "tree length" permit increase is a non-weight related increase
- The impact of these increase may force individuals to leave this profession and thus reduce any potential revenue increases
- A more comprehensive plan should be developed which includes increasing the 84,000 lbs weight limit to 88,000 lbs to reduce the number of loads utilizing Virginia roads

Additional talking points have been developed by a coalition of trucking interests engaged in addressing this bill and similar bills at the General Assembly. These points are:

- This legislation increases permit fees for trucks that are legally operating above the legal weight limits under authority of permits authorized by the General Assembly and issued by DMV. The issue of road damage by illegal overweight trucks was addressed in HB 3202 (2007) with 10% to 200% increases in the penalties for overweight violations.

- The proposed legislation is supposedly aimed at legal overweight and overload permitted vehicles, however the bill also significantly increases permit fees for a variety of oversized vehicles and loads, even though they do not exceed the legal weight limits.

- The proposed increase in permit fees is in addition to increases in the administrative fees for issuance of these permits proposed by DMV in amendments to their hauling regulations under the APA process.

- The shortfall in permit fees vs. road damage of these legal, permitted vehicles alleged by VDOT does not include or account the millions of dollars in fuel and road taxes and registrations paid by these vehicles and used to pay for maintenance of Virginia's roads.

- Based on 2006 data (the latest available) from the Federal Highway Administration, heavy trucks already pay $747 million, or 36%, of all state and federal highway user taxes collected for Virginia, but account for only 7.3% of total miles traveled in Virginia.

- The numbers cited above do not include the $50.2 million in increased taxes, fees and penalties imposed on the truck operators in 2007 under H.B. 3202. Trucks are paying almost 45% of the statewide highway user fee increases enacted in 2007.

- Given current economic conditions, significant fee increases, as proposed in this legislation, would have a harmful impact on truck operators and the businesses that depend on these permits to efficiently conduct commerce in the Commonwealth.

Please contact members of the Senate Transportation Committee and your own legislators as soon as possible to voice your opposition to SB 1048 on behalf of logging contractors and the forest products industry in Virginia. The committee list is attached.

House Bill 2319, though different in its approach, has also been introduced for similar reasons and should also be opposed. More details on this bill will be forthcoming, but for now please contact members of the House Transportation Committee to simply state your opposition due to its potential negative economic impact on loggers and the industry at a time when the industry can ill afford fee increases. Please note that talking points for SB 1048 may not apply specifically to HB 2319.

For more information contact Paul Howe at the VFA office: 804/278-8733; phowe@vaforestry.org

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