

ALASKA STATE LEGISLATURE
SENATE TRANSPORTATION STANDING COMMITTEE

March 19, 2019

1:31 p.m.

MEMBERS PRESENT

Senator Shelley Hughes, Chair
Senator Mike Shower, Vice Chair
Senator David Wilson
Senator Jesse Kiehl
Senator Peter Micciche

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

SENATE BILL NO. 75

"An Act relating to a license to drive a commercial motor vehicle."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: SB 75

SHORT TITLE: COMMERCIAL VEHICLE LICENSING REQ'S

SPONSOR(S): SENATOR(S) COSTELLO

03/06/19	(S)	READ THE FIRST TIME - REFERRALS
03/06/19	(S)	TRA, STA
03/19/19	(S)	TRA AT 1:30 PM BUTROVICH 205

WITNESS REGISTER

JOE PLESHA, Staff
Senator Mia Costello
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Introduced SB 75 on behalf of the sponsor.

AVES THOMPSON, Executive Director
Alaska Trucking Association

Anchorage, Alaska

POSITION STATEMENT: Provided supporting testimony for SB 75.

JOSH NORUM, incoming Vice President

Alaska Trucking Association;

Director of Operations

Sourdough Express

Fairbanks, Alaska

POSITION STATEMENT: Provided supporting testimony for SB 75.

ACTION NARRATIVE

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CHAIR SHELLEY HUGHES called the Senate Transportation Standing Committee meeting to order at 1:31 p.m. Present at the call to order were Senators Wilson, Shower, Kiehl, and Chair Hughes. Senator Micciche arrived as the meeting was in progress.

SB 75-COMMERCIAL VEHICLE LICENSING REQ'S

CHAIR HUGHES announced the consideration of SENATE BILL NO. 75 "An Act relating to a license to drive a commercial motor vehicle."

She invited Mr. Plesha to the witness table.

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JOE PLESHA, Staff, Senator Mia Costello, Alaska State Legislature, Juneau, introduced SB 75 speaking to the following sponsor statement: [Original punctuation provided.]

Nationally and in state, there is a commercial driver shortage. Currently, Alaska is looking to court projects of considerable size, like the Alaska LNG pipeline. The demand for interstate freight transportation must be met.

Driving interstate freight and intrastate freight requires separate licenses. To qualify for an interstate Commercial Driver's License a person must be 21 years of age, while a driver with an intrastate Commercial Driver's License must be 19 years of age. Presumably, two identically loaded tractor trailer rigs require differing ages to drive them. This arbitrary inconsistency in regulation restricts the available pool of Alaskan commercial drivers.

SB 75 changes the statute regarding the license to drive a commercial motor vehicle to reflect two changes. First, it changes the minimum age requirement from 19 years old to 18 years old when driving intrastate commerce. Second, it adds a new subsection regarding interstate commerce, changing the minimum age requirement for a Commercial Driver's License to 18, if the federal law regarding interstate commerce is also changed.

In the long run, SB 75 will increase pressure to change the Federal statute. As a more immediate effect, it will also increase the available pool of drivers for intrastate commerce by recruiting graduating high schoolers who wish to immediately enter the work force. This bill will help businesses and create jobs alike.

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CHAIR HUGHES asked if Congress had done any work to lower the minimum age requirement to 18 for commercial interstate truckers, and if other states had passed legislation to help move the idea forward at the federal level.

MR. PLESHA reported SB 75 was patterned after the Colorado model. He didn't know if other states had passed similar legislation or if there was any progress on the federal level. He offered to do some research and follow up with the committee.

CHAIR HUGHES highlighted safety and asked if 18-year-old drivers and 19-year-old drivers are statistically similar for insurance purposes.

MR. PLESHA offered to do some research and follow up with the committee.

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CHAIR HUGHES said the training programs emphasize safety which gives her confidence that 18-year-old drivers who meet the requirements would be as prepared as qualified 19-year-old drivers.

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CHAIR HUGHES reconvened the meeting.

SENATOR KIEHL asked for clarification on what constitutes interstate commerce versus intrastate commerce.

MR. PLESHA explained that freight that crosses state boundaries is interstate and freight that moves within the state is intrastate.

SENATOR KIEHL asked if an 18-year-old could drive a truck to the barge line if the freight was headed out of state.

MR. PLESHA deferred to Aves Thompson.

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SENATOR KIEHL asked, should the bill pass, if an 18-year-old with a CDL could drive a tour bus around town that was filled with tourists from out of state.

MR. PLESHA deferred to Aves Thompson.

CHAIR SHOWER wondered if the rental car cutoff at age 25 was based on actuarial data. He requested data on insurance costs based on the driver's age because it could potentially drive insurance costs for all companies that require their drivers to have a CDL. He also asked for data on accident rates for the age range of 18 to 21. He said this is potentially very good for jobs, but it makes sense to look for any unintended consequences.

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SENATOR MICCICHE joined the meeting.

MR. PLESHA said he would follow up.

CHAIR HUGHES thanked Mr. Plesha and turned to invited testimony.

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AVES THOMPSON, Executive Director, Alaska Trucking Association (ATA), Anchorage, stated that ATA is a statewide organization representing nearly 200 member companies. He described freight moving as an essential element of the economy that impacts people every day. He related that a challenge in the trucking industry is that commercial driving licenses are currently limited to those who are 19 years old to transport intrastate freight and 21 years old to transport interstate freight. This creates a gap for those young men and women who have graduated

high school and are interested in immediately beginning a career as a truck driver. Freight hauling businesses can only tell these young people to come back when they're old enough to obtain a CDL.

He highlighted that depending on the nature of the freight, two identical trucks may need an intrastate CDL for one and an interstate CDL for the other. The intrastate driver may be 19 and the interstate driver must be 21. State law governs the minimum age for an intrastate driver, and Section 1 of the bill reduces the minimum age one year to allow an 18-year-old driver to receive an intrastate commercial driver's license. Federal law governs the age of interstate commercial drivers. Section 2 tells the federal government that when Congress changes the law to allow younger interstate drivers, Alaska will be ready. Reducing the eligibility for a CDL to age 18 allows a student to go directly from high school to training to be a commercial truck driver. He said it's a great opportunity for young Alaskans and will potentially build a larger driver pool to meet increasing demands, particularly if there is a major project. He urged the committee to pass the bill.

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SENATOR WILSON asked the timeframe to get a CDL and the endorsements needed to work for companies like Lynden Transport and Carlile Transportation Systems.

MR. THOMPSON said it varies depending on the experience of the driver. Training that assumes the driver knows nothing about commercial driving can last 5-6 weeks. It includes hands-on training, classroom training, a written test, and a skills test all of which will allow the student to obtain a CDL. Many companies also have their own training requirements, particularly for new CDL holders. A new driver may be paired with a seasoned driver until it's clear that the new driver is able to manage the vehicle. It might be 6 months to a year before the new driver is deemed ready to take a \$250,000 rig down the road alone, he said.

SENATOR WILSON observed that, as currently written, someone could receive their CDL and drive a truck during their senior year in high school.

MR. THOMPSON said yes, if they're a senior at age 18.

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SENATOR MICCICHE asked about the current status of the effort to change the [U.S. Department of Transportation] rule, 49 CFR to a lower age. He acknowledged this may have been answered earlier in the meeting when he was absent.

MR. THOMPSON clarified that it will take a statute change at the federal level and both the American Trucking Association and the Alaska Trucking Association have supported the effort for some time. He expressed hope for something to come out of Congress this session that will help set the stage for 18-year-old drivers.

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CHAIR HUGHES asked if he believes that Congress might actually pass the relevant legislation this year.

MR. THOMPSON estimated the odds were even and added that it will take pressure from the states to get Congress to act.

SENATOR KIEHL referenced his earlier question about where the federal government draws the line between intrastate and interstate. The sponsor's staff indicated that freight coming from Seattle is considered interstate freight between the barge terminal and the Ketchikan Walmart. He asked if he needs an older driver to move freight from his house in Juneau to the barge terminal when the destination is Seattle.

MR. THOMPSON answered yes.

SENATOR KIEHL asked if a tour bus driver in Alaska needs to be 21 to carry cruise ship passengers that come from out of state.

MR. THOMPSON said the federal government has made a very nuanced distinction there. If arrangements for the land excursion are made on the cruise ship, that is an interstate trip. If the passenger purchases a trip when they're off the ship and it's not prearranged, that is an intrastate trip. He said this has long been a point of contention with the cruise industry.

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SENATOR WILSON asked how many commercial drivers are 19 years old.

MR. THOMPSON replied the Division of Motor Vehicles has that information.

SENATOR WILSON asked about the minimum qualifications for driving a commercial vehicle and said he didn't want to incentivize students to drop out of high school to become truck drivers.

MR. THOMPSON replied, "Trucking is a proud profession Senator."

SENATOR WILSON clarified that wants students to finish high school or get their GED first.

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MR. THOMPSON explained that both interstate and intrastate drivers must meet physical and performance-based requirements, regardless of their age. He said he sees this as an opportunity for young men or women who don't want to go to school any more, but they want a job. Within a couple of years they can make good money.

SENATOR WILSON asked if most trucking companies or school bus companies require either a GED or a high school diploma.

MR. THOMPSON replied drivers need the ability to read and write and federal regulations require drivers to be able to communicate with an enforcement officer. He said he believes it's up to the individual company to decide if a diploma or GED is required.

CHAIR HUGHES asked if the cost of insurance for a trucker is higher or lower depending on their age.

MR. THOMPSON replied that has been an issue because some insurance carriers don't want anyone driving for their insured who is under age 25. Other companies allow younger drivers, but anecdotal evidence is that the premium is higher due to the perceived increased risk.

CHAIR HUGHES asked if the federal "drive act" requires stricter training for younger drivers.

MR. THOMPSON replied it targets entry-level drivers, regardless of age. He cited the example of someone who retires from the corporate world and decides to become a commercial driver. They would be considered an entry-level driver. He related that about 30 years ago, Congress told the U.S. Department of Transportation to develop entry level training requirements and they're moving in that direction. ATA supports the "drive act" and wants well-trained drivers who are mature enough to safely

handle the responsibility of a \$200,000 rig, congested traffic, and erratic drivers. He highlighted that 75 percent of all commercial vehicle involved accidents are caused by the other vehicle. He offered his expectation that if federal laws change the State of Alaska would adopt similar regulations for entry-level drivers.

CHAIR HUGHES asked if he agrees that if the federal "drive act" passes, there would be stricter training requirements at the state level.

MR. THOMPSON replied that's a fair assumption. The driving schools in Alaska would adjust their training programs to meet any new federal requirements.

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SENATOR MICCICHE commented that he doesn't look at driver safety from the perspective that the driver is responsible for a \$250,000 truck; rather the driver is responsible for safely driving an 80,000 pound truck. He offered his assumption that an 18-year-old would start driving for a smaller company and work his or her way up as he or she gained experience. He asked if there would be adequate employment opportunities for younger drivers at the smaller companies.

MR. THOMPSON replied he believes so.

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SENATOR KIEHL requested clarification on the insurance requirements for truck driving companies. "Are we looking at changing the nature of the pool here for all companies that employ CDL holders?"

MR. THOMPSON offered his belief that each insurance company either sets minimum qualifications or looks at the driving record of each driver. He said CDL drivers are required to give their employer a copy of their driving record each year and he's reasonably certain the carrier shares that information with their insurance company. If nothing else, he said, it demonstrates that their drivers haven't had any incidents.

SENATOR WILSON highlighted the fiscal note analysis that says that of the [31,267] class A, B, and C CDLs in Alaska as of 1/1/2018, just 33 were issued to applicants under age 21. He asked, should this legislation pass, if it would be used to aggressively recruit younger drivers for the Alaska Trucking Association.

MR. THOMPSON explained that the immediate impact of the bill would be to lower the age of eligibility to apply for a CDS from 19 years to 18 years. This would bring Alaska into alignment with most other state laws for intrastate CDLs. The bill also sets the stage for the potential change in federal law. He acknowledged that the bill may stimulate recruitment efforts, depending on the level of economic activity in the state. He offered his perspective that SB 75 would give young men and women an opportunity for a truck driving job or career.

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CHAIR HUGHES thanked Mr. Thompson for sharing his knowledge on the subject. She asked Josh Norum to provide his testimony.

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JOSH NORUM, incoming Vice President, Alaska Trucking Association, stated that he is also the director of operations at Sourdough Express. He said this is an Alaska-based, family-owned trucking company that's been in business for more than 120 years. He noted that Mr. Thompson discussed the technical reasons to support SB 75 and he would talk about his experience. He stated that when he got his CDL at age 19, he drove on a restricted license for two years. He could not haul household goods that either came from outside Alaska or were leaving Alaska.

MR. NORUM explained that many of the Sourdough Express employees who are younger than age 21 see no benefit in getting their CDL because it won't benefit the company in their current job. By the time many of these young employees reach age 21 they've moved on to do something else. He opined that SB 75 would address this issue by making it possible for the company to move these young people from a labor position to a driver position, potentially retaining their interest in a trucking job or career. The state would benefit from a wider driver pool, particularly if anticipated projects become a reality. He described the bill as a way to pressure the federal government to change its rules on the age when someone is eligible to apply for intrastate and interstate CDLs and an opportunity to align Alaska law with other states in this regard. He offered his belief that most companies are very safety conscious and will continue to vet and train their drivers carefully. SB 75 should not impact the public at all, he said.

CHAIR HUGHES asked if there is a commercial driver shortage in Alaska.

MR. NORUM said yes.

CHAIR HUGHES asked if ATA has had positive feedback from the federal delegation regarding the "drive act."

MR. NORUM deferred the question to Mr. Thomson.

MR. THOMPSON advised that ATA has discussed the issue with the delegation for some time. While they are supportive, they want to ensure that drivers are properly prepared and trained to do the job safely.

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CHAIR HUGHES thanked the testifiers. She found no further discussion and stated she would hold SB 75 in committee.

She reviewed the upcoming committee schedule.

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There being no further business to come before the committee, Chair Hughes adjourned the Senate Transportation Standing Committee meeting at 2:09 pm.