



Owner-Operator Independent Drivers Association

National Headquarters: 1 NW OOIDA Drive, Grain Valley, MO 64029
Tel: (816) 229-5791 Fax: (816) 427-4468

Washington Office: 1100 New Jersey Ave. SE, Washington, DC 20003
Tel: (202) 347-2007 Fax: (202) 347-2008

February 4, 2011

The Honorable Sam Graves
United States House of Representatives
Committee on Small Business
Washington, D.C. 20515

Dear Chairman Graves:

On behalf of the more than 150,000 members of the Owner-Operator Independent Drivers Association (OOIDA), I want to thank you for holding the upcoming hearing focusing on the impact that the expanded Form 1099 reporting requirement from Section 9006 of the Patient Protection and Affordable Care Act will have on small businesses. That requirement will be an unnecessary and costly burden to thousands of small business trucking professionals who are already contending with difficult economic circumstances and a myriad of overly burdensome regulations.

As you may know, the overwhelming majority of trucking companies based in the United States are small businesses, as 93% of motor carriers registered with the Federal Motor Carrier Safety Administration have less than 20 trucks in their fleet and 78% of motor carriers have fleets of just five or fewer trucks. In fact, owner-operator fleets with just one truck represent close to half of the total number of trucking companies registered. While our nation's collective economic wellbeing heavily depends upon small business truckers to move our goods and commerce those entities must contend with consistently increasing costs of operation and regulatory requirements.

The Form 1099 filing requirement in Section 9006 may very well serve as the proverbial "straw that broke the camel's back" for many small business truckers. To give you an idea of how burdensome the new filing requirement would be, on average single truck owner-operators will make well over 100 fuel purchases of \$600 or more during the course of a year, probably closer to 130 or 150 of those fuel purchases. While large trucking companies may have fuel contracts with national truck stop chains, our members will likely make fuel stop decisions more based on location and retail prices which will result in them often dealing with 50 or more fuel vendors during the course of a year.

In addition to the significant paperwork burden the new 1099 requirement would present them related to fuel purchases, almost every equipment maintenance bill our members will have will exceed \$600. In similar fashion to fuel purchases those maintenance costs are apportioned across a wide array of suppliers. Even truckers who do most of their own maintenance will likely do business with at least a dozen different parts vendors.

In short, running a small trucking operation is fairly dynamic and many of our members are going to be expensing out well over \$100K annually on fuel and operational expenses to a large number of assorted vendors. The new 1099 filing requirement would be a paperwork and time consuming nightmare for them.

I would also like to thank you for cosponsoring H.R. 4, the "Small Business Paperwork Mandate Elimination Act of 2011." OOIDA wholeheartedly supports that legislation and other efforts to repeal Section 9006 of the Patient Protection and Affordable Care Act.

Again, thank you for your attention to this important matter. We look forward to working with you to repeal this burdensome and unnecessary filing requirement.

Sincerely,

A handwritten signature in cursive script that reads "Todd Spencer".

Todd Spencer
Executive Vice President