CONGRESSIONAL BRIEFING MEMO

AFFTRA

American Fair Freight Transportation Reform Act

SUBJECT	AFFTRA - American Fair Freight Transportation Reform Act
PREPARED FOR	Members of the U.S. House Committee on Transportation & Infrastructure; Senate Committee on Commerc
PREPARED BY	David McCown, Trucking Advocate; National Carrier & Driver Coalition
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A modern federal framework focused on freight-rate stability, broker transparency, carrier sustainability, and professional driver compensation.

Policy briefing document • Interstate trucking • Freight brokerage • Driver compensation

I. EXECUTIVE SUMMARY

The American Fair Freight Transportation Reform Act (AFFTRA) is a proposed federal framework designed to stabilize the U.S. trucking industry by restoring the successful elements of pre-1980 transportation policy - specifically transparency, fair compensation, and market stability - while avoiding the inefficiencies of the former ICC system.

AFFTRA establishes four essential reforms:

01	**Public-Rate Stability Standard** A national freight-rate floor.
02	**Broker Compensation Cap** A 3% federal maximum commission.
03	**Automatic Transparency** Required disclosures under 49 CFR 371.3.
04	**Driver Compensation Standard** $1/mile minimum for all on-duty driving hours.

AFFTRA strengthens interstate commerce, reduces supply-chain instability, stabilizes small carriers, and restores professional labor standards - all within the constitutional limits of Congress's Commerce Clause authority.

II. BACKGROUND: WHY REFORM IS NECESSARY

A. Pre-Deregulation (1935-1980): A Stable National System

The pre-1980 ICC framework successfully maintained:

- Public and transparent freight tariffs
- Value-based rate setting
- Professional driver wages
- Balanced competition
- Clear standards for carrier entry
- Regulated limitations on brokers
- High labor stability and low turnover

Though not perfect, the system ensured **predictability**, **efficiency**, and **fair labor standards** across the national supply chain.

B. Post-Deregulation (1980-Present): Documented Failures

The Motor Carrier Act of 1980 removed structural safeguards and resulted in:

- Volatile freight rates and predatory underpricing
- Secret pricing and non-transparent broker margins
- Corporate concentration among large brokers
- 30-80% broker skimming

- High turnover (90-120%)
- Collapse of driver wages
- Widespread predatory lease-purchase programs
- Market flooding with undercapitalized carriers
- Chronic supply-chain instability

These dysfunctions now threaten the stability of interstate commerce and the long-term resilience of the American supply chain.

III. AFFTRA OVERVIEW: A MODERNIZED RETURN TO STABILITY

AFFTRA is not a reinstatement of the ICC. It is a modernized reform that selectively reintroduces the **proven** components of pre-1980 policy while maintaining a competitive market.

A. Key Reform Areas

1. Federal Public-Rate Stability Standard (Freight Floor)

- Establishes a minimum national freight rate floor (e.g., $5/mile).
- Rates above this floor remain fully market-driven.
- Prevents artificial price suppression and predatory underbidding.

2. Broker Compensation Cap (3% Maximum Commission)

- Brokers may charge **no more than 3%** of the gross freight invoice.
- Prevents excessive middleman skimming.
- Realigns financial distribution to carriers and drivers.

3. Automatic Transparency Under 49 CFR 371.3

- Requires automatic disclosure of the load invoice; all broker pay, fees, and commissions; and all carrier pay.
- Eliminates retaliation risk currently associated with transparency requests.

4. National Driver Compensation Standard ($1/Mile Minimum)

- Ensures a professional wage for all company drivers.
- Ends unpaid detention, forced labor, and wage suppression.

IV. PARALLELS TO PRE-1980 SYSTEM (THE PARTS THAT WORKED)

Pre-1980 Pillar	AFFTRA Modernization
Public & transparent pricing	Modern national rate floor
Professional wages	$1/mile driver standard
Broker oversight	3% compensation cap
Market stability	Predictable freight environment
Fair competition	Eliminates predatory market flooding

AFFTRA does **not** reintroduce bureaucracy, union monopolies, or ICC-era inefficiencies.

V. CONSTITUTIONAL AUTHORITY

AFFTRA falls squarely within established congressional authority.

A. Commerce Clause - Article I, Section 8

Congress is empowered to regulate:

- Interstate rates
- Interstate transportation
- Labor standards affecting interstate commerce
- Broker licensing and financial practices

The ICC itself was upheld under this clause for decades.

B. Supporting Legal Precedents

- Motor Carrier Act of 1935
- Federal Aviation Administration Authorization Act (FAAAA)
- Perez v. United States (1971) - broad authority over economic activity
- Gonzales v. Raich (2005) - interstate commerce authority extended to supply-chain activity
- FMCSA and DOT rulemaking powers already regulate freight, safety, and driver labor

AFFTRA is constitutionally conservative - far less restrictive than the former ICC system already validated by the courts.

VI. ECONOMIC AND NATIONAL BENEFITS

A. For Drivers

- Restores middle-class wages
- Reduces turnover; stabilizes workforce
- Eliminates unpaid labor
- Improves safety through professionalization

B. For Small & Mid-Size Carriers

- Stabilized rates
- Predictable revenue
- Level competition with mega-brokers and foreign-labor-based carriers
- Reduced predatory practices in the marketplace

C. For Shippers

- Predictable logistics
- Reduced supply-chain volatility
- More reliable carrier capacity
- Long-term cost stabilization

D. For Brokers

- Preserves the legitimate brokerage role
- Ensures fair compensation
- Eliminates incentives for unethical manipulation

E. For the U.S. Economy

- Stabilizes a critical national industry
- Reduces inflation caused by supply-chain breakdowns
- Strengthens domestic logistics resilience
- Restores a sustainable labor market

VII. REASONS FOR CONGRESSIONAL ACTION NOW

- The U.S. trucking workforce is deteriorating under wage, debt, and labor pressures.
- The supply chain remains vulnerable to shocks due to thin operating margins.
- Deregulation has created a distorted market with no transparency.
- Unsustainable labor practices now threaten national economic security.
- The public overwhelmingly supports reforms that stabilize essential industries.

AFFTRA provides a balanced, constitutionally sound solution.

VIII. CONCLUSION

AFFTRA offers Congress a clear, historically informed, economically responsible framework to stabilize and modernize America's trucking industry. It protects drivers, supports small carriers, restores transparency, curbs predatory middleman behavior, and strengthens the national supply chain - all within established constitutional boundaries.

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