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Trucking, Auto Industries Praise Elaine Chao Transportation Secretary Nomination

<u>Clarissa Hawes</u> November 29, 2016

President-elect Donald Trump nominated Elaine L. Chao, a well-connected Republican and former official in two Bush administrations, to be his transportation secretary on Tuesday.

Chao, 62, formerly served as labor secretary under President George W. Bush and as deputy secretary of transportation under President George H.W. Bush. She is married to Senate Majority Leader Mitch McConnell of Kentucky.

If confirmed, Chao would become transportation secretary just as the department gets ready to implement <u>regulation of self-driving vehicles</u>, push forward with new safety systems for passenger cars and to complete rules to force the trucking industry to use <u>electronic devices to limit the speed of heavy duty trucks</u>.

"Big issues await," said Mitch Bainwol, chief executive of the <u>Alliance of Automotive</u> <u>Manufacturers</u>. "The traditional regulatory approach is increasingly challenged to keep pace with the rapid rate of innovation in our sector. This is especially true as we move into the era of <u>highly autonomous vehicles</u>."

Chao also would play a critical role in implementing <u>Trump's proposed \$1 trillion infrastructure funding plan</u>.

Chao's nomination was generally well received by the auto industry and by trucking interests.

"I had the privilege of serving with and working closely with Secretary Chao during my time at the Department of Labor, and I am extremely pleased that she will be taking on this new challenge," said Chris Spear, chief executive of the American Trucking Associations.

Spear served as an assistant labor secretary from 2001-2004

Chao's nomination "signals the incoming Administration's attention to the importance of our nation's transportation systems," Daimler Trucks North America, the owner of the <u>Freightliner</u> brand, said in a statement to Trucks.com.

"We look forward to working together with secretary-designee Chao on the challenges facing American transportation systems in the coming years, including <u>upgrading our infrastructure</u> and modernizing our roadways," the company said.

Truck builder Navistar International Corp. also praised the nomination.

"Her distinguished career in the private sector, coupled with her service as the former deputy secretary of transportation and secretary of labor, will ensure strong leadership at the Department of Transportation as the federal government looks for innovative ways to address the nation's infrastructure needs," Jim Spangler, Navistar's vice president of corporate affairs, told Trucks.com.

Other business groups also are looking for a renewed focus on road building, repair and other infrastructure projects.

"As the data unequivocally shows, the decaying state of our roads, bridges, ports, inland waterways, and airports hurts our quality of life and <u>depresses our economic growth</u>," said Marcia Hale, president of Building America's Future, a bipartisan coalition that included former transportation secretary Ray LaHood and Michael Bloomberg, New York's former mayor. "We look forward to working with secretary Chao to advance a long-term infrastructure investment plan that will create jobs and promote economic competitiveness."

But others are waiting to learn more about how Chao will lead the department.

"The Department of Transportation needs to focus on meaningful improvements to our infrastructure and become less adversarial to businesses – a hallmark of the current administration as it has curried favor with organized labor and environmentalists when performing strategic planning related to building out our infrastructure," said Joe Rajkovacz, director of governmental affairs for the Western States Trucking Association.

The Owner-Operator Independent Drivers Association, a trade group that represents more than 150,000 small-business truckers, wants to see regulatory relief.

"We welcome the opportunity to communicate with the transition team and educating them on everything from infrastructure to the burdensome regulations that hinder small-business truckers

and undermine overall transportation efficiency," Todd Spencer, executive vice president of OOIDA, told Trucks.com.

Chao's commitment to public safety is an issue safety watchdog Joan Claybrook would like to learn more about.

"I am hoping that she is supportive of safety. Everyone in America should be," Claybrook, who headed the <u>National Highway Traffic Safety Administration</u> during the Carter administration, told Trucks.com.

Labor organizations were reluctant to comment on the nomination.

The Teamsters told Trucks.com they are not commenting on Trump's proposed policies and cabinet nominations. But the union was critical of Chao when she was labor secretary. James P. Hoffa, the Teamsters' president, said she was pushing many anti-union proposals and was against a higher minimum wage.

As labor secretary, Chao was successful in changing union financial disclosure regulations in 2003. Some of the regulations were rescinded under the Obama administration.

Chao's prior experience in government makes her a good choice for the post, said Jim Meil, an analyst with ACT Research, a trucking industry research firm.

"We think Elaine Chao is a seasoned, experienced veteran of the Washington scene with an impressive track record of public service," Meil told Trucks.com. "Her prior experience means she is well-versed on critical issues for the trucking industry such as infrastructure, regulation, safety, the environment and labor."

Chao has a "good grasp of how the federal system works and how to manage a major agency," said John Boesel, chief executive of CalStart, the <u>Pasadena-based clean transportation</u> technologies consortium.

"We look forward to working with Ms. Chao to promote clean and affordable transportation solutions and U.S. jobs providing them," Boesel told Trucks.com.

Others are hopeful that Chao won't reverse fuel economy and safety initiatives launched by the Transportation Department during the Obama administration.

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Chao, a native of Taiwan, is the third woman Trump has picked for a top role in his administration. Previously he has nominated South Carolina Gov. Nikki Haley for U.S.

ambassador to the United Nations and Betsy DeVos, a charter school advocate, to become education secretary.

Chao formerly served as director of the Peace Corps and worked as the chief executive of the United Way of America. She holds a master's degree in business administration from Harvard University.

The confirmation process requires approval by the U. S. Senate. She would replace Anthony Foxx, who has headed the department since 2013.

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