

Ohio Governor Mike DeWine's

Advisory Committee on Transportation Infrastructure

Recommendation Report

February 2019



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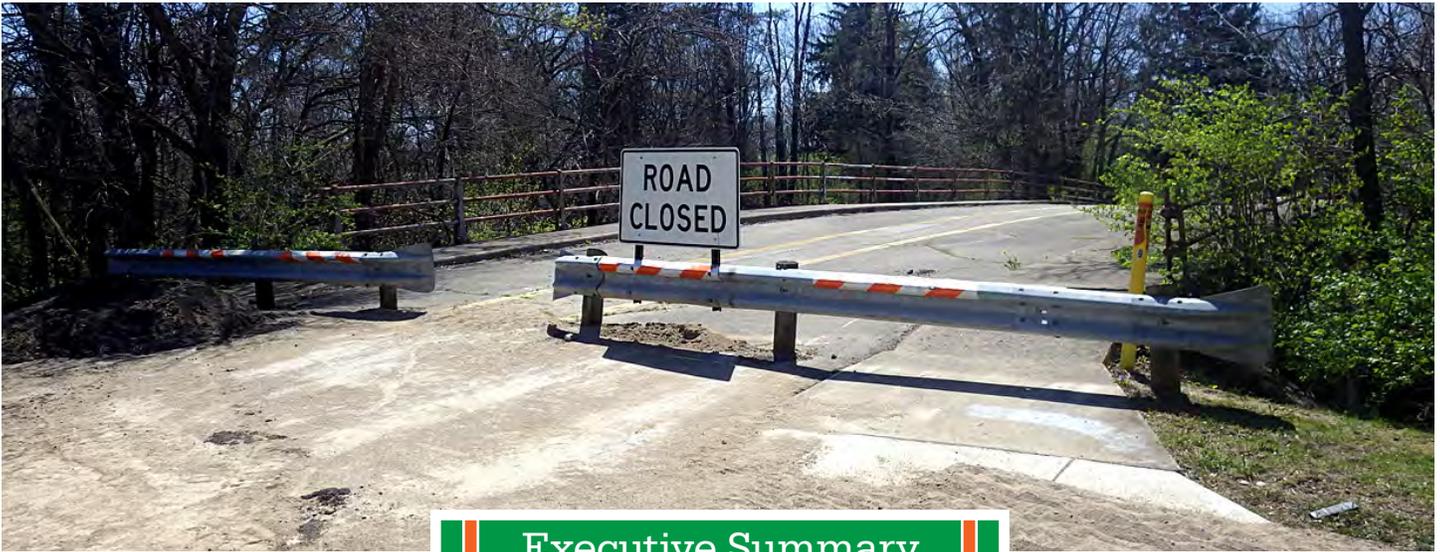
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Executive Summary

As of July 1, 2019, the Ohio Department of Transportation (ODOT), which is responsible for maintaining the fourth-largest transportation network in the nation, will run out of money for new projects and fall behind on regular maintenance and preservation of existing roads. The budget shortfall is the result of what ODOT Director Jack Marchbanks calls a perfect storm of adverse fiscal developments and spending.

The \$1.5 billion raised for highway projects through the sale of bonds backed by future toll revenue from the Ohio Turnpike paid for 13 major projects within 75 miles of the turnpike. It also allowed the Ohio Turnpike and Infrastructure Commission to make improvements along the corridor. The commission, however, will be paying on the debt until 2048 and will not have revenue for new projects.

Meanwhile, Ohio’s motor fuel tax rate, which is essentially a user fee, has been at 28 cents per gallon since 2005, after going up 2 cents each year from 2003, and its value has declined because of inflation and an increase in fuel-efficient cars. The miles people are driving on Ohio roads are at an all-time high, but increased fuel efficiency means they are using less gas. Motorists are putting more wear and tear on Ohio roads, but the money they are contributing for maintenance isn’t covering the cost.

Because of inflation, the motor fuel user fee increases passed in 2003 have not been adequate. During the past three administrations, decisions were made to borrow against those revenues to make up the difference. Because of this borrowing, \$390 million will have to

be deducted from fiscal year 2020 to pay the annual debt service.

ODOT has cut costs through attrition, operations, and asset upkeep. Without new money, the state cannot maintain its current highway system. A breakdown of the infrastructure will create hazards for motorists and endanger everyone who uses the roads, according to Col. Paul Pride, superintendent of the Ohio State Highway Patrol. He and Marchbanks pointed out that well-designed, well-maintained, properly lighted roadways with appropriate signage are important to public safety.

To examine the issue, on Jan. 28, Ohio Governor Mike DeWine announced the creation of the Governor’s Advisory Committee on Transportation Infrastructure. The 15-member group gathered Feb. 5-6 to hear from transportation experts and the public about options for maintaining and enhancing the system.

On Feb. 6, the committee recommended an increase in the motor fuel user fee to maintain and improve Ohio’s transportation system. Governor DeWine will consider the recommendation as his administration introduces the two-year transportation budget.





Advisory Committee on Transportation Infrastructure

On Jan. 28, Ohio Governor Mike DeWine announced the creation of the Governor’s Advisory Committee on Transportation Infrastructure. The 15-member group — a diverse mix of leaders from the business community, local government, labor, industry, and law enforcement — was asked to study the conditions of Ohio’s roadways and recommend options for maintaining and enhancing the state’s transportation infrastructure.

Members of the Ohio Governor’s Advisory Committee on Transportation Infrastructure:

- **Jim Aslanides**, president, Ohio Oil & Gas Association
- **Matthew Blair**, partner, Blair & Latell law firm
- **Nicole Busey**, tax director, Indirect Tax Compliance and Planning, Marathon Petroleum Company LP
- **Richard Dalton**, business manager, International Union of Operating Engineers, Local 18
- **Marcus Hanna**, chief financial officer, Castellini Management
- **Ed Harmon**, chairman and president, NAI Harmon Group
- **Dan Horrigan**, mayor, City of Akron
- **Mike Jacoby**, president and CEO, Appalachian Partnership for Economic Growth
- **Matthew Lutz**, sheriff, Muskingum County
- **Caroline Ramsey**, manager of government relations and communications, Honda
- **Dean Ringle**, executive director, County Engineers Association of Ohio
- **Kimberly Schwind**, senior manager, public affairs, AAA-Ohio
- **Doug Sibila**, president and CEO, Peoples Services Inc.
- **Taras Szmagala**, senior vice president, Eaton Corporation

- **Maryn Weimer**, director of mobility, The Ohio State University’s Center for Automotive Research

The committee gathered for two days of public meetings at the Rhodes State Office Tower in Columbus. On Feb. 5, the group listened to presentations by Director Jack Marchbanks of the Ohio Department of Transportation and Col. Paul Pride of the Ohio State Highway Patrol. On Feb. 6, the panel heard from the public during a two-hour session.



Overview

The Issue



"Impending crisis."

"Fiscal cliff."

"Perfect storm."

These are some of the words Director Jack Marchbanks of the Ohio Department of Transportation (ODOT)

uses to describe the situation facing his department and drivers throughout Ohio. The problem has been building for years, but the cliff is no longer on the horizon. It's directly ahead.

Ohio's transportation system is critical to the economy of the state and the nation. The Buckeye State has the fourth-largest interstate system in the country, the second-largest inventory of bridges, and the sixth-highest number of vehicle miles traveled.

And the state is the crossroads of America, with 60 percent of the U.S. and Canadian population within a day's drive.

The value of the Ohio transportation infrastructure managed by ODOT is estimated at \$115 billion, including \$65 billion in pavement and \$22 billion in bridges. Maintaining those assets is critical to the economic vitality of Ohio.

Several factors are converging to create a crisis point for the Ohio transportation system.

Motor Fuel User Fee Revenues

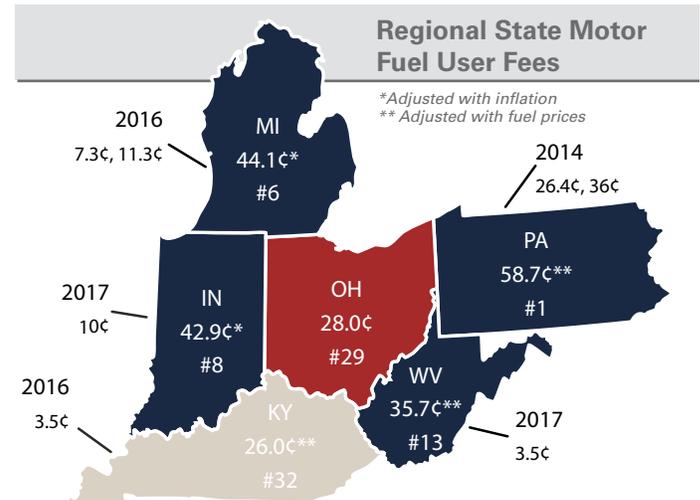
Money the state receives through the fee on motor fuel hasn't kept pace with maintenance and construction needs to keep Ohio roadways in good condition.

The motor fuel user fee stands at 28 cents per gallon, where it has been since 2005. That was the last year of a three-year cycle to increase the fee by 2 cents each year. Since then, construction costs have risen dramatically, so that the value of that dollar in 2003 is only 58 cents today.

Although Ohio motorists are driving more miles than they did in 2003, it hasn't meant an increase in motor fuel user fee revenues. Vehicles are more fuel-efficient today, which means that revenues dedicated to road

maintenance have remained relatively flat while wear and tear on the transportation system has increased.

The 28-cent motor fuel user fee ranks Ohio 29th among all U.S. states. Meanwhile, every state surrounding Ohio has increased motor fuel user fees since 2014, and all but one of Ohio's neighbors have higher fees:



In addition, Michigan and Indiana have indexed their motor fuel user fees to inflation, meaning that the fee automatically increases when prices increase. It is also important to note that while Kentucky has a lower rate than surrounding states, it generates hundreds of millions of dollars for transportation funding through different vehicle registration fees. Ohio's motor fuel user fee is not indexed and hasn't changed since the last 2-cent increase in 2005.

Electric and hybrid electric vehicles are another small, but growing, factor. All-electric and alternative-fuel vehicles contribute to the deterioration of roads, but their drivers pay no motor fuel fees. Hybrids pay some motor fuel fees, but not their full share. There are few fully electric vehicles on the road today, but some experts project they could make up as many as one-third of the vehicles on U.S. roads by 2040.

Debt and Debt Service

If the state had relied on a pay-as-you-go approach in previous years, Ohio would have reached the upcoming fiscal cliff much earlier. Instead of facing fiscal issues head-on, previous administrations decided to buy now and pay later.

First, the state borrowed against future motor fuel user fee revenues in order to pay for needed roadwork in previous years, a process that has continued through

three administrations. The result is an average of \$350 million in debt service annually. The money that could be going to current road maintenance and needed projects instead is paying for the debt on past projects.

As that credit card balance grew to be unsustainable, highway system funding turned to a new borrowing source. The Ohio Turnpike and Infrastructure Commission sold bonds guaranteed by Ohio Turnpike tolls. ODOT received \$1.5 billion to complete 13 projects within 75 miles of the turnpike, and the Turnpike Commission also made improvements along that corridor. It will come with a price: The commission will be paying on that debt until 2048.

The turnpike bonds helped delay the fiscal crisis, but now, money from those bonds has been spent or committed.

“Beginning July 1, there is no revenue available for any new highway improvement projects of any kind in any place in our system,” Director Marchbanks told the Governor’s Advisory Committee on Transportation Infrastructure.

The Cliff

ODOT projects that its revenue hole is an average of \$1 billion over the next 11 years: \$500 million for maintenance projects, \$250 million for safety projects and \$250 million for new, major projects. It’s an annual shortfall, and it includes only ODOT projects.

That doesn’t take into account local needs, which could be as high as \$1.5 billion annually. County, township,

and municipal governments are facing the same fiscal challenges as ODOT and rely on the same motor fuel user fee that hasn’t changed since 2005.

Marchbanks told the committee that local governments haven’t benefitted from the borrowing ODOT and the Turnpike Commission have done over the past 15 years. Many local governments have had to make steep cuts to road maintenance during the past decade.

“I am not exaggerating when I tell you that additional delayed maintenance of these already poor roads and bridges could quickly create a situation from which county and municipal governments may never financially recover,” the director said.

An increase in the motor fuel user fee also would benefit local governments, which share the revenues with ODOT.

With an additional \$1 billion a year, it would take ODOT five to seven years to catch up on deferred maintenance projects, Director Marchbanks told the committee.

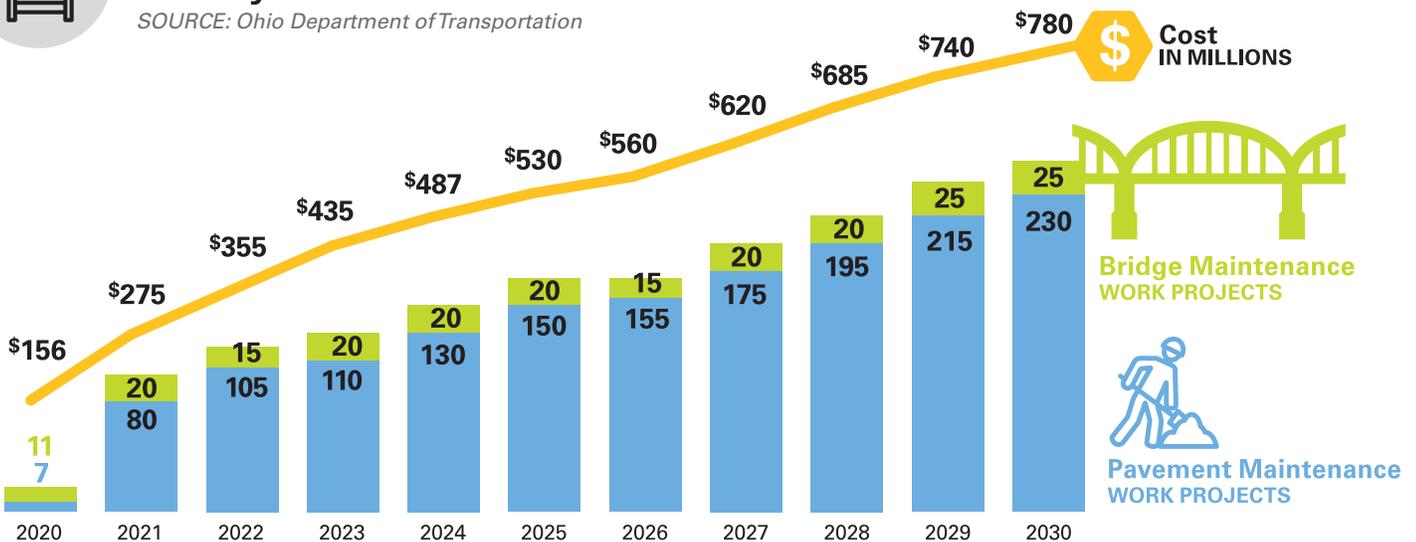
Despite the need, the budget ODOT proposed for fiscal years 2020 and 2021 reflects a drop in spending of more than \$600 million because of decreased borrowing. Projections show a slight rise in revenues in 2020, then remaining relatively flat through 2030, still not catching up to 2018 revenues.

To balance ODOT’s proposed biennium budget, the department moved \$150 million in maintenance work out of fiscal year 2020 and into later years. That trend will continue with more and more work pushed into the future. Roads that require relatively routine maintenance today will continue to deteriorate, requiring more costly reconstruction in later years.



Delayed Maintenance Work

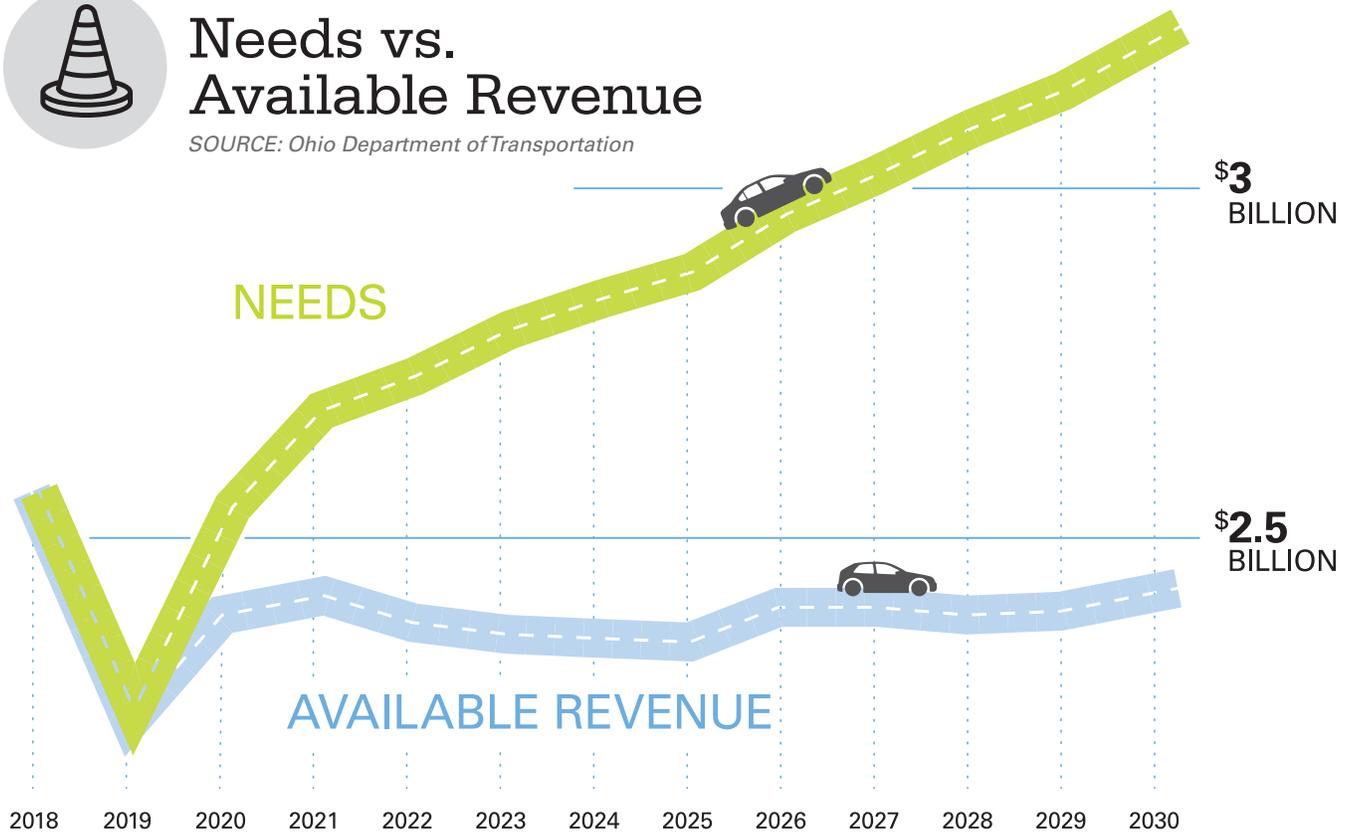
SOURCE: Ohio Department of Transportation





Needs vs. Available Revenue

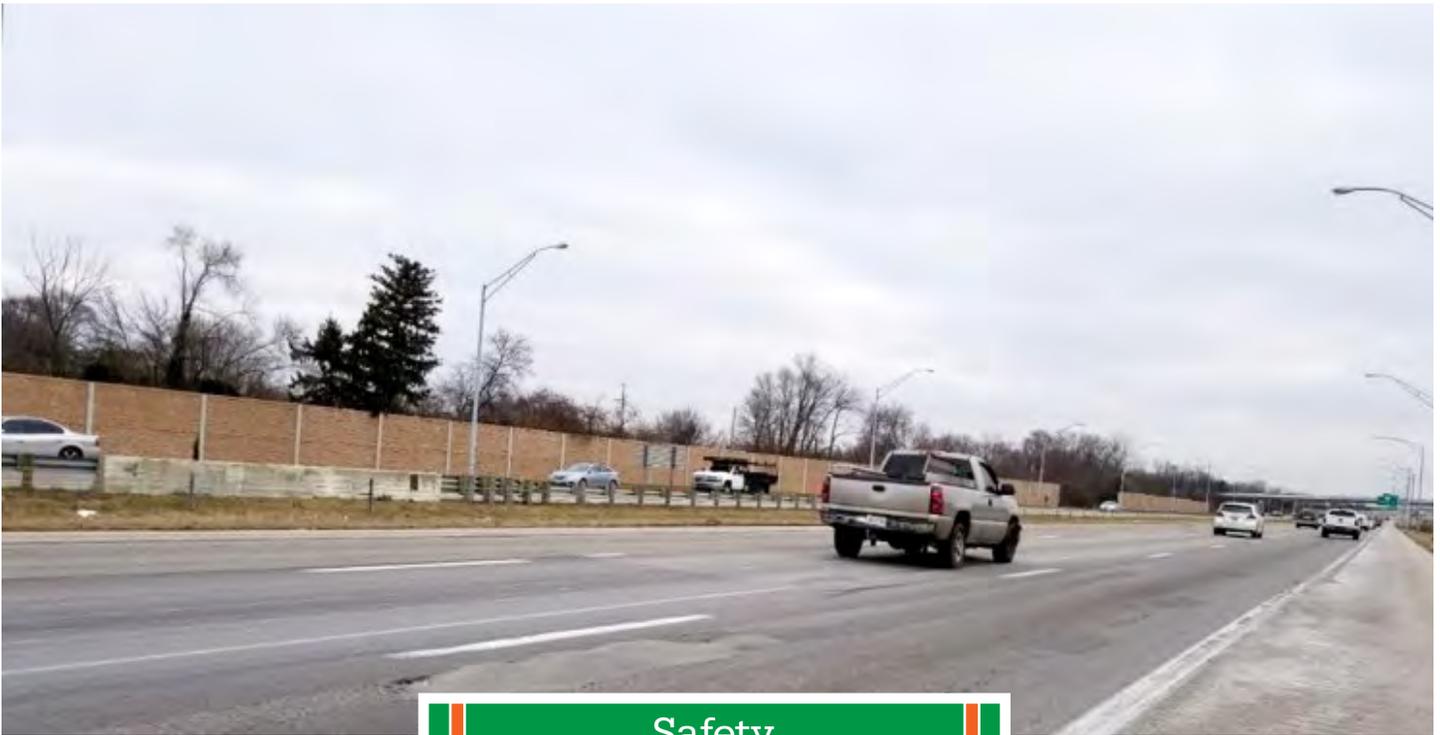
SOURCE: Ohio Department of Transportation



“As we move from 2020, into 2025, and 2030, we will see a significant increase in the number of roads that will be rated as ‘poor,’ because every year, we will have less funding available for the maintenance needed to keep them in good order,” Marchbanks said.

Now, roads and bridges maintained by ODOT are in decent shape, but pushing maintenance projects into future years will mean more unsafe roads, more damage to vehicles, and more closed or restricted roads and bridges.





Safety

Deteriorating roads also put Ohioans at risk. Both Director Marchbanks and Col. Paul Pride, superintendent of the Ohio Highway Patrol, warned the committee that ignoring the cliff will result in more crashes, more injuries, and more traffic fatalities.

Poor road conditions contribute to about one-third of all highway fatalities. When road conditions deteriorate 25 percent, crashes double, Marchbanks said. When they deteriorate 60 percent, crashes go up tenfold.

“Endangering the lives and well-being of the people of this state is unthinkable,” he told the committee. “Not funding critical infrastructure projects puts the health and safety of our citizens at risk.”



Pride said that a robust highway system is critical to maintaining Ohio’s role as the crossroads of America.

“The overall maintenance of our roadways and bridges has a direct correlation to the safety of our motorists and the uninterrupted movement of commerce through Ohio,” he told the committee. “As the Highway Patrol, we obviously want to see people make it from Point A to Point B safely. We also want to see folks get home at the end of their day safely.

“Everything we do in law enforcement regarding traffic safety is dependent upon a system of roads and bridges that are in good condition, or in other words a healthy and robust highway system. There is a tremendous safety risk when traveling on a road surface that is defective or in disrepair.

“For instance: When a vehicle drops off the edge of the roadway and the driver attempts to bring it back up on the roadway, it is important that the berm is solid and in good repair. That way, we don’t have over-correcting and losing control and going off the left side of the roadway and causing damage or personal injury or even death.

“When a vehicle drifts left of center or over the fog line on the edge of the roadway, it’s good that rumble strips alert the driver so a correction can be made.”



Public Testimony

On Day 2 of the advisory committee’s gathering, the panel heard from 20 interested parties, including mayors, county engineers, township trustees, public transit representatives, and contractors. The committee received additional written testimony from seven others.

The witnesses, in the order in which they were called to present testimony and respond to committee questions, were:

- **Larry Mulligan**, mayor, City of Middletown
- **Jonathan Westendorf**, chief of fire and EMS, Franklin; first vice president, Ohio Fire Chiefs’ Association
- **Chris Bauserman**, Delaware County engineer
- **Brett Boothe**, Gallia County engineer
- **Connie Fink**, president, Ohio Township Association
- **Michael P. Summers**, mayor, City of Lakewood
- **Tom Balzer**, president and CEO, Ohio Trucking Association
- **Steve Bergman**, vice president, Mannik & Smith Group Inc.; American Council of Engineering Companies of Ohio
- **William Murdock**, executive director, Mid-Ohio Regional Planning Commission; member, Ohio Association of Regional Councils
- **Christine Matacic**, trustee, Liberty Township; member of the Ohio-Kentucky-Indiana Regional Council of Governments (OKI)
- **Jason Warner**, manager of government affairs, Greater Ohio Policy Center
- **Dana Saucier**, vice president and head of economic development, JobsOhio
- **Joanna Pinkerton**, president and CEO, Central Ohio Transit Authority
- **George Palko**, president and CEO, Great Lakes Construction; Ohio Contractors Association
- **Jon Honeck**, senior policy analyst, County Commissioners Association of Ohio
- **Stu Nicholson**, public affairs director, All Aboard Ohio
- **Kristen Easterday**, director of government affairs, Columbus Regional Airport Authority
- **Art Arnold**, executive director, Ohio Railroad Association
- **Josh Lapp**, vice chairman, Transit Columbus
- **William Tarter Jr.**, member, NAACP Cleveland Chapter





Most of the public speakers advocated for increasing the motor fuel user fee and recognized the need for additional money for roads. Among them:

Tom Balzer, president and CEO of the Ohio Trucking Association, said, the motor fuel user fee “is the most efficient form” of collecting money needed for infrastructure. “It costs 1 percent to administer the Federal Fuel Tax. In Ohio, the Motor Fuel Tax Administrative Fund is limited to 0.275 percent.” He also noted that the fuel user fee is secured by the Ohio Constitution. It “is also protected from diversion of funds. Ohio Constitution Article XII Section 05a states: ‘No moneys derived from fees, excises, or license taxes relating to registration, operation, or use of vehicles on public highways, or to fuels used for propelling such vehicles, shall be expended for other than costs of administering such laws, statutory refunds and adjustments provided therein, payment of highway obligations, costs for construction, reconstruction, maintenance and repair of public highways and bridges and other statutory highway purposes, expense of state enforcement of traffic laws, and expenditures authorized for hospitalization of indigent persons injured in motor vehicle accidents on the public highways.’”

William Murdock, executive director of the Mid-Ohio Regional Planning Commission, said, “MORPC recommends an increase to the motor fuel user fee, which is the primary source of Ohio’s highway construction revenue. With the advent of alternative fuel vehicles, the motor fuel user fee may not be the most representative fee, but it is the most convenient collection mechanism, since it is already in place.”

George Palko, president and CEO of Great Lakes Construction, urged an increase in the motor fuel user fee. “ODOT has told the industry that the forecasted fiscal year 2020 budget will be \$1.73 billion; that is down 28 percent from \$2.58 billion in 2015. If this forecast is truly what plays out, and there is nothing done to improve the current revenue stream, the economic impact will be felt by the transportation system, the users, and the construction and design industry.”

Jon Honeck, senior policy analyst for the County Commissioners Association of Ohio, said, in the short term, an increase in the motor vehicle fuel user fee, with future indexing, is “probably the best option to increase revenue for road construction and maintenance.”

The testimony covered a range of other topics, including:

The challenges of local government to pay for transportation projects

Steve Bergman of the American Council of Engineering Companies of Ohio said his local government clients have difficulty finding money for construction and environmental improvement projects. “Often, the local resources are not sufficient to cover the expense and local jurisdictions are faced with a ‘make do’ or ‘do nothing’ result. ... Continuing to ignore the revenue issue is not going to help the Brent Spence Bridge, Wald Vogel Viaduct, Gallipolis Interchange, and other projects on the waiting list. In the case of transportation funding, investment is needed to ensure that Ohio is economically competitive, ensures safety, maintains conditions, and improves operational efficiencies. Otherwise, we will need to be satisfied with a less-efficient, less-safe and more-deteriorated system, as well as less economic development and private investment.”

Mayor Larry Mulligan of Middletown also noted the difficulties facing municipalities. When auto and gas user fee revenue “is not enough to support our local infrastructure, local communities then have to rely on local general revenue to make up the difference. This means that we are either cutting into our safety services budget or short-changing both.”

Gallia County Engineer Brett Boothe said his county’s annual shortfall for road and bridge capital programs exceeds \$5.9 million.

Connie Fink, president of the Ohio Township Association, said that during the past 50 years, the number of people living outside municipal boundaries has increased 22 percent. “This indicates more road usage within township boundaries on roads that are not built to sustain the traffic and which the township cannot afford to upgrade. In 2002, it cost \$24,000 to pave 1 mile of road in Allen County. By 2013, the cost of doing the same 1 mile of road had risen to \$62,000 — an increase of almost 160 percent. From 2010 to 2018, the cost of resurfacing a road in Butler County increased over 55 percent — from \$70,000 to \$109,000 per mile.”



Mass transit

Jason Warner of the Greater Ohio Policy Center, said, "Investment in public transportation must be considered alongside the important investment that is needed in maintaining and upgrading our transportation infrastructure to meet the needs of market demand and modern economic realities."

Stu Nicholson, public affairs director for All Aboard Ohio, a group that represents those who travel by some other means than a car, called for more transit funding. "What we envision for Ohio is a transportation system that offers a full array of options: a full-throated transportation portfolio no matter where you live in Ohio."

William Tarter Jr. of the Cleveland Branch of the NAACP said he would like to see more support and a long-term funding arrangement for public transportation. "Public transportation, and specifically the Montgomery bus boycott, played a pivotal role in the civil rights movement, and public transit continues to play a key role in economic empowerment, individual mobility, socialization, as well as the promotion of health and wellness."



The search for innovative transportation funding ideas

Christine Matacic, a Liberty Township trustee and member of the Ohio-Kentucky-Indiana Regional Council of Governments (OKI), advocated for a transportation improvement rating exchange. "Now is the time to search out new innovative ideas that are logical and practical in solving today's and our future's funding shortages. ... I have a possible solution on how this can happen. In 2015, I designed a solution called TIRE (Transportation Improvement Rating Exchange). TIRE is a proposal to provide additional funding from those of us who reap the benefits without paying fairly for the benefits — hybrid, alternate fuel, and high MPG rated noncommercial vehicles. This proposal captures the estimated amount of fuel taxes not paid by high efficiency or alternative fuel vehicles and would be paid by the owner of the vehicle when the vehicle's license plates are renewed each year."

Delaware County Engineer Chris Bauserman said, "Rising construction costs, growing maintenance needs, and declining purchasing power make Ohio's state and local transportation funding stream insufficient. Ohio's growing transportation funding crisis will not be solved with a singular short-term patch. The shortfall will only grow over time as inflation, improved vehicle fuel economy, and slower growth in driving continue to erode revenues."

The importance of road maintenance to emergency personnel

"Ohio's emergency responders rely upon our transportation network to safely transport apparatus, equipment, and personnel to the emergency scene, no matter where our services may be needed," said Jonathan Westendorf, first vice president of the Ohio Fire Chiefs' Association. "Our firefighters, EMTs, and paramedics are operating in and around roadways for motor vehicle crashes, structure fires, and emergency medical calls on a daily basis. I assure you, a significant factor to achieving a positive patient outcome depends on a smooth and comfortable ride to the hospital."





Committee Recommendation

The committee discussed a number of funding mechanisms, including:

Indexing and caps

Indexing is adjusting the motor fuel user fee for inflation based on a predetermined metric. For example, some states adjust their user fee based on the Consumer Price Index, others adjust it based on the wholesale price of gasoline. A *cap* is an established maximum limit on the user fee.

In their final remarks, some committee members expressed concern about choosing the right index and setting parameters. “We have to make sure that if we are going to be indexing ... to inflation, we are using a standard third-party index to accurately reflect increases and decreases,” one said. “There should also be caps to avoid any major spikes in gas tax, a periodic legislative review, and requirements that increased revenues are applied only to road construction, operation, and maintenance uses.”

Another member agreed and urged caution on an index: “We definitely need to make sure that there is a periodic review of the index and that there are guardrails and that there are maximums and minimums.”

Permissive registration fees

A *permissive fee* is an optional fee that can be levied by counties, municipalities and/or townships on vehicle registrations to be used for planning, constructing, improving, maintaining, and repairing public roads,

highways, streets, and for the maintenance and repair of bridges and viaducts.

Some of the committee members urged communities to consider using permissive registration fees to raise local funds to pay for projects close to home. “Some of the testimony discussed permissive registration fees and the ability to change or provide increases to those for the local jurisdictions as a way to bridge the gap. I think that should be part of the discussion,” a committee member said.

Seeking an appropriate revenue stream from vehicles that use little or no fuel

Hybrid electric vehicles and electric vehicles put wear and tear on the roads but require little or no fuel.

The committee called for reaching a balance between encouraging innovation and collecting a fair share of funding from electric and hybrid electric vehicles to cover road wear and tear. “We have to come up with a fair system ... so they pay a fair-share fee. And the same thing for the hybrids that get the increased fuel mileage. We need to have a basis of a standardized system. Those that are over on fuel mileage pay a little extra. Those that are all-electric pay something consistent, so it’s fair across the board for everybody,” one member said.

Others urged caution and pointed out that electric and hybrid electric vehicles make up a small portion of the

cars on the road: “I agree with the additional charge for electric or hybrid vehicles, but I do want to throw a caution out there. The last thing we want to do is discourage that in the state. Some states are doing that very well, Colorado, for example.” Another said, “We don’t want to deter the growth of electric vehicles on our roadways. Twenty-one states since 2013 have enacted legislation requiring a special registration fee for select hybrid and plug-in electric hybrid vehicles. Other states have done measures such as formula revisions. Some have done tolling and bonding.”

Another suggested a greater sales tax on the power that electric cars use. “I do know there’s the opportunity of EV (electric vehicle) owners paying additional sales tax on the electricity they consume. On an annual basis, this is not a large amount but having this being redeployed toward some of the rural uses as well as the infrastructure built to be able to support EV vehicles in the future.”



More funding for mass transit

The committee agreed that mass transit plays an important role in society and economic development.

“We do have a lot of requests and needs for public transportation and mass transit, and they are going to have to have some funding sources. There could be an exchange of dollars, where if the state gets in certain dollars that don’t have that restriction, they can use their (motor fuel user fee) money for roads and bridges and free up other money for mobility and mass transit. We can’t solve all those problems, but we have to identify that there needs to be funding for other forms of transportation,” one committee member said.

Exploring alternative funding sources

One committee member advocated for leasing state land for oil and gas exploration. The project would involve drilling under transportation easements, for which ODOT might not control mineral rights. “I would like to propose an idea that’s occurred very effectively in the state of Pennsylvania. ... In 2008, they generated \$420 million by leasing state lands in Pennsylvania for oil and gas development and \$100 million per year since then.” No other committee members weighed in on the drilling idea.

Conclusion:

While the committee was split on the previously mentioned options, the only funding mechanism that generated broad consensus was an increase in the motor fuel user fee.

A motor fuel user fee is:

- An efficient funding means.
- Protected by the Ohio Constitution, which specifies that motor fuel user fees pay only for highway construction and related activities.
- Fair to those who pay it because road upkeep is connected to the act of driving.
- Easy to quickly implement to meet the urgent need for funding.
- Good for the state’s transportation needs and trade. Because neighboring states have higher motor vehicle user fees, an increase in Ohio would meet the state’s transportation requirements without hurting its economic competitiveness.



APPENDIX 1

Director Jack Marchbanks,
Ohio Department of Transportation



Governor's Advisory Committee on Transportation and Infrastructure

Director Jack Marchbanks, Ph.D.
Ohio Department of Transportation

February 5, 2019

Members of the Transportation Advisory Committee:

I am grateful for the opportunity to address you today, and grateful to Governor DeWine for putting such a strong spotlight on our transportation system at the very outset of his administration.

Ohio's network of roads, bridges and highways is the state's most valuable physical asset. Ohio has the nation's 4th largest interstate system, 2nd largest inventory of bridges, and 6th highest number of vehicle miles traveled.

Because we are essentially the crossroads of America, we are within a one day's drive of 60% of the US and Canadian population. Our transportation system touches the lives of every man, woman and child in the Buckeye State every day and represents an investment of tens of billions of dollars by taxpayers over many generations

But, I am here to tell you today that this system is facing an impending crisis.

My job and the job of all the men and women who work with me at the Ohio Department of Transportation is to make possible the safe, reliable movement of people and goods from place to place in Ohio. Historically, ninety percent of that job is taking care of what we have: the roads, bridges and traffic safety devices that comprise our transportation system.

Today, however, we are facing a future where we will clearly not be able to maintain the quality of the system we have, let alone improve upon it. And, to be blunt, this will endanger the safety of every single person who travels Ohio's transportation network. Despite ODOT's money-saving efforts of instituting efficiencies, delaying projects, and stretching our dollars as far as they can go, we are looking over the edge of a fiscal cliff.

Past practices of borrowing and bonding have brought us to this troubled state, and we are here because we need a better solution. Without one - our system of state and local roadways will fall into a dangerous state of disrepair.

Today I will lay out for you the status of our resources and the condition of our system for your information and background as you study the question of what Ohioans need and expect, and how best to meet those needs. Simply put, a perfect storm led us to where we are today: a combination of fiscal developments and past spending have created this critical situation.

Motor Fuel Tax Revenues

The bottom line is that inflation has cut the productivity of our dollars by nearly half, and essentially no additional revenues have been added. The last time we increased motor fuel tax revenue was in 2003 when we passed increases of 2 cents per gallon for three consecutive years, equaling 6 cents total. That increased revenue made a big difference at the time. But the value of a dollar today is far less than it was in 2003.

In the past 16 years, heavy-highway construction inflation has ravaged the spending power of those funds. The reality is that our dollar from 2003 is now worth just 58 cents. That means today's dollars will not fully pay for the maintenance work Ohio's roads and bridges will need – and because of this, our transportation system will – without a doubt - fall into a dangerous state of disrepair.

To compound the problem, Ohio's motor fuel tax rate is not indexed – meaning it does not automatically increase with inflation as it does in neighboring states such as Michigan and Indiana. If the motor fuel tax was indexed back in 2003, we would be in far better condition than we are today. The tax would have increased along with inflation – but, without that indexing, it has remained flat and leaving us without the money to maintain our roads in the future.

Ohio's motor fuel tax revenues have, at the same time, remained relatively flat over the last 15 years. The miles people are driving on Ohio's roads is at an all-time high, but increased fuel efficiency – which is a good thing for motorists - means they use less gas. That also means we have seen only microscopic increases in the number of gallons of fuel purchased each year. To put that another way, motorists are putting more wear and tear on our roads than ever, but the money they are contributing for maintenance is not keeping up.

Back in 2003, our modest projection was that gas use would increase by one percent each year. That hasn't happened. Instead, from 2003 to 2018, consumption of motor fuel in Ohio on average increased only 1/3 of 1 percent each year.

Additionally, although the first fully-electric vehicles only recently hit the market, some are projecting they will make up as many as one-third of the vehicles on U.S. roads by 2040. Under its current structure, these and other alternative fuel vehicles will continue to contribute to the wear and tear on our roads but will pay no motor fuel taxes whatsoever.

Debt & Debt Service

Because of near double-digit inflation in 2005, 2006 and 2007, the increases passed in 2003 weren't adequate for our needs for long.

As a result, decisions were made to borrow against motor fuel tax revenues to make up the needed difference – and that process has continued through three administrations. It was only a short-term fix, leaving us in the bind we are in today.

Because of this borrowing, before we spend ANY of our gas tax money for its intended maintenance purposes, we must take \$390 million off the top to pay debt service. That's enough money for ODOT and local governments to do dozens of needed projects across the state – but that won't happen. Instead, that money is going to pay for past projects.

Turnpike Bonds

In recent years, the deficiency of highway system funding was addressed by borrowing an additional \$1.5 billion. These bonds were guaranteed by Ohio Turnpike tolls, which were increased to meet the debt service. The money allowed ODOT to do 13 major projects within 75 miles of the turnpike. It also allowed the Ohio Turnpike and Infrastructure Commission to make some much-needed improvements along the corridor.

Unfortunately, that money is now all spent or committed, and that source is no longer available. The debt service for the Ohio Turnpike and Infrastructure Commission will continue for decades. In fact, the Commission will be paying on that debt until the year 2048.

The reality is that our resources from the last motor fuel tax increase have been inadequate for the needs and wants of our transportation system for at least a decade. Instead of increasing that revenue stream, the state has been taking on more and more debt to complete projects and maintain the status quo. Today, this has pancaked into a situation that is irresponsible to continue.

Governor DeWine insisted we take a hard look at our situation and provide you and the public with the facts. After doing that, I cannot, in good conscience, recommend that this practice of borrowing continue. It only delays the problem – not fix it.

These maps show projects that state and local leaders have identified as being important. They would solve congestion issues, address safety issues and help further economic development. They would help ensure the longevity of our roads and bridges.

However, beginning July 1, there is no revenue available for any new highway improvement projects of any kind in any place on our system. Our ability to complete needed maintenance projects will also be stressed.

Maintaining Ohio's Transportation System

As I said, Ohio has the nation's 4th largest interstate system, 2nd largest inventory of bridges, and 6th highest number of vehicle miles traveled. As the crossroads of America, we are within a one day's drive of 60% of the US and Canadian population. It is a hefty responsibility to keep this system in working order.

In order to balance our budget for the next biennium, ODOT moved approximately \$150 million in maintenance work that was once scheduled for FY 2020 into later years. This is maintenance work that should be happening now, but without a change in our revenue situation, this kicking the can down the road will continue every year into our future.

Every year there will be more essential maintenance work that cannot be completed.

A project which could once would have cost about \$110,000 per lane mile could easily cost \$335,000 per lane mile if we are forced to wait five or six years too long to make the needed repairs.

Delaying maintenance work may help us balance our budget in the short-term, but as every homeowner knows, delaying needed maintenance only results in more cost in the long-run. The price of rebuilding a broken highway system is much, much greater than the cost of maintaining it properly in the first place.

Safety

Even more important than the cost of delaying projects are the safety concerns from allowing roads and bridges to deteriorate. Statistically, we know that deteriorating road conditions lead to more crashes and that more crashes lead to more fatalities. Poor road conditions contribute to about a 1/3 of all highway fatalities. When road conditions deteriorate 25 percent, crashes double. When they deteriorate 60 percent, crashes go up by tenfold. If we do not have the funding to fix Ohio's roads, more crashes will happen. More people will get hurt. And, more people will die.

Endangering the lives and well-being of the people of this state is unthinkable. Not funding critical infrastructure projects puts the health and safety of our citizens at risk. When road shoulders get run down, your vehicle (and your family) could be pulled off the road. When roads get run down, they hold more water and increase the probability of hydroplaning. When trees are not trimmed properly, they can (and do) fall onto vehicles and pedestrians. When guardrails are not in good condition, they will not keep your vehicle from plunging down the hill they are supposed to protect you from. When pavement markings fade, both you and driver coming towards you at 55 miles per hour (or more) cannot tell where your lane ends and theirs begins. Even potholes can injure far more than just your tires.

The cost of inaction is unacceptable.

Pavement and Bridge Deterioration

Because we now have more maintenance work than revenue to fund it, ODOT will be forced to make hard decisions about which roads will get needed improvements and which roads will not.

As we move from 2020, into 2025 and 2030, we will see a significant increase in the number of roads that will be rated as "poor" because every year we will have less funding available for the maintenance needed to keep them in good order.

Our maintenance dollars are stretched even tighter when critical emergencies arise. For example, 2018 was the wettest year on record for many parts of Ohio. In Southeast Ohio, the terrain lends itself to frequent landslides when there is a lot of rain. This happened in Washington County last year and there are still over 100 locations we are monitoring for landslides due to last year's unprecedented rains.

Up until this past year, the federal government made funding available to us for emergency repairs such as this. However, that funding is far more limited, making an already bad situation much worse.

When ODOT and local governments have to fix emergencies like this, we are faced with either delaying other needed projects, or keeping roads closed because they are unsafe.

For bridges, the story is even more concerning.

Without funding for needed maintenance, these structures will eventually pose a safety threat that force them to be closed in the near future. When a bridge deteriorates greatly, we don't let people drive over it. That spells massive inconvenience for those who live nearby. Closed bridges might never reopen without the additional maintenance funding needed to bring them back to an acceptable condition.

I'd like to take a moment here and talk about our local partners.

I cannot stress enough this next point: while ODOT has had access to additional revenue from the debt we have taken on over the last fifteen years, local governments and planning organizations generally have not benefitted from those programs. They've been feeling the effects of that heavy highway construction inflation without any reprieve for more than a decade. Because of this, in many cases locally-maintained roads and bridges are already in worse shape than the state highway system.

While ODOT took the brunt of necessary budget reductions through June 30, 2020, beginning July 1 of that year, local governments will begin to see reductions to some revenue sources available to them. This is not their portion of the motor fuel tax, however, it is money used for critical county and municipal projects like the one in this photo.

I am not exaggerating when I tell you that additional delayed maintenance of these already poor roads and bridges could quickly create a situation from which county and municipal governments may never financially recover.

Summary

In summary, due to flat revenues, highway construction inflation, and mounting debt payments, ODOT is in jeopardy of being unable to fulfill its mission.

Please understand, we are committed to utilizing every tool at our disposal to maximize each dollar we receive; however, the credit cards are maxed out and the long-term health of Ohio's transportation system is now at stake. The cost of continued delays will only compound year after year, making it harder every single year moving forward to ever catch up.

Beginning July 1, there is no state money for any new roadway projects in Ohio. There is no state money to address congestion in urban areas. We will be less able to fix dangerous intersections. Roadways will crumble, making driving dangerous. And, there will be no state money for projects that might help a local government attract economic development to their area.

Moving forward there is not enough money for ODOT and our local partners to keep the roadways in their current condition, let alone make significant improvements. The deterioration will begin slowly, but compound quickly.

We will continue to take care of critical safety issues as best we can however without a change in the revenue available to ODOT to do its job, more of our roads and bridges will slip into a deteriorating state. The safety of Ohio's drivers is of utmost importance. This issue affects all of us.

I urge your careful consideration of this information and am happy to provide any additional information that might help you in your task.

APPENDIX 2

Col. Paul Pride,
superintendent,
Ohio State Highway Patrol

One of the most dangerous activities that each of us engage in daily is driving or riding in a motor vehicle. According to provisional statistics, 1,072 people lost their lives on Ohio's roads last year. Although this is a 9 percent decrease as compared to 2017, there is still much work we can and will do to improve safety in Ohio.

These numbers are not just numbers. These are people; our families, friends and community members. As a state, we must work together to improve safety for everyone.

The four "E's" of traffic safety form the foundation of Ohio's approach to roadway safety. The four "E's" are synergistic; each must perform at an optimal level to be truly successful.

1. **Enforcement** - Enforcement of criminal and traffic laws is a primary duty of any police agency. At the Highway Patrol, we take this duty seriously and enforcement is currently at record levels!

Our goal is simple; stop drivers who are speeding, texting while driving, driving distracted or impaired before they cause a crash that injures or kills someone.

2. **Education** – We are constantly engaged...Every traffic stop is an opportunity to make an impact upon people. I tell our troopers, stop a lot of cars and sell traffic safety. The goal is to change risky driving behavior and improve safety.

The public expects troopers to educate them, and we make that part of our mission.

3. **Engineering** – We all know that properly signed, maintained, lighted, and designed roadways are key to traffic safety. They enhance traffic flow and remove obstacles to safety.

Although the Patrol cannot engineer roadways, we work extensively with the Department of Transportation across Ohio to improve our roads.

Maybe it's a poor sightline at a curve or intersection. Or maybe it's additional signage to warn drivers of dangerous conditions. The point is, law enforcement and roadway engineers partner every day to identify problems and develop solutions.

4. **Emergency care** – “the golden hour” - The sooner patients reach trauma care, particularly if they receive treatment within 60 minutes of being injured, the better the chance of survival and recovery.

Often times, medical helicopters must transport those seriously injured in traffic crashes. Without this lifesaving service, patients cannot be transported to trauma centers to receive lifesaving care.

Ohio's roadways are critical to travel, national defense, and the movement of commerce across our nation!

Ohio is the heart of it all!...Our slogan is Find it here!... Find it here?... I can't find it if I can't get to it!

Ohio may rank 35th in geographic size, but we have the 8th largest roadway network in the nation!

- This includes the 4th largest interstate network
- And the 2nd largest bridge inventory

Ohio also has the 3rd most freight movement by commercial vehicles of all the states and the 6th largest volume of traffic.

And...Ohio ranks 7th in population, 5th in vehicle miles traveled and 5th in registered vehicles.

Ohio is the cross roads of America...and believe it or not the world. Ohio's economy is ranked 7th among the states and 21st globally. Think about that, Ohio's economy has a higher GDP than 20 countries!

There is a significant amount of commerce and passenger traffic moving in and through our state.

All of the travel and movement of commerce is not possible without a robust highway system.

The overall maintenance of our roadways has a direct correlation to safety, the uninterrupted movement of commerce, our economy, and the quality of life in Ohio.

As the Highway Patrol, we want to see people make it from point A to point B safely, we want to see folks get home safely at the end of the day.

Everything we do in law enforcement regarding traffic safety is dependent upon a healthy system of roads and bridges that are in good condition.

There is a tremendous safety risk when traveling on a road surface that is defective.

For instance;

When a vehicle drops off the edge of the roadway and the driver attempts to bring it back onto the surface.....it's important that the berm is solid and in good condition..... Without it, the vehicle's tire could hook the edge of the pavement and cause a serious crash....road maintenance is important!

When a vehicle drifts left of center or crosses over the fog line, it's good that rumble strips alert the driver so a correction can be made, often times preventing crashes and injury.

If I can use a NASCAR example....those racetracks are specifically designed and engineered with a road surface to handle speeds of 200 mile per hour!

Broad oval turns with high banking

High tech surfacing materials

Smooth as possible and blemish free

Those race cars are going to run 200+ mph on that surface.....until for some unknown reason there is a crash.

But as soon as that crash happens...track crews respond to remove the debris and take actions to repair the track surface.

Once there is a crash, the racing surface becomes damaged.

IT CHANGES EVERYTHING for the rest of the race.

It changes the speeds of cars for the rest of the race,

It changes the line and lanes of travel,

It changes the strategy of the drivers.

And, it increases the potential for additional crashes throughout the race.

The same kinds of changes happen when our roadways and bridges are damaged or defective....it's a game changer, and in the end we're going to have more crashes.

That's more property damage, more injuries and unfortunately more deaths. Travel is slowed and commerce is not moving.

There is absolutely a significant risk when traveling on roadways that are in a state of disrepair.

Remember the Silver Bridge collapse? I know it seems like a long time ago, but on December 15, 1967, while it was full of rush-hour traffic, the bridge collapsed into the Ohio River. The tragedy caused the deaths of 46 people. Two of the victims were never found.

Or, the I-35 bridge collapse in Minnesota?

On August 1, 2007, at the height of the evening rush hour, the bridge fell into the Mississippi River killing 13 people and injuring 145 others.

Thankfully, we have not experienced any recent events of this magnitude. But it is a sober reminder of what can happen.

Ohio's roadways have come a long way since 1936 when we began keeping statistics

Our deadliest year was 1969, when 2,778 people were killed that year on Ohio roadways.

What did roads in 1969 look like?

No reflective markers on center lines, no cable barriers, no rumble strips, etc.

Ohio's least tragic year was 2013, when 990 people died on our roads. This marked the first time in Ohio's recorded traffic safety history that highway deaths were below 1,000!

The last 8 years have been among the safest years in Ohio's history. We all want this trend to continue, but we sure have work to do!

In 2018, the Highway Patrol responded to more than 38,000 calls for service related to hazardous road conditions.

Approximately 31 percent of all crashes last year listed "road conditions" as a contributing factor.

Approximately 21 percent of our fatal crashes listed "road conditions" as a contributing factor.

Traffic safety is our business and we take this business very seriously!

Our local relationships are critical.

Law enforcement working in collaboration with ODOT managers is key.

We work together to identify and solve problems:

- Locations of pot holes;
- Control of construction zones;
- Work zone safety;
- Traffic control methods and devices;
- Speed limits;
- Signage & message boards;
- Guardrails / cable barriers / jersey barriers / rumble strips / safer crossovers;

And the removal of precipitation....rain, snow, ice, slush.

Precipitation in any form is not our friend and neither is defective pavement, bridges in disrepair, damaged guardrail or lack of signage.

Traffic congestion, caused by our inability to build additional lanes or re-engineer a portion of roadway, creates traffic hazards, slows our states and nations economy, and decreases valuable emergency response times.

DOING THIS WORK AS A PROFESSION FOR THE PAST 30 YEARS, I AM CONFIDENT IN LAW ENFORCEMENTS ABILITY TO CONTINUE POLICING OUR ROADWAYS.

BUT I AM DEEPLY CONCERNED ABOUT OUR ABILITY TO MAINTAIN AND IMPROVE OUR ROADWAYS AND BRIDGES ACROSS OUR STATE.

Thank you

APPENDIX 3

Public Testimony



Governor's Advisory Committee on Transportation Infrastructure
Mayor Lawrence Mulligan, Jr, City of Middletown, Ohio
February 6, 2019

To the Honorable Members of the Governor's Advisory Committee on Transportation Infrastructure:

My name is Larry Mulligan. I am the Mayor of Middletown, Ohio in Butler County. I am also a board member of the Ohio Mayors Alliance, a bipartisan coalition of mayors from Ohio's largest cities.

Middletown is a community in southwest Ohio with a 200-year history and is home to over 48,000 people. There is significant pride in Middletown; deteriorating and pothole ridden streets is not the image of we want to project to the region and visitors.

During my time on city council and 12 years as Mayor, the condition of our streets and roadways has been a significant concern to many. We have consistently heard our residents raise the issue of potholes, limited maintenance and the overall poor condition of the city's streets, as disappointments and items that need to be addressed. I'm sure this can be said for many communities across the state.

Our current city administration, as well as previous administrations, worked diligently to allocate scarce resources from the general fund, because we cannot rely on the Auto and Gas tax fund and grant funding alone. Yet, those resources fall short. The challenge we've faced over the past decade, and before, has been to focus on critical services of public safety as a priority, which resulted in limiting funding for other areas of the city. Our \$30 million general fund budget only allows for \$700,000 dedicated for local paving.

When Auto and Gas tax revenue is not enough to support our local infrastructure, local communities then have to rely on local general revenue to make up the difference. This means that we are either cutting into our safety services budget or short-changing both. Making sure that our residents are safe is one of the most important responsibilities of local leaders.

At any moment, one of our residents could be involved in a life-threatening emergency. When that happens, we have confidence that our law enforcement, fire protection, emergency medical, and traffic management services will be ready to protect them, with prompt response times and to effectively transfer them to safety. The city is also faced with increased maintenance expenses on our expensive fire and EMS apparatus due to increased wear from deteriorating roads.

Since the mid-1980's, when a local referendum was held to eliminate a dedicated capital budget allocation, and it was passed by the citizens, funding for maintaining our infrastructure



has steadily declined. More recently, the recession, beginning in 2008, created further stress on the city's budget and further limited funds available for maintenance and repairs. The State of Ohio has reduced local government funds, eliminated personal property taxes and the estate tax, for the overall improvement of the state, but borne by local governments facing reduced budgets and increasing expenditures. The state reductions totaled about \$3 million per year, or about 10% of our general fund revenue. The city of Middletown currently has in excess of 600 lane miles of roads, the majority of which are rated "fair to failed" by the most recent pavement conditions survey. Today, only 35% of the roads are rated good to excellent. If we do not act to address the situation in the near future, many of the roads that are in marginal condition, will begin to fail, which will further increase the cost to repair them. These roads are used by local companies like AK Steel to ship their product, local residents to get to and from work, and many visitors and others throughout the region.

Earlier estimates of the cost to repair our streets increased from around \$120 million, from a study about 5 years ago, to a current estimate of \$160 million. The city's annual auto and gas tax and Ohio Public Works Commission grants, and general fund street allocation total about 2 million, or only about 1.5% of the total needed. Even when it is spread over the 20-year life of a repaved street, the annual cost is significant, and we fall well short of that. Middletown's City Council and our City Manager and staff made good progress towards reaching an improved level of sustainable services in our "new normal" based on the past several years. Those efforts included new staffing models, a much smaller government reduced about 40% to 350 employees, with cuts in all areas, including public safety. However, to fully succeed in reaching a fully sustainable level, it will require additional job growth and new residents in Middletown. I am optimistic that we will ultimately achieve it, but as a city, we must act now to address the issue of deteriorating infrastructure.

The city is in the midst of a transportation study. This will provide a plan for the next several years of how we will address pedestrian, bike, bus and automobile movements in and around the city. We will be proactively looking at creative ways to prepare for the second century of transportation in Middletown. I would encourage this commission to carefully consider ways to assist local governments, like Middletown, with funding to address the critical need of transportation infrastructure.

I believe the committee should explore all avenues of increasing funding for our transportation infrastructure across the state. First, our local and city streets are a primary concern to many residents, regardless of where they work, reside or attend school. Second, cities and local government have limited financial resources to address ever decaying streets and ensure that our communities are safe. And, third, if we fail to address the issue now, the cost will only increase in future years. Thank you for your time and consideration.



PREMIER • PROFESSIONAL • PROACTIVE

**Ohio Governor's Advisory Committee on Transportation Infrastructure
Testimony by Fire Chief Jonathan Westendorf
1st Vice President of the Ohio Fire Chiefs' Association
February 6, 2019**

Members of the Ohio Governor's Advisory Committee on Transportation Infrastructure, thank you for the opportunity today to testify on behalf of the over 1,700 members of the Ohio Fire Chiefs' Association. My name is Jonathan Westendorf and I am the Fire Chief for the city of Franklin, Ohio, as well as the First Vice President of the Ohio Fire Chiefs' Association.

Our roadways are responsible for the overall health and strength of our economy, transporting life sustaining goods and services throughout the state. Ohio's emergency responders rely upon our transportation network to safely transport apparatus, equipment, and personnel to the emergency scene, no matter where our services may be needed. Our firefighters, EMTs and Paramedics are operating in and around roadways for motor vehicle crashes, structure fires, and emergency medical calls on a daily basis. I assure you, a significant factor to achieving a positive patient outcome depends on a smooth and comfortable ride to the hospital. There is nothing worse for a Paramedic providing critical care to a patient who is placing an IV catheter into someone's arm or neck, or inserting a needle into a patient's chest to relieve a tension pneumothorax, or even trying to intubate a patient by placing a tube into a loved one's airway while the EMT operating the life squad must weave back and forth dodging potholes, or suffer the consequences of jarringly being bounded about while emergently being driven to the hospital.

With the expiration of Ohio's Turnpike Bond, Ohio's first responders are concerned about the current and future condition of Ohio's roadways and bridges. I recently learned that Ohio has the nation's second largest inventory of bridges, fourth largest interstate highway system, the third highest freight volume and clocks in with the sixth most vehicle miles traveled in the nation. It is no wonder emergency workers spend so much time responding to motor vehicle incidents on a daily basis.

- A 2017 report published by the National Fire Protection Association, entitled *Fire Department Roadway and Vehicle Incidents*, revealed that 14% of the total annual calls answered by fire departments nationally involved responses to roadways, with 27% occurring on highways where traffic travels the fastest. Additionally, 67% of roadway incidents prompted response by emergency medical services. In 2015, fire department emergency vehicles were involved in an estimated 16,600 collisions while responding to, or returning from, calls for service. Tragically, 19 firefighters lost their lives in roadway incidents during 2016.

- TRIP, a national transportation research group, estimates that roadway features were likely a contributing factor in nearly 1/3 of the 1,132 Ohio traffic fatalities that occurred in 2016.
- Notably, Ohio's 0.95 traffic fatality rate is below the 1.18 national average of fatalities experienced per 100 million vehicle miles traveled via the interstate system. Rural roads are less safe with a disproportionately higher rate of 1.84 versus the national average of 0.71 fatalities per 100 million miles of travel.
- Statistical analysis and experience demonstrate, highway improvements that include wider lanes, full shoulders, improved road marking and traffic signaling devices effectively reduce traffic fatalities and accidents. Roadway improvements decrease accidents, thereby reducing the need for emergency services. The less often our police officers, troopers, firefighters, EMTs and Paramedics are operating in the roadways, the less risk for death, injury or even damage to our apparatus. As traffic flow improves, thus decreasing congestion; fire and EMS are able to arrive quicker to emergency scenes and hospitals enhancing the chance our patients will have positive outcomes.
- Maintaining bridge integrity is also vital, as our apparatus are quite heavy. Since the shortest distance between two points is a straight line, we do our best to travel the most direct route to emergency scenes. If the weight limit of bridges is downgraded because of poor maintenance, our response times may be extended as our personnel will be forced to maneuver the apparatus to take alternative routes, which may delay our arrival. Such instances could be devastating resulting in loss of life, worsened injury or increased damage and/or property loss. Maintaining critical transportation arteries is key to our continued success in serving our communities.

The fire service continues to actively work to limit injury and loss of life in every aspect of our job. We also recognize the vital role a strong economy provides as income and property taxes fund the personnel and equipment needed to assist our efforts in saving lives. There is an alarming shortage of people entering the emergency services, so we directly benefit from reduced calls for service, and more efficient travel times and reduced distances. Once roadway surfaces deteriorate by 25%, transportation officials report crashes double. Roadways that deteriorate by 60% means that we can anticipate crashes to increase tenfold. Ohio's fire service will not be able to absorb those types of increasing demands for service without significantly deteriorating the quality of service in every aspect of our jobs.

We look forward to working with this committee to identify a long-term solution to ensure that Ohioans have access to safe and dependable roadways and bridges. However, we also recognize that there will be a significant cost associated with this project. The state must cooperatively come together and collectively address this financial shortfall. As many fire and emergency medical services are directly funded through local governments, we would urge this committee, and the legislature, to avoid any actions that would further reduce or limit the already severely constrained Local Government Fund. ODOT Director Marchbanks' recent testimony revealed that Ohio's financial shortfall will result in further loss of revenue to local governments, further compounding an already troubling situation by stating local communities may never be able to financially recover. Such testimony is quite concerning.

I appreciate the opportunity to testify and I would be happy to answer any questions.

Governor's Advisory Committee on Transportation Infrastructure

**Chris E. Bauserman, P.E., P.S.,
Delaware County Engineer, CEAO Past-President**

Ohio Governor's Advisory Committee on Transportation Infrastructure, thank you for the opportunity to speak to you today about the benefits and importance of transportation funding.

I am Chris Bauserman, the current County Engineer in Delaware County, and have served in this position since February of 1996. Previously, I was Delaware County's Chief Deputy Engineer for 7 years.

Ohio's county engineers are responsible for 26,859 bridges and 29,088 miles of urban and rural roadways that are vital to the continued growth and prosperity of state. Although Ohio is ranked 35th in the nation by geographic size, it has the fourth largest interstate network that carries the fourth largest amount of truck traffic. The state is within a 600-mile drive of half of the nation's population and is considered a crossroad for America's manufacturing and agricultural industries. Our statewide transportation system is the foundation of Ohio's economy.

We utilize a variety of funding sources to construct, maintain and expand the county road and bridge infrastructure under our jurisdiction. Most of our resources are available for a very specific purposes, while others may allow full discretion by the county in how they are used. The following are the four primary sources:

- Federal Motor Fuel Excise Tax – 18.4 cents per gallon (distributed by formula to states)
- Ohio Motor Fuel Excise Tax – 28 cents per gallon
- Vehicle Registration Fees
- Other Federal, State and Local General Revenues
 - State grants such as Ohio Public Works Commission SCIP and LTIP Funds
 - Local property taxes (includes TIF's, special assessments and road levies)
 - Local permissive sales tax revenues

With fuel-efficient vehicles and inflation on the rise, the state and federal gas tax contributes to a shrinking share of Ohio's transportation spending. Counties across Ohio face a similar situation: increasing fuel efficiency, aging infrastructure, and the demand-dampening impact of inflation while revenue sources continue to shrink. Ohio's counties cannot keep up with the increasing costs of transportation improvements.

Total Current Revenue: \$450 million
Current need: \$1.12 Billion
Funding Deficiency: 60%

Total Number of County Bridges	26,081
Closed	96
Posted with Load Limits	1,553
One Lane	3,092
Bridges 50 years and older	9,595
Eligible for Replacement	2,029
Eligible for Repair	5,848
Total Cost to Replace and Repair all Eligible Bridges	\$1.3 Billion
Cost per Year on a 10-year Schedule	\$127.5 Million

Total Miles of County Highway	28,970
Miles Less than 20 ft Wide (Below Current Standards)	18,879
Between 20 and 24 ft	9,422
Greater than 24 ft	669
Cost per Year to Widen County Highways to Current Standards on a 20-year Schedule	\$226.5 Million
Cost per Year to Pave County Roads on a 10-year Schedule	\$362.1 Million
Cost per Year to Maintain County Highway System (including guardrail, pavement marking, signs, culverts, mowing, and snow plowing)	\$406.5 Million

Increasing Road Maintenance Costs Example

Resurfacing South Old State Road in 1988	Resurfacing South Old State Road in 2019
22 feet wide, 1,500 vehicles per day	60+ feet wide, 24,000 vehicles per day
Chip seal @ \$0.70 per square yard	Hot mix asphalt @ \$10.50 per square yard
\$9,000 per mile	\$370,000 per mile

Future of State Transportation Funding

Ohio clearly needs to raise more revenue for its transportation infrastructure to address our current maintenance backlog, meet anticipated repair and reconstruction needs, and respond to the increasing demand on our transportation system.

Ohio's state legislature last modified the motor fuel tax in 2003, when lawmakers voted to phase-in a three-year, six cent increase, raising the rate from 22 cents per gallon - as it had been for ten years, to 28 cents beginning on July 1, 2005. After the rate was last adjusted in 2005, Ohio collected more than \$1.712 billion in revenue from the gas tax. By 2016, the number had remained virtually unchanged (\$1.714 billion), while costs due to inflation have increased at a

rate of 29.3% over that same period. What cost \$100 in 2005 today costs \$129.26. Had the tax rate adjusted along with inflation, Ohio could have collected just over \$2 billion in 2016. In 2018 the number would have been over \$2.2 billion. Inflationary cost increases have erased the impact of the 2003 tax increase and we have less purchasing power than we had at that time.

This points out the difficulty of transportation funding with the current gas tax structure. As you know, gas tax is collected on a cents per gallon basis. The tax is constant even when fuel prices fluctuate. If we continue to use gas tax as the primary method to fund roads and bridges, we need to index the tax rate to automatically adjust for inflation. Otherwise, we will continually be faced with revisiting and adjusting the rate legislatively.

Ohio Constitution restricts the use of motor fuel tax revenues exclusively for roadway projects, an increase in the state gas tax would help leverage funding Ohio receives from other sources, including federal highway funds, that can be used to fund public transportation projects in the state.

In the financial arena, diversification is viewed as a prudent strategy to balance risk. Likewise, a mix of revenue sources to fund future transportation infrastructure improvement programs will also benefit Ohio and its local partners. Industry experts agree that the financing issue is serious and complex. Most likely, the solution also will be complex with a need for multiple financing mechanisms and efficiencies. The following funding mechanisms are among those most commonly used:

- Bond and other instrument debt financing, such as Private Activity Bonds
- Public-Private Partnerships
- Tolling
- State/ local sales taxes
- Gas tax increase
- Local levies
- Vehicle registration fees
- Express lanes programs

In addition to falling back on trusted transportation revenue mechanisms, there is also evidence of states contemplating the future of transportation funding:

- 10 states approved new fees for electric and/or hybrid vehicles. In addition to an effort to add additional revenues to state coffers, the fees are recognition that climbing electric vehicle sales mean less gas tax revenues for the future and drivers of such vehicles should pay their “fair share” for upkeep of the nation’s transportation system.
- California, Oregon and Washington received grants in the latest round of funding from the Federal Highway Administration’s Surface Transportation System Funding Alternatives program, established under 2015’s FAST to develop case studies on the concept of mileage-based user fees.

Conclusion

Regardless of whether one supports or opposes the “pay for what you get, get what you pay for” model of highway finance, the reality is clear: Rising construction costs, growing maintenance needs, and declining purchasing power makes Ohio’s state and local transportation funding stream insufficient.

Ohio’s growing transportation funding crisis will not be solved with a singular short-term patch.

The short fall will only grow over time as inflation, improved vehicle fuel economy, and slower growth in driving continue to erode revenues. Maintenance, repair and reconstruction requirements on our existing transportation infrastructure can only be expected to grow. The time is now to design a comprehensive infrastructure-funding solution that is more sustainable and equitable in delivering the needed funds to Ohio’s state and local road infrastructure.

Ohio Governor's Advisory Committee on Transportation Infrastructure

Brett A. Boothe, P.E., P.S.,

Gallia County Engineer, CEAO Government Affairs Co-Chair

To the Ohio Governor's Advisory Committee on Transportation Infrastructure, thank you for the opportunity to speak to you today about the benefits and importance of transportation funding.

My name is Brett Boothe and I currently serve as the Gallia County Engineer and as the County Engineers' Association of Ohio's Government Affairs Co-Chair. Before becoming the county engineer in 2009, I worked in the private sector and also worked as a Transportation Engineer with ODOT. On behalf of Gallia County, one of the 52 rural counties in Ohio, I manage and invest nearly \$10 million in infrastructure annually.

The Problem: Road and Bridge Funding Shortfall

Gallia County has 453.567 miles of roads to maintain. This is broken down into 207.92 miles of asphalt; 127.887 miles of chip and seal, and; 117.76 miles of gravel.

- Asphalt Roads (15 year life)*
 - $207.92 \text{ miles asphalt} / 15 = 13.9 \text{ miles need paved every year in order to maintain cycle.}$
 - Currently, Gallia County averages 4 miles per year (not including grants), thus resulting in a shortfall of 9.9 mile every year. At a cost of \$70,000/mi, this is an annual shortfall of \$693,000/year for just asphalt roads
- Chip and Seal (5 year life)*
 - $127.887 \text{ miles chip and seal} / 5 = 25.6 \text{ miles need chip and sealed every year to maintain cycle}$
 - Currently, Gallia County averages 7 miles per year (not including grants), thus resulting in a shortfall of 18.6 miles every year. At a cost of \$18,000/mi, this is an annual shortfall of \$334,800/year for just chip and seal roads
- Gravel to upgrade to Chip and Seal
 - $117.76 \text{ miles} \times \$150,000 = \$17,664,000$. Over 10 years, the shortfall is \$1,766,400/year in order to simply upgrade aggregate roads to chip and seal.

* Assumes solid base, no extra work, and no road damage by heavy vehicles.

Additionally, Gallia County has 277 bridges, of which 26 are structurally deficient and another 164 are functionally obsolete. Historically, on a 10-year replacement plan, Gallia County is able to replace 4 bridges a year (for a total of 40 bridges every ten years). This leaves Gallia County a full 150 bridges behind in necessary improvements and/or replacement over that 10-year period. Gallia County would need to replace 19 bridges a year for 10 years, to meet the current needs of our county. This equates to a shortfall of \$3,110,300 per year, which does not even include more bridges becoming deficient over that 10 year span.

Total shortfall for Gallia County road and bridge capital programs
\$5,904,500 / per year

Rural Counties and Gas Tax

In general, gas taxes cannot provide adequate revenue for transportation infrastructure projects unless their tax rates are adjusted to keep pace with rising construction costs and to offset revenue losses from improvements in vehicle fuel-efficiency. Ohio's gas tax rate has not been updated in over a decade, causing significant declines in my purchasing power. Those declines are negatively affecting the funding of economically vital infrastructure projects not just in my county, but in all 52 rural counties.

Increasingly across the nation, state lawmakers are deciding that outdated gas taxes need to be raised and reformed to fund infrastructure projects that are vital to their economies. **In total, 28 states have raised or reformed their gas taxes since 2013.** (Appendix 1)

Gas Tax Purchasing Power On A Decline

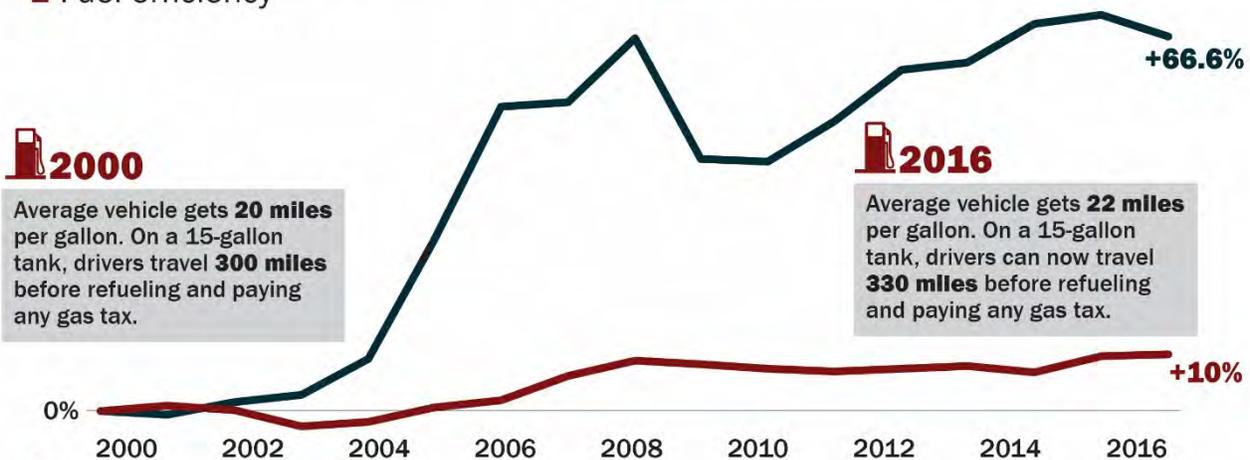
The single largest source of funding for Ohio's rural county's transportation system comes from the state gas tax. However, the purchasing power of that tax has dramatically dropped over the years, leaving funding for local roads and bridges in a precarious fiscal situation.

Rising construction costs and the growing needs of aging local roads and bridges have placed a greater strain on our infrastructure. Furthermore, increased fuel efficiency in motor vehicles and projected decreases in motor fuel consumption by Ohioans have combined to accelerate the downward pressure on revenues coming into the counties. This has led to consistent funding shortfalls in recent years, and looking ahead the problem will only get worse.

Two Trends Have Eroded Gas Tax Purchasing Power

- Construction Cost Inflation
- Fuel-efficiency

Construction costs are 66.6% higher than in 2000.
A \$5M project in 2000 costs \$8.3M in 2016.



ITEP.org

Fuel-efficiency data reflect the average on-road efficiency of all light duty vehicles in operation in a given year.
Source: ITEP Analysis of data from the Federal Highway Administration.

Material Inflation (Gallia County 2006-2013)

- Asphalt in Place (ton): 100% increase
- Asphalt Pickup (ton): 129% increase
- Tack (gal): 186% increase
- #8 stone Delivered (ton) 68% increase
- Gasoline (gal) 190% increase
- Low Sulfur Diesel (gal) 188% increase
- MC-30 (gal) 174% increase
- RS-2 (gal) 170% increase
- Concrete (yard) 64% increase

Gasoline Excise Tax Breakdown (Every 1 cent/gallon ~ \$83,000 to county roads)

Federal	\$0.19 per gallon 1993
State	\$0.22 per gallon (Gas Excise Tax)
State	\$0.06 per gallon (HB 87 – increase the tax by \$0.02 per gallon over a three year phase in during 2006, 2007, 2008)

28 cents is distributed per the following formula

- 23.8 cents is distributed – 75% to ODOT, 10.71% to Municipalities, 9.29% to Counties and 5% to Townships
- 2.7 cents is distributed – 42.84% Municipalities, 37.16% Counties and 20% Townships
- 1.0 cent is distributed – LTIP (Ohio Public Works Commission)
- 0.5 cents distributed – ODNR, PUCO, Ohio Turnpike

County Portion is \$0.032 per gallon (not a % of the price)
 County Portion is distributed by county as opposed to mileage.
 (Each County receives \$0.032/gal/88 counties = \$0.0003526/gallon per county)

Motor Vehicle Registration permissive Fees

The motor vehicle registration permissive fee is an optional tax that can be levied by counties, municipalities, and/or townships on vehicle registrations. Permissive tax revenue is to be used by the counties and taxing districts per ORC Chapter 4504, which includes planning, constructing, improving, maintaining and repairing public roads, highways, streets, and for the maintaining and repair of bridges and viaducts.

Gallia County is currently ranked 73rd (30,203 people) out of all Ohio’s counties in population. Raising our county’s motor vehicle registration fees to the max limit permitted under Ohio law would not even generate enough funds have an any discernable impact on Gallia County’s transportation system.

Alternatives to Fuel Tax: Compressed Natural Gas, Hybrid, Electric Vehicles

Gallia County, like most rural counties, does not have a single electric charging station or compressed natural gas station in the county. Using natural gas vehicles, hybrids, and electric cars as a tax option to a gasoline excise tax increase is not a viable option for rural counties. However, addressing the proper assessment of these types of vehicles would provide stability in infrastructure funding in the future.

Current Gallia County Revenue vs Expenses

Gasoline Excise Tax ~ \$2.3M

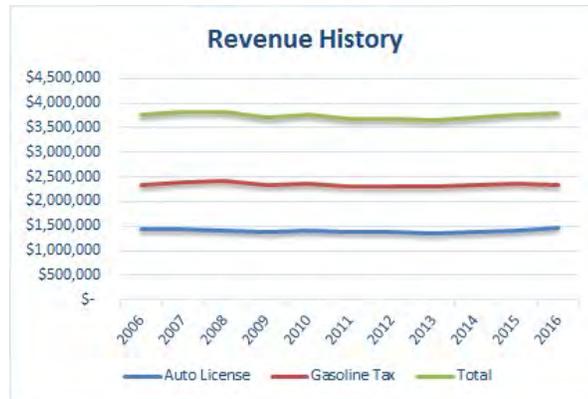
Motor Vehicle Registration Fees ~ \$1.3M

Total: \$3.6M = 98% of Revenue (No grants)

Per the Revenue History Graph below, Gas Tax and Motor Vehicle Registration Fees have been relatively stagnant.

Typical Expenses

• Payroll/Benefits	\$1.8M
• Stone	\$500k
• Fuel	\$250k
• Utilities/Lands	\$50k
• Parts/Repair	\$200k
• Salt/Cinders	\$100k
• Roadside Mowing	\$175k
• Culverts	\$110k
• Herbicide Spray	\$55k
• Dust Control	\$60k
• Cold Mix	\$50k
Total	\$3,350,000

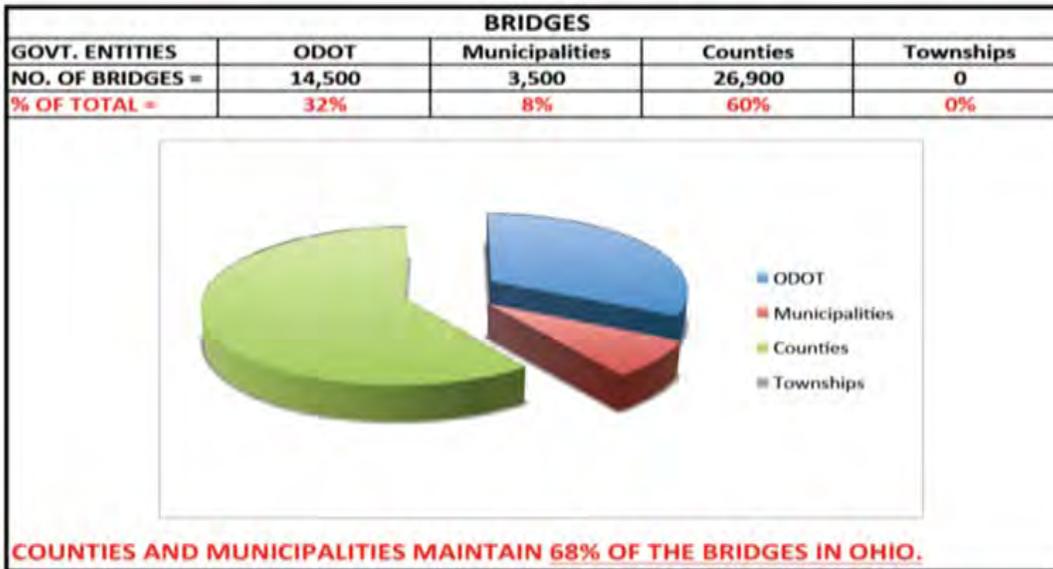
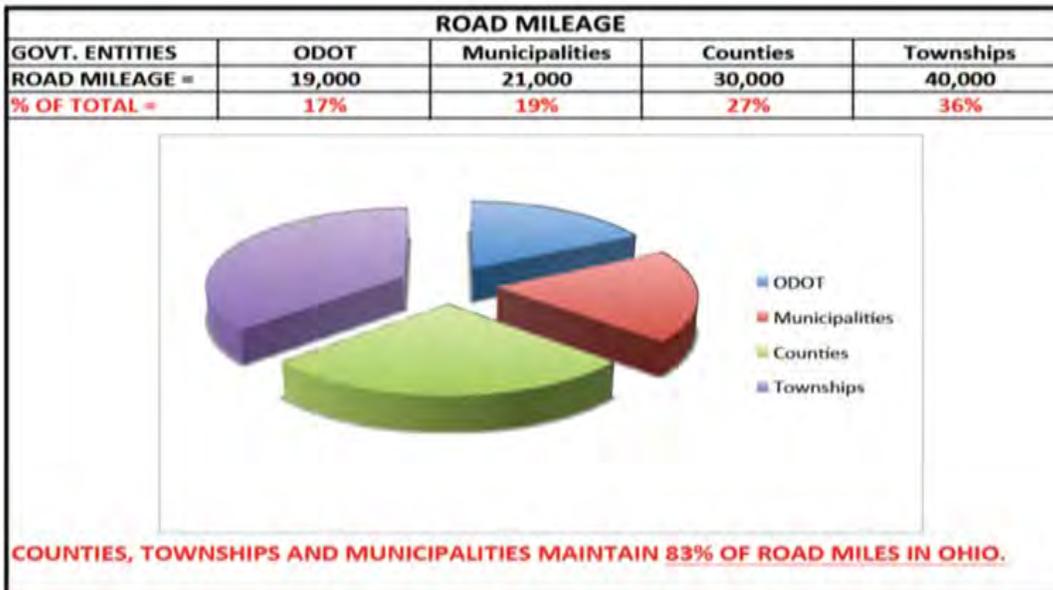


After routine maintenance expenses, the county has approximately \$250k left per year. Without grants, the \$250k would only be enough to pave nearly four miles of road, leaving nothing for replacing bridges, repairing road slips, repairing guardrails, centerline striping, new equipment, concrete repairs, or other necessary maintenance.

County Engineer's Cost Saving Methods/ Grants

- Partnering with various government entities
- Creative road material purchasing
- Partnering with fire department to remove fallen trees
- Partnering with law enforcement work release programs for cutting roadside brush
- Acquire bottom ash (cinders) from power plants mixed with salt
- Heat facilities by recycling used motor oil
- Privatization of Services
- Private Public Partnerships (PPP)
- Creative Financing
- Working with heavy haulers to find the best route to do the least amount of damage.
- In-house cold mix production/partner with neighboring counties/townships
- Dispose of tires through Health Department/Solid Waste District
- DEF Tank Purchase
- Roadside Mowing and Roadside Spraying Applications
- Jobs and Family Services Program Low/Moderate Income Seasonal Employees
- Work force reduction through attrition.
- OPWC Grants – Typically \$500k - \$600k
- Federal Grants – Nearly 11 million in Federal Grants since 2009
 - ODOT Local Project Coordinator said Gallia County had received more Federal Grant dollars than any county in southern Ohio and more than some of the most urban counties in Ohio.)

Government Entities Infrastructure Responsibility Comparison



Appendix 1



2018 Enacted Legislation

- **Missouri:** Lawmakers approved a gas tax increase of 10 cents in May of 2018.
- **Oklahoma:** The gas tax increased by 3 cents and the diesel tax by 6 cents on June 27, 2018.

2017 Enacted Legislation

- **California:** A 12-cent gas tax increase and 20-cent diesel tax increase took effect on Nov. 1, 2017.
- **Indiana:** A 10-cent increase took effect on July 1, 2017. Further adjustments will occur between 2018 and 2024 based on a new formula that considers both inflation and the rate of growth in Indiana's personal income.
- **Oregon:** A 10-cent increase will take effect in four stages, starting with a 4-cent increase that took place on Jan. 1, 2018, and ending with a 2-cent increase on Jan. 1, 2024.
- **South Carolina:** The legislature overrode Gov. Henry McMaster's veto to enact a 12-cent-per-gallon increase in the tax rate on both gasoline and diesel. The increase will be phased in over 6 years, with the first increase (of 2 cents per gallon) taking effect on July 1, 2017.
- **Tennessee:** The gas tax rose by 6 cents and the diesel tax by 10 cents on July 1, 2017.
- **Utah:** A new law modifies the variable-rate gas tax formula enacted by Utah lawmakers in 2015 in a way that will allow for somewhat more robust revenue growth. The new formula is expected to result in a roughly 0.6-cent-per-gallon tax increase in 2019 and a 1.2-cent increase in 2020.
- **West Virginia:** The gas tax rose by 3.5 cents on July 1, 2017.

2016 Enacted Legislation

- **New Jersey:** A 22.6-cent per gallon increase in the gasoline tax took effect on Nov. 1, 2016. The diesel tax rose by 26.7 cents under a two-stage increase that took effect on Jan. 1 and July 1, 2017.

2015 Enacted Legislation

- **Georgia:** A 6.7-cent increase took effect July 1, 2015. A new formula for calculating the state's tax rate will allow future rate increases alongside inflation and vehicle fuel-efficiency improvements. This will allow the tax to retain its purchasing power in the years ahead. The first such increase (0.3 cents) under this formula took effect on Jan. 1, 2017 and the second increase (0.5 cents) took effect on Jan. 1, 2018.
- **Idaho:** A 7-cent increase took effect July 1, 2015.
- **Iowa:** A 10-cent increase took effect March 1, 2015.
- **Kentucky:** Falling gas prices nearly resulted in a 5.1-cent gas tax cut in 2015, but lawmakers scaled that cut back to just 1.6 cents by setting a minimum "floor" on the state's gas tax rate. The net result was a 3.5-cent-per-gallon increase relative to previous law.
- **Michigan:** The state's gasoline and diesel taxes rose by 7.3 cents and 11.3 cents, respectively, on Jan. 1, 2017. Beginning in 2022, the state's gas tax will begin rising annually to keep pace with inflation.
- **Nebraska:** A 6-cent increase was enacted over Gov. Pete Ricketts' veto. Nebraska's gas tax rate is rising in 1.5 cent increments over four years.
- **North Carolina:** Falling gas prices were expected to trigger a gas tax cut of 7.9 cents per gallon, but lawmakers scaled that cut down to just 3.5 cents, resulting in a 4.4 cent increase relative to previous law.
- **South Dakota:** A 6-cent increase took effect April 1, 2015.

- **Utah:** A 4.9-cent increase took effect on Jan. 1, 2016. Future increases will occur under a new formula that considers both fuel prices and inflation. This formula was modified under legislation enacted in 2017 to allow for faster gas tax revenue growth.
- **Washington State:** An 11.9-cent increase was implemented in two stages: 7 cents on Aug.1, 2015, and a further 4.9 cents on July 1, 2016.

2014 Enacted Legislation

- **New Hampshire:** A 4.2-cent increase took effect July 1, 2014.
- **Rhode Island:** The gas tax rate was indexed to inflation. This resulted in a 1-cent increase on July 1, 2015, and will lead to further increases in most odd-numbered years thereafter.

2013 Enacted Legislation

- **Maryland:** A significant gas tax reform, which tied the tax rate to inflation and fuel prices, was implemented in stages starting on July 1, 2013. Since then, the state's tax rate has increased by 10.3 cents above its early 2013 level.
- **Massachusetts:** A 3-cent increase took effect July 31, 2013.
- **Pennsylvania:** A significant gas tax reform, tying the rate to fuel prices, took effect in stages starting on Jan. 1, 2014. As a result of this reform, the gasoline tax rate has increased by 26.4 cents per gallon while the diesel tax has increased by 36 cents.
- **Vermont:** A 5.9-cent increase and modest gas tax restructuring took effect May 1, 2013.
- **Virginia:** As part of a larger transportation funding package, lawmakers raised statewide diesel taxes effective July 1, 2013, as well as gasoline taxes in the populous Hampton Roads region. The new formula included in the law will cause the tax rate to rise alongside gas prices in the years ahead.
- **Wyoming:** A 10-cent increase took effect July 1, 2013.



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Governor's Advisory Committee on Transportation Infrastructure Testimony of Connie Fink, OTA President February 6, 2019

Good morning members of the Governor's Advisory Committee on Transportation Infrastructure. My name is Connie Fink. I serve as the fiscal officer for Springfield Township in Muskingum County and I am in my first term as President of the Ohio Township Association (OTA). On behalf of Ohio's 1,308 townships, thank you for the opportunity to engage in a discussion of Ohio's transportation system and its current funding levels - this issue is vitally important to all townships in Ohio regardless of size, population, or budget. In addition, the OTA is a member of Fix Our Roads (FOR) Ohio - a diverse group of Ohioans committed to long-term, smart investment in the state's transportation future.

Well-maintained roads are crucial for township residents. Whether it's farmers taking goods to market, school buses taking children to school, refiners trucking water to a well for fracking, or first responders answering a 9-1-1 call, we want them all to travel on dependable, safe, well-maintained roads.

Ohio has one of the top ten largest highway systems in the U.S., the 2nd largest inventory of bridges, and the 4th highest volume of traffic. As the cost of roadway maintenance and construction has increased over the years, funding has remained relatively stagnant - especially for townships.

Of the over 122,000 miles of road in Ohio, townships are responsible for the maintenance of 41,387 miles of road (34 percent) and over 80,000 lane miles. Even though townships maintain the largest portion of Ohio's roads, they only receive 5 percent of the gas tax revenue. Additional money is imperative for townships to sufficiently maintain and service safe roadways for their residents, businesses, first responders, and the countless individuals that travel on them. The care and maintenance of the township road system in Ohio is the largest function of townships today.

Over the past 50 years, the number of people living outside municipal boundaries has increased 22 percent. This indicates more road usage within township boundaries on roads that are not built to sustain the traffic and which the township cannot afford to upgrade. In 2002, it cost \$24,000 to pave one mile of road in Allen County. By 2013, the cost of doing the same one mile of road had risen to \$62,000 - an increase of almost 160 percent. From 2010 to 2018, the cost of resurfacing a road in Butler County increased over 55 percent - from \$70,000 to \$109,000 per mile.

In my township, it cost over \$73,000 to pave a mile of road in 2018; we completed 2.78 miles at a cost of \$203,226. We also instituted the \$5.00 permissive motor vehicle license fee as currently allowed. The fee brought in \$21,489 in additional revenue for our township - a beneficial increase, but at that rate it will take 3.4 years to raise enough revenue to pave one mile of road.

While traffic on township roads and the cost of road maintenance has increased, revenue available for transportation improvements has remained stagnant or, in many cases, decreased. For townships, this includes the reductions in Local Government Fund (LGF) revenue, the elimination of the estate tax in 2013, and the accelerated phase out of Tangible Personal Property (TPP) tax and electric

deregulation reimbursements. Additionally, as cars become more efficient and the use of hybrid vehicles increases, gas tax revenues are not enough to meet state and local transportation improvement needs.

The OTA encourages the Governor and the General Assembly to infuse additional dollars into Ohio's transportation infrastructure. This could include additional motor vehicle fees or gas surcharges (Ohio's 28-cent rate is around 6 cents lower than the national average), the creation of a dedicated fund supporting local government transportation needs, or, for townships specifically, the ability to place an additional five-dollar motor vehicle license fee on township residents to raise revenue locally. In 2017, counties were granted permissive authority to levy an additional five-dollar MVL fee. While this revenue is greatly needed at the county level, it is only available for county use. The OTA would encourage that this same permissive, local authority be extended to townships as well.

As the state considers its shortfall in transportation funding, it's important to remember the role local governments play in maintaining our roadways and the financial burden our communities have been shouldering to maintain safe roadways for our residents, first responders, and visitors. The OTA would again like to thank this committee for its time and consideration of the impact transportation funding has on local governments. Thank you for allowing me to testify and I would be happy to answer any questions the committee members may have.

Comments to the Governor's Advisory Committee on Transportation Infrastructure Feb 6,2019

By Mike Summers, Mayor City of Lakewood Ohio , past Chair, First Suburbs of Cleveland

I speak on behalf the 17 inner ring suburbs of Cleveland including My city, Lakewood Ohio. Collectively, we represent 1/3 of the population of Cuyahoga County.

I wish to focus on three important trends that are impacted by transportation priorities and investments:

- 1) The growing Wealth gap creates more dependency by many on non-auto based transportation. Approximately 1/3 of our residents are at or near the poverty level. For these households, a reliable car- dependent commute is challenging, if not unachievable.
- 2) Population loss
 - a. 20 years ago, Ohio had a population of 13 million. Today, it is 11 million. Population decline puts downward pressure on all existing infrastructure.
 - b. Inner ring suburbs, as well the urban core face aging and deteriorating transportation infrastructure and a shrinking tax base, making it nearly impossible to maintain, least of all improve its roads and bridges.
 - c. Our citizens face an increasing dependence on mass Transit that is decreasingly reliable. The first and last miles have been virtually abandoned by mass transit cutbacks. Convenience has been replaced with delay and uncertainty. In Lakewood, our disabled, our senior citizens, and increasingly younger households who seek a less car dependent lifestyle are left out unless they can afford Uber or LYFT.
 - d. A major challenge is making sure our citizens have access to follow-up visits for healthcare.
 - e. **Fix it first** and reinvest in mass transit must be the mantra of Ohio's infrastructure priorities.
 - i. It is an embarrassment that Ohio ranks in the bottom five states of per capita investment in mass transit investment.

3) Ohio's Economic Competitiveness is directly proportional to workforce availability and readiness.

Ohio must refocus on the geography of jobs- connecting and investing in existing transportation corridors and hubs. Mass transit is at its best with population density. Worldwide trends favor urban growth. This is certainly true in Ohio and NE Ohio. Absolutely true in Lakewood, Ohio's most densely populated city as measured by people per square mile.

Our most fertile ground for growth is the underemployed. These are job ready workers who have capacity for growth but limited opportunity to experience growth. They occupy dead end jobs and may lack skill and training but are eager to learn. Most of these workers live in the urban core and inner ring. Reinvesting in existing transportation assets close to this workforce leverages this workforce availability for existing and future employers. Cities with less sprawl have significantly higher rates of upward mobility.

I know from experience as the owner of Summers Rubber Company for 32 years that hiring locally increases reliability and commitment. Investing in local infrastructure secures this commitment by employers and employees.

A growing national challenge is housing affordability. Housing insecurity is measured by formula that is housing cost (rent/utilities) plus commuting cost. It must be Ohio's goal to reduce commute time and cost by investing in transportation hubs close to the workforce of the future. That workforce will increasingly live in urban areas.

Fixing and investing in the future is expensive. I emphasize the word investing. It takes money to invest.

Ohio's cities are stressed to deliver their core services, including public safety. Dollars shifted away from public safety to address other responsibilities is a series mistake.

Raise the gas tax; raise license plate fees for electric cars. Create the capacity to invest- **and fix it first.**



Thank you for your service on the commission, and the opportunity to allow me to testify on behalf of the trucking industry on the state of Ohio's infrastructure. I would also want to thank our partners at the Ohio Department of Transportation and the Ohio State Highway Patrol for the amazing work they do to protect our infrastructure and our citizens.

The trucking industry accounts for every 1 in 15 jobs in Ohio, with over 18,600 trucking companies domiciled in the state. We transport 83% of the total manufactured tonnage in Ohio or about 582,322 tons per day, and 82.2% of Ohio communities depend exclusively on trucks to move their goods. We are essential to our state's thriving economy.

In 2016, the industry paid 37% of all taxes owed by Ohio motorists despite trucks representing only 10% of the vehicle miles traveled in the state. In 2018, a typical five-axle tractor paid \$5,900 in state highway user fees and taxes, plus an additional \$8,906 in federal highway user fees and taxes. The approximately 74 million trucks that drove on Ohio roadways last year traveled only 12.1 billion miles of the 118.6 billion miles driven by all motorists. In addition, unlike other motorists, trucks pay fuel tax and registration fees on an actual pro-rated basis in the states in which we operate; we pay fuel tax in the states we use the fuel, not where we buy the fuel.

The average Ohioan currently spends \$136.88 per year on fuel tax, averaging 12,906 miles driven with an average fuel efficiency of 26.4 miles per gallon. According to the United States Department of Transportation (USDOT), the cost of maintenance due to poor road conditions averages \$516 per year nationally. Here in Ohio, that number ranges from \$397 in Dayton to \$651 in Cleveland.

Fuel tax is the most efficient form of collecting the fees used for infrastructure. It costs 1% to administer the Federal Fuel Tax. In Ohio, the Motor Fuel Tax Administrative Fund is limited to 0.275%. Nationally, tolling has administration costs that range between 35%-45%; the Ohio Turnpike is one of the most efficient at 25%.

The fuel tax is also protected from diversion of funds. Ohio Constitution Article XII Section 05a states: "No moneys derived from fees, excises, or license taxes relating to registration, operation, or use of vehicles on public highways, or to fuels used for propelling such vehicles, shall be expended for other than costs of administering such laws, statutory refunds and adjustments provided therein, payment of highway obligations, costs for construction, reconstruction, maintenance and repair of public highways and bridges and other statutory highway purposes, expense of state enforcement of traffic laws, and expenditures authorized for hospitalization of indigent persons injured in motor vehicle accidents on the public highways."

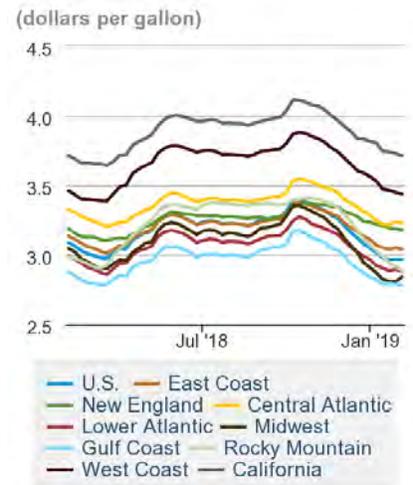
Alternative sources of funding to avoid raising the fuel tax have proven to cost more and require further borrowing. Look no further than our Federal Highway Trust Fund for the proof. In the past two bills Congress has attempted to alternative funding plans that did not generate the funds needed to support the system thus why we are in the situation we are in today. The first was pension smoothing which allowed companies to forgo mandatory payments into pensions and the offsetting increase in net

income would lead to more tax revenues. The second was selling the Strategic Oil Reserve budgeted for sale at more than \$90 per barrel, when the time came to sell it oil was selling for \$50-\$55 per barrel.

Our surrounding states have all made significant changes to their infrastructure funding while Ohio has done nothing. The average fuel tax of Ohio's surrounding states is 41.48 cents per gallon; and all of these states are also considering proposals to increase the fuel rate again this year or have indexing that will automatically increase the fuel tax. Kentucky is the only state with a fuel tax less than Ohio, but they also have other ways in which they tax such as a personal property tax on vehicles and a weight distance tax.

The impact to the trucking industry would be negligible as we already have processes and policies in place that account for these changes in fuel costs. The fuel surcharge is a fair, objective, and accepted method to deal with the changes in the fuel costs. The impact of a 7-9 cent raise in the fuel costs may adjust the surcharge by one percent. Furthermore, the sharing of fuel taxes among states and trucking companies basing their costing models off of the U.S. Energy Information Administration averages for either the entire United States or their operational region, such as in our case the Midwest, puts a state with the lowest fuel tax rates leaving money on the table.

On-Highway Diesel Fuel Prices



Source: Energy Information Administration



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Good Morning, my name is Steve Bergman and I am Vice President of the Mannik & Smith Group, a company headquartered in Ohio. Today, I am representing the American Council of Engineering Companies of Ohio who is also a member of the FOR Ohio coalition. A bit of background on ACEC Ohio, we are a non-profit trade association comprised of more than 130 companies representing over 7500 employees in Ohio. Companies that provide a wide array of engineering and other professional services for all types of construction and environmental improvement projects around the state. In Ohio alone, our industry provides services worth more than \$1 billion annually. We feel that the efficiency and condition of Ohio's transportation system is critical to the health of the state's economy.

Ohio is strategically located and is within 600 miles of 50 percent of the population of North America. Ohio has the 3rd largest number of urbanized areas in the country, only behind California and Texas. It was estimated that in 2015, \$563 billion in goods were shipped from sites in Ohio and another \$493 billion in goods shipped to sites within Ohio, mostly by truck. In 2015, Ohio's economy grew by 2.1 percent, and at the time was ranked 18th best in the country. With these positive numbers comes increased demand on the transportation system.

According to the 2010 IHS Global Insight TRANSEARCH database, Ohio experienced the sixth greatest tonnage of originated truck freight and the seventh greatest tonnage terminated compared to other states. According to *Access Ohio 2040*, truck volumes are expected to increase by 67 percent by 2040.

Ohio has become a logistics hub. As detailed on the Columbus 2020 website, the Columbus Region is a strategic location for the movement of goods and has greater access to the U.S. market within a 10-hour drive than any other major metropolitan area. More than 4,100 logistics establishments employing over 80,000 employees thrive on the Columbus Region's ultra-modern interstate highway system and multiple rail terminals. Columbus is also home to multimodal logistics hub Rickenbacker Inland Port, the 10th-largest Foreign Trade Zone. Other regions of the state are also experiencing logistics growth, including the CSX facility in North Baltimore, Queensgate Yard in Cincinnati, and lakefront terminals in Cleveland and Toledo to name a few.

The Consultant industry consists of engineers, scientists, technical staff, accountants, planners, marketers and others. Our primary focus is on delivering results for our clients and improving conditions for transportation users. The most satisfying result of our direct engagement with ODOT, municipalities, counties and others is the partnership established in achieving the vision. Results are what matters.



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Our clients have needs, either improving safety, eliminating congestion or improving accessibility, to name a few. They strive to be competitive and improve economic development opportunities in order to survive and be more attractive to the private sector. These challenges and priorities are the same regardless of location. Rural needs are as plentiful as urban needs.

Through direct interaction with our clients, we are continually challenged to identify revenue to meet local improvement goals. Often, the local resources are not sufficient to cover the expense and local jurisdictions are faced with a “make due” or “do nothing” result. In today’s world, consultants often need to steer clients to think creatively, which often means borrowing against the future or accepting risks to meet critical investment needs.

In many instances, jurisdictions are more conservative and are not willing to take the risk, either from a political or budgeting standpoint. This only delays or even eliminates the locally preferred project and puts people and economic development opportunities at risk.

How does Ohio compare with neighboring states? Michigan has a state motor fuel user fee of 44 cents per gallon, Pennsylvania is at 58 cents per gallon, West Virginia at over 35 cents per gallon, and Indiana is at nearly 43 cents per gallon. They have all made investments and increased revenue for transportation investment. As a reminder, Ohio is currently at 28 cents per gallon, which is between 20% and 50% below our closest neighbors.

In addition, the federal motor fuel user fee has not been adjusted since 1993 and stands at 18.4 cents per gallon. Can Ohio afford to wait for federal officials to make a renewed commitment? Moreover, if they do, can Ohio generate matching funds to receive all of the federal dollars available under a larger program? We feel the answer is no, Ohio cannot wait.

The term “tax” as used with gasoline is really a “user fee”. The more you use the roadways, the more you contribute. Of all revenue structures, this system has been recognized as the most efficient public funding mechanism. Not only are the people of Ohio paying a user fee at every fill up, but also through state travelers are paying. Each penny increase generates nearly \$66M.

What if the User Fee was indexed to inflation? The discussion of transportation funding may not even be on the table today as the index would have increased the user fee automatically.



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There are many different avenues and ideas floating around to raise revenue for roadways, such as a Vehicle Mile Travel (VMT) fee. We believe that the future will provide other alternate sources of revenue generation, but we cannot wait for public opinion to weigh in or options studied.

With the increase in construction and material costs, since Ohio raised the motor fuel user fee in 2005, which was a total 6-cent increase, beginning 2003, the value of the dollar has dropped significantly. Construction inflation has seriously eroded the buying power of Ohio's transportation revenue. While the Midwest Consumer Price Index has averaged about 3.2% over the past 25 years, construction inflation has at times been much worse. From 2005 to 2007, inflation increased 8.6%, 12.4% and 11.7% respectively. Adjusted for inflation, a dollar spent in 2000 would be worth only \$0.52 in 2016, due to inflation. In brief, the \$1.7 billion program planned for 2019 is worth only \$858 million in 2000 dollars.

We would also contend that the commitment to more efficient and alternative fuel vehicles has also eroded the collection of revenues. What about local investment in other forms of transportation, such as bikeways and beautification projects? While these are beneficial, they also compete for limited funding and do not provide additional revenue or increase the pot of money available.

Looking at direct economic impacts, employment numbers show that the Ohio construction industry is one of the top 10 private industries in terms of employing workers. A study performed for Associated General Contractors by Professor Stephen Fuller of George Mason University found that \$1 billion in nonresidential construction spending adds about \$3.4 billion to Gross Domestic Product (GDP), about \$1.1 billion to personal earnings, and creates or sustains 28,500 jobs.

In addition, the Federal Highway Administration estimates that each dollar spent on road, highway and bridge improvements results in an average benefit of \$5.20 in the form of reduced vehicle maintenance costs, reduced delays, reduced fuel consumption, improved safety, reduced road and bridge maintenance costs and reduced emissions because of improved traffic flow. Doing my math that is over a 5 to 1 benefit/cost ratio. Sign me up!

In short, put aside any notions of our industry being self-serving in this discussion. We work at the local level trying to help our clients achieve success and a community vision. We have invested in growing our businesses in the state and employ over 7500 people, talent we don't want to see leave the state due to lack of work.

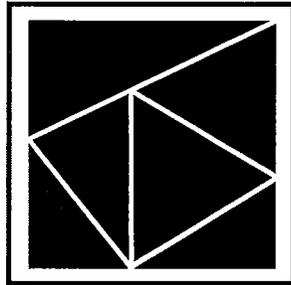


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Continuing to ignore the revenue issue is not going to help the Brent Spence Bridge, Wald Vogel Viaduct, Gallipolis Interchange, and other projects on the waiting list. In the case of transportation funding, investment is needed to ensure that Ohio is economically competitive, ensures safety, maintains conditions, and improves operational efficiencies. Otherwise, we will need to be satisfied with a less efficient, less safe and more deteriorated system, as well as less economic development and private investment.

Other states have realized the need to step up and invest for the long-term good, which puts Ohio at a competitive disadvantage when that next Amazon facility is being located.

Let us not fall further behind, the people of Ohio and economy deserve better.



MORPC

MID-OHIO REGIONAL PLANNING COMMISSION

**William Murdock, Executive Director
Mid-Ohio Regional Planning Commission
Governor's Advisory Committee on Transportation Infrastructure
February 6, 2019**

Members of the Governor's Advisory Committee on Transportation Infrastructure, thank you for the opportunity to submit written testimony to you today about Ohio's transportation funding crisis and what we can do to address the state's transportation fiscal cliff. As it is around Ohio, this is a major issue for Central Ohio's rural, suburban, and urban areas.

My name is William Murdock and I am the executive director of the Mid-Ohio Regional Planning Commission or MORPC. MORPC is a voluntary association of over 60 local governments that provides programs, services, and funding related to transportation, land use, data, sustainability, and economic prosperity. We serve as the federally designated metropolitan planning organization, or MPO, for transportation planning in the Columbus urbanized area. This means MORPC has transportation responsibilities and funding per federal law. We also work on transportation planning for our non-urbanized areas in Central Ohio. Seven counties in our region, surrounding the MPO, recently formed the Central Ohio Rural Planning Organization (CORPO). We are staffing this endeavor, and our region is encouraged by our added transportation planning capacity through the development of this program with the Ohio Department of Transportation (ODOT).

One of our chief public policy goals is to achieve an advanced, inclusive, and exceptional transportation system that connects Central Ohio's people and products to the world. In working to achieve this goal, we collaborate with districts of ODOT to implement transportation projects throughout our region. We know first-hand of the unmet need for transportation funding requests. For example, MORPC currently has about \$25.8 million in federal funding available during our current round, but \$180 million in requests around Central Ohio that cannot be funded. It also has \$29 million in public-works dollars for Franklin County to address \$50 million in requests. This gap in funded projects represent a range of deferred maintenance, needed expansion, and upgrades critical to economic development and safety.

As you heard yesterday, from ODOT Director Marchbanks, the preliminary budget plan for fiscal years 2020 and 2021 is troubling. The vast majority of revenues are allocated for maintenance rather than increasing capacity. This is demonstrated by the decreasing size of the ODOT capital program from a high of approximately \$2.4 billion in fiscal year 2014 to approximately \$1.7 billion in fiscal year 2020. In order to meet its requirement to present a balanced budget,

ODOT is expected to make an across the board 10% cut to discretionary funds. The anticipated reductions will eliminate funding for new projects aimed to adding capacity and relieving congestion on Ohio roads, as well as delay needed maintenance and upgrades to existing bridges and roadways. We applaud ODOT and our local governments for being creative and efficient stewards of funding for our system over the last few years, but these additional cuts jeopardize their ability to effectively maintain our roads and bridges and invest in what's necessary for growth.

Impact

A cutback in transportation investment will have a negative ripple effect throughout the state and Central Ohio is no different. There are many projects that will be affected. For example, the Columbus Innerbelt will not be completed if we do not act. This project is critical to the region and the state to maintain competitive infrastructure by relieving traffic congestion and adding capacity at the junction of two very significant interstates. In addition, this project would help keep us safe by making improvements at three of the state's top 10 crash locations. Another example is the Centerburg Intersection Improvements project in Knox County. Both roadways do not intersect the state route at a right angle and Updike Road is an offset intersection with SR 657. These conditions create safety issues that will be addressed with the improvements. These two projects are Competitive Advantage Projects, which is a joint initiative between MORPC and Columbus 2020 - the economic development organization for the Columbus Region - to advance strategic infrastructure investments across the Columbus region. Simply put, we identified 43 priority projects needed for economic prosperity. The goal of the initiative is to prioritize important infrastructure projects in rural, suburban, and urban areas of our region to work toward making the projects a reality. Finding additional ways to incentive regional prioritization across the state would go a long way in improving Ohio's roads.

The transportation funding cliff complicates already pressing needs in safety. MORPC estimates the societal cost of serious accidents in Franklin County alone in 2017 was \$1.89 billion on top of the tragedies suffered by so many families with 91 fatalities and 710 serious injuries. This safety story repeats itself across the state. Reduced funding will also worsen economic costs of congestion. For our region, we estimate congestion to cost over \$921 million annually due to travel delay and excess fuel consumption as well as health impacts from reduced air quality. Poor road conditions from deferred maintenance cost each driver an estimated \$533 annually. Making needed investments will make our roads safer and reduce the costs of congestion and poor road conditions.

Recommendations

Last year, a group of MORPC community leaders and elected officials – rural, urban, and suburban representing each level of local government - met several times to put together a working document of state policy recommendations that address current transportation maintenance needs and also plans for future mobility needs. As Central Ohio's population grows largely from significant migration from outside of Ohio and natural growth and as infrastructure needs stretch beyond existing funding levels, finding long-term funding mechanisms is essential. Some of these recommendations are provided below.

MORPC recommends an increase to the motor fuel users' fee, which is the primary source of Ohio's highway construction revenue. With the advent of alternative fuel vehicles the motor fuel users' fee may not be the most representative fee, but it is the most convenient collection

mechanism since it is already in place. We can discuss new mechanisms down the road, for now let's worry about repairing the roads in front of us. At 28 cents per gallon, Ohio currently ranks 29th in the nation, while we are 6th in the country in total Vehicle Miles Traveled, at 118.6 billion miles annually. The only border state with a lower fee is Kentucky. We also encourage that the fee be indexed to keep up with inflation.

We also encourage expansion of the permissive vehicle license fee to municipalities and townships. The last Ohio transportation budget (House Bill 26), gave counties the authority to raise this fee by \$5 to help fund road and bridge maintenance. Over a third of Ohio's counties have done this. It's already being used to advance critical road and bridge projects by county engineers. We think it's important to also give Ohio's municipalities and townships this same tool to invest in basic and necessary repairs for the roads and bridges they maintain.

The state of our roads and bridges is without a doubt the crisis we must address first. As the committee continues its work, there are other transportation funding issues we must also confront. Such as identifying a dedicated funding source for public transit. Doing so would address a critical workforce issue in rural and urban areas to connect people to jobs. It would also provide needed services for older adults and those unable to drive. Given the high concentration of job centers in metropolitan areas combined with the great needs for rural mobility, Ohio can no longer remain 41st in the nation for state assistance in funding transit. Also, finding new funding streams for rural and Appalachian communities of the state such as providing a dedicated capital funds to Rural Transportation Planning Organizations (RTPO) would better prepare these areas for both safety and economic growth.

Finally, this funding crisis is happening during a period of rapidly changing transportation technology. Ohio is poised to be a leader in innovative and connected technologies with Drive Ohio, Smart Columbus, the Smart 33 Corridor, and so many local efforts. But we can't get to the future of transportation if we can't fund the basics for our roads and bridges.

We commend Governor DeWine for his leadership in forming this committee and we urge his administration and members of the Ohio General Assembly to use MORPC's staff and local governments as a resource as we work to solve this issue together. Although we represent Central Ohio and our unique infrastructure needs, we strongly advocate for solutions to help all of Ohio's rural, suburban, and urban communities and each region's unique needs. This fiscal issue impacts Ohio's ability to keep families safe, to stay competitive economically, and to keep a high quality of life. We urge you to act now to address Ohio's transportation funding crisis.

Thank you for the opportunity to submit testimony. Please do not hesitate to contact me at 614-233-4101 or wmurdock@morpc.org, with questions or whenever we can be of service.

Kind Regards,



William Murdock

Executive Director, Mid-Ohio Regional Planning Commission



**Ohio Association of Regional Councils
William Murdock, Executive Director
Mid-Ohio Regional Planning Commission
Governor's Advisory Committee on Transportation Infrastructure
February 6, 2019**

Members of the Governor's Advisory Committee on Transportation Infrastructure, thank you for the opportunity to speak to you today about Ohio's transportation funding crisis and what we can do to address the state's transportation fiscal cliff.

My name is William Murdock and I am the executive director of the Mid-Ohio Regional Planning Commission or MORPC. MORPC is a voluntary association of over 60 local governments that provides programs, services, and funding in transportation, land use, data, sustainability, and economic prosperity. However, I am here today as a member of the Ohio Association of Regional Councils or OARC. OARC comprises 24 agencies serving 1,500 municipalities, villages, townships and counties. OARC members coordinate and work to streamline statewide services at the regional level, leverage federal resources, and serve as stewards of the state's resources.

One of a regional council's most important goals is to identify the transportation priorities of local communities. A number of Ohio's regional councils are federally mandated Metropolitan Planning Organizations or MPO's that bring local officials together to determine transportation priorities and allocate federal transportation dollars. Some regional councils are also Regional Transportation Planning Organizations, which do similar activities in Ohio's rural areas. Regional councils regularly produce a list of important transportation needs. Our councils work with board members, community leaders, and residents to develop

complete transportation plans and then coordinate with regional economic development priorities. In this capacity we collaborate with districts of the Ohio Department of Transportation to implement these projects. Regional councils know first-hand of the unmet need for transportation funding requests. In every corner of Ohio, we clearly know the needed projects to improve the condition of our existing infrastructure, to reduce congestion, better the economy, and keep Ohioans safe. Recent years' funding was not sufficient to get many necessary projects completed. The approaching transportation fiscal cliff it will make impossible to deliver the roads and bridges Ohio needs.

As you heard yesterday from Ohio Department of Transportation Director Marchbanks, the preliminary budget plan for fiscal years '20 and '21 are troubling. The vast majority of highway revenues are allocated for maintenance rather than increasing capacity and congestion reduction. This is demonstrated by the decreasing size of the ODOT capital program from a high of approximately \$2.4 billion in fiscal year '14 to approximately \$1.7 billion in fiscal year '20. In order to meet its requirement to present a balanced budget, ODOT is expected to make 10% across the board cut to discretionary funds. The anticipated reductions will eliminate funding for upgrades to aging infrastructure, delay new projects aimed to adding capacity and relieving congestion on Ohio roads, delay improving safety projects of all kinds, and postpone needed maintenance to Ohio's roads and bridges.

A cutback in transportation investment will have a negative ripple effect throughout Ohio's communities. This is not a rural issue, this not an urban issue, this is an Ohio issue.

The state cannot maintain competitive infrastructure for jobs and businesses if we do not invest enough to improve existing infrastructure, relieve traffic congestion, and add capacity to the state's highway routes. Reduced funding makes it more difficult to keep us safe and could even delay improvements to the state's top 10 crash locations. Whether it's maintaining the system we have, accommodating new growth, dealing with the impact of shale development, or more, Ohio must address this funding problem.

Recommendations

We recommend the State examine the current motor fuel users' fee, which is the primary source of Ohio's construction revenue. With the advent of alternative fuel vehicles the motor fuel users' fee may not be a perfect solution, but it is the most impactful mechanism to solve urgent needs since it's already in place and easy to understand. We encourage the state discuss new mechanisms down the road, but for now let's worry about repairing the roads in front of us. At 28 cents per gallon, Ohio currently ranks 29th in the nation, while we are 6th in the country in total Vehicle Miles Traveled, at 118.6 billion miles annually. The only border state with a lower fee is Kentucky. We also encourage the fee be indexed to keep up with inflation.

We also encourage expansion of the permissive vehicle license fee for municipalities and townships. The last Ohio transportation budget (House Bill 26), gave counties the authority to raise this fee by \$5 to help fund road paving and road and bridge maintenance. Over a third of Ohio's counties have done this. It's already being used to advance critical road and bridge projects by county engineers. We think it's important to give Ohio's municipalities and townships this tool to invest in basic and necessary repairs for their roads and bridges.

Finally, this funding crisis is happening during a period of rapidly changing transportation technology. Ohio cannot be a leader in innovative and connected technologies with Drive Ohio and so many local efforts, if we can't fund the basics for our roads and bridges.

This past summer, then candidate DeWine announced at OARC's candidates forum that if elected he would create a blue ribbon task force to study how to best pay for infrastructure fixes. We commend Governor DeWine for his leadership in forming this committee. We urge his administration and members of the Ohio General Assembly to use OARC's members as a resource as we work to solve this issue together. We must act now to address Ohio's transportation system's crisis.

Thank you for the opportunity to testify. I am happy to answer any questions you might have.



Embraced by nature. ♦ Inspired by progress.

**Testimony on Transportation
State Transportation Task Force
February 6, 2019**

Good morning distinguished members of the State Transportation Task Force. I am Christine Maticic. For the last 17 years have served as a Liberty Township Trustee in Butler County (halfway between Cincinnati and Dayton off I-75), a member of the OKI Regional Transportation Board (past president and currently Co-Chair of the Freight Working Group), and the Ohio Township Association (currently chair of CLOUT's Executive Committee – Collection of Large Ohio Urban Townships). I have served on two transit boards, chamber boards, and service boards. I have testified at the state and federal level on transportation issues and have been advocating for reforms to our current way of paying for infrastructure.

Ohio has one of the top ten largest highway systems in the U.S., the 2nd largest inventory of bridges and the 4th highest volume of traffic. The current revenue available to ODOT and local governments (counties, municipalities, villages, and townships) is not enough to maintain and repair this massive road system at a safe and reliable level.

Of the over 122,000 miles of roads in Ohio, the 1,308 townships are responsible for the maintenance of 41,387 (34%) miles of road (townships have 1/3rd the population in Ohio but only receive 5% of the funding). Additional money is imperative for townships and other communities to sufficiently maintain and service safe roadways for their residents and the countless individuals/businesses that travel on them.

Liberty Township maintains almost 150 miles of roads and over 500 cul-de-sacs as well as culverts and bridges. In the last five years, we have had to transfer \$1,175,000 from our general fund to cover costs for road maintenance in Liberty Township as the Road and Bridge tax, motor vehicle license tax, gas tax, and permissive tax revenues received by Liberty did not adequately cover our road maintenance expenses.

With the ever-increasing costs to maintain, build, and repair our infrastructure, the increase in efficiencies of motor vehicles and alternative fuels, and changing technology, available funding for infrastructure projects has steadily decreased over the last 5-10 years. Less is being collected in gasoline taxes. If we continue to “kick the can down the road” by not addressing the core of this issue, we have a great chance of seeing our infrastructure deteriorate to the point of harming our economy. Today, there are rural communities that cannot afford to repave roads and are leaving them to return to gravel. How can economic development

prosper, farmers get their crops to market, or the everyday person get to work without it costing them time and/or additional repairs to their vehicles. We must be smarter and look not only at today, but the next generation's needs. Transportation is the key in creating and retaining jobs and if our infrastructure is broken, so are the jobs and our economy. Today, our system needs a major overhaul. In the end, this is one of the biggest challenges that faces all of us throughout our region, state, and nation.

NOW is the time to search out new innovative ideas that are logical and practical in solving today's and our future's funding shortages. As I mentioned, I have been advocating for a change. Instead of complaining, I have a possible solution on how this can happen. In 2015, I designed a solution called TIRE (Transportation Improvement Rating Exchange). TIRE is a proposal to provide additional funding from those of us who reap the benefits without paying fairly for the benefits - hybrid, alternate fuel, and high MPG rated non-commercial vehicles. This proposal captures the estimated amount of fuel taxes not paid by high efficiency or alternative fuel vehicles and would be paid by the owner of the vehicle when the vehicle's license plates are renewed each year. TIRE can be adopted at the Federal and/or State level independently of one another. Each can adopt, modify, or decline to do so.

Currently in the State of Ohio, the following are the gasoline/diesel fuel taxes collected:

Gasoline - \$.28/gallon **State** and \$.184/gallon **Federal**

Diesel - \$.28/gallon **State** and \$.244/gallon **Federal**

Non-commercial vehicles rated at 25 MPG or less, would not have to worry about paying TIRE while those rated 26 MPG or higher would. Alternative fuel vehicles (i.e. electric vehicles) would be required to pay the equivalent of what someone pays at the pump for a vehicle at a highway rating of 25 MPG. This would be based on an average of 12,500 miles per year (12,500 divided by 25 = 500 gallons - for State of Ohio the calculation would be $500 \times \$0.28 = \140.00 and for the Federal Government the calculation would be $500 \times \$0.184 = \92.00). Total owed yearly for TIRE for an alternative fuel vehicle would be $\$140.00$ State + $\$92.00$ Federal = $\$232.00$ - this is the same gasoline tax that someone pays at the pump when driving a vehicle with a highway rating at 25 MPG. You have a more detailed explanation and the spreadsheets in your packet that I have provided.

This or other modifications you come up with could solve our problem in addressing State and local communities' infrastructure needs. Everyone talks about maintaining and improving existing roadways, but we must not leave out the option for expansion of our infrastructure system. Liberty Township is one of the fastest growing communities in the State of Ohio and our region. We are only half built out. Each year for the last 5, we have issued between 200 and 300 new housing permits. We are adding between 500 and 1,000 new residents yearly.

Our infrastructure needs to improve and expand in order to attract and retain businesses and jobs so our community can be more sustainable. We are in the process of exploring the possibilities of a new project off I-75 – Millikin Way Interchange. This would open over 700 acres for commercial development while improving safety, providing alternatives for highway access, providing jobs closer to home, and helping to balance our community.

We are working cooperatively with all the appropriate agencies (BCEO, OKI, ODOT, and FHWA) in exploring this possibility, but it is not cheap. Just for the preliminary process before construction, it is estimated that we will need between \$6M-\$9M. Construction costs, depending upon what other roadways will need improvements along with the interchange will be another \$40M-\$50M in today's dollars.

My passion is to see our roadways and highways being maintained, improved, and expanded in a first-class manner. But as we all know, it takes a lot of financial investments to do this. Our current way of doing business in securing those funds is dwindling each day. For the future and sustainability of the State of Ohio, its communities, its businesses, we need to act NOW.

Thank you for your time and I appreciate your dedication and willingness to undertake this task. I am here to lend my support and would be glad to answer any questions you may have.

Sincerely,
Christine Matacic
Liberty Township, Butler County, Ohio
Chair, Executive Committee CLOUT, OTA
Executive Committee Member and Co-Chair OKI Freight Working Group
cmatacic@liberty-township.com
513-652-2659 – mobile
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Governor's Advisory Committee on Transportation Infrastructure Interested Party Testimony | Jason Warner, Greater Ohio Policy Center Wednesday, February 6, 2019

Members of the Advisory Committee on Transportation Infrastructure, I want to thank you for providing me this opportunity to speak to you today about transportation in Ohio.

My name is Jason Warner and I am the Manager of Government Affairs at the Greater Ohio Policy Center (GOPC). GOPC is a nonpartisan nonprofit organization that is valued for its data-driven research. Our mission is to champion revitalization in Ohio to create economically competitive communities.

Investments and improvements to our state's transportation system have been a priority for GOPC since our founding. Today, we are recognized by policymakers and agency administrators as being a pragmatic voice for reform to Ohio's transportation funding priorities. Our work on innovating transportation has, over the years, resulted in improvements to Ohio's transportation budget and renewed investment in public transportation systems – lifelines that connect workers to jobs and vulnerable populations to needed services.

As this panel is acutely aware, Ohio is a diverse state, requiring a range of transportation options. You have heard considerable testimony about the need to invest in our transportation infrastructure, and there is not much that I can add to what has already been said. Instead, I want to draw the attention of this panel to one of the more underutilized methods that we have at our disposal to alleviating congestion and reducing the damage inflicted upon our roadways – public transportation.

Ohio's 61 public transit agencies provide an average of 10 rides for every single Ohioan every year. 83 of Ohio's 88 counties are served by an urban, rural or specialized transportation program.¹

The state's goal must and should be to keep our roads and bridges in a state of good repair for as long as possible, and with every dollar stretched. As such, mass transit is one demonstrated way to achieve these goals. How exactly, allow me to provide a simple example.

The average passenger automobile, when containing a single occupant, weighs 4,000lbs. The average transit bus, when fully occupied, weighs 44,000lbs. If you place 48 cars on the road, they will take up more space, and add nearly three times more weight to roadways than that single, fully occupied passenger bus.

¹ Five Counties – Defiance, Holmes, Noble, Paulding and Wayne Counties, have no form of public transportation.

In rural settings, dial-a-ride trips do put wear and tear on roads, and existing system inefficiencies exacerbate this problem. Innovation that creates smart coordination of rides can reduce the number of these trips and ease pressure on our states roadways.

GOPC has long argued in support for restored and enhanced funding of public transportation in Ohio. The funding we are advocating for should go to operations, capital projects, and most importantly, innovation. Transportation is evolving and it is important that mobility options are increasing every year. While ridership on public transportation systems across the state continues to increase²,

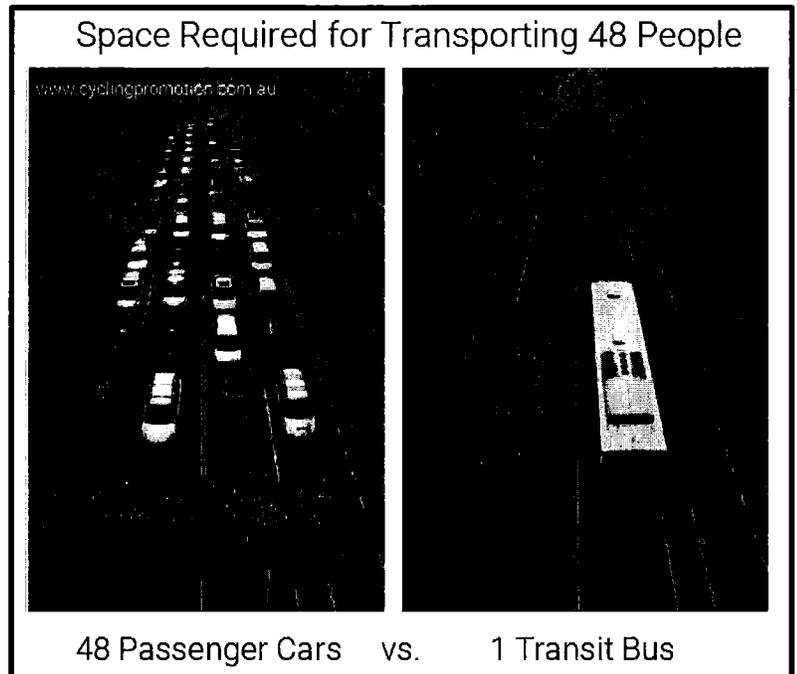
further investment in public transportation would help to fuel an increase in ridership – alleviating roadway congestion and reducing wear and tear on infrastructure. Public transportation systems in Ohio are eager to lead their communities by bringing new mobility solutions that help get more people to work and critical services and, ideally, decrease costs.

Out of respect for the committees time, I will not review the recommendations that GOPC has previously made on ways transit can be funded. However, I have attached a copy of our white paper, ***Fueling Innovation in Transit***, to my testimony. I would urge the members of the advisory committee to review the recommendations and keep them under consideration as you complete your report.

As an urban and rural state, Ohio requires a range of transportation options to facilitate the safe and efficient movement of people, goods and services. Public transportation serves as a vital link for millions of Ohioans.

Investment in public transportation must be considered alongside the important investment that is needed in maintaining and upgrading our transportation infrastructure to meet the needs of market demand and modern economic realities. Investing in both our infrastructure and a robust and comprehensive public transportation system can be a win-win: increased transportation options with less congestion and less wear and tear on Ohio's roadways. These paired investments are vital for Ohio's future.

Members of the Advisory Committee, thank you for the opportunity to share our thoughts on the issue of public transportation and why we believe that it is directly linked to the work you are doing.



² Ridership on statewide public transit systems increased 2% between 2013 and 2016. *Status of Public Transit in Ohio*, Ohio Department of Transportation. April, 2018.



**Testimony before the Governor's Advisory Committee of Transportation Infrastructure
Joanna Pinkerton, President/CEO, Central Ohio Transit Authority
February 6, 2019**

Members of the Governor's Advisory Committee on Transportation Infrastructure,

Thank you for the opportunity to present to you this morning.

With challenging circumstances comes great opportunity. The fiscal cliff Ohio Department of Transportation (ODOT) Director Jack Marchbanks described yesterday and which this esteemed panel is charged with solving should be viewed as such -- *an opportunity* -- to address infrastructure needs, but to also BE BOLD and invest in forward-thinking, well-funded, solutions-based mobility that supports Ohio's Innovation economy.

Simply put, this is an opportunity to craft the future of mobility and position Ohio to lead.

Many of you know me; I come from an engineering background, having served first in the private construction industry, then with the Union County Engineer's Office before taking a leadership role with ODOT to work across the state with local and regional communities to identify transportation investments that support economic growth. From there I joined The Ohio State University, overseeing daily operations of the Ohio State Center for Automotive Research and leading the Honda – Ohio State Partnership, the nation's largest industry based research partnership focused on transportation systems. Before accepting the role of President and CEO of the Central Ohio Transit Authority (COTA) nine months ago, I served as the COO of the Transportation Research Center in East Liberty, Ohio. I share this background with all of you to provide a picture of the multiple lenses from which I view this issue.

What I've learned is that the digital revolution has radically altered every aspect of our existence. Yet, transportation is one of the last industries operating largely as it has for the past hundred years, which is one of many reasons we are gathered in this room here today. However, embracing this revolution will ensure Ohio competes both nationally and globally.

How should Ohio evolve?

- **First, we must optimize the existing roads we have.** Most agree that repairing our current infrastructure to handle capacity is essential. However, whatever funding method is put forth should think beyond stop-gap measures. Experts agree, building more lanes doesn't solve every problem, and will only result in this same discussion being had in a decade. It is important that the committee acknowledge that the world has already shifted to a sharing economy and is now moving on to an innovation economy.

This is demonstrated most significantly in the mobility industry, where people now share cars with strangers, and in the most productive economies, move across multiple modes to optimize trips. My leadership team and I witnessed this in person. We saw how a peer regional transportation commission partnering with an artificial intelligence team installed data analytics systems on existing roads and traffic signals. The result? -- A double digit percentage improvement in capacity simply by analyzing real-time conditions on the existing system. COTA is looking into how this optimization of existing infrastructure might work here.

- **Second, related to the concept of optimizing our existing infrastructure, Ohio must embrace using technology and data to move people more efficiently, spurring an evolution toward multi-modal mobility. We need to count and fund the movement of people and goods, and not just the movement of tires and vehicles. Our current funding model incentivizes building systems which creates our own congestion and funding problems. We put the burden on individuals, which is an economic model that data and demographics suggest does not exist anymore.**

In most of Ohio and specifically in Central Ohio, the percentage of citizens over 65 and under 35 years of age moves from 22 to 70 percent in just a couple decades. That means well-beyond repairing our system, we must be bold enough to imagine how the young and old will use the existing system. Many will no longer drive by choice, others will age-out of the driving public; - - all will have new, innovative mobility choices. In 2014, just 24 percent of 16 year olds had a license, a 47-percent decrease from 1983. This changing reality will have a tremendous impact on communities, including the state's 26 urban and 35 rural transit systems.

- **Third, recognize the future of mobility is connected infrastructure and data. Vehicles, roads and people are beginning to communicate, creating efficiencies we can hardly conceive of today. Much like the time when we could not imagine we would carry a computer in our pockets, the mobility revolution will reward those whom maintain and repair infrastructure which counts – investments which support people. Without a funding formula that realizes the connectivity of the future, we would be selling the state and its future residents and businesses short.**

In just the last two years, I have been involved in projects like the US Route 33 Smart Mobility Corridor and Smart Marysville, where vehicle manufacturers deploy safety technology in vehicles to identify solutions that may be significantly more cost effective than major new capital projects using the existing road. And, system redesigns like COTA implemented this past year where we provided more than a half million more trips for people using the EXISTING road system by simply optimizing our system with data.

Any future funding models must include these components if our transportation infrastructure is to be sustainable, encourage future economic development, embrace the innovation economy and increase quality of life.

And, I want to be clear, my agency is not alone in this thinking; it is the business community as well. Mobility accessibility is a common theme among companies looking to expand and/or relocate. Chambers of Commerce list accessible transportation as one of the top needs of their members. COTA and other transit organizations consistently receive service requests from businesses each year.

The Ohio Competitiveness Report by Montrose Development Advisors shares - - "states looking to capture job growth and address the economic loss caused by growing traffic congestion need to recognize investing in mobility solutions is critical to a region's success. Funding should increase and create innovative programs to connect workers with existing job centers."

A dedicated funding source by the state will help us answer this call.

COTA

To this esteemed Committee, I ask that you seize the opportunity before you. The current almost century old approach to funding transportation has put the state in this difficult position and does not focus on people based outcomes. Our funding should maintain and repair - - but just as important, invest in optimization of the system to ensure people and businesses have access to jobs, healthcare, education, and a sustainable quality of life. Mobility should not be a barrier, as it is now for growing portions of our rural and urban populations. As bold leaders and thinkers my hope is that future funding mechanisms put Ohio on a path toward prosperity enabled by mobility-rich solutions.

I commend Governor DeWine for taking this step to address transportation infrastructure in Ohio, and I look forward to the suggestions this Committee takes toward embracing the future.

I am happy to answer any questions you may have.



Advisory Committee on Transportation Infrastructure
BLUE RIBBON PANEL PRESENTATION

Wednesday, February 6, 2019

Columbus, OH

by George Palko, P.E.
President & CEO

Ladies and gentlemen of the Governor's Advisory Committee on Transportation Infrastructure – *Thank you for this opportunity to speak with you today.*

I am George Palko, President and CEO of The Great Lakes Construction Co. based in Hinckley, Ohio. Our company is a 100% Employee Owned Heavy Civil Construction company that has been in business in Ohio for over 70 years. I have been with Great Lakes Construction for 31 years. I am representing the Ohio Contractors Association. OCA is a trade association with over 500 companies representing well over 10,000 Ohio employees. The members of OCA perform more than 85% of ODOT's annual construction budget.

Our company has a long history of infrastructure construction. We built original sections of I-71, I-77, I-90, I-480, I-271, I-270 and the Ohio Turnpike. We have seen the booming times in infrastructure spending, and the challenging times in infrastructure spending in Ohio. We currently employ up to 500 people across Ohio and neighboring states.

I mentioned good times and challenging times in infrastructure spending. We are headed for very challenging times in infrastructure spending. I would like to spend a few minutes this morning providing you with some facts and some insight as one of the top ODOT contractors in Ohio. My focus will be on the economic and safety impacts of failing to make the proper investment in our transportation system.

I am sure you have all heard the facts about Ohio's transportation system:

- 2nd Largest inventory of bridges
- 3rd Largest in freight volume
- 4th Largest in interstate highway system based on lane miles
- 6th In the country in total Vehicle Miles Traveled at 118.6B miles annually.

But where do we rank in terms of the State Motor Vehicle Fuel Tax. At 28¢ per gallon, we rank 29th in the nation. This is Ohio's primary source for highway construction revenue, yet we rank in the lower 40th percentile. How do we maintain and improve this State's biggest asset for economic growth when the impact of the State's primary funding source remains stagnant as its impact falls every year due to inflation! Our neighboring states have recently significantly increased their state fuel tax: Michigan (44.1¢), Indiana (42.9¢), Pennsylvania (58.7¢), West Virginia (35.7¢).

A recent study done by ARTBA – the American Road & Transportation Builders Association – presents some startling information if Ohio does nothing to further invest in its transportation system.

I will start by saying our neighboring states have addressed the daunting impact of doing nothing to address the future of their transportation systems. All of the Great Lakes States, with the exception of Ohio, have increased their state gas tax in the past few years. Why have they done this? Every indication is the future Highway Bill and future Infrastructure Bill (2 different things) will put more onus on each State to fund a much larger portion of projects than they are today.

ODOT has told the industry that the forecasted FY2020 budget will be \$1.73B; that is down 28% from \$2.58B in 2015. If this forecast is truly what plays out and there is nothing done to improve the current revenue stream, the economic impact will be felt by the transportation system, the users, and the construction and design industry.

If nothing happens:

- The economic impact to the system in terms of dollars spent on construction contracts by ODOT would go from \$2.58B in 2015 to \$1.4B in 2020.
- In ODOT's *Access Ohio 2040* report, they state the estimated cost to maintain conditions and current levels of service on the system is \$55B through 2040. This is \$14B more than ODOT anticipates it will have in their budget to spend just to maintain current conditions.
- Total miles of major roadway classified as deficient would increase from 9.4% to 28.5% over the next decade.
- The overall dollars spent on system improvements directly impacts safety, road conditions, operating costs and travel time.
- If we do nothing, consider this:
 - We heard yesterday that there were 1,072 highway fatalities in 2018 and 50% were caused by poor road conditions. What will the number and cost be in ten years?
 - The average commuter in Cleveland, Columbus and Cincinnati lost an average of 40 hours per year to congestion last year. This cost of congestion to commuters in these major cities in the form of lost-time and wasted fuel is an average of \$1,018 per driver.
 - People aren't giving up their cars. Vehicle Miles Traveled in Ohio increased by 12% from 2000-2013 with more than 12.7B miles traveled

per year. However, from 2013-2016, the rate of vehicle miles traveled increased 5% in this short period. By 2040, Vehicle Miles Traveled in Ohio is expected to increase another 20%.

- The value of total freight shipped to and from Ohio businesses in 2016 was \$1.07 Trillion. 73% of this was shipped via truck. Truck traffic alone is expected to increase by 74% by 2045, reaching \$1.36 Trillion in value. This increase will have a significant impact on road and bridge conditions, on the level of congestion experienced by all users, and the safety of average motorists using the highway system.
- If nothing happens in terms of an increase in transportation infrastructure spending, safety on our highways will take a big step backwards. We are told ODOT's budget will focus solely on preservation and maintenance. There won't be new construction dollars or safety improvement projects. We have come a long way over the past 20 years implementing technology in signage, lighting, bridge and roadway safety improvements, maintenance of traffic safety devices, and intelligent traffic system devices. An ODOT budget focused solely on preservation and maintenance would hinder or prevent the continued effort to provide a safer highway system.

However, increasing our investment level in the transportation system would result in:

- Immediate economic growth because we would be investing in tangible assets that are long-lived and provide access to jobs, services, materials and opportunities for other markets.
- An improvement in safety conditions on our roadways, allowing for more efficient travel.
- Lower operating costs and less congestion resulting in business expansion.
- Travel time savings, especially for the trucking sector. This allows Ohio to stay competitive.
- More opportunities to maintain and fix roads and bridges before major reconstruction work is needed.
- At a higher investment level, the percentage of travel on deficient roads would decline significantly.
- Make the transportation system more resilient to our ever-changing climate.
- Aside from the many safety, economic and efficiency benefits realized by the users – as a business owner, we could plan for growth in lieu of planning for a different geography or a different work sector.

- We would put more people to work in Ohio as opposed to Indiana or Pennsylvania.
- We would spend more money on Ohio-based products and services.

It is very challenging to plan for the future of your company when you see a projected fall off in revenues / capital expenditures by your biggest owner, ODOT, of 22% from one year to the next.

Planning and assembling resources to maintain and preserve a transportation system that is aged and deficient is totally different than the resources needed for the major NEW bridge and interstate work that has been tabled by ODOT.

The highway network is a government asset that has a daily impact on businesses and residents' quality of life. The current transportation investment decisions will undoubtedly have a profound effect on the future of Ohio when it comes to Safety, conditions, reliability and overall efficiency.

Thank you for listening and volunteering your time.

Research provided by:

¹ *Modernizing Ohio's Transportation System: Progress and challenges in Providing Safe, Efficient and Well-Maintained Roads, Highways and Bridges*, prepared by TRIP, June 2018

² *The Economic Impacts of Two Highway and Bridge Investment Scenarios in Ohio*, prepared by: ARTBA (American Road & Transportation Builders Association), December 2018

³ *A Moment of Truth: Ohio's Transportation Funding Problem and How to Solve It*, prepared by: FOR OHIO, Fix Our Roads Ohio, January 2019



STATEMENT FOR THE GOVERNOR'S ADVISORY COMMITTEE
ON TRANSPORTATION INFRASTRUCTURE

February 6, 2019

Jon Honeck, Ph.D.
Senior Policy Analyst

Good morning Director Mihalik and Members of the Governor's Advisory Committee on Transportation Infrastructure, my name is Jon Honeck. I am a Senior Policy Analyst for the County Commissioners Association of Ohio (CCAO). Thank you for providing me the opportunity to share the views of the CCAO on the challenges facing Ohio's road transportation infrastructure. CCAO is a member of the Fix Our Roads Ohio Coalition, where we are working with public and private sector partners to develop solutions to Ohio's transportation funding crisis.

County governments across the state are very concerned about the condition of Ohio's transportation infrastructure. The quality of our infrastructure has a tremendous impact on the economic development potential of our state. Counties are responsible for the maintenance and repair of over 26,000 bridges and 29,000 county road miles. They rely on a strong partnership with the state in order to meet this responsibility, but this partnership is being slowly eroded over time as state revenues are stagnant, construction inflation takes its toll, and our aging infrastructure is in need of major renovation. In 2017, counties received a total of \$205.8 million in motor fuel tax revenue from the state, but this tax rate has not been increased since 2005. Counties also received \$246.5 million in distributions from state license registrations, but the fee has not changed in decades.

In the context of stagnant state support, counties are enacting permissive license fees. In 2017, permissive license fees brought in \$103.2 million for all counties. Although revenue from this source will increase as more counties adopt the latest \$5 fee authorized by the 132nd General Assembly, the usefulness of this revenue source is limited in many rural counties and, even in the large urban counties, local fees cannot address the huge challenges of keeping up with an aging infrastructure. From a county perspective, there is simply no substitute for a strong state financial partnership to address the needs of our transportation infrastructure.



County Risk
Sharing Authority

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Fax: 614-229-4588
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County Commissioners
Association of Ohio
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We encourage the Advisory Committee to explore all of the options available for addressing Ohio's transportation infrastructure challenges. In the short term, an increase in the motor vehicle fuel tax, with future indexing, is probably the best option to increase revenue for road construction and maintenance. Twenty-seven states have adjusted their motor vehicle fuel taxes in some fashion since 2010, including all of Ohio's neighbors. In 2015, Michigan increased the state motor fuel tax on gasoline by 7.3 cents per gallon, the motor fuel tax on diesel by 11.3 cents per gallon, and indexed them to inflation starting in 2022. In 2017, Indiana increased its gas tax by 10 cents per gallon and indexed it to inflation. Ohio's motor fuel tax is now lower than all of our surrounding states except Kentucky. Consideration should also be given to leveling the playing field between electric vehicles and conventional gasoline or diesel-powered vehicles, given the projected growth in demand for electric cars.

As we consider the condition of Ohio's transportation infrastructure, we must include the essential role that our public transit systems have on mobility. Counties cannot advance economic and workforce development without a stronger state partnership to provide public transit.

It is clear that Ohio must modernize its transportation infrastructure to meet the economic challenges of the 21st century, and Ohio's counties are committed to partnering with the state to ensure that this occurs. Thank you for allowing me to testify. I would be pleased to answer any questions you may have.

Testimony of Stu Nicholson
Public Affairs Director
All Aboard Ohio
February 6, 2019

Distinguished members of the Committee,

I am Stu Nicholson, Public Affairs Director for All Aboard Ohio and spokesperson for the newly-formed transit and active transportation users coalition, MOVE Ohio. We represent millions of Ohioans who daily need or make the choice to travel by some means other than a car, be that on a train, light rail, bus, car share, bike or on foot.

We have two simple questions for this panel: Why is there no one representing either Ohio's public transportation users or transit systems? And why is there no discussion of anything other than highways when it comes to making recommendations for the new ODOT Budget?

We are absolutely in favor of better, safer roads and bridges. But we are dismayed it appears that decades of dismissing public transportation as an afterthought continues.

Ohio ranks 45th in state support for public transportation. Let that sink in. Ohio is 5th from the bottom. Yet we rank 11th in overall use of transit. Those aren't my numbers. They are ODOT's from their 2015 statewide transit need study.

Our state government invests 67-cents per capita on transit. Every state that surrounds us invests more.

- Pennsylvania \$89.16
- Michigan \$9.92
- Indiana \$6.35
- West Virginia \$3.01
- Kentucky \$0.76

(Source): Federal Bureau of Transportation Statistics

Who are the transit and active transportation users? We are the people who work in state government, private sector business, construction and retail. We are people seeking jobs, a better education, health care or something as basic as going to the grocery or a ball game. We are the Millennial who wants to live car free and the senior citizen who wants to age in place but still be mobile.

Those last two are demographic categories that are rapidly growing...and driving less....but demanding more options.

There are also the Ohio business owners looking to expand or companies looking to locate in Ohio.

Expanding the labor market depends on greater investment in public transit.....In all Ohio Metros only 1/3 of available jobs are within a 90 -minute one-way transit trip (Brookings Institute). The growth Cleveland is now experiencing would be even greater if the number of available jobs could be filled, but too many potential workers can't connect to these jobs due to distance and the lack of access to a car or transit.

Amazon specifically located two fulfillment centers in transit-rich areas in Cleveland. Central Ohio Transit Authority revamped its routes and service to put transit within reach of over 100,000 potential new workers and saw its ridership increase over 10 percent, earning national honors.

Yet Ohio's government still does little to grow transit.

ODOT's 2015 statewide transit study recommended \$120-million of state investment in transit to bring Ohio's transit systems... urban, suburban and rural up to a state of good service. That year, a fractional 1-percent increase in transit funding from Governor Kasich was rejected by the Ohio General Assembly.

What we envision for Ohio is a transportation system that offers a full array of options: a full-throated transportation portfolio no matter where you live in Ohio.

What will you do to make that happen? What better time than now?

Lastly, transportation is a civil right at its most basic. It is essential for being able to climb the ladder of success, for human dignity, for being able to participate in a democracy. Without freedom of choice to meet Ohioans' diverse mobility needs, there is no freedom.

Good morning Distinguished Members of the Ohio Governor's Advisory Committee on Transportation Infrastructure,

My name is William Tarter, Jr. and I am the 2nd Vice President of the Cleveland Branch NAACP. Founded in 1909, the NAACP is the nation's oldest civil rights organization. I speak today on behalf of myself as a taxpayer, a volunteer with the organization, but also on behalf of and with the full support of my fellow members of the Cleveland Branch NAACP. I do not speak on behalf of my employer, nor do I speak on behalf of the state NAACP chaired by the Honorable Former State Senator Tom Roberts, nor on behalf of the national NAACP.

With those disclaimers out of the way: A few years ago, I had the privilege of attending the national NAACP convention in Cincinnati, Ohio. At that conference, the NAACP passed a resolution declaring "public transportation to be a basic civil right, that is accessible to all regardless of a citizen's address, race, age, religion, nationality, gender, orientation, or physical and financial ability."

Public transportation and specifically the Montgomery Bus boycott played a pivotal role in the Civil Rights movement and public transit continues to play a key role in economic empowerment, individual mobility, socialization, as well as the promotion of health and wellness. As the state ages, seniors in urban and rural areas alike, will drive less and rely on public transportation more. Research also shows that young professionals are driving less and taking public transportation more.

The Cleveland NAACP is very concerned about the future of public transportation in the State of Ohio. Procedurally, we are concerned about the lack of public transportation voices, as well as the lack of racial diversity, on this committee. Nevertheless, we strongly urge you to use this opportunity and positions of authority that you have been given on this Committee, to give voice and support to those Ohioans who rely on public transportation as a way of life.

The Cleveland NAACP adds our voice with the voices of other advocates who call on this committee to include a long-term funding solution for public transportation, in addition to any recommendations on how to improve Ohio's roads and bridges.

Let's do this.

Thank you.



AMERICAN PETROLEUM INSTITUTE

Ohio

**Written Testimony Submitted to
Governor DeWine's Advisory Committee on Transportation and Infrastructure
Chris Zeigler, Executive Director, API Ohio
February 5, 2019**

To the members of Governor DeWine's Advisory Committee on Transportation and Infrastructure:

My name is Chris Zeigler and I am the Executive Director of the Ohio office of the American Petroleum Institute (API), or API Ohio. The API is the only national trade association representing all facets of the natural gas and oil industry, which supports 10.3 million U.S. jobs and nearly 8 percent of the U.S. economy. The API's more than 600 members include large integrated companies, as well as exploration and production, refining, marketing, pipeline, marine businesses, and service and supply firms. They provide most of the nation's energy and are backed by a growing grassroots movement of more than 47 million Americans. In Ohio, the natural gas and oil industry employs more than 260,000 Ohioans who are involved in all aspects of the industry. Collectively, the API and its member companies appreciate the opportunity to participate in this important conversation regarding the funding of our state's transportation infrastructure.

A strong natural gas and oil industry is critical to the vitality of Ohio's economy and especially our transportation sector. Nationally, more than 98 percent of vehicles on the road use natural gas and oil industry produced fuels, making it possible for us to conduct commerce, get to our jobs, and go on vacations. Today, this is done with cleaner fuels that coupled with advanced vehicle technologies have reduced emissions by 73 percent between 1970 and 2017—even as vehicle miles traveled increased 189 percent. Throughout all sectors of the natural gas and oil industry, our members depend on a safe transportation infrastructure system in order to ensure the reliable and affordable flow of petroleum that all Americans count on to fuel our cars, heat our homes and improve the quality of our lives.

API Ohio believes that tax policies that promote investment and competitiveness are necessary for the industry to continue to contribute to the success of Ohio's economy. However, as an organization, we do not encourage nor discourage policymakers to adjust motor fuel tax rates. To be clear, our members are not the final payers of the state's motor fuel taxes, but rather collectors and remitters of the tax to the state and federal governments.

Our position on any specific motor fuel tax policy proposal will be guided by a set of tax policy principles. One of our general guiding principles is that we believe stable, non-discriminatory tax rules that provide a level playing field are key factors for long-term economic growth. With respect to motor fuel taxes, we believe the tax should be applied in a non-discriminatory manner that does not favor one fuel source over another. All users of our transportation infrastructure system should contribute toward the maintenance and construction of the system. We stand in full support of competitive market forces and believe that our tax system should provide consistent treatment for all industries and all forms of energy, including our own.

We fully support our Ohio Constitution and the requirement that revenue from the motor fuel tax shall be used for highway construction, traffic enforcement and other allowable activities. We do not support "raiding" or earmarking revenue generated from the motor fuel tax for any other purpose. In addition, we would also be concerned about the validity of motor fuel tax increases so significant that revenue collected would exceed realistic transportation needs. We should also note that significant increases in motor fuel tax rates, especially when compared to rates in neighboring states, may have unintended consequences on companies doing business in the state.

We also do not support indexing the motor fuel tax rate to account for inflation; any future tax adjustments should be determined by the elected leaders in office at that time.

As you discuss the ways in which to strengthen and maintain our state's infrastructure, we encourage you to consider the development and evaluation of transportation funding policy on a level playing field, in which vehicles and fuels are taxed with equal treatment, and that the revenue be dedicated directly to the roads and bridges that we as Ohioans enjoy every day.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "Chris Zeigler", followed by three dots.

Chris Zeigler
Executive Director
API Ohio

CC: Ohio House of Representatives
Ohio Senate



Ohio Aviation Association Testimony
Before the
Governor's Advisory Committee on Transportation Infrastructure
February 6, 2019
By
Stacey Heaton
Executive Director

Thank you for the opportunity to speak to you today regarding Ohio's infrastructure funding. The Ohio Aviation Association's membership consists of 71 of Ohio's public airports, over 40 airport-supporting businesses, 6 institutions that offer aviation education, and several aviation supporters around Ohio, the birthplace of aviation.

The Ohio Aviation Association (OAA) advocates, educates, and communicates the needs for our members. By doing so, we are also advocating for the State of Ohio because the airport system is an economic driver for the State. Airports connect Ohioans to the World; and the World to Ohio... faster and farther than its roadways. Airports help move goods and people. Airports provide services to attract businesses to our State. Airports are key in the future of Unmanned Aerial Vehicles and the like. Airports are key to multi-modal transportation hubs. Airports are critical to the national transportation system and contribute to a productive national economy and international competitiveness.

OAA applauds the new administration for its recognition and the action towards the importance of infrastructure in Ohio. On January 28th, newly elected Governor DeWine announced the creation of the Governor's Committee on Transportation Infrastructure. We applaud the Blue-Ribbon Committee establishment to study and recommend bold action to meet Ohio's infrastructure needs. In the announcement of this Committee, Governor DeWine stated, "We must ensure that our transportation system is not only safe and reliable, but that it also strengthens our economy by offering accessibility for current and new businesses." OAA applauds the Governor for recognizing this need and solidifying his support for transportation in Ohio.

The subject matter for which you have been convened is funded by the motor vehicle tax. This is not the case for airports in Ohio. Specifically, general aviation airport improvements are funded by the State's sales and use tax of aviation fuel and related activities. Again, we are pleased the Governor has taken this course of action for highways, but airports cannot be forgotten. Why? Because airports strengthen our economy.

This may be a refresher for some of you - so please bear with me - or new news to others: Ohio is home to 97 general aviation airports that qualify for State Airport Improvement funding. Ohio is also home to seven commercial service airports which do not qualify for state funding; we have two medium hub airports (Columbus and Cleveland), two small hub airports (Dayton

International and Akron-Canton Airport), and three non-hub airports (Toledo Express, Youngstown, and Lunken Field in the Cincinnati region). According to ODOT’s Ohio Airports Focus Study, published in 2014, the Ohio Airport System supports more than 123,000 jobs, and produces an economic impact that exceeds \$13 billion, annually. Some airports are large and have multiple runways. Others are smaller and may only need a short, single runway to serve a critical purpose. But we caution that the usefulness of an airport must **not** be predetermined by its size, location, or facilities.

Airports of all sizes fulfill a variety of roles—from moving people and cargo to supporting agricultural growth; from providing access for critical emergency medical service to supporting law enforcement; from supporting private smaller piston aircraft to the highly-time efficient yet most demanding jets; and, airports provide aeronautical access to researchers, manufacturers, assemblers, and repair stations that support airlines and operators of all sizes in a global aerospace marketplace.

According to data compiled in 2012 for the State Economic Impact Study, it was estimated that general aviation alone contributes \$29.6 million in revenue, annually, to the State’s General Revenue Fund. That number was based on the then-current sales tax rate of 5.5% applied to aviation fuel and related services. While general aviation airports serve as a funding stream for the State’s General Revenue Fund, only a fraction of that is being reinvested in general aviation infrastructure. Over the last 10 years the State has appropriated a combined total that amounts to only slightly more than **one year’s** worth of aviation-derived taxes back into airport infrastructure. Needless to say, grant requests greatly exceed available grant funds. Below is a summary from the last 3-years:

FY 17-FY19 Direct Grant Totals	
Total number of requested projects	196
Total Funding Requested	\$61.1 million
Total number of funded projects	41
Total Funded	\$11.7 million

We encourage the Committee along with the Administration and General Assembly to continue to make smart investments by fully funding airport transportation infrastructure along with our highways to reclaim Ohio’s leadership in transportation. OAA looks forward to continuing this conversation with the DeWine Administration and the General Assembly.

Thank you for the time and attention today.

Esteemed Committee Members,

Thank you for your dedication to studying the current conditions of Ohio's roadways and developing recommendations to maintain and enhance the state's transportation. As a dedicated citizen and resident, I greatly look forward to seeing your efforts come to fruition to increase Ohio's competitiveness in the economic landscape.

[In a recent interview](#), Transportation Director Jack Marchbanks noted that "90 percent of ODOT road money goes toward maintenance." For an [annual budget of about \\$3.9 billion](#), this would mean that \$390 million is still spent on expansion of the road network. While our highways and roadways are clearly assets, it should also be noted that they are simultaneously liabilities: all new roads and highways will need to be maintained. We are also in an environment of low population growth for the state. ODOT also has stagnant revenue from gas taxes.

Adding liabilities without additional revenue has gotten us to the funding crisis we currently see in our state transportation system. While new revenue streams are certainly needed (increased gas taxes or a vehicle miles traveled tax would seem to be the least economically distorting options), we should also cease to add future liabilities. Until and unless there is a drastic uptick in population growth, doing so would just continue the cycle we're currently in, requiring yet more tax increases and lowered state competitiveness.

Instead of expanding the roadway network, we should invest in maintenance, public transit to support cities' productivity, and even consider projects to reduce the amount of asphalt we're maintaining to lower liabilities. There are areas here in Cleveland, as well as Youngstown, Toledo, Dayton, and Cincinnati where populations are significantly lower than their peak. The road networks in these areas would benefit from road diets and enhanced bike, pedestrian, and transit infrastructure. This would not only reduce future liabilities, but also increase local land values and productivity.

Continuing to increase the road network would just continue to create a fiscal bomb that we wouldn't be prepared to address, even with increased tax revenues. We should avoid this at all costs by ceasing to add new highways and instead investing in maintenance, neighborhood livability, transit, and bicycle & pedestrian infrastructure.

Thank you for your time.

Best regards,
Jeffrey Sleasman
Cleveland, Ohio

[Jeffrey Sleasman](#)
Director of Strategic Partnerships

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Move Ohio Forward: Invest in Transit

Public transit, which provides access to jobs, education, healthcare and many other necessary destinations for thousands in our community, should get people where they need to go. Investments in transit are investments in the residents of Ohio.

Unfortunately, transit in our state is in a death spiral: an endless cycle of simultaneous service cuts and fare increases that results in ridership decline.

[A recent study by McGill University](#) shows that transit service and fares impact ridership significantly more than factors such as the cost of gas or the availability of Uber or Lyft. Take Cuyahoga County for example. In 2005, a single trip on the Greater Cleveland Regional Transit Authority (GCRTA) cost only \$1.25. Since that time, fares have doubled while service has declined by over 25 percent [according to the Federal Transit Administration](#). The result is record-low ridership of just 39.5 million rides last year -- a decrease of over 30 percent in the past decade.

Currently a monthly GCRTA pass costs \$95, [just \\$10 less than a monthly pass for the extensive CTA in Chicago](#). Unless regional leaders find new revenue sources that are more diverse and stable than the current sales tax, **fares will be definitively unaffordable, service will be reduced and ridership will continue to decline**. More fare increases will only worsen the existing death spiral.

But why should you support investment in transit if you don't use it? As President of the Fund for Our Economic Future Brad Whitehead mentioned in Crain's Cleveland Business, "People in Northeast Ohio spend a greater percent of their income on housing plus transportation than residents of Boston, New York or Chicago." The low cost of our housing does not reflect the high cost of transportation. How will building more roads and highways without funding transit address affordability?

Furthermore, transit is a great investment. According to the American Public Transit Association, [every dollar invested in transit returns \\$4 in economic activity to our community](#).

Research by the Cleveland Federal Reserve shows [over 65% of the jobs in Cuyahoga County cannot be accessed by transit in 90 minutes or less](#). Bringing jobs to Ohio is not enough if residents cannot access them.

[GCRTA is losing \\$20 million per year](#) due to a change in state sales tax collections (the MCO tax) while state funding for transit has plummeted from [\\$40 million in 2001 to less](#)

[than \\$7 million today](#) -- an amount lower than Nebraska, Arkansas and nearly every other state in the country. The state of Ohio has clearly shown it is not interested in connecting Ohio residents to jobs and opportunities in the past. What will it take to change this?

Residents of Ohio deserve the benefits that investment in public transit will do to move our state forward for all. It is time to increase state funding for transit in Ohio.

-Chris Stocking
Chair, Clevelanders for Public Transit



**Governor DeWine's Advisory Committee On Transportation Infrastructure
Municipal Transportation Important Needs Statement
February 6, 2019**

Members of Governor DeWine's Advisory Committee on Transportation Infrastructure:

On behalf of the Ohio Municipal League and our 750 members, I want to thank you for the opportunity to submit written testimony on the current needs and challenges that Ohio's municipalities face in properly funding transportation infrastructure across the state.

The Ohio Municipal League and Ohio Mayor's Alliance have been working with our member municipalities on understanding transportation infrastructure needs. We are part of a broader coalition of stakeholders interested in securing more transportation infrastructure funding at the state and local level.

Last week, Governor Mike DeWine announced the creation of a transportation infrastructure advisory committee. In announcing the panel, Governor DeWine said: "Investing in Ohio's transportation network is also an investment in the future of Ohio's high-performance economy We must ensure that our transportation system is not only safe and reliable, but that it also strengthens our economy by offering accessibility for current and new businesses."

Ohio municipalities, our state's economic engines, share this view. Municipalities are home to over 8.5 million citizens and over 80 percent of Ohio businesses. Municipal roadways provide critical first and last mile connections for employment, commerce, social services, health care and culture and recreation.

Our municipal roadway system is part of a statewide roadway network that spans over 250,000 lane miles and 44,000 bridges with over 300 million vehicle miles traveled annually.

Municipalities maintain over 70,000 lane miles and 2500 bridges and have an annual count of over 100 million vehicle miles traveled. The most well-traveled portion of this municipal system, about 21,000 lane miles of local connectors and arterials and highways, carry over a quarter of all vehicle miles traveled in Ohio.

In sum, the municipal transportation network connects the vast majority of our citizens to jobs and our companies to markets. We share the Governor's view that investing in our transportation network is also an investment in our high-performance economy.

National Problem

Reports are plenty that show the mismatch between transportation infrastructure needs and funding at the national, state, and local level. Testimony to this committee documents these challenges in Ohio.

Municipalities invest in a variety of transportation assets, including roadways, curbs and gutters, bridges, sidewalks and pedestrian paths, storm sewers, traffic signals, street lights, public transit systems and airports.

Although municipalities face needs with all of these transportation assets, today we are focusing primarily on roadways and bridges and related investments, such as traffic signal management. This approach is taken because the roadway system is generally the largest area of municipal transportation investment.

As you can imagine, with over 900 independent municipalities in our state, there is not one place to go to document every need and funding source, but it is fair to say, like other units of government, our communities face infrastructure funding challenges. In a recent survey of OML members, we learned:

- 94% of respondents indicated they believe there is a significant gap between annual transportation funding and needs. The respondents' estimates of this annual funding gap ranged from 20% to 200%.
- Over 45% of respondents noted that they are trying to catch up on deferred maintenance or deteriorated infrastructure due to funding shortfalls in the past ten years.

Key Needs

Understanding that Ohio is not in a position to meet every state and local transportation need, we focus on ways to partner on the state-local roadway network that link citizens to work and companies to markets, including:

- **Roadway Investment:** Maintenance needs of these critical roadways will vary, so, municipalities propose that local governments work with the state to prioritize these lane miles and to create a ten-year maintenance cycle program for these critical roadways.

To put this into perspective, Ohio's municipalities maintain over 70,000 lane miles of roadway. About 21,000 lane miles of these roads are "well-traveled" critical, high use state highways and local arterials and connectors shouldering over a quarter of all vehicle miles traveled in our state. A ten-year maintenance program covering all of these lane miles would treat about 2100 lane miles per year. This would assure that every line mile of this important system is maintained appropriately. *The estimate for the municipal portion of this need is \$400 million a year.*

- **Bridge Investment:** Local governments maintain over two-thirds of the state's 44,000 bridges. Although counties maintain most of these bridges, municipalities maintain 2453 bridges. *The needs estimate for a 30-year maintenance program for these municipal bridges is about \$50 million a year.*
- **Traffic Management and Smart Technology:** More funding to install, operate and maintain traffic management and emerging smart technology would improve safety and efficiency and reduce congestion on the high use roadways. Since the life cycle costs of these systems are evolving rapidly, best practice research will establish the installation and maintenance cycle of these new systems. *The initial estimate for the municipal portion of this need is \$50 million a year.*
- **Transportation Planning and Emerging Technology Best Practice Training:** There also is a need for good planning and training to help localities make the best infrastructure investment decisions, like establishing effective pavement condition ratings and best practice training for managers and line staff on traffic management and emerging smart transportation matters. *Funding for this need would be developed and paid for within the budgets of the above three components.*

Municipalities also recognize other important needs, including:

Creation of Long-Term Transportation Funding Study Commission to analyze and make policy recommendations that address the ongoing shift away from gas fueled vehicles to alternative fuel vehicles and greater use of public transportation and online work all of which destabilize gas tax revenue growth and related transportation funding. Consideration of a vehicle miles traveled fee should be included in this analysis.

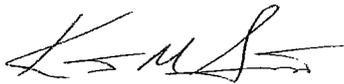
Restoration of Local Government Fund cuts – which totaled nearly 50 percent since 2011. Local governments, including municipalities, use these funds for general government purposes, including transportation infrastructure.

More Public Transit Funding- the need for greater support for public transit is important in small villages and big cities as our citizens look for transportation choices for work and every day travel.

In the very near future, the League will be releasing policy positions outlining our recommendations for funding solutions to these challenging issues facing our municipalities and state. We look forward to working with you to advance this important work.

Thank you for your service to this committee and I appreciate your consideration of the challenges facing Ohio's cities and villages. Together we can rebuild our state and provide a brighter future for all Ohioans.

Yours in service,

A handwritten signature in black ink, appearing to read 'K. M. Scarrett', with a stylized flourish at the end.

Kent M. Scarrett

Executive Director

Ohio Municipal League



Tax & Budget

Written Testimony to the Governor's Advisory Committee on Transportation Infrastructure Amanda Woodrum

Members of the committee, my name is Amanda Woodrum and I am a Senior Researcher for Policy Matters Ohio, a nonprofit, nonpartisan organization with the mission of creating a more prosperous, equitable, sustainable and inclusive Ohio. Thank you for the opportunity to submit testimony.

For decades, Ohio has underinvested in public transportation and other alternative transportation options. We spend billions of dollars each year to build out our transportation system, but only roughly one percent of those dollars goes toward public transit each year. The vast majority of those dollars goes toward roads and highways. As a result, we have created a transportation system that is difficult to navigate without a car. However, cars are expensive to own and expensive to operate. Prohibitively expensive for many low-income families. For the elderly and people with disabilities, driving may not be an option at all.

Transportation is the link to jobs. It's how we get to the doctor's office, the grocery store, child care, education, training, and other essential places. By limiting our transportation options, we limit access to education and opportunity, jobs, health care, healthy foods, and much more. This hurts job seekers, workers, employers, the elderly and people with disabilities.

Ohio must start investing to build a transportation system that works for everyone. Despite the fact that we are the seventh most populated state, we rank 45th among states for commitment to public transit.¹ We can and should do better.

Policy Matters Ohio respectfully recommends \$180 million in dedicated revenues be set aside annually into a Transportation Choice fund. The Ohio Department of Public Transportation, as part of its 2015 [Transit Needs Study](#), recommended the State of Ohio fund public transportation at \$120 million annually, starting in FY2015, including \$37 million for capital and \$83 million for operating costs.² By FY2025, the study recommended increasing the amount to \$185 million. Since we are approaching FY2020 and FY2021, we recommend funding levels at the total amount of \$150 million for public transit. We also need to invest in safe pedestrian and bicycling infrastructure. We recommend an additional \$30 million in transportation funds be set aside for these purposes.

¹ <https://www.policymattersohio.org/research-policy/sustainable-communities/transit/how-ohio-funds-public-transit>

² Ohio Department of Transportation Transit Needs study at <http://www.dot.state.oh.us/Divisions/Planning/Transit/TransitNeedsStudy/Pages/StudyHome.aspx>

Ohio needs a 21st century transportation system that includes roads and highways but also includes public transit, passenger and freight rail, and walk-able, bike-able streets. Investing in alternative transportation options will put drivers and building tradespeople to work while helping commuters get to work and all Ohioans get wherever they need to go, safely.

If Ohio chooses to increase its gas tax, setting aside 20 percent of these new revenues for the Transportation Choice fund would be a good start in the direction of building our 21st century transportation system. Investing in public transportation is one way to counter the regressive nature of an increase in the gas tax, as would expanding Ohio's Earned Income Tax Credit. A number of other potential revenues sources can contribute to such a fund. For instance, funding for public transit could come from closing tax breaks in Ohio's \$9 billion tax expenditure budget or from flexing federal transportation funds. We hope to be a resource as you consider ways to create the transportation system Ohio needs for today and tomorrow.

Thank you for the opportunity to submit written testimony.

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Testimony from John Samuelsen, President of The Transport Workers Union of America, to Gov. Mike DeWine and The Governor's Advisory Committee on Transportation Infrastructure

Feb. 6, 2019

People Before Robots.

It's great that Gov. DeWine wants to boost investment in transportation infrastructure. Everyone knows it's sorely needed. But The Transport Workers Union of America, and its Locals in Ohio, have two suggestions for the governor, this committee, and all elected officials in the state:

First, think beyond filling potholes, paving roads and fixing bridges. Ohio needs to invest in buses and trains – and just as importantly, the men and women who operate those buses and trains.

Mass transit is the most environmentally friendly and efficient way of getting people to their jobs, their places of worship, shopping centers and other important destinations. It also reduces the strain on the bridges and roads used by motorists, increasing the bang for each taxpayer buck allocated to repairs and maintenance.

Second, realize that Ohio should not universally embrace all forms of new transportation infrastructure and technology. Choose wisely. Don't believe all the hype surrounding autonomous self-driving vehicles being shoveled by big technology companies, their public relations firms, Wall St. investors and international automobile manufacturers. We could wind up with a transit system that is far less safe.

Artificial Intelligence is just that – fake.

A robot or a computer program in control of a bus cannot duplicate the common sense, gut instincts and compassion of a transit worker who lives in the community and knows the community.

An empty seat up front can't help a wheelchair user get on board, spot a lost child, render emergency medical assistance, recognize the signs of an overdose victim, call the police about a suspicious package, call the police about a crime in progress – or deter crime in the first place by being a uniformed presence on the bus.

These are real scenarios and situations. Some bus operators in Ohio are trained to administer life-saving antidotes to someone who is overdosing on heroin. On 9/11, bus operators in NYC went off their routes and used their street knowledge to rescue scores of people fleeing the World Trade Center area.

There's no way a computer will tell the difference between a police officer waving a bus through a red light in an emergency and a lunatic playing traffic cop. A computer can't tell the difference between a police officer giving directions at an intersection and a well-intentioned but untrained civilian giving questionable orders.

We support using technology to make public transit, already incredibly safe, even safer. We can use on-board cameras and sensors to help bus operators avoid collisions. We also can power buses with electricity instead of diesel fuel. And we can use wireless technology to extend green lights, or shorten red lights, for buses approaching intersections. But taking bus operators off buses is not only wrong, it is absolutely unnecessary.

Finally, don't believe the hype that an unfettered rush into these new transportation technologies will create an equal amount of new jobs for blue-collar workers. Doing what? Where? When? Talk of retraining and job creation is largely vague nonsense and guesswork. Many experts warn of massive job losses in the coming decades.

In short, as Ohio navigates difficult issues of transportation funding, infrastructure and technology, we urge officials to put People Before Robots.