Good morning, Chairman Smith, Vice Chair Schuring, Ranking Member Driehaus, and members of the committee. I’m pleased to appear here today on behalf of Governor John Kasich to testify on the 2016-2017 biennial transportation budget.

What we do at the Ohio Department of Transportation effects everyone…every day. We have the pleasure of working with Governor Kasich’s Administration and the Governor makes it clear we should work every day to make Ohio better, help those who need help the most and work to improve the economy. I’m proud to be part of that team and believe what we’re doing at ODOT is making a difference.

Our department’s mission statement is “to provide easy movement of people and goods from place to place.” In pursuit of that mission, ODOT carefully manages the currencies of time, safety and money. Our intention is to focus on…and measure our core, tangible results and to set goals based on these retail-level metrics. Our Critical Success Factors are focused on outcomes, gauging the condition of Ohio’s transportation network and the quality of our organization.

Highway infrastructure is critical to our region’s economy. In a state that makes things and grows things, it is essential to have the ability to move things efficiently and safely. Without maintaining our existing system and continually making improvements to our transportation network, commerce and safety will suffer.

We’ve been working with that mission in mind the last four years and it shows. Last year, ODOT had a record $2.4 billion dollar capital construction program…the largest program in the department’s 109 year history. We’re continuing that trend and expect State Fiscal Year 2015 to be in excess of $2.3 billion dollars.

Thank you to this committee and the entire General Assembly, who voted two years ago for Governor Kasich’s Jobs and Transportation Plan, which allowed ODOT to work with the Ohio Turnpike and Infrastructure Commission to help finance our capital program. Maintenance and repair of our transportation system is an awesome responsibility. Through the years, Ohioans have made an enormous investment in that system and it is critical that we properly protect their investment.

For example, Ohio has approximately 44,000 bridges, the second-highest number in the nation behind Texas. Obviously, many of these bridges are not on the roads that ODOT maintains. However, we understand Ohio’s transportation system is one connected system and our success or failure depends on working together and helping local governments where we can.

Therefore, ODOT launched the Ohio Bridge Partnership Program, which provides $120 million from state fiscal year 2015 through fiscal year 2017 for the repair or replacement of more than 200 county and municipal bridges around the state.
This new construction initiative is designed to reduce the number of deficient bridges in Ohio, and hinges on close collaboration between ODOT and county and municipal engineers. Projects meeting eligibility criteria are delivered through the ODOT-let process as design-build with 100 percent federal funds – no local match is required.

We also recognize public transportation is important, not only to urban dwellers, but to our elderly, disabled and lower income citizens.

In fact, this year the General Revenue Funds for transit increased by $1 million. With this funding, ODOT will administer a new grant program to help grow regional and shared services and improve passenger information. ODOT is also providing $7.3 million in toll revenue credits, which allows transit systems to use 100 percent federal funds on projects. We also remain committed to using $20 million per year in ODOT flex funds for transit activities around the state.

Work on our first public-private partnership is also moving forward, thanks to the authority the General Assembly provided us several years ago. The long-awaited Portsmouth Bypass in Scioto County will begin construction this year, accelerated by decades thanks to this innovative funding method. The Bypass will be the largest single construction project in ODOT history and will complete the missing link of the Appalachian Development Highway System in Ohio.

With the adoption of this new transportation bill, we are hoping to build upon these successes. I’ll highlight a few initiatives in the measure.

We are seeking authority to advance innovative contracting methods as a way to save more time and money. We’re respectfully requesting the authority to pilot a project called the Construction Manager/General Contractor project delivery method. It would allow ODOT to engage a construction manager during the design process to provide us with construction input, which will help avoid delays and cost increases during the construction phase. The proposed legislation would limit us to a single pilot project.

Another initiative we respectfully ask authority for would enable the indefinite delivery/indefinite quantity contracting method. This practice is similar to keeping a consultant on task order to complete tasks as needed in relation to the original scope of work. Such contracts could be used for certain maintenance activities within a specific geographical area. As ODOT continues to optimize its staff size, these contracts will enhance administrative efficiencies, deliver specialized maintenance work, and still enforce the critical requirements of performance bonding and specifications. The indefinite delivery/indefinite quantity contracting method has been effectively employed by the Army Corps of Engineers and the transportation departments in Florida, Massachusetts, Missouri, New York and Minnesota.

Another innovation in this bill would allow ODOT to receive review and approval authority for the National Environmental Policy Act, or NEPA, from the Federal Highway Administration. To be clear, all environmental rules and regulations will be followed, but we can save both time and money by simply eliminating a duplicate review in our process. The idea may be new here in Ohio, but we have models of success to follow. The California and Texas DOTs already have this authority and report that it has saved them 25 to 30 percent on cost and time. In short, the innovation allows ODOT to be good stewards of the environment while saving time and money overall.
Finally, we are respectfully requesting to move the Ohio Rail Development Commission into a newly developed division at the Ohio Department of Transportation—called the Division of Freight. This new division would serve Ohio’s interests in rail, maritime and highway freight. By combining these efforts into a truly inter-modal division, we will have the ability to more effectively coordinate projects, technical analysis and freight programs.

Ohio is a hub of intermodal activity, with recent expansions by Norfolk Southern at the Rickenbacker complex and CSX’s major investment in North Baltimore just south of Toledo and the Buckeye Yard here in Columbus. Additionally, there are numerous freight rail projects throughout the state improving service to Ohio companies.

As I mentioned earlier, when you’re a state that creates and grows things you have to have the ability to move those things. Freight rail is a vital industry to not only Ohio, but the country. We believe this is a great opportunity to combine efforts and strengthen our freight network, and that’s why we have already committed an additional one million dollars to help leverage additional projects for the rail industry.

And, as with all of ODOT’s programs, we believe transparency and process are vitally important. That’s why all rail projects will be presented to and approved by the Transportation Review Advisory Council, or the TRAC.

We’re also committed to working with our partners in the rail industry to fix rough rail-highway crossing on our state system. We’re working to identify the top needed projects in each of ODOT’s 12 districts and will perform the needed improvements to make them smooth and safe.

I’m confident that everyone in this room, whether Republican or Democrat, is against deficient roads and bridges… and for a robust transportation system that serves all of Ohio’s residents and industries. It’s simply not a partisan issue.

Since President Dwight D. Eisenhower signed the Federal Aid Highway Act of 1956, Americans have invested billions and billions of dollars into our transportation system. The result has been one of the greatest public works projects in the history of this planet and a cornerstone of our nation’s strength. It is not a stretch to say our transportation system is Ohio’s most valuable man-made resource.

Today, parts of the system are decades old and, as mentioned, we have a clear responsibility to preserve and protect the great investment Ohioans have made throughout the years.

I like to say that you pay for good roads, whether you have them or not. A crumbling infrastructure affects our economy. Congestion, wasted fuel, and wasted time all bear costs on our society, a high cost.

A failure to invest in our infrastructure will cost all of us time, safety and money. You have my commitment to continue to find efficiencies at the Ohio Department of Transportation and to continually work to get the most return on every dollar we spend. Results over resources equals return on investment.

Finally, a few words about the men and women who work with the Ohio Department of Transportation. Last winter was one of the harshest in recent memory and our people rose to the occasion. For the first time ever, ODOT used more than one million tons of salt to make our roads safe and passable for motorists. In an average year, we use about 650,000 tons of salt. Our drivers put more than 15 million miles on our fleet of 1,600 snow plows as they treated 43,279 miles of roads. We spent nearly $120
million dollars to get the job done, and in many cases helped local governments meet their material needs as the long winter took its toll on their supplies. The amount of materials and time we spent last year was record-breaking, and the results were outstanding. Thank you to all ODOT people for their pursuit of excellence and great work.

I’ll close my testimony by thanking our partners in the legislature. Without your support for the many innovative policies ODOT has sought to help build and maintain Ohio’s transportation system, we would not be able to get the job done.

Thank you for your time and I look forward to working with you through this process. I will be happy to answer any questions.