



**HOUSE BILL 26**  
**House Finance Subcommittee on Transportation**  
**February 9, 2017**

Chairman McColley, Ranking Member Reece, and members of the House Finance Subcommittee on Transportation, my name is Tom Balzer, President & CEO of the Ohio Trucking Association and the Ohio Association of Movers. Collectively we represent over 1,000 trucking, moving, logistics, and warehouse companies and allied vendor members.

I would like to take a moment and thank Director Born for acknowledging our efforts to combat human trafficking. I would also like to thank the Department of Public Safety for their work on making Ohio the first and currently only state that requires human trafficking awareness training as part of the mandatory curriculum of CDL schools. We are very proud to support the efforts of the OSHP in modifying the CDL school curriculum to include human trafficking awareness training. We are also proud supporters of Truckers Against Trafficking, an organization devoted to using millions of truck drivers on the road everyday as the eyes and ears of the effort to end this intolerable oppression.

The highway system is America's biggest asset and economic influence. The majority of items we encounter on a given day were at one point on a truck. Trucks transport 75% of the total manufactured tonnage in Ohio, and 82.2% of Ohio communities depend exclusively on trucks to move their goods. We in turn rely on the highway system to deliver what this country needs, and we are very protective of the trillions of dollars we have invested in America's highways.

The trucking industry pays its share in regards to highway funding. According to the American Transportation Research Institute, our industry paid 37% of all taxes owed by Ohio motorists, while representing only 10% of the vehicle miles traveled within the state. Furthermore, the trucking industry pays taxes, proportional to usage, to those states. If we use the roads within a given state, we pay that state, regardless of where we buy the fuel or where we are domiciled.

The motor fuel tax is by far the most effective means of collecting user fees for highway use. We support moving the collection point up stream to ease collection, as well as auditing the motor fuel tax. This is how federal tax is collected and, because of that, the program has a 1% administrative cost. There are only 1,800 Federal Fuel Tax payers in this country, and we know who they are and know what they owe.

Contrary to popular belief, the fuel tax model is far from dead. In fact, as presented in the State of ODOT presentation, fuel tax collections in the state are on the rise. Collections may have that terrible "T" word association, and are not shiny and new, but they are reliable. VMT and tolls carry high administrative costs, compliance costs, and fraud. The administrative costs nationally for tolls and VMT averages between 20%-40%, while fuel tax is less than 3%. This is a testament to the work of Randy Cole and the Ohio Turnpike and Infrastructure Commission, who operate the Ohio Turnpike with just 3.8% administration costs.

The associations continue to have a strongly held belief that all road fees and taxes should go back to road and bridge construction costs from both state and federal funds. Diversions of these funds are the root of the funding problems of the Federal Highway Trust Fund and continue to plague the funding challenges we currently face. This budget still distributes too much funding to projects that have little to no impact on protecting our highway infrastructure. Continuing to divert funds to plans unassociated with the highway system, including transit, interpretive ventures, bicycles paths, and “smart” projects, only rob the fund from fulfilling its true purpose: roads and bridges. There are other funding sources that can meet these needs; highway funds are meant for highways.

This budget also includes a pilot project to allow the ODOT director the authority to implement variable speed limits in certain locations. While we agree with the authority in principle, we feel the language is too expansive. There is no limitation to only reduce speed limits, so in theory the ODOT director could increase the speed limits in the name of congestion mitigation. We feel that any increase in the current allowable speed limits would be detrimental to highway safety. We also have a well established policy against differentials in speed between vehicle types, as it creates unsafe driving conditions. The current writing allows the ODOT director the ability to regulate speed by type of vehicle. We respectfully ask the committee to amend the language to limit the ODOT director’s authority to only reducing speed limits, and not including “type of vehicle” as a basis for regulating speed.

Mr. Chairman, this concludes my testimony, and I would be happy to answer any questions.