



**HB 155 Proponent Testimony
Kimberly McConville, CAE Executive Director**

**House Ways & Means Committee
June 19, 2018**

Chairman Schaffer, Vice-Chair Scherer, Ranking Member Rogers and members of the House Ways and Means Committee, I am Kimberly McConville, Executive Director of the Ohio Beverage Association (formerly known as the Ohio Soft Drink Association).

I am here to support HB 155 and offer some perspective from an industry that relies on heavy-duty vehicle operators. We are part of a coalition headed by Ohio Trucking Association working on a package of bipartisan bills to address critical CDL driver shortages.

Our Industry

I represent nearly 10,000 beverage industry employees statewide. Our members manufacture and distribute some of the most popular non-alcoholic beverages in the world. Our industry has a \$6.4 billion economic impact in Ohio, pays over \$750 million in annual wages and benefits and contributes over \$516 million annually in state taxes. A healthy beverage industry supports an additional 33,814 workers in restaurants, grocery stores, and other retail outlets.

Fleet Management

My members constantly innovate—from diverse beverage portfolios to operational efficiency, this industry is always looking for a better way to go to business. Fleet management is a critical cost center for all our companies. Whether they are investing in hybrid trucks, installing no idle switches or using load and route optimization software, this industry spends heavily on vehicle purchase, function, insurance and maintenance.

But the most critical part of our product distribution is human infrastructure. Getting our products from production centers to warehouses and into stores, demands qualified drivers.

Within this challenge is the constant pressure to optimize production and warehouse logistics while meeting high customer demands from retailers with minimal back stock. This means optimizing routes, managing frequent trips and mitigating risk of late deliveries. This is a delicate balance, and driver shortages are very challenging.

Driver Shortage Challenge

You have heard from the Ohio Trucking Association and others about current and projected driver shortages in Ohio and beyond. How does this play out for us? One of my members posted two jobs in Twinsburg--one for a warehouse worker and one for a Class A CDL driver. He had over 60 applicants for the warehouse and zero for the driver. Another member in Columbus had a driver shortage last summer that idled 4-6 trucks nearly every day. Alarming, these stories are becoming more common for our industry and others.

Growing Our Own Drivers

To deal with a shrinking pool of qualified operators, my members increasingly use a “grow your own” approach. We find existing employees willing to train for their CDL and we provide both training and all fees for them to get their CDL. This is a costly and time-consuming process with companies spending an average of \$6,000 for training and investing 6-8 weeks to train. Our training also prepares drivers for unique aspects of our business such as interacting with retail customers and acting as brand ambassadors.

HB 155 Value

The tax credit in HB 155 will directly benefit my members and help them with rising costs of training new drivers. Our significant investment in our workforce ensures that our members stay competitive while offering drivers family-friendly, good paying jobs that allow them to be home most evenings and weekends.

HB 155's tax credit will also create incentives for smaller companies to train their own drivers, increasing the pool of qualified operators. More qualified drivers help all companies that use trucks to deliver goods.

Bottom Line

Our industry needs more qualified, skilled drivers. HB 155 is an important part of solving this problem. We are grateful to sponsor Sprague and many others for their leadership. Please consider giving HB 155 your full support. Thank you.