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Co-Chair Oelslager, Co-Chair Callender, Ranking Member Cera and Members of the Ohio House Finance Committee.

Thank you for the opportunity to present INTERESTED PARTY testimony on Sub. HB 13, including our opposition to language adopted last week dealing with railroad property access. Sub. HB 13 is a bill to establish a broadband grant program in the State of Ohio, a policy goal the Ohio Railroad Association and our members strongly support to extend broadband coverage throughout the state. However, a provision added to Sub. HB 13 last week is of great concern for the state's railroads.

At the outset, let me first commend the bill sponsor, Rep. Rick Carfagna, for working towards consensus on the property access language specific to railroad operating property in Ohio. We are hopeful that all parties are working towards the similar goals of establishing a framework to fully analyze public safety, liability, cost and other concerns associated with any utility encroachment on railroad property, including at public at-grade crossings. The ORA and our members are working in good faith with Rep. Carfagna and other interested parties towards that goal at this time, with the hope that any compromise language be included in Sub. HB 13 prior to this committee reporting the bill back to the full House for consideration.

The ORA believes it is important to outline our concerns for this committee on specific language adopted last week relating to railroad property access and permitting. We view this type of property access framework as a tremendous public safety issue, with numerous examples across the country illustrating disastrous results both for railroad operations as well as the general public.

A few key points on the pending language including in Sub. HB 13:

- Railroads are reliable partners and do not seek excessive compensation. Broadband providers should cover costs associated with their projects and should not expect railroads to subsidize their business. Under the current provisions of the Sub. HB 13, it is likely that providers would seek to shift costs associated with the railroad permitting process back on to the railroads.



- Cost reimbursements should be market based and reasonable. The current language of Sub. HB 13 seeks to cap reimbursable costs at \$750, which is expected to cover each individual railroad company's administrative costs and engineering review. Standard consulting fees, generally conducted by external engineering companies certified on railroad standards and construction procedures, far outpace this cap.
- Railroads spend billions of dollars annually to maintain their infrastructure and pay millions of dollars in taxes on their land assets. Likewise, they have a right to recoup costs incurred for reviewing and completing permit applications and for use of their land, including property located entirely within the nearly 6,000 public at-grade crossings in Ohio.
- Should legislation pass that allows broadband companies to unduly encroach on rail property, railroads will essentially be compelled to underwrite broadband deployment. Telecommunication companies are highly profitable and do not need preferential treatment to gain unrestricted access to another company's infrastructure or force railroads to absorb business costs for others' commercial ventures.
- Unauthorized encroachment onto railroad property without proper engineering reviews and certifications jeopardizes public safety and creates a risk of liability exposure. Public safety as it relates to railroad operations is paramount among Ohio's freight railroads, underscored by the fact that recent years have been the safest on record. Per FRA statistics, track-caused accidents are down 26% nationally. The industry demands the same thoroughness from companies seeking access to railroad infrastructure, which the language in Sub. HB 13 does not ensure. In addition, language adopted last week into Sub. HB 13 also creates additional risk of liability exposure for the state's freight railroads.

