

March 13, 2019

Chair McColley, Vice Chair Uecker, Ranking Minority Member Antonio, and members of the Senate Transportation Commerce and Workforce Committee:

On behalf of the nearly 2,000 members of the Columbus Chamber of Commerce (Chamber) represented across our 11-county region, I write to urge passage of House Bill 62, the State Transportation Budget.

More than 85% of Chamber member companies have less than 100 employees, and most of the region's largest corporations are also active members. We have a dedicated vertical called the Columbus Region Logistics Council, which draws businesses across all tiers of the logistics supply chain – manufacturers, shippers, carriers, truckers, and brokers. The views of all of these businesses are represented in this testimony.

The Chamber supports a sustainable funding mechanism to advance pending and stalled infrastructure projects, new and innovative projects, keep commute times low, improve safety, enhance economic development, and ensure efficient business operations.

There is great agreement amongst the business community that improved and increased investment in Ohio's transportation infrastructure is overdue and necessary.

We applaud Governor DeWine for prioritizing our state's infrastructure system and tackling this issue immediately upon taking office.

Transportation Infrastructure in the Columbus Region

The Chamber's Public Policy Agenda advocates for government efficiencies and fiscal stability, and a tax structure that encourages business growth and job creation. One of our core pillars of advocacy focuses on Transportation and Infrastructure investment that supports a fully integrated, innovative, and advanced multi-modal transportation network, including air, rail, trucking, and other freight options to ensure the growth and sustainability of the region's logistics, manufacturing, and related industries.

Ohio maintains one of the most extensive and heavily traveled transportation systems in the nation, ranking third nationally in the volume of freight carried on our transportation system. Annually, \$1.1 trillion in goods are shipped to and from sites in Ohio, mostly by truck. Central Ohio is a logistics hub because we are located within a 10-hour drive of more than 50% of the country's population. More than 4,400 logistics establishments employing over 83,000 employees depend upon a stable and efficient transportation network, heavily reliant upon the highway system as an integral part of our multi-modal system. The North American International Freight Center is the region's gateway to Ohio, the nation, and the world. In 2018, the Rickenbacker International Airport increased international cargo by 35%, and undertook nearly 1000 international widebody freighter arrivals and over 300 million pounds of air cargo.

Infrastructure investment and modernization is paramount to the success of our communities at large, both urban and rural. As Central Ohio expands by a million more people by 2050, our infrastructure

must keep pace in order for us to remain competitive as a region, and for Ohio businesses to grow and successfully serve their customers.

Increasingly, companies are looking at the quality of a location's transportation system when deciding where to re-locate, expand, or set roots. Businesses can easily move to a neighboring state with a more efficient road system, including transit and other modes of mobility; Amazon inquired about bike paths during its recent interviews in Central Ohio, for example.

The most significant project in the Columbus region is Phase 4 of the "Capital Crossroads." Supporting more than 100,000 jobs in the downtown Columbus area, the 70/71 Innerbelt is one of the most highly traveled freeway systems in the region with traffic exceeding current design capacity by 50,000 vehicles per day. This excess traffic has resulted in the area being one of the most prominent crash sites in the state, with three of the top-ten freeway crash locations in Ohio located here. In order to increase safety and maintain the region's competitiveness by relieving traffic congestion and adding capacity, state funding for Columbus Crossroads must be continued. The Chamber is actively working to secure federal funding that would allow ODOT and the City of Columbus to complete the project as originally envisioned to recombine its three components into a single, phased project. Failure to increase the motor fuel user fee will continue to put the project in jeopardy.

Traffic congestion is a top concern for businesses, costing Ohio motorists a total of \$4.6 billion each year in the form of lost time, productivity, and wasted fuel. It can be particularly troublesome for industries that rely on the roadways to efficiently move goods and allow for the reliable transport of their employees to and from the workplace. Between 2015 and 2018, the amount of roadways miles congested two or more days a week has grown from 1,054 to 1,521 miles during morning commute periods and from 1,366 to 1,851 miles during evening commute periods. Businesses are developing creative means to overcome this problem: a Chamber member was forced to change shift start times to avoid the congestion that caused perpetual tardiness amongst employees and a reduced morale amongst the workforce. This change required a major alteration in business operations that was not easy to implement, but demonstrates the severity of the problem and our need to address it through increased investment.

Policy Considerations

A platform of our Public Policy Agenda aims to encourage innovative smart technology that will leverage opportunities for businesses within Smart Columbus to fully connect the region's transportation and infrastructure network. We support the work of DriveOhio and concerted efforts of the Administration to advance deployment of smart mobility initiatives and drive innovation within state government, such as partnerships with Smart Columbus, Ohio's 33 Smart Mobility Corridor, and the Transportation Research Center.

The Chamber is proud to be a Strategic Partner of Smart Columbus, helping to bring small businesses closer to their work and achieve our shared goals of connecting people to jobs, driving economic growth, and improving safety and overall quality of life. A pillar of our Smart Columbus work encourages the adoption of electric vehicles. The House proposed a \$200 annual fee on electric vehicles, which

would put Ohio on par for the highest rate in the country. We ask the Senate to review the formula used to arrive at this figure, and also consider phasing in the full amount.

We applaud the House for significantly increasing annual investment in transit through the Federal Highway Administration flexible funding program. These additional dollars are crucial in supporting a sophisticated public transit system that will increase connectivity throughout the region to better connect people to jobs and job hubs, and improve overall quality of life. With this new spotlight on transit, we encourage the state to seek out innovative public mobility options and pilots, such as micro-transit and flexible transit services such as those provided by innovative local companies such as Empowerbus and Share, which are well equipped to address first-mile/last-mile transit challenges that are a known barrier to steady employment.

Some businesses will more easily absorb an increase to the motor fuel user fee than others, with small businesses being more susceptible to harm from an immediate, unanticipated increase in expenses. Many firms within the logistics supply chain can pass along the increased cost of fuel, a clause often expressly written into contract terms. Therefore, we appreciate the House Finance Committee's proposal to phase in the escalated user fee increase. This allows businesses and Ohio consumers alike to better forecast, plan, budget and prepare accordingly for the increase.

Further, Chamber members have expressed concerns with the House proposal to bifurcate the gas and diesel rates, disproportionately placing an increased share of the hike on the job creators of our state. Businesses account for only a quarter of road users, yet they would be responsible for double the cost burden under the House proposal. We ask that the Senate consider reverting back to a more equitable distribution.

Ultimately, the overwhelming responses that we received from businesses large and small, across more than 92 different industries represented by our members, was the need to improve our transportation infrastructure.

With that in mind, we ask that you swiftly advance H.B. 62.

Sincerely,

Holly Gross
Vice President, Government Relations
Columbus Chamber of Commerce