



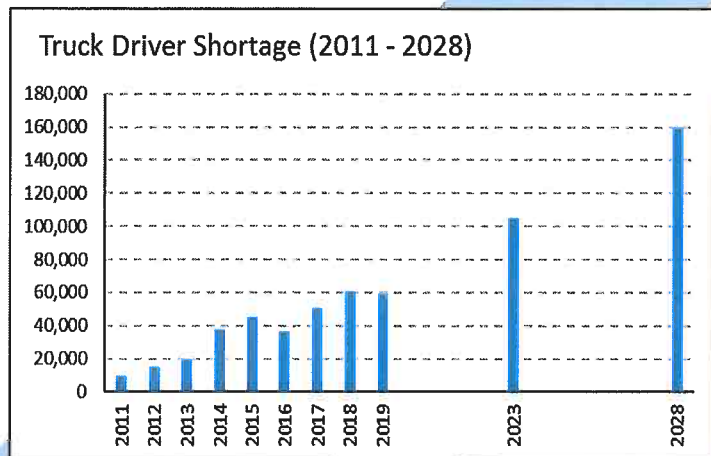
House Bill 197 House Ways and Means Committee

Chairman Merrin, Vice Chair Riedel, Ranking Member Sobecki and members of the House Ways and Means Committee, my name is Ed Nagle and I am Chairman of the Ohio Trucking Association (OTA) as well as owning a temperature-controlled trucking company in Walbridge, Ohio. I would like to thank you for this opportunity to express OTA's and our company's support for HB 197, which would establish a tax credit aimed at encouraging trucking companies to train drivers.

The trucking industry is truly the lifeblood of the U.S. economy. According to the American Trucking Association (ATA), over 70% of all freight tonnage in the U.S. is transported by trucks.¹ Not surprisingly, freight cannot move without drivers behind the wheel, which is what led to the introduction of HB 197.

There are companies that already invest in driver training opportunities for their employees; however, many smaller companies do not have the resources available to make such an investment. To encourage on the job training opportunities, HB 197 would make an employer eligible for a credit against the income tax. Because it is applied against the income tax, it may only be claimed by employers that are sole proprietors or organized as pass-through entities. The credit would be equal to one-half of the employer's actual training expenses, meaning that employers will still have skin in the game when it comes to training future drivers. The tax credit would be capped at \$25,000 per employer, and the total amount of credits that may be awarded each year would be limited to \$3 million.

Many of you have likely heard from businesses in your district about the challenges associated with finding qualified drivers to transport their goods. According to the ATA, the current driver shortage is 60,000 and it could grow to over 160,000 by the year 2028.² This is a problem sweeping the nation, yet unfortunately many states, including Ohio, do not have adequate support established to



¹ ATA's Freight Transportation Forecast 2019 to 2030 - <https://www.atabusinesssolutions.com/Shopping/>

² ATA Truck Driver Shortage Analysis 2019 - <https://www.trucking.org/sites/default/files/2020-01/ATAs%20Driver%20Shortage%20Report%202019%20with%20cover.pdf>

help individuals overcome the financial barriers when trying to become a commercial vehicle driver.

Due to the high demand, truck drivers make an excellent salary and companies offer comprehensive benefits. The U.S. Department of Labor places the median pay for drivers at over \$47,000 per year, and this can grow to much more.³ Pay for drivers is often based on production, so entry level drivers can expect to make an increased wage shortly after entering the industry. Salaries for drivers can even top \$100,000 per year.

For years we have worked to identify ways to address the driver-shortage problem by working on legislation that would help individuals overcome the financial hurdle of obtaining a CDL and encourage companies to provide training opportunities to their employees. As we all experienced, the COVID-19 pandemic has shown how critical the trucking industry is to the state, yet essential goods can't be moved without a driver behind the wheel, which is why these workforce development initiatives are so important.

Once again, the COVID-19 pandemic has shown just how important the trucking industry is to our daily lives. We would urge this body to support HB 197, which would promote on-the-job training to obtain a CDL or to build upon skills already obtained by a driver. Such training will open doors for Ohioans that lead to lifelong employment opportunities. This program will also encourage businesses to invest in their employees, which will ultimately assist in retaining drivers.

We would like to thank the sponsors of the bill for their work on developing this legislation. I would be happy to answer any questions at this time.

Sincerely,



Edwin J Nagle III
Chairman, Ohio Trucking Association
President, CEO, Nagle Companies, Walbridge, Ohio

³ United States Department of Labor - <https://www.bls.gov/OOH/transportation-and-material-moving/heavy-and-tractor-trailer-truck-drivers.htm>