



Budget Testimony to the Transportation Committee

Executive Director Matthew Dietrich

February 26, 2025

Chair Patton, Vice Chair Schaffer, Ranking Member Antonio, and members of the Transportation Committee, thank you for the opportunity to testify today on behalf of the Executive Budget Proposal for the Ohio Rail Development Commission.

Rail transportation is critical to Ohio's economy and delivers valuable public benefits such as shipping savings to Ohio companies and savings to the state with fewer trucks on the road. Railroads also have impacts on the communities in which they operate. With the average rail car equaling 3-4 trucks, you can imagine what Ohio roads would look like without rail transportation. Before I discuss the specific work of the Rail Commission I would like to provide you with some context of the rail network in Ohio.

Ohio has one of the most dense rail networks in the country. Ohio ranks fourth in the country for the size of its rail network and 86 of our 88 counties have rail. There are over 5,000 miles of active rail and 40 operating freight railroads in the state. About 56% of the rail mileage in Ohio is operated by Norfolk Southern and CSX with the rest operated by smaller railroads often referred to as shortline railroads. 89% of the active rail miles are privately owned and all have private companies moving freight. Amtrak provides intercity passenger service across the northern tier of Ohio and to Cincinnati as part of its long-distance system connecting Chicago and the East Coast.

Rail and rail intermodal (containers on train) move 10-11% of the state's combined inbound, outbound, and internal freight moves by both tonnage and value. While that is important for Ohio's economy, it is worth noting that even more traffic moves through the state by rail: 104 million tons originate and/or terminate in the state vs. 160 million tons that move through the state annually by rail. The commodities moved by rail in Ohio are what would be expected, such as minerals, ores, metals, chemicals, petroleum and coal. Ohio is unique, however, in that the use of rail by Ohio companies is more diverse than other states, with 41% of the originating freight classified as "other" and not one of the specified commodities.

When combining our extensive roadway network and rail network, the result is a lot of public railroad crossings. As of 2023, the Public Utilities Commission of Ohio reported there were approximately 5,600 at-grade vehicular public crossings, of which 62% have lights and gates, 9% have flashing lights, and 29% have passive systems such as crossbucks (source: PUCO Annual Rail Statistics 2024).

Unfortunately, Ohio is also in the top 10 for railroad-vehicle crashes. Ohio experiences an average of 63 - 70 crashes per year. Since 2008, the crash rate has decreased from triple digits, which we are happy about. However, in the last reportable year, 2023, we had 77 crashes with 80% occurring at crossings with lights and gates. We are making progress in the long term, but it is frustratingly slow at times, and we are only as good as the last project, so we are constantly looking for ways to improve safety at railroad crossings.

The Rail Commission's role is to help the state take advantage of the opportunities railroads provide to Ohio while mitigating negative consequences to communities as a result of rail traffic.

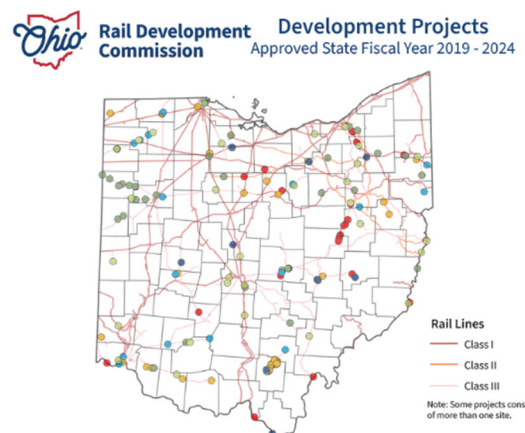
With the FY 2026-2027 budget, the Rail Commission will continue to advance Governor DeWine's priorities of public safety and economic development by:

- Responding to rail development opportunities, including federal discretionary grant programs that leverage private and federal funds; and,
- Improving railroad-highway grade crossing safety through the Ohio Grade Crossing Elimination Program and through traditional funding provided via the Federal Highway Administration for improvements at grade crossings.

Development Opportunities

Freight railroads are privately owned so the state only provides funding for projects with public benefits that require public investment to come to fruition. This means that everything we do is some form of public-private partnership. Since 2019, the Rail Commission has approved grants and loans to 101 projects, shown on the map at right. These projects, which received funding assistance of \$28.9 million, are creating more than 1,900 jobs, retaining about 4,200 jobs, and supporting an additional 16,300 jobs, for a total of 22,400 jobs positively impacted.

In addition to traditional grants and loans, the Rail Commission sponsors, administers, and financially leverages federal discretionary awards. We have been very successful in winning federal discretionary grants through the Consolidated Rail Infrastructure and Safety Improvements Program. Since the program's inception in 2017, the Rail Commission has won fourteen awards, bringing \$87 million in federal funding to Ohio projects. These investments include \$6.4 million in Rail Commission funding and leverage \$46.7 million in

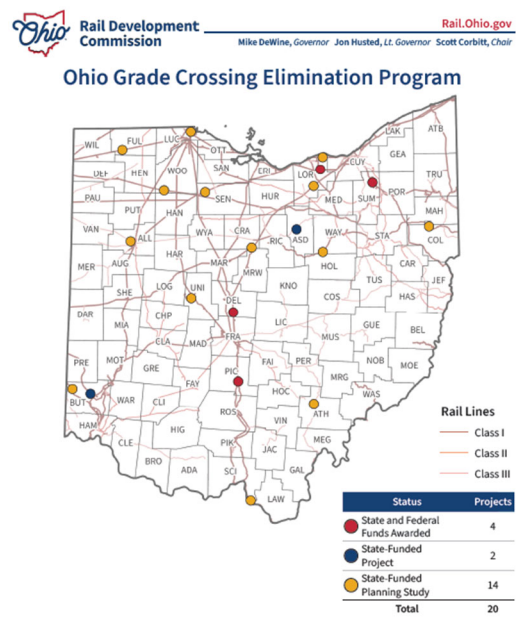


private railroad funds. Total leveraging is approximately \$21 in other investment to every \$1 of Rail Commission matching funds.

Public Safety

The Ohio Grade Crossing Elimination Program was launched in 2023 to enhance safety by identifying and funding improvements such as grade separations at existing at-grade crossings, as well as helping communities leverage federal funding opportunities for projects that would not be financially feasible otherwise. Last month, we learned that all four community-initiated projects that we submitted to the Federal Railroad Administration were selected for funding. These projects will receive \$81 million in funding for construction. Our analysis of the federal awards showed that of 123 grants awarded nationally, only 34 received construction funding, and four of those are from Ohio. The Ohio Grade Crossing Elimination Program helped Ohio communities go to the front of the line for construction funding. As a result of the funding provided to us in the last budget, North Ridgeville, Hudson, Circleville and Delaware County will have grade separations rather than the existing at-grade crossings that currently exist. In addition to these four new awards, the Rail Commission previously received funding for a grade separation in Fostoria that is currently in the planning and design stages with ODOT.

Two additional projects have been approved for state funding and 14 more locations are being assessed for potential projects and future grant applications. These locations include potential projects that have been long-term issues such as Point Place in Toledo, Haverhill in Scioto County, Salem in Columbiana County, Bearswamp Road in Union County, and a crossing elimination project in Chauncey in Athens County. To date, the Rail Commission has awarded \$25.6 million in Ohio Grade Crossing Elimination Program funds. The Rail Commission’s budget request includes temporary law language to allow continued project development and selection in the next biennium.

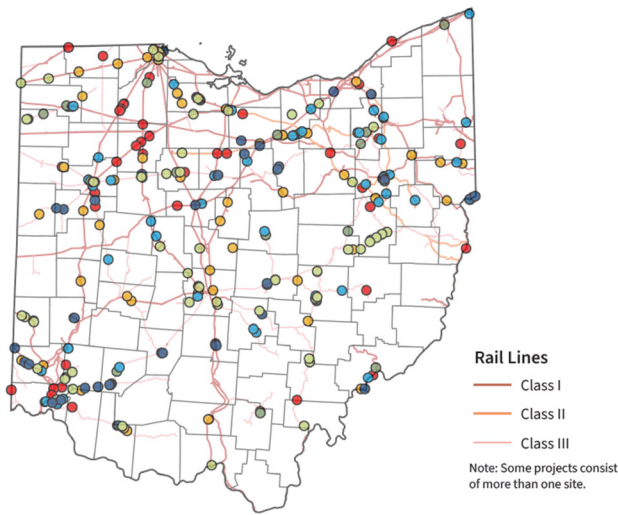




**Rail Development
Commission**

Safety Projects

New Encumbrances State Fiscal Year 2019 - 2024



Since January of 2019, the Rail Commission has entered into new agreements for 301 grade crossing safety projects statewide, shown on the map at left. These projects will improve 331 crossing locations. The improvements to be made include upgrades from passive warning devices (crossbucks) to lights and gates and from flashing lights to lights and gates, as well as other warning device improvements, queue management installations, roadway surface reconstructions, and crossing closures.

The Rail Commission is also administering two targeted programs sponsored by the last General Assembly. The \$10 million Wayside Detector System Expansion Program is funding the installation of defect detectors on shortline railroads in the state. The \$1 million Orphan Rail Crossing Program is addressing community concerns about railroad crossings that lack a defined owner or a party responsible for maintenance. All funding for these two programs has been committed to projects.

The FY 2026-2027 budget request will maintain momentum across all of our programs. The Rail Commission is uniquely positioned to help the state take advantage of rail-related development opportunities and to mitigate the public impacts of rail operations. The budget proposal will allow our programs to address needs in Ohio's communities, building on our long history of partnering with local, state, federal, and private entities to complete valuable projects.