

The Ohio Senate, 136th General Assembly
Transportation Committee
Testimony of Chris Matta, P.E., Chief Engineer/Deputy Executive Director
February 26, 2025

Chair Patton, Vice Chair Schaffer, Ranking Member Antonio and members of the Senate Transportation Committee, my name is Chris Matta, and I serve as Chief Engineer and Deputy Executive Director of the Ohio Turnpike and Infrastructure Commission. I have been with the Turnpike for almost 25 years, starting my career as a Staff Engineer and in 2022 became the Chief Engineer of the Turnpike. In 2024 I was appointed to serve as Deputy Executive Director.

Thank you for the opportunity to represent the Ohio Turnpike and Infrastructure Commission with my testimony this morning.

HISTORY

In 2025, The Ohio Turnpike will celebrate the 70th anniversary of the opening of the Ohio Turnpike. The Turnpike is a 241-mile long, limited-access highway across northern Ohio, connecting communities from Pennsylvania to Indiana.

It is incorporated by the Federal Highway Administration into the Interstate Highway System with sections designated as Interstate Routes 76, 80 and 90.

A 10-member Commission oversees the operations of the Ohio Turnpike. Ferzan Ahmed, P.E serves as the Executive Director and the Chief Administrative Officer, reporting to the Commission. The Commission is chaired by former Mayor Jerry Hruby of Brecksville. The Directors of ODOT and the Office of Budget Management are also members of the Commission. In addition, the Commission is represented by a member from the House and Senate, including Senator Reineke.



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Ohio Turnpike and Infrastructure Commission Budget Testimony

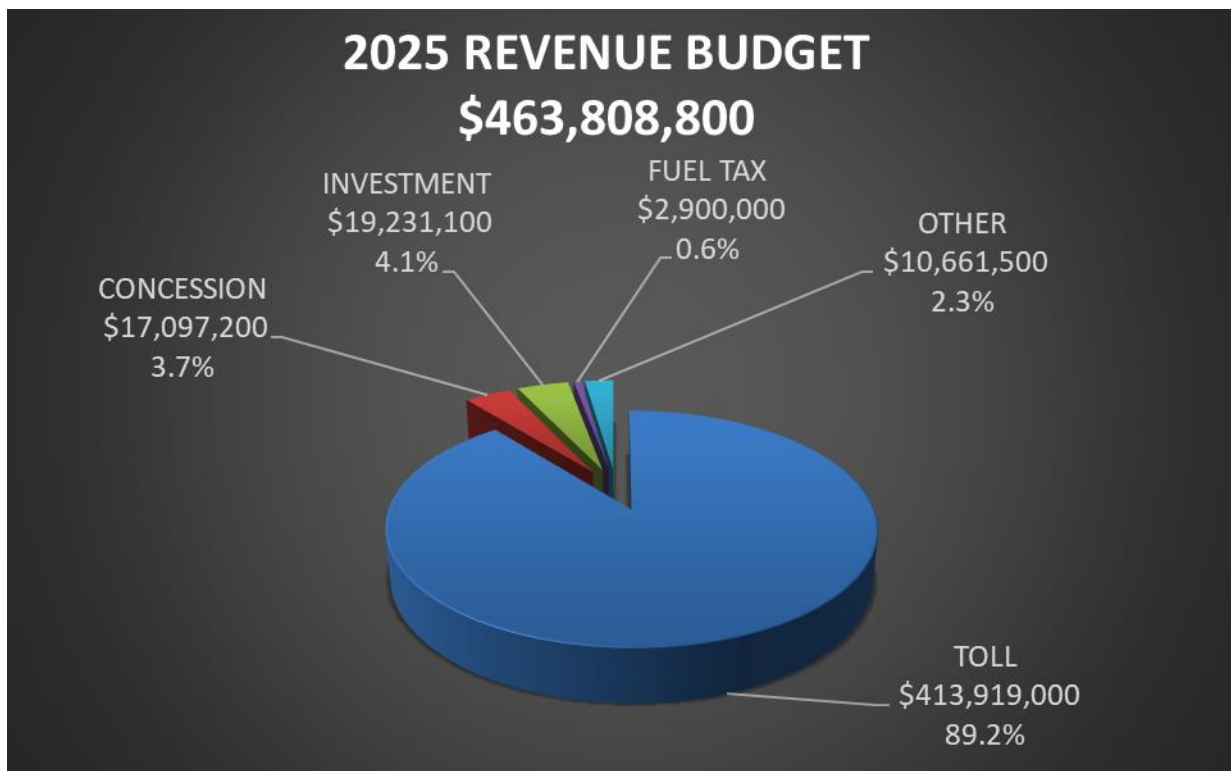
The Commission determines toll rates, collects revenues, controls disbursements, and has title to all assets, except for title to real estate, which the Commission purchases in the name of the State of Ohio. As we enter our 70th year of operation, we are fiscally sound. I would now like to explain our revenue and expenditures to the committee.

REVENUE

The Ohio Turnpike's 2025 revenue budget is \$463,808,800.

The Ohio Turnpike does not receive federal gas tax or appropriations from the General Revenue Fund. About 90% of the Commission's revenue is derived from tolls. Other sources of revenue include investment revenue and concession revenue.

In 2024, approximately 61.9 million gallons of gasoline and diesel fuel was sold at the Ohio Turnpike's service plazas that generated about \$26 million in state motor fuel taxes. Of that \$26 million, the Ohio Turnpike receives \$.05 per gallon which was about \$3.1 million in 2024.



The Ohio Turnpike's direct business operations generated more than \$739 million in economic activity in 2024. This total included \$448 million in revenue, mostly from tolls, which is distributed throughout local economies, and an additional \$291 million in revenue was produced by the Ohio Turnpike's 14 service plaza vendors. (The \$291 million included \$213 million in fuel sales and \$78 million in restaurant, gift shop, and vending sales.)

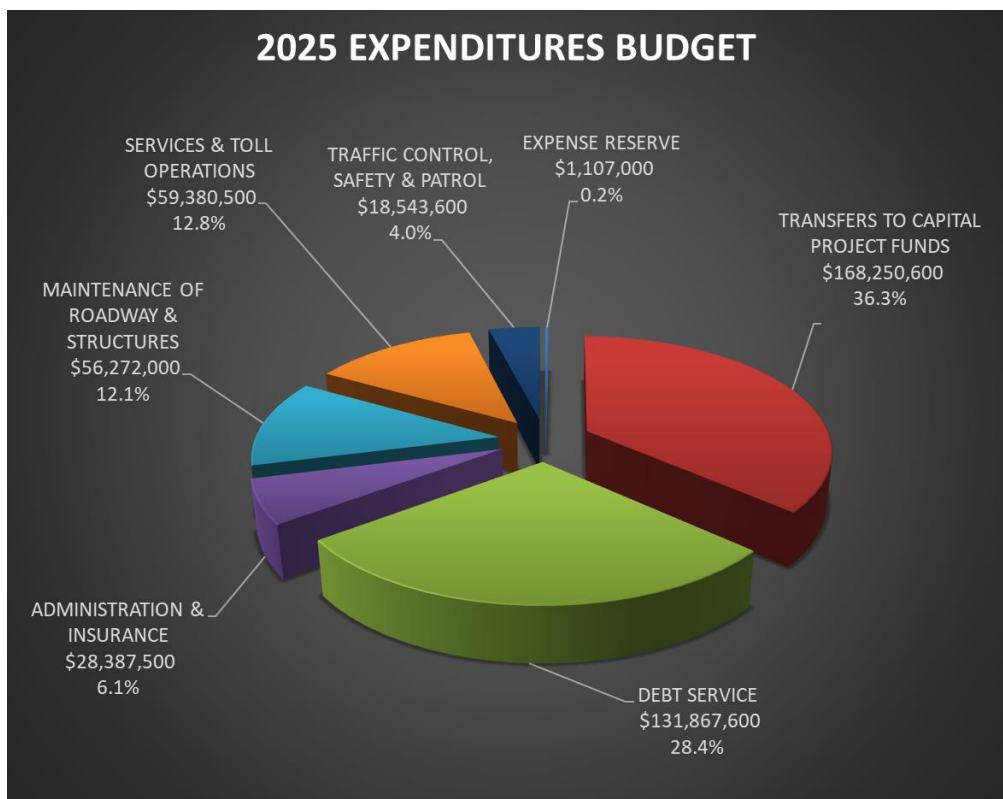
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The Ohio Turnpike employs approximately 810 full-time and part-time employees. Additionally, about 1,100 workers are employed in jobs that are affiliated with our service plazas when they are operating at full capacity. Our service plazas are also responsible for generating a significant amount of sales tax revenue for the counties where they are located.

EXPENDITURES

I will now summarize our expenditures. The Commission's Senior and Junior Lien Master Trust Agreements govern the flow of funds related to our expenditures for our bondholders. It creates a hierarchy, which is:

1. Operating Expenses
2. Debt Service
3. Capital Expenditures



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OPERATING EXPENSES:

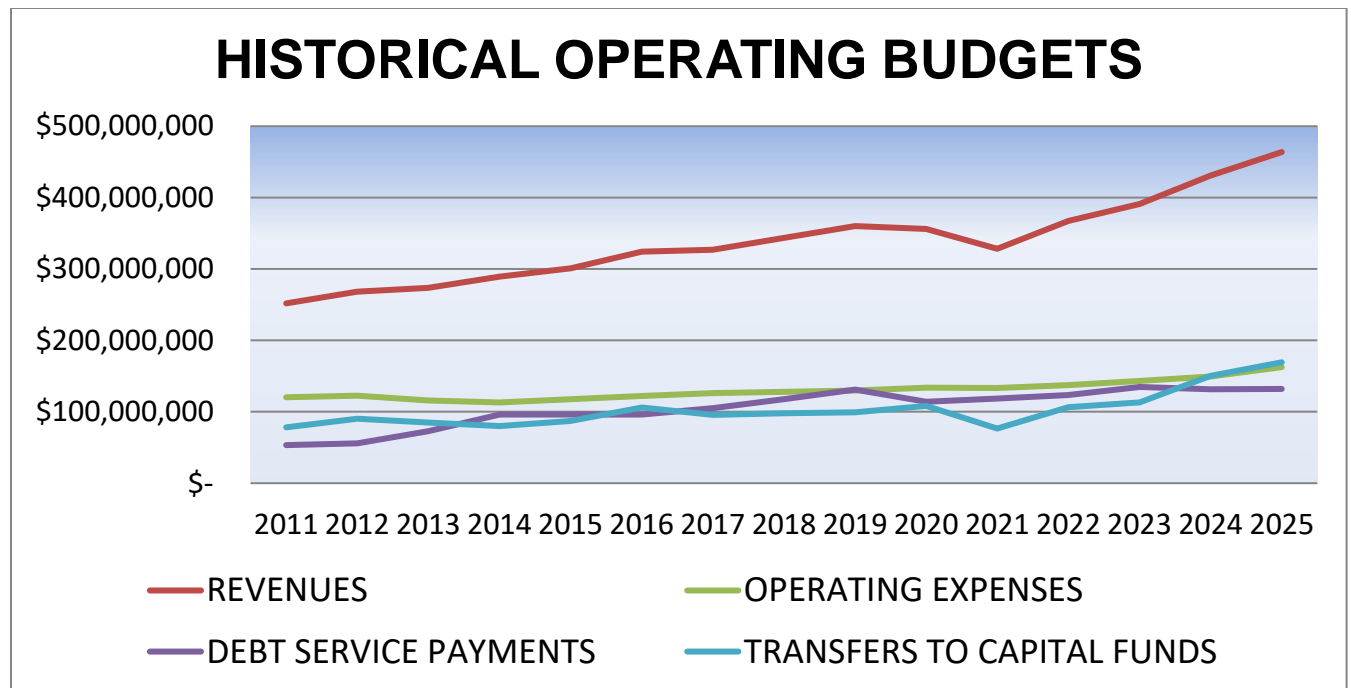
The bulk of the operating expenses are for toll operations and road maintenance. The other significant items are for traffic control, safety and patrol. Operating expenses make up 35% of the Commission's 2025 budget.

The Commission has an outstanding debt of about \$2 billion in Senior Lien and Junior Lien bonds. The debt payments on these bonds will require 28% of the Commission's 2025 budget, leaving 37% available for capital projects.

The chart below shows the Commission's Historical Operating Budgets for the last 15 years. Budgeted revenues have steadily increased from \$251.8 million in 2011 to \$463.8 million in 2025.

However, budgeted operating expenses have held fairly constant over this period increasing from \$120.3 million in 2011 to \$162.6 million in 2025.

This is a testament to our stewardship and commitment to running an efficient operation.



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2025 OPERATING BUDGET

The details of the Commission's 2025 Operating Budget are provided in the table below.

OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION 2025 ANNUAL OPERATING BUDGET

| | 2025 | 2024 | INCREASE / (DECREASE) | |
|--|-----------------------|-----------------------|-----------------------|--------------|
| | | | \$ | % |
| REVENUES: | | | | |
| TOLL | \$ 413,919,000 | \$ 381,844,000 | \$ 32,075,000 | 8.4% |
| CONCESSION | 17,097,200 | 16,148,200 | 949,000 | 5.9% |
| INVESTMENT | 19,231,100 | 20,141,450 | (910,350) | (4.5%) |
| FUEL TAX | 2,900,000 | 3,000,000 | (100,000) | (3.3%) |
| OTHER | 10,661,500 | 9,898,000 | 763,500 | 7.7% |
| TOTAL REVENUES | \$ 463,808,800 | \$ 431,031,650 | \$ 32,777,150 | 7.6% |
| EXPENDITURES: | | | | |
| OPERATION, MAINTENANCE & ADMINISTRATION: | | | | |
| ADMINISTRATION & INSURANCE | \$ 28,387,500 | \$ 22,414,200 | \$ 5,973,300 | 26.6% |
| MAINTENANCE OF ROADWAY & STRUCTURES | 56,272,000 | 50,269,100 | 6,002,900 | 11.9% |
| SERVICES & TOLL OPERATIONS | 59,380,500 | 58,892,450 | 488,050 | .8% |
| TRAFFIC CONTROL, SAFETY & PATROL | 18,543,600 | 17,723,400 | 820,200 | 4.6% |
| TOTAL OPERATION, MAINTENANCE & ADMINISTRATION | 162,583,600 | 149,299,150 | 13,284,450 | 8.9% |
| DEBT SERVICE PAYMENTS | 131,867,600 | 131,484,011 | 383,589 | .3% |
| TOTAL EXPENDITURES | 294,451,200 | 280,783,161 | 13,668,039 | 4.9% |
| TRANSFERS TO / (FROM): | | | | |
| EXPENSE RESERVE | 1,107,000 | 500,800 | 606,200 | 121.0% |
| NON-TRUST FUND | 2,034,100 | 1,096,750 | 937,350 | 85.5% |
| FUEL TAX FUND | 3,208,000 | 3,396,000 | (188,000) | (5.5%) |
| SERVICE PLAZAS CAPITAL IMPROVEMENTS RESERVE | 754,600 | 716,200 | 38,400 | 5.4% |
| RENEWAL & REPLACEMENT FUND | 11,500,000 | 13,500,000 | (2,000,000) | (14.8%) |
| SYSTEM PROJECTS FUND | 150,753,900 | 131,038,739 | 19,715,161 | 15.0% |
| CONSTRUCTION FUND | - | - | - | - |
| TOTAL TRANSFERS | 169,357,600 | 150,248,489 | 19,109,111 | 12.7% |
| TOTAL EXPENDITURES & TRANSFERS | \$ 463,808,800 | \$ 431,031,650 | \$ 32,777,150 | 7.6% |

The total 2025 Operating Budget approved by the Commission is about \$463.8 million, which is a 7.6% increase from the previous year. The increase is mainly due to increased revenues generated from toll collections and concession revenue. The highlights are:

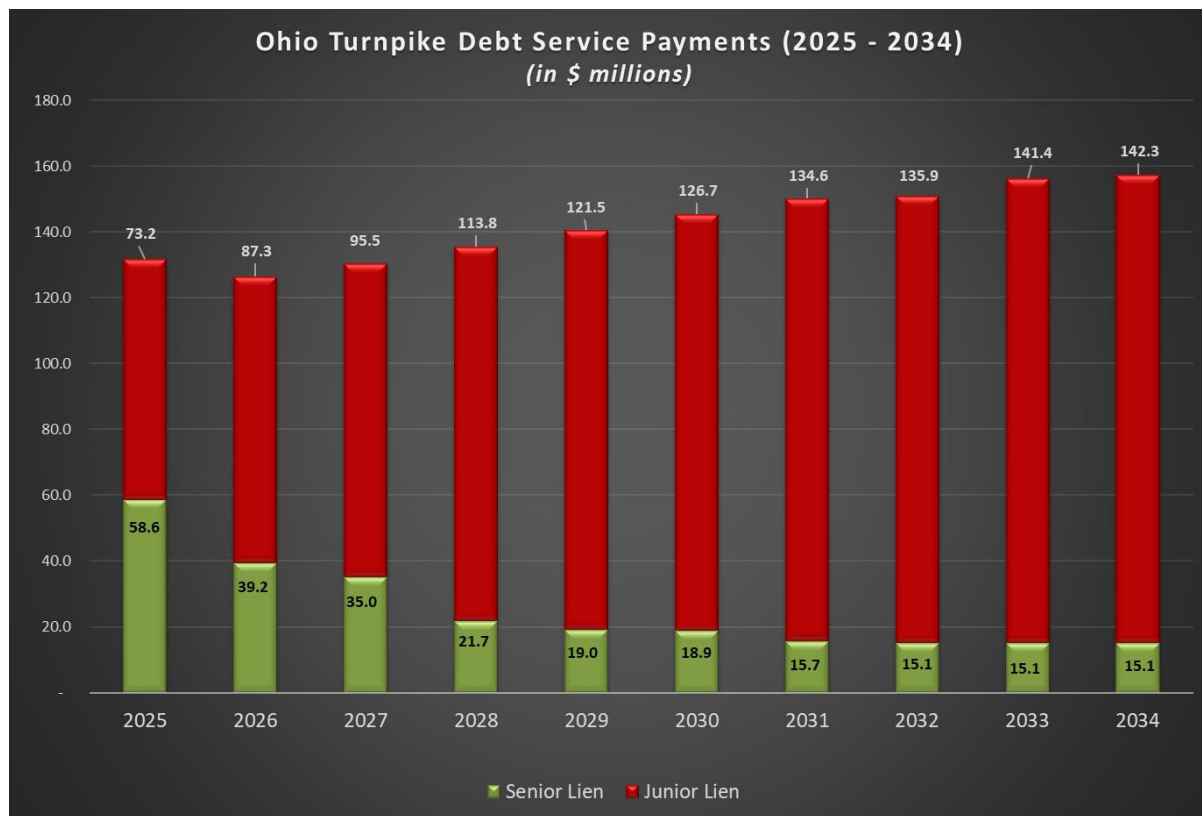
- \$414.0 million from tolls
- \$17.1 million from concessions
- \$19.2 million from investment interest
- \$10.7 million from miscellaneous sources such as transponder fees, advertising and leases
- \$2.9 million from state fuel tax

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DEBT SERVICE

As mentioned previously, the Commission currently has about \$2 billion in Senior Lien and Junior Lien bonds outstanding. The Senior Lien Revenue bonds were issued to fund the cost of various capital improvement projects on the Ohio Turnpike. In 2013 and 2018, more than \$1.5 billion in bonds were sold to help fund the projects in Governor Kasich's Ohio Jobs & Transportation Plan. This created the Commission's Junior Lien debt service requirements set to be paid off in the year 2048.

The bar graph below shows the Commission's debt service obligations for both the Senior Lien and the Junior Lien through the year 2034. The red area on each bar represents the Junior Lien debt. The green area on each bar represents the Senior Lien debt. The Commission's annual debt service increases in the upcoming years.



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BOND RATINGS

Next, I would like to brief the Committee on our current bond ratings.

| Rating Agency | Senior Lien Revenue Bonds | Junior Lien Revenue Bonds |
|---------------------------|---------------------------|---------------------------|
| Fitch Ratings | AA | AA- |
| Moody's Investors Service | Aa2 | Aa3 |
| S&P Global Ratings | AA- | A+ |

Fitch Ratings rates the Ohio Turnpike's Senior Lien Revenue bonds AA and the Ohio Turnpike's Junior Lien Bonds AA-. Moody's Investors Service rates the Ohio Turnpike's Senior Lien Revenue bonds Aa2 and the Ohio Turnpike's Junior Lien Bonds Aa3. S&P rates the Ohio Turnpike's Senior Lien Revenue bonds AA- and the Ohio Turnpike's Junior Lien Bonds A+.

A recent report issued by Moody's Investor Services in November 2024 indicated that the Ohio Turnpike is in their top five ranked US senior toll roads out of over 50 toll agencies. Key measures of each of the toll road's operational and financial strengths are compared with other toll roads.

The Ohio Turnpike continues to be one of the highest rated toll roads in the country. Our strong financial profile allows our toll road to fund capital improvement projects on the Ohio Turnpike while maintaining credit quality. We are pleased to report that these are historically the highest credit ratings for the Ohio Turnpike and make us among the highest rated major toll agencies in the country.

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CAPITAL EXPENDITURES

Last December, the Commission approved a \$319 million capital budget for 2025. The Capital projects for 2025 are focused on pavement, bridges, and safety projects.

Chair Patton, our facilities include some of Ohio's safest- and best-maintained roads and bridges. That is the result of deliberate and well-executed capital investments in our system.

Looking beyond this year's investments, we plan to invest more than \$2 billion on capital improvements over the next 10 years.

These capital improvements will provide contracting opportunities for many Ohio companies, both large and small. One of our priorities is to make sure that Ohio based small businesses, including businesses owned by veterans, minorities and women, play an important role in our capital improvements.

Core maintenance, including road and bridge repair, replacement, and resurfacing, together make up about \$240.3 million in planned spending, or 75.3% of capital costs for calendar year 2025. Rounding out capital expenses and accounting for \$33.7 million, or 10.6% of the capital budget, are expenditures for maintenance vehicles and equipment, safety devices, toll and service plaza upgrades, computer and communications equipment, and slope and drainage repairs.

Uncommitted funds, which provide for additional project expenditures and for future projects, accounts for \$19.8 million, or 6.2% of the total capital budget.

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TOLL RATES

The Ohio Turnpike's toll rates remain competitive with the toll rates charged by other toll authorities in this east-west corridor for both *E-ZPass* and Cash. The Ohio Turnpike's toll rates compared to our surrounding states are the lowest. Our toll rates reflect the Commission's ongoing commitment to remain fiscally sound, while providing affordable high-level service to the traveling public.

| Toll Rates Per Mile Comparisons | | | | |
|---------------------------------|------------------|----------|------------------|----------|
| STATE | Passenger Car | | 5 Axle Vehicle | |
| | <i>E-ZPass</i> ® | Cash | <i>E-ZPass</i> ® | Cash |
| Ohio | \$ 0.071 | \$ 0.104 | \$ 0.220 | \$ 0.276 |
| Illinois (I-94/I-294/I-80) | \$ 0.088 | \$ 0.176 | \$ 0.590 | \$ 0.902 |
| Indiana | \$ 0.099 | \$ 0.099 | \$ 0.534 | \$ 0.534 |
| West Virginia | \$ 0.153 | \$ 0.153 | \$ 0.447 | \$ 0.511 |
| Pennsylvania | \$ 0.153 | \$ 0.303 | \$ 0.574 | \$ 1.079 |
| New Jersey | \$ 0.176 | \$ 0.177 | \$ 0.577 | \$ 0.632 |
| National Average | \$ 0.184 | \$ 0.641 | | |

* Data obtained for other Toll Roads in 2024.

Ohio Turnpike's Toll Collection System

In April 2024, the Turnpike's new toll collections system became operational. Many improvements were made, the most significant improvement is that customers with *E-ZPass* travelling from Indiana to Pennsylvania (or vice-versa) no longer need to stop at a toll gate. Currently, 25% of our customers still use cash/credit cards. To accommodate them, we still maintain cash/credit card lanes.

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As you can see from the graphic in front of you, customers with an *E-ZPass* can continue through the left lanes without stopping, while those without an *E-ZPass* will go to the right and get a ticket.

Speaking of *E-ZPass*, we actively promote usage of *E-ZPass* to customer, as they can save up to 33% in tolls on the Ohio Turnpike and most other roads provide discounts to our customers, as well.



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Billing/Invoicing

For customers who go through the *E-ZPass* lane, we capture license plates with cameras.



Using images of license plates collected from the cameras, the Commission processes unpaid tolls using license plate lookup. The system photographs license plates and the Commission sends a bill to the customer who travel through *E-ZPass* lanes without a valid *E-ZPass* transponder.

These customers receive an invoice within 15 days of travelling the Turnpike, and a second invoice is sent 30 days after, if the customer does not make a payment. The Customer will receive a third and final invoice 75 days after travelling on the Turnpike.

Customers can dispute their transactions through an administrative hearing.

The Commission is working with the Ohio Attorney General's office to collect unpaid toll invoices. Additionally, the Commission is working with the Ohio Bureau of Motor Vehicles to place a registration hold on customer's vehicles who fail to pay their unpaid toll invoices.

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AMENITIES/SERVICES

In addition to safe, efficient travel, we take pride in providing some of the best amenities available in our country.

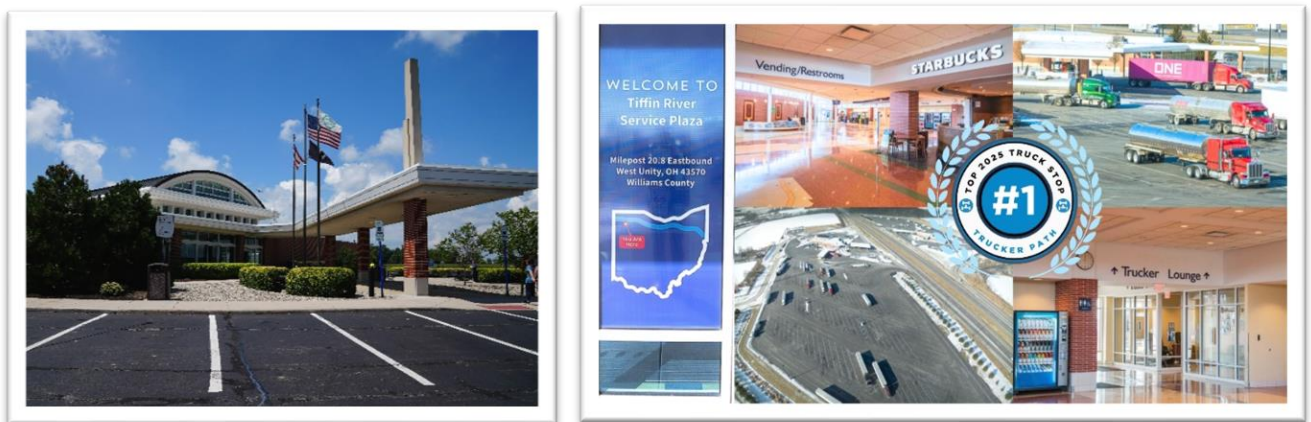
There are 14 state-of-the-art service plazas located on the Ohio Turnpike offering our passenger car and commercial truck customers with fuel, restrooms, convenience stores, national chain restaurants and more.

Our commercial truck customers have access to free overnight parking and free 24-hour access to a lounge furnished with seating, television, Wi-Fi, private showers, coin-operated laundry and vending for towels, sundries, and laundry supplies.

Many travelers consider the service plazas to be meeting points and destinations because of the amenities, cleanliness, and choices of popular restaurants.

Our service plazas operate on a public-private partnership model, wherein we own the buildings and enter contracts with concessionaires.

In fact, in January of 2025, in a nationwide survey, the Tiffin River Service Plaza in Williams County was voted by truck drivers as the **Number One** Truck Stop in America.



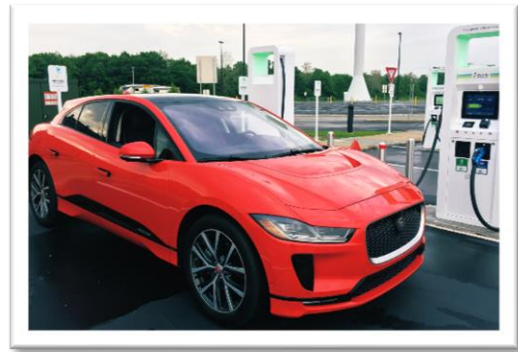
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Electric Vehicle Charging

Eight of our fourteen service plazas offer electric vehicle charging.

Our goal is to have electric vehicle charging units at all fourteen service plazas. There are ongoing efforts through our contracting and procurement department to make that happen.

The model that we use is once again a successful public-private partnership.



We provide the land via a site license agreement. The entities that build the charging stations invest their money in the infrastructure.

VEHICLE MILES TRAVELED IN 2024

On average, more than 150,000 vehicles travel the Turnpike every day. About 56 million passenger car and commercial vehicles travelled more than 3 billion miles across the Turnpike last year.

As a major route, the Ohio Turnpike carries the highest volume of commercial trucking freight in state, including long combination vehicles of double and triple trailers. The highest freight carrying segments of I-80 move nearly 80 million tons of cargo, worth \$575 billion, on an annual basis, according to the Bureau of Transportation Statistics. These numbers are projected to increase up to 85 million tons, worth \$630 billion, by 2045.

PRIDE OF OWNERSHIP

The Ohio Turnpike is an asset that all Ohioans can be proud of.

We take pride in providing a high-quality traveling experience to our customers, and we have been recognized for that with national and international awards.

2021 IBTTA Toll Excellence Award — Organizational Metrics

The Commission’s multi-phased project, “Bridging the Gap between Strategy and Execution during the Pandemic and Beyond,” won a 2021 Toll Excellence Award, presented by the International Bridge, Tunnel and Turnpike Association (IBTTA) for organizational metrics. IBTTA is the worldwide trade group representing toll road owners/operators and the businesses that serve them.

2022 IBTTA Diversity, Equity and Inclusion Award — Opportunity Corridor

In 2022, the Turnpike was recognized by IBTTA for its role in funding the Opportunity Corridor, a transportation improvement project in Cleveland that resulted in a positive environmental and economic impact on historically disadvantaged communities. The Commission approved more than \$200 million in funding for the Opportunity Corridor project, which included the construction of a 3.1-mile boulevard in Cleveland from East 55th St. at I-77/I-490 (known as the Forgotten Triangle) to East 105th St. It was the first time in the history of the Commission to provide funding for a project that had a transportation-related nexus to the 241-mile Ohio Turnpike.

2022 Greater Cleveland Public Relations Society of America (PRSA)

In 2022, the Commission was recognized with a Best of Show award from the Greater Cleveland Public Relations Society of America (PRSA) for a community service project at Boys & Girls Clubs of Northeast Ohio in Cleveland. The service project – which was chosen by the International Bridge, Tunnel and Turnpike Association (IBTTA) – was held ahead of its maintenance and engineering workshop in Cleveland. The IBTTA Foundation has a long history of giving back to organizations in cities that host its conferences. More than 90 IBTTA member volunteers participated in the service project to install an outdoor multipurpose basketball court, rebuild the baseball field and dugout, spruce up the garden, and landscape the grounds. It was one of the largest volunteer projects ever undertaken by the IBTTA Foundation. Each day, nearly 170 children and teens attend the club’s Broadway Avenue facility, a community hub in Cleveland.

2024 Northeast Ohio Chapter of WTS Award for Employee of the Year

The Commission was the recipient of the 2024 WTS Northeast Ohio Employer of the Year Award. WTS (or Women’s Transportation Seminar) is an international organization dedicated to shaping the future of transportation for the public good through the global advancement of women.

IBTTA Annual Meeting

Finally, the Turnpike served as the host organization for the Annual Conference for IBTTA in 2024, bringing nearly 1,000 people to the Greater Cleveland area for the conference.

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COMMUNITY

Our responsibility of maintaining 241 miles includes assisting our federal, state and local law enforcement partners to combat Human Trafficking on the Turnpike. In addition to campaigns throughout the year to raise awareness of the indicators of Human Trafficking, our staff is trained to identify potential human trafficking victims. We work with Truckers against Trafficking. Over the past few years, we have assisted in stopping multiple human trafficking attempts. We were integral in assisting law enforcement as part of a multi-state operation in identifying additional suspect vehicles and facilitating communications with other *E-ZPass* partner agencies.

I'd like to share one story with a great ending. In July 2022, an Ohio Turnpike customer contacted the OSHP stating that she had been approached by a young woman who was being transported against her will. The OSHP contacted the Turnpike's legal team to assist in obtaining video footage from the service plaza. Using the turnpike's newly installed cameras, Highway patrol was able to identify and later apprehend the perpetrator. The woman was reunited with her family.

CLOSE

Over the past 70 years, we have been a stable and reliable organization. The Ohio Turnpike is recognized as one the leading toll roads in the country as well as being financially sound, which is evidenced by our high bond ratings and safety record.

As a state-owned business we are focused on customer service and maintaining the highest engineering, ethical and technological standards.

Nothing that we accomplish would be possible without the 810 dedicated men and women who are employed by the Commission.

It is an honor to represent them and be before you today and answer your questions.

Thank you.