



House Bill 74
House Finance Committee
February 17, 2021

Chairman Oelslager, Vice-Chairman Plumber, Ranking Member Crawley and members of the House Finance Committee, my name is Tom Balzer and I am the President & CEO of the Ohio Trucking Association (OTA). I would like to thank you for this opportunity to present testimony on the DeWine Administration's transportation budget.

During the previous transportation budget, the trucking industry stepped up to the plate and worked with lawmakers and the DeWine Administration on the increase to the motor fuel tax. The OTA accepted an increase in the motor fuel tax, as it was much needed to ensure the safety of our roads and is the most efficient form of collecting the fees used for infrastructure projects. While we did support an increase in the tax on diesel, we were troubled at the final outcome, which seemed to disproportionately penalize the trucking industry by increasing the tax on diesel by 19 cents, while only increasing the tax on unleaded fuel by 10.5 cents. While a motor fuel tax increase is not being considered in the executive budget proposal, if the topic does arise, we would ask that the unleaded fuel tax be increased to the same level as diesel before any additional diesel tax increases are pursued.

Distracted Driving

The OTA applauds the DeWine Administration for its commitment to improving safety through the Hands-Free Ohio initiative. As you heard from Director Marchbanks, travel in Ohio during 2020 was down by 15% when compared to last year; yet, traffic deaths actually rose 7%. This frightening trend has led the OTA to make the Hands-Free Ohio initiative its top priority. The proposal in the transportation budget would make driving while handling any electronic wireless device a primary traffic offense. The bill will also increase fines for drivers who have multiple violations. 46 other states have primary enforcement for texting and driving, it is time for Ohio to make this change and start saving lives. Our truck drivers witness distracted driving by those in passenger vehicles on a daily basis, which not only puts their lives in danger, but also the lives of everyone else on the roadway.

The statistics around texting and driving are downright startling:

- The National Safety Council reports that cell phone use while driving leads to 1.6 million crashes each year.
- Nearly 390,000 injuries occur each year from accidents caused by texting while driving.

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- 1 out of every 4 car accidents in the United States is caused by texting and driving.
- Texting while driving is 6x more likely to cause an accident than driving drunk.
- Answering a text takes away your attention for about five seconds. Traveling at 55 mph, that's enough time to travel the length of a football field.

While the goal of this the Hands-Free Ohio initiative is to save lives, it is also important to note that it will also be beneficial to those in the logistics industry, as commercial vehicles are often hit by distract drivers. Additionally, crashes, even those not involving a commercial vehicle, lead to delays, which slows the movement of goods. Reducing distracted driving will keep our drivers safe and allow them to deliver their goods on-time, without unexpected delays.

Registration Fees

As Ohio considers how to fill budget holes, specifically within the Department of Public Safety, we believe there is an innovative solution that, if implemented, could increase revenue for the Department of Public Safety, without raising taxes or fees. In speaking with our members, it became apparent that many of them were registering their commercial trailers in other states. When asked why, the answer was clear, it is easier and cheaper in other states. States like Maine have a streamlined process, that is extremely affordable, especially for those companies registering many trailers. In Ohio, there are numerous layers of fees, there is a \$25 base fee, an \$11 BMV fee, and a \$5 deputy registrar fee. In total, depending on permissive local taxes, these fees could amount to between \$293 and \$533 for a single permanent trailer registration. In Maine, a company can register a vehicle for up to 12 years for just \$144. For the past year, we have examined ways to make Ohio more competitive and bring trailer registrations back to the state. In doing so, we could see significant revenue gains as opposed to sending this money out-of-state. The proposal would modify the \$25 base fee over an 8-year period. By reducing this fee, we could lower Ohio's permanent commercial trailer registration fee to \$143, one dollar less than Maine's. We believe this change will draw Ohio's trailer registrations back to the state and in doing so, increase revenues for both DPS and deputy registrars, whose fees will not be impacted under this plan. Such a proposal could also attract trailer registrations from out of state, which could result in significant revenue increases for the state and its local governments. We would urge you to support an amendment, implementing this change that will make Ohio more competitive when it comes to registering commercial trailers.

Truck Parking

I would also like to take this opportunity to address an issue facing our drivers, which is the lack of parking available for commercial vehicles. You have all likely seen this problem firsthand, rest stops packed each night with commercial vehicles, which often forces trucks to park on the side of the highway. This problem has been exacerbated as more rest stops have closed, thus further limiting the parking options for drivers. This is inconvenient for the drivers and creates safety concerns for all on the road. We appreciate language in the transportation budget that prohibits the closure of future rest areas unless the rest area's parking lot remains available for commercial vehicles. One solution we have suggested to ODOT would be to create a fund dedicated to addressing this problem. We look forward to

continuing to work with the DeWine Administration and this body on addressing this growing problem.

Personal Delivery Devices

Ohio has made great strides in being one of the most welcoming states in the nation for the development of innovative mobility technologies. DriveOhio is a shining example of the state's efforts to reduce government barriers and encourage the development of new technology. One new trend in logistics technology is personal delivery devices. These are autonomous devices designed to deliver goods directly to the homes of consumers. The COVID-19 pandemic has changed how all businesses function, and these devices allow for contactless delivery of essential goods. These devices are already operating in other states, and they have proven to be safe, efficient, and effective. ORC 4511.513 already allows for these devices to operate in the state, and just last session in HB 295, changes were made to increase the weight limitation allowing more of these devices to operate. Unfortunately, this code section is still overly restrictive, and must be updated to ensure these devices can be used to their full potential.

Workforce Development

Lastly, while I understand most of the governor's workforce development initiatives are being addressed in the main operating budget, I believe it is important to highlight the workforce needs facing the logistics industry. Prior to the pandemic, the American Trucking Association found that the driver shortage was over 60,000 nationwide, and it could grow to over 150,000 by the end of the decade. For years we have worked to identify ways the state can help address this problem. Unfortunately, in the previous operating budget (HB 166) funding was eliminated from the OhioMeansJobs Workforce Development Revolving Loan Program, which was primarily used by students attending CDL school. The elimination of this funding means there are very few financial aid opportunities available to individuals attending CDL school, and often the financial barrier is too great for some to enter the industry. We have worked with members of the House to address this problem. Last session two bills were introduced, HB 386 and HB 222. HB 386 created the Commercial Truck Driver Student Aid Program and HB 222 establishes a tax credit aimed at encouraging trucking companies to invest in driver training. The COVID-19 pandemic has shown how critical the trucking industry is to this state, yet essential goods can't be moved without a driver behind the wheel, which is why these workforce development initiatives are so important. We would encourage this body to consider these as amendments to either the transportation or main operating budget.

Mr. Chairman, thank you for allowing me to address the committee today, this concludes my testimony, and I would be happy to answer any questions.

Sincerely,



Thomas A. Balzer, CAE
President and CEO
Ohio Trucking Association