

TESTIMONY OF THE OHIO RAILROAD ASSOCIATION

FEBRUARY 24, 2021

OHIO HOUSE FINANCE COMMITTEE CONSIDERATION OF HOUSE BILL 74/HB 110

Chairman Oelslager, Vice-Chairman Plummer, Ranking Member Crawley, and members of the House Finance Committee, thank you for this opportunity to present the Ohio freight railroad industry's comments on House Bill 74 and HB 110. The state's freight rail industry is providing testimony in support of sections pertaining to the programs managed by the Ohio Rail Development Commission which are included within both bills as introduced.

My comments will address three subjects: grade crossing safety funding in the current version of HB 74, the rail industry's support for the distracted driving recommendations in HB 74, and support for the GRF funding provisions for the Ohio Rail Development Commission in HB 110.

GRADE CROSSING SAFETY

HB 74 bill proposes to provide approximately \$15 million per year for public grade crossing safety programs. (Grade crossings are the at-grade intersections between railroad tracks and roadways.) According to the Ohio Rail Development Commission (ORDC), this funding is provided through federal funds allocated specifically for grade crossing safety purposes. They are primarily reserved for the construction of or improvements to the warning devices and signals designed to alert motorists as they are approaching grade crossings. (Under current state law, the freight railroad operators are responsible for the engineering and installation, plus the costs of annual maintenance, of the increasingly complex and expensive warning devices.) The General Assembly has a long record of support for grade crossing safety, and we urge your continued support for this line item.

According to the Ohio State Rail Plan

(<http://www.dot.state.oh.us/Divisions/Rail/Documents/State%20of%20Ohio%20Rail%20Plan%20Final.pdf>), Ohio has almost 5,800 public grade crossings, the fourth most in the nation, behind Texas, Illinois, and California. The combined long-term efforts of the parties actively involved (including law enforcement, railroads, state government, local government, federal agencies, Operation Lifesaver, and countless volunteers) in addressing grade crossing safety have reduced the annual total grade crossing crashes in Ohio from 326 in 1990 to 68 in 2019. This roughly 80% reduction in crashes is more impressive when you consider that in 1990, there were approximately 6.7 million vehicles registered in Ohio to a population of roughly 10.9 million Buckeyes. By 2017, the number of registered vehicles had grown to about 10.6 million, while our population had grown to 11.6 million. Rail business has also increased during this period while the number of grade crossings has been reduced only very slightly. The funding provided for public grade crossing safety improvements (numbering in the thousands of

crossings over the decades) has clearly been significantly beneficial for public safety. This is a success story, with countless lives saved. And these previous safety investments will continue to save lives in the future.

However, a persistent and troubling aspect of grade crossing safety is the fact that roughly 80% or more of the grade crossing crashes in recent years occur where the public authorities have installed active warning devices (lights and gates; for example, in 2017, 56 of the 68 crashes were at locations with gates and/or flashing lights). This is not just an Ohio issue. National efforts are focused on investigating this situation and searching for a solution to further reduce overall crashes, and the persistently high percentage occurring at what should be the least hazardous crossings.

DISTRACTED DRIVING

The Ohio Railroad Association is a member of Governor DeWine's Traffic Safety Council, managed through the Ohio Department of Public Safety. Like others who are members of the Council, we want to add our support for language in HB 74 that would encourage the reduction of distracted driving behavior. The hundreds of millions of public dollars spent to ensure every driver is as safe as possible are devalued when drivers are looking down at a phone instead of up at the road ahead. Via testimony already presented before this committee, you have seen the shocking numbers associated with distracted driving, and we all continue to see reports of crashes where distracted driving was believed to be the proximate cause. We encourage Ohio to join the many other states that have such a law on their books.

HB 110

I want to also take a moment to share industry support for the proposed ORDC budget provisions in HB 110. While funding in HB 74 addresses public grade crossing safety programs, the funding in HB 110 is specific to the ORDC's support for economic development and rail infrastructure assistance. The \$2 million dollars that is provided is consistent with recent allocations, and that funding supported 39 projects over the 2019-2020 biennium, with half of those projects directly involving freight railroad company infrastructure, such as yard expansions, track rehabilitation, and bridge repairs. The remaining eighteen projects (18) funded freight rail infrastructure improvements on property owned by non-railroad businesses that depend on rail service for their business plan. In all cases, these investments are "in the ground" in Ohio, demonstrating a commitment to the state and community, and because of the capital-intensive nature of railroading, reflecting the business' long-term optimism for success. From steel manufacturing to agribusiness and mining to logistics, these eighteen businesses attributed the funding provided by the ORDC with an important assist in the creation or retention of approximately 1,800 Ohio jobs. The funding provided in HB 110 will continue to allow the ORDC to perform its important economic development mission while also ensuring that Ohio's rail infrastructure can meet the needs of Ohio businesses, and the communities that rely on those businesses.

In closing, I would like to share third-party observations about the important and committed role freight rail serves in Ohio's economy. Recently, The American Society of Civil Engineers released their first evaluation of Ohio's overall infrastructure in twelve years, referring to their review as an "Infrastructure Report Card". Ohio's overall grade was a C-, and you can access the report here -- <https://www.infrastructurereportcard.org/cat-item/rail/>. The *Cleveland Plain Dealer* and many other Ohio news sources reported on this study, and here is what the *P-D* had to say about Ohio's rail grade, a B, which was the highest grade obtained among the sixteen infrastructure categories reviewed.

Rail: B

Rail received the top grade out of all 16 categories, with solid waste earning the second-highest grade of a B-. Hebebrand said a reason rail graded well was because of investments made during the past decade. One key investment was that all Class I railroads, the ones that make up the majority of the nation's rail infrastructure, recently put in positive train control to stop trains remotely in case of a problem.

"Hopefully, it will save lives," Hebebrand said. "That was a huge investment by the Class I railroads across the country."

According to the state's report card, Ohio ranks fourth in the nation for total miles of track with 5,188. The state's freight railroads also carry 289 million tons of freight a year.

And here is another perspective on the critical role freight railroads play in the state's economy.

Excerpt from the 2019 Ohio State Rail Plan:

"Ohio has an extensive rail network that is closely integrated with the state's economy. At 5,187 miles, Ohio's network of active rail lines is the fourth most extensive in the nation, only behind that of Texas, Illinois, and California. Because Ohio is geographically much smaller than either Texas or California, its rail network is more concentrated. Rail infrastructure (unlike highway infrastructure) is often sold or abandoned if its use does not justify the costs to maintain and operate. If Ohio businesses did not use the rail network, it would not be as extensive. The high mileage of rail lines in Ohio reflects the close integration of rail with Ohio's economy. Including the impact of employee spending and spending across industries, the freight rail industry contributes \$2.8 billion to Ohio's economy annually.

Rail service in Ohio competes more closely with trucking than in other parts of the country. Where the average rail shipment distance nationwide is 1,033 miles, the average shipment distance to or from Ohio is estimated to be 619 miles. Less than 25 percent of the ton-miles originating or terminating in Ohio (compared to 55 percent nationwide) are in shipments of over 60 carloads. Because the average length of haul is shorter and the average number of carloads per shipment is fewer, railroads shipping to and from Ohio compete more closely with trucking than elsewhere, all else being equal."

The Ohio Railroad Association and its members support a fair and competitive multi-modal freight marketplace in Ohio. The forty-one freight railroads operating across Ohio invest tens of millions of dollars every year to maintain and improve their own properties and assets, properties and assets used to ensure safe and efficient rail freight transportation is available to Ohio's many industries. We appreciate the partnership with the State of Ohio in our continuing work to provide freight rail services in support of Ohio's diverse economy.

Thank you for the opportunity to share this information.

Sincerely,

Art Arnold

Executive Director

The Ohio Railroad Association