



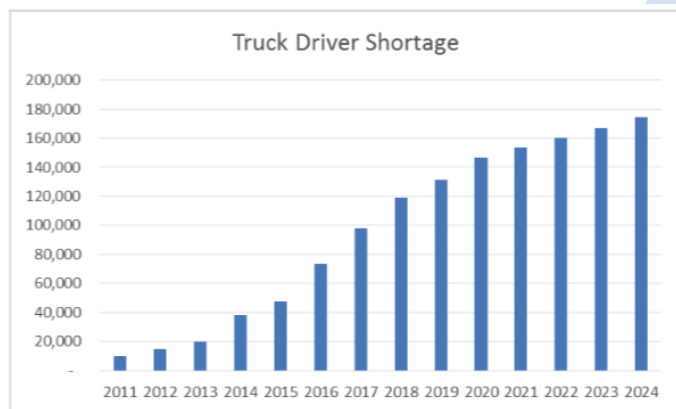
HOUSE BILL 154

House Education and Career Readiness Committee
May 31, 2017

Chairman Brenner, Vice-Chairman Slaby, Ranking Member Fedor, and members of the House Education and Career Readiness Committee, my name is Tom Balzer, President & CEO of the Ohio Trucking Association. Collectively, we represent over 1,000 trucking, moving, logistics, and warehouse companies and allied vendor members. I would like to thank you for this opportunity to allow me to present my testimony in support of House Bill 154, which would set aside five million dollars for the purpose of providing a 50% grant and a 50% loan to those attending truck driving school.

The trucking industry is the lifeblood of the U.S. economy. Nearly 70% of all the freight tonnage moved in the U.S. is transported by trucks. Moving 9.2 billion tons of freight annually requires nearly 3 million heavy-duty Class 8 trucks and over 3 million truck drivers.

Over the past 15 years, the trucking industry has periodically struggled with a shortage of truck drivers. The first shortage during this period was documented in a 2005 report. At that time, the shortage was roughly 20,000 drivers. During the last recession starting in 2008, the driver shortage was eliminated as transportation demands plummeted. However, as the demand for the industry began to recover in 2011, the shortage slowly returned. The national driver market continued to tighten, and the shortage skyrocketed to 38,000 in 2014 and 48,000 in 2015. If the current trend holds, the shortage may balloon to almost 175,000 by 2024.



Because of the ability of the trucking industry to employ drivers in areas other than their home office, it is difficult to ascertain the exact number of openings in Ohio, but a basic search of Indeed.com for truck drivers in Ohio yielded over 45,000 openings. The U.S. Department of Labor places the median annual salary for all truck drivers at around \$40,000, but because of the variety of jobs that fall into the truck driver category heavy duty truck drivers typically make much more. Pay for drivers is based on production so entry level drivers can expect to make an increased wage shortly after entry into the industry. The median annual wage for a trucker that works for a private fleet is \$73,000 with some drivers topping \$100,000 per year.

The need for this bill is simple. In this country we will give scholarships, grants, and loans to go to college to pursue a degree in any number of disciplines but there is no financial aid for truck driving school.

The proposed bill regarding scholarship and loan administration would allow new drivers to complete CDL school without acquiring massive debt through traditional education that doesn't always guarantee employment after graduation. This bill could assist in the education of up to 1,000 drivers, providing a \$2,500 scholarship and a \$2,500 loan to each student wishing to complete CDL school. This small expense is attractive not only to drivers wishing to receive training that will benefit them throughout their entire career, but the trucking industry as well, potentially increasing the number of new drivers within the industry by providing education at an affordable cost.

On the issue of churn, trucking is no different than any other industry. I, along with a lot of you, started my career with my first job for the experience. When I gained that experience I moved on to a better job. That is the story everyone regardless of industry tells. And all industries from accounting, to law, to medical, to restaurants, have churn.

Just like with other industries a truck driver with an excellent safety history can write their own ticket. A CDL is extremely marketable today and not only does the trucking industry cannibalize from each other as we have very limited market of new entrants. But we also lose drivers to other industries like construction or oil. Churn is not a bad word; churn tells me that people are gaining experience and getting better jobs.

The conjecture that there isn't a truck driver shortage but that the industry just needs to pay more and offer better benefits is baseless and without merit. Truck drivers make an excellent salary and companies offer comprehensive benefits, the market demands it. Just because the US DOT issues a CDL does not mean that person is in the trucking industry. There are a lot of industries that require a CDL, including your lawn care service to beer delivery drivers. I have a CDL, and I run an association.

Mr. Chairman, this concludes my testimony, and I would be happy to answer any questions.