OPERATION: SUSTAIN TRANSIT!

A Potential Transit/Rail Operational Sustainability Program for Ohio

November 2009

ALL ABOARD OHIO!

Summary

Ohio faces a serious and worsening mobility crisis. Today, nearly one-fourth of the state's population has difficulty providing for its own mobility with private vehicles. By 2030, that will rise to one-third of the state's population, with approximately half of the population in several of Ohio's largest cities unable to effectively provide for its own mobility.

Meanwhile Ohio has reduced state funding for public transit by 75 percent since 2001 and has *never* had an intercity passenger rail and regional bus development program. All Aboard Ohio seeks to remedy these dramatic shortcomings in the face of such a crisis by finding and recommending new, creative ways to preserve and fund expanded public transit and passenger rail services statewide.

This report outlines a Rail/Transit Operational Sustainability Program for ODOT comprised of the following components (all amounts are annual):

Expand transit services/reduce fares –	**$75.0 million**
Transit capital improvements –	**$40.0 million+**
Ohio Hub expansion capital/operating –	**$20.2 million**
3-C Corridor Quick-Start operations –	**$13.0 million**
Freight rail development fund –	**$10.0 million**
TOTAL	**$158.2 million**

+ = This state funding can be used to leverage up to an additional $160 million in federal capital improvement funds.

Operation: Sustain Transit! would be afforded by budget offsets as a result of these efforts (all amounts are annual):

OHERN/Ohio Transit Pass –	**$81.0 million**
Nonhighway fuel tax revenues –	**$28.0 million**
Vanity license plates –	**$12.7 million***
Green Highways program –	**$12.5 million**
Logo exit sign profit sharing –	**$11.0 million**
State employee travel savings in 3-C Corridor –	**$ 5.0 million****
Reduced highway pavement/bridge damage –	**$ 3.5 million**
Doubling of ODOT telecom lease revenues –	**$ 3.0 million**
City/county employee travel savings in 3-C –	**$ 1.5 million*****
TOTAL	**$158.2 million**

* Per-capita estimate based on Oregon's experience.
** Could be much higher than estimated.
*** Preliminary estimate. Additional research underway.

Due to the Ohio Constitution's restriction on the spending of state-collected highway user fees, ODOT will need to source these offsets from non-highway revenues. About $16 million (for the Green Highways program and the reduced highway damage caused by trucks) could be from the roughly $44 million (in 2007 dollars) that annually comes from non-highway motor fuels taxes collected by the State of Ohio. Budget offsets have not yet been identified for the remaining $28 million.

Another $20 million in general revenue funds were recommended for transit recently by the Ohio House of Representatives until the state's budget situation briefly worsened and had to be postponed. Those funds could be included here.

The mix of funding sources brings the total to $75 million recommended for transit by Gov. Ted Strickland's 21st Century Transportation Task Force in 2009. That amount was recommended so that each transit agency has about 25 percent of their budgets coming from state sources, thereby providing a healthier, more stable balance of funding sources. And this can be done without increasing the gas tax or amending the state's constitution.

Background

Ohio is confronted by a worsening mobility crisis. Census data shows that approximately one-fourth of Ohio's population is either be too old or too poor to effectively provide for its own transportation mobility. That already high proportion of the state's population will grow further by 2030 – to one-third of all Ohioans. Citizens in Ohio's largest cities will face the greatest mobility challenges, with up to one-half of the populations in Cleveland, Cincinnati and Dayton affected. At least 20 percent of the households in those cities have no car. More households have cars in Columbus than in any other Ohio city with a population greater than 100,000. Yet 10 percent of Columbus households don't have cars, ranking the city above the statewide average of 8.5 percent. Many more households have just one car which may not be in a reliable condition, or that one car is shared among multiple wage earners in that household. When the car is inoperable or used by another driver, the household becomes a no-car home.

While we may not all be poor someday, all of us will get older. That means we will not be as physically able to drive as often or as far as we did when we were younger. Others simply choose not to drive to save money and spend it in their local economy.

Ohioans turned out en masse to share personal, often heart-wrenching stories behind that foreboding Census data at public meetings of Gov. Ted Strickland's 21st Century Transportation Priorities Task Force held statewide in 2008. The Ohio Department of Transportation (ODOT) acknowledges this emerging crisis. Administrators and staff are also aware that the terrible economic and quality of life consequences from having so many Ohioans immobilized can be avoided by providing more transportation choices statewide – within and between towns, cities and metropolitan areas.

Funding constraints, legal issues and institutionalized practices are common barriers to effectively respond to new challenges. This report will suggest some opportunities to possibly overcome those barriers.

ODOT action steps

ODOT's response to the state's worsening mobility crisis includes promoting increased investment in local public transportation and the development of intercity passenger rail services. In 2008, the Ohio House of Representatives sought to increase state funding for public transportation from $16 million in the previous year to nearly $20 million.

Yet that is well short of the $42 million ODOT provided to transit as recently as 2001. Fiscal constraints in the most recent state budget forced that amount to its lowest level in recent memory – $10 million for FY2010.

Even as more Ohioans look to public transportation to ensure their mobility and continued participation in the state's economy, Ohio has been forced to cut funding and transit agencies are forced to cut services and raise fares. Instead of being able to reach work, more Ohioans will have to depend on public assistance. This ultimately creates a death spiral for the state's fiscal standing.

Meanwhile ODOT, through the Ohio Rail Development Commission (ORDC), is pursuing the Ohio Hub System passenger rail program. State law and marketing studies dictate that the first Ohio Hub route link Cleveland, Columbus and Cincinnati (3-C Corridor) which also includes Dayton. There is additional support and interest for expanded passenger rail service in other parts of the state, such as across Northern Ohio.

ODOT is calling its initial passenger rail service the "3-C Quick Start." This project would tap federal American Recovery and Reinvestment Act (ARRA, often known as the federal stimulus) funding through the Federal Railroad Administration to pay for significant capital improvements along privately owned freight railroad rights of way. Capital improvements in the 3-C Corridor could include:

- New, rebuilt or expanded transportation centers which unite intercity rail and local/regional public transportation services, and serve as magnets for economic development and job creation in traditional town centers;
- Additional passing sidings and/or main tracks that, when combined with PTC (see next item), could increase rail corridor throughput capacity by 15 percent to accommodate freight rail traffic growth and enhance rail service reliability and efficiency;
- Installation of a Positive Train Control interactive train signal system that will enhance rail safety in the 3-C Corridor and allow the corridor to meet a federal mandate which requires PTC installation by 2015;
- Additional road-rail grade crossing signals, signs and devices to enhance safety, enable the creation of "Quiet Zones" to legally silence train horns and allow for passenger train speeds to be increased where possible.

In order to be eligible for an ARRA grant for passenger rail corridor development, the FRA requires that applicants demonstrate how they will financially sustain the rail service's operating costs over the long term. States like Maine, North Carolina and Virginia used federal Congestion Mitigation/Air Quality (CM/AQ) funding to provide operating cost support for the first three years of their new passenger rail services. CM/AQ funding cannot be used for more than three years nor can it be used to pay for operating cost support for existing rail or transit services. ODOT is likely to use CM/AQ for the first three years of 3-C Corridor service. How 3-C service will be funded – or operationally sustained – beyond the first three years has yet to be decided. ODOT is seeking input on its 3-C Corridor operational sustainability plan. Now is an opportune time for All Aboard Ohio to weigh in since ODOT has until Oct. 2 to submit its ARRA application to the FRA.

All Aboard Ohio's approach

In 2008, ODOT had slightly increased funding for public transportation from its lowest point the year before, transit funding remains in a precarious position. All state funding for public transit in Ohio comes from the state's general revenue fund which is subject to the variable world of politics and the ebbs and flows of economic booms and busts. The recession's influence resulted in the elimination of a hoped-for increase in transit funding for fiscal year 2010. In response, many transit systems are planning to make deeper cuts in their services and to raise fares.

Given the scale of the mobility crisis threatening Ohio's citizens, businesses, cities and statewide economy, Ohio should be investing at least $75 million per year to expand public transportation and to keep fares low, according to Gov. Ted Strickland's 21st Century Transportation Priorities Task Force. The amount for public transit should increase so that the state funding share represents 25 percent of Ohio public transit's operating expenses and 50 percent of the non-federal match for capital expenses.

That was part of the task force's Recommendation M in its January 2009 final report to the governor. Recommendation M sought to "establish a dedicated and adequate source of funding for public transit, including buses, light rail, streetcars, trolleys, intercity and intra-city passenger rail." While that goal remains elusive, the suggestions in this report hope to fulfill a portion of it.

All Aboard Ohio's approach is to borrow from the task force's Recommendation M, except that we do not seek to increase gas taxes or amend the Ohio Constitution so gas taxes can be used for non-highway transportation. Instead, All Aboard Ohio suggests the state make budgetary offsets to afford developing passenger rail and public transit services. Some funding would come from more stable revenue sources, including non-highway motor fuel taxes.

The Rail / Transit Operational Sustainability Program

To ensure the long-term stability of statewide rail and transit services, All Aboard Ohio suggests that approximately $158 million annually from budget offsets, cost-saving programs, new revenues and minor reallocations be instituted. Admittedly, $158 million is a small step forward in addressing a much larger and growing mobility crisis.

Principal elements of our suggested statewide program include (all amounts are annual):

Expand transit services / reduce fares –	**$75.0 million**
Transit capital improvements –	**$40.0 million+**
Ohio Hub expansion capital / operating –	**$20.2 million**
3-C Corridor Quick-Start operations –	**$13.0 million**
Freight rail development fund –	**$10.0 million**
TOTAL	**$158.2 million**

+ = This state funding can be used to leverage up to an additional $160 million in federal capital improvement funds.

The existing state share of funding for ODOT's Public Transit division is $10 million per year, all from general revenues. Our proposal would expand that amount to $75 million annually for operations and $40 million for capital improvements. As noted in the above financial details, that could also leverage additional Federal Transit Administration funding for capital improvements or, potentially, operating support.

Budget offsets, new sources

All Aboard Ohio researched how other states support their passenger rail and public transit services, and also looked to see what pilot programs exist either at ODOT or in other states and could be expanded to free up funding for developing and expanding rail and transit services to meet Ohio's mobility challenges. All Aboard Ohio considered the following to be the most practical to implement on a near-term basis yet provide ongoing, long-term benefits:

The Rail/Transit Operational Sustainability Program would be afforded by budget offsets as a result of these efforts (all amounts are annual):

OHERN/Ohio Transit Pass –	**$81.0 million**
Nonhighway fuel tax revenues –	**$28.0 million**
Vanity license plates –	**$12.7 million***
Green Highways program –	**$12.5 million**
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State employee travel savings

All Aboard Ohio estimates the state could be much more fiscally responsible by having state employees take the train, where possible, on state business in the 3-C Corridor. Fortunately, most state office buildings are in downtown areas, near where train stations will be located. Today the only alternative for state employees is to drive state motor pool vehicles or use their own cars and then expense the trip.

The Ohio Department of Administrative Services seeks to control escalating state motor pool costs as the expenses of owning and operating a car keep rising. At 54 cents per mile, AAA says it costs $8,100 per year to own and operate a mid-sized sedan 15,000 miles annually. That's an increase from 41 cents per mile in 1995 and 49 cents in 2000 (for 2009 data, see: http://www.aaaexchange.com/Assets/Files/200948913570.DrivingCosts2009.pdf).

This summer, Ohio DAS increased the base cost of driving a state motor pool car from $19.50 to $20 per day, and the mileage cost by five cents per mile to 26 cents (see detail on next page). The 3-C Corridor is an effective way for the state to get those costs under control. State employees, including staff at state universities, could reduce travel and overtime costs incurred by the state by $204 per person-trip. Cost savings would come from the general revenue fund.

All Aboard Ohio has encouraged the state to use this cost savings to financially support the 3-C Corridor trains. This answers a question posed by some state legislators how the state expects to sustain 3-C Corridor operations over the long term. The state would have the incentive to continue to support train services, for without the trains the state would return to incurring higher costs.

All Aboard Ohio analyzed the costs of a state employee traveling in the 3-C Corridor. While cost data was provided from the Ohio Environmental Protection Agency (EPA), the data appears to be consistent among all state agencies.

Cost for a state employee to drive Cleveland - Columbus

Basic data used in calculations

Distance:	**~140 miles (one way)**
Estimated travel time:	**2.5 hours (one way)**
Estimated employee wages:	**$25.00/hour (conservative estimate).**
Motor pool cost (based upon motor pool rates in use at Ohio EPA):	**$20.00/day + 26 cents/mile + gas (recently increased from $19.50/day + 21 cents/mile).**
Vehicle:	**Ford Taurus (or similar commonly used state vehicle) at an estimated 27 mpg.**

Vehicle cost (At 280 miles round trip)

$20 + 280 miles @ 26 cents/mile =	**$ 92.80**
+10.37 gallons of gasoline @ $2.50/gallon =	**$ 25.93**
Sub-Total:	**$118.73**

Employee cost

5 hours drive time@ $25.00/hour =	**$125.00**
Total:	**$243.73**

Drive time is lost productivity because employees can't get work done while driving except perhaps phone calls which is not necessarily safe. However on a 3-C Corridor train, an employee can get work done such as phone calls, e-mail, conference calls, paperwork, etc.

Notes:

$ Employee costs do not include the potential for overtime.
$ Figures are based on an employee traveling alone.
$ Use of the train also reduces greenhouse-gas emissions.

State Motor Pool considerations:

Since all state offices and other destinations an employee may need to reach may not be located within walking distance or reasonable public transit distance from the train stations, the state vehicle motor pool could be reduced and re-configured to work intermodally with the 3-C Corridor trains. This would optimize the overall efficiency for many employee trips.

The state could have motor pool vehicles located at, or very close to the 3-C Corridor transportation centers in major cities (or establish a contract with a car-sharing company like ZipCar or CityWheels). This way an employee could take a train, get work done along the way, then quickly and easily pick up a car to complete his/her trip.

In the following conclusions, the average round-trip rail fare (Amtrak's average fares in the Midwest are 14 cents per mile) and local transit connection in the 3-C Corridor is assumed to be **$40 per person**.

Conclusions:
+ If 50 state employees are driving per workday in the 3-C Corridor, that's $3 million per year, less $500,000 for rail fare.
State could save $2.5 million per year.

+ If 100 state employees are driving per workday in the 3-C Corridor, that's $6 million per year, less $1 million for rail fare.
State could save $5 million per year.

+ If 200 state employees are driving per workday in the 3-C Corridor, that's $12 million per year, less $2 million for rail fare.
State could save $10 million per year.

It is likely that hundreds of state employees are driving every workday between the major cities of the 3-C Corridor. That assumption is based on the fact that the 3-C Corridor has two-thirds of the state's population and it has Ohio's capital city where most state government offices are located. The largest numbers of state employees are located in Ohio's other large cities. More state employees travel between the largest cities in the 3-C Corridor than anywhere else in Ohio.

According to the Department of Administrative Services, state agencies spent $18.4 million for travel in 2008 (for cost details, see: http://www.das.ohio.gov/gsd/Fleet/pdf/FleetAnnualReport__FY2008.pdf). Two-thirds of $18.4 million is $12.27 million, which roughly equals the total projected state operating support for 3-C Corridor passenger trains.

Those estimates don't fully account for agencies and state universities reimbursing employees for travel in their own vehicles. The IRS in 2009 estimates the cost of driving at 55 cents per mile for business travel deduction purposes. Parking expenses aren't included in the IRS data. It is not known how large the reimbursed travel expenses are. But, as of 2007, the state is attempting to capture and track those costs through the required use of the Fleet credit card and the FleetOhio Management Information System.

City/county employee travel savings in 3-C

State government isn't the only one that would save money by having its employees use 3-C Corridor trains. So would local governments. Many city and county governments must frequently travel to Columbus to conduct city/county business. This includes volunteer trustees serving on boards of mental retardation/development disabilities and more. All are reimbursed for their travel expenses while some local government leaders use city/county-owned cars, many of which are former police cars with already high mileage and poor fuel efficiency.

All Aboard Ohio has asked key officials in several cities and counties of differing sizes along the 3-C Corridor to survey department heads to get a handle on how many employees might be traveling to Columbus each month. With that data, All Aboard Ohio will be able to evaluate the potential cost savings for all local governments along the 3-C Corridor. Local governments may choose to use the funding for any appropriate purpose they wish, of course. But one purpose might be to help financially support better public transit and passenger rail services in their communities. Such funding would also give those communities a greater voice in how the transit/rail services are operated.

Although our research continues, All Aboard Ohio estimates about 10-15 local government employees in a community with 100,000 residents travel monthly to Columbus on business in a community. The annual savings to that community from employees taking the train instead of driving could be about $25,000 per year. If applied on a per-capita basis to the entire 3-C Corridor, that could amount to more than $1.5 million per year.

Reduced highway pavement/bridge damage costs

In order to enable 3-C Corridor passenger rail service, the state will likely have to use much of the ARRA (federal stimulus) grant to finance capacity enhancements to freight railroad-owned rights of way.

For long periods of each day and throughout each night, there will be no passenger trains on 3-C Corridor tracks. Technical data being amassed by the major transportation engineering and consulting firms estimates the construction of additional passing sidings and/or main tracks when combined with the addition of a federally required Positive Train Control signaling system could increase overall rail corridor throughput capacity by 15 percent. That will allow freight railroads to accommodate freight rail traffic growth and enhance rail service reliability and efficiency.

Some of the freight traffic would likely come from totally new shipping activity. However most new rail freight traffic industry-wide is likely to come from increased market share, according to the American Association of State Highway Transportation Officials' Freight Rail Bottom Line Report (see http://freight.transportation.org/doc/FreightRailReport.pdf). The report said that this could have profound impacts by making highway pavement and bridges last longer with fewer trucks damaging them.

A report by the Kansas Rural Development Council looked at impacts on highway pavement conditions if short-line freight railroads were shut down and rail traffic was diverted from train to truck. The report (see http://www.planning.dot.gov/Documents/Rural/KansasFreight.htm) found that pavement damage ranged from $4 to $8 per truck-mile/year.

That data works in reverse, too, resulting in cost savings to transportation departments. Thus, for each truck-mile/year diverted to rail saves $4 to $8 in highway pavement damage. The Kansas Rural Development Council's estimate did not include damage to highway bridge structures.

All Aboard Ohio estimates that the 3-C Corridor right of way capacity enhancements could allow the freight railroads to divert 400,000 truck-miles per year to trains, saving ODOT $1.6 million to $3.2 million per year in having to repair highway pavement damage. All Aboard Ohio used the higher end of the range to account for the savings from reduced damage to highway bridge structures.

It's noteworthy that freight would be transferred from government-owned and maintained highway rights of way to corporate-owned and maintained railroad rights of way. Right of way maintenance costs would similarly be transferred. They are now borne by taxpayers but instead would be borne by private enterprise. That would reduce the burden on taxpayers and should be favored by fiscal conservatives. Additional transfers statewide (and even nationally) could help state and federal transportation departments cope with gas tax funding shortfalls by reducing highway maintenance expenses.

All Aboard Ohio calculated the reduced highway repair and maintenance costs as follows in these 3-C Corridor operating segments:

Cleveland-Berea (NS Chicago Line)
Route miles: 12
Daily rail traffic: 90 freight trains
Equivalent truck traffic (@250 trucks/train): 22,500 trucks
Equivalent truck traffic (truck-miles): 270,000
3-C Corridor capacity enhancement (@15%): 40,500 truck miles
Annual highway maintenance savings: $324,000

Berea-Greenwich (CSX Greenwich Subdivision)
Route miles: 42
Daily rail traffic: 70 freight trains
Equivalent truck traffic (@250 trucks/train): 17,500 trucks
Equivalent truck traffic (truck-miles): 735,000
3-C Corridor capacity enhancement (@15%): 110,250 truck miles
Annual highway maintenance savings: $882,000

Greenwich-Galion (CSX Greenwich Subdivision)
Route miles: 24
Daily rail traffic: 30 freight trains
Equivalent truck traffic (@250 trucks/train): 7,500 trucks
Equivalent truck traffic (truck-miles): 180,000
3-C Corridor capacity enhancement (@15%): 27,050 truck miles
Annual highway maintenance savings: $216,000

Galion-Columbus (CSX Columbus Line Subdivision)
Route miles: 57
Daily rail traffic: 15 freight trains
Equivalent truck traffic (@250 trucks/train): 3,750 trucks
Equivalent truck traffic (truck-miles): 213,750
3-C Corridor capacity enhancement (@15%): 32,063 truck miles
Annual highway maintenance savings: $256,504

Central Columbus (mixed segments of CSX & NS)
Route miles: 10
Daily rail traffic: 45 freight trains
Equivalent truck traffic (@250 trucks/train): 11,250 trucks
Equivalent truck traffic (truck-miles): 112,500
3-C Corridor capacity enhancement (@15%): 16,875 truck miles
Annual highway maintenance savings: $135,000

Columbus-Dayton (NS Dayton District)
Route miles: 65
Daily rail traffic: 35 freight trains
Equivalent truck traffic (@250 trucks/train): 8,750 trucks
Equivalent truck traffic (truck-miles): 568,750
3-C Corridor capacity enhancement (@15%): 85,313 truck miles
Annual highway maintenance savings: $682,504

Dayton-Winton Place (NS Dayton District)
Route miles: 45
Daily rail traffic: 40 freight trains
Equivalent truck traffic (@250 trucks/train): 10,000 trucks
Equivalent truck traffic (truck-miles): 450,000
3-C Corridor capacity enhancement (@15%): 67,500 truck miles
Annual highway maintenance savings: $540,000

Winton Place-Cincinnati (CSX Cincinnati Terminal Subdivision)
Route miles: 5
Daily rail traffic: 100 freight trains
Equivalent truck traffic (@250 trucks/train): 25,000 trucks
Equivalent truck traffic (truck-miles): 125,000
3-C Corridor capacity enhancement (@15%): 18,750 truck miles
Annual highway maintenance savings: $150,000

TOTALS
398,251 (round to 400,000) fewer annual truck-miles.
Saves $3,186,008 (round to $3.2 million) in total highway repair and maintenance costs per year.

Logo exit sign profit sharing

ODOT is seeking a profit-sharing contract with the company that manages the blue Ohio LOGO highway exit sign program. ODOT is seeking the new contract under state mandates to identify new opportunities to recapture the public's investment in transportation infrastructure.

Since 1992, ODOT has contracted to an outside vendor the state's Ohio LOGO program, advertising gas, food and lodging providers at highway exits. The terms of this previous multi-year contract allowed for the administrator of the contract to keep all profits from the program.

Instead of renewing the existing contract, ODOT competitively bid a redesigned contract which provided to the state the ability to share in the profits from this program, directing the revenue to the Highway Operations fund or to any other transportation use it wished. The revenues from this program are not affected by the Ohio Constitution restriction on the use of highway user fees.

ODOT estimated that, as the program expands, revenue to the state will grow from early projections of $3 million per year to upward of $11 million in later years. For more information about this program, see:
http://www.dot.state.oh.us/Divisions/Legislative/Documents/02-11_ODOT-TransportationBudgetPresentation-TSoHFAC.pdf

OHERN / Ohio Transit Pass

Public transit agencies throughout Ohio have arrangements with colleges and universities to provide discounted or free transportation services to their students and often staff. In turn, the college or university provides the transit agency a set fee per year. However, this exists primarily on the local level and does not involve intercity or statewide transportation between more than one college / university.

Bowling Green State University Professor Emeritus Jerry Wicks has proposed a statewide public transportation network (rail-based) coordinated and funded through colleges / universities. He calls it the Ohio Higher Education Rail Network, but All Aboard Ohio sees its usefulness to support a more extensive bus network while using rail services only for the busiest travel corridors such as those identified in the state's Ohio Hub plan. Thus, All Aboard Ohio suggests the program could be named the Ohio Transit Pass, yet still be supported principally by higher education.

OHERN notes that a critical issue for Ohio's higher education institutions is a reduction in costs of education through various cost-cutting measures and new initiatives. Also, "Centers of Excellence" are to be recognized and the historical counter-productive competition among institutions is to be reduced through greater collaboration and the sharing of resources.

Solutions to encourage collaboration include increased reliance on distant learning, adoption of new learning strategies and streamlined admission standards, OHERN says. However, faced with the unpredictable and often high cost of transportation, the overall effectiveness of these new initiatives could be blunted. Most Ohioans confront the problem of high travel costs, but since transportation is one of the largest indirect costs associated with attending a college or university, the burden of this cost falls especially hard on households with members in college.

The cost of fuel is pricing many families out of the higher education market and making it all the more difficult for people on different campuses to collaborate. Distance learning technologies provide one type of solution, but there are limits to what Internet technologies can do. There are times when students really must visit a science lab, art museum, agricultural experiment station, or attend a conference or athletic event on another campus, but the costs of these firsthand experiences continue to rise.

OHERN says the costs associated with higher education transportation can be reduced, while simultaneously increasing collaboration among Ohio's colleges and universities and decreasing the "carbon footprint" of higher education in Ohio.

OHERN proposes to link all Ohio institutions of higher learning via rail as a way to lower the transportation costs associated with higher education, while yielding additional benefits. The system can be funded largely through a modest increase in fees – amounting each school year to the price of one textbook.

There are 573,000 students, faculty and staff in public higher education in Ohio. At $105 per person per year, that accounts for $60.2 million. Their 195,000 counterparts in private higher education, also at $105 per person per year, would account for $20.5 million. Assuming small growth in the student population, a total of $81 million in first-year revenue is forecast by OHERN.

Vanity license plates

The state of Oregon uses fees collected on the additional price motorists pay to customize their vehicle's license plates (ie: "vanity plates") to provide a large portion of its funding for passenger rail services. This amount in 2008 was $4.2 million according to Amtrak.

Oregon has a similar constitutional restriction on allocating highway user fees only for highway-related expenses. However, Oregon's attorney general said that the vanity plate fee was for a state-supplied decoration to a motor vehicle and not a required vehicle registration fee; indeed, the vanity plate fee is voluntary. Ohio uses revenues from its vanity plate fee for highway and non-highway programs.

In legislation passed by the state's general assembly several years ago, Oregon reallocated revenues collected from persons buying vanity plates from the state's Environmental Quality Information Account. Those revenues were instead deposited into the state's Passenger Rail Transportation Account to annually support the operating costs of Amtrak's Cascades Corridor services between Eugene and Portland, which continue northward to Seattle and Vancouver, BC.

All Aboard Ohio used a per-capita calculation to estimate how much Ohio might derive from a similar program. Oregon has about 3.8 million residents and collected $4.2 million in 2008 from its vanity plate program. Ohio has 11.5 million residents. It is possible could collect $12.7 million from its vanity plate program.

“Green Highways” program

The City of Akron and ODOT District 4 joined together in a pilot program in 2008 to end the practice of lawn-mowing along the 25 miles of expressways in the city. Instead, the city and ODOT planted hearty shrubs, perennials, trees and ground cover to replace high-maintenance fescue which includes lawn, turf and pasture grass types.

Lawn-mowing along 25 miles of expressways in Akron cost $267,634 per year or $10,705.36 per route mile, according to the city. The pilot program saved labor, materials, fuel, employee benefits, equipment and maintenance costs. The program also improves safety. Lawn-mowing and the use of weed trimmers around guardrails is dangerous work, with laborers working around loud equipment while standing near to lanes of fast-moving traffic and heavy trucks. Furthermore, eliminating the use of lawn-mowers also eliminates another source of carbon emissions. For more details, see http://www.ci.akron.oh.us/News_Releases/2008/0815.htm.

Expanding this program to Interstates statewide could reap substantial savings for ODOT. Ohio has approximately 1,167 route miles of Interstate highways. The per-route mile lawn-mowing cost data noted earlier suggests the state could save about $12.5 million per year in lawn-mowing expense. A side benefit is that Ohio Interstates will be more visually attractive with the presence of more diverse yet lower-maintenance plantings along them.

The $12.5 million in annual savings (in 2008 dollars) from the “Green Highways” program is proposed to be applied to the Rail/Transit Operational Sustainability Program for Ohio.

Sourcing the Rail/Transit Operational Sustainability Program

In Ohio, it is not so simple to just find budget offsets to support an expanded rail/transit program. There are legal restrictions and institutionalized practices which constrain the use of offsets.

The Ohio Constitution restricts the spending of road and highway user fees to only those expenses necessary for building, operating and maintaining roads and highways. All Aboard Ohio researched how much of ODOT’s budget might come from non-highway sources.

Fortunately, no constitutional restriction inhibits the use of savings from state employee travel to support 3-C Corridor operations. Those offsets are in the general revenue fund. But that's not the case with the other two budgetary offsets – reduced highway pavement/bridge damage costs and the "Green Highway" program.

About 4 percent, or more than $50 million, of ODOT's annual budget comes from non-user, non-fuel tax sources such as leases, fees and general revenue funds. Much of that is already directed to ODOT expenses which are unaffected by All Aboard Ohio's suggested budget offsets.

Instead, reduced highway pavement/bridge damage costs and the "Green Highway" program are proposed to be offset from saved highway maintenance costs now funded by state and federal motor fuels taxes.

Not all of the motor fuels taxes come from highway users and may be outside of the constitutional restriction. An opinion from the Ohio Attorney General is likely needed on this question.

The U.S. Department of Transportation's Bureau of Transportation Statistics (BOTS) says non-highway gasoline use is by agriculture, marine, state, county, and municipal activities, industrial and commercial use and construction vehicles according to the table available at the following site: http://www.bts.gov/publications/national_transportation_statistics/html/table_04_07_m.html.

However, non-highway recreational vehicles are not among the specified non-highway uses in the BOTS table. A 1997 study, "Report to the Congress on Non-Highway Recreational Fuel Taxes" (available at: http://www.ustreas.gov/offices/tax-policy/library/tofuel.pdf), showed that between 0.31 percent and 0.36 percent of total federal Highway Trust Fund revenues came from fuel taxes from off-road motorcycles, all-terrain vehicles and snowmobiles.

According to the previously sourced BOTS table, the percent of total national gasoline demand by non-highway modes in recent years was:

2000 – 2 percent
2001 – 3 percent
2002 – 3.1 percent
2003 – 3.3 percent
2004 – 3.3 percent
2005 – 3.5 percent
2006 – 3.5 percent

The data also shows that as highway gasoline use declined in the last few years, non-highway gasoline use increased slightly. So taxes from non-highway gasoline use might be a more stable and attractive funding source.

Furthermore, if we add non-highway recreational vehicles to the BOTS data, total non-highway gasoline use nationwide was likely closer to 4 percent. If Ohio's gasoline usage rates are similar to the national experience, it is likely that 4 percent of state motor fuels tax revenues also come from non-highway users.

According to 2007 ODOT data, state motor fuel tax revenues were $1.1 billion. Four percent of that is approximately $44 million, representing the possible annual (in 2007 dollars) non-highway state motor fuel tax revenue potentially available to rail and transit development.

Doubling of ODOT telecom lease revenues

ODOT currently receives about $1.5 million in lease revenues from telecommunications companies that have established communication towers on ODOT properties. These revenues are probably not subject to the Ohio Constitution's restriction on highway user fees.

All Aboard Ohio notes that much of Ohio is still not covered by cellular communications, especially in the rural western and southeastern parts of the state. Furthermore, many rural sections of principal rail lines proposed to be used for the Ohio Hub are not in range of existing telecommunications towers.

Rail travelers and rural transit users should expect to have telecommunications while en route. Therefore, All Aboard Ohio recommends that ODOT encourage telecommunications companies to establish twice as many towers on ODOT properties statewide to serve these growing but underserved markets.

Conclusion

All Aboard Ohio proposes to dedicate to rail and transit development $158 million per year which would have a dramatic effect on improving non-highway transportation statewide. While that amount seems like a large figure, it still represents less than 5 percent of ODOT's total annual budget. Furthermore, only $44 million would come from non-highway motor fuels tax revenues collected by the state. These non-highway motor fuels tax revenues would be used only for rail and transit activities that reduce highway system costs, extend the life of safe highway pavement and bridge conditions, plus create a more attractive and efficient highway system.

That system should continue to be a viable choice for Ohioans who have the physical and financial ability to consider driving. But for the increasing number of Ohioans who cannot effectively provide for their own transportation mobility, All Aboard Ohio hopes that its suggested "Operation: Sustain Transit" rail/transit operational sustainability program proves worthy of serious consideration.

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