

Public Utilities Commission of Ohio
Todd A. Snitchler, Chairman

House Bill 487 (Amstutz)
House Finance Subcommittee on Transportation

March 29, 2012

Chairman McGregor and members of the House Finance Transportation Subcommittee, I am Todd Snitchler, Chairman of the Public Utilities Commission of Ohio (Commission). I am here today to provide interested party testimony on House Bill 487, and to address the technical impacts this bill would have at the Commission.

When I took over as Chairman last year, it was brought to my attention that the fine structure and some basic statutory provisions related to motor carrier safety in the Ohio Revised Code (ORC) were out of compliance with U.S. Department of Transportation standards (USDOT). Because of this, the State of Ohio is in jeopardy of losing \$8 million in federal grant money per year. This money is used to fund not only the Commission's transportation safety program but also funds the Department of Public Safety transportation safety efforts, and is critical to our directive of regulating motor carrier safety.

Relative to the corrections to our fine structure (lines 56148-56155, HB 487) changes have also been made that will ensure the Commission may issue violations in conformance with USDOT standards. Furthermore, throughout the draft a number of issues identified by the USDOT regarding non-conforming language were also modified. I have included a list of these items for you at the end of the testimony, and I can answer any questions or concerns you may have. These changes will ensure the grants the Commission receives will be in compliance with federal standards, and we will no longer be in danger of having our funds revoked.

Once we began looking into the issue surrounding the grant, an overarching policy discussion occurred. In addition to a number of discrepancies with federal requirements that needed to be addressed, both railroad and motor carrier transportation were deregulated at the federal level decades ago. However, the ORC still contains numerous sections pre-empted by federal law. The Commission and the governor's office determined that the Mid-Biennium Review (MBR) would be an appropriate avenue to clean-up our transportation code sections, making it simpler to read and easier to

understand. At the outset, our original draft consisted of 30 pages of code, which after the diligent work of LSC to find the cross-references; expanded the draft to the approximately 170 pages of the legislation you have in front of you.

It is important to realize, that besides the fine structure I described above and the odds and ends on page four, the vast majority of the changes are actually existing statute, just placed in a new location. The Commission did not change anything relating to the cost of fees, weight limits, or administrative functions. If you compared the current ORC to this draft, it would basically contain the same requirements. We simply deleted and consolidated sections, and cleaned up federally preempted or de-regulated code.

Definitions were changed to now fit with the federal requirements and terms, such as “Motor Carrier” and “For-Hire Motor Carrier.” Also, ORC sections were reworked and made easier to understand and follow. Section 4921 now focuses on registration, insurance, payment of fees, and tax requirements as well as household goods regulation, while section 4923 now focuses on safety requirements. Today these provisions are spread throughout sections 4919, 4921 and 4923 of the ORC, and are intertwined making it confusing and difficult to follow. To simplify the task of making this complex change, we felt it made sense to delete the code sections as they exist today and rework them into the bill draft in front of you. Now the language is more transparent to the industry and easier to follow since it is in one spot instead of scattered in different sections throughout the ORC.

Thank you for the opportunity to provide comments on the Commission’s transportation portion of HB 487. I have brought with me the Commission’s director and deputy director of transportation and we would be happy to answer any questions you may have at this time.

<u>Existing Incompatible Code Section</u>	<u>Proposed Code Revision</u>	<u>Line Number</u>
<u>Section 4921.02 (A) (4) through (A) (9)</u>		
In current Ohio law, this section covers common carriers and defines numerous terms and provides that specified operations are exempt from Commission regulation. According to the Federal Motor Carrier Safety Administration, (FMCSA) these exemptions must be:		
* limited to intrastate operations	4905.03 (B), 4921.01 (B), 4923.02 (A)	55039, 55891,
* subject to federal CDL and hazardous material transportation regulations	4921.01 (B), 4923.03 (D)	56660, 55914 56693
<u>Section 4921.02 (A) (2) and 4923.02 (A) (2)</u>		
This section creates an exemption from Commission regulation for any transportation operations occurring within a municipality and contiguous municipalities. FMCSA indicates that this exemption must be removed from Ohio law.	4921.01, 4923.03	No lines
<u>Section 4921.99 and 4923.99</u>		
FMCSA indicates that these penalty sections be made consistent with federal regulations by including driver and carrier penalties for violations of out-of-service and grade crossing regulations. FMCSA also indicates that minimum fine levels be increased to be consistent with federal regulations.	4923.99	56799
<u>Section 4923.02 (A) (2) through (A) (12)</u>		
In current Ohio law, this section covers contract carriers and defines numerous terms and provides that specified operations are exempt from Commission regulation. According to FMCSA, these exemptions must be:		
* limited to intrastate operations	4905.03 (B), 4921.01 (B), 4923.02 (A)	55039, 55891
* subject to federal CDL and hazardous material transportation regulations	4921.01 (B), 4923.03 (D)	56658, 55914 56693
<u>Section 4923.02 (A) (7), (10)</u>		
These sections involve contract carrier exemptions from regulation involving the towing of disabled or Wrecked motor vehicles and operations for contractors on public road work. FMCSA indicates that these exemptions must be made available for both private and for-hire carriers or removed from both.	4921.01 (B), 4923.02 (A)	55914, 56658