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## POLICY MATTERS OHIO

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### **Report finds expanded demand for public transit could create manufacturing jobs in Ohio**

Expansion of investment in public transit could drive demand for transit-related manufactured goods in Ohio, helping to maintain existing jobs and grow new ones. Ohio would be in the top five states benefitting from investment in passenger rail, according to a new paper from Policy Matters Ohio, based on studies commissioned by the Apollo Alliance. The Policy Matters study draws on research from the Duke University Center on Globalization, Governance & Competitiveness and the Ohio Rail Development Commission (ORDC).

Such investment could be funded by the Surface Transportation Act. The Economic Policy Institute found that by boosting funding to roadway maintenance and repair, public transit and intercity bus and rail, federal surface transportation funds could produce more jobs than the status quo and help rebuild the supply base for rail component manufacturing, a sector the United States once led and then lost.

The Duke University research team, led by researcher Marcy Lowe, found that Ohio ranks fifth among the 50 states in number of passenger rail equipment producers or top-tier suppliers. The Ohio Rail Development Commission, looking at freight as well as passenger rail manufacturers and contractors, found 226 firms supporting employment of more than 26,000 in Ohio. A burst of demand for passenger cars and components due to projects like the 3-C corridor will provide new market opportunity across the spectrum of these firms: even for those that now serve only freight rail, three quarters indicated to ORDC an interest in moving into passenger rail markets. As almost two thirds of these firms are headquartered in Ohio, the state is well positioned to benefit from increased demand in the rail sector.

"Ohio has the right industrial base to produce for passenger and freight rail manufactured goods," said Wendy Patton, Senior Associate at Policy Matters. "A shift in priorities to public transit would create manufacturing jobs in factories across the state."

"Public transit is a winner from many different perspectives," said Senator Sherrod Brown, co-sponsor of *The Public Transportation Preservation Act of 2010*. "We can help household budgets, put people back to work in factories, cut carbon emissions and ease our dependence on foreign oil."

There is no shortage of plans for new, upgraded or expanded public transit and rail systems across the nation. The Duke University research team identified 400 projects waiting for adequate funding. In addition to the surface transportation act, investment funds could come from the proposed cap and trade legislation, which would price pollution and invest the proceeds in carbon-cutting strategies in transportation as well as in other forms of clean energy.

"Ohio has a real chance to be at the center of America's 21st century rail manufacturing industry," said Phil Angelides, chairman of the Apollo Alliance. "Our nation needs a new transportation policy that invests in expanded public transit and more energy-efficient transportation, including rail. Done right, these investments could mean a windfall of manufacturing jobs for Ohio."