



Ohio Oil and Gas Association
Opponent Testimony
House Bill 205

Senate Energy and Public Utilities Committee
Senator Bill Reineke, Chairman

Chairman Reineke and members of the committee, thank you for the opportunity to provide opponent testimony on House Bill 205.

My name is Rob Brundrett, and I am the President of the Ohio Oil and Gas Association (OOGA). OOGA is a 75-year-old statewide trade association. Our association includes members that represent all aspects of Ohio's oil and gas industry - upstream, midstream, and downstream.

Ohio has a long history of oil and gas: Ohio was the original home of John D. Rockefeller's Standard Oil, and, for a time, one of the largest oil producing regions in the world. The state was also home to the first offshore oil rig, located in Grand Lake St. Mary's. And now in part to what many view as a new oil boom for the state, Ohio recently moved up to 11th in the nation for oil production and remains the largest oil producer in the Appalachian Basin.

This long history has also included a strong refining presence. Ohio has the sixth-largest crude oil-refining capacity in the nation, and our state's four refineries can process a combined total of nearly 606,000 barrels of crude oil per day. Some of our current refineries have been in operation for over 100 years. Today Ohio is well positioned to help drive the state's and the country's energy economy.

However, House Bill 205 threatens this prospect by using the heavy hand of government to take operational and decision-making control from refineries and the individuals and experts who best understand the needs of their industry and replaces it with an arbitrary quota system that does not guarantee any increase in workplace safety or benefits. The bill has the potential to drive up costs and further squeeze an already constrained refining capacity in Ohio and the United States. The bill also contains onerous recordkeeping and reporting requirements and includes outrageous penalties for non-compliance.

The entire oil and gas industry and broader business community take health and safety very seriously. It is the first thing we hear about when we visit one of our member's worksites. Employees are the lifeblood of every business, and their safety is key to success. The oil and gas industry, and refineries in particular, are already required to comply with a long list of government and non-government entity regulations and standards. As you have seen in other testimony, refinery safety continues to improve and is statistically safer than manufacturing generally as an industry class.

Now is not the time to put Ohio's refineries at a disadvantage compared to other states. Ohio should be trying to build more refining capacity instead of putting restrictions on the capacity we currently have. As refiners look to invest, build out and spend capital, House Bill 205 puts Ohio at the back of the line in the intercompany battle for capital

investment. Costly Ohio regulations with no clear benefits threaten Ohio's remaining refineries' ability to compete in an already extremely competitive marketplace.

Ohio has been fortunate to land several new and exciting economic investments. These projects will require large amounts of construction and maintenance workers. This bill simply whittles down an already narrow pool of workers that a refinery may utilize on projects.

The bill remains vague so that typical maintenance at a "stationary source" risks unintended consequences if a refinery does not follow this new law for a variety of day-to-day maintenance and construction that might not have much to do with refining but is required for the upkeep of the facility. At any time, the violator could be subject to a \$10,000 per day fine because they used someone to paint a railing who did not fit the bill's standards.

Energy security is American security. The United States has seen rapid closure of oil refineries across the nation and has not seen the construction of a new large-scale refinery since 1977. This bill threatens to prevent new capacity coming online in Ohio and will only hamper current operators as they will be subject to new quotas that could potentially eliminate the best and most experienced employees for the job.

Mr. Chairman and members of the committee, we urge you to oppose House Bill 205. I would be happy to try and answer any questions.