



Before the House Energy and Natural Resources Committee
Proponent Testimony on House Bill 422
January 16, 2018

Chairman Landis, Vice-Chair Hagan, Ranking Member O'Brien and members of the House Energy and Natural Resources Committee, thank you for allowing me the opportunity to offer proponent testimony in support of House Bill 422 (HB 422) on behalf of the Ohio Chamber of Commerce.

The Ohio Chamber is the state's leading business advocate and we represent nearly 8,000 companies that do business in Ohio. Our mission is to aggressively champion free enterprise, economic competitiveness and growth for the benefit of all Ohioans.

HB 422's sponsors and proponents have all recognized the critical state of Ohio municipalities' ability to meet the capital needs associated with their drinking water and wastewater systems. The American Society of Civil Engineers' estimates of the need to invest more than \$12 billion in water systems and more than \$14 billion in wastewater systems within the next 20 years in Ohio are alarming.

The Ohio Chamber of Commerce supports the intent of HB 422 to bring private sector financial strength to Ohio, addressing some of this capital need.

Businesses and local communities throughout the state need reliable and sustainable water and wastewater services. These areas of infrastructure are too easily forgotten when it comes to government sources of funding and even with that funding, the gaps are great.

The choice of considering a regulated utility to provide safe and reliable drinking water and wastewater services is vital for municipalities to meet the demands of residents and businesses.

When combined with meeting increasingly stringent environmental requirements, levels of service reliability and consumer safety, Ohio municipalities' ability to address the capital investment to support the replacement of aging infrastructure is a challenge that diverts local resources from other critical priorities. This bill's aim to incentivize the partnering with, or acquisition of, willing municipal systems by regulated utilities can provide an untapped source of funds for these infrastructure replacements.

HB 422 removes a financial barrier to bringing the regulated utility resources to bear while keeping the Public Utilities Commission of Ohio in the driver's seat to ensure that any purchase or public-private partnership is in the public interest. Without the passage of this legislation it is very unlikely that regulated utilities will be inclined to invest in our state's drinking water and wastewater infrastructure.

The Ohio Chamber urges you to support HB 422.