



March 27, 2017

To: Members of the Ohio House of Representatives Committee on State and Local Government

Re: Support H.B. 121 and S.B. 95

I am writing on behalf of the American Chemistry Council (ACC) and its Plastics Division to express our support for H.B. 121 and S.B. 95. ACC represents the leading companies engaged in the business of chemistry, a \$797 billion enterprise and a key element for the nation's economy. Our Plastics Division is comprised of 16 of the leading plastic resin manufacturers, plus one affiliated trade association. The individual members of the Plastics Division are listed below.

The business of chemistry is involved in the production of more than 96 percent of all manufactured goods. Our members make a variety of products used in water systems, including chlorine, orthophosphates that prevent corrosion, additives for concrete pipes, and plastic that's wrapped around iron pipes to reduce corrosion. Our members also make the basic plastic resins used in polyvinyl chloride (PVC), polypropylene (PP), and high density polyethylene (HDPE) pipes. So products from our companies are involved no matter which kind of materials you're talking about.

Ohio is facing a growing problem related to the state's water infrastructure. The American Society of Civil Engineers (ASCE) gave a grade of "D" to the nation's drinking water infrastructure and a "D+" to the nation's wastewater infrastructure. ASCE estimates that investments of more than \$26 billion are needed to fix Ohio's drinking and wastewater infrastructure over the next 20 years. It is imperative that we find a way to fund these projects in a financially responsible manner because a healthy water supply is not only critical to Ohio citizens, but important to the economic success of the State.

H.B. 121 and S.B. 95 represent an important opportunity to encourage modernization of the State's water infrastructure. The legislation would allow all appropriate piping materials for water infrastructure projects to be considered for potential use by local engineers. Currently a large number of municipalities inappropriately exclude materials that can be considered for infrastructure bids, creating "virtual monopolies. These "virtual monopolies" are increasing the costs for projects and therefore limiting the number of water and sewer mains that can be updated. A recent study from BCC research showed that municipalities that have "closed competition" pay between 32% and 35% more for pipe materials, regardless of which material is used. That means even if the same material is chosen, a municipality can save nearly \$100,000 per mile of



pipe by allowing open competition. To be clear, these savings are not based on choosing a less expensive material, but rather reflect the proven impact of competition.

We support the principles of open competition and believe in the power of the market to drive innovation. H.B. 121 and S.B. 95 are smart applications of these principles to an important issue and we urge your support. Please feel free to contact me with any questions at [josh\\_young@americanchemistry.com](mailto:josh_young@americanchemistry.com).

Sincerely,

Josh Young  
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Members of the ACC Plastics Division who are specifically supporting this effort:

Braskem America, Inc.  
Chevron Phillips Chemical Company LP  
Covestro  
The Dow Chemical Company  
DSM Engineering Plastics  
DuPont  
ExxonMobil Chemical Company  
LANXESS Corporation  
LyondellBasell Industries N.V.  
NOVA Chemicals Corporation  
SABIC  
Shell Chemicals  
Solvay America, Inc.  
Total Petrochemicals & Refining USA, Inc.  
Trinseo  
Vinyl Institute\*

\*Designates affiliated trade association

