

Testimony of

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To

Ohio House State and Local Government Committee

Chair: Marlene Anielski

Date

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Regarding

Ohio House Bill 121, Piping Materials

Good morning Chairwoman Anielski, Vice Chairman Hambley and members of the House State and Local Government Committee.

My name is Rudy Brandt, and I am the President of the Logan Clay Products Company. Our company is a manufacturer of Vitrified Clay Pipe in Logan, Ohio. We employ 85 people and ship pipe from our Logan facility to municipalities throughout the Midwest and Eastern US. We exist because many municipalities choose Vitrified Clay Pipe over other materials for many reasons.

Today, we already have a free market, and the playing field is level. We compete day in and day out to get into local specifications. In fact, we often compete with plastic pipe, which currently has a large market share of sewer pipe. More often than not, municipalities list plastic in their sewer specifications, and we have to educate them on why they should change their specifications from plastic to clay.

If House Bill 121 or the proposed amendment actually promoted competition, we would support them -- but they will not. Eliminating standard specifications will not make the process more competitive; it will make it less competitive. In fact, there really is no competition if all materials are invited to bid regardless of their merits. The incentive to innovate is also eliminated when the competition to get into bids is eliminated.

Some may think this bill is an attempt to make local governments more “frugal,” but that is not what will happen. Currently, local governments are specifying pipe materials based on many competitive factors, including life cycle costs and multiple risk factors. By evaluating all of the costs and risks associated with a material, local governments are being frugal. This bill, however, prevents the frugal approach by limiting local governments’ ability to specify materials before a bid is released. If local governments cannot specify materials in a bid, they will lose control over material selection and will likely be stuck with the material with the lowest acquisition costs – regardless of its life cycle costs or risks.

Ultimately, House Bill 121 will undermine the authority of local municipal engineers and prevent them from developing specifications that are in the best interest of the local rate payers. Not only is the Bill unnecessary, it will create problems and additional expense for local communities. Due to these facts, similar bills have been introduced and rejected in other states. I hope that this committee will allow local municipal engineers to continue to exercise their independent judgment, based on their education and experience, and reject House Bill 121.

Thank you for the opportunity to testify. I am happy to answer any questions that you may have.