



STATE SENATOR
JOE SCHIAVONI

33RD DISTRICT

**Senate Energy and Natural Resources
Committee
Senate Bill 217
December 5, 2018**

Good afternoon Chairman Wilson, Vice Chair Jordan, Ranking Member O'Brien, and members of the Senate Energy and Natural Resources Committee. Thank you for giving me the opportunity to present sponsor testimony on Senate Bill 217, which I believe will strengthen the oversight of Ohio's oil and gas industry.

This is not the first time I have introduced this legislation on this very important topic. I have introduced similar legislation in both the 130th and 131st General Assemblies in response to a very concerning event in my district. On January 33, 2013, a tanker truck under the operation of D&L Energy, owned by the late Ben Lupo, was found to be dumping as many as 20,000 gallons of drilling waste and brine water into a storm sewer than fed directly into the Mahoning River.

As you may imagine, many Mahoning Valley residents were outraged and disheartened that there were not safeguards in place to help prevent the intentional dumping of oil and gas waste. Being one of those residents, I opted to introduce Senate Bill 46 in the 130th General Assembly, along with Sen. LaRose, to help address this problem. Unfortunately, since the introduction of the bill, we have seen other instances of illegal dumping on a Belmont County farm and in Lowellville, demonstrating further the need for this legislation. Furthermore, the reality is that history has shown that those who choose to act improperly within this sector tend to repeatedly violate. In fact, D&L alone has a history of at least 120 violations at 32 sites across Ohio and Pennsylvania, many due to the contamination of water and soil.

I want to emphasize that the purpose of this bill is not to detriment the positive work that is being done in oil and gas exploration throughout eastern and northeastern Ohio. As you know, Youngstown had been facing decades of decline and economic stagnation. Our area economy and job outlook are beginning to improve, and much of this has to do with oil and gas. Not only has the area benefitted from the industry firsthand, but we have seen additional investments, such as the \$650 million V&M steel plant in Youngstown, because of our proximity to oil and gas.

Furthermore, the Mahoning Valley is seeing positive work done environmentally as well, with the Ohio EPA awarding the city of Lowellville \$2.3 million dollars for the purpose of Mahoning River remediation and dam removal efforts, and this project is set to be finished by late 2019. Unfortunately, this is the same river that was affected by D&L's actions.

After consulting with ODNR, Ohio EPA, Attorney General Mike DeWine and Governor Kasich, we believe this is a good first step in weeding out the bad actors in the oil and gas industry.

Areas addressed in this legislation include:

- Allowing for the Chief of the division of Oil and Gas to permanently revoke any permit issued to a person found guilty, and to deny any future application by the person for a permit.
- Raising the penalties for operating an injection well without a permit and also for knowingly disposing of oil and gas waste illegally to the levels found in the Federal Clean Water Act, which is a felony and a fine of not less than \$10,000 nor more than \$50,000 or imprisonment for 3 years, or both for the first offense, or no less than \$20,000 nor more than \$100,000 or imprisonment for 6 years on subsequent offenses.
 - Under current law, those who dispose of brine illegally or operate an injection well without a permit are subject to only a ten thousand dollar fine or imprisoned for six months, or fined twenty thousand dollars or imprisoned for two years on subsequent offenses, or both.
- Allowing for the courts imposing a sentence on a violator to require that individual to reimburse the state or a political subdivision costs incurred for responding to a violation

The number of intentional incidents we have seen over the years are unacceptable and we need to do more as a legislature to prevent additional issues in the future. It is my hope that we can work expeditiously to move this bipartisan legislation in a timely manner as we continue to see growth in the oil and gas industry.

I thank you again for the opportunity to testify and would be happy to answer any questions at this time.