

**HOUSE BILL 205
OPPONENT TESTIMONY
SENATE ENERGY AND PUBLIC UTILITIES COMMITTEE
Alexandra Denney
*Vice President of Government Relations & Communications***

Chairman Reineke, Vice Chair McColley, Ranking Member Smith, and members of the Senate Energy and Public Utilities Committee, thank you for the opportunity to provide testimony on H.B. 205.

My name is Alexandra Denney and I am the Vice President of Government Relations and Communications for the Ohio Business Roundtable, a statewide business association of CEOs and Presidents of the top companies in the state. We currently have over 100 members, and the companies collectively employ over half a million Ohioans and generate a revenue of more than \$1.5 trillion, which helps support Ohio's economy.

House Bill 205 simply put is a labor mandate for workers at Ohio's refineries. The bill would force refinery contractors to only hire these workers under a new government imposed, mandated quota system that grows to 80 percent of a project's workers. Additionally, the bill requires refiners to maintain burdensome compliance reports that threaten refiners, their contractors and subcontractors with fines as high as \$10,000 per day, per employee should the mandates be violated.

Proponents of the bill will point out that the words "union" and "building trades" are absent in House Bill 205 as written. However, the proposed legislation requires refiners to hire employees who have completed certified apprenticeship programs, which are almost exclusively associated with union-administered programs and similar to labor mandates pushed by unions in other states. This new eligibility requirement for workers at Ohio's refineries will ensure refiners will no longer have the flexibility needed to hire the contractors they deem to be the safest and most experienced.

Beyond the implications for the oil and gas industry, our organization's paramount concern is the dangerous precedent this will set for labor mandates on other industries in our state. Should this bill become law, our members are concerned that there will be additional efforts to expand this mandate beyond the original industry targeted in the bill. Businesses around the state have taken note of this bill and have reached out to our organization sharing these concerns.

We believe that Ohio's refiners, as well as all business owners, should be given the flexibility to find and hire the most qualified applicant to ensure the job is done as safely as possible. Limiting the applicant pool to only apprenticeship-trained contractors and union workers does nothing to ensure safely completed work.

Additionally, at a time when there is a workforce shortage in our state, passing legislation to shrink the hiring pool of qualified, highly-skilled talent will only intensify the shortage.

Finally, House Bill 205 is based on a policy first passed in California in 2014—the most costly, complex, and anti-free market state in the nation for businesses. At a time when the business community is working to extend our state's economic development momentum, enacting laws based on policies in bureaucratic dominated states will stifle that momentum. Ultimately, passage of HB 205 sets a dangerous precedent and will prove to be detrimental to our goal of becoming more economically competitive.

The arguments used by proponents in Ohio today were used in California 10 years ago. Proponents of this legislation should look at what happened in California to see the results—the refineries are almost 100 percent union members today and gas prices are among the highest in the nation.

The Ohio Business Roundtable respectfully asks that the committee reject this bill and allow businesses to make hiring decisions free from government intervention.

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