

## Senate Bill 181

### Before the Ohio Senate

#### Agriculture and Natural Resources Committee

Chairman Schaffer, Vice Chair Koehler, Ranking Member Hicks-Hudson and members of the Senate Agriculture and Natural Resources Committee, my name is Tim Wilson, and I am the President of the Shelly Company. The Shelly Company is one of Ohio's leading limestone, concrete and asphalt paving companies.

With more than 90 locations and 1,600 employees, The Shelly Company serves 81 of Ohio's 88 counties. The Shelly Company operates 25 surface mines including two underground limestone mines here in Ohio, one of which is located in the Marblecliff area of the city of Columbus.

Thank you for allowing me the opportunity to present proponent testimony on Senate Bill 181. My testimony will be primarily focused on the need for this legislation. I have worked in the construction materials industry for more than 25 years and have a degree in Civil Engineering and have been a licensed Professional Engineer for more than 20 years, so my testimony comes from years of experience in what works and what does not.

Like previous testimony, I too believe that underground limestone mining will be more prevalent in the future for the simple reason that surface reserves are becoming scarce, especially in areas that are experiencing rapid growth and development—in other words, in the very places the construction materials are needed the most is where we are having the hardest time accessing reserves. By that I mean, obtaining land use approval is often times very difficult, contentious, time consuming and expensive. The limestone is there, but the approvals are hard to come by. Unlike a gas station, we cannot simply move to another street corner: we have to be where the limestone is located.

If aggregate material is unavailable locally, that material must be transported to the market. This predominantly means the aggregate material is trucked unreasonable distances to the job site or to the customer that is making the finished aggregate product. Having to truck material, whether in the form of base material, asphalt or concrete, can significantly increase the cost for materials delivered to the market. Like most companies, over 50% of our sales are purchased with tax dollars. Because we too are taxpayers, we would like to use our tax dollars in the most cost-effective manner.

On the non-taxpayer side of our customer base, our company has supplied more than 300,000 tons of aggregate materials, which equates to approximately 12,000 truckloads, for just one mega project here in central Ohio. That quantity represents 30-50% of many sites' entire annual production.

Consequently, when we find reserves that align with the market area, it is imperative that we are able to access these reserves. Keeping a mine in operation is the single best way to provide the needed infrastructure materials to the local market for streets, highways, bridges, sewer lines, and other infrastructure projects that improve our lives. This is a very big challenge for us. To put it bluntly, getting zoning approval for new reserves is the single biggest obstacle facing our industry and my company.

Today, it is not uncommon for a Greenfield mine site to approach an investment cost of \$100 million in addition to increased operating costs to access limestone reserves through underground mining. Mind you, this is not as simple as two guys with an excavator and dump truck deciding to go dig some sand. Developing an underground limestone mine requires specialized expertise in rock mechanics, geology, hydrology, environmental science, mining engineering, explosives and, most importantly, mine safety, to name just a few of the disciplines involved.

Because of the initial capital demands, and the complexity of a modern underground mine, we need a uniform, state-wide, common-sense regulatory program managed by people that have the expertise to do so. To that end, our industry has worked closely with the experts at ODNR to develop a regulatory program that addresses issues such as mine development, roof control, groundwater, closure, blasting, safety, and other potential impacts.

In conclusion, S.B. 181 provides a thoughtful, common-sense approach to regulating underground limestone mining. On behalf of The Shelly Company and the industry, I ask for your support on this important legislation. Thank you and I welcome any questions that you might have.