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TO: Members of the House Energy & Natural Resources Committee

FROM: Charles Willoughby, Director of Energy & Environmental Policy

DATE: February 25, 2015

RE: Ohio Chamber Support of House Bill 8

On behalf of the Ohio Chamber of Commerce and our nearly 8,000 business members, I am writing to express our support for House Bill 8 (H.B. 8), legislation that provides critical improvements to Ohio's law regarding the unitization and development of landowner's natural resources by reducing regulatory delays for Ohio businesses without reducing the powers of the Ohio Department of Natural Resources to regulate natural gas production.

The Ohio Chamber is a champion for Ohio businesses so our state enjoys economic growth and prosperity. Our mission is to aggressively champion free enterprise, economic competitiveness and growth for the benefit of all Ohioans. That includes being a longtime advocate for the safe, responsible, and efficient development of Ohio's abundant natural resources.

Unitization, an important tool for the development of the Utica Shale, accomplishes all of these goals. Unitization is a process where landowners can combine their mineral interests with others in a proposed drilling unit to achieve efficient production from the overall unit. Without unitization, some of these minerals would have no other opportunity to be extracted due to their small fragmented size no longer being cost effective for producers.

While unitization ensures the effective and efficient recovery of landowner's resources, it can only do so when the unitization application process is completed in a timely manner. The Ohio Department of Natural Resources (ODNR) has delayed a decision on several unitization applications, specifically units containing any portion of state-owned lands. A unit that contains only five percent of state owned land can hold up the development of the other 95% which represents 100% of lost revenue from the company, lost investment in Ohio and lost royalty payments to Ohioans for their private mineral rights.

House Bill 8 addresses this issue by creating specific timeframes for the review of unitization applications. It also includes timeframes for public notices, public hearings, and review by ODNR. A more streamlined regulatory process allows Ohio businesses to worry less about burdensome regulatory hurdles and focus more on creating jobs and investing in their business.

For these reasons, the Ohio Chamber urges your favorable consideration of HB 8. If you have any questions regarding the Ohio Chamber's position on this bill, please do not hesitate to contact me at (614) 228-4201 or e-mail at

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