



Senate Energy & Public Utilities Committee
Chairman Rob McColley
Ohio Statehouse

Re: SR 176

Chairman McColley, Vice Chair Schuring, Ranking Member Williams:

Please be advised that the Affiliated Construction Trades Ohio Foundation (“ACT Ohio”) is a 501(c)(5) organization created to encourage economic and industrial development opportunities, and to promote industry-best practices for Ohio’s public and private construction. Per the explanation that follows, I am here in support of SR 176 and Ohio’s Oil & Gas Industry.

Our 132 local affiliates, along with our 14 regional councils represent approximately 95,000 skilled construction workers. At more than 80 state-of-the-art training facilities across the state, Building Trades apprentices are acquiring the knowledge and skills necessary to produce high-quality craftsmanship in every area of the construction field, including Ohio’s energy sector.

The Building Trades have invested millions in apprenticeship and safety training to ensure that Ohio’s Oil & Gas Industry has the construction workforce it needs to support its efforts to expand its national and international market share. ACT Ohio has worked closely with JobsOhio to draw investment to the state, and we fully support its efforts to bring jobs and opportunity to Ohio.

In a recent report, JobsOhio stated:

In the first study of its kind, IHS Markit determined that the Marcellus and Utica shale formations will supply nearly half of the nation’s natural gas and nearly a fifth of its natural gas liquids by 2040.

The Marcellus and Utica shale formations have become a national center of natural gas and natural gas liquids production. This resource base will play a key role in satisfying America’s increasing reliance on natural gas, according to an IHS Markit study. The projected savings linked to processing natural gas liquids such as methane, propane and butane in the tri-state region of Ohio, Pennsylvania and West Virginia rather than the Gulf Coast are expected to range from 6 percent to 26 percent. The significant savings already is attracting investors’ attention and elevating the region’s investment profile.

Furthermore, according to JobsOhio:

For many years, the Gulf Coast has been the No. 1 location for energy-intensive companies, but things have changed. Companies that locate in the Shale Crescent region, which includes Ohio, West Virginia and Pennsylvania, generate a net present value four times higher than that of the Gulf Coast. Companies have the advantage of market access, a stable workforce, plentiful natural gas and abundant water. Trusted resource IHS Markit has compared projects in the Shale Crescent region to projects in other locations and verified they bring about greater savings and profits.

In Ohio, we have every advantage over the gulf coast, but it is critically important that we continue to invest in and support this industry. Whether one refers to the numerous combined cycle plants, the pipeline work, as well as the production at Ohio's major refining facilities, Ohio's Oil & Gas Industry is responsible for tens of thousands of good-paying construction jobs for Ohio workers. These are Building Trades jobs with good pay and competitive benefits that sustain families. These jobs are precious to our members and to Ohio's economy as well.

Accordingly, in accord with S.R 176, I am here to urge caution and significant deliberation when it comes to measures that may increase taxes on an industry that we partner with for industrial development and job creation. Thank you for your time and the opportunity to speak on this very important topic.