

Representatives

Cindy Abrams
Willis E. Blackshear, Jr.
Juanita O. Brent
Sara P. Carruthers
Rodney Creech
Steve Demetriou
Thomas Hall
Adam C. Miller
Kevin D. Miller
Ismail Mohamed



Chairman
Haraz N. Ghanbari

Vice-Chairman
Phil Plummer

Ranking Member
Cecil Thomas

HOMELAND SECURITY COMMITTEE

Meeting Minutes | June 21, 2023

Chairman Ghanbari called the committee to order at 11:00 a.m.

Chairman Ghanbari approves the minutes from the hearing of June 14, 2023.

Chairman Ghanbari calls for the 3rd hearing of HB 167. Seeing no parties available to testify, Chairman Ghanbari asks how the committee would like to proceed.

Vice-Chair Plummer moves to favorably report the bill to rules and reference committee.

With 10 affirmative votes and no negative, the bill is favorably reported out of committee.

Chairman Ghanbari calls for the 3rd hearing of HB 176.

Chairman Ghanbari recognizes Lee Daher for interested party testimony.

Lee Daher states the funds HB 176 would provide would benefit carpenters all over the state as well as every Ohioan will be safer in their homes.

Representative Adam Miller states the bill will give the ability to help families in a better distributed manner. He asks how Lee Daher's project has also benefited additional families and projects.

Lee Daher states that the tornado's that struck Kentucky last year ravaged the families of carpenters and through their program they were able to assist them.

Chairman Ghanbari asks how the committee would like to proceed.

Vice-Chair Plummer moves to favorably report the bill to rules and reference committee.

With 12 affirmative votes and no negative, the bill is reported favorably out of committee.

Chairman Ghanbari calls for SB 53 for it's 2nd hearing. Seeing no parties available to testify, the Chairman directs the attention to the written testimony on the iPads.

Chairman Ghanbari calls for HB 205 for it's 3rd hearing.

Chairman Ghanbari recognizes Representative Plummer to explain AM_135_1048.

Vice-Chair Plummer states the amendment will change the word 'fluency' to 'proficiency' regarding the English requirement.

With no objections, the amendment became part of the bill.

Chairman Ghanbari recognizes Representative Mohamed for AM_135_1013.

Representative Mohamed explains the amendment, AM_135_1013 removes a proposed requirement that a contractor or subcontractor ensure that all class A and class B skilled journeypersons and apprentices performing services at a stationary source demonstrate fluency in spoken English. However, he withdrew the amendment.

Seeing no objections, the amendment has been withdrawn.

Chairman Ghanbari recognizes Vice-Chair Plummer to explain AM_135_1044.

Vice-Chair Plummer states AM_135_1044 removes a proposed exemption from the bill's training and experience requirements that applies when a contractor or subcontractor requests qualified individuals but is unable to obtain sufficient qualified individuals within 48 hours.

Seeing no objections, the amendment becomes part of the bill.

Chairman Ghanbari recognizes Alexandra Denney for opponent testimony.

Alexandra Denney states HB205 is a labor mandate for workers at Ohio's four 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 by 2024. 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.

Representative Brent asks what a better alternative for training is if unions are not providing the best training.

Alexandra Denney states the issue with the bill is that this will prioritize workers who have gone through safety training over people who have more time on the job.

Representative Brent reiterates her question of what a better alternative for training would be in terms of cost management.

Alexandra Denney explains the training requirements are varied and under the new standard there will be new additional costs.

Representative Creech asks why the price of gas would go up based on the choice of labor.

Alexandra Denney states this would require a hiring mandate and therefore these hiring costs will increase and this will show in the cost of gas prices.

Representative Adam Miller asks if the OBC sees a way to support legislation for modernization of the refinery infrastructure.

Alexandra Denney responds the refineries are capable of hiring the workforce they need and the current work and safety standards can be updated within these parameters.

Representative Adam asks if the OBC supports the legislative efforts to modernize their capital infrastructure.

Alexandra Denney responds they would support modernization but it would not be needed through a mandated government system.

Chairman Ghanbari recognizes Matt Austin for opponent testimony.

Matt Austin states HB205 has less to do with safety and more to do with stripping the rights of private companies to hire the workforce they desire. HB205 is aimed at granting a monopoly on the workforce to unions. The provisions in the bill will affect several different aspects of the operation in a refinery, however, these are not covered or discussed in the bill. Even though there is no requirement for these refineries to hire union workers, they will be led to hire union workers regardless.

Representative Brent asks if the percentages of union workers that are quoted in the testimony are nationwide or if they are based in Ohio.

Matt Austin states this is a nationwide statistic.

Representative Brent asks what the percentage is for Ohio.

Matt Austin responds he will get this number for the representative.

Representative Brent asks what costs will be brought on by this legislation.

Matt Austin responds there will be a cost for record keeping and the monopoly that union work will have.

Chairman Ghanbari recognizes Jeff Dillon for opponent testimony.

Jeff Dillon states HB205 is anti-competitive and AFP strongly opposes the bill for this reason. AFP opposes this bill because it creates a top-down mandated work force system. The unions that are pushing this bill are aiming at cornering the market due to the fact that some of the trainings that are required in this bill are widely provided by unions. There is no doubt that working in these refineries is dangerous, however, this bill will not be a solution. The way the bill has been pushed and forced through the process is rooted in the culture of cronyism that weakens our free market system.

Representative Carruthers asks if they are not getting construction workers, who they are getting.

Jeff Dillon responds there would still be construction workers available.

Representative Carruthers states that it is not always common practice to gather co-sponsors on a bill.

Jeff Dillon states he has been in the House longer than representative Carruthers and knows that it is not common practice to not ask for co-sponsors.

There is a call to order.

Representative Brent asks where the additional costs would come from in order to maintain this training standard.

Jeff Dillon states the training that is mandated will be required to be paid by somebody through the process. It depends on who will pay it, whether it could end up being the refineries or the shop that is putting the workers into the field.

Representative Brent asks what training will be better compared to an apprenticeship who want to go into this space.

Jeff Dillon states his colleagues will have a better answer. However, the rejection rate for welds is vastly lower when the worker is non-union. The protectionist policy that is put forward in this bill will lower safety standards because their own work standards will be lowered due to them being captivated by the market.

Chairman Ghanbari recognizes Rick Carfagna for opponent testimony.

Rick Carfagna states Ohio's oil refineries become less competitive with those in other states because it places additional regulations on them that can result in increased compliance costs. For example, HB 205 requires owners of oil refineries to assure their contractors comply with strict guidelines dictating the type of individuals who are permitted to work at their facilities. Additionally, Ohio's refinery facilities have long been, and remain, highly regulated at the local, state, and federal levels. The industry has made significant investments in programs, training, standards and practices, and equipment reliability that have improved occupational and process safety performance.

Representative Brent asks what the numbers are for the increase in costs.

Rick Carfagna states there are numerous variables such as reporting requirements that will be necessary to track.

Representative Brent asks if anybody has tracked to see what the actual number for the increased costs will be.

Rick Carfagna states that he does not have the specific costs because it is not a requirement as of today.

Representative Brent asks how this bill will cause a workforce shortage.

Rick Carfagna states today the refineries have the flexibility to hire from the workforce who they need. However, this mandate will force ratios of workers on these projects and therefore require certain workers to fill these positions. This rule applies to maintenance and repairs as well and this will remove the flexibility required by a refinery.

Representative Abrams asks if there are already tracking for who is working on the plants and what trainings they have.

Rick Carfagna states he may not be best fit to answer this question.

Representative Abrams asks how the advertisement that the Ohio Chamber of Commerce took out on her is true and that HB205 will cause an increase in the cost of fuel.

Rick Carfagna states this bill will slow down and even stop production because of the lack of flexibility on the workforce.

Representative Abrams asks if there is already somebody tracking these records on who is being hired, how will this be anything new than what is already being done at the refineries.

Rick Carfagna states this bill will mandate that 65% of the workforce will be class A journeymen and this will be changed to 80%. This will not favor the workers that have been on the workforce for years and instead these jobs will be given to less qualified workers.

Representative Creech asks where the cost increases are coming from.

Rick Carfagna states he will defer to the refineries as to why the prices are the way they are today. This bill will add additional layers of costs and anything that throttles the production will add more cost.

Chairman Ghanbari asks what a key vote is and what a double weighted vote means.

Rick Carfagna states a key vote is a score on representatives that are used for bills that are either outstandingly important for the Ohio Chamber of Commerce to weigh in on. With these key votes, this will help weigh into where a representative stands and whether or not they will receive an endorsement.

Chairman Ghanbari asks what the purpose of informing representatives what a key vote is vote when it is sent before a committee.

Rick Carfagna states this is to implore the representatives to look into the objections of the Chamber of Commerce because this bill is outstandingly detrimental to the business community in Ohio.

Chairman Ghanbari states that there is an issue with the manner that the Ohio Chamber of Commerce has gone about issuing a key vote regarding this bill. Based on his answer, the key vote alert is being used as a way to threaten people with not receiving an endorsement instead of advocating for the bill.

Chairman Ghanbari recognizes Rob Brundrett for opponent testimony.

Rob Brundrett states Ohio is the largest oil producing state in the Appalachian area. HB205 will take decision making control from the experts and replaces it with an arbitrary system. The bill remains vague so that typical maintenance at a "stationary source" risks unintended consequences if a refinery does not follow this new law for a variety of day- to-day maintenance and construction that might not have much to do with refining but is required for the upkeep of the facility. At any time, the violator could be subject to a \$10,000 per day fine because they used someone to paint a railing who did not fit the bill's standards

Representative Brent asks what the costs will be for specifically Ohio instead of the nationwide level.

Rob Brundrett states the cost is unknown at this time because the bill is so broad that it could apply to hiring quotas that are unseen at this time. Additionally, the oil refineries may see what the cost is in certain states and therefore they may close down their business to open in another state.

Representative Brent states the refineries that Rob Brundrett mentioned that closed appear to have no correlation to this bill.

Rob Brundrett clarifies these closings apply to the overall cost that the state will be faced with if the cost is too overbearing for the oil refineries.

Representative Mohamed asks how this bill will impact the workers currently at these facilities.

Rob Brundrett states that this will cause some of the workers to be lost due to the mandated requirement system

Ranking Member Thomas asks whether or not the overall safety in the refineries is the top priority.

Rob Brundrett states the oil refineries are already safe with the systems that they have in place.

Ranking Member Thomas asks if there are record profits in the refineries, how will there be a problem with safety and training requirements.

Rob Brundrett states with record profits there are still facilities that can be unsuccessful still. When the refineries review the costs of the facilities and they may choose to move to a state with less overall costs.

Chairman Ghanbari recognizes David Blatnik for opponent testimony.

David Blatnik states there is no data to support the claims that the new requirements on training will be any safer for the workers. In the Petroleum industry, that uses the same services as the construction industry, is drastically safer. The refineries are diligent with their hiring process and they have extensive safety manuals that each worker must be trained on. Marathon is not anti-union. When they hire a contractor, they are open to hiring whoever is best for the job that is presented at the time. In a refinery, there is a turnaround and maintenance every day. As of now, they employ about 200 contractors a day and with the legislation, they will not be compliant with the current workforce. However, these contractors are individuals who live in the area near the refinery and who work in the facility every day. Some of these contractors will be forced to be laid off because of this bill. Another concern that he addresses is the idea that the refineries are old and outdated. He states that each facility that may have been built 100-250 years ago may actually be about 20 years old because they are constantly repairing and replacing parts in the refineries.

Representative Abrams asks if safety is top priority

David Blatnik states he agrees, however, he does not believe this bill will accomplish this.

Representative Abrams asks what could make this bill better and where they could find a common ground.

David Blatnik states there is no mandated workforce that will make them safer.

Representative Adam Miller asks where the overall industry is at with safety in the oil refineries that they compete with.

David Blatnik responds that the industry is at a .4.

Representative Carruthers states the bill has a carve out for large companies such as Marathon.

David Blatnik states there is and it is for refineries that produce less than 120,000 barrels. However, this could possibly be removed in the future and seriously impede economic growth.

Representative Carruthers states that she would like to visit the facility.

Representative Kevin Miller asks why one of the affected facilities would be in support of this legislation.

David Blatnik states they already use a 100% union workforce.

Representative Miller asks how they are competitive then if they are already a 100% union workforce.

David Blatnik states that if they are mandated, the structure between contractors that are union and non-union will change. The contractors will likely decide to train their workforce one way or the other. If there is a mandated workforce, they have no leverage to discuss costs.

Representative Brent states the binders that David Blatnik brought have not been shown to the representatives.

David Blatnik states the representatives are able to view the binders.

Representative Brent states she had not been able to visit the refinery because she was in a wheelchair.

Chairman Ghanbari recognizes Claudio Ingaramo for opponent testimony.

Claudio Ingaramo states some of the issues that this bill is addressing occurred under previous ownership. Additionally, this bill will not accomplish anything for safety for the workers in the industry. America is the strongest economy in the world and it is a country made up of people who speak different languages. Their language barrier should not prevent them from finding a job in Ohio. He is not aware of any incident that was caused because of a language barrier. Union affiliated contractors bring in a large amount of out of state contractors for their projects. 80% of the work that was provided by union contractors came from workers who were from out of state. Cenovus has been rebuilding their refinery and during their rebuild they hired a union affiliated contractor. Over 90% of these workers were from out of state. Unions will continue to hire from out of state and this bill will not prevent this practice.

Chairman Ghanbari recognizes Doug Powell for opponent testimony.

Doug Powell states HB 205 will not contribute to the goal of making our business safer. HB205 will impose more safety risk on the oil refineries. It will do this by eliminating their ability to select contractors based upon factors that are important to achieve their expectations by limiting their selection of the workforce.

Chairman Ghanbari recognizes Steve Schwartz for opponent testimony.

Steve Schwartz states HB 205 requires a specific approach toward training crafts which mirrors the Building Trades apprenticeship programs. These programs do well with training members for a wide variety of work across various commercial and industrial jobs. Some aspects of those apprenticeship programs are relevant to refinery work, but those programs in and of themselves for some trades do not always provide the level of expertise and specialty skills required for refinery work. Regarding out-of-state workers, whether they contracted with union or non-union firms, more than half the workers came from the Gulf Coast. Regarding foreign workers, Cenovus is subject to and complies with several layers of mandatory verification under the Department of Homeland Security's Chemical Facility Anti-Terrorism Standards program. Under these regulations, workers are subject to a mandatory criminal record check, mandatory identity and legal status verification, and are checked for possible terrorist connections.

Representative Adam Miller asks the panel of Claudio Ingaramo, Doug Powell, and Steve Schwartz if their opposition to the bill mainly lies in the turnarounds that occur in the oil refinery business.

Claudio Ingaramo states this is a main concern. They function on a basis of repairs that occur every five years, however, these workers come from out of state. During this period, their work is aimed at assuring that the refinery remains in working condition for the next five years. From these workers, only 10-20 percent of them are union workers. Additionally, the job market does not recognize boarders and these out-of-state workers would not qualify based on the conditions set forth in HB205. This bill will prevent workers with better knowledge from working in Ohio and this will cause the overall safety to decrease.

Representative Adam Miller states the advocacy that Claudio Ingaramo has provided is appreciated and may have resulted in more working together if this was available during the last general assembly. He also states that there are veterans that will be returning back to the United States that are qualified for these jobs and he recommends they reach out to them to fill their need in the workforce.

Claudio Ingaramo states he is thankful for this offer and that leadership is a characteristic that they are focused on when they hire.

Representative Demetriou asks how their own self-imposed mandates compare to the mandates being offered in this bill.

Doug Powell asks for a clarification.

Representative Demetriou states there are quotas that are listed on their website that list examples such as race and sexual identity. He asks how these self-imposed mandates compare to the mandates in the bill.

Claudio Ingaramo states these are not mandates, these are demographics that they are pursuing but it does not change who they hire on an individual level.

Representative Demetriou states their website shows their quotas requires 40% of women by a certain date and this is an internal mandate.

Doug Powell states these are not mandates but they are focuses. When they receive an applicant, they will give these demographics will be given a higher likelihood of receiving an interview.

Chairman Ghanbari recognizes Joseph DeFlora for opponent testimony.

Joseph DeFlora states there are safety standards that they focus on as a whole when it comes to oil refineries. This list includes a program directed at operators that provides a toolbox of training materials six regional information sharing networks that allow process safety professionals, independent third-party assessments, hazard identification and practice share documents, resources to help members improve mechanical integrity programs, information and tools to improve human performance in operations, and industry data analysis that identifies opportunities for improvement.

Chairman Ghanbari recognizes Chris Ziegler for opponent testimony.

Chris Ziegler states the weld rejection rate was 30% on projects that were being conducted by union workers and once these workers were replaced with non-union workers, it was decreased to .75%. Overall, the union workers have serious workplace failures that could cause safety issues in themselves. He also submits to the committee the federal regulations that the refineries are already being required

to follow for safety concerns. With this mandate, the same people that caused the 30% weld rejection rate will be required to be hired back onto the site.

Chairman Ghanbari recognizes Chris Ferruso for opponent testimony.

Chris Ferruso states that oil refineries understands what hiring criteria is best fit for their business. During the testimonies provided, their statistics have shown that there are safety procedures in place. A refinery that would not value safety would cost them more than just the injuries their workforce would suffer. Overall, the workers that would be applying for these jobs would not work at a place that does not value safety. Regarding the provision of the bill that involves English fluency, the bill is not clear who will decide who is considered fluent in English and what tests will be required for this requirement to be met.

Representative Brent asks why it would be a problem for somebody to make a complaint.

Chris Ferruso states this could lead to an issue where people will file complaints that may be frivolous but they will be required to investigate.

Representative Adam Miller asks if Chris Ferruso is surprised that there is a bipartisan effort to support this bill.

Chris Ferruso replies it is due to this being a mandated work force.

Chairman Ghanbari directs the committee to notice and review the additional written testimony on the iPads.

Chairman Ghanbari clarifies the way the committee functions is he will allow for a hearing whenever the sponsors are ready. He will always allow for a minimum three hearings for each bill that comes before the committee. He states that this bill has not been fast tracked as this bill was introduced in the last general assembly and has been previously vetted.

Chairman Ghanbari asks how the committee would like to proceed.

Vice-Chair Plummer moves to favorably report the bill to rules and reference committee.

With 13 verbal affirmative votes, 10 signed, and no negative, the bill is reported favorably out of committee.

Chairman Ghanbari adjourns the committee at 2:07 p.m.

Chairman Ghanbari

Ranking Member Thomas

