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Interested Testimony on House Bill 153

Presented to the Ohio House Agriculture and Natural Resources Subcommittee

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Introduction

I first want to thank the Chairman and the entire committee for accepting comments on House Bill 153. The Sierra Club is the oldest and largest environmental organization in the country. With over a forty year history, the Sierra Club Ohio Chapter represents about 25,000 members and supporters throughout the state. We fight for clean air, clean water, the preservation of Ohio's most precious natural spaces, and healthy, vibrant communities.

Please protect our state parks, preserves, and forests from drilling.

Our state parks host about 50 million visitors each year, and contribute \$1.1 billion annually to Ohio's economy. About half of the Division of Parks and Recreation's annual budget is generated from park visitors through camping registrations, concessions, boat rentals, dock fees, and more. Oil and gas exploration on state lands will do little to solve ODNR's budget woes, while putting the revenue from park users at risk.

The beautiful landscapes of our state lands should not be littered with eyesores from drilling rigs and wellheads or the unavoidable damage caused by development, construction, and maintenance of wells and pipelines. Even if no environmental mishaps occur, each drilling site will leave a sizable scar that will take years to heal from clear cutting, increased invasive species, fragmentation of wildlife habitats, odor and noise pollution, and soil erosion, while putting state lands at risk of fire, explosion, spills, and water contamination.

In March, 33 organizations submitted a joint letter opposing drilling in state parks to the entire General Assembly. The letter outlines concerns regarding unacceptable exemptions the oil and gas industry currently enjoys from the Clean Water Act, the Clean Air Act, the Safe Drinking Water Act, and many other federal protections.

By requiring larger equipment, additional pipes, and retainment ponds, horizontal hydro-fracking would create even greater impacts on state lands. This method of drilling is relatively new, but just in our neighbor state of Pennsylvania alone, there are many documented cases of spills, leaking wells, fires, water contamination, and other accidents. For this reason, the Sierra Club joined with over fifty organizations to call for a moratorium on horizontal fracking in Ohio, because this technology is too risky for private lands, let alone our state parks.

Protect our state lands and the state budget from logging operations.

Public forest management should focus on preservation of forests and wildlife habitat rather than attempting to compete with the private logging industry. Private forests are generally small, with little continuity in management between parcels. Public forests are uniquely qualified to provide large tracts of unfragmented forest. For some species of mammals and birds, the size of habitat

determines whether they survive as a species. Increased logging will increase the destruction of endangered habitat and encourage the spread of invasive species, while providing minimal revenue. In fact, the Sierra Club, the Ohio Environmental Council, Buckeye Forest Council, and Voices for the Forests released a peer-reviewed report last fall that demonstrated that logging on state lands can actually cost more than it creates in revenue.

Restore Funding to Soil and Water Conservation Districts.

Ohio's 88 Soil and Water Conservation Districts specialize in water management activities by providing technical assistance to landowners, farmers, and local municipalities. SWCDs are efficient and cost-effective, and without them, Ohio would miss out on federal money available to farmers through the Federal Farm Bill. SWCDs are the first line of defense for protecting public health and Ohio's watersheds from agricultural run-off by assisting farmers in the implementation of wetlands, riparian buffers, safe manure storage, and nutrient management plans. I fear Ohio will once again face toxic algae blooms in Grand Lake St. Mary and other watersheds throughout the state this summer; Ohio should be increasing not decreasing support to SWCDs as one of the most cost effective means of addressing the problem at the source.

Make Mining Companies Pay for Coal Oversight instead of Taxpayers or Sick Miners.

We respectfully request that the Committee replace GRF funding of coal enforcement activities through the creation of a coal extraction fee. The previous Administration proposed a fee of \$0.08 per ton of coal production to replace GRF funding, which would cover the staffing and administrative costs for coal oversight. During the last round of budget negotiations, the Office of Budget and Management estimated that the coal extraction fee would generate approximately \$1.2 million in revenue, which would be used to displace the need for GRF. During the last biennium, the Oil and Gas industry agreed to pay increased fees so that their oversight and permitting could be adequately funded. Unfortunately, the coal industry fought against this modest fee, and instead the Workers Comp Fund for workers stricken with Black Lung was raided to cover many of these expenses. Ohio's mining companies should be good corporate citizens; neither Ohio taxpayers nor sick workers should be required to foot their bills.

Keep Ohio's Air and Water Clean by Supporting the Ohio EPA.

The reductions to the Ohio Environmental Protection Agency are a concern for the Sierra Club, as they would negatively impact the ability of the agency to adequately protect Ohio's air and water quality. Aside from the E-Check program, Ohio EPA does not rely on General Revenue for any of its operations, so the reductions proposed in their budget do not appear to have any fiscal correspondence to diminished state revenues.

During the last budget cycle, the Ohio EPA sought several fee increases to support their operations but the fees were not enacted. House Bill 153, if enacted in its current state, would yet again leave Ohio EPA without even nominal fee increases to account for inflation. The Sierra Club is concerned that this agency, which serves a critical role in protecting public health and keeping Ohio's air and water clean and safe, is on the path of ultimately suffering death by a thousand cuts.

Because much of what Ohio EPA regulates and enforces is federal law, chronically underfunding this agency does not equate to less regulation or enforcement on Ohio's businesses and industries. Less staff within the agency and an inhibited ability to efficiently and collaboratively meet its statutory obligations will just bring Ohio closer to having federal entities take over the role that Ohio EPA currently serves. It's in all stakeholders interests—the regulated community,

the advocates and the regulators—to keep clean air and water laws a local matter, but the Sierra Club is concerned that the agency will not have adequate staffing to meet its obligations. Adequately meeting these obligations not only benefits the quality of the air we breathe or the water we drink, but it benefits the business community through the ability to process permits in a thorough and timely manner and by providing compliance assistance to Ohio's small businesses.

Protect Customers from High Utility Bills by Restoring the Ohio Consumer's Counsel Budget.

The Sierra Club supports the restoration of the Ohio Consumers' Counsel's budget, on account of the vital role they play in limiting the amount of rate increases customers see on their gas, electric, telephone and water bills. As you are likely aware, House Bill 153 reduces the Ohio Consumers' Counsel's appropriation by 51%, which would weaken the Counsel's ability to work on behalf of residents throughout Ohio. In today's troublesome economic climate, keeping utility rates fair, competitive, and stable is critical to our state's recovery. While the duty of the Public Utilities Commission is to balance the needs of all stakeholders, the Consumers' Counsel plays a unique role in protecting residential customers, having saved customers over \$10 Billion in its 35 year history. The agency does not rely on General Revenue Fund dollars to support their operations, so restoring at least a flat funding level over the current biennium would not infringe on other state programs, while providing a critical service to the people of Ohio.

Uphold Public Trust and Government Transparency.

The Governor's budget gives the OBM Director unprecedented contracting authority, in which the Director would be unilaterally able to contract out any state service to any applicant that he or she deems qualified. As the oldest grassroots environmental organization in the country, the Sierra Club believes firmly that government should be transparent, participatory, and principled. Giving one person such contracting authority could lead to arbitrary decision-making, opening the door to corruption, nepotism, and risky financial ventures that ultimately could cost the state a lot of money and political capital.

Conclusion

Again, I would like to thank the entire committee for the opportunity to present comment on Ohio's budget. The Sierra Club believes that economically vibrant communities are also healthy and clean ones. For that reason, we ask you to preserve our natural parks from drilling, logging, and other commercial development. We call upon you to promote clean water, clean air, and the health of all Ohioans by supporting ODNR and EPA. We suggest funding coal mining enforcement activities through an extraction fee. We ask you to reinstate OCC's existing budget, because every utility customer needs someone in their corner. Finally, we ask that you promote transparency in government by rejecting language that would give one government official too much unchecked power.

Thank you! I appreciate your consideration.

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