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Guest Column:

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House Bill 235 – Ohio’s Recipe for Higher Fuel Prices

State Legislation Jeopardizes Energy Production, Commandeers Private Businesses, and Punishes Ohioans At The Worst Possible Time

As we transition into summer and its promise of increased travel and outdoor activities, Ohioans have seen their plans thwarted at every turn by soaring gas prices. Reductions in foreign oil imports, coupled with rebounding demand in the wake of our economy’s recovery from the pandemic, have decreased supply and boosted costs. In response, many Ohio legislators are vocally pushing for greater energy independence by leveraging our state’s abundant oil and gas resources.

Ohio is home to four petroleum refineries, an extensive system of pipelines, and a highway system that positions us within a 10-hour drive of about half of the U.S. population. Despite these promising factors, it’s perplexing that the very same politicians lamenting our need for increased domestic production appear ready to embrace legislation throttling these efforts.

House Bill 235, legislation aggressively pushed by organized labor, appears like it could be headed towards passage in the Republican-dominated Ohio House of Representatives. The legislation purports to boost worker safety on construction projects at Ohio’s refineries. On its face, who would disagree with this concept? After all, everyone agrees that workplace safety anywhere should be paramount.

Instead, HB 235 is a clever backdoor attempt at forced unionization, creating government-mandated quotas of union workers at a time when Ohio already faces crippling workforce shortages. Even more troubling, the bill would establish an appalling precedent of government inserting itself into the hiring practices of private businesses, dictating not just whom they must employ but also the ratios of employees among that company’s staff.

House Bill 235 arbitrarily limits the pool of eligible individuals who can work on contracted construction jobs at Ohio's oil refineries to only those in registered apprenticeship programs or who qualify as either a class A or class B journeyman. Furthermore, the bill mandates that refineries must adhere to strict worker proportionality, which places additional hurdles to building an adequate workforce at Ohio's four oil refineries.

If the bill's intent is truly to ensure worker safety, then why the need to impose quotas? Why hold back any extensively trained and qualified non-union employees from gainful employment at Ohio refineries?

The fact is 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. In fact, there hasn't been a recorded fatality at an Ohio refinery in nearly 30 years.

The U.S. Bureau of Labor Statistics reports the nonfatal workplace injury and illness incidence rates for petroleum refineries in 2020 amounted to .5 cases per 100 full-time workers. In Ohio, the 2020 injury and illness incidence rates for petroleum and coal products manufacturing was 5th lowest of all manufacturing industries at 1.4 cases per 100 full-time workers. By contrast, food manufacturing in Ohio was at 3.5 cases per 100 and forging and stamping was at 5 cases per 100.

No matter if it's a refinery or a lemonade stand, our government simply has no business ordering any private enterprise to hire certain employees and at specified proportions. House Bill 235 takes a big step towards nationalizing Ohio's companies, rather than allowing the private sector to manage its own workforce and operations. Big labor hasn't even tried to conceal its intentions here to force unionization, publicly commenting on social media that the bill will "secure our market share." The question is: why is the Republican supermajority legislature considering accommodating them?

The current geopolitical tensions have necessitated an overdue recommitment to American energy production, and Ohio is uniquely situated to help provide long-term energy affordability and stability. Given the national security implications presented by this opportunity, Ohioans should demand better from our elected officials than legislation that complicates these efforts.

Last November, two of Ohio's refineries performed routine preventative maintenance causing their production to slow or completely stop. The disruptions caused to the regional distribution of diesel fuel resulted in outages and shortages in Ohio and various locations in southwest states. In a memo to city council regarding the situation,

Cincinnati's city manager commented how the "industry-wide labor shortage has also exacerbated supply chain pressure and impacted the cost of fuel." If temporary plant maintenance – necessary to ensure safe workplace conditions – causes this degree of a negative ripple effect, just imagine the devastating economic impact HB 235 would have on fuel availability and prices through government-mandated interference.

House Bill 235 adds more costs and red tape, needlessly inserts government into hiring and training processes, and jeopardizes employment opportunities for skilled Ohioans. Disruption of refinery operations by our own state government through quotas and burdensome compliance costs does nothing to improve worker safety while translating to higher prices passed down to everyone. When it comes to costs at the pump, our state leaders should be providing Ohioans with relief, not more pain.

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