

# Government Affairs Committee

March 14, 2012

<b>Table of Contents</b>	<b>Page #</b>
Agenda	3
Manufacturers' Evening Invitation	4
Guest Bios	5
OMA Counsel Report	
• Tort Reform Case Decision: Havel v. Villa St. Joseph	8
• Marijuana Ballot Initiatives and Potential Concerns for Ohio Manufacturers	10
• Ohio Supreme Court Contest 2012	13
Election Results List by Hannah News	14
Public Policy Report	19
Leadership News Articles	21
Legislative Update	32
Announcing the Ohio Steel Council	40
Ohio Prosperity Project 2012 Participant Engagement Summit	41
NAM Public Affairs Conference 2012	43
Energy	48
Environment	80
Tax	100
Workers' Compensation	115
Human Resources	124

## 2012 Government Affairs Committee Calendar

Wednesday, March 14, 2012  
 Wednesday, June 6, 2012  
 Thursday, September 20, 2012  
 Wednesday, November 14, 2012

*Additional committee meetings or teleconferences, if needed, will be scheduled at the call of the Chair.*

## OMA Government Affairs Committee Meeting Sponsor:



A division of the American Chemical Society



**OMA Government Affairs Committee**  
March 14, 2012



**AGENDA**

**Welcome & Self-Introductions**

**Jeff Fritz**  
DuPont  
Committee Chair

**Ohio Primary Election Review**

**Federal Highlights**  
Boiler & Utility MACT / NAM Conference

**Barry Doggett**  
Eaton Corporation  
NAM Regional Vice Chair

**OMA Counsel's Report**  
Civil Justice / Ballot Issues / Supreme Court

**Kurt Tunnell**  
Bricker & Eckler, LLP

**Extended Producer Responsibility (EPR)**  
New State Level Trend

**Luke Harms**  
Whirlpool

**Manufacturing Advocacy**  
Ohio Steel Council Formed, Vertical Groups & OMA,  
Ohio Prosperity Project

**Robert Lapp**  
The Timken Company

**Food Manufacturing Dialogue**

**Lee Anderson**  
General Mills

**Staff Reports**  
Tax, Workers' Comp, Energy, Environment

**Ryan Augsburger**  
The Ohio Manufacturers' Association

**Kevin Schmidt**  
The Ohio Manufacturers' Association

**Special Guests**

**Honorable Ross McGregor**  
Ohio House of Representatives

**Honorable Kristina Roegner**  
Ohio House of Representatives

**Workplace Freedom Polling Presentation**

**Jeff Longstreth**  
Ohio 2.0

**Hans Kaiser**  
Moore Information

Committee Meetings begin at 10:00 a.m. and conclude by 1:00 p.m. Lunch will be served.  
Please RSVP to attend meetings by contacting Judy: [jthompson@ohiomfg.com](mailto:jthompson@ohiomfg.com) or (614) 224-5111 or toll free at (800) 662-4463. Indicate if you will be participating in-person or by phone.

**Manufacturers' Evenings** Contact Kevin or Ryan to reserve a spot.

- Monday, March 26 at 6pm Representatives Kristina Roegner & Ross McGregor
- Tuesday, June 5 at 6pm Ohio Senate President Tom Niehaus and Pro-Tem Keith Faber
- Monday, June 25 at 6pm Ohio Speaker of the House William Batchelder
- Wednesday, Sept 19 at 6pm TBD



You are cordially invited to attend a  
**Manufacturers' Evening Dinner**

Honoring Manufacturing Champions

State Representative **Kristina Roegner**  
and  
State Representative **Ross McGregor**

Monday, March 26, 2012 6:00 p.m.

Athletic Club of Columbus  
136 E. Broad Street, Columbus, OH 43215

Suggested contributions of \$250 to each candidate:

**Kristina Daley Roegner for Ohio**  
7668 Yennicook Way  
Hudson, OH 44236

**Citizens for McGregor**  
5524 Old Columbus Road  
Springfield, OH 45502

Contact Kevin Schmidt [kschmidt@ohiomfg.com](mailto:kschmidt@ohiomfg.com) or Ryan Augsburger [raugsburger@ohiomfg.com](mailto:raugsburger@ohiomfg.com) at (614) 224-5111 to reserve a spot or for more information.

Paid for by the OMA PAC, Ryan Augsburger, Treasurer  
33 N. High Street, 6th Floor, Columbus, Ohio 43215





## Ross W. McGregor, Representative State Representative (R)

[Biography](#) [Education](#) [Committees](#) [Bills](#) [Resolutions](#)  
[Honors/Awards](#) [Memberships/Affiliations](#) [Responsibilities](#)  
[Contact Me](#)

### Biography

**District:** 72  
**Term:** 4th (includes appointed and elected terms)  
**Term Limit:** Eligible to run for another two-year term  
**Address:**  
77 S. High St  
11th Floor  
Columbus, OH 43215-6111  
**Phone:** (614) 466-2038  
**Fax:** (614) 719-3972  
[Contact Me](#)

State Representative Ross McGregor was first appointed to the Ohio General Assembly in 2005 and continues to serve the Ohio Legislature now in his fourth term. He represents the constituents of the 72<sup>nd</sup> House District, which encompasses portions of Clark County including Springfield, New Carlisle, Enon, Donnelsville, Medway, Mad River Township, Bethel Township and Springfield Township.

In addition to working as a member of the Ohio House, Representative McGregor works as a manager of business projects for Pentaflex, Inc. and as president of the Champion City Development Company, both located in Springfield.

Representative McGregor stays active in the community as a member of the Springfield Rotary Club, Clark County Farm Bureau and Springfield Chamber of Commerce. In the past, he has served as a chairman of the Clark State Community College Foundation, where he worked to promote generational education programs. He also served as the chairman of the Business and Expansion Committee for the Center City Association, where he focused on economic development and growth initiatives.

Representative McGregor is the recipient of the Watchdog of the Treasury Award, the Major General Charles Dix Award for Legislative Excellence, the Allies for Equality Award from Equality Ohio, The Chuck McDonald COSE Advocacy Award from the Council of Smaller Enterprises and the National Federation of Independent Business Guardian of Small Business Award. He is also a member of the Ohio Association of Commodores.

Representative McGregor works for his family business as a manufacturer of metal stampings and sub-components for the automotive, heavy truck, solar and agricultural industries. He is also involved in urban redevelopment activities through the Champion City Development Corporation, located in Springfield.

Representative McGregor received his bachelor’s degree from Urbana University in business administration. He resides in Springfield with his wife, Dr. Catherine Crompton.

### Education

B.S. in Business Administration, Urbana University



## Kristina Roegner, Representative

### State Representative (R)

**District:** 42  
**Term:** 1st  
**Term Limit:** Eligible to run for another two-year term

**Address:**  
77 S. High St  
11th Floor  
Columbus, OH 43215-6111

**Phone:** (614) 466-1177

**Fax:** (614) 719-6942

[Contact Me](#)

## Biography

---

State Representative Kristina Roegner is serving her first term at the Ohio House of Representatives. She represents the 42<sup>nd</sup> Ohio House District, which includes Cuyahoga Falls, Hudson, Munroe Falls, Silver Lake and Stow.

A Hudson City Council member from 2005-2010, Representative Roegner was part of the Budget Reduction Ad-hoc committee, which led Hudson City Council in 2006 to reduce the budgeted city spending and size of government. She was also a member of the Board of Directors at Seton Catholic School and Leadership Hudson.

Representative Roegner was a field engineer and project manager for Westinghouse Power Generation Service Division, where she was responsible for leading teams of more than 50 people in overhauling large turbines and generators at power plants across the country. She also worked as a management consultant at McKinsey & Company, serving global clients on performance issues and continues to work as a McKinsey Alumni Consultant.

Graduating cum laude in 1990, Representative Roegner has a Bachelor's of Science in mechanical engineering from Tufts University and her Masters in Business Administration from the Wharton School of Business.

Kristina and her husband Eric have three daughters and live in Hudson, Ohio.

---



## Testimonials

"I've worked with Bob Moore since I came to Washington over 20 years ago. Since coming to the Association of Washington Business, we've used Moore Information for polling our members, stakeholders and the public on ballot issues."

[Don C. Brunell](#)  
President  
Association of Washington  
Business

## Sign Up For Moore Insights Today

Gain access to our recent polls and analysis of public opinion





## Hans Kaiser, Vice President of Campaign and Public Affairs

Hans Kaiser directs research projects for corporate and political clients, ranging from health care and energy companies to U.S. Senate and Congressional campaigns. Kaiser draws on more than 25 years of experience in business, public affairs and politics to provide his clients with a well-rounded perspective when designing and interpreting research data.

Since Kaiser began working for MI in 1995, he has been instrumental in expanding the company's political and corporate client base. He has a wealth of strategic and tactical experience that he combines with an unyielding attention to detail and steadfast commitment to his clients. Kaiser applies his expertise to ongoing clients such as the National Pork Board, the National Biodiesel Board, and U.S. Senator Susan Collins (Maine).

Before joining MI, Kaiser served as Campaign Manager for U.S. Senator Slade Gorton's successful 1994 reelection effort. He also worked closely with the Washington State Republican Party to design and implement a coordinated voter program that helped win an historic Republican victory in Washington State.

Kaiser's previous political and public affairs experience includes three years as Special Assistant to Senator Gorton and Executive Director of George Bush's Victory '92 program in Washington State. He served as Deputy Field Director at the National Republican Congressional Committee and as a Field Coordinator at the National Republican Senatorial Committee. He also spent three years in New York City helping to coordinate the production of 38 hours of videotaped interviews with Richard Nixon for Frank Gannon Communications.

Kaiser is a 1980 graduate of Hobart College and lives in Annapolis with his wife Anne and two children, Heinz and Audrey.

[Email Hans Kaiser](#)



[<- Go Back](#)



## OHIO SUPREME COURT UPHOLDS STATUTE REQUIRING SEPARATE PUNITIVE PUNITIVE DAMAGE PROCEEDING

On February 15, 2012, the Ohio Supreme Court upheld the constitutionality of a 2005 tort reform provision requiring separate trial proceedings for compensatory and punitive damages. The statute -- R.C. 2315.21(B) -- known as Ohio's punitive damages bifurcation provision -- was one of the important components of S.B. 80.

The statute was designed to require mandatory bifurcation of the compensatory and punitive damage phases of a trial upon the request of any party. Typically, a defendant from whom punitive damages is sought will request that the punitive damage phase of the trial be bifurcated so that evidence that may be irrelevant and prejudicial to liability will not be presented to the jury until the jury reaches its verdict on liability. Then, only if the defendant is found to be liable does the punitive phase of the trial occur.

The issue that came to the Ohio Supreme Court was whether the mandatory nature of the statute rendered it unconstitutional under Ohio's Modern Courts Amendment. While the General Assembly is authorized to enact substantive laws, only the Ohio Supreme Court is authorized to enact rules of practice and procedure governing Ohio's courts. The question presented to the Court was whether the statute conflicted with Ohio Civil Rule 42 which gives a trial court discretion to determine whether to consolidate or separate trials.

In *Havel v. Villa St. Joseph*, a 5-2 decision authored by Justice O'Donnell, the majority held that the punitive damage bifurcation statute "creates, defines, and regulates a substantive, enforceable right to separate stages of trial relating to the presentation of evidence for compensatory and punitive damages in tort actions and therefore takes precedence over Ohio Civil Rule 42" and does not violate Ohio's Modern Courts Amendment

The decision arose in the context of a negligence action against a nursing home, but the impact of this decision goes far beyond medical negligence cases. Because this decision makes clear that bifurcation of the punitive damage phase of a trial is **required** upon request, it will eliminate leverage that plaintiffs often obtain merely by seeking punitive damages. It will likely have an impact on discovery, trial, and settlement opportunities. For instance, plaintiffs will not be able to present evidence of a defendant's net worth to the jury when they are presenting their case on liability. If the jury determines that there is no liability, the issue of punitive damages and evidence related to punitive damages will never be presented. On the other hand, if liability is established and compensatory damages are awarded, the parties have an opportunity to explore settlement of the punitive damages claim before proceeding to that phase of the trial. In light of the fact that Ohio's caps on punitive damages have been upheld as constitutional (in *Arbino v. Johnson & Johnson*), this "cooling off" period between the compensatory and punitive damages

phases of the trial may be particularly important. Both plaintiffs and defendants will know what the punitive damage exposure is since it is based on the compensatory damages awarded.

For proponents of Ohio's tort reform efforts and S.B. 80, this case is another important victory, along with *Arbino v. Johnson & Johnson* (upholding the caps on noneconomic and punitive damages) and *Groch v. General Motors* (upholding the constitutionality of the statute of repose for product liability claims).



**Bricker & Eckler**  
ATTORNEYS AT LAW

COLUMBUS | CLEVELAND  
CINCINNATI-DAYTON

**BRICKER & ECKLER LLP**  
9277 Centre Pointe Drive  
Suite 100  
West Chester, Ohio 45069-4891  
MAIN: 513.870.6700  
FAX: 513.870.6699

www.bricker.com  
info@bricker.com

**Elizabeth C. Stock**  
513.870.6698  
[estock@bricker.com](mailto:estock@bricker.com)

Maria J. Armstrong  
614.227.8821  
[marmstrong@bricker.com](mailto:marmstrong@bricker.com)

## Memorandum

**To:** The Ohio Manufacturer's Association

**Cc:** Ryan Augsburger

**From:** Bricker & Eckler LLP

**Date:** March 7, 2012

**Re:** Overview of Medial Marijuana Ballot Initiatives and Potential Concerns for Ohio Manufacturers

---

### I. Overview of the Amendments

Two pending ballot issues propose amendments to the Ohio Constitution that would make it legal for certain individuals to grow, process, distribute, purchase, sell and use marijuana and related paraphernalia in Ohio for certain medical reasons. Both the Ohio Alternative Treatment Amendment and the Ohio Medical Cannabis Amendment have been approved by the Ohio Attorney General and the Ballot Board, meaning that both petitions are now eligible to be circulated throughout Ohio for signatures.

Proponents of the issues now must gather signatures from registered voters across the state and submit those to the Ohio Secretary of State on or before July 4, 2012 in order to be eligible for the 2012 General Election. If, after review and verification of the signatures, it is determined that at least 385,253 valid signatures were submitted, one or both of the ballot issues will appear on the November ballot.

The issues are proposed by two different groups and do not appear to be a coordinated effort. The Ohio Alternative Treatment Amendment was approved by the Ballot Board in October of 2011. It is run by the founder of the Ohio Chapter of NORLM (National Association for the Reform of Marijuana Laws) and three other citizens, including Geoff Korff, a Salem Ohio attorney who describes himself as a "business executive in the manufacturing industry." He is apparently the Vice President and General Counsel at Quaker City Castings. The Ohio Medical Cannabis Amendment was approved for circulation in January of this year, and is proposed by a bi-partisan group of individuals, including Dr. Bob Fittrakis. Bob Fittrakis is an attorney, journalist and Professor of Political Science at Columbus State Community. He is a perennial Green Party candidate and election reform advocate.

The two proposed amendments are similar in several significant respects discussed below. If passed by the voters, they would have an impact on Ohio manufacturers and all Ohio employers.

## **II. Impact on Ohio Manufacturers**

Manufacturers (like many other Ohio employers) typically impose strict prohibitions against the distribution, possession, or use of illegal drugs (including marijuana) in the workplace, as well as against being under the influence of illegal drugs (including marijuana) in the workplace. In conjunction with such policies, manufacturers often require pre-employment, reasonable suspicion and/or random drug testing of applicants and employees.

As discussed further below, both Amendments would restrict, either expressly or indirectly, the ability of Ohio manufacturers to test and/or discipline their employees for using or being under the influence of marijuana in the workplace. Additionally, the Amendments would raise a variety of legal and practical uncertainties for Ohio manufacturers regarding testing and discipline for marijuana use. Although some of those questions may be answered through subsequent administrative regulations authorized under both Amendments, inevitably, there will be questions that will only be answered following expensive and time-consuming litigation.

### **A. Limitations on Drug Testing**

Under both Amendments, the use of medical marijuana would be legal for certain individuals for medical purposes. Therefore, under both Amendments, asking about and/or testing for marijuana use would likely constitute a “disability-related inquiry” under the Americans With Disabilities Act (“ADA”).<sup>1</sup> As a result, if either Amendment were to pass, the ADA would potentially prohibit Ohio employers from asking about and/or testing for marijuana use, except: (a) following a conditional offer of employment (provided all applicants in the same job category were subject to the same inquiry/test); and/or (b) if the employer could show that the inquiry/test was “job related and consistent with business necessity.”

As a practical matter, this limitation may not significantly impact pre-employment or reasonable suspicion testing; however, Ohio manufacturers may face challenges with their ability to conduct random drug testing for marijuana use if either Amendment were to pass.

### **B. Limitations on Ability to Discipline Employees or Refuse Employment**

#### **1. Positive Drug Test, Without More, Likely Insufficient for Termination, Discipline or Revocation of Job Offer**

In the event an otherwise proper employee drug test produced a result that was positive for marijuana use, both Amendments would appear to prohibit Ohio employers from terminating

---

<sup>1</sup> Inquiring about or testing for *illegal* drug use is not considered a medical inquiry or medical examination under the ADA and, therefore, is not subject to the ADA’s general prohibitions against medical inquiries and/or examinations.

or otherwise disciplining an employee (or denying employment to an applicant) based solely on that positive test result.

**a. Alternative Treatment Amendment:** This Amendment states that it does not require employers to permit employees to work while under the influence of marijuana or use marijuana in the workplace; however, it also states that “a patient must demonstrate impaired behavior as a result of cannabis use to be considered under the influence of cannabis.” Although not at all clear, this language suggests that denial of employment, termination or other discipline based on nothing more than a drug test that was positive for marijuana would be unlawful. Presumably, to justify an adverse employment action, the employer would also have to identify evidence of the employee’s impaired behavior and, somehow, establish that the impaired behavior was “a result of” the marijuana use.

**b. Medical Cannabis Amendment:** This Amendment provides, with no elaboration, that “[e]ligible residents shall have the right to be free of discrimination and interference from the State of Ohio with regard to their use of medical Cannabis.” The summary language to be included with the initiative petition is worded so as to indicate that the prohibition against discrimination applies generally, and not just to the State. Assuming that is the case, then, as with the Alternative Treatment Amendment, denial of employment, termination or other discipline based on nothing more than a drug test that was positive for marijuana would likely be unlawful under the Medical Cannabis Amendment.

## 2. Discipline for Lawful Possession or Distribution of Marijuana Prohibited

**a. Alternative Treatment Amendment:** This Amendment expressly prohibits Ohio employers from disciplining employees or otherwise denying someone a right or privilege of employment for *acquiring, providing or possessing* marijuana as authorized under the Amendment.

**b. Medical Cannabis Amendment:** If this Amendment’s non-discrimination provision (above) applies to private entities (as opposed to applying only to action by the State of Ohio), then it is likely that the Amendment, like the Alternative Treatment Amendment, would prohibit Ohio employers from terminating or otherwise disciplining an employee for lawful possession or distribution of medical marijuana.

## III. Conclusion

Both Amendments, if passed, are likely to be of concern to Ohio manufacturers and other Ohio employers, as they would likely create significant limitations and legal and practical hurdles regarding the testing and disciplining of applicants and employees for marijuana use, possession and/or distribution in the workplace. If you have questions about the Amendments or this summary, please feel free to contact Liz Stock at 513.870.6698 or estock@bricker.com.



## Ohio Supreme Court

**Ohio voters will have the rare chance to vote for three members of the state's highest court in 2012.**

They don't always garner as much attention that races higher on the ticket get, but elections for the Ohio Supreme Court have just as significant an impact on your job, your family and your economic future as any other election. That's because the courts have the power to rule on laws enacted by the legislature and enforced by the executive branch. When justices are elected who feel that the power of the courts are beyond that of the other two branches, they go even further – using the Supreme Court as a tool to set their own policy and in effect enact their own laws.

### [Q&A: Why should you care about Supreme Court races?](#)

Through the hard work of organizations interested in protecting jobs and future economic opportunities in our state, recent Supreme Court elections have produced favorable results for those seeking conservative values and judicial restraint from our state's highest court.

#### Terms of the members of the Ohio Supreme Court

Justice	End of Current Term	Previous Election	Next Election
Maureen O'Connor (Chief Justice)	12/31/2016	2010	2016
Paul Pfeifer	1/1/2017	2010	2016*
Judith Lanzinger	12/31/2016	2010	2016*
Evelyn Lundberg Stratton	1/1/2015	2008	2014
Robert Cupp	1/1/2013	2006	2012
Yvette McGee Brown	12/31/2012	N/A <sup>1</sup>	2012
Terrence O'Donnell	12/31/2012	2006	2012

\* Justices Pfeifer and Lanzinger are unable to run for re-election to the Ohio Supreme Court due to age limits

<sup>1</sup> Justice Brown was appointed by Governor Strickland in December 2010, due to the vacancy left by Maureen O'Connor's election as Chief Justice in November 2010

- The Chief Justice and six Justices are elected to six-year terms on a nonpartisan ballot.
- Appointments are made by the Governor for vacancies that occur between elections.
- A person must be an attorney with at least six years of experience in the practice of law to serve on the Ohio Supreme Court.



## Hannah News Service 2012 Primary Election Results

This was created using information provided by the secretary of state's office.  
All results are preliminary until certified by county boards of elections.

**X** Denotes Winner \* Denotes Term-Limited Incumbent

**TCTC** Denotes Too Close to Call

Ohio House				
Dist.	Incumbent	Democrat	Republican	Third Party
1	R. Amstutz	<b>X</b> John Maglio	<b>X</b> Ron Amstutz	
2	J. Goyal	<b>X</b> Jay Goyal	<b>X</b> Mark J. Romanchuk Craig Wright	
3	R. Gardner	<b>X</b> Kelly Wicks	<b>X</b> Tim W. Brown	<b>X</b> Nathan Eberly (Libertarian)
4	M. Huffman	<b>X</b> Robert Huenke	<b>X</b> Matt Huffman	
5	C. Newbold	<b>X</b> Nick Barborak	<b>X</b> Craig Newbold	
6	M. Anielski	<b>X</b> Anthony Fossaceca	<b>X</b> Marlene Anielski	
7	M. Dovilla	<b>X</b> Matt Patten	<b>X</b> Mike Dovilla	
8	Budish, * Yuko	<b>X</b> Armond Budish Azaadjeet Singh	<b>X</b> Tony Hocevar	
9	B. Boyd	<b>X</b> Barbara Boyd Howard Harris		
10	B. Patmon	<b>X</b> Bill Patmon		
11	S. Williams	<b>X</b> Sandra Williams Tony Perry		
12	J. Barnes	<b>X</b> John Barnes Jr.		
13	N. Antonio	<b>X</b> Nickie Antonio	<b>X</b> Matthew Deibel	
14	M. Foley	<b>X</b> Mike Foley	<b>X</b> Richard Cyngier	
15	N. Celebrezze	<b>X</b> Nicholas Celebrezze	<b>X</b> Patricia Gascoyne	
16	N. Baker	<b>X</b> Andrew Meyer Todd LeVeck	<b>X</b> Nan Baker	
17	Open	<b>X</b> Mike Curtin	<b>X</b> Chris Heiberger	
18	Stinziano, Celeste	<b>X</b> Michael Stinziano	<b>X</b> Bill Colgan	
19	Gonzales, Garland	<b>X</b> Albert M. Donahey	<b>X</b> Anne Gonzales	<b>X</b> Michael Johnston (Lib) (WI)
20	Open	Marco J. Miller <b>X</b> Heather Bishoff	<b>X</b> Nathan Burd	
21	M. Duffey	David Robinson <b>X</b> Donna O'Connor David Donofrio	<b>X</b> Mike Duffey	
22	J. Carney	<b>X</b> John Patrick Carney	<b>X</b> Andy Hall	
23	C. Grossman	<b>X</b> Traci Johnson	<b>X</b> Cheryl Grossman	
24	Open	<b>X</b> Maureen Reedy	<b>X</b> Stephanie Kunze	
25	C. Weddington	<b>X</b> W. Carlton Weddington	<b>X</b> Seth B. Golding	
26	T. Heard	<b>X</b> Tracy Heard	<b>X</b> Joesph Healy	
27	P. Stautberg	<b>X</b> Nathan Wissman	<b>X</b> Peter Stautberg Tom Brinkman	
28	C. Pillich	<b>X</b> Connie Pillich	<b>X</b> Mike Wilson Lonnie Bowling Jr.	<b>X</b> Robert R. Ryan (Libertarian)
29	* L. Blessing	<b>X</b> Hubert E. Brown	<b>X</b> Louis W. Blessing III Raj Rajagopal	
30	Terhar-Driehaus	<b>X</b> Steven Newsome	<b>X</b> Louis Terhar	
31	Open	<b>X</b> Denise Driehaus Terry M. Tranter	<b>X</b> Michael Gabbard	

		Luke Brockmeier		
32	D. Mallory	X Dale Mallory	X Ronald Mosby	
33	A. Reece	X Alicia Reece	X Tom Bryan	
34	V. Sykes	X Vern Sykes Derrick Hall	X Ronya J. Habash	
35	Z. Milkovich	X Zack Milkovich	X Kevin Mitchell	
36	A. DeVitis	X Paul Colavecchio Jason Cowling	X Anthony DeVitis Gary L. Peters (WI)	
37	K. Roegner	X Tom Schmida	X Kristina Roegner	
38	L. Slaby	X Michael Kaplan	X Lynn Slaby	
39	C. Luckie	X Clayton Luckie	X Jeffrey Lee Wellbaum	
40	M. Henne	X Carl D. Fisher Jr.	X Michael Henne	
41	J. Butler	X Caroline Gentry	X Jim Butler	
42	T. Blair	X Pamela Sue Nipper	X Terry Blair	
43	R. Winburn	X Roland Winburn	X Joyce Marie Deitering	
44	M. Ashford	X Michael Ashford	None	
45	Open	X Teresa Fedor	None	
46	Fedor-Szollosi	X Matt Szollosi	X David Kissinger	
47	B. Sears	X Jeff Bunck	X Barbara Sears	
48	K. Schuring	X Amanda Trump	X Kirk Schuring	X John Deagan (Libertarian)
49	S. Slesnick	X Stephen Slesnick	X Monique Moore	
50	C. Hagan	X Sue Ryan	X Christina Hagan	
51	* C. Combs	X Mark N. Hardig	X Wes Retherford	
52	M. Conditt	Cynthia Pinchback-Hines (WI)	X Margaret Conditt	X Robert Coogan (Libertarian)
53	T. Derickson	X Suzi Rubin	X Tim Derickson	
54	P. Beck	X Donna Christine Chilcote	X Peter Beck	
55	M. Lundy	X Matt Lundy	X Rae Lynn Brady	
56	D. Ramos	X Dan Ramos	X Anthony A. Ziroli	
57	T. Boose	X Matthew T. Lark	X Terry Boose	X Robert Sherwin (Libertarian)
58	R. Hagan	X Robert Hagan	None	
59	R. Gerberry	X Ron Gerberry	X Kimberly Poma	
60	* L. Fende	James Helmink X Dan Troy Laura A. DePledge	X Lori Dinallo	
61	R. Young	X Susan McGuinness	X Ron Young	
62	R. Maag	X Mike Kassalen	X Ron Maag	
63	S. O'Brien	X Sean O'Brien	X Pat Paridon	
64	T. Letson	X Tom Letson Sheila Calko David C. Cook	Roger M. Peterson Albert J. Habestroh X Randy Law	
65	* J. Uecker	X Steve Myers	X John Becker Michael Brem	
66	* D. Bubp	X Ken McNeely	Nick Owens X Doug Green Rick Herron	
67	A. Brenner	X David Hogan	X Andrew Brenner Craig Schweitzer	
68	M. Ruhl	X John T. Ryerson Bradley Duane Schaaf	X Margaret Ann Ruhl Jeff Furr Jason Rogers	
69	W. Batchelder	X Judith A. Cross	X William Batchelder	
70	D. Hall	X Steve Johnson	X David Hall	

71	J. Hottinger	X Brady Jones	X Jay Hottinger
72	B. Hayes	X David H. Dilly	X Bill Hayes
73	J. Martin	Linda Borgert X Bill Conner	Jarrold Martin X Rick Perales Eric Spicer
74	B. Hackett	X Steve W. Key	X Bob Hackett
75	K. Clyde	X Kathleen Clyde	X Nick Skeriotis
76	M. Matheney	X Tom Warren	X Matt Lynch Mary E. O'Toole Kristina Port Mark E. Porter
77	G. Stebelton	X Kelly Bryant	X Gerald Stebelton
78	Open	X Jeremy VanMeter	Monty Lobb X Ron Hood
79	R. McGregor	X David Farrell	X Ross McGregor
80	R. Adams	X Dave W. Fisher	X Richard Adams
81	L. Wachtmann	X John Vanover	X Lynn Wachtmann
82	B. Goodwin	X David L. Schooley	X Tony Burkley
83	R. Sprague	X John Costyo	X Robert Sprague Kevin Rettig
84	J. Buchy	X Ronald L. Hammons	X Jim Buchy
85	J. Adams	X Robert E. Stahler	X John Adams Dave Easton
86	D. Pelanda	X Cheryl Johncox	X Dorothy Pelanda
87	J. McClain	X Jeff Lehart	X Jeffrey McClain Dennis E. Sterling
88	R. Damschroder	X William Young	X Rex Damschroder
89	D. Murray	X Chris Redfern	X Donald Janik
90	T. Johnson	X John Haas	X Terry Johnson
91	C. Rosenberger	X Peter Pence	X Cliff Rosenberger
92	B. Peterson	X Robert Armstrong	X Bob Peterson
93	P. Rose	X Luke Scott	<b>TCTC</b> Jim Riepenhoff Bill Dingus Ryan Smith
94	D. Phillips	X Debbie Phillips	X Charles Richter Micah Martindale
95	Okey, Thompson	X Charles Daniels Jim Drake William Weekly	X Andy Thompson
96	L. Gentile	X Jack Cera	None
97	B. Hill	X Frank Fleischer	X Brian Hill
98	A. Landis	X Josh O'Farrell	X Al Landis
99	C. Kozlowski	X John Patterson	X Casey Kozlowski

### Ohio Senate

Dist.	Incumbent	Democrat	Republican	Third Party
1	C. Hite	None	X Cliff Hite	
2	M. Wagoner	X Jeff Bretz	X Randy Gardner Michelle McCauley	
4	B. Coley	None	X William Coley	
6	P. Lehner	X Rick McKiddy	X Peggy Lehner Paul R. Issacs II	
8	B. Seitz	X Richard G. Luken	X Bill Seitz	

10	C. Widener	X Jeff Robertson	X Chris Widener	
12	K. Faber	None	X Keith Faber	X Paul D. Hinds (Libertarian)
14	T. Niehaus	None	TCTC Tony Adkins Paul Hall Steve Purtell Joe Uecker	
16	J. Hughes	None	X Jim Hughes	
18	J. Ecklund	X Jim Mueller	X John Ecklund	
20	T. Balderson	X Teresa Scarmack	X Troy Balderson	
22	L. Obhof	X James E. Riley	X Larry Obhof	
24	T. Patton	Jennifer Brady (WI)	X Tom Patton	
26	D. Burke	X Tanyce Addison	X Dave Burke	
28	T. Sawyer	X Tom Sawyer	X Robert G. Roush	
30	L. Gentile	X Lou Gentile	X Laura Groux	
32	C. Cafaro	X Capri Cafaro	X Nancy McArthur	

### Congress

Dist.	Incumbent	Democrat	Republican	Third Party
1	S. Chabot	X Jeff Sinnard Malcolm Kantzler	X Steve Chabot	X Jim Berns (Libertarian) Queen Noble (Libertarian) X Rich Stevenson (Green)
2	J. Schmidt	TCTC David Krikorian William R. Smith	Jean Schmidt Tony Brush Fred Kundrata X Brad Wenstrup Joe Green (WI)	
3	Open	X Joyce Beatty Ted Celeste Mary Jo Kilroy Priscilla R. Tyson	X Christopher J. Long John Adams	X Richard Ehrbar (Libertarian) X Bob Fitrakis (Green)
4	J. Jordan	X Jim Slone	X Jim Jordan	Chris Kalla (WI)
5	B. Latta	X Angela Zimmann	X Bob Latta Robert Wallis	X Eric Eberly (Libertarian)
6	B. Johnson	Cas Adulewicz X Charles A. Wilson	X Bill Johnson Victor G. Smith	
7	B. Gibbs	X Joyce R. Healy-Abrams	X Bob Gibbs Hombre Liggett	
8	J. Boehner	None	X John Boehner David Lewis	
9	Kaptur-Kucinich	Dennis Kucinich X Marcy Kaptur Graham Veysey	X Samuel Wurzelbacher Steven Kraus	X Sean P. Stipe (Libertarian)
10	Austria-Turner	Tom F. McMasters Olivia Freeman David Esrati X Sharen Swartz Neuhardt Ryan Steele L. Mack VanAllen	X Mike Turner Edward Breen John D. Anderson	X David A. Harlow (Libertarian)
11	M. Fudge	X Marcia Fudge Gerald C. Henley Isaac Powell	None	

12	P. Tiberi	X James B. Reese Doug Litt	X Pat Tiberi William M. Yarbrough	
13	T. Ryan	X Tim Ryan	X Marsha Agana	
14	S. LaTourette	X Dale Virgil Blanchard	X Steve LaTourette	X David Macko (Libertarian) X Elaine Mastromatteo (Green)
15	S. Stivers	X Pat Lang Scott Wharton	X Steve Stivers Charles Chope	
16	Rennaci-Sutton	X Betty Sutton	X Jim Renacci	X Jeffrey Blevins (Libertarian)

### U.S. Senate

Incumbent	Democrat	Republican	Third Party
S. Brown	X Sherrod Brown	X Josh Mandel David W. Dodt Donna K. Glisman Michael L. Pryce Eric LaMont Gregory Russell P. Bliss Jr. (WI)	Joseph DeMare (Green) (WI) Anita Rios (Green) (WI) John Fockler (Libertarian) (WI)

### Ohio Supreme Court

Incumbent	Democrat	Republican	Third Party
R. Cupp	Fanon A. Rucker X William O'Neill	X Robert Cupp	
T. O'Donnell	X Robert W. Price	X Terrence O'Donnell	
Y. Brown	X Yvette McGee Brown	X Sharon Kennedy	

## **PUBLIC POLICY SERVICES REPORT**

### **March 2012**

#### **Overview**

The two-year state budget was adopted last summer. State finances have been managed to budget. Revenue has come in over estimates. Governor Kasich has outlined a “mid-biennium review” (MBR) process, similar to a budget process and could be a vehicle for far-reaching policy changes. See MBR.

The defeat of collective bargaining reforms (state issue 2) on the ballot last November is still on the minds of policymakers, who seem to be exercising caution in controversy or law changes that might elicit referendum.

After months of legal and referendum threats over redistricting and reapportionment election plans, Ohio’s primary election was held on March 7. All 99 House districts will be in the ballot and one half of the 33 Senate districts will appear on the ballot.

OMA policy activity since has been dominated by various energy-related opportunities and threats. Significant electric rate design issues have occurred and remain unresolved in the AEP service territory. See energy below.

#### **MBR (Mid-Biennium Review)**

The MBR is expected to be a package of bills likely to be introduced the week of March 12. Tax law changes rumored include increase of severance taxes on gas and petroleum, advent of an income tax relief fund, and revision of taxes levied on financial institutions. Energy policies may include incentives for energy efficiency and related to shale gas extraction. Workforce development and school funding and school measurement are also rumored for inclusion. Simultaneously, legislation to fund capital projects at state institutions will advance. All activity is expected by the end of June.

#### **State Ballot Issues**

While it is too early to determine if various ballot proposals make it on the ballot, two possible issues merit scrutiny. A proposal to advance statewide workplace freedom (right-to-work) seeks voter approval in 2012 or 2013. See presentation materials. A proposal to revise the Ohio Constitution to allow for medical marijuana would impede employers’ safety and drug policies. See counsel’s report.

#### **Civil Justice**

Threats and opportunities are evident. Opportunities include: HB 380 (Blessing) reduce exposure in asbestos claims made against asbestos trusts; SB 224 (Obhof) to revise the statute of limitations for actions to be brought against breach of business contracts from 15 years down to 6 years. The top threat comes from SB 143, legislation to adopt a state false claims act which creates a new cause of action, exposing government contractors to more frivolous lawsuits.

A majority at the Ohio Supreme Court recently upheld an important tort reform that required courts to separate damage deliberations (bifurcation). Justice Yvette McGee Brown, the lone Democrat on the court authored the dissent. See Counsel’s Report on Havel decision.

Three Supreme Court seats are up in 2012. Incumbents Terrence O’Donnell, Robert Cupp and Yvette McGee Brown are all running to retain their seats on the Supreme Court.

### **JobsOhio – Economic Development**

Governor Kasich's top priority has been to restructure state economic development functions. The umbrella corporation, JobsOhio, was launched in late 2011. The remaining elements of the state development department are to be renamed the Development Services Agency. Regional partners, such as Columbus 2020 and TeamNEO, will serve as the front door to companies for attraction and retention. Funding for economic development will come from liquor proceeds.

### **Workers' Compensation Policy**

Talk of reforming the BWC and the Industrial Commission (IC) continues; however following the defeat of state issue 2, it appears the most substantive changes (those requiring law change) are on hold indefinitely. Instead it appears rule changes and policy changes are more likely to be in offering.

### **Electric Utility Rate Cases – Moving Towards Deregulation**

- **Duke Energy Ohio Rate Case Approved**

The PUCO approved Duke's rate plan which took the company to market. The first auction for its standard service offer rate dropped the price by more than 15%. This is a meaningless distinction as the SSO price is what you pay when you do not shop with a third party and nearly all of Duke's industrial load is shopping with a third party.

Also, Duke's ESP had a load-factor provision similar to the one that caused AEP's rate plan to be revoked. It is starting to get attention.

- **AEP-Ohio Rate Case**

AEP-Ohio's rate case continues to drive controversy at the PUCO. The PUCO recently gave AEP until May 31<sup>st</sup> to finalize a new rate plan. One June 1<sup>st</sup> all AEP customers will be able to shop and at current prices AEP will lose nearly all of its load. AEP is still fighting to get a portion of its rates set at "cost" which under the current proposal would have the effect of blocking customers from shopping. This rate case has exemplified the need to be involved as many customers received 100% increases on their bills due to a specific request by one other group.

- **Dayton Power and Light**

DP&L will file its rate case for 2013 and beyond this month. The company is expected to file something similar to Duke where they go to 100% market immediately and ask for some type of revenue stabilization rider that all customers would pay.

### **Shale Updates**

The Ohio Shale Coalition recently released its economic study showing the dramatic positive affect developing the shale deposits in Ohio will have on the economy. Separately in response to earthquakes in Youngstown in January of this year that shut down a handful of deep injection wells, the Ohio Department of Natural Resources issues a slate of new regulations. Finally, it is expected that the governor's MBR will include shale development language. A possible focus is on expanding the infrastructure for compress natural gas vehicles.



## Leadership

### Romney Squeaks By

Mitt Romney won the Ohio Republican primary this week, barely. Romney picked up 37.95% of the vote. Rick Santorum came in with 37.07%. Romney gained 456,205 votes; Santorum was supported by 445,697 Ohioans.

Romney's strength came generally in urban areas. Santorum's support was deepest in non-metropolitan counties. Romney won a plurality in ten congressional districts. Santorum picked up the other six districts.

Newt Gingrich was an also-ran in all areas of the state. So was Ron Paul.

You can [map](#) the [results](#) by county here.

03/09/2012

### Kucinich and Schmidt Booted

In closely watched congressional primaries, two incumbents were defeated this week.

In the Democratic primary for the new Ninth District, incumbent Marci Kaptur [clobbered](#) incumbent Dennis Kucinich (they were put into the same district in the redistricting process). Kaptur gained 56.44% of the vote to Kucinich's 39.74%. She overwhelmed Kucinich in her native Toledo area. Kucinich won only his native Cuyahoga county.

In the Republican race for southwestern Ohio's Second District incumbent, and perennially challenged, Jean Schmidt was [upset](#) by newcomer Brad Wenstrup. Wenstrup picked up 48.79%; Schmidt gained 42.76%.

In a third closely watched race, the Democratic contest for the new Third District in the Columbus area, Joyce Beatty

[emerged](#) victorious with 38.01% of the vote. She defeated former congresswoman Mary Jo Kilroy and two other candidates.

03/09/2012

### Right-to-Work: How do Ohioans See It?

Find out by participating in the OMA Government Affairs Committee next week. The campaign manager for Ohio's right-to-work ballot initiative will present an election analysis of the proposal. Pollster Hans Kaiser of Moore Information will share polling on the measure and related trends.

The OMA Government Affairs Committee meets on March 14 at 10:00 a.m. [Click](#) to view meeting information. [Register](#) (login and select Events) to attend (or RSVP to [Judy Thompson](#)).

03/09/2012

### OMA Members Will Face Off in Ohio House Race

Mark Romanchuk of OMA member company PR Machine Works, Inc., picked up 68% of [the vote](#) in the Republican primary for Ohio House District 2. The district encompasses all of Richland County. Congratulations, Mark!

In the November General Election, Mark will square off against incumbent Representative Jay Goyal of OMA member company Goyal Industries, Inc.

03/09/2012

### Ohio Wins Site Selection's 2011 Governor's Cup

Site Selection magazine awards [the Governor's Cup](#) to the top ranking state according to its success in attracting capital investment projects that meet one or more of these three criteria: a minimum investment of \$1 million, creation of 50 or

more new jobs, and new facility construction or floor space of at least 20,000 sq. ft.

Ohio has reclaimed the Governor's Cup from Texas, which won it in 2010. Ohio reported 498 qualified projects for 2011, a 30+ percent increase from its 376 projects logged in 2010. Texas finished second with 464 projects, followed by Pennsylvania (453), North Carolina (310) and Virginia (273).

According to Site Selection: "All five top states, and many others, recorded substantial increases in new plant activity for 2011, reflecting keen interest on the part of capital investors to get busy with expansion plans in general and, in many cases, to move operations back to the U.S. in light of decreasing labor cost benefits associated with offshore strategies and heightened logistics costs related to non-U.S. operations."

03/09/2012

### **Calling All Ohio Food Manufacturers**

The OMA is organizing a round table dialogue with state officials interested in promoting economic development among food and food supply manufacturers.

Top Kasich administration officials want to connect with OMA member companies that manufacture food products in order to generate investment and economic development ideas.

The round table will be held in Columbus on Tuesday, March 13. Spots are still available. Please contact the OMA's [John Laughman](#) for details.

03/02/2012

### **Primary Election Day is March 6**

Ohio's Secretary of State site has the [official list](#) of statewide candidates, and visit the

[OMA Voting Toolkit](#) for additional information.

03/02/2012

### **Two University Polls Show Ohio Momentum for Santorum**

[The Ohio Poll](#) of likely voters conducted by the University of Cincinnati shows presidential candidate Rick Santorum leading opponent Mitt Romney by 11 percentage points; however, nearly half (47 percent) of primary voters say they may change their minds between now and the primary election day.

A [poll](#) released by Quinnipiac University shows Romney trailing Santorum by 7 percentage points. The Quinnipiac poll shows 45 percent of voters might still change their mind.

Pollsters from both organizations have presented to the [OMA Government Affairs Committee](#) in the recent past. OMA members are invited to attend the March 14 OMA Government Affairs Committee to hear primary election result analysis..

03/02/2012

### **An Economist's Viewpoint of the 2012 Election**

Since 2000, Moody's Analytics has been modeling the outcome of presidential elections based on forecasts for economic growth. Moody's has produced its [model](#) for the 2012 presidential election. The Moody's model projects the re-election of President Barack Obama.

Moody's points to Ohio, Florida and Virginia as the three key states for the president: "Given a normal degree of uncertainty, the probabilities in these three states are almost equally balanced ... the model suggests that an Obama win in any of these three key swing states will likely

nail down a second term for him.”

For Republicans, “... the model predicts an uphill battle this year. Even if the GOP nominee wins two out of three in Florida, Ohio and Virginia, he will still need to capture at least three smaller states now projected to go Democratic to win the presidency.”

Here is a sweeping caveat: “While the Moody’s Analytics election model has a good track record, it is not a guarantee, and it does not incorporate the impact of global geopolitical events such as wars or natural disasters, or of the personal leadership qualities of presidential candidates or their running mates.”

03/02/2012

### **Compare the practices of your board with this benchmark**

How do your board practices compare with other private and public companies? This is the first of nine posts that look at board selection, recruitment, and composition as well as other things you can use to benchmark your board’s governance practices. Using the “2011 Board Practices Report,” we will review survey results from both public and private companies to help you evaluate your organization’s governance strategies. [Read more here.](#)

03/01/2012

### **Why Does Manufacturing Matter?**

The Brookings Institute this week released a [study](#) on the impact of manufacturing on the U.S. economy. The report, “Why Does Manufacturing Matter? Which Manufacturing Matters?” suggests: “Public policy is needed to help strengthen manufacturing and promote a high-wage, innovative, export-intensive, and environmentally sustainable manufacturing base.”

The researchers write: “Manufacturing matters to the United States because it provides high-wage jobs, commercial innovation (the nation’s largest source), a key to trade deficit reduction, and a disproportionately large contribution to environmental sustainability.”

“American manufacturing will not realize its potential automatically. While U.S. manufacturing performs well compared to the rest of the U.S. economy, it performs poorly compared to manufacturing in other high-wage countries. American manufacturing needs strengthening in four key areas: research and development; lifelong training of workers at all levels; improved access to finance; and an increased role for workers and communities in creating and sharing in the gains from innovative manufacturing,” the study from the “progressive” leaning Brookings concludes.

02/24/2012

### **An Analysis of the Havel Case**

Last week the OMA reported on the Havel case which is an important tort reform victory. Here is a [summary and analysis](#) prepared by OMA Connections Partner Roetzel & Andress. “Defendants will no longer be faced with the strategic decision of whether to bifurcate punitive damages from the liability and compensatory damage phase,” writes attorney Ronald Lee.

02/24/2012

### **Poll: Ohio Voters Support Right-to-Work**

A new [poll](#) from Quinnipiac University shows Ohio voters favor passage of a “right-to-work” law by 54 to 40 percent.

Pollsters asked Ohio respondents, “Indiana recently became a “right-to-work” state, meaning that workers can no longer be

required to join a union or pay dues or fees to a union as a condition of employment. Do you think that Ohio should become a "right-to-work" state or don't you think so?"

"Given the assumption that the SB 5 referendum was a demonstration of union strength in Ohio, the 54 - 40 percent support for making Ohio a 'right-to-work' state does make one take notice," said Peter A. Brown, assistant director of the Quinnipiac University Polling Institute. "In the SB 5 referendum independent voters, who are generally the key to Ohio elections, voted with the pro-union folks to repeal the law many viewed as an effort to handicap unions. The data indicates that many of those same independents who stood up for unions this past November on SB 5 are standing up to unions by backing 'right-to-work' legislation."

The [Dayton Daily News](#) reported that "Governor Kasich has been cool to any push for a right-to-work law, saying that if proponents go forward they would have to spend considerable time educating voters about it."

02/21/2012

### **New Ag Department Director Named**

State Senator David Daniels (R-Greenfield), whose district includes Ross, Pike and part of Pickaway counties, [was appointed](#) by Governor Kasich to lead the Ohio Department of Agriculture. Daniels resigned from the Senate on Wednesday and was sworn in as director on Thursday.

He replaces Jim Zehringer, whom the governor appointed as Director of the Department of Natural Resources. Daniels is a life-long farmer and previously served in the Ohio House and held numerous local government posts.

Senator Daniels chaired the Energy and

Public Utilities Committee, an important committee to manufacturers.

02/17/2012

### **Take Action on Federal Infrastructure Funding Bill**

Congress is considering legislation to provide long-term, well-funded surface transportation reauthorization via the "American Energy and Infrastructure Jobs Act of 2012" (H.R. 7). The measure will be considered by the House of Representatives in the upcoming weeks.

Investments in our nation's transportation infrastructure are absolutely essential to manufacturers' ability to compete and create jobs. America's road and bridge conditions continue to worsen; congestion costs U.S. businesses billions of dollars a year.

Ask your representative this week to support the "American Energy and Infrastructure Jobs Act of 2012" (H.R. 7); the National Association of Manufacturers has a [web tool](#) to help you do so.

02/17/2012

### **Supreme Court Upholds Tort Reform**

The Ohio Supreme Court this week upheld tort reforms that direct courts hearing tort lawsuits to grant requests for "bifurcation" of trials; the bifurcation allows for separate consideration of claims for compensatory damages and punitive damages. This protects against prejudice of findings.

The 5-2 [majority opinion](#) on the case, Havel v. Villa St. Joseph, was authored by Justice Terrence O'Donnell. Justices McGee Brown and Pfeifer dissented. Watch for case analysis by OMA counsel next week.

02/17/2012

## **Governor Notes Manufacturing Comeback in State of the State**

In his second State of the State [address](#) Governor Kasich noted the strength and rebound of Ohio manufacturing.

He said: “So here is the thing with manufacturing—we got the people, we know how to work, we know how to make things, we've got a legacy of it. Secondly, we've got location. Now let me tell you—it's interesting—every company thinks about costs. That's what we do and we work with them. I talk to CEOs until the sun goes down. Here is what's working. The labor costs in China have risen. The labor costs in Mexico have risen and, unfortunately, the violence creates serious risk and, you know, what we have in Ohio, we're close to markets.”

“So we have to devise a strategy, and we're in the process of devising a strategy right now, where we can have a lot of foreign trade efforts and that's foreign trade to places like California and the State of Washington. Then maybe we can even look overseas, because here is the thing, all-in costs, access to the market, the ability to move things, the ability to make things, all in costs, we're starting to win.”

Manufacturing successes the governor mentioned included recent expansions in Ohio by Ford, Chrysler, Honda, General Motors, Republic Steel, V&M Star Steel, Timken, Johnson Controls, ThyssenKrupp and Whirlpool.

The speech, once again delivered without a script, was notable for its location: for the first time the state of the state address was delivered outside of the Statehouse. The event took place at Wells Academy in Steubenville.

02/16/2012

## **Governor Creates Office of Workforce Transformation**

Via [executive order](#) this week, Governor Kasich signed into existence the Governor's Office of Workforce Transformation (OWT) and created the Governor's Executive Workforce Board (Board).

The order seeks to establish a central guiding entity for Ohio's workforce system, which includes adult basic education programs, career centers, two-year and four-year colleges and universities, local workforce boards and one-stop centers, employer training programs, economic develop organizations and community-based organizations.

A director of the OWT, yet to be named, will report directly to the governor.

The order is intended to simplify and coordinate the state's multiple workforce programs, create a system that is responsive to the needs of employers, workers and job seekers, and implement performance measures to gauge the effectiveness and efficiency of the state's workforce policies and programs.

The OWT will be advised by a Board to be chaired by a business person, yet to be appointed by the governor.

02/16/2012

## **Railroads Go After Trucking and their Manufacturing Customers – Take Action!**

A committee of the U.S. House of Representatives deleted a provision in the pending federal highway bill which would have given states the authority to allow weight limits to go from 80,000 to 97,000 pounds on interstate highways within their borders.

[Learn More](#) about the issue.



Railroad interests have mounted an aggressive media and lobbying campaign to undermine state flexibility in regulating trucking. You may have heard the radio commercials. The spots are intended to create public stir to deter members of Congress from supporting the reforms. [Take Action.](#)

02/03/2012

### **ODOT Delays Road and Bridge Projects**

A state panel responsible for establishing priorities for funding transportation projects announced [scaled back infrastructure plans](#). Ohio Department of Transportation (ODOT) director Jerry Wray told reporters that the revised project list “would correct overly optimistic promises of state funding for local transportation projects that previous administrations have made.” The Director said some projects would need to be [delayed](#).

02/03/2012

### **Ohio Right-to-Work Ballot Amendment Certified**

Ohio Attorney General Mike DeWine this week [certified](#) a ballot petition for a state constitutional amendment to make Ohio a right-to-work state. Right-to-work prohibits mandatory union membership and payment of union dues. In order to have the measure placed on a future ballot, supporters must collect hundreds of thousands of signatures.

While in Cincinnati this week, the Governor again [expressed](#) skepticism that Ohioians would support a right-to-work amendment without extensive voter education.

02/03/2012

### **Kasich to Deliver State of State February 7 in Steubenville**

Breaking with the tradition of holding the State of the State address in the Ohio Statehouse, Governor Kasich [will deliver](#) the address at a school in Steubenville. The location is meant, in part, to focus attention on the significant economic benefit anticipated from shale gas.

Watch the Governor’s speech [by clicking](#) on Tuesday, February 7, at 1:00 p.m.

02/03/2012

### **OMA President Calls U.S. Manufacturing the “Comeback Kid”**

In a [speech](#) this week to the Dayton Regional Manufacturers’ Association, OMA president Eric Burkland presented evidence that U.S. manufacturing is on its way back. Citing numerous recent studies and surveys, Burkland explained why offshoring strategies are turning into on-shoring strategies and why the U.S. could be poised for a manufacturing resurgence.

On the topic of offshoring, Burkland showed studies indicate that: company utilization of “total cost” analysis of offshoring is limited; an overreliance on direct costs to the exclusion of other costs distorts the business case for offshoring; likely, many decisions to offshore were incorrectly made.

Regarding China, this finding: rising wages, shipping costs and land prices – combined with a strengthened renminbi – are rapidly eroding China’s cost advantages. The U.S. meanwhile is becoming a lower-cost country. Around 2015 – for many goods destined for North American consumers – manufacturing in some parts of the U.S. will be just as economical as manufacturing in China.

And on managing toward manufacturing’s potential: Today, U.S. factories produce

75% of the products the nation consumes. The right set of actions and policies by business, educators and policymakers could lead to a robust, manufacturing-driven economic future and push that figure up to 95%.

02/03/2012

### **Manufacturing Central to State of the Union Speech**

Manufacturing was at the core of President Obama's 2012 State of the Union [address](#): "Tonight, I want to speak about how we move forward, and lay out a blueprint for an economy that's built to last – an economy built on American manufacturing, American energy, skills for American workers, and a renewal of American values. This blueprint begins with American manufacturing."

The President's blueprint outlined issues of concern to manufacturers: taxes, energy, trade, regulations and workforce. Manufacturing leaders' response to the specific proposals: underwhelmed.

NAM President Jay Timmons [said](#): "While the President highlighted an important aspect of any competitiveness strategy—ensuring Americans have the skills needed for the modern workforce—he ultimately failed to take advantage of the opportunity. Instead of bold action, the President proposed tinkering around the edges. Many of the ideas he shared would be good for manufacturing, but they would not bring about a manufacturing renaissance."

01/27/2012

### **Indiana Poised to Become 23rd Right-to-Work State**

"Indiana is poised to become the first right-to-work state in more than a decade after the Republican-controlled House passed

legislation on Wednesday banning unions from collecting mandatory fees from workers," reports [USA Today](#). Indiana would become the 23rd right-to-work state, and the first in the industrial midwest.

Asked about an Ohio right-to-work initiative, Governor Kasich this week at the AP media day said, "If you are going to bring about massive change that is going to bring about great unrest, and I've learned this ... you have to prepare the public. I don't think the public even knows what this issue is ... I don't think they're prepared for it."

01/27/2012

### **Cleveland Area Events: The Future of U.S. Manufacturing**

John Brandt, CEO, Manufacturing Performance Institute and Dr. Ned Hill, Dean, Levin College of Urban Affairs, Cleveland State University, will present their research findings about the [future of U. S. manufacturing](#) in two dinner talks in the Cleveland area on February [15](#) and [16](#). Brandt and Hill will explain why those who have written off manufacturing are mistaken.

01/27/2012

### **OMA Backs Legislation that Provides Legal Protection Against Trespassers**

[Christopher Slagle](#) of OMA's legal counsel Bricker & Eckler LLP this week urged members of the Ohio Senate Judiciary Committee to enact [SB202](#), sponsored by Senator Bill Seitz (R-Cincinnati).

"Trespassers would be rewarded while Ohio businesses, landlords, farmers and all Ohio property owners could face the prospect of additional litigation and potential liability," said Slagle.

The legislation protects Ohio from language in the American Law Institute's Third

Restatement of Torts which would create new avenues of litigation against businesses. Click to [view testimony](#).

01/27/2012

### **OMA-Backed Asbestos Tort Claims “Transparency” Bill Clears House**

The Ohio House of Representatives voted 54-41 along party lines to adopt [HB 380](#) (Blessing, R-Cincinnati). The legislation is intended to prevent double-dipping by claimants in asbestos tort cases.

The legislation, supported by the OMA, would require claimants to disclose all legal claims so that federal and state courts do not grant awards for the same claim. The legislation now advances to the Senate.

01/27/2012

### **Speaker Batchelder Outlines 2012 Priorities**

The House Republican leader this week [announced priorities](#) for the winter/spring legislative session. Topping the list will be a review of the K-12 education examining both the funding formula and student achievement, a process to be led by state representative Ron Amstutz (R-Wooster).

Legislation will be introduced to complete the transition of the state’s economic development apparatus to JobsOhio from a state agency to a public/private partnership. Also mentioned as issues of legislative focus: workforce development, workers’ compensation reforms, passage of the Great Lakes Compact (governing Lake Erie watershed withdrawals), casino and gaming laws, health care exchanges, and exotic animal regulations.

01/20/2012

### **NAM’s Timmons Blasts Obama on Keystone Pipeline Decision**

National Association of Manufacturers (NAM) President Jay Timmons [responded](#): “The President’s rejection of the Keystone XL project is a serious blow to job creation and a major setback to energy security. The decision to say no to a project that would create 20,000 manufacturing and construction jobs – with an additional 118,000 indirect jobs – defies logic when the U.S. is suffering from high unemployment and a struggling economy. For America’s future, it’s always better to choose sound policy over politics. Instead the Administration followed the political winds and rejected a clear way to create jobs.”

NAM has created a [web tool](#) through which manufacturers are urged to express their disappointment to President Obama.

[Watch](#) Timmon’s interview on the subject with Neil Cavuto of FOX News.

01/20/2012

### **Manufacturing EXPO Slated for February 14-15 in Cleveland**

Manufacturing EXPO: “[Putting a Face on Manufacturing](#),” will take place February 14-15, 2012 in Cleveland to facilitate business opportunities for manufacturers. More than 3,000 engineers, industrial buyers and other manufacturing representatives are expected to attend, with more than 170 exhibitors representing all areas of the manufacturing industry.

The EXPO Conference will feature the expert knowledge of seven highly respected speakers: Raymond “Ray” Lugo III, Director at NASA Glenn; Roger Kilmer, Director of the Manufacturing Extension Partnership of the National Institute of Standards & Technology; Birgit Matthiesen, Special Advisor to the President and CEO,



Canadian Manufacturers and Exporters; Grady Cope, Chairman, National Tooling and Machining Association; John Kastelic, President, Cleveland Intellectual Property Law Association; VP/Chief Intellectual Property Counsel, Eaton Corp, Steve Erickson, Vice President, Strategic Marketing, Parker Hannifin and Jack Schron, President, Jergens, Inc.

01/13/2012

### **Obama Administration: American Manufacturing Coming Back**

The Obama administration this week released a [report](#), "Investing in America: Building an Economy that Lasts," that finds "measurable improvement in the competitive position of U.S. manufacturing, and an expansion of our domestic natural resources that further supports business investment. The composition of investment has shifted, with a focus, once again, on building the equipment and the plants that produce the real goods and services our people need and the world demands.

According to the report: "Over recent months, outside analysts, including the Boston Consulting Group, Accenture, and Booz & Company have examined the increasing relative attractiveness of the U.S. as a location for manufacturing." The Boston Consulting Group noted that "the U.S. will become an increasingly attractive option, especially for products consumed in North America," as the "total cost of doing business" – after taking into account the productivity of U.S. workers as well as transportation, supply chain risks, and other costs – are now making production in a range of industries as economical in the United States as in other parts of the world, including China."

01/13/2012

### **Why U.S. Manufacturing is Poised for a Comeback**

A new [report](#) from Reynders, McVeigh Capital Management finds: "Globalization is gradually coming full circle as companies explore homeshoring – bringing their manufacturing workforces back to America. Cost advantages of outsourcing production are becoming less significant."

Three drivers are responsible for "breathing life back into manufacturing": a shrink in wage gap with China and other countries, transportation costs, and a more holistic view of the cost of production.

As more firms use a Total Cost of Ownership (TCO) evaluation, which looks at "the entire cost incurred by companies when purchasing a manufacturing part, including the burden of controlling quality and delivery, transportation, oil consumption, inspection of labor, inventory carrying, and freight and packaging," they are finding it "cheaper and more predictable to keep manufacturing close to home."

01/13/2012

### **AG Report Causes Media Stir**

Ohio newspapers are reporting widespread non-compliance by companies that received economic development incentives in recent years. "A new report from the Ohio Attorney General's Office says when it comes to abiding by the terms of economic development incentives awarded by the state, only about half of the recipients live up to expectations," wrote the Lima News, as an example.

A law enacted in 2008 directs the Ohio Attorney General to monitor the compliance of business entities with the terms and conditions of state awards for economic development issued by the Ohio Department of Development. The [report](#) produced by Attorney General Mike DeWine

looked at 420 companies and found that 200 did not “comply.”

A closer look at the data shows that this “non-compliance” seems mostly matters of paperwork and economic conditions.

01/13/2012

### **Democrats File Lawsuit over Statehouse Districts**

This week, statehouse Democrats filed a suit with the Ohio Supreme Court to invalidate the new district boundaries.

The lawsuit says that GOP map-makers violated Article 11 of the state constitution, which requires that legislative districts be compact and contiguous and that local units of government such as counties, townships, cities and villages not be spilt unnecessarily. The Ohio Supreme Court acted swiftly to publish a hearing schedule before the March primary.

01/06/2012

### **U.S. Manufacturing Ending the Year on a High(ish) Note**

[According](#) to the Association for Manufacturing Excellence (AME): “Market reporting outlets from Bloomberg to the Wall Street Journal have covered the recent Institute for Supply Management’s (ISM) [Manufacturing Report on Business](#) that said economic activity in the manufacturing sector expanded in November for the 28th consecutive month and the overall economy grew for the 30th month in a row.”

AME reported that the manufacturing purchasing managers’ index (PMI) reached the 52.7-percent mark, which represents a 1.9-percentage point hike from October’s reading of 50.8 percent, according to Bradley J. Holcomb, chair of the ISM Manufacturing Business Survey Committee. Per AME, a reading above 50

percent indicates that the manufacturing economy is generally expanding; below 50 percent indicates that it is generally contracting.

Finally, AME cited the December 5 Wall Street Journal (WSJ) story, “[Factory Orders Decline](#),” which it said offered a more mixed view of manufacturing. The WSJ led with U.S. factory orders falling a second straight month during October, suggesting that “manufacturers were having difficulty gaining ground amid a soft economy.”

12/16/2011

### **One Ohio Primary, Finally**

The House and Senate this week, finally, were able to get the votes necessary to pass a congressional redistricting bill that’ll stick for the next ten years. That enabled establishment of a single primary date. The primary election will be held on March 6 next year, making Ohio voters relevant in the campaign to elect the Republican opponent to President Obama.

How did the votes come together? Here’s a Statehouse view from the Plain Dealer: “Democrats had been circulating petitions in an attempt to overturn the original congressional map with an initiative on the November 2012 ballot. But they were forced into using just volunteers to collect signatures instead of hired circulators when funding never materialized.

So what changed? For one, Republicans were ready to force Democrats to vote on the primary unification bill without the map as part of the deal--essentially daring them to be the roadblock to eliminating \$15 million in costs from two primaries.

But House Democratic members were also unsure whether Ohio Democratic Party chief Chris Redfern could gather the signatures needed to force the first map to the November 2012 ballot, which helped make

the decision to fold their hand easier, one lawmaker said.

"It's to bail the Republicans out of having two primaries and to bail Chris Redfern out," said one Democratic House member who asked to remain anonymous. "That's what is going on today."

See the map in this [story](#) from the Columbus Dispatch.

12/16/2011

**Miscellaneous Legislation of Interest to Manufacturers**  
**Prepared by: The Ohio Manufacturers' Association**  
**Report created on March 9, 2012**

- HB1**      **JOBSONIO** (DUFFEY M) To authorize the Governor to create JobsOhio, a nonprofit economic development corporation.  
**Current Status:** 2/18/2011 - **SIGNED BY GOVERNOR**; Eff. 2/18/2011  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_1](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_1)
- HB2**      **PERFORMANCE AUDITING** (SNITCHLER T) To require performance auditing of most state agencies.  
**Current Status:** 3/8/2011 - Referred to Committee Senate Finance  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_2](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_2)
- HB9**      **UNIFORM COMMERCIAL CODE** (COLEY II W) To adopt revisions to the general provisions and documents of title portions of the Uniform Commercial Code that were recommended by the National Conference of Commissioners on Uniform State Laws.  
**Current Status:** 3/30/2011 - **SIGNED BY GOVERNOR**; Eff. 6/29/2011  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_9](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_9)
- HB48**     **CORPORATIONS** (MECKLENBORG R) To make changes to the law governing corporations dissenting shareholders, the dissolution of a corporation, rights to indemnification or advancement of expenses, directors' fiduciary duties, and recording of corporate mortgages.  
**Current Status:** 2/2/2012 - **SIGNED BY GOVERNOR**  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_48](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_48)
- HB55**     **CAMPAIGN CONTRIBUTIONS** (GOYAL J, MURRAY D) To regulate independent expenditures by corporations, labor organizations, and entities the primary purpose of which are to accept corporate or labor organization funds for use in making independent expenditures and to prohibit contributions made for the purpose of influencing a ballot issue from being made to or accepting by an entity that is not subject to campaign finance reporting requirements.  
**Current Status:** 2/1/2011 - Referred to Committee House State Government and Elections  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_55](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_55)
- HB82**     **PUCO-MOTOR VEHICLE REGULATIONS** (GROSSMAN C, BOOSE T) To prescribe the applicability of federal regulations adopted by the Public Utilities Commission of Ohio to certain motor vehicles.  
**Current Status:** 3/16/2011 - House Public Utilities, (Second Hearing)  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_82](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_82)
- HB94**     **SMALL BUSINESS RULE REVIEW PROCESS** (ROEGNER K, THOMPSON A) To adopt a new small business rule review process.  
**Current Status:** 2/24/2011 - House Economic and Small Business Development, (Second Hearing)  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_94](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_94)
- HB102**    **LABOR REQUIREMENTS** (YOUNG R) To prohibit state agencies from requiring or prohibiting certain labor requirements as a condition of performing public works and to prohibit the appropriation of state funds for public works when political subdivisions require

or prohibit certain labor requirements.

**Current Status:** 5/11/2011 - **REPORTED OUT AS AMENDED**, House Commerce & Labor, (Fourth Hearing)

**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_102](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_102)

**HB112 ENGINE COOLANT/ANTIFREEZE (GROSSMAN C, LETSON T)** To require the inclusion of a bittering agent in engine coolant and antifreeze.

**Current Status:** 5/18/2011 - **REPORTED OUT**, House Transportation, Public Safety and Homeland Security, (Fourth Hearing)

**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_112](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_112)

**HB114 TRANSPORTATION BUDGET (MCGREGOR R)** To make appropriations for programs related to transportation and public safety for the biennium beginning July 1, 2011, and ending June 30, 2013, and to provide authorization and conditions for the operation of those programs.

**Current Status:** 7/13/2011 - HB114 had a provision amended by SB187

**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_114](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_114)

**HB123 WORKERS' COMPENSATION BUDGET (HOTTINGER J)** To allow the administrator of Workers' Compensation to waive criteria certain public employers must satisfy to become self-insuring employers; to require bills for medical and vocational rehabilitation services in claims that are ultimately denied to be paid from the Surplus Fund Account under specified circumstances; to make appropriations for the Bureau of Workers' Compensation and for the Workers' Compensation Council for the biennium beginning July 1, 2011, and ending June 30, 2013; and to provide authorization and conditions for the operation of the Bureau's and the Council's programs.

**Current Status:** 4/25/2011 - **SIGNED BY GOVERNOR**; Some provisions eff. 4/25/11; others 7/29/11

**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_123](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_123)

**HB124 INDUSTRIAL COMMISSION BUDGET (HOTTINGER J)** To set appropriations for the Industrial Commission for the biennium beginning July 1, 2011, and ending June 30, 2013, and to provide authorization and conditions for the operation of Commission programs.

**Current Status:** 4/25/2011 - **SIGNED BY GOVERNOR**; Eff. 4/25/11

**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_124](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_124)

**HB153 BIENNIAL BUDGET (AMSTUTZ R)** To make operating appropriations for the biennium beginning July 1, 2011, and ending June 30, 2013, and to provide authorization and conditions for the operation of state programs.

**Current Status:** 6/30/2011 - **SIGNED BY GOVERNOR**; Effective 6/30/2011; some sections different dates, 7 line item vetos

**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_153](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_153)

**HB168 CAREER TRAINING WORKFORCE DEVELOPMENT GRANT (CAREY, JR. J)** To establish the Career Training Workforce Development Grant Program and to allocate a portion of casino license fees to finance the program.

**Current Status:** 4/7/2011 - House Economic and Small Business Development, (Second Hearing)

**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_168](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_168)

**HB170 ACTIONS ON CONTRACTS (MECKLENBORG R)** To shorten the period of limitations for actions upon a contract in writing.

**Current Status:** 6/28/2011 - Referred to Committee Senate Judiciary - Civil Justice

**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_170](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_170)

**HB188**      **OHIO CONSTITUTIONAL MODERNIZATION COMMISSION** (BATCHELDER W) To establish the Ohio Constitutional Modernization Commission and to make an appropriation.

**Current Status:** 7/15/2011 - **SIGNED BY GOVERNOR**; Eff, 10/17/2011

**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_188](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_188)

**HB199**      **STATE BUDGET-AGGREGATE REVENUE** (BECK P) To prohibit the Governor from proposing and the General Assembly from enacting a state budget with aggregate general revenue fund appropriations that exceed ninety-five per cent of the total money received in aggregate revenue.

**Current Status:** 4/12/2011 - Referred to Committee House Financial Institutions, Housing and Urban Development

**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_199](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_199)

**HB200**      **INCOME TAX DEDUCTION FOR NET CAPITAL GAINS** (BECK P) To allow an income tax deduction of up to ten thousand dollars for net capital gains.

**Current Status:** 4/12/2011 - Referred to Committee House Ways and Means

**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_200](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_200)

**HB238**      **REFINERS/WHOLESALEERS OF PETROLEUM** (GERBERRY R, HAGAN R) To require refiners and wholesalers of petroleum products to submit monthly reports to the Director of Commerce regarding petroleum products shipped into, used in, and exported from this state and to create the Gasoline Practices Oversight Commission for the period ending December 31, 2013.

**Current Status:** 5/25/2011 - Referred to Committee House State Government and Elections

**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_238](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_238)

**HB240**      **OHIO SUSTAINABLE FOOD ADVISORY COUNCIL** (WEDDINGTON C, AMSTUTZ R) To create the Ohio Sustainable Food Advisory Council to address program and policy considerations regarding the development of a sustainable food economy in Ohio.

**Current Status:** 5/25/2011 - Referred to Committee House Agriculture and Natural Resources

**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_240](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_240)

**HB250**      **PORTABLE ELECTRONICS INSURANCE** (HACKETT R) To establish requirements and procedures for issuing portable electronics insurance.

**Current Status:** 12/21/2011 - **SIGNED BY GOVERNOR**; Eff. 3/22/2012

**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_250](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_250)

**HB264**      **SUNSET REVIEW COMMITTEE** (BURKE D, GROSSMAN C) To implement the recommendations of the Sunset Review Committee by abolishing, terminating, transferring, or renewing various agencies and by reestablishing the Sunset Review Committee but postponing its operation until the 131st General Assembly, to terminate the operation of certain provisions of this act on December 31, 2016; to declare an emergency.

**Current Status:** 6/22/2011 - House State Government and Elections, (Second Hearing)

**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_264](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_264)



- HB318 ELIMINATE MARCH PRIMARY ELECTIONS** (BLESSING L, O'BRIEN S) To set two separate primary elections in 2012 for presidential and congressional races.  
**Current Status:** 10/21/2011 - **SIGNED BY GOVERNOR**; Eff. 1/20/2012  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_318](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_318)
- HB319 CONGRESSIONAL DISTRICT BOUNDARIES** (HUFFMAN M) To establish Congressional district boundaries for the state based on the 2010 decennial census of Ohio.  
**Current Status:** 9/26/2011 - **SIGNED BY GOVERNOR**; Eff. 9/26/2011  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_319](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_319)
- HB337 COMMERCIAL DRIVERS' LICENSES** (ROSENBERGER C) To make changes in the law governing commercial drivers' licenses, including hazardous material endorsements, medical certification requirements, disqualifications, conviction records, and establishing texting while driving as a serious traffic violation, to exclude certain components from the prohibited length dimensions of specified types of vehicles, to revise the law governing self-sufficiency contracts established under the Ohio Works First program, to eliminate requirements that the Department of Job and Family Services employ, contract with, or designate only attorneys to make decisions in appeals regarding family services programs, to temporarily extend the look-back period from two years to three years for determining whether a state "on" indicator exists based on the total unemployment rate for purposes of state extended unemployment benefits, and to declare an emergency.  
**Current Status:** 1/27/2012 - **SIGNED BY GOVERNOR**; Eff. 1/27/2012  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_337](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_337)
- HB344 OHIO INTERNATIONAL INITIATIVE** (BARNES, JR. J) To establish the Ohio International Initiative by creating the "SellOhio Global Initiative" within the Department of Development and the Global Initiative on International Relations within the General Assembly to create new, untapped global markets for Ohio businesses and thereby promote job creation, and to make an appropriation.  
**Current Status:** 11/15/2011 - House Finance and Appropriations, (First Hearing)  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_344](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_344)
- HB380 ASBESTOS EXPOSURE COMPENSATION** (BLESSING L) To require claimants in asbestos tort actions to make certain disclosures pertaining to asbestos trust claims that have been submitted to asbestos trust entities for the purpose of compensating the claimant for asbestos exposure.  
**Current Status:** 3/13/2012 - Senate Judiciary, (Second Hearing)  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_380](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_380)
- HB412 HEALTH BENEFIT EXCHANGE AGENCY** (ANTONIO N, CARNEY J) To establish the Ohio Health Benefit Exchange Agency and to establish the Ohio Health Benefit Exchange Program consisting of an exchange for individual coverage and a Small Business Health Options Program.  
**Current Status:** 1/17/2012 - Referred to Committee House Health and Aging  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_412](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_412)
- HB421 PHYSICIANS CIVIL IMMUNITY** (SLABY L, O'BRIEN S) To grant civil immunity to physicians who report a patient's use of a drug of abuse or other condition not involving such use to specified persons or entities, to exclude the making of those reports from the grounds for disciplinary action against physicians, and to apply the civil immunity of physicians who report to an employer in the business of public transportation an employee's use of a drug of abuse or other condition not involving such use to any violation of a patient's privacy rights.

**Current Status:** 3/14/2012 - House Criminal Justice, (Second Hearing)  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_421](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_421)

- HCR3 HEALTH COVERAGE TAX CREDIT (O'BRIEN S)** To request the members of the United States Congress to reauthorize and continue the Health Coverage Tax Credit (HCTC) enhancements including provisions related to the monthly reimbursement program, the qualified family members program, and Voluntary Employee Beneficiary Associations (VEBAs).  
**Current Status:** 2/10/2011 - Referred to Committee House Finance and Appropriations  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HCR\\_3](http://www.legislature.state.oh.us/bills.cfm?ID=129_HCR_3)
- HCR10 F-35 JOINT STRIKE FIGHTER (BUBP D, MARTIN J)** To urge the Congress of the United States to continue the full funding and production of the F-35 Joint Strike Fighter.  
**Current Status:** 5/18/2011 - **REPORTED OUT**, House Veteran's Affairs, (Second Hearing)  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HCR\\_10](http://www.legislature.state.oh.us/bills.cfm?ID=129_HCR_10)
- HCR21 PENSION BENEFITS-RETIRED STEELWORKERS (SLESNICK S, RAMOS D)** To declare the state of Ohio's support of its steelworkers in urging the President and the Congress of the United States to ensure that the Pension Benefit Guarantee Corporation is fully funded and properly administered to pay pension benefits to retired steelworkers and their spouses.  
**Current Status:** 2/28/2012 - House Health and Aging, (First Hearing)  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HCR\\_21](http://www.legislature.state.oh.us/bills.cfm?ID=129_HCR_21)
- HCR33 FEDERAL WORKFORCE INVESTMENT ACT (DERICKSON T, NEWBOLD C)** To urge the Congress of the United States to take action on the federal Workforce Investment Act to allow states greater flexibility to address current economic realities.  
**Current Status:** 3/15/2012 - House Economic and Small Business Development, (Fourth Hearing)  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HCR\\_33](http://www.legislature.state.oh.us/bills.cfm?ID=129_HCR_33)
- SB2 REGULATORY REFORM (HUGHES J)** To evaluate the economic impact of agency rules and regulations on small business in Ohio.  
**Current Status:** 3/4/2011 - **SIGNED BY GOVERNOR**; Eff. 6/7/2011; some sections 1/1/2012  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_SB\\_2](http://www.legislature.state.oh.us/bills.cfm?ID=129_SB_2)
- SB11 GOVERNMENT REGULATION PROCESS (CAFARO C)** To enact the Common Sense Regulation Act to improve state agency regulatory processes, especially as they relate to small businesses, to require state departments to develop customer service training programs, and to require the Director of Environmental Protection to provide environmental regulatory compliance assistance to small businesses.  
**Current Status:** 2/2/2011 - Referred to Committee Senate Government Oversight & Reform  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_SB\\_11](http://www.legislature.state.oh.us/bills.cfm?ID=129_SB_11)
- SB12 SMALL BUSINESS SET ASIDE (KEARNEY E)** To generally require that state agencies set aside a certain amount of purchases for which only small business enterprises may compete.  
**Current Status:** 2/2/2011 - Referred to Committee Senate State & Local



**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_SB\\_12](http://www.legislature.state.oh.us/bills.cfm?ID=129_SB_12)

- SB73**      **NONBEVERAGE FOOD MANUFACTURERS (MANNING G)** To allow manufacturers of nonbeverage food products to purchase at wholesale beer and intoxicating liquor from A and B liquor permit holders.  
**Current Status:** 4/21/2011 - **SIGNED BY GOVERNOR**; Eff. 7/22/2011  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_SB\\_73](http://www.legislature.state.oh.us/bills.cfm?ID=129_SB_73)
- SB89**      **LABOR REQUIREMENTS (JORDAN K)** To prohibit state agencies from requiring or prohibiting certain labor requirements as a condition of performing public works and prohibit the appropriations of state funds for public works when political subdivisions require or prohibit certain labor.  
**Current Status:** 3/8/2011 - Referred to Committee Senate Joint Committee on Agency Rule Review  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_SB\\_89](http://www.legislature.state.oh.us/bills.cfm?ID=129_SB_89)
- SB98**      **FEDERAL IMMIGRATION LAWS (STEWART J)** To direct the Attorney General to pursue a memorandum of agreement that permits the enforcement of federal immigration laws in this state by law enforcement officers.  
**Current Status:** 4/13/2011 - Senate State & Local Government & Veterans Affairs, (First Hearing)  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_SB\\_98](http://www.legislature.state.oh.us/bills.cfm?ID=129_SB_98)
- SB140**     **BITTERING AGENT IN ENGINE COOLANT (BACON K, SKINDELL M)** To require the inclusion of a bittering agent in engine coolant and antifreeze.  
**Current Status:** 11/15/2011 - Senate Judiciary, (Second Hearing)  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_SB\\_140](http://www.legislature.state.oh.us/bills.cfm?ID=129_SB_140)
- SB143**     **RECOVERY-FRAUD AGAINST THE STATE (HUGHES J, OELSLAGER S)** To provide for the recovery of damages and civil penalties for defrauding the state of money or property and to authorize private persons to bring qui tam civil actions in the name of the state to remedy the frauds.  
**Current Status:** 11/15/2011 - Senate Judiciary, (Fourth Hearing)  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_SB\\_143](http://www.legislature.state.oh.us/bills.cfm?ID=129_SB_143)
- SB171**     **SUNSET REVIEW COMMITTEE RECOMMENDATIONS (GILLMOR K)** To implement the recommendations of the Sunset Review Committee by abolishing, terminating, transferring, or renewing various agencies and reestablishing the Sunset Review Committee but postponing operation until the 131st General Assembly, and to declare an emergency.  
**Current Status:** 6/30/2011 - **SIGNED BY GOVERNOR**; Eff. 6/30/2011  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_SB\\_171](http://www.legislature.state.oh.us/bills.cfm?ID=129_SB_171)
- SB193**     **SCRAP METAL DEALERS (SEITZ B)** To require scrap metal dealers to take and keep as part of the sales record a photograph of each person selling or giving an article to the dealer.  
**Current Status:** 3/13/2012 - Senate Insurance, Commerce & Labor, (Third Hearing)  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_SB\\_193](http://www.legislature.state.oh.us/bills.cfm?ID=129_SB_193)
- SB200**     **EDISON JOBS DEVELOPMENT PROGRAM (HUGHES J)** To create the Edison Jobs Development Program within the Department of Development and to make an

appropriation.

**Current Status:** 12/6/2011 - Senate Finance, (First Hearing)

**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_SB\\_200](http://www.legislature.state.oh.us/bills.cfm?ID=129_SB_200)

**SB217**      **MARCH PRIMARY ELECTIONS (FABER K)** To eliminate March primary elections in presidential election years by requiring all primary elections to be conducted on the first Tuesday after the first Monday in May, and to declare an emergency.

**Current Status:** 9/20/2011 - Referred to Committee Senate Government Oversight & Reform

**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_SB\\_217](http://www.legislature.state.oh.us/bills.cfm?ID=129_SB_217)

**SB224**      **WRITTEN CONTRACTS (OBHOF L)** To shorten the period of limitations for actions upon a contract in writing.

**Current Status:** 12/13/2011 - Senate Judiciary, (Third Hearing)

**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_SB\\_224](http://www.legislature.state.oh.us/bills.cfm?ID=129_SB_224)

**SB231**      **SEXUAL/GENDER DISCRIMINATION (SKINDELL M, TAVARES C)** To prohibit discrimination on the basis of sexual orientation or gender identity.

**Current Status:** 11/16/2011 - Senate Judiciary, (First Hearing)

**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_SB\\_231](http://www.legislature.state.oh.us/bills.cfm?ID=129_SB_231)

**SB246**      **PORTABLE ELECTRONICS INSURANCE (BACON K)** To establish requirements and procedures for issuing portable electronics insurance.

**Current Status:** 11/29/2011 - Senate Insurance, Commerce & Labor, (First Hearing)

**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_SB\\_246](http://www.legislature.state.oh.us/bills.cfm?ID=129_SB_246)

**SB253**      **ELECTRONIC WASTE ADVISORY COUNCIL (LEHNER P)** To establish a recycling program for covered electronic devices, to create the Electronic Waste Advisory Council to evaluate and make recommendations and prepare a report concerning recycling of those devices, and to terminate the Council on July 1, 2015.

**Current Status:** 2/14/2012 - **SUBSTITUTE BILL ACCEPTED**, Senate Agriculture, Environment & Natural Resources, (Second Hearing)

**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_SB\\_253](http://www.legislature.state.oh.us/bills.cfm?ID=129_SB_253)

**SB256**      **RIGHT TO CURE AGREEMENT (COLEY W)** To allow suppliers and consumers to enter into a Right to Cure agreement.

**Current Status:** 12/13/2011 - Senate Insurance, Commerce & Labor, (First Hearing)

**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_SB\\_256](http://www.legislature.state.oh.us/bills.cfm?ID=129_SB_256)

**SB289**      **COGENERATION TECHNOLOGY (COLEY W, SCHIAVONI J)** To include cogeneration technology using waste or byproduct gas from an air contaminant source as a renewable energy resource.

**Current Status:** 3/14/2012 - Senate Energy & Public Utilities, (Third Hearing)

**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_SB\\_289](http://www.legislature.state.oh.us/bills.cfm?ID=129_SB_289)

**SCR10**      **CONSUMER PROTECTION ACT (TURNER N)** To request the Commissioners of the United States Commodity Futures Trading Commission act with all possible, yet prudent, haste to develop and implement the uniform transparency rules and speculative trading limits authorized under the Dodd-Frank Wall Street Reform and Consumer Protection Act of


2010.

**Current Status:** 6/15/2011 - Senate Financial Institutions, (First Hearing)  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_SCR\\_10](http://www.legislature.state.oh.us/bills.cfm?ID=129_SCR_10)

Ohio Steel Council - Mozilla Firefox  
File Edit View History Bookmarks Tools Help  
Ohio Steel Council Ohio Steel Council Ohio Steel Council  
www.ohiosteel.org/index.php Google  
Most Visited Getting Started Latest Headlines GRPElements - Web-b...

**OHIOsteel**  
COUNCIL

[About Us](#) | [Ohio Steel Industry](#) | [Economic Impact](#) | [Policy Primers](#) | [Careers](#) | [News](#)



Flat-rolled steel is used for auto bodies and appliance housings.

**Economic Impact**  
Find out more

**News**  
Find out more

**Globally Competitive**  
Find out more

©2012 Ohio Steel Council. All Rights Reserved.

9:11 AM  
3/12/2012



Your attendance is requested at the  
**Ohio Prosperity Project 2012 Participant Engagement Summit**  
March 22, 2012 ~10:30 a.m. to 3:00 p.m.  
Limited Brands Headquarters ~ 3 Limited Parkway ~ Columbus, OH 43230

**The Ohio Prosperity Project is built on this belief: When Ohio workers are informed and active in government and elections, our families, our communities and our state benefit.**

In 2012, businesses and families across the country are struggling with major issues such as health care, tax reform, and unemployment. Ohioans will once again play a crucial role in the Presidential Election, and the federal, statewide and local elections will somehow affect every industry in the state of Ohio. With so much at stake, it's more important than ever for the business community to effectively involve itself in public policy debates and the political process. This meeting is an important opportunity for Ohio's business community to learn more about what OP2 and its partners are doing to spread a message of economic growth and prosperity by engaging Ohio's workforce.

Attendees will be given the opportunity to participate in a roundtable session aimed at gauging the pulse of the business community in preparation for the 2012 Elections

Event topics include:

- New enhancements to OP2 and related tools for the 2012 elections
- Utilization of tools created to address important public policy challenges
- GOTV and voter involvement programming

- Company and association interaction and discussion of strategies to motivate and engage employees in elections activities, as well as which races will most impact our state
- Opportunity to hear from representatives from our growing network of employers and business groups who will share best practices as they relate to business grassroots advocacy
- National insight into political developments

**There is no registration fee for this event!**

RSVP to Erika Irvin  
Ohio Prosperity Project  
Outreach and Program Manager  
(614) 517-9764  
[erika\\_irvin@ohprosperity.com](mailto:erika_irvin@ohprosperity.com)

# NAM's Annual Public Affairs Conference



## Advocacy 2.012

Download. Connect. Advocate.

### NAM's Annual Public Affairs Conference

[Click Here To Register](#)

Manufacturers have always led the way in promoting world-class ideas and innovations. As we head into election season, it is crucial that we connect our story and advocacy efforts together. Join us at the NAM's Public Affairs Conference as we set our path forward and aim our energy at Congress and the White House.

#### **NAM's Annual Public Affairs Conference**

April 1-3, 2012

Turnberry Isle Miami  
19999 West Country Club Drive  
Aventura, Florida 33180

## Sunday, April 1

10:00 a.m.–5:00 p.m.

**Registration and Conference Check-In**

Noon–2:00 p.m.

**NPASC Quarterly Meeting (Open to NPASC members only)**

2:00-2:15 p.m.

**Conference Welcome & Opening Session**

2:15-3:45 p.m.

**Why Corporate America Is Not the Villain?**

As unemployment numbers remain high, many in the nation are blaming corporations for their perceived “greed.” While this is not the case, how do we message this to mainstream America? There is a serious disconnect between



the general public and corporate America. How do we highlight the good that corporations do for the towns they are located in and turn around this negative rhetoric? Join us for a panel with key political strategists on tactics the manufacturing community can use to improve our public image and manage stockholder referendums.

*Speakers:*

- Dan Bross, Senior Director of Corporate Citizenship, Microsoft
- Leslie Gaines-Ross, Chief Reputation Strategist, Weber Shandwick
- Brad Smith, Chairman, Center for Competitive Politics

4:00-5:30 p.m.

#### **The 2012 Elections – The Impact on Manufacturing The race is on for 2012!**

As the elections quickly approach, many intriguing political battles are emerging, including the Republican presidential primary, gubernatorial races and the congressional elections. Will there be a realignment of power in Washington? Our speakers will analyze the current political landscape, including this election's effect on the business community.

*Speakers:*

- Tom Hogan, Managing Director, Capitol Consulting LLC
- John McLaughlin, President and Partner, McLaughlin & Associates
- Moderator: Ned Monroe, Senior Vice President, External Relations, NAM

6:00–7:00 p.m.

#### **Opening Reception**

7:00-9:00 p.m.

#### **Opening Dinner**



BMW Manufacturing Co.



## Monday, April 2

7:30 a.m.–3:30 p.m.

#### **NAM Office Hours**

8:00-9:00 a.m.

#### **Keynote Breakfast Address - NAM President & CEO Jay Timmons**

Join NAM President and CEO Jay Timmons for an in-depth conversation on how manufacturers can lead the way to economic recovery and bring about a manufacturing renaissance in America. From the White House to the halls of Congress, decision makers are talking about manufacturing. Don't miss this important breakfast to hear a behind-the-scenes update about what is in store for the business community for the remainder of the 112th Congress and the role manufacturers can play in the upcoming elections.

9:00 a.m.–12:00 p.m.

#### **Spouse/Guest Activity**

9:15–10:30 a.m.

### **Balancing Act**

The actions taken by Congress and the Administration to address our nation's fiscal challenges will have a long-term impact on the economy, interest rates and the stock markets. Americans are closely monitoring how decisions on the federal budget, the deficit and tax reform will impact not only the economy but them directly. Join panelists for a candid discussion regarding the politics and policy behind these important fiscal and budget issues.

*Speakers:*

- Steve Bailey, Member, Heather Podesta + Partners
- Bill Hoagland, Vice President, Federal Affairs, Cigna Corporation
- Jeffery D. McMillen Partner, Akin Gump Strauss Hauer & Feld LLP
- Moderator: Dorothy Coleman, Vice President, Tax & Domestic Economic Policy, NAM

10:30–10:45 a.m.

### **Break**

10:45 a.m.–12:00 p.m.

### **Keys to Building a Strong Social Media Following**

Is your company a social media success? With the influx of Facebook, Twitter, LinkedIn and other social media sites, it can be difficult to know where to focus your energy for effective results. What are companies doing to gain social media success? Do you know what it takes to develop a winning content strategy to engage your followers? Join us for an informative and instructional panel that will outline how to utilize social media sites and allow you to explore innovative social networking trends to empower your advocacy efforts.

*Speakers:*

- Robert Bluey, Director, Center for Media and Public Policy, Heritage Foundation
- Mark Green, American Petroleum Institute

12:00–12:15 p.m.

### **Break**

12:15–1:45 p.m. (*working lunch*)

### **Energy in the 21st Century**

Energy-related issues have dominated media coverage in recent months. Whether it's a debate about increasing access to supplies, energy security, industry earnings, or climate change, no political issue generates more discussion than energy. The manufacturing sector is affected by this ever-evolving industry and the challenges brought by increased energy costs and new government regulations. What does the energy sector look like in the decades ahead, and how will Washington play a role in the availability of energy and flexibility of regulations on the business sector?

*Speakers:*

- Mike Roman, Federal Government Relations - Public & Government Affairs, ExxonMobil Corporation
- Chris Leahy, Vice President, Federal Government Relations, Peabody Energy Corporation
- Tony Kavanagh, Vice President, Government Affairs, American Electric Power
- Moderator: Aric Newhouse, Senior Vice President, Policy & Government Relations, NAM

2:00–3:15 p.m.

### **Looking Ahead: Employee Engagement in 2012**

There is much at stake for the manufacturing community in the 2012 elections, and we need an engaged employee base to ensure we elect pro-manufacturing candidates. The NAM is working to "Get Out the Vote" in 2012 and help

employers and employees become engaged on the issues that are important to the manufacturing community. This interactive discussion will highlight how the NAM can help to activate your employee base and create a long-term grassroots plan.

*Speakers:*

- Kevin McLernon, Director, Political Operations, Verizon, Communications
- Marc Scarduffa, Vice President, Government Relations and Public Affairs, Pfizer
- Moderator: Ned Monroe, Senior Vice President, External Relations, NAM

3:30 p.m.

**Free Afternoon**

6:00–7:00 p.m.

**Reception**

7:00–9:00 pm

**Dinner**

NCAA 2.012

Full. Court. Press.

No need to check those smartphones for score updates. Join the Public Affairs team for dinner and watch the Men's Basketball Championship game together – at least we can close out one season before November.



## Tuesday, April 3

7:30–11:30 a.m.

**Office Hours**

7:30–9:15 a.m.

**Regulatory Excess**

The Administration continues to push an aggressive regulatory agenda that threatens energy policy, economic growth and jobs. We continue to see burdensome regulations from agencies; what's ahead, and what can we do to stop them before they happen? This panel will discuss what's on the regulatory horizon and strategize how the business community can combat these efforts.

*Speakers:*

- Richard Williams, Director of Policy Studies, Mercatus Center
- Paul Noe, Vice President for Public Policy, American Forest & Paper Association

9:15–9:30 a.m.

**Break**

9:30–10:45 a.m.

**Labor Policy for Manufacturers**

Manufacturers and their employees rely on fairness and balance in our labor law system. Maintaining the time-tested balance between labor unions and employers is critical to economic growth and job creation. The National Labor Relations Board (NLRB), however, has undertaken an aggressive agenda that threatens jobs and economic growth. Its proposed "quick snap" election rules, its pending decisions, and the current employer requirement to post labor

organizing instructions in the workplace. This panel will discuss strategy and the ongoing public relations campaigns to help protect the workplace.

*Speakers:*

- Greg Jacob, Partner, Winston & Strawn LLP
- Peter Schaumber, former Board member, National Labor Relations Board
- Moderator: Joe Trauger, Vice President, Human Resources Policy, NAM

10:45 a.m.–12:00 p.m.

### **Where Do We Go From Here?**

With unemployment stuck around 9 percent, financial uncertainties in the U.S. and Europe, and rising consumer and business anxiety, Americans have begun to worry about the possibility of another recession. Years of deficit spending have strained our nation's finances -- threatening the economic recovery and the future prosperity of our country. What do these economic challenges mean for you, your company and even your family? This panel will examine our country's current state of economic affairs and the implications on the manufacturing community.

*Speakers:*

- John Lonski, Chief Economist, Moodys Investor Services
- William A. Strauss, Senior Economist and Economic Advisor, Federal Reserve Bank of Chicago
- Moderator: Aric Newhouse, Senior Vice President, Policy & Government Relations, NAM

Conference Wrap-Up

Adjourn

*\* Invited*

NAM members: \$975 for the first registrant. Non-members: \$1175 for the first registrant. Discounts are available for additional registrants from the same organization. Spouse/guest: \$450. Fees include conference registration, favor, workbook, receptions, dinners, breakfasts and lunches. Fees do not cover accommodations. There is a \$100 service fee for all cancellations made after Friday, March 23, 2012. No refunds will be made after this date. Substitutions may be made at any time.

Please [click here](#) to register for the NAM's Annual Public Affairs Conference. For questions, please contact the NAM's Dana Hartwig at (202) 637-3116 or [dhartwig@nam.org](mailto:dhartwig@nam.org).

To: OMA Government Affairs Committee  
From: Kevin Schmidt, OMA Staff  
Re: Energy Update  
Date: 3/14/2012

---

### **1. AEP-Ohio Rate Case**

The AEP-Ohio rate case continues to garner much public attention. In an unprecedented move the Ohio PUCO revoked the previously approved stipulation and ordered AEP to refile tariffs reflecting its 2011 rates with some modifications and to refile a new rate plan. AEP has indicated they will file a new ESP, however, the specific details of the plan are not yet released.

In the wake of the media and citizen attention the now defunct stipulation received, several of the provisions will be hard to replicate. Specifically, the load factor provisions that benefitted some manufacturing but gained so much negative media attention will be hard to replicate. Additionally, it will be hard for AEP to propose the same types of “shopping caps” that it had in place this time around. Most people watching the case expect something like a Duke Energy Ohio filing.

This case could be resolved as quickly as 80 days from now as the PUCO gave AEP interim relief until May 31<sup>st</sup> via some fixed charges. If you are an AEP customer and not a participant in the OMA Energy Group, now is the time to join.

### **2. Senate Bill 289 – Blast Furnace Co-Gen**

Senators Bill Coley (R-Middletown) and Joe Schiavoni (D-Canfield) introduced legislation this year to allow blast furnace co-generation to receive renewable energy credits (RECs). This will improve covered projects financing as the RECs can be sold into the marketplace enhancing the project. The target of this legislation is a project by Air Products using AK Steel’s blast furnace off gas.

It is expected that energy legislation may be introduced later this year that will have a more broad inclusion of industrial co-gen projects. The OMA has advocated for such projects to specifically be included in the energy efficiency definitions as well as renewable energy. This would allow manufacturers/developers to choose the financing method that works best for their needs.

Additionally, the OMA has learned that some renewable advocates may be pushing for an amendment that would increase the in-state requirement of RECs and use the increase to create a “co-gen” carve out. This would not increase the size of the mandate and give co-gen projects its own benchmark steps.

### **3. Shale Update**

Shale development in Ohio continues at breakneck speed. In response to earthquakes in Youngstown in January of this year that shut down a handful of deep injection wells, the Ohio Department of Natural Resources issues a slate of new regulations. According to Ohio DNR the new regulations for Class II disposal wells (not oil and gas wells) will require:

- A review of existing geologic data for known fault zones in Ohio and prohibit siting new disposal wells in the areas.
- Submission of a seismic activity monitoring plan and any available information on the existence of known geological faults within a specified distance of the proposed well at the time of permit application.
- Installation of an automatic shut-off system set to operate if the fluid injection pressure exceeds a maximum level to be set by ODNR.
- Measurement or calculation of the original pressure prior to initial injection.
- Step-rate injection tests to establish formation parting pressure and injection rates.
- Installation of a continuous pressure monitoring system, with results being electronically available to ODNR for review.
- Installation of an electronic data recording system for purposes of tracking all fluids brought by a brine transporter for injection.
- A complete suite of geophysical logs to be run on newly drilled wells, with a copy to be submitted to ODNR.

Separately, the Ohio Shale Coalition recently released its economic study highlighting the economic benefits expected from the development of this natural resource in Ohio. The executive summary of the document can be found in your packet.

#### **4. Ballot Language Proposed for Clean Energy Bonds**

A ballot initiative was filed with Attorney General Mike DeWine's office yesterday that would amend the Ohio Constitution and allow for the approval of \$1.3 billion in bonds through 2023 for funding infrastructure, research and development of "clean energy initiatives." It would also earmark \$65 million for the Ohio Energy Initiative Commission, presumably the body that would determine who is funded through the program.

The proposal must now get 385,253 signatures to make it on the November general election ballot. The Group backing the proposal, Yes for Ohio's Energy Future, will hire a business to seek the signatures. The group is funded by alternative-energy groups and individual donations.

## Energy Management

### PUCO Acts on AEP Rate Case

By order issued Wednesday, the Public Utilities Commission of Ohio (PUCO) required certain AEP customers to pay higher than market rates for AEP "capacity" through May 31st. The effect of this order is to protect AEP from its retail competitors for three and one-half months.

AEP had asked the commission to set a capacity rate of \$255 per megawatt day. This is more than double the current market rate of \$116, set by annual regional auctions (the rate is set to go to \$16 on June 1). "Capacity" rates are charges for use of a utility's infrastructure.

Exempted from this order are the first 21% of load of each customer class that shops (the industrial class block is apparently full), and customers in governmental aggregation groups approved on or before November 8, 2011.

The commission ordered hearings to begin no later than April 17 to determine a long-term compensation mechanism for capacity.

Also, the commission said it "expects that AEP-Ohio will look to recent commission precedent for guidance in formulating its modified ESP in considering how to best ensure its customers have market-based standard service offer pricing in an efficient and expeditious manner." This seems to tell AEP to look to the recently approved Duke case for direction.

OMA energy counsel Bricker & Eckler LLC, prepared a summary of the actions which can be found [here](#).

Please contact [Kevin Schmidt](#) to find out how you might participate in this process moving forward.

03/09/2012

### Pipeline Developer at Odds with Ohio

A developer of an ethane pipeline is [trying](#) to avoid state jurisdiction and push thousands of barrels of ethane a day to Texas. Rather than feed Ohio industry, Houston-based Enterprise Products' planned pipeline would start in Pennsylvania and run through Ohio to transport the resource to Texas where it says the demand is the greatest.

Ethane comes out of the ground along with natural gas and is a valuable product in plastics manufacturing. If ethane is considered a gas, Ohio has jurisdiction over the development of the pipeline; if it is considered a liquid, Ohio does not. Since ethane is only a liquid under pressure the state is asserting jurisdiction.

03/02/2012

### Governor Previews Energy Legislation

In the first of a series of meetings, this one in Cleveland, Governor Kasich [previewed](#) elements of energy legislation to be introduced in the General Assembly in March with a June target for passing the package.

The governor outlined ten "pillars" of the proposed energy policy: shale, generation, electricity transmission and distribution, workforce training, compressed natural gas (CNG) & alternative fuels, cogeneration/waste heat recovery, energy efficiency, coal, regulatory reform, and renewables.

03/02/2012

### Battle Looms Over AEP-Ohio's Rates

In the wake of the Public Utility Commission of Ohio (PUCO) decision last week to revoke the previously approved AEP-Ohio (AEP) rate plan, AEP has filed motions both at the PUCO ([motion](#)) and at the Federal



Energy Regulatory Commission (FERC) ([motion](#)) seeking permission to charge "cost based" rates for its capacity rather than "market" rates. Capacity refers to the cost that a utility incurs to have power plants available to serve its customers. It makes up an important portion of the generation rate.

In its filings, AEP claims that if its requested relief is not granted the result will be "confiscatory," as it will be required to supply its capacity to third-party competitor suppliers below cost. In a Columbus Dispatch [article](#) this week, AEP indicated that without cost-based capacity rates, it will be forced to consider all options - including laying off employees, stopping investments in Ohio, and potentially moving its headquarters.

In response to AEP's motion, FirstEnergy Solutions, a third party supplier, filed a [challenge](#) to AEP's request noting that until January 1, 2012, AEP has historically charged customers market rates for capacity. FES argued: there is no mechanism in law for AEP to "cherry pick" portions of the rejected rate plan and that its request should be denied.

The PUCO agenda does not have the issue docketed for next week.

03/02/2012

### **New Ohio Shale Study: 65,000 New Jobs by 2014**

A new study of the potential economic effects of the Ohio oil and gas shale beds finds: "By 2014 the incremental economic activity in the state of Ohio from that year's expected expenditure of \$6.4 billion in oil and gas field development is expected to result in 65,680 jobs and \$3.3 billion in labor income, or an average income of \$50,225 per job."

The study modeled economic impacts

through 2014. The estimated results: "The models indicate that outputs are expected to amount to nearly ten billion dollars per year by 2014, with another \$500 million in tax revenue generated. It is expected that these numbers are likely to continue in this range in the years following 2014, although leasing and midstream infrastructure activity will significantly slow down."

The researchers, a team from Cleveland State University, The Ohio State University and Marietta College, believe the estimates are conservative and will change as more data from the Utica formation becomes available. 03/01/2012

03/02/2012

### **PUCO Hits Reset Button on AEP Rate Case**

In the face of an outcry from a segment of AEP-Ohio ratepayers, the Public Utilities Commission of Ohio (PUCO) yesterday rejected AEP-Ohio's "Electric Security Plan" settlement.

AEP-Ohio had sought authority to spin off its generating assets into a separate, new affiliate, leaving the existing entity as a "wires-only" company that provides distribution and transmission services. Throughout the case, AEP-Ohio represented that it would bid all of its generating assets into a regional auction (PJM's RPM base residual auction).

However, the filings made by AEP-Ohio at the Federal Energy Regulatory Commission in the last few weeks reveal that AEP-Ohio actually intended to transfer some assets to other affiliate companies and might not bid into the regional market auction. The PUCO said that because of AEP-Ohio's contradictory statements, the PUCO could not be sure that the settlement was in the public interest. Thus, the PUCO revoked the authority for AEP-Ohio to transfer its generating assets.

The PUCO also found that two provisions intended to provide a gradual transition to market-based rates for larger customers who have higher load factors (use electricity more consistently) actually disproportionately impacted smaller, lower load factor customers. The PUCO noted that AEP-Ohio represented during the hearing that smaller customers' actual rate increases would not exceed 30%. However, "the actual impacts suffered by a significant number of GS-2 customers (lower load factor customers) appear to have vastly exceeded AEP-Ohio's representations at hearing."

For these reasons, the PUCO rejected the settlement and ordered AEP-Ohio to file new tariffs by February 28, 2012, that reset the rates back to those in effect in 2011 with several exceptions: the new, higher fuel adjustment rider will apply; the environmental investment carrying cost rider will apply at 2011 levels; and, the prior capacity price for shopping customers will apply (the market or PJM RPM price).

The result of this change is that AEP-Ohio customers may shop load to competitive providers freely, accessing current favorable market prices.

The [OMA welcomed](#) the decision: "Starting over from the beginning is a prudent course of action given the magnitude of what's at stake and the critical need in Ohio for competitive electricity rate structures. "

02/24/2012

### **Mysterious Clean Energy Ballot Issue Takes Step Forward**

Attorney General Mike DeWine said the group "Yes for Ohio's Energy Future" got the required minimum number of signatures and wrote a "fair and truthful" summary of the proposed [constitutional amendment](#). This means the group can

begin collecting the signatures needed to have the language placed on the November ballot. The ballot issue would allow Ohio to issue \$1.3 billion in bonds to fund clean energy infrastructure.

The group pushing the ballot issue remains mysterious and questions are emerging about its language. Among the quirks in the language include a newly created Ohio Energy Initiative Commission that would be incorporated in the state of Delaware and specific language prohibiting the Ohio General Assembly from passing laws directing the funds.

02/24/2012

### **Study Highlighting Ohio's Energy Efficient Lighting Industry Released**

The Natural Resources Defense Council (NRDC) released a study entitled "[Better Bulbs, Better Jobs](#)" this week that identified Ohio as worldwide leader in the development and production of energy efficient lighting. The study profiled seven Ohio businesses that research and manufacture energy efficient light bulbs and noted Ohio has gained 1500 jobs in the industry.

02/24/2012

### **\$1.3 Billion for Clean Energy Bonds Proposed**

A group called "Yes for Ohio's Energy Future" is pursuing an amendment to the Ohio Constitution which would allow the state to issue \$1.3 billion dollars in debt to fund "clean energy" projects. The group will need to collect 385,253 valid signatures to get the issue on the ballot.

The Columbus Dispatch [reports](#) that the petition asks Ohioans to approve issuing bonds beginning next year and running through 2023 for the purpose of funding

infrastructure, research and development of “clean-energy initiatives.”

02/17/2012

### **Chesapeake Energy Addresses OMA Energy Committee**

The OMA Energy Committee this week heard from Matt Hammond of Chesapeake Energy and Rick Simmers of Ohio Department of Natural Resources about the development of Ohio’s shale resources. Hammond provided a detailed [presentation](#) on the industry, how fracking works, and the opportunities in Ohio.

Full committee materials can be found [here](#). [Join](#) the OMA Energy Management community to receive meeting notices and materials.

02/17/2012

### **U.S. EPA Publishes Final Utility MACT Rule**

The National Association of Manufacturers (NAM) reports that U.S. EPA published the final Utility MACT rule this week. The NAM also reported that Senator Inhofe introduced a [resolution](#) that would repeal the regulation.

The rule has been cited by numerous utilities as the reason for shutting down coal-fired power plants. The rule will result in increased electricity prices by decreasing the supply of electricity, as well as requiring billions of dollars in environmental control technologies at the surviving plants.

An American Coalition for Clean Coal Electricity study on the economic effects of this rule can be found [here](#).

02/17/2012

### **Senate Considers Blast Furnace CoGen Bill**

The Senate held sponsor testimony on [Senate Bill 289](#) this week which would add blast furnace co-generation to the definition of renewable energy. Making blast furnace co-generation a renewable resource gives project developers additional financing tools through the sale of renewable energy credits.

The OMA supports a broader inclusion of co-generation technologies in the renewable energy definition in order to benefit a range of industrial applications.

02/10/2012

### **PUCO To Modify AEP Rate Case, Again**

The Public Utilities Commission of Ohio (PUCO) issued a [press release](#) today stating it is working on a plan that will address the large price increases certain small businesses are experiencing under the current AEP rate plan. Chairman Todd Snitchler stated, “My fellow commissioners and I are deeply troubled by what we have heard from business owners, elected officials, and the governor on this issue... Now that we have a full understanding of the impacts, we are actively developing a plan to resolve the rate impacts faced by affected General Service 2 customers.”

The OMA supports this latest PUCO action on the AEP rate case.

02/10/2012

### **Shale Gas Community Costs – Lessons from North Dakota**

Everyday there is growing excitement about the economic potential of shale gas plays from the Marcellus and Utica gas reserves buried deep under eastern Ohio. As energy companies gain approvals to extract, refine,

and transport the gases, policymakers need to consider costs of an oil and gas boom on a community.

North Dakota has benefitted from significant oil production in recent years; its local leadership has catalogued lessons learned. The mayor of Watford City, located near the epicenter of the activity, details [10 Things We Wish We Knew](#). [In a presentation](#) to the North Dakota State Senate, the mayor says cost challenges to city services, infrastructure and education are close to a breaking point. [A study](#) by Minot State University and Dickinson State University catalogs skyrocketing housing costs, housing shortages, overwhelmed emergency response demands, and impacts to the community lifestyle in

02/03/2012

### **Renewable Energy Repeal Receives a Hearing**

[Senator Kris Jordan's](#) (R-Delaware) legislation to repeal the state's advanced and renewable energy mandate received a hearing this week in the Senate Public Utilities Committee. [Senate Bill 216](#) is a complete repeal of the law requiring utilities to invest incrementally in renewable and advanced energy. The senator argued the repeal is necessary because the mandate will raise rates; renewable energy advocates contend that the mandate supports innovation and expansion of a promising renewable energy industry.

As a consumer protection, the mandate in current law contains a 3 percent cost cap, meaning a utility does not need to comply if compliance would increase costs to customers by more than 3 percent.

02/03/2012

### **OMA Energy Committee Materials - 11/02/2012**

[Click here to view](#) OMA Energy Committee materials for November 2, 2012.

02/01/2012

### **FirstEnergy Announces EPA Compliance Strategy - Shutter Plants**

FirstEnergy announced that its subsidiaries in multiple states will shut down power plants to respond to U.S. EPA's relentless assault on affordable coal. In its [press release](#) FirstEnergy said that the plant shut downs will eliminate approximately 10% of its total electricity supply.

[American Electric Power](#) and [Duke Energy Ohio](#) both announced plant closures planned for next year in response to the U.S. EPA's war on coal.

In response to the FirstEnergy announcement Senator Rob Portman issued a press release saying, "There is no reason Ohioans should have to choose between holding onto a good paying job and protecting the environment." Legislation authored by Portman would require U.S. EPA to measure the economic costs of regulations before promulgating rules. [The Regulatory Accountability Act](#) of 2011 passed the U.S. House in bipartisan fashion last year.

01/27/2012

### **PUCO Expands Shopping in AEP Territory**

The Public Utilities Commission of Ohio (PUCO) issued an order this week that is intended to expand the opportunity for manufacturers and others in the AEP-Ohio territory to shop for competitive retail electric rates.

In the order the PUCO said that aggregation programs passed by government

[jurisdictions](#) in the November 2011 election and earlier are not subject to any shopping limitations. This action has the effect of expanding the 21% cap that AEP had placed on its shoppable load for 2012.

The PUCO order enables mercantile customers (those using 700,000 kWh of electricity or more a year) to opt in to aggregation programs passed by jurisdictions in which they are sited. Prior to the order, many such consumers were closed out of the 21% shopping block, and stood in a queue to shop in 2013 and beyond. Since market rates are below the standard utility offer, this order can provide much needed energy savings, particularly to the job producing manufacturers.

The OMA, through its subsidiary the OMA Energy Group, is analyzing the effect of this order and will be in a position to provide specific advice to members in the coming weeks. It is unclear how AEP will respond legally to the order. If your facility is situated in AEP territory, and your city, county, municipality, township, or village has in place or passed an aggregation program referendum this past November, contact the OMA's [Kevin Schmidt](#) to learn if you might have an option to receive a competitive offer for electric service.

01/27/2012

### **Shale Gas: Ohio Competes for Chemical Cracker**

Ohio, West Virginia and Pennsylvania are engaged in a contest to lure a \$2 billion ethane cracker plant planned by Shell Chemical. This week West Virginia [enacted legislation](#) to slash taxes on machinery, equipment and real estate for 25 years for large-scale investments. The following day, the West Virginia governor flew to Houston to court Shell with the new tax incentives. Ohio Governor Kasich had already travelled to Houston to tout Ohio's competitive tax structure.

"Manufacturers are well aware that Ohio permanently eliminated tax on all forms of personal property in 2005. West Virginia's new tax incentive plays catch-up with Ohio," commented the OMA's Ryan Augsburger.

The project has been estimated to mean 2,400 direct jobs and more than 12,000 indirect jobs. Join the [OMA Energy Management Community](#) to follow Ohio's shale gas developments.

01/27/2012

### **Fracking Fluid Disposal Moratorium Proposed**

Representative Bob Hagan (D-Youngstown) introduced legislation ([House Bill 418](#)) this week which would impose a [moratorium](#) on the disposal of fracking fluid in deep injection wells. This proposal is in reaction to the theory that [earthquakes](#) can be triggered by injection well activity. There is already proposed legislation to place a moratorium on Ohio "fracking."

A recent study by Quinnipiac University reported that Ohioans are split on the issue. While Ohioans overwhelmingly support the development of shale resources, when questioned about fracking specifically a majority of those polled said they needed more information. The full poll can be found [here](#); the fracking questions start at question 39.

01/20/2012

### **Governor Pushes Additional Taxes on Oil and Gas**

Governor Kasich [announced](#) his intention to push for new taxes and fees on the oil and gas industry. Specifically, the Governor is advocating for "impact fees" to help cover the costs of maintaining local infrastructure and expanding the state's severance tax, a tax on entities that consume the state's



natural resources, to encompass natural-gas liquids.

The Governor stated, “At some point, these counties are going to benefit, but in the early years, when it comes to the erosion of roads and infrastructure, we need to make sure that these locals are going to be in a position to manage their infrastructure.”

It is likely that these modifications will be included in the mid-year budget review bill expected sometime in March.

01/20/2012

### **OMA Energy Group Pushing for Improvements to AEP Rate Case**

The OMA Energy Group is [asking](#) the Public Utilities Commission of Ohio (PUCO) to make improvements to its recent [decision](#) on AEP-Ohio’s rate plan for 2012-2015. Specifically, the Energy Group is asking the PUCO to allow manufacturers to have greater access to cheap market prices.

The Energy Group’s application for rehearing argues that manufacturers, the largest economic contributor to Ohio’s economy, should be able to access the residential shopping block if that block is not fully subscribed by residential customers. In some instances GS-2 customers, smaller users that may use power unevenly, are experiencing large price increases. Providing these customers with shopping opportunities will help keep small manufacturers in AEP-Ohio’s service territory competitive.

01/13/2012

### **D.C. Circuit Court Delays Troublesome U.S. EPA Regulation**

The D.C. Circuit Court issued a [stay](#) on the implementation of the Cross State Air Pollution Rule (CSPAR) this week in

response to a 2011 suit filed by the state of Texas.

U.S. EPA was careful to note that the court’s decision to delay implementation of the rule was not a decision on the rule’s merits. The court will hear arguments from U.S. EPA and opponents and make a decision in the future regarding the rule.

The OMA’s Kevin Schmidt penned an [op-ed](#) late last year noting the dramatic negative effects this rule will have on Ohio’s economy.

01/06/2012

### **Gas Industry Rocked the New Year?**

A Youngstown deep injection well, used to dispose of fracking fluid, is being examined as the [cause](#) of increased seismic activity in the area in 2011.

While seismic activity related to injection wells is rare, Governor Kasich halted activity at the injection well and similar facilities in a four mile radius while the Ohio Department of Natural Resources conducts a scientific study .

[In response](#) to the latest earthquake, the city of Youngstown passed a moratorium on injection wells. This measure is largely symbolic as the state has exclusive jurisdiction regarding the disposal of fracking material.

01/06/2012

### **AEP Illuminates Which Commercial & Industrial Customers Can Shop in 2012**

The recent Public Utilities Commission of Ohio (PUCO) [case](#) regarding how AEP-Ohio (AEP) will price electric power to its customers starting in 2012 resulted in a sea change: it will have a market-based pricing model, as opposed to its legacy cost-based pricing model.

The case includes a transition-to-market device whereby 21 percent of AEP's customer demand for electricity can actively shop in 2012, 31 percent in 2013, 41 percent in 2014, and 100% in 2015. The stepped approach is to protect the utility and its shareholders financially as it makes the pricing model switch.

AEP has indicated its initial allocation of "discounted capacity" ( i.e. who is in the 21 percent able to shop for lower priced power) will go to commercial and industrial customers who submitted 90 day notices (of intention to shop) to AEP prior to September 8, 2011, plus some others who submitted their 90 day notices on September 8. (OMA emailed its members in the AEP service territory a detailed communication yesterday about who can shop in 2012.)

In response to the PUCO's order, the OMA, through its subsidiary the OMA Energy Group, plans to file an appeal to the Commission to challenge how capacity was allocated in order to increase the 'shop-able' capacity available to manufacturers for 2012.

01/06/2012

### **FirstEnergy Efficiency Programs Continue to Pay Rebates**

If you're planning lighting or motor retrofits in 2012, or any other type of energy savings project, and your facility is served by FirstEnergy, look into the rebates available from FirstEnergy before you make your investment.

While pre-approval from FirstEnergy is required of all projects in order to qualify for its rebates, it may well be worth the extra step. For example, lighting projects rebate \$0.05 per kilowatt hour reduced annually up to 50% of your total actual project costs.

Here's a [summary](#) of qualifying projects and assistance from OMA.

01/06/2012

### **General Assembly Passes Electric Cost Savings Bill**

The Ohio General Assembly passed [House Bill 364](#) which will allow electric distribution utilities to securitize certain deferred costs. This process will allow utilities to lower the interest rate on charges that customers owe them.

An example: AEP-Ohio customers owe the company \$650 million for coal used over the past decade. This legislation will lower the interest rate charged on that amount resulting in lower payments for customers.

The OMA successfully worked this week to secure amendments that will keep utilities from gaining new rights to cost recovery. Without these amendments utilities would have had a much easier time charging customers for environmental clean ups that rightfully belong on their ledgers.

12/16/2011

### **PUCO Modifies AEP Settlements**

The PUCO approved modified settlements this week regarding electricity rates for AEP customers in 2012. One plan will set generation rates, while the other will set [distribution](#) rates.

The approved [generation](#) plan marks a dramatic departure from the past in that it requires AEP-Ohio to sell its power plants to an unregulated affiliate and move to "market" pricing. This change will have lasting effects on Ohio consumers: Customers have the ability to pick and choose their electricity supplier, but will have little protection should market prices spike.



Other changes in the PUCO's orders: the AEP proposed generation rate increase was cut in half, the availability of shopping credits for low-load factor customers (GS-2 customers) was increased, the load accessible to shopping by industrial customers was reduced, and AEP is permitted to start recovering deferred costs it incurred over the past decade on distribution infrastructure investments.

Some of these modifications, like the reduced access to shopping for industrial customers, are significant and may warrant an appeal by the OMA.

To get a detailed analysis of how these changes will affect your facilities served by AEP, contact [Kevin Schmidt](#) at the OMA.

12/16/2011

### **NAM: One Million Jobs from U.S. Shale Gas Resources**

The National Association of Manufacturers (NAM) this week unveiled a study on the potential impacts on the U.S. economy from shale gas reserves. [The study](#), conducted by PricewaterhouseCooper, answers the question: "What could a growing shale gas industry mean for manufacturing job creation in the United States going forward?"

The PwC research answer: lower feedstock and energy costs lowering manufacturers' costs by as much as \$11.6 billion annually through 2025, demand growth for chemical, metal and industrial manufacturers, and a potential of one million new jobs in manufacturing by 2025 due to benefits from affordable energy and demand for products used to extract the gas.

Potential headwinds: inadequate infrastructure in some shale gas regions, questions about evolving tax policies, and environmental concerns about hydraulic

fracturing. The study notes that the U.S. EPA will release a study of environmental effects in late 2012.

Meanwhile, states have the opportunity to put in place prudent and responsible environmental protection regimes; Ohio last year established just such a regulatory structure.

12/16/2011

**Energy Legislation**  
**Prepared by: The Ohio Manufacturers' Association**  
**Report created on March 9, 2012**

- HB51**      **MUNICIPAL UTILITIES** (SNITCHLER T) To require a municipal utility supplying surplus electricity to nonresidents to provide written notice of termination one year before terminating the service.  
**Current Status:** 2/1/2011 - Referred to Committee House Public Utilities  
**All Bill Status:** 1/26/2011 - Introduced  
**Comments:** None
- HB73**      **TRANSPORTATION OF NUCLEAR MATERIALS** (YOUNG R) To require payment of only the cost of police escort services for the highway transportation of limited amounts of certain nuclear materials.  
**Current Status:** 3/2/2011 - **REPORTED OUT**, House Transportation, Public Safety and Homeland Security, (Third Hearing)  
**All Bill Status:** 2/16/2011 - House Transportation, Public Safety and Homeland Security, (Second Hearing)  
2/9/2011 - **SUBSTITUTE BILL ACCEPTED**, House Transportation, Public Safety and Homeland Security, (First Hearing)  
2/1/2011 - Referred to Committee House Transportation, Public Safety and Homeland Security  
2/1/2011 - Introduced  
**Comments:** None
- HB95**      **NATURAL GAS RATES** (STAUTBERG P) To permit certain rate-calculation adjustments for natural gas companies, eliminate public notice requirements for rate cases, and for natural gas companies, to make other regulatory changes concerning audits, alternative rate plans, and forecast reports, and allowing applications for natural gas company capital expenditure programs.  
**Current Status:** 6/2/2011 - **SIGNED BY GOVERNOR**; Eff. 9/9/2011  
**All Bill Status:** 6/1/2011 - Sent to Governor for Signature  
5/25/2011 - Consideration of Senate Amendments; Vote 68-27  
5/25/2011 - **PASSED BY SENATE**; Vote 28-4  
5/25/2011 - Bills for Third Consideration  
5/24/2011 - **REPORTED OUT AS AMENDED**, Senate Energy & Public Utilities, (Third Hearing)  
5/18/2011 - Senate Energy & Public Utilities, (Second Hearing)  
5/11/2011 - Senate Energy & Public Utilities, (First Hearing)  
5/10/2011 - Referred to Committee Senate Energy & Public Utilities  
5/4/2011 - **PASSED BY HOUSE**; Vote 66-32  
5/4/2011 - Bills for Third Consideration; Pending Committee Report  
5/4/2011 - **SUBSTITUTE BILL ACCEPTED & REPORTED OUT AS AMENDED**, House Public Utilities, (Seventh Hearing)  
4/6/2011 - House Public Utilities, (Sixth Hearing)  
3/30/2011 - House Public Utilities, (Fourth Hearing)  
3/23/2011 - **SUBSTITUTE BILL ACCEPTED**, House Public Utilities, (Third Hearing)  
3/16/2011 - House Public Utilities, (Third Hearing)  
2/23/2011 - House Public Utilities, (Second Hearing)  
2/16/2011 - House Public Utilities, (First Hearing)

2/15/2011 - Referred to Committee House Public Utilities  
2/10/2011 - Introduced

**Comments:** None

**HB133 OIL AND GAS LEASING/DRILLING ON STATE LAND (ADAMS J)** To create the Oil and Gas Leasing Board and to establish a procedure by which the Board may enter into leases for oil and gas production on land owned or under the control of a state agency for the purpose of providing funding for capital and operating costs for the agency.

**Current Status:** 6/30/2011 - **SIGNED BY GOVERNOR**; Eff. 9/30/2011

**All Bill Status:** 6/24/2011 - Sent to Governor for Signature  
6/21/2011 - Consideration of Senate Amendments; Concurred 57-38  
6/15/2011 - **PASSED BY SENATE**; Vote 22-10  
6/15/2011 - Bills for Third Consideration  
6/14/2011 - **REPORTED OUT AS AMENDED**, Senate Agriculture, Environment & Natural Resources, (Second Hearing)  
6/7/2011 - Senate Agriculture, Environment & Natural Resources, (First Hearing)  
6/2/2011 - Referred to Committee Senate Agriculture, Environment & Natural Resources  
5/25/2011 - **PASSED BY HOUSE**; Vote 54-41  
5/25/2011 - Bills for Third Consideration  
5/24/2011 - **REPORTED OUT AS AMENDED**, House Agriculture and Natural Resources, (Sixth Hearing)  
5/17/2011 - **SUBSTITUTE BILL ACCEPTED**, House Agriculture and Natural Resources, (Fifth Hearing)  
4/6/2011 - House Agriculture and Natural Resources, (Third Hearing)  
3/30/2011 - House Agriculture and Natural Resources, (Third Hearing)  
3/23/2011 - House Agriculture and Natural Resources, (Second Hearing)  
3/16/2011 - House Agriculture and Natural Resources, (First Hearing)  
3/2/2011 - Referred to Committee House Agriculture and Natural Resources  
3/1/2011 - Introduced

**Comments:** None

**HB204 ADVANCED ENERGY FUND (FOLEY M)** To reimburse the Advanced Energy Fund revenue rider on retail electric distribution service rates and to clarify how Advanced Energy Fund grant amounts are to be determined.

**Current Status:** 5/25/2011 - House Public Utilities, (Second Hearing)

**All Bill Status:** 5/18/2011 - House Public Utilities, (First Hearing)  
5/3/2011 - Referred to Committee House Public Utilities  
4/13/2011 - Introduced

**Comments:** None

**HB297 MOTOR FUEL QUALITY TESTING (WEDDINGTON C, FENDE L)** To require the Department of Agriculture to establish a motor fuel quality testing program under which county auditors may conduct such testing.

**Current Status:** 9/13/2011 - Referred to Committee House Agriculture and Natural Resources

**All Bill Status:** 7/12/2011 - Introduced  
**Comments:** None

**HB304 LAKE ERIE OIL/NATURAL GAS (ANTONIO N)** To ban the taking or removal of oil or natural gas from and under the bed of Lake Erie.

**Current Status:** 9/13/2011 - Referred to Committee House Agriculture and Natural Resources

**All Bill Status:** 7/26/2011 - Introduced  
**Comments:** None

**HB306 BUILDING STANDARDS (PILLICH C)** To require a building or structure constructed using state capital budget moneys to adhere to certain energy efficiency and building standards and to encourage the use of Ohio-produced products.

**Current Status:** 9/13/2011 - Referred to Committee House State Government and Elections

**All Bill Status:** 8/9/2011 - Introduced  
**Comments:** None

**HB310 ELECTRIC VEHICLE SALES TAX REDUCTION (GOODWIN B)** To reduce the amount of sales tax due on the purchase or lease of a qualifying electric vehicle by up to \$2,000.

**Current Status:** 11/16/2011 - House Ways and Means, (Second Hearing)

**All Bill Status:** 9/21/2011 - House Ways and Means, (First Hearing)  
9/13/2011 - Referred to Committee House Ways and Means  
8/30/2011 - Introduced

**Comments:** None

**HB345 STIMULATION OF OIL AND GAS WELLS (DRIEHAUS D, HEARD T)** Establishes a moratorium on horizontal stimulation of oil and gas wells until the USEPA publishes a report containing the results of a study of the relationship of hydraulic fracturing to drinking water resources and the Chief of the Division of Oil and Gas Resources Management issues a report analyzing how Ohio's rules address issues raised in the USEPA report.

**Current Status:** 11/9/2011 - Referred to Committee House Agriculture and Natural Resources

**All Bill Status:** 10/12/2011 - Introduced  
**Comments:** None

**HB351 WELL STIMULATION/BRINE DISPOSAL (ANTONIO N, FEDOR T)** To establish requirements governing well stimulation, brine disposal and water that is used in the drilling/operation of oil and gas wells, including a requirement that oil and gas permittees pay a seven per cent overriding royalty for each well that is stimulated.

**Current Status:** 11/9/2011 - Referred to Committee House Agriculture and Natural Resources

**All Bill Status:** 10/21/2011 - Introduced  
**Comments:** None

**HB364 SECURITIZATION COSTS STANDARDS-ELECTRIC UTILITIES (ROEGNER K, DUFFEY M)** To establish standards for the securitization of costs for electric distribution utilities.

**Current Status:** 12/21/2011 - **SIGNED BY GOVERNOR**; Eff. 3/22/2012

**All Bill Status:** 12/16/2011 - Sent to Governor for Signature  
12/14/2011 - Consideration of Senate Amendments; The House agreed to Senate Amendments; Vote 84-0

12/14/2011 - **PASSED BY SENATE**; Passed as Amended; Vote 33-0.  
12/14/2011 - **PASSED BY HOUSE**; Vote 87-0  
12/14/2011 - Bills for Third Consideration; Pending Committee Report  
12/14/2011 - **SUBSTITUTE BILL ACCEPTED & REPORTED OUT AS AMENDED**, House Public Utilities, (Fourth Hearing)  
12/7/2011 - House Public Utilities, (Third Hearing)  
11/30/2011 - House Public Utilities, (Second Hearing)  
11/16/2011 - House Public Utilities, (First Hearing)  
11/9/2011 - Referred to Committee House Public Utilities  
11/1/2011 - Introduced

**Comments:** None

**HB418**      **FRACKING MORATORIUM (HAGAN R)** To establish a moratorium until January 1, 2015, on the disposal by injection into an underground formation of brine and other waste substances associated with the exploration or development of oil and gas resources.

**Current Status:** 1/24/2012 - Referred to Committee House Agriculture and Natural Resources

**All Bill Status:** 1/19/2012 - Introduced

**Comments:** None

**HB443**      **RENEWABLE ENERGY RESOURCE (CONDITT M)** To include cogeneration technology using waste or byproduct gas from an air contaminant source as a renewable energy resource.

**Current Status:** 3/14/2012 - House Public Utilities, (Second Hearing)

**All Bill Status:** 2/15/2012 - House Public Utilities, (First Hearing)  
2/14/2012 - Referred to Committee House Public Utilities  
2/8/2012 - Introduced

**Comments:** None

**HB464**      **WELL STIMULATION REQUIREMENTS (FOLEY M)** To prohibit well stimulation unless all methane gas released as a result of the proposed stimulation of the well is captured by the owner of the well or the owner's authorized representative and to revise other requirements governing well stimulation.

**Current Status:** 2/28/2012 - Introduced

**All Bill Status:**

**Comments:** None

**HCR3**      **HEALTH COVERAGE TAX CREDIT (O'BRIEN S)** To request the members of the United States Congress to reauthorize and continue the Health Coverage Tax Credit (HCTC) enhancements including provisions related to the monthly reimbursement program, the qualified family members program, and Voluntary Employee Beneficiary Associations (VEBAs).

**Current Status:** 2/10/2011 - Referred to Committee House Finance and Appropriations

**All Bill Status:** 2/10/2011 - Introduced

**Comments:** None

**HCR4**      **URANIUM ENRICHMENT (ROSENBERGER C)** To urge the President of the United States to direct the United States Department of Energy to ensure the continuation of the uranium enrichment work being developed by USEC, Inc. at its Piketon, Ohio plant by granting USEC's application for a federal loan guarantee and to direct the Secretary of Energy to

strongly consider providing federal funding assistance for the Clean Energy Park Demonstration Project.

**Current Status:** 4/12/2011 - Referred to Committee Senate State & Local Government & Veterans Affairs

**All Bill Status:** 4/6/2011 - **ADOPTED BY HOUSE**; Vote 88-6  
4/6/2011 - Bills for Third Consideration  
3/30/2011 - **REPORTED OUT**, House Public Utilities, (Second Hearing)  
3/23/2011 - House Public Utilities, (First Hearing)  
2/15/2011 - Referred to Committee House Public Utilities  
2/15/2011 - Introduced

**Comments:** None

**HCR12 ENCOURAGE DOMESTIC PRODUCTION OF COAL (THOMPSON A)** To urge the Administration of President Barack Obama to reconsider proposals to increase taxes on producers of coal, natural gas, and petroleum and instead commit to adopting policies that encourage domestic production of these important resources.

**Current Status:** 6/15/2011 - Referred to Committee Senate Agriculture, Environment & Natural Resources

**All Bill Status:** 6/8/2011 - **ADOPTED BY HOUSE**; Vote 65-28  
6/8/2011 - Bills for Third Consideration  
5/18/2011 - **REPORTED OUT**, House Agriculture and Natural Resources, (Second Hearing)  
5/11/2011 - House Agriculture and Natural Resources, (First Hearing)  
4/12/2011 - Referred to Committee House Agriculture and Natural Resources  
4/12/2011 - Introduced

**Comments:** None

**HR97 TRANSCANADA KEYSTONE XL PIPELINE PROJECT (SEARS B)** To urge Congress to support the continued and increased importation of oil derived from Canadian oil sands and urge Congress to ask the U.S. Secretary of State to approve the TransCanada Keystone XL pipeline project from Alberta to Oklahoma.

**Current Status:** 6/15/2011 - **ADOPTED BY HOUSE**; Vote 92-0

**All Bill Status:** 6/15/2011 - Bills for Third Consideration  
6/8/2011 - **REPORTED OUT**, House Agriculture and Natural Resources, (First Hearing)  
5/18/2011 - Referred to Committee House Agriculture and Natural Resources Subcommittee  
5/18/2011 - Introduced

**Comments:** None

**SB75 ELECTRICITY CUSTOMER DISCOUNTS (PATTON T)** To restore discounts for customers using electricity to heat their homes and for electric, load-management programs, to specify that those discounts run with the land and may be transferred, to provide for refunds to customers whose rate discounts were modified or discounted, and to declare an emergency.

**Current Status:** 9/27/2011 - Senate Energy & Public Utilities, (First Hearing)

**All Bill Status:** 2/16/2011 - Referred to Committee Senate Energy & Public Utilities  
2/15/2011 - Introduced

**Comments:** None

- SB78**      **NATURAL GAS LAKE ERIE** (SKINDELL M) To ban the taking or removal of oil or natural gas from and under the bed of Lake Erie.  
*Current Status:* 2/23/2011 - Referred to Committee Senate Agriculture, Environment & Natural Resources  
*All Bill Status:* 2/16/2011 - Introduced  
*Comments:* None
- SB108**      **OIL & GAS LEASING** (JORDAN K) To create the Oil and Gas Leasing Board and to establish a procedure by which the Board may enter into leases for oil and gas production on land owned or under the control of a state agency for the purpose of providing funding for capital and operating costs for the agency.  
*Current Status:* 3/29/2011 - Senate Agriculture, Environment & Natural Resources, (Third Hearing)  
*All Bill Status:* 3/22/2011 - Senate Agriculture, Environment & Natural Resources, (Second Hearing)  
3/15/2011 - Senate Agriculture, Environment & Natural Resources, (First Hearing)  
3/9/2011 - Referred to Committee Senate Agriculture, Environment & Natural Resources  
3/8/2011 - Introduced  
*Comments:* None
- SB188**      **ALTERNATIVE FUEL FACILITY** (PATTON T) To allow a credit against the personal income tax or commercial activity tax for the installation of an alternative fuel facility.  
*Current Status:* 9/22/2011 - Senate Ways & Means & Economic Development, (First Hearing)  
*All Bill Status:* 6/15/2011 - Referred to Committee Senate Ways & Means & Economic Development  
6/14/2011 - Introduced  
*Comments:* None
- SB198**      **MOTOR FUEL QUALITY TESTING PROGRAM** (TAVARES C) To require the Department of Agriculture to establish a motor fuel quality testing program under which county auditors may conduct such testing.  
*Current Status:* 9/20/2011 - Referred to Committee Senate Agriculture, Environment & Natural Resources  
*All Bill Status:* 7/12/2011 - Introduced  
*Comments:* None
- SB209**      **ELECTRIC VEHICLE SALES TAX REDUCTION** (HITE C, TURNER N) To reduce the amount of sales tax due on the purchase or lease of a qualifying electric vehicle by up to \$2,000.  
*Current Status:* 9/22/2011 - Senate Ways & Means & Economic Development, (First Hearing)  
*All Bill Status:* 9/20/2011 - Referred to Committee Senate Ways & Means & Economic Development  
8/30/2011 - Introduced  
*Comments:* None
- SB242**      **RENEWABLE ENERGY CREDITS** (PATTON T) To specify that renewable energy resources do not have to be converted to electricity to receive renewable energy credits.



**Current Status:** 11/9/2011 - Referred to Committee Senate Energy & Public Utilities  
**All Bill Status:** 10/31/2011 - Introduced  
**Comments:** None

**SB248**      **ELECTRIC DISTRIBUTION UTILITIES (BALDERSON T)** To establish standards for the securitization of costs for electric distribution utilities.  
**Current Status:** 1/24/2012 - Referred to Committee House Public Utilities  
**All Bill Status:** 12/14/2011 - **PASSED BY SENATE**; Amended without objection  
Vote 33-0  
12/14/2011 - Bills for Third Consideration  
12/13/2011 - **SUBSTITUTE BILL ACCEPTED & REPORTED OUT AS AMENDED**, Senate Energy & Public Utilities, (Third Hearing)  
11/30/2011 - **SUBSTITUTE BILL ACCEPTED**, Senate Energy & Public Utilities, (Second Hearing)  
11/16/2011 - Senate Energy & Public Utilities, (First Hearing)  
11/9/2011 - Referred to Committee Senate Energy & Public Utilities  
11/9/2011 - Senate Energy & Public Utilities, (First Hearing)  
11/3/2011 - Introduced  
**Comments:** None

**SB289**      **COGENERATION TECHNOLOGY (COLEY W, SCHIAVONI J)** To include cogeneration technology using waste or byproduct gas from an air contaminant source as a renewable energy resource.  
**Current Status:** 3/14/2012 - Senate Energy & Public Utilities, (Third Hearing)  
**All Bill Status:** 2/15/2012 - Senate Energy & Public Utilities, (First Hearing)  
2/14/2012 - Referred to Committee Senate Energy & Public Utilities  
2/8/2012 - Senate Energy & Public Utilities, (First Hearing)  
2/2/2012 - Introduced  
**Comments:** None

**SB296**      **OIL & GAS INDUSTRY JOB TRAINING (BALDERSON T)** To establish state funding for job training related or ancillary to the oil and gas industry and to make an appropriation.  
**Current Status:** 2/14/2012 - Referred to Committee Senate Finance  
**All Bill Status:** 2/9/2012 - Introduced  
**Comments:** None

**SCR4**      **URANIUM ENRICHMENT (DANIELS D)** To urge the President of the United States to direct the United States Department of Energy to ensure the continuation of the uranium enrichment work being developed by USEC, Inc. at its Piketon, Ohio plant by granting USEC's application for a federal loan guarantee and to direct the Secretary of Energy to strongly consider providing federal funding assistance for the Clean Energy Park Demonstration Project.  
**Current Status:** 6/15/2011 - **ADOPTED BY HOUSE**; Vote 87-6  
**All Bill Status:** 6/15/2011 - Bills for Third Consideration  
5/25/2011 - **REPORTED OUT**, House Public Utilities, (Second Hearing)  
5/4/2011 - House Public Utilities, (First Hearing)  
4/5/2011 - Referred to Committee House Public Utilities  
3/30/2011 - **ADOPTED BY SENATE**; Vote 31-2

3/30/2011 - Bills for Third Consideration  
3/23/2011 - **REPORTED OUT**, Senate State & Local  
Government & Veterans Affairs, (Second Hearing)  
3/16/2011 - Senate State & Local Government & Veterans  
Affairs, (First Hearing)  
2/16/2011 - Referred to Committee Senate State & Local  
Government & Veterans Affairs  
2/15/2011 - Introduced

**Comments:** None

**SR69**

**TRANSCANADA KEYSTONE COAST EXPANSION PROJECT (WAGONER M)** To urge Congress to support the continued and increased importation of oil derived from Canadian oil sands and urge Congress to take the U.S. Secretary of State to approve the TransCanada Keystone Coast Expansion pipeline project.

**Current Status:** 1/18/2012 - **ADOPTED BY SENATE**; Vote 25-7

**All Bill Status:** 1/18/2012 - Bills for Third Consideration  
9/27/2011 - **REPORTED OUT AS AMENDED**, Senate Energy &  
Public Utilities, (First Hearing)  
5/17/2011 - Referred to Committee Senate Energy & Public  
Utilities  
5/10/2011 - Introduced

**Comments:** None



# OHIO ENERGY POLICY PROGRESS & REVIEW

**Greater Cleveland Partnership  
February 28, 2012**

**Governor John R. Kasich**

**Todd Snitchler, Chairman, Public Utilities Commission of Ohio**

**Wayne Struble, Policy Director, Governor's Office**

**Craig Butler, Asst. Policy Director—Environment, Energy & Agriculture, Governor's Office**

**Fred Shimp, Asst. Director, Ohio Department of Natural Resources**



## DEVELOPING OHIO'S 21<sup>ST</sup> CENTURY ENERGY POLICY

Ohio's economic health is largely dependent upon an abundant, diverse and low-cost energy portfolio. Ohio can use all the energy we can produce, and there is support for a diverse mix of energy sources, provided they make sense, and are cost effective and competitive.

It was with this understanding that Governor Kasich convened a stakeholder meeting in April 2011 that included top energy executives, environmental groups, business executives, cabinet directors and Governor's Office senior staff to discuss the development of an Ohio Energy Summit.

In September 2011, the Ohio Governor's 21<sup>st</sup> Century Energy & Economic Summit was held in Columbus. The two-day event included more than 50 panelists and over 1,000 guests from around the world. The Summit served as a first step in developing a series of policy recommendations that would begin transforming Ohio's energy economy.

By utilizing partnerships between the government, industry leaders, the education system, and environmental advocates, as well as by using new technologies and applying appropriate regulatory oversight to ensure public safety, Ohio can lead the nation with a complete energy policy while maintaining its position as a steward for the environment.

## 10 PILLARS OF OHIO'S ENERGY POLICY

- |  |                                     |
|--|-------------------------------------|
| 1. Shale                                     | 6. Cogeneration/Waste Heat Recovery |
| 2. Generation                                | 7. Energy Efficiency                |
| 3. Electricity Transmission and Distribution | 8. Coal                             |
| 4. Workforce Training                        | 9. Regulatory Reform                |
| 5. CNG/Alternative Fuels                     | 10. Renewables                      |

### PILLAR 1: SHALE Making Progress Industry Growth in Ohio

#### Exploration and Production

- Permits Issued and Acreage Leased in the Utica Shale
  - September 2011: 40 permits issued, 11 wells drilled, 1 producing well
  - February 2012: 137 permits issued, 35 wells drilled, 5 producing wells
  - Acreage Leased to Date: 3.5M acres leased; estimated \$3B+ paid to property owners
- Major Companies: Chesapeake, Anadarko, Exxon, Chevron, Hess/Consol, Devon

#### Midstream

- MarkWest commitment to build two natural gas processing and a fractionation facility (Harrison & Monroe Co.)

#### Downstream

- Chemicals and polymer products, electric generation, agribusiness opportunities

#### Industry Services

- V&M Star expanding pipe threading operation (Mahoning Co.)
- Baker Hughes establishing base to service Utica shale wells in OH, PA and WV (Stark Co.)
- Exterran building new facility supplying natural gas production equipment (Mahoning Co.)
- Select Energy Services (Carroll Co.)
- Halliburton (Muskingum Co.)
- Existing Ohio companies strong in shale: Ariel, Gorman Rupp, Miller Supply, Timken, US Steel

**PILLAR 1: SHALE**  
**Team Effort to Balance Job Creation & Public Safety**  
**Modernizing Regulations**

- **ODNR**
  - Well construction standards
  - Mandatory chemical disclosure
  - Underground injection program
  - Work with PUCO to ensure pipeline safety
- **EPA**
  - Encouraging wastewater treatment and recycling technologies
  - Issuance of general permits
- **Commerce**
  - Consolidating and streamlining permitting
- **Taxation**
  - Ad Valorem pre-payment to provide money to local governments to manage industry impacts
- **ODOT**
  - Local impacts/road use agreements

**PILLAR 2: GENERATION**  
**Ensuring Ohio's Generation Capacity & Investing in New Technologies**

- **Review and Pilot New Generation and Efficiency Technologies**
  - Smart Grid and Smart Metering
- **Expand Customer Choice for Renewables**
- **Assess federal EPA Impacts on Future Generation and Transmission**
- **Advocate for Reforms to Expand the Reliability Pricing Model**

### **PILLAR 3: ELECTRICITY TRANSMISSION & DISTRIBUTION**

#### **Meeting Needs of Industry and Consumers**

- **Ensure Transmission and Distribution are Adequate for Growing Shale Industry**
- **Identify interconnection challenges to renewable energy projects**

### **PILLAR 4: WORKFORCE DEVELOPMENT**

#### **Aligning Industry Needs with Worker Training**

- **Investing in Shale and Energy Industry Training**
  - Zane State: \$6M proposed in Capital Budget to construct new training space
  - Stark State: \$10M proposed in Capital Budget to construct indoor drill training rig
  - Nabors Drilling: State assisting with site selection to build oil and gas training rig
- **Create a Statewide Website Linking Ohio Companies with a Trained Workforce**
- **Work with Companies to Develop Training Credentials to Ensure Skills Match Demand**
- **Link Veterans and Minorities With Jobs Specific to Oil and Gas Industry**

## **PILLAR 5: CNG/ALTERNATIVE FUELS Promoting the Use of Natural Gas**

- **Sign Agreement with Other States to:**
  - Develop regional CNG refueling infrastructure
  - Promote usage of CNG vehicles in Ohio
- **Assess Converting All or Part of State Fleet to CNG**
- **Develop Flexible Revolving Loan Fund for Alternative Fuels**
  - CNG, Biodiesel and Ethanol

## **PILLAR 6: COGENERATION/WASTE HEAT Capturing Waste Heat to Make Green Energy**

- **Allow Cogen to Qualify as a Renewable Energy Source**
- **Allow Ohio Electric Utilities to Use Cogen to Meet Alternative Efficiency Standards**
- **Revamp Energy Loan Fund**
- **Require State to Review Cogen as Part of New Construction and Major Renovations**

## **PILLAR 7: ENERGY EFFICIENCY**

### **Promoting Efficiency to Save Resources**

- **Improve State Building Efficiency and Finance Through Air Quality Development Authority**
- **Identify New Efficiency Technologies and Programs Available to Ohio**
- **Determine Standards for State Fleet Vehicle Replacement to Increase Efficiency**
- **Review Utility Green Pricing Programs and Expand Customer Choice**

## **PILLAR 8: COAL**

### **New Opportunities for a Critical Resource**

- **Coal Research**
  - \$30M for coal research projects focused on carbon capture, sequestration, enhanced oil recovery, and new technologies
- **Permit Streamlining**
  - Streamlining and simplifying permit process
- **Exempt Coal Combustion Waste From Additional Fees and Encourage Solid Waste Landfill Management**



## **PILLAR 9: REGULATORY REFORM**

### **Streamline & Expedite Environmental Permits**

- **Develop and Issue "General Permits" for Business to Minimize Lengthy Permit Review**
- **Request Federal Wetland Permitting Program Authority to Eliminate Duplication with State Program**

## **PILLAR 10: RENEWABLES**

### **Promoting Renewables for a Balanced Portfolio**

- **Retained Renewable and Advanced Energy Technology Requirements in SB 221**
- **Develop Flexible Revolving Loan Fund for Alternative Fuels**
  - CNG, Biodiesel and Ethanol
- **Revamp Energy Loan Fund to Help Finance Energy Efficiency and Renewable Energy Projects**
- **Identify and Address Interconnection Challenges to Renewable Energy Projects**
- **Review Utility Green Pricing Programs and Expand Customer Choice**
  - Enhance current programs and provide new options to consumers for green energy
- **Encourage Longer Term Contracts**

## **OHIO'S ENERGY POLICY Next Steps**

- **STEP 1: Implement the Short, Medium and Long Term Policy Changes Discussed Today**
- **STEP 2: Continue to Evaluate Ohio's Energy Policies and Implement Changes to Prepare for the Challenges in the 21<sup>st</sup> Century**



## **Ohio Energy Policy Progress & Review**

**Greater Cleveland Partnership  
February 28, 2012**

**Governor John R. Kasich  
Wayne Struble, Governor's Director of Policy  
Craig Butler, Asst. Policy Director - Environment, Energy & Agriculture**



# AN ANALYSIS OF THE ECONOMIC POTENTIAL FOR SHALE FORMATIONS IN OHIO



PREPARED BY FACULTY AND STAFF  
FROM THE FOLLOWING UNIVERSITIES



SPONSORED BY





## I. Executive Summary

For the first time in over 100 years, Ohio finds itself on the threshold of not only being self-sufficient in the production of oil and gas, but also possibly even being a hydrocarbon exporter. This dramatic renaissance in Ohio's oil and gas industry comes courtesy of new drilling and completion technologies that has enabled oil and gas producers to extract hydrocarbons from shale reservoirs that heretofore were considered uneconomical to produce, due to the impermeability of the shale formations.

The new technologies that have enabled the rapid growth of shale development – horizontal drilling and improved hydraulic fracturing techniques – will require considerable investment by producing companies in Ohio. The first major investment to be made is the acquisition of mineral rights. Mineral leases are currently being acquired with bonus and royalty rates never before seen in Ohio. Notwithstanding these very high rates, leasing has been robust, with some 3 million plus acres of mineral rights acquired

in the last several years, and ongoing land operations show no immediate sign of abatement. Lease bonuses have averaged around \$2500/acre, and royalty rates have averaged around 15%, although both have been higher in the most prospective areas of Ohio.

The second major investment that will be made in Ohio relates to road and bridge upgrades associated with drilling wells. The heavy equipment needed to bring in drilling equipment and to haul water and other materials requires heavy-duty roads to be built and maintained. An estimated \$1.1 million dollars is likely to be expended, on average, by producing companies in road and bridge upgrades for each drilling location. Producing companies will use “pads” from which they will drill as many as six to eight wells each. Road upgrades will be required for each pad, and probably multiple times. Construction jobs for road upgrades are expected to go predominantly to Ohio suppliers and laborers.

Drilling and completing wells will comprise the third, and most significant, expenditure by oil and gas companies in Ohio. Wells are expected to cost between \$5 million

### Background

Cleveland State University, Ohio State University and Marietta College (the “Study Team”) were jointly asked by the Ohio Shale Coalition, led by the Ohio Chamber of Commerce, to investigate the nature and amount of economic activity that is likely to be spurred by this development. The Study Team undertook to evaluate the economic impact by collecting data, preparing models, and implementing the most commonly accepted software in economic development circles for studying economic impact. Since drilling and production data from the Utica shale is at the time of this publication unavailable, the Study Team relied upon a combination of interviews with industry experts and executives, the examination of prior studies in other shale plays, and interviews with government executives to build a model for likely development scenarios in Ohio. The study looks at the economic impact of shale development for the years 2011 to 2014.

Because data are just beginning to become available, the Study Team has generally been conservative in its estimates. As more and better data become available, the models can be updated, and a more accurate view of the economic activity associated with shale formation can be developed.

and \$6 million each to drill and complete. Drilling started off slowly in Ohio in 2011, with 33 total wells drilled, and only 4 placed into production. However drilling is expected to ramp up quickly, with over one thousand wells a year being drilled by 2014. This means that by 2014, over \$6 billion dollars will be spent on drilling and completing wells in Ohio. Ohio's service industry will need time to catch up with Pennsylvania and other oil and gas producing states, so Ohio will likely see no more than 50% of this investment stay in Ohio during the early stages of the Utica Shale development.

The fourth and final aspect of expenditure in Ohio to be considered in this study was for the post-production stage of development. Once the production is placed on line, there must be a "midstream" infrastructure in place to transport the hydrocarbons to a processing facility, or directly to a market. One feature of the Utica Shale is that, unlike the nearby Marcellus Shale, it produces both liquids and natural gas. Even the natural gas produced contains large volumes of liquids contained in suspension in the gas stream. These liquids are valuable and can be separated from the "dry" gas (methane) through processing and fractionation procedures. All of this requires building an elaborate gathering pipeline system, compressors, processing plants, fractionation plants, storage facilities, and

railroad loading terminals. Most of this will be done in Ohio. However only portions of the materials and labor for this construction will be Ohio-based. Only those portions that are estimated to be Ohio-based were used in the modeling. It was assumed for estimating midstream build out that by 2014 there would be a need for infrastructure sufficient to handle a throughput of 1.5 billion cubic feet of natural gas per day in Ohio from the Utica.

The Study Team modeled production of both liquids and natural gas produced at the well for royalty and tax purposes. Production was modeled based upon a combination of estimates for drilling and production rates for the Utica, relying upon geological and petroleum engineering experts at Marietta College and from the State of Ohio Geological Survey. Estimates were based upon an average of the likely mixture of liquids and natural gas produced at the well, understanding that these mixtures are likely to vary significantly from well to well.

Based upon the anticipated spending in Ohio for leasing, road construction, drilling and completing wells, and building of post-production natural gas infrastructure, the Study Team modeled a likely economic development impact for the State of Ohio as a result of the development of the Utica Shale for the years 2011-2014. The results of this model are set forth in the following table:

**Economic Impact due to Increased Demand in Ohio as a Result of Utica Shale Development**

	2011	2012	2013	2014
<b>Value Added</b>	\$162,030,036	\$878,982,133	\$2,980,378,198	\$4,857,632,095
<b>Employment</b>	2,275	12,150	40,606	65,680
<b>Labor Income</b>	\$99,758,497	\$571,543,463	\$1,994,216,405	\$3,298,757,195
<b>Output</b>	\$291,574,770	\$1,667,574,417	\$5,823,268,396	\$9,642,544,988
<b>Total State and Local Taxes</b>	\$16,522,865	\$73,422,148	\$271,539,607	\$433,528,922

The output measures the total value added by increased economic activity as a result of the shale development, plus the value of intermediary goods. The output is the economic development number most policy makers look to for guidance as to the economic impact of a particular industry. The calculations include not only the direct effects of the expenditures, but also the indirect (subsequent business) and induced (household spending) effects. The models indicate that outputs are expected to amount to nearly ten billion dollars per year by 2014, with another \$500 million in tax revenue generated. It is expected that these numbers are likely to continue in this range in the years following 2014, although leasing and midstream infrastructure activity will significantly slow down.

The \$229.6 million investment in oil and gas development in the Utica play in 2011 had an immediate impact on Ohio's economy, resulting in the state's Gross Product, as measured by Value Added, increasing by \$162 million in that year. This translated into 2,275 jobs, and nearly \$100 million in increased labor income. By 2014 the incremental economic activity in the state of Ohio from that year's expected expenditure of \$6.4 billion in oil and gas field development is expected to result in 65,680 jobs and \$3.3 billion in labor income, or an average income of \$50,225 per job. The model shows average labor income rising over time as the work shifts from leasing and road construction to drilling and infrastructure maintenance.

Nearly 17 percent of the increase in the number of jobs triggered by the development of Ohio's Utica Shale deposits will come from oil and gas field service companies, with employment doubling between 2013 and 2014. The average earnings for this group are \$69,000 per year. The largest growth in employment will be in construction-related trades as wells are

drilled and midstream facilities are constructed. Nearly 11,000 local construction jobs will be created as new manufacturing facilities and other nonresidential structures are constructed, which includes midstream infrastructure, as well as pipelines and roads and bridges. These will pay an average of \$48,000 per position. Truck drivers will be in great demand as servicing companies, wholesalers, delivery services, and construction companies ramp up their employment to meet demand. Expected average labor income is nearly \$53,000.

The model estimates that by 2014 over 1,500 jobs for engineers and architects will be established, as will 1,000 environmental compliance technicians. There will be demand for more than 1,800 office workers along with nearly 500 technical consultants. The leasing and contracting work will help turn around a soft market for attorneys, with nearly 841 positions expected to open. The highest paid in this sector are the managers, with average labor income of \$109,000, followed by those who provide consulting services at \$75,000. A related source of employment will be of "landmen," a career unique to the oil and gas and mining industries. More than 2,100 people in the real estate industry, with average incomes of nearly \$70,000, will be engaged as a result of the Utica development.

The development of the Utica formation will also result in increased land and property values throughout the region. This will not only be due to the direct economic activity triggered by drilling and building out supporting infrastructure, but will also be due to the increased value of housing and general commercial structures throughout the eastern half of the state as employment increases and wages and incomes rise.

Gross State (or Domestic) Product is expected to increase by \$4.9 billion in 2014

due to the development of the Utica formation as an energy resource. This is equal to a 1 percent increase in the real value of Ohio's Gross State Product – greater than the average annual growth rate in Ohio for the past 13 years (0.6%).

The oil and gas “downstream” industry – that industry that relates to the consumption of hydrocarbons -- was not modeled in this study. However the Study Team did examine generally downstream opportunities for Ohio as a result of the Utica Shale development, and includes herewith a discussion.

Because Ohio's shale industry is in its early stages, data is incomplete. It is expected that as data becomes available, the models may be updated to reflect the better data and to provide a more accurate picture of the economic impact the development of the Utica Shale in Ohio. It is also important to note that the study term only goes to 2014, at which time the industry will likely yet be growing in Ohio. Accordingly, a significant part of the economic development growth may occur after the study date conclusion.

## II. Introduction

Oil and gas exploration in Ohio dates back to the late 1800's, when John D. Rockefeller created the first major integrated oil firm, the Standard Oil Company, originally headquartered in Cleveland. Notwithstanding its lead role in founding the oil and gas industry, Ohio has since played a far less significant role in hydrocarbon exploration and extraction – simply because Ohio was not rich in readily accessible reserves. Ohio imports a high percentage of its oil and gas, and has done so for a long time. In the process, it exports a good deal of its wealth. Over half of the American trade deficit is generated by the

purchase of foreign oil,<sup>1</sup> and Ohio, which reached peak oil some 50 years before Texas and Louisiana, is responsible for a nontrivial share of this deficit.

This may be about to change. For the first time in over 100 years, Ohio finds itself on the threshold of not only being self-sufficient in the production of oil and gas, but it may even become an exporter. This is because thousands of feet below the eastern half of the state lies a shale formation, commonly called the Utica Shale,<sup>2</sup> that promises to be a major source of hydrocarbon production for the next 30 plus years. This formation contains reserves of as much as 5 billion barrels of oil and 15 trillion cubic feet of natural gas. Moreover, another shale layer beneath the Utica – the Lower Huron formation – may also be capable of producing fossil fuels in commercial quantities.<sup>3</sup>

Shale strata such as the Utica and the Marcellus, which extends into Ohio from Pennsylvania and West Virginia, have long been known to be organically rich, yet

<sup>1</sup> “America's Trade Deficit: Oil and the Current Account,” *The Economist*, February 10, 2010, [http://www.economist.com/blogs/freeexchange/2010/02/americas\\_trade\\_deficit](http://www.economist.com/blogs/freeexchange/2010/02/americas_trade_deficit).

<sup>2</sup> In Ohio the Utica Shale coexists with the Point Pleasant formation, another organic rich shale formation. It is believed that the latter formation will be the more productive of the two shale formations in Ohio. However since the Point Pleasant formation is principally found only in Ohio, and the Utica is the better-known formation, the Utica and Point Pleasant formations will hereinafter be referred to jointly as the “Utica.” The Marcellus Shale formation, which produces natural gas economically in Pennsylvania and West Virginia, also exists in Ohio, but is generally considered too shallow and/or too thin to be economically productive, except in the most eastern counties of Ohio. See Figure 1 for a map showing the geographic relationship of the likely productive areas of the Utica and Marcellus shale in Ohio.

<sup>3</sup> “Natural Gas, oil reserves Are Big, Ohio Is Estimating,” *Ohio.com*, November 2, 2011, <http://www.ohio.com/news/local/natural-gas-oil-reserves-are-big-ohio-is-estimating-1.243256> (quoting reserves estimated by the chief geologist for the Ohio Geological Survey).

To: OMA Government Affairs Committee  
From: Kevin Schmidt, OMA Staff  
Re: Environment Update  
Date: 3/14/2012

---

## 1. Great Lakes Compact

It is expected that the newest version of the Great Lakes Compact (Compact) implementing language will be introduced soon. The OMA has been participating with a coalition of business interests in the discussion regarding the latest version. Recall, Governor Kasich vetoed the last piece of legislation to reach his desk.

While the latest version does keep the grandfathering provisions and exemptions in, it does lower the threshold by which new or expanded activity would be pulled into the regulatory scheme to 100,000 gallons per day.

At the last meeting it was reported that the oil and gas exemption from the last version was in dispute. It appears that this exemption will not make it into this version of the legislation. Additionally, a top issue yet to be resolved apparently is how “high quality streams” will be handled. The legislation as it stands now uses a 90-day average to measure the water withdrawals from these types of water sources. Some parties are working to remove this averaging with the Governor noting it’s a concern of his.

## 2. Extended Producer Responsibility

Senator [Peggy Lehner’s](#) (R-Kettering) legislation, [Senate Bill 253](#), would create post-consumer recycling liability for manufacturers of certain electronic products. Additionally, the measure allows an advisory council to recommend other products for inclusion in the mandate.

Tracey Freeman, has testified on behalf of the Ohio EPA, supported the measure, noting that it could be strengthened by adding performance standards. [Dell Computers](#) has also testified in support of the legislation.

The OMA delivered a [letter](#) to the sponsor and chairman of the committee last week to communicate opposition to this mandate. The Senator responded to this letter by noting she will check with the proponents of the legislation and ask them if they want to amend the bill to address the OMA’s concerns.



## Environment Management

### Industry Wins Legal Challenge

The Environmental Review and Appeals Commission recently issued a ruling on an appeal to legislation that improved the air permitting process at Ohio EPA. Supported by the OMA, [Senate Bill 265](#) passed in 2006; it clarified permit requirements and improved consistency throughout the district offices.

The Sierra Club appealed the rules. The OMA intervened in the appeal to defend the law.

A summary of the ERAC ruling can be found [here](#). This is a victory for science-based standards and common sense regulations.

03/09/2012

### Great Lakes Compact Still Undecided

With the legislature set to make its second try ([House Bill 473](#)) at passing enabling legislation for the state to sign on to the Great Lakes Compact, the governor's office is still not on board. Kasich spokesman Scott Milburn noted that there are issues to be discussed before the legislation will receive the support of the administration.

A top issue yet to be resolved apparently is how "high quality streams" will be handled. The legislation as it stands now uses a 90-day average to measure the water withdrawals from these types of water sources. Some parties are working to remove this averaging. Media coverage can be found [here](#).

03/09/2012

### Opportunity to Shape Renovation of Solid Waste Law

Ohio EPA has initiated a detailed review of Ohio's comprehensive solid waste law, frequently referred to as House Bill (H.B.) 592 and is inviting interested parties to participate in the process.

A kickoff [webinar](#) will take place on Friday, March 9 from 10:00 a.m. – noon.

H.B. 592, passed in 1988, still serves as the foundation for Ohio's current solid waste management system, including the design and operation of solid waste landfills, the existence and makeup of Solid Waste Management Districts (SWMDs), the State Solid Waste Management Plan, and solid waste fees. In the 20 years since passage of H.B. 592, the landscape of solid waste management has changed and Ohio EPA believes that it's time to evaluate the law for improvement opportunities. Thus, stakeholder involvement is critical.

Ohio EPA has designed an open and inclusive review process, beginning with this launch webinar. The agency will be seeking the opinions of interested parties from the local, state and national level. The process will include informal information gathering, open discussion and meetings, research and an eventual legislative initiative. Ohio EPA will maintain a [web site](#) dedicated to this review to inform interested parties and the public.

If you are unable to attend the webinar, but would like to know more about the process or meet with Ohio EPA on the topic, please email [Christopher Germain](#) or call (614) 728-5371.

03/02/2012

### Act on this Opportunity to Modify Harmful Boiler MACT Rule

In March 2011, the U. S. EPA finalized a rule, commonly known as Boiler MACT, that would create unreasonable emissions limits on industrial and commercial boilers and

process heaters. Due to significant regulated community concerns, the EPA stayed implementation.

On January 9, the D.C. District Court struck down the EPA's stay, creating uncertainty for manufacturers as they work to either install new boilers or retrofit existing units.

The National Association of Manufacturers (NAM) is calling for manufacturers to contact their senators to urge support for the [EPA Regulatory Relief Act](#) as an amendment to the Senate transportation bill. This amendment, already passed by the House, gives federal regulators additional time to develop achievable rules governing emissions from industrial, commercial and institutional boilers and incinerators.

Access NAM resources [here](#).

03/02/2012

### **Extended Producer Liability Legislation Gets Second Hearing**

Senator [Peggy Lehner's](#) (R-Kettering) bill, [Senate Bill 253](#), received a second hearing this week in the Senate. This legislation would create post-consumer recycling liability for manufacturers of certain electronic products. Additionally, the measure allows an advisory council to recommend other products for inclusion in the mandate.

Tracey Freeman, [testifying](#) on behalf of the Ohio EPA, supported the measure, noting that it could be strengthened by adding performance standards. [Dell Computers](#) has also testified in support of the legislation.

The OMA delivered a [letter](#) to the sponsor and chairman of the committee last week to communicate opposition to this mandate.

02/17/2012

### **OMA Urges Congress to Stay Boiler MACT Rules**

A broad coalition of business groups, including the OMA, delivered a [letter](#) to Congress this week urging members to pass the EPA Regulatory Relief Act. The legislation would stay all four "Boiler MACT" rules, give the EPA an additional 15 months to reconsider the rules, require the agency to develop achievable standards, and extend the compliance time frame for existing boilers from three to five years. The legislation passed the House in October last year; the Senate companion bill currently has 41 co-sponsors, 12 of which are Democrats.

Contact members of Congress to urge support for the measure. Resources from the National Association of Manufacturers can be found [here](#).

02/10/2012

### **Ohio EPA Refiles Water Rule Package**

At the [urging](#) of the OMA and other business groups, Ohio EPA recently refiled a package of water regulations so that the rules are within the jurisdiction of Governor Kasich's newly enacted Common Sense Initiative (CSI). The CSI program requires agencies to file a "business impact analysis." The proposed rules include new state water quality standards and clarify requirements currently in place.

Please make time to [participate](#) in the OMA's Environment Committee on February 9th to learn more about this important regulatory development. Brian Hall, assistant chief of the Ohio EPA Division of Surface Water, will be on hand to brief the committee on H2O matters.

02/03/2012

## **Environmentalists Win Boiler MACT Case**

The Sierra Club convinced the D.C. circuit court this week to strike down U.S. EPA's stay of the highly controversial Boiler MACT rule (Maximum Achievable Control Technology). Last year U.S. EPA was forced to promulgate the Boiler MACT rule due to litigation by environmental groups. U.S. EPA received more than 4800 comments on the rule and opted to issue it but immediately delay, or stay, its effectiveness.

While U.S. EPA is still interpreting the court's decision, the court decision could mean owners and operators of larger boilers will need to install the new control technology by March of 2014 and smaller boilers will need to comply with the new best practices standard by March of this year.

The OMA has opposed this rule since its inception. The U.S. House of Representatives passed [legislation](#) that would provide a clearer and more reasonable implementation path.

01/13/2012

## **Extended Producer Liability Legislation Back**

Senator [Peggy Lehner](#) (R-Kettering) provided sponsor testimony on [Senate Bill 253](#) this week which would create a new take-back mandate for computer and "e-waste" manufacturers. The OMA opposes extended producer liability legislation; manufacturers are already the largest recyclers in society and the private market has a number of recycling options in place.

The bill contains a particularly troublesome provision that creates a new advisory council with a host of duties, one of which is to recommend other products for inclusion

in the take-back mandate. This Trojan horse has been used in other states.

01/13/2012

## **Will We See Federal Legislation Setting a Clean Energy Standard?**

[A Clean Energy Standard](#) (CES) is a policy that requires covered electricity retailers to supply a specified share of their electricity sales from qualifying clean energy resources. Under a CES, electric generators would be granted clean energy credits for every megawatt-hour (MWh) of electricity they produce using qualifying energy sources. Utilities serving retail customers would use some combination of credits granted to their own generation or credits acquired in trade from other generators to meet CES obligations. From *OMA Connections Partner, Taft Stettinius & Hollister LLP*.

01/02/2012

## **2012 Economic Business Forecast - The Keys to Success (or How to Profit in a Crummy Economy) - Independence, OH - 01/25/2012**

01/02/2012

## **Ohio EPA Releases Updated Storm Water Permit**

Ohio EPA released this week an updated storm water general permit. This permit includes a host of new industry sectors and contains a number of new requirements.

The OMA worked with Ohio EPA to improve its original proposal. Among changes included in the final permit was the delay of sampling benchmarks until data can be collected to ensure the benchmarks are set appropriately.

OMA environmental counsel Frank Merrill's analysis is [here](#).

12/16/2011

### **Extended Producer Liability Legislation Introduced**

[Senator Peggy Lehner](#) (R-Kettering) introduced [Senate Bill 253](#) which sets up an extended producer liability framework in Ohio. The legislation would require manufacturers of consumer electronics to register with Ohio EPA and include in their registration a description of its take-back program operated by the manufacturer.

The OMA has historically opposed this type of regulation, especially where the private market already addresses the issue. The bill has not been scheduled for a hearing.

12/16/2011

**Environment Legislation**  
**Prepared by: The Ohio Manufacturers' Association**  
**Report created on March 9, 2012**

- HB10**      **REMEDIATION OF CONTAMINATED SITE (SEARS B)** To authorize refundable tax credits for the completion of a voluntary action to remediate a contaminated site and for the return of such sites to productive use, and to exempt persons through 2017 who have issued covenants not to sue under the Voluntary Action Program from certain fees and penalties for one year after the issuance of such a covenant.  
**Current Status:** 3/2/2011 - House Ways and Means, (Fifth Hearing)  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_10](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_10)
- HB133**      **OIL AND GAS LEASING/DRILLING ON STATE LAND (ADAMS J)** To create the Oil and Gas Leasing Board and to establish a procedure by which the Board may enter into leases for oil and gas production on land owned or under the control of a state agency for the purpose of providing funding for capital and operating costs for the agency.  
**Current Status:** 6/30/2011 - **SIGNED BY GOVERNOR**; Eff. 9/30/2011  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_133](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_133)
- HB231**      **LAKE ERIE WATERS (WACHTMANN L)** To establish a program for the issuance of permits for the withdrawal and consumptive use of waters from the Lake Erie basin.  
**Current Status:** 7/15/2011 - **VETOED BY GOVERNOR**  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_231](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_231)
- HB257**      **LAKE ERIE WATERS (MURRAY D)** To establish a program for the regulation of withdrawals and consumptive uses of waters from the Lake Erie basin.  
**Current Status:** 6/15/2011 - Referred to Committee House Agriculture and Natural Resources Subcommittee  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_257](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_257)
- HB304**      **LAKE ERIE OIL/NATURAL GAS (ANTONIO N)** To ban the taking or removal of oil or natural gas from and under the bed of Lake Erie.  
**Current Status:** 9/13/2011 - Referred to Committee House Agriculture and Natural Resources  
**More Information:** [http://www.legislature.state.oh.us/res.cfm?ID=129\\_HB\\_304](http://www.legislature.state.oh.us/res.cfm?ID=129_HB_304)
- HB473**      **GREAT LAKES-ST. LAWRENCE RIVER BASIN WATER RESOURCES COMPACT (WACHTMANN L)** To establish a program for the issuance of permits for the withdrawal and consumptive use of waters from the Lake Erie basin and to establish other requirements related to the implementation of the Great Lakes-St. Lawrence River Basin Water Resources Compact.  
**Current Status:** 3/14/2012 - House Agriculture and Natural Resources, (First Hearing)  
**More Information:** No link available
- HCR9**      **PROPOSED AIR POLLUTION TRANSPORT RULE (THOMPSON A)** To urge the Congress, the President of the United States, and the United Environmental Protection Agency to immediately suspend the Proposed Air Pollution Transport Rule.  
**Current Status:** 5/17/2011 - **REPORTED OUT**, House Agriculture and Natural Resources, (Third Hearing)  
**More Information:** [http://www.legislature.state.oh.us/res.cfm?ID=129\\_HCR\\_9](http://www.legislature.state.oh.us/res.cfm?ID=129_HCR_9)

- HR48**      **STREAM PROTECTION RULE (LANDIS A)** To express opposition to the implementation of the stream protection rule and environmental impact statement of the Office of Surface Mining, Reclamation, and Enforcement in the U.S. Department of the Interior.  
**Current Status:** 6/23/2011 - Re-Referred to Committee  
**More Information:** [http://www.legislature.state.oh.us/res.cfm?ID=129\\_HR\\_48](http://www.legislature.state.oh.us/res.cfm?ID=129_HR_48)
- SB22**      **NPDES PERMITS SEWAGE SYSTEMS (SCHAFFER T)** To require the Director of Environmental Protection to consider, to the extent allowable under the Federal Water Pollution Control Act, specified factors before issuing NPDES permits for sewerage systems, requiring and approving long-term control plans for wet weather discharges from sewerage systems, and enforcing provisions of that Act as applied to sewerage systems.  
**Current Status:** 6/30/2011 - **SIGNED BY GOVERNOR**; Eff. 9/30/2011  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_SB\\_22](http://www.legislature.state.oh.us/bills.cfm?ID=129_SB_22)
- SB140**      **BITTERING AGENT IN ENGINE COOLANT (BACON K, SKINDELL M)** To require the inclusion of a bittering agent in engine coolant and antifreeze.  
**Current Status:** 11/15/2011 - Senate Judiciary, (Second Hearing)  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_SB\\_140](http://www.legislature.state.oh.us/bills.cfm?ID=129_SB_140)
- SB186**      **WITHDRAWALS OF LAKE ERIE WATERS (SKINDELL M)** To establish a program for the regulation of withdrawals and consumptive uses of waters from the Lake Erie basin.  
**Current Status:** 6/15/2011 - Referred to Committee Senate Agriculture, Environment & Natural Resources  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_SB\\_186](http://www.legislature.state.oh.us/bills.cfm?ID=129_SB_186)
- SB290**      **RECYCLING (JONES S)** To exempt source separated recyclable materials from the definition of "solid wastes" and to prohibit a solid waste management district from spending district money to purchase or operate assets for recycling purposes when two or more privately owned companies offer to provide or are providing recycling services for recyclable materials that are generated in the district.  
**Current Status:** 2/14/2012 - Referred to Committee Senate Agriculture, Environment & Natural Resources  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_SB\\_290](http://www.legislature.state.oh.us/bills.cfm?ID=129_SB_290)
- SB294**      **ENVIRONMENTAL PROTECTION LAW (SCHAFFER T)** To revise the laws governing environmental protection.  
**Current Status:** 3/14/2012 - Senate Agriculture, Environment & Natural Resources, (Second Hearing)  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_SB\\_294](http://www.legislature.state.oh.us/bills.cfm?ID=129_SB_294)

WHIRLPOOL CORPORATION

---

# EXTENDED PRODUCER RESPONSIBILITY

---


---



*Ohio Manufacturers Association  
Government Affairs Committee*

March 14, 2012

WHIRLPOOL CORPORATION • CONFIDENTIAL 13 March 2012 OMA ■ 1

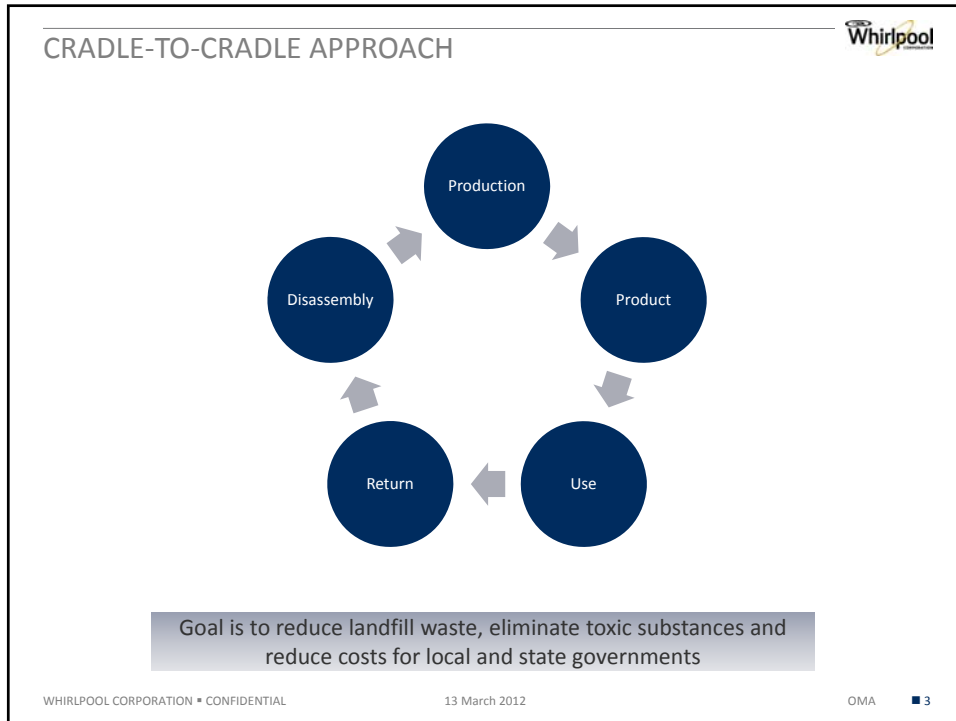
WHAT IS EPR? 

**Extended Producer Responsibility (EPR)** is a concept that holds product manufacturers accountable for end-of-life product management. The rationale for EPR programs is that if manufacturers are responsible for end-of-life product management there is an economic incentive to encourage more sustainable products and packaging.


EPR is most commonly used for programs that address solid waste management





WHIRLPOOL CORPORATION • CONFIDENTIAL 13 March 2012 OMA ■ 2





### EXAMPLES OF NORTH AMERICA EPR REGULATIONS



			
Electronics	Packaging	Framework	Other
<ul style="list-style-type: none"> <li>• EU WEEE and Battery Directives</li> <li>• State E-waste laws</li> <li>• Canadian provincial electronics recycling regulations</li> </ul>	<ul style="list-style-type: none"> <li>• Canada provincial packaging recycling regulations</li> <li>• California Rigid Plastic Packaging Regulations</li> </ul>	<ul style="list-style-type: none"> <li>• None in the United States; some under consideration</li> <li>• Canada provincial EPR regulations</li> </ul>	<ul style="list-style-type: none"> <li>• Beverage containers</li> <li>• Mercury switches</li> <li>• Thermostats</li> <li>• Lighting</li> <li>• Paint</li> <li>• Pesticides</li> </ul>

WHIRLPOOL CORPORATION • CONFIDENTIAL 13 March 2012 PRESENTATION TITLE 4



MATERIAL/CHEMICAL RESTRICTIONS 

DIFFERENT APPROACHES FOR MANAGING TOXIC SUBSTANCES IN CONSUMER PRODUCTS

**Framework Approach Examples**

- EU REACH Directive
- California Green Chemistry Initiative

**Specific Chemical Restrictions**

- Mercury
- Cadmium
- Lead
- Hexavalent chromium
- Ozone-depleting substances
- Brominated Flame Retardants
- Phosphates
- Bisphenol A

SIGNIFICANT COMPLEXITY DUE TO DIFFERING STATE-BY-STATE REGULATIONS

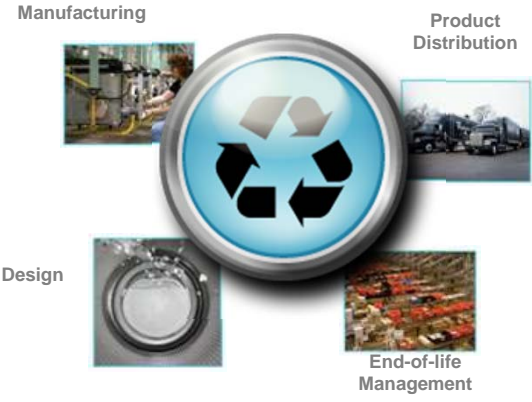
WHIRLPOOL CORPORATION • CONFIDENTIAL 13 March 2012 OMA ■ 5

WHIRLPOOL IS FOCUSED ON THE ENTIRE VALUE CHAIN

We continually strive for improvements while always keeping in mind that **exceeding the expectations of the consumer** is our goal

It is not just another criterion to us, **it is a way of life**

Efficiency just **makes good business sense**



WHIRLPOOL CORPORATION • CONFIDENTIAL © March 2011 //ABOUT WHIRLPOOL CONTENT ■ 6

WHIRLPOOL IS CONTINUALLY RE-THINKING PRODUCT EFFICIENCY

- 1992 SERP (Super-Efficient Refrigerator Program)
- 2000 Integrated Home Solutions; green building
- 2001 Front-load laundry; Low- and zero-energy homes and communities
- 2003 Energy monitoring; GHG reduction pledge
- 2004 Grid-friendly appliances
- 2006 Connected appliances
- 2007 GREENKITCHEN; LEAF House; revised GHG pledge
- 2008 Green Touch for Builders
- 2009 Thermally-connected appliances  
Smart grid-connected appliances



GREENKITCHEN concept



LEAF House

AT WHIRLPOOL SUSTAINABILITY ISN'T JUST A SLOGAN, IT IS REAL

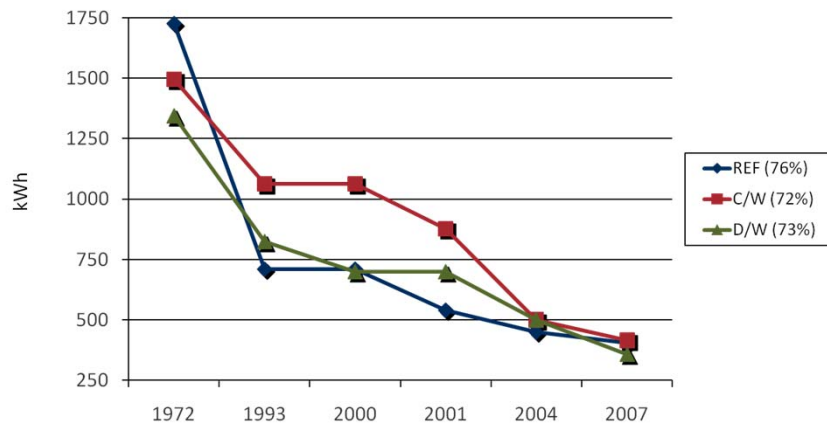
WHIRLPOOL CORPORATION • CONFIDENTIAL

© March 2011

OMA ■ 7

THE WHIRLPOOL IMPACT ON ENERGY EFFICIENCY

ANNUAL AVERAGE KILOWATT-HOUR USAGE:



WHIRLPOOL CORPORATION • CONFIDENTIAL

© March 2011

OMA ■ 8

## END-OF-LIFE MANAGEMENT FOR HOME APPLIANCES



**Successful market-driven system in place today. Includes manufacturers, retailers, waste management facilities, local governments, scrap dealers, recyclers, shredders, etc.**

- **85-90% material recovery** from appliances (2005 Beck-Weston Study)
- **High value for scrap metals** (steel, copper, aluminum)
- Most common method of recovery is **at the time of new appliance delivery**
- Many local governments offer **curbside pickup and/or drop-off locations**
- Whirlpool has **nationwide delivery/take-back infrastructure** in place
- U.S. has achieved **significantly higher appliance recycling rates** than under WEEE programs in Europe
- Retailer and manufacturer consumer delivery/take-back fees are widespread in the United States

PROPOSED FRAMEWORK LEGISLATION COULD JEOPARDIZE  
SUCCESSFUL RECYCLING SYSTEM FOR HOME APPLIANCES

## WHIRLPOOL PRODUCT STEWARDSHIP PRINCIPLES



### Ensure Continued Consumer Convenience

- Take-back at the time of new product delivery requires **continued retailer involvement**.
- **Bulky nature of appliances** makes other recovery methods less practical (e.g. shipping to manufacturer, drop-off locations)

### Do Not Encourage Re-use of Old Appliances

- Recycling and replacement with new energy and water efficient appliances is a more sustainable approach.

### Require Economic and Environmental Justification

- Decision making processes should be transparent and require proper due diligence
- Recommendations for product additions should require legislative approval

### Maintain Market Driven Approach

- Current framework proposals do not have flexibility to address many critical issues:
  - What happens if products continue to be recycled outside of EPR program parameters?
  - If retailers continue to operate take-back programs outside of a manufacturers' program, which entity is responsible for recycling/transportation costs? Can retailers continue to charge for take-back/recycling? What happens to revenue from recyclable materials? How can recycling rates be measured if a significant percentage of products is recycled outside of a manufacturers program?

## OHIO E-WASTE LEGISLATION (SB 293)



Requires manufacturers of most computers and video display devices to establish take-back programs prior to April 1, 2013, in order to sell covered products in Ohio.

- Creates an electronic waste recycling fund; requires registration and fees for manufacturers and recyclers
- A solid waste management advisory council is created to evaluate computer and video display device take-back programs and advise the director of environmental protection regarding the improvements of programs governing the recycling of covered electronic devices.
  - Earlier versions directed the council to consider new products, but substitute bill limits the council's responsibility to products defined in the legislation.
- Prohibits consumer fees for recycling

Changes have improved bill, but SB 293 still contains troublesome language and definitions.

## CONCLUSION



COMMENTS/QUESTIONS



# Ohio Legislative Service Commission

## Bill Analysis

Eric Vendel

### **S.B. 253**

129th General Assembly  
(As Introduced)

Sen. Lehner

---

## **BILL SUMMARY**

### **Registration of manufacturers**

- Requires a manufacturer who sells or offers for sale in Ohio a new covered electronic device to register with the Director of Environmental Protection, specifies information that must be included with the registration, and levies an annual registration fee of up to \$5,000 unless the balance of the Electronic Waste Recycling Fund created by the bill exceeds \$600,000 on December 31 of any year.
- Defines "covered electronic device" to mean a covered computer or covered video display device, and generally defines "covered computer" to mean a computer that was or will be used primarily for personal or small business purposes in Ohio and "covered video display device" to mean a video display device that was or will be used primarily for those purposes in Ohio.
- Requires a manufacturer's registration to include specified information that describes the implementation of a covered electronic device take-back program operated by the manufacturer.

### **Prohibited activities**

- Beginning April 1, 2013, prohibits a manufacturer from selling or offering for sale at a sales outlet, by mail order, via the internet, or by any other means in Ohio a new covered electronic device unless the manufacturer has established a computer take-back program or a video display device take-back program, as applicable.

## **Computer take-back programs**

- Requires a manufacturer to establish a covered computer take-back program beginning April 1, 2013, and, with respect to such a program, establishes requirements governing covered computer collection methods and the provision of information about the program to consumers.
- As part of a computer take-back program, requires a manufacturer of a covered computer or the manufacturer's designee to accept from a consumer the manufacturer's covered computer that has reached the end of its useful life for the consumer.
- Specifies that, under a covered computer take-back program, a manufacturer is not required to accept more than seven covered computers from a single consumer on a single day.
- Prohibits a manufacturer or the manufacturer's designee from charging a fee with respect to the return of the manufacturer's covered computer under a covered computer take-back program, but allows the charging of a fee when a consumer returns another manufacturer's covered computer if the manufacturer or the manufacturer's designee provides goods or services in an amount equal to or greater than the fee.

## **Video display device take-back programs**

- Requires a manufacturer of a covered video display device to establish a covered video display device take-back program beginning April 1, 2013, and, with respect to such a program, establishes requirements governing covered video display device collection methods and the provision of information about the program to consumers.
- Prohibits a manufacturer or the manufacturer's designee from charging a fee with respect to a covered video display device take-back program.
- Establishes a nonbinding goal under which a manufacturer conducting a video display device take-back program must recycle annually 60% of the total weight of covered video display devices sold by the manufacturer in Ohio during the previous fiscal year.

## **Other program provisions**

- Authorizes a manufacturer to arrange for the collection and recycling of covered computers and covered video display devices by another person and to conduct a

covered computer take-back program or covered video display device take-back program in conjunction with other manufacturers.

## **Recycling**

- Requires all covered electronic devices that are collected to be collected and recycled in a manner that complies with all applicable federal, state, and local laws.
- Requires a manufacturer, in complying with the bill, to utilize recyclers that use specified recycling practices or standards or other environmental and recycling standards that may be adopted by the Director of Environmental Protection.
- Prohibits a manufacturer or a recycler operating in Ohio from employing or contracting with an entity that employs laborers who are prisoners serving a term in any state or federal correctional institution to process covered electronic devices.

## **Rules**

- Requires the Director to adopt rules necessary to implement the bill, including procedures for submission of manufacturer registrations, the amount of the manufacturer registration fee, and criteria for approval of computer and video display take-back programs.

## **Actions not prohibited**

- States that the bill does not prohibit a manufacturer, recycler, or collector from offering fee-based premium services regarding the collection of covered electronic devices to persons who desire such premium services or shipping a covered electronic device to another state for purposes of recycling it.

## **Electronic Waste Recycling Fund**

- Creates the Electronic Waste Recycling Fund consisting of all fees collected under the bill, and specifies that money in the Fund must be used by the Director to implement the bill.

## **Enforcement and penalties**

- Because of the placement of the bill's provisions in the Solid, Hazardous, and Infectious Wastes Law, applies enforcement procedures, civil penalties, and criminal penalties that are currently established in that Law to the bill.

## Electronic Waste Advisory Council

- Creates the Electronic Waste Advisory Council consisting of specified members, and terminates it on July 1, 2015.
- Requires the Council to prepare a report that evaluates computer take-back programs and video display device take-back programs, requires the Council to make recommendations for improving the recycling of covered electronic devices, and specifies the items about which the Council must make recommendations.

---

## TABLE OF CONTENTS

Overview .....	4
Definitions .....	5
Registration of manufacturers .....	9
Registration fee .....	10
Prohibited activities .....	10
Computer take-back programs .....	11
Video display device take-back programs .....	12
Recycling .....	14
Rules .....	14
Actions not prohibited.....	14
Electronic Waste Recycling Fund.....	15
Enforcement and penalties .....	15
Electronic Waste Advisory Council.....	15
Duties of the Council .....	16

---

## CONTENT AND OPERATION

### Overview

The bill requires manufacturers who sell or offer for sale new covered computers or covered video display devices in Ohio to register with the Director of Environmental Protection. It then requires a manufacturer to establish a covered computer or covered video display device take-back program, as applicable, and establishes requirements governing both types of programs. As part of such a program, a manufacturer must recycle or arrange for the recycling of covered computers or covered video display devices; the bill establishes requirements regarding that recycling. Finally, the bill creates the Electronic Waste Advisory Council and requires it to evaluate take-back programs and make recommendations for improving the recycling of covered electronic devices.



Chairman of the Board  
**JEFFREY L. HOLLISTER**  
President, Vanguard Paints & Finishes, Inc.



President  
**ERIC L. BURKLAND**

February 9, 2012

The Honorable Peggy Lehner  
Ohio Statehouse, Ground Floor North  
Columbus, OH 43215

RE: Senate Bill 253

Senator Lehner:

Thank you for the dialogue regarding Senate Bill 253. The OMA represents over 1500 diverse manufacturing companies throughout Ohio. Manufacturing is Ohio's number one economic sector providing over 600,000 jobs with family sustaining wages.

Manufacturing is a leader in recycling efforts. In fact, according to the most recent data available, the industrial segment recycled three times as much (9 million tons) as the commercial and residential segments combined (3 million tons).

As you know, the Ohio Manufacturers' Association has historically opposed this model legislation. Adding additional mandates and potential liabilities for Ohio manufacturers hurts Ohio's economic competitiveness and makes it more difficult for manufacturers here to compete on a global level.

That being said, the Ohio Manufacturers' Association is willing to offer the following ideas on how to improve the legislation.

**Policy Recommendations:**

- 1. Shift the requirement to retailers.** For many products, once the good leaves the manufacturer and enters the stream of commerce the retailer is the only point of contact with a consumer. Requiring the manufacturer to insert itself back into this stream is burdensome and confusing for both the manufacturer and the consumer. Requiring retailers of covered goods to develop, maintain, and be responsible for recycling will not disrupt the marketplace nor confuse the consumer. And, as proponents of this legislation have attested to, many retailers already have quality recycling programs that achieve the purpose of the legislation so this new requirement should not be disruptive.
- 2. Restructure the legislation to create an electronics waste educational program.** Rather than implement new mandates and liabilities on Ohio's businesses, the policy aims of the legislation may be achieved by raising awareness of the benefits of recycling electronic goods. The program could help make the public aware of recycling options including retailers' existing programs. Meeting the policy goals through enhanced awareness and education avoids damaging Ohio's economic competitiveness by creating new liabilities and mandates.

Thank you for the opportunity to review and comment on SB 253. As stated earlier, the OMA has historically opposed expansions of mandates and liabilities for manufacturing in Ohio. Either of the aforementioned suggestions resolves the OMA's concerns with SB 253. I am happy to discuss either proposal with you further.

Regards,

A handwritten signature in black ink, appearing to read "Kevin Schmidt".

Kevin Schmidt  
Director, Public Policy Services

CC: Senator Cliff Hite, Chairman, Senate Agriculture, Environment, and Natural Resources Committee



**Ohio Senate**  
Senate Building  
1 Capitol Square  
Columbus, Ohio 43215  
SD06@senate.state.oh.us  
(614) 466-4538

**Peggy B. Lehner**  
State Senator  
6th District

February 16, 2012

Dear Mr. Schmidt,

Thank you for offering some constructive suggestions regarding SB 253. I will certainly run these suggestions by the proponents of this legislation and see if they have any interest in amending the bill to address your concerns.

I continue to be perplexed by the fact that no one from the affected industries has contacted me to express any problem with the bill as written, with the probable exception of one or two manufacturers who appear to feel that if it applies to them it should apply to some other electronic products. Everyone seems to acknowledge that there is a problem with e-waste that needs to be addressed. I realize you are concerned about a slippery slope effect but I really do not see that as significant issue. Just about everything we do could result in some sort of slippery slope effect. We just have to be vigilant and use some common sense.

I will certainly let you know the outcome of my conversations with other interested parties.

Sincerely,

A handwritten signature in cursive script that reads "Peggy Lehner".

Peggy Lehner  
State Senator  
6<sup>th</sup> District

**PUBLIC POLICY REPORT – Tax Policy**

**TO:** OMA Government Affairs Committee  
**FROM:** Ryan Augsburger, OMA Staff  
**DATE:** March 14, 2012  
**SUBJECT:** TAX POLICY HIGHLIGHTS

**Overview**

The state operates on a two-year budget cycle. The budget was completed last June. A mid-biennium budget review (MBR) is intended for later this winter. The MBR process was an innovation of Governor Kasich. Like budget legislation, the MBR could be a vehicle for a wide range of policy changes.

There have been rumors for some time that the MBR could be a vehicle for tax relief as well as new taxes and fees to anticipated revenue from shale gas plays.

**State Budget and Financial Condition**

State revenue in recent months has come in at or above estimates. For fiscal 2012 to date, tax collections are \$918 million (9.2%) higher than at the same point in 2011. The largest contributors to the year-over-year growth are the non-auto sales tax, personal income tax, and the commercial activities tax.

**Mid Biennium Review**

Though not introduced at the time of this report, the Kasich Administration is expected to propose legislation to expand the base of severance tax to cover forms of liquid gas and petroleum derivatives and to hike certain gas severance tax rates. Additional revenue could top \$500 million annually in a few short years. Revenues would finance ODNR regulation. Some revenue is rumored to support local road and infrastructure. The bulk of the new revenue would be used to create a state income tax relief fund.

Additionally rumors abound that the MBR may include legislation to alter the taxation of financial services industries and dealers and intangibles.

**State Issue 2**

Last November, Ohioans voted to repeal SB 5. The legislation was enacted by Republican majorities last March and would have limited union rights among public employees at the state and local government levels. SB 5 was sold by proponents as a public employer management tool that would yield cost-savings in government.

With the repeal of the legislation, some government spending hawks would like to see it re-introduced. “TEA party” activists are advancing a more broad proposal to make Ohio a right-to-work state. State leaders have not embraced a redo, nor have they embraced a broad proposal.

The issue is important from a tax perspective due to the correlation of taxes and government spending. The Administration was counting on some cost-savings from SB 5 provisions which would seem to reduce any possible surplus that could have been used to fund additional tax relief. Coupled with the budget which reduced local

government funding, State Issue 2 has resulted in numerous local governments seeking revenue enhancement; a noteworthy trend.

### **Estate Tax Repeal**

The Estate Tax was repealed as a rider to the state budget with a 2013 effective date so it will not shortchange revenue collection in the FY12, FY13 biennium. The OMA advocated in support of repeal. This was a significant policy gain during the current General Assembly.

### **House Study Committee**

Late last year a legislative study committee met numerous times to hear from parties about tax policy. OMA Tax Counsel Mark Engel of Bricker & Eckler appeared before the panel and described the rationale and merits of tax reform. The committee is charged with looking at the CAT, considering the sales and use tax, and considering tax expenditures. A report is in review and expected to be released late this winter and may drive legislation.

### **Municipal Tax Collection**

For much of 2011, a concept to consolidate local income tax collections was rumored with apparent support from the Administration. The project seems to now be more focused on uniformity rather than consolidation. Timing seems to be on hold until summer or autumn but a coalition has begun meeting. The OMA is a member of the coalition which next meets on March 22.

### **Pending Legislation**

Few tax related bills are advancing. House Bill 18 takes aim at the problem of vacant buildings by creating a financial incentive for businesses to occupy a vacant building with FTEs conducting business. Initially the legislation was crafted as a tax credit against the CAT. The OMA was instrumental in reshaping to a grant program. The bill has advanced out of the House and is pending in the Senate where a panel is poised to amend the grant to tap an existing ODOD fund and specify that recipient businesses are ineligible for existing state business tax credits such as JRTC or JCTC.

### **Unemployment Compensation**

Like many states, Ohio's fund to pay unemployment compensation claims was depleted in early 2010. The state has borrowed federal funds (\$2.3 billion) that will need to be paid back. States were required to begin paying interest by September 2011 (nearly \$300 in interest alone in the 2012/13 biennial budget).

Ohio employers are seeing FUTA increases to repay the federal loans. Legislation to revise the state fund could be coupled with benefit revisions. No action to report.

### **JobsOhio and Third Frontier**

Priority legislation last year created a non-profit corporation called JobsOhio to coordinate state economic development activity. Structural, legal, and financial negotiations have transpired and the new entity is up and running with staff. Further legislation is expected later this year to authorize operations.

### **Ohio Tax Competitiveness**

Ohio revamped business tax code continues to win praise. Most recently the Tax Foundation study, Location Matters ranked Ohio fifth (best) overall for mature operations and third (best) overall for newly established operations. See Ohio pages on subsequent pages.

There have been rumors of policymakers favoring wholesale change to the business tax code, underscoring the need of manufacturing leaders to continue to talk up the reforms. Contact OMA staff for talking points.

## Tax Management

### Ohio Ranks High in Tax Competitiveness

In [Location Matters](#), A Comparative Analysis of State Tax Costs on Business, produced by the Tax Foundation in collaboration with KPMG, Ohio is reported to be more competitive than most states. In fact, [Ohio](#) ranks fifth with respect to state tax costs on mature firms and third for costs on new firms. Ohio outpaces its five bordering neighbor states in business tax competitiveness, which are, in order of tax attractiveness: Kentucky, Michigan, Indiana, West Virginia and Pennsylvania.

The study set out to develop and publish a landmark, apples-to-apples comparison of corporate tax costs in the 50 states. Tax Foundation economists designed seven model firms, and KPMG modeling experts calculated each firm's tax bill in each state. The study accounts for all business taxes: corporate income taxes, property taxes, sales taxes, unemployment insurance taxes, capital stock taxes, inventory taxes, and gross receipts taxes. Additionally, each firm was modeled twice in each state: once as a new firm eligible for tax incentives, and once as a mature firm not eligible for such incentives.

"The appropriate conclusion is that Ohio's brave tax reforms of the last decade are paying big dividends," said OMA president, Eric Burkland.

03/09/2012

### House Democrats Call for Taxes on Shale

Two Ohio House members, Mike Foley (D-Cleveland) and Bob Hagan (D-Youngstown), are pushing to have the state increase its severance tax on natural gas. They suggest the state modify its severance tax from a per-unit tax (3 cents per thousand cubic feet) to percentage of

the market value of the gas (7-percent of the market value).

The representatives also suggest dedicating 1.5% of the tax to the Local Impact Protection Fund and .5 percent to the Advanced Energy Fund. More can be found [here](#). No legislation has yet been introduced.

Governor Kasich [noted](#) earlier this year that he would propose an "impact fee" to cover the cost of infrastructure damage caused by oil and gas extraction and an expansion of the state's severance tax so that it includes natural-gas liquids, such as propane.

03/02/2012

### Economic Development: Manufacturing Site Certifications

Proposed as an additional tool in the state's economic development toolbox, [HB 436](#) would create a state program that "certifies" industrial sites as ready-for-development. The certification process is intended to shorten the search for suitable sites for firms looking to land operations in Ohio.

The measure is sponsored by Representatives Cheryl Grossman (R – Grove City) and Marlene Anielski (R – Walton Hills).

This week a Columbus area economic development organization [testified](#) in support of the measure, likening it to a similar program in the Carolinas that has improved state competitiveness. [OMA member feedback is invited](#).

03/02/2012



## **Ohio Molder's Lien Holders Do Not Violate Bankruptcy Code's Automatic Stay by Retaining the Debtors' Tools, Dies and More**

The key to enforcing an Ohio Molder's Lien is to retain possession of the customer's tooling, dies, and/or molds until payment is received. Surrender possession and both the lien and the right to payment priority it provides evaporates. When a customer files for bankruptcy, however, the customer – now a "debtor" – usually demands the immediate turnover of its property. [Read More](#). From OMA Connections Partner, Walter & Haverfield, LLP

02/29/2012

## **Ohio Jobs Creation Tax Credit Reporting Deadline Delayed**

OMA Connections Partner, GBQ Partners, [reports](#) that the Ohio Jobs Creation Tax Credit (JCTC) 2011 annual report filing deadline has been extended. Historically, the Ohio Department of Development (ODOD) has sent program participants information in order to complete their annual reporting requirements.

However, as reported here in recent weeks, the Ohio Attorney General undertook an inspection of incentive awards compliance; this activity has delayed the ODOD's issuance of annual progress report instructions to employers.

The state reportedly has sent two email communications stating the current deadline will be extended and all late fees will be waived. To date, the extended filing deadline has yet to be determined, and the company-specific instruction letters have yet to be sent.

According to the ODOD, companies awarded incentives have an 80 percent error rate in incentive reporting

compliance. Compliance errors mean incentives may be jeopardized or underutilized and potentially lead to "claw backs."

GBQ Partners offers a complimentary on-site preliminary review of your incentive compliance filings. To schedule your review or if you have reporting questions, call (614) 221-1120.

02/24/2012

## **OMA Tax Committee Meeting Materials - 02-16-2012**

[Here](#) are the OMA Tax Committee meeting materials from February 16, 2012.

02/22/2012

## **Ohio Ranks 27th in State and Local Sales Tax Rates**

The D.C.-based Tax Foundation released its annual state [rankings](#) of combined state and local sales tax rates. Ohio ranked 27th with an average combined rate of 6.75%.

The five highest combined rates are Tennessee (9.45 %), Arizona (9.12 %), Louisiana (8.85 %), Washington (8.80 %), and Oklahoma (8.66 %).

Five states do not have a statewide sales tax: Alaska, Delaware, Montana, New Hampshire and Oregon. Of these, Alaska and Montana allow localities to charge local sales taxes.

02/17/2012

## **IRS Announces New Taxes on Medical Devices**

On February 8, 2012, the IRS issued [new regulations](#) to implement a 2.3% excise tax on medical devices. This new tax was created by the Patient Protection and Affordable Care Act to raise revenues to



pay for health benefits established by the law.

U.S. medical device manufacturers are the world market leaders; the imposition of this new tax will impede U.S. industry's capital capacity to invest in research and development, new technologies and new employees.

The OMA is asking Ohio members of Congress to pass HR 436 (Paulsen, R – MN). The bill would repeal the new tax. For more, read this Advanced Medical Technology Association (AdvaMed) [press release](#).

02/10/2012

### **New Economic Development Details Announced**

..The Kasich administration this week released a series of [fact sheets](#) about how [JobsOhio](#) will operate its economic development functions.

Earlier this year, the governor won support to use state liquor sales revenue to create a dedicated economic development investment fund. About \$100 million will be available each year for job creation and retention.

Citing figures by the U.S. International Economic Development Council, [Bloomberg News Reports](#) this amount “would be larger than similar arrangements in Michigan, Kentucky and California and would be one of the biggest such dedicated funding sources in the United States”.

01/27/2012

### **Governor Pushes Additional Taxes on Oil and Gas**

Governor Kasich [announced](#) his intention to push for new taxes and fees on the oil and gas industry. Specifically, the Governor is

advocating for “impact fees” to help cover the costs of maintaining local infrastructure and expanding the state’s severance tax, a tax on entities that consume the state's natural resources, to encompass natural-gas liquids.

The Governor stated, “At some point, these counties are going to benefit, but in the early years, when it comes to the erosion of roads and infrastructure, we need to make sure that these locals are going to be in a position to manage their infrastructure.”

It is likely that these modifications will be included in the mid-year budget review bill expected sometime in March.

01/23/2012

### **Economists to Senators: Tax Incentives and Right to Work Impact State Competitiveness**

In a Senate hearing, two Ohio economists debated the merits state tax incentives. Professor Richard Vedder of Ohio University offered perspectives that tax credits are generally bad policy. Dean Edward “Ned” Hill of Cleveland State University made the case that states need to offer economic development incentives including tax breaks in order to remain competitive. [Dr. Hill highlighted](#) the importance of auditing to ensure compliance by incentive recipients.

Both experts agreed that tax policy alone doesn’t drive business investment and they cited right-to-work as a detriment to Ohio’s competitiveness. [Read coverage](#) of the hearing by *Gongwer News Service*.

01/20/2012

### **Senate Panel Approves Unemployment Benefit Extension**

A Senate committee acted this week to amend HB 337 to respond to a federal

deadline regarding unemployment benefits. The amendment allows more than 20,000 eligible Ohioans to continue receiving state extended benefits, up to 99 weeks. The state will be reimbursed by the federal government for the extended benefits.

01/13/2012

### **Get Ready to Comply with New Pension Plan Disclosure Rules**

According to Mike Kozlowski, CPA and Director, Assurance & Business Advisory Services, GBQ Partners, the Department of Labor (DOL) has implemented new rules regarding disclosure of expenses for pension plans, including employer-sponsored 401(k) plans. Plan sponsors will be required to make these new disclosures in 2012.

The [new rules](#) require the disclosure of service provider fees and other compensation on Schedule C of the Form 5500, which was required to be reported for plan years beginning on or after January 1, 2009. These disclosures include both direct and indirect compensation that was paid by the plan.

Kozlowski explained, "DOL is trying to get more information into all participants' hands so they can make better informed decisions on their investments. Also, hidden expenses in plans are very tough for a participant to determine so more disclosure is being required. And he advised, "Plan sponsors need to be aware of the rules and communication with your service provider is essential to make sure the disclosures are made timely." GBQ Partners is an OMA Connections Partner.

01/13/2012

### **Economic Development Incentive Compliance Questioned**

Ohio newspapers are reporting widespread non-compliance by companies that received state economic development incentives in recent years. The media is reacting to a [new report from Ohio Attorney General Mike DeWine](#) that found fewer than 53 percent of award recipients were in compliance.

[The Lima News](#) listed individual companies, and the [Columbus Dispatch](#) editorialized in strong support of better monitoring for compliance saying, "... contracts governing awards inconsistently protect taxpayer interests," and found that the Ohio Department of Development "often does not strictly enforce reward requirements."

OMA staff will be scrutinizing the attorney general's report. [Member comment is invited.](#)

01/06/2012

**Taxation Legislation**  
**Prepared by: The Ohio Manufacturers' Association**  
**Report created on March 9, 2012**

- HB1**      **JOBSONIO** (DUFFEY M) To authorize the Governor to create JobsOhio, a nonprofit economic development corporation.  
**Current Status:** 2/18/2011 - **SIGNED BY GOVERNOR**; Eff. 2/18/2011  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_1](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_1)
- HB3**      **REPEAL ESTATE TAX** (GROSSMAN C, HOTTINGER J) To repeal the estate tax for the estates of individuals dying on or after January 1, 2011.  
**Current Status:** 2/16/2011 - **REPORTED OUT**, House Ways and Means, (Fourth Hearing)  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_3](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_3)
- HB8**      **TAX PROMPT REMITTANCE DISCOUNT** (BLAIR T) To increase the sales and use tax prompt remittance discount and to authorize a discount for prompt remittance of income tax withholding.  
**Current Status:** 1/11/2011 - Referred to Committee House Ways and Means  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_8](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_8)
- HB10**     **REMEDICATION OF CONTAMINATED SITE** (SEARS B) To authorize refundable tax credits for the completion of a voluntary action to remediate a contaminated site and for the return of such sites to productive use, and to exempt persons through 2017 who have issued covenants not to sue under the Voluntary Action Program from certain fees and penalties for one year after the issuance of such a covenant.  
**Current Status:** 3/2/2011 - House Ways and Means, (Fifth Hearing)  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_10](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_10)
- HB17**     **TAX CREDIT FOR HIRING UNEMPLOYED** (BAKER N) To authorize a \$2,400 income tax withholding credit for an employer that hires and employs a previously unemployed individual.  
**Current Status:** 3/14/2012 - Senate Ways & Means & Economic Development, (Fourth Hearing)  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_17](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_17)
- HB18**     **TAX CREDIT - EXPANDING BUSINESSES** (BAKER N) To authorize a nonrefundable tax credit for a business that increases payroll and expands into a vacant facility.  
**Current Status:** 2/15/2012 - **SUBSTITUTE BILL ACCEPTED**, Senate Ways & Means & Economic Development, (Third Hearing)  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_18](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_18)
- HB43**     **OHIO VENTURE CAPITAL AUTHORITY** (GOYAL J, WILLIAMS S) To increase the annual and aggregate limit on the amount of tax credits the Ohio Venture Capital Authority may authorize.  
**Current Status:** 1/26/2011 - Referred to Committee House Economic and Small Business Development  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_43](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_43)
- HB44**     **SMALL BUSINESS WORKING CAPITAL LOAN PROGRAM** (GOYAL J, GARLAND N) To create the Small Business Working Capitol Loan Program.  
**Current Status:** 1/26/2011 - Referred to Committee House Economic and Small

Business Development

**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_44](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_44)

- HB58**      **INTERNAL REVENUE CODE (BECK P)** To expressly incorporate changes in the Internal Revenue Code since December 15, 2010, into Ohio law.  
**Current Status:** 3/7/2011 - **SIGNED BY GOVERNOR**; eff. 3/7/2011  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_58](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_58)
- HB81**      **PERFORMANCE BUDGETING (SNITCHLER T)** To require performance budgeting by most state agencies.  
**Current Status:** 2/22/2011 - House State Government and Elections, (Second Hearing)  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_81](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_81)
- HB98**      **INCOME TAX RATE FOR 70 1/2 YEARS OR OLDER (HOLLINGTON R)** To reduce the maximum effective income tax rate applicable to unearned income of persons age 70 1/2 years or older to 1% beginning in 2013.  
**Current Status:** 3/30/2011 - House Ways and Means, (Fourth Hearing)  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_98](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_98)
- HB101**     **JOB CREATION/RETENTION CREDITS (WILLIAMS S)** To provide for a six-year trial period in which taxpayers may include a limited number of the taxpayer's employees who work from home and whose rate of pay is at least three times the federal minimum wage as employees employed in the project for purposes of the job creation and retention credits if the recipient of the credit provides a specified level of capital investment, and to require the Director of Development to issue a report at the end of the six-year period.  
**Current Status:** 6/1/2011 - House Ways and Means, (First Hearing)  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_101](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_101)
- HB111**     **TAX DEDUCTION-SMALL BUSINESS (WILLIAMS S)** To authorize an income tax deduction for small business owners' reinvestment of undistributed profits in business property, employee training, or research and development.  
**Current Status:** 5/11/2011 - House Ways and Means, (First Hearing)  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_111](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_111)
- HB114**     **TRANSPORTATION BUDGET (MCGREGOR R)** To make appropriations for programs related to transportation and public safety for the biennium beginning July 1, 2011, and ending June 30, 2013, and to provide authorization and conditions for the operation of those programs.  
**Current Status:** 7/13/2011 - HB114 had a provision amended by SB187  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_114](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_114)
- HB134**     **CAPITAL GAINS INVESTMENTS (SCHURING K)** To reduce the income tax rate on capital gains reinvested in Ohio-based investments.  
**Current Status:** 6/1/2011 - House Ways and Means, (Fourth Hearing)  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_134](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_134)
- HB153**     **BIENNIAL BUDGET (AMSTUTZ R)** To make operating appropriations for the biennium beginning July 1, 2011, and ending June 30, 2013, and to provide authorization and conditions for the operation of state programs.  
**Current Status:** 6/30/2011 - **SIGNED BY GOVERNOR**; Effective 6/30/2011; some sections different dates, 7 line item vetos

**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_153](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_153)

**HB198**      **PROPERTY TAX COMPLAINTS (COLEY II W)** To permit property tax complaints to be initiated only by the property owner.

**Current Status:** 5/12/2011 - House Financial Institutions, Housing and Urban Development, (Second Hearing)

**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_198](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_198)

**HB220**      **CAT TAX CREDIT INVESTMENT LOSSES (BECK P, BAKER N)** To allow a refundable commercial activity tax credit for investment losses recognized by foreign entrepreneur investors who invest in certain projects in Ohio.

**Current Status:** 6/23/2011 - House Economic and Small Business Development, (Sixth Hearing)

**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_200](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_200)

**HB258**      **APPRENTICESHIP PROGRAMS (GROSSMAN C, DOVILLA M)** To exempt from taxation for five years the earned income of an individual who obtains journeyman status or a baccalaureate degree and works in Ohio; and to prohibit the Apprenticeship Council from adopting standards for apprenticeship ratios that are stricter than those requirements specified in the federal regulations governing apprenticeship programs and from discriminating against open or merit shops.

**Current Status:** 2/8/2012 - **BILL AMENDED**, House Ways and Means, (Third Hearing)

**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_258](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_258)

**HB261**      **ALTERNATIVE FUEL FACILITY (MCGREGOR R)** To allow a credit against the personal income tax or commercial activity tax for the installation of an alternative fuel facility.

**Current Status:** 9/21/2011 - House Ways and Means, (Second Hearing)

**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_261](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_261)

**HB310**      **ELECTRIC VEHICLE SALES TAX REDUCTION (GOODWIN B)** To reduce the amount of sales tax due on the purchase or lease of a qualifying electric vehicle by up to \$2,000.

**Current Status:** 11/16/2011 - House Ways and Means, (Second Hearing)

**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_310](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_310)

**HB327**      **JOB CREATION-RETENTION TAX CREDIT (GONZALES A)** To provide for a six-year trial period in which taxpayers may receive a job creation or job retention tax credit for the employment of home-based employees and to require the Director of Development to issue a report at the end of the six-year period.

**Current Status:** 3/15/2012 - House Economic and Small Business Development, (Fifth Hearing)

**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_327](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_327)

**HB365**      **ENHANCED FEDERAL INCOME TAX DEPRECIATION DEDUCTION (BECK P)** To allow taxpayers who claim an enhanced federal income tax depreciation deduction to reduce the amount of the deduction the taxpayer must add-back for Ohio income tax purposes if the taxpayer increases payroll in the year the enhanced federal deduction is taken.

**Current Status:** 2/14/2012 - Referred to Committee Senate Ways & Means & Economic Development

**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_365](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_365)

- HB446**      **TAX EXPENDITURES EFFECTIVENESS** (DRIEHAUS D, FOLEY M) To provide for an appraisal of the effectiveness of tax expenditures.  
*Current Status:* 2/14/2012 - Referred to Committee House Finance and Appropriations  
*More Information:* [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_446](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_446)
- SB1**      **JOBSONIO** (WAGONER M) To authorize the creation of JobsOhio, the non-profit economic development corporation.  
*Current Status:* 2/2/2011 - Referred to Committee Senate Finance  
*More Information:* [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_SB\\_1](http://www.legislature.state.oh.us/bills.cfm?ID=129_SB_1)
- SB4**      **PERFORMANCE AUDITS OF STATE AGENCIES** (SCHAFFER T) To require the Auditor of State to conduct performance audits of certain state agencies.  
*Current Status:* 4/5/2011 - **SIGNED BY GOVERNOR**; Eff. 4/5/2011  
*More Information:* [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_SB\\_4](http://www.legislature.state.oh.us/bills.cfm?ID=129_SB_4)
- SB5**      **COLLECTIVE BARGAINING REFORM** (JONES S) To make changes to Ohio's Collective Bargaining Law, which was first enacted in 1983.  
*Current Status:* 11/8/2011 - Repealed by Voter Referendum  
*More Information:* [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_SB\\_5](http://www.legislature.state.oh.us/bills.cfm?ID=129_SB_5)
- SB6**      **JOB RETENTION TAX CREDIT** (PATTON T) To authorize a refundable job retention tax credit.  
*Current Status:* 2/22/2011 - SB6 became part of HB58  
*More Information:* [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_SB\\_6](http://www.legislature.state.oh.us/bills.cfm?ID=129_SB_6)
- SB7**      **IRS TAX CHANGES** (OBHOF L) To expressly incorporate changes in the Internal Revenue Code since December 15, 2010, into Ohio law, and to declare an emergency.  
*Current Status:* 2/17/2011 - Senate Ways & Means & Economic Development, (Second Hearing)  
*More Information:* [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_SB\\_7](http://www.legislature.state.oh.us/bills.cfm?ID=129_SB_7)
- SB12**      **SMALL BUSINESS SET ASIDE** (KEARNEY E) To generally require that state agencies set aside a certain amount of purchases for which only small business enterprises may compete.  
*Current Status:* 2/2/2011 - Referred to Committee Senate State & Local Government & Veterans Affairs  
*More Information:* [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_SB\\_12](http://www.legislature.state.oh.us/bills.cfm?ID=129_SB_12)
- SB13**      **UNEMPLOYMENT MODERNIZATION TASK FORCE** (SCHIAVONI J) To allow an individual to receive unemployment compensation benefits for unemployment related to domestic abuse or compelling family circumstances, to allow an individual to receive unemployment training extension benefits under specified conditions, and to create the Unemployment Modernization Review Task Force.  
*Current Status:* 3/22/2011 - Senate Insurance, Commerce & Labor, (First Hearing)  
*More Information:* [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_SB\\_13](http://www.legislature.state.oh.us/bills.cfm?ID=129_SB_13)
- SB47**      **CAT TAX CREDIT GROCERY STORES** (KEARNEY E) To authorize a commercial activity tax credit for underserved community grocery stores.



**Current Status:** 2/17/2011 - Senate Ways & Means & Economic Development, (First Hearing)

**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_SB\\_47](http://www.legislature.state.oh.us/bills.cfm?ID=129_SB_47)

**SB58 TAX CREDIT EMPLOYMENT CONVICTED FELONS (TAVARES C)** To create a tax credit for the employment of individuals who have been convicted of felonies.

**Current Status:** 2/10/2011 - Senate Ways & Means & Economic Development, (First Hearing)

**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_SB\\_58](http://www.legislature.state.oh.us/bills.cfm?ID=129_SB_58)

**SB90 ESTATE TAX (JORDAN K)** To repeal the estate tax for the estates of individuals dying on or after January 1, 2011.

**Current Status:** 4/14/2011 - **REPORTED OUT AS AMENDED**, Senate Ways & Means & Economic Development, (Fifth Hearing)

**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_SB\\_90](http://www.legislature.state.oh.us/bills.cfm?ID=129_SB_90)

**SB115 PROPERTY SALE GAINS (KEARNEY E)** To exempt from income taxation any gains from the sale of Ohio property used in a trade or business and held for at least two years.

**Current Status:** 3/24/2011 - Senate Ways & Means & Economic Development, (First Hearing)

**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_SB\\_115](http://www.legislature.state.oh.us/bills.cfm?ID=129_SB_115)

**SB188 ALTERNATIVE FUEL FACILITY (PATTON T)** To allow a credit against the personal income tax or commercial activity tax for the installation of an alternative fuel facility.

**Current Status:** 9/22/2011 - Senate Ways & Means & Economic Development, (First Hearing)

**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_SB\\_188](http://www.legislature.state.oh.us/bills.cfm?ID=129_SB_188)

**SB200 EDISON JOBS DEVELOPMENT PROGRAM (HUGHES J)** To create the Edison Jobs Development Program within the Department of Development and to make an appropriation.

**Current Status:** 12/6/2011 - Senate Finance, (First Hearing)

**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_SB\\_200](http://www.legislature.state.oh.us/bills.cfm?ID=129_SB_200)

**SB206 TAX CREDIT-TEMP EMPLOYMENT AGENCY HIRES (SCHAFFER T)** To allow taxpayers to count employees employed through a temporary or professional employment agency toward the payroll and income tax withholding requirements of the job creation and job retention tax credits.

**Current Status:** 9/20/2011 - Referred to Committee Senate Ways & Means & Economic Development

**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_SB\\_206](http://www.legislature.state.oh.us/bills.cfm?ID=129_SB_206)

**SB209 ELECTRIC VEHICLE SALES TAX REDUCTION (HITE C, TURNER N)** To reduce the amount of sales tax due on the purchase or lease of a qualifying electric vehicle by up to \$2,000.

**Current Status:** 9/22/2011 - Senate Ways & Means & Economic Development, (First Hearing)

**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_SB\\_209](http://www.legislature.state.oh.us/bills.cfm?ID=129_SB_209)

**SB256 RIGHT TO CURE AGREEMENT (COLEY W)** To allow suppliers and consumers to enter into a Right to Cure agreement.

**Current Status:** 12/13/2011 - Senate Insurance, Commerce & Labor, (First

Hearing)

**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_SB\\_256](http://www.legislature.state.oh.us/bills.cfm?ID=129_SB_256)

**SB265**      **BUDGET STABILIZATION FUND BALANCE (BACON K)** To increase the balance that must exist in the Budget Stabilization Fund, from 5% to 10% of the General Revenue Fund revenue, before revenue surpluses are applied to income tax reductions.

**Current Status:** 3/14/2012 - Senate Finance, (Second Hearing)

**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_SB\\_265](http://www.legislature.state.oh.us/bills.cfm?ID=129_SB_265)

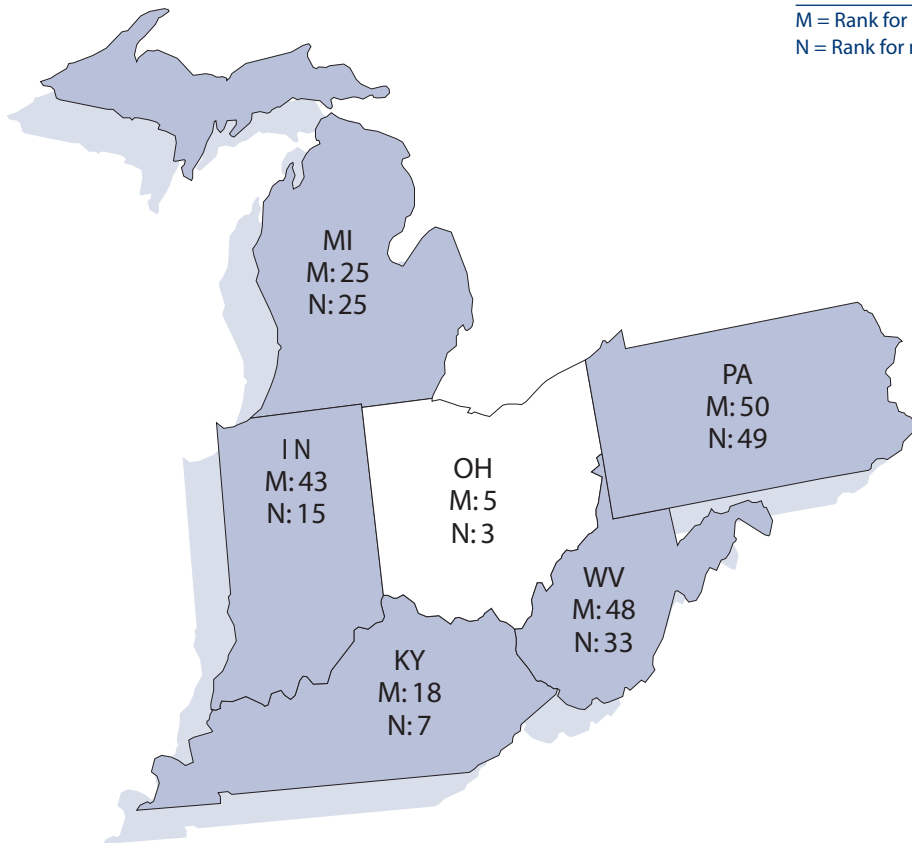
**SB278**      **ECONOMIC DEVELOPMENT (KEARNEY E, TURNER N)** To authorize programs and tax credits to encourage the hiring of unemployed individuals, to make changes to the Unemployment Compensation Law, to authorize grants and tax credits for the rehabilitation of distressed areas and the expansion of broadband connections to rural areas, to create a revolving loan fund and a bonding program for small businesses, to make changes to the Minority Business Bonding Program, and to make an appropriation.

**Current Status:** 1/18/2012 - Referred to Committee Senate Finance

**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_SB\\_278](http://www.legislature.state.oh.us/bills.cfm?ID=129_SB_278)



M = Rank for mature firms  
N = Rank for new firms



Ohio ranks fifth overall for mature operations and third overall for newly established operations. Specifically:

- Ohio ranks fourth for the mature retail firm. The total effective tax rate (TETR) for this operation is 12.1 percent, which is 28 percent below the national average. This firm has one of the lowest income tax burdens because of the Commercial Activities Tax (CAT). Its tax costs for unemployment insurance (UI), sales taxes, and property taxes are all about average.
- The state ranks 35th for the mature distribution center firm. This operation has a TETR of 33.3 percent, which is 9 percent above the national average. Although this firm has one of the lowest income tax costs, it does have one of the highest property tax burdens for a mature distribution center.
- Ohio ranks first for the new distribution center category. This operation has a TETR 18.3 percent, which is 49 percent below the national average. The main factor contributing to this low overall tax burden is the fact that Ohio offers the most generous property tax abatement in the nation for this firm type.
- The state ranks 10th for the new call center with a TETR of 16.8 percent, some 33 percent below the national average. The state also ranks 10th for the new R&D operation with a TETR of 9.9 percent, which is 33 percent below the national average. Both operations benefit from the state's sourcing rules for services which allocate much of the operation's income outside the state where the benefits are received.

## Ohio

### Corporate income tax

Main tax rate	n/a
Applies to income over	–
Specific adjustments:	
- No income tax exists in Ohio	

Apportionment	Property	Payroll	Sales
Standard factors	–	–	100.0%
Optional alternative	n/a	n/a	n/a
Throwback applies to tangible property sales			No
Interstate services income apportionment			Benefits

### Sales and property tax

Metro areas examined		Sales tax	Property tax			
		Main rate <sup>a</sup>	Land	Buildings	Equipment	Inventory
Tier 1	Cincinnati	6.440%	1.919%	1.919%	–	–
Tier 2	Canton	6.000%	2.764%	2.764%	–	–

a. Manufacturing machinery is exempt from sales tax

### Other taxes

Unemployment insurance		State capital tax		Gross receipts tax			Local income tax
Rate	Max. pay			Mfg.	Services	Retail	
3.10%	\$9,000	n/a	Tier 1	0.260%	0.260%	0.260%	2.100%
			Tier 2	0.260%	0.260%	0.260%	2.000%

### Incentives for newly established operations

Type	Incentive value	MC	ML	CC	DC	CO	RD	RT
Investment	n/a							
Job creation	n/a							
Withholdings	1.925% of new payroll x 8 years	✓	✓	✓	✓	✓	✓	
R&D	7% of in-state R&D expenses, per federal concepts						✓	
Property tax	75% abatement x 10 years on real property	✓	✓		✓			

MC= Capital-Intensive Manufacturing Operation, ML= Labor-Intensive Manufacturing Operation, CC= Call Center, DC= Distribution Center, CO= Corporate Headquarters, RD= Research and Development (R&D) Facility, RT= Retail Store

### Results

	Newly established operations								Mature operations									
	Tier 2 operations				Tier 1 operations				AVG	Tier 2 operations				Tier 1 operations				AVG
	MC	ML	CC	DC	CO	RD	RT	MC		ML	CC	DC	CO	RD	RT			
TETR	3.3%	6.2%	16.8%	18.3%	11.5%	9.9%	23.9%		6.2%	8.9%	18.0%	33.3%	12.2%	10.1%	12.1%			
Index	29.4	52.7	67.3	50.5	70.9	66.8	73.4	<b>58.7</b>	48.6	76.1	85.9	108.6	77.5	78.3	71.6	<b>78.1</b>		
Rank	3	3	10	1	9	10	8	<b>3</b>	6	12	17	35	7	12	4	<b>5</b>		

MC= Capital-Intensive Manufacturing Operation, ML= Labor-Intensive Manufacturing Operation, CC= Call Center, DC= Distribution Center, CO= Corporate Headquarters, RD= Research and Development (R&D) Facility, RT= Retail Store

**TO: OMA Government Affairs Committee**  
**FROM: Ryan Augsburger**  
**DATE: March 14, 2012**  
**SUBJ: Safety & Workers' Comp Update**

### **Overview**

Following the defeat of state issue 2, a victory for labor groups, state leaders have made statements backtracking from legislative reform efforts. Policymakers are wary of enacting reform legislation that could be overturned by opponents in a referendum. Opportunities for administrative actions to change the rules and operating procedures of the BWC seem to be more likely than legislation in the current environment.

2012 is a presidential campaign year. As such, the opportunity for meaningful policy reforms may be short term, before partisanship gets into high gear. The BWC like other state agencies have submitted possible law changes as part of a mid-biennium review (MBR). Inclusions are reported to be technical clarifications.

### **Legislation**

In late January, Ohio Speaker of the House William Batchelder announced his priorities included "plans to reform the BWC, building upon existing reforms to go further in assisting injured workers while identifying other cost-saving possibilities." It remains to be seen what the Speaker has in mind.

Before the end of the year, the Ohio Senate concluded work on SB 139 to enact financial safeguards against PEOs, sending the measure to the Ohio House where the bill sits today. The Senate privatization review (see below) seems to have run its course.

### **Bureau of Workers' Compensation**

Among administrative reforms already enacted is the premium discount program, *GrowOhio* created earlier this year for new employers to the state. More recently, a rule package known as the *Destination: Excellence Program* will streamline existing premium discount programs such as discounts for instituting drug-free safety programs, utilizing vocational rehab services, and clarifying limitations on stacked discounts, and deductible programs.

The package is intended to simplify these and other existing programs while instituting new discount programs for making electronic payments and awarding new grant funds for employers and employees in returning injured workers to work.

A discount to promote wellness programs was also instituted earlier this year. See attached news and analysis. Also see article detailing BWC program to restrict pharmacy formularies.

### **Unemployment Compensation**

Like many states, Ohio's fund to pay unemployment compensation claims was depleted in early 2010. The state has borrowed federal funds (\$2.3 billion). Minimum repayments were required beginning September 2011 (nearly \$300 in interest alone in the 2012/13 biennial budget). Eventually Ohio employers could see a premium increase to repay the

federal loans and restore the state fund, probably coupled with cost cuts. That will require law change and is unlikely until after the election.

In the short term, the state budget appropriated funds to meet interest payments that came due on Sept 30. This is a positive development for employers, but some employers with high experience ratings will see FUTA tax increases as long as the state is in arrears. This topic is being monitored principally by the OMA Tax Policy Committee.

**Privatization / Competition:** The House proposal originally drafted by former Representative Todd Snitchler has not moved beyond discussion. Representatives Peterson and Sears appear to be likely sponsors.

A Senate created taskforce completed work on June 30. The study committee concluded that more study was needed. Governor Kasich in comments over the summer was asked about privatizing the workers compensation system, the Governor said, "I'm not afraid to privatize anything that would make sense, but I'm not convinced at this point that's the way we ought to go." Similar statements have been recorded since the defeat of state issue 2.

The business community has been slow to embrace the change, potentially because there is *no good data* available to model the effects.

## **Safety and Workers' Compensation Management**

**2012 Ohio Safety Congress & Expo  
Coming March 27-29**

[The Ohio Safety Congress & Expo](#) is the largest and longest-running occupational safety, health and workers' compensation event in the Midwest. The event is free and offers high quality keynote speakers, extensive educational sessions, and the Expo Marketplace features occupational safety products, services and innovations. This year's event is March 27 to 29 at the Greater Columbus Convention Center.

03/02/2012

### **BWC Administrator Buehrer Testifies on Progress and Goals**

Administrator Steve Buehrer of the Ohio Bureau of Workers' Compensation (BWC) [updated](#) a House committee this week on new programs developed by the BWC over the past year. Among those described by the administrator were the Grow Ohio program (for new businesses), an expanded safety council discount program (for companies that join local safety councils), and a wellness grant program (providing up to \$15,000 for company wellness programs). He also noted expanded anti-fraud activity, a focus on prescription drug abuse and cuts in administrative costs.

Administrator Buehrer said: "While these are significant steps in the right direction, further reform is needed to address some troubling trends. Despite Ohio trends that show the number of workers' compensation claims falling and with it the overall medical spend, claim costs are rising precipitously, with the average medical and indemnity cost per claim rising at a much faster rate than other states across the country."

The administrator told the committee that

"my immediate goal is to focus on return to work and achieving the best possible outcomes for our injured workers. In these efforts we are currently focusing on areas to improve outcomes such as triaging claims, medical management, vocational rehabilitation and settlements".

03/02/2012

### **OSHA Hazard Communication Standard Changes Probable**

The White House Office of Budget Management has reportedly completed its review of OSHA's final rule to align its hazard communication standard with the United Nation's Globally Harmonized System (GHS).

If enacted, the rule would change the criteria by which companies classify hazards, compile safety data sheets, and train their workers on hazardous chemicals.

OSHA is expected to publish its final rule in the Federal Register. If and when enacted, OMA will have learning opportunities for members on the new rule. 3/01/2012

03/02/2012

### **Offer Light Duty Work to Defend Temporary Total Claims**

According to an analysis of the Ohio Supreme Court case, *State ex rel. Akron Paint & Varnish, Inc. v. Gullotta*, OMA Connections Partner, Roetzel & Andress indicates that offering light duty work can be both a cost reducer in a claim and an effective defense to the payment of temporary total compensation.

If a claimant refuses to accept work that is within the physical capabilities provided by the claimant's attending physician, temporary total compensation is not payable. This legal principle was reinforced in this case.

OMA members using OMA Workers' Compensation Services can learn more about how to effectively make an offer of light duty, which needs to be detailed in writing, and consistent with the medical restrictions of the attending physician, by contacting their account manager, Georgia Booth, Jay Kemo or Barb Raduege.

02/28/2012

### **Offer Light Duty Work to Defend Temporary Total Claims**

According to an [analysis](#) of the Ohio Supreme Court case, State ex rel. Akron Paint & Varnish, Inc. v. Gullotta, OMA Connections Partner, Roetzel & Andress indicates that offering light duty work can be both a cost reducer in a claim and an effective defense to the payment of temporary total compensation.

If a claimant refuses to accept work that is within the physical capabilities provided by the claimant's attending physician, temporary total compensation is not payable. This legal principle was reinforced in this case.

OMA members using OMA Workers' Compensation Services can learn more about how to effectively make an offer of light duty, which needs to be detailed in writing, and consistent with the medical restrictions of the attending physician, by contacting their account manager, [Georgia Booth](#), [Jay Kemo](#) or [Barb Raduege](#).

02/24/2012

### **BWC Officials Visit Manufacturers**

BWC Chief of Employer Services Kevin Abrams and BWC General Counsel Jason Rafeld visited the OMA Safety and Workers' Compensation Committee this week. Abrams discussed return-to-work cost trends and highlighted new employer

[discount programs](#).

Rafeld described new more aggressive claim [settlement procedures](#) that went into effect in January.

[Join](#) the OMA workers' compensation management community; [here](#) are the meeting materials.

02/24/2012

### **BWC Accepts Wellness Grant Applications**

The Ohio Bureau of Workers' Compensation (BWC) is accepting applications for its new [Workplace Wellness Grant Program](#), created to help employers improve the overall health of their workforces, which the BWC asserts will reduce workplace injuries and illnesses.

Participating employers receive up to \$15,000 over four years to implement wellness programs that address, among other risk factors, obesity and chronic disease. The BWC intends to measure the effectiveness of the program in reducing claims frequency and costs, improving return-to-work rates and reducing employer health care costs.

OMA Connections Partner, Roetzel & Andress, provides this [guidance](#) to employers who might consider participating.

[Applications](#) for the BWC wellness grant program are available at [www.ohiobwc.com](http://www.ohiobwc.com). Employers are encouraged to call 1-800-OHIOBWC to verify eligibility before submitting an application.

02/17/2012

## **OMA Group Rating Deadline; BWC Program Compatibility Changes**

Employers who plan to enroll in the OMA workers' compensation group rating program are reminded that today is the deadline to enroll, and anyone not yet enrolled should [contact us](#) so we know to hold your spot.

Employers planning to participate in the OMA group retrospective rating program have until April to enroll. Please contact [Denny Davis](#) with your questions.

According to program compatibility changes enacted by the Bureau of Workers' Compensation (BWC), beginning July 1, 2012, employers can no longer participate in any form of deductible program if they also participate in group experience rating.

BWC program [compatibility](#) can be confusing; contact your OMA account manager, [Georgia Booth](#), [Jay Kemo](#) or [Barb Raduege](#) with your questions.

02/17/2012

## **Recent Ohio Appellate Decision Allows Employer's Post Claim Certification Dispute**

OMA Connections Partner, Roetzel & Andress, reports a mechanism exists for Ohio self-insured employers to dispute a claim post-certification where certain grounds exist. A Roetzel blog post does a [good job](#) of describing the implications to employers of the recent Ohio appellate decision, Lane v. Bur. of Workers' Comp, which establishes the grounds for "continuing jurisdiction."

02/03/2012

## **BWC Introduces Pharmacy Provisions Intended to Limit Abuse**

The Bureau of Workers' Compensation (BWC) [announced](#) the introduction of a program that allows it, under certain circumstances, to restrict an injured worker to the use of a single pharmacy for non-emergent prescriptions. The injured worker selects the pharmacy from a list of eligible pharmacies. BWC can also restrict an injured worker convicted of a drug offense to the use of a single prescribing physician, selected by the injured worker from BWC certified physicians, in order to receive reimbursement for non-emergent prescriptions.

The BWC has established a Pharmacy and Therapeutics Committee comprised of practicing pharmacists and physicians to advise BWC leadership on issues related to the use of medications prescribed to treat injured workers.

Long observed by OMA's team of workers' compensation account managers as a cost issue for employers, the committee is reported to be conducting "relatedness editing" to ensure injured workers are receiving medications relevant to their conditions.

02/03/2012

## **New OSHA Videos Provide Training on Proper Use of Respirators**

The Occupational Safety and Health Administration (OSHA) has [posted](#) a series of 17 videos, in English and Spanish, to help workers learn about the proper use of respirators on the job.

Topics include OSHA's respiratory standard, respirator use, training, fit-testing and detecting counterfeit respirators, and are available with closed captioning for streaming or download.

02/03/2012

### **Class Action Suit Proceeds Against Ohio BWC for Alleged Overcharging of Nongroup-rated Employers**

Employment Services Alert - January 2012: A class action [lawsuit](#) currently pending in the Cuyahoga County Court of Common Pleas alleges that the Ohio Bureau of Workers' Compensation (BWC) charged excessive workers' compensation premium rates to employers who were not able to participate in Ohio's group rating program. See *San Allen, Inc., et al. vs. Stephen Buehrer, Administrator of the Ohio BWC*, Case No. CV-07-644950. *From OMA Connections Partner, Roetzel & Andress.*

02/03/2012

### **BWC Publishes Report on Program Participation Trends**

The Bureau of Workers' Compensation (BWC) shared this [report](#) of its program participation trends during its monthly board of directors meeting this week. The report shows employer participation trends in the BWC's group rating, group retrospective rating, deductible, experience modifier (EM) capped, one claim and paid loss retrospective rating programs over the policy years 2009 through 2011.

Some observations: \$1,000 is the most popular deductible level selected by employers participating in the program; group retrospective rating is gaining in employer participation since its introduction in 2009 and the initial participants shared in premium rebates; significantly fewer employers are leaving one group rating sponsor for another as 27,000 switched sponsors in policy year 2010 as compared to 10,000 in policy year 2011.

As a workers' compensation third-party administrator, the OMA manages all of these programs on behalf of its members,

focusing exclusively on manufacturers' requirements. If you have questions about which BWC programs are right for your company, contact [Georgia Booth](#), [Dennis Davis](#), [Jay Kemo](#) or [Barb Raduege](#). OMA has created analyses for most BWC programs that can be run specifically for your company to show you how to maximize savings and minimize risk.

01/27/2012

### **BWC Says Employers Who Paid Premium Electronically Won't Get Paper Payroll Report**

If you've paid premium electronically one or more times in the past couple years, the Bureau of Workers' Compensation indicates that it intends to send you a [post card reminder](#) but not a hard copy payroll report.

Whether or not you receive a post card reminder, premiums for the second half of 2011 are due February 29, 2012.

The BWC encourages all employers to file their payroll reports electronically to save resources. Questions can be directed to (800) OHIOBWC.

01/20/2012

### **Class Action Suit Active in Cuyahoga County**

Employers have reported receiving notice of a workers' compensation class action law suit filed in Cuyahoga County. The case known as *San Allen vs. Stephen Buehrer* alleges that the BWC charged excessive workers' compensation premium rates to non-group rated employers for the policy years 2001 to 2008.

According to OMA counsel, Tom Sant of Bricker & Eckler LLP, "The suit has lain dormant for several years while the Courts determined whether it should be granted class action status. Having received that



status the case is moving forward with the letter being the first indicator of that.”

01/06/2012

### **Industrial Commission Reports Activities and Regulatory Changes**

Since 1912, the Industrial Commission (IC) has been Ohio’s forum for appealing Bureau of Workers’ Compensation and self-insured employer decisions. The IC conducts more than 150,000 hearings each fiscal year.

Annually, the IC publishes a [fiscal report](#) and a [newsletter](#) recapping its activities, undertakings, and regulatory changes. The newsletter contains relevant Supreme Court decisions. Workers’ compensation managers will want to review these reports.

01/06/2012

### **BWC Continues to Prepare for New Employer Programs**

The Bureau of Workers’ Compensation (BWC) released general information about new employer programs in the works. [Here](#) is information about a new workplace wellness grant program and [a fact sheet](#) about the seven components of a new program that the BWC is calling "Destination: Excellence."

01/06/2012

### **OSHA Issues National Emphasis Program for Chemical Facilities**

The Occupational Safety and Health Administration (OSHA) [issued](#) a new National Emphasis Program (NEP) for chemical facilities to protect workers from catastrophic releases of highly hazardous chemicals.

The intent of the NEP is to conduct focused inspections at facilities randomly selected from a list of worksites likely to have highly

hazardous chemicals in quantities covered by the standard.

OSHA's Safety and Health Topics [Web page](#) on Process Safety Management contains guidance on how to develop a process hazard analysis and OSHA requirements for preventing the release of hazardous chemicals.

12/16/2011

### **Picture It Safe**

In celebration of its 40th anniversary, Occupational Health & Safety Administration held the Picture It!: Safe Workplaces for Everyone photo contest. The contest challenged anyone with a passion for photography to capture an image of workplace safety and health and share it with OSHA. More than 300 submissions were received portraying a wide range of industries and activities.

Winners were selected by an expert panel of judges that included Earl Dotter, photojournalist; Carl Fillichio, the Department of Labor’s Senior Advisor for Communications and Public Affairs; Kathleen Klech, photography director for Condé Nast Traveler magazine; and Shawn Moore, the chief photographer for the Department of Labor.

Check out the [winning pictures](#) and [additional entries](#).

12/16/2011

### **BWC Receives Clean Audit from State of Ohio**

State Auditor Dave Yost’s office turned in a clean audit report on the Ohio Bureau of Workers’ Compensation (BWC,) which earned the BWC an Auditor of State Award. The audit was completed by Schneider Downs and accepted by Auditor Yost. The Auditor of State Award is

presented to public entities that meet the criteria of a "clean" [audit report](#).

12/16/2011

### **Workers' Compensation Trends for 2012**

As 2011 rapidly draws to a close, businesses looking ahead to 2012 should be mindful of the following workers' compensation trends as they may increase a company's operating costs: [Click here](#) for full article. *From OMA Connections Partner, Roetzel & Andress*

12/12/2011

**Workers' Compensation Legislation**  
**Prepared by: The Ohio Manufacturers' Association**  
**Report created on March 9, 2012**

- HB123**      **WORKERS' COMPENSATION BUDGET** (HOTTINGER J) To allow the administrator of Workers' Compensation to waive criteria certain public employers must satisfy to become self-insuring employers; to require bills for medical and vocational rehabilitation services in claims that are ultimately denied to be paid from the Surplus Fund Account under specified circumstances; to make appropriations for the Bureau of Workers' Compensation and for the Workers' Compensation Council for the biennium beginning July 1, 2011, and ending June 30, 2013; and to provide authorization and conditions for the operation of the Bureau's and the Council's programs.  
**Current Status:** 4/25/2011 - **SIGNED BY GOVERNOR**; Some provisions eff. 4/25/11; others 7/29/11  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_123](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_123)
- HB124**      **INDUSTRIAL COMMISSION BUDGET** (HOTTINGER J) To set appropriations for the Industrial Commission for the biennium beginning July 1, 2011, and ending June 30, 2013, and to provide authorization and conditions for the operation of Commission programs.  
**Current Status:** 4/25/2011 - **SIGNED BY GOVERNOR**; Eff. 4/25/11  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_124](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_124)
- HB186**      **PROFESSIONAL EMPLOYER ORGANIZATION LAW** (ADAMS R) To establish certain financial capacity requirements for professional employer organizations, clarify rights and liabilities of professional employer organizations and client employers, and to make other changes to the professional employer organization law.  
**Current Status:** 6/1/2011 - **BILL AMENDED**, House Commerce & Labor, (Third Hearing)  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_186](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_186)
- HB252**      **IMMIGRATION STATUS-CONVICTED FELON** (YOUNG R) To require a prosecuting attorney to ask the Immigration and Naturalization Service of the United States to verify or ascertain the immigration status of an offender who has been convicted of or pleaded guilty to a felony, to require a prosecuting attorney if the INS informs the prosecutor that the offender is an illegal alien to notify the alleged felon's employer, the Department of Job and Family Services, the Registrar of Motor Vehicles, and the Secretary of State, to make illegal aliens ineligible for certain state public benefits, and to prohibit the Registrar of Motor Vehicles from issuing a driver's license to an alleged felon with respect to whom a prosecuting attorney has given the Registrar the above notice and require the Registrar to cancel any driver's licenses issued to such an alleged felon.  
**Current Status:** 6/8/2011 - Referred to Committee House Transportation, Public Safety and Homeland Security  
**More Information:** [tp://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_252](tp://www.legislature.state.oh.us/bills.cfm?ID=129_HB_252)
- SB139**      **PROFESSIONAL EMPLOYER ORGANIZATION LAW** (HUGHES J) To establish certain financial capacity requirements for professional employer organizations, clarify rights and liabilities of professional employer organizations and client employers, and make other changes to the professional employer organization law.  
**Current Status:** 2/8/2012 - House Commerce & Labor, (First Hearing)  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_SB\\_139](http://www.legislature.state.oh.us/bills.cfm?ID=129_SB_139)

## Human Resources Management

### NLRB's Notice Posting Upheld by D.C. Federal Judge

On March 2, Judge Amy Berman Jackson [ruled](#) against the National Association of Manufacturers (NAM) in its lawsuit against the National Labor Relations Board (NLRB) regarding its employer posting requirement. The [posting](#) describes employees' rights under the National Labor Relations Act and must be posted by virtually all employers by April 30 of this year. NAM's suit challenged the NLRB's jurisdiction to require the posting.

Judge Jackson ruled that the NLRB does have the authority to require employers to post the notice it finalized in August.

The poster rule not only requires an employer to put up the poster, but it also establishes that if the poster isn't put up that would be, in and of itself, an unfair labor practice. Additionally, under the current law there is a six month statute of limitations to bring an unfair labor charge before the Board. The rule, as issued, would allow this limitation to be waived in certain circumstances.

The judge, in her decision, said that although the Board can require the poster, it cannot create the unfair labor practice and cannot waive the statute of limitations.

NAM's Joe Trauger, Vice President, Human Resources Policy, said, "Most concerning about this ruling is that it appears that if an employer does not post and an unfair labor practice complaint is subsequently lodged against them, the NLRB can use failure to post as evidence of anti-union animus."

This week. NAM, joined by the Coalition for a Democratic Workplace, the National Federation of Independent Business and the National Right to Work, decided to appeal the decision and also filed a motion

with Judge Jackson requesting the rule not take effect until the appeal is decided. NAM continues to believe the facts and the law are on employers' side in the case.

03/09/2012

### Medical Marijuana Ballot Issues: A Concern for Manufacturers

Two pending ballot issues propose amendments to the Ohio Constitution that would make it legal for certain individuals to grow, process, distribute, purchase, sell and use marijuana and related paraphernalia in Ohio for certain medical reasons. Both the "Ohio Alternative Treatment Amendment" and the "Ohio Medical Cannabis Amendment" have been approved by the Ohio Attorney General and the Ballot Board, meaning that both petitions are now eligible to be circulated throughout Ohio for signatures.

Writes OMA counsel, Bricker & Eckler LLC, in a [memorandum](#) developed for OMA members: "(B)oth Amendments would restrict, either expressly or indirectly, the ability of Ohio manufacturers to test and/or discipline their employees for using or being under the influence of marijuana in the workplace. Additionally, the Amendments would raise a variety of legal and practical uncertainties for Ohio manufacturers regarding testing and discipline for marijuana use. Although some of those questions may be answered through subsequent administrative regulations authorized under both Amendments, inevitably, there will be questions that will only be answered following expensive and time-consuming litigation."

03/09/2012

### NAM Acts Against Various NLRB Rulings

The National Association of Manufacturers (NAM), which brought suit against the

National Labor Relations Board (NLRB) over its employer posting mandate, reports that it is waiting for a decision by the judge in the case. The mandate requires virtually all employers hang a poster that spells out employees' rights under the National Labor Relations Act. Unless reversed or stayed, the posting rule is currently scheduled to go into effect April 30.

Separately, the Coalition for a Democratic Workplace, of which NAM is a leading member, filed a legal challenge in federal court to the NLRB's "ambush election" rule, which was finalized in December 2011 and goes into effect April 30. Currently the parties are exchanging reply briefs.

And late last week, the House and the Senate introduced Resolutions of Disapproval to the NLRB's "ambush election" rule. NAM sent a support letter to the lead sponsors of the resolutions, Senator Enzi (R-WY), Ranking Member of the Senate Health, Education, Labor and Pensions Committee, and Congressman Phil Gingrey (R-GA).

According to NAM, the rule does not explicitly shorten the time frame for a representation election to take place, but it does strip employers of their rights to have their concerns, such as who will be eligible to vote in the election, heard through pre-election hearings. This change could effectively shorten the time frame for elections from an average of 38 days to 20 days. Congressional vote on these resolutions is likely to take place sometime in March.

02/24/2012

### **Federal Court Rules Obesity is a Disability under the ADA**

A federal district court recently held that [severe obesity is a disability](#) under the Americans with Disabilities Act (ADA). In *EEOC v. Resources for Human*

*Development, Inc.*, No. 10-3322 (E.D.La. Dec. 7, 2011), the employee weighed over 500 pounds at the time of her termination. The EEOC brought suit on the employee's behalf, alleging that the employer violated the ADA by terminating her. *From OMA Connections Partner, Roetzel & Andress.*

02/16/2012

### **NLRB on Employee Use of Social Media**

OMA Connections Partner, Roetzel & Andress [reported](#) that the National Labor Relations Board (NLRB) Acting General Counsel, Lafe Soloman, issued a new report this week on unfair labor practice cases involving employee use of social media and employers' social media policies. [Memorandum](#) OM 12-31 summarizes 14 recent social media cases reviewed by the NLRB's Division of Advice.

Per Roetzel's Emily Wilcheck: The report reveals that the Acting General Counsel continues to follow the view that employees using social media to engage in protected concerted complaints about their employment are protected by the National Labor Relations Act, whereas social media use by employees to simply voice "individual gripes" does not constitute protected activity. The report also provides useful guidance for employers drafting social media policies on the type of language that the NLRB's Division of Advice considers unlawful.

01/27/2012

### **Do You Know What Your Employment Practices Liability Insurance Covers?**

You might be surprised to [find out](#) what your employment practices liability insurance (EPL) covers or, more importantly, what it does not cover. *From OMA Connections Partner, Roetzel & Andress.*

01/27/2012

## **Are You Liable for Overtime Pay for Work You Didn't Authorize?**

OMA Connections Partner, GBQ Partners, reported on a Seventh Circuit Court of Appeals ruling in favor of an employer in a case where a former employee sought five years of overtime pay for working unauthorized overtime.

While federal wage and hour law, and most state laws, place the obligation on employers to pay non-exempt employees for all time they work, including unauthorized overtime, this case is significant in that it found in favor of the employer.

This case was unique in that the employer had no knowledge of the overtime worked; read GBQ's tips for setting and enforcing overtime policy.

01/26/2012

## **NAM Calls for Input to Employment Law Policy Position**

Joe Trauger, Vice President, Human Resources Policy, National Association of Manufacturers (NAM,) is calling for manufacturer input to NAM's employee relations policy positions.

The draft policy with redlined changes proposed by policy staff can be viewed [here](#). Trauger said, "... our main goal was to tighten up the language in order to better focus on those issues of concern to manufacturers." The employee relations policy is scheduled for NAM board ratification in March.

Comments can be sent to [Trauger](#) by January 30.

01/20/2012

## **Ohio Workforce Development: Lots of Programs, Spending Can't Be Calculated**

A workforce development [study](#) committee in the Ohio House this week released [recommendations](#) arising from a series of 2011 hearings.

Chairman Timothy Derickson wrote: "The current workforce system does not adequately address the structural unemployment that we are facing today. Ohio has a significant population of workers with skills but not the right skills for available jobs. While supports need to continue for the chronically unemployed and displaced workers, greater emphasis needs to be placed on incumbent worker and the under-employed to insure workers have the skills needed for which businesses are hiring. The workforce system in Ohio must be responsive to industry demand and bridge short term skill gaps among workers to align job seekers with available jobs."

A Legislative Service Commission (LSC) study conducted for the committee found 65 workforce programs across 20 different state agencies. LSC stated: "Total funding and expenditures for every specific workforce development program listed in this memorandum cannot be calculated. This is because, in some cases, an agency's workforce development programs are a component of a much larger program and a delineation of the particular workforce development expenditures is not available."

01/20/2012

## **Are You Liable for Overtime Pay for Work You Didn't Authorize?**

OMA Connections Partner, GBQ Partners, reported on a Seventh Circuit Court of Appeals ruling in favor of an employer in a case where a former employee sought five years of overtime pay for working unauthorized overtime.



While federal wage and hour law, and most state laws, place the obligation on employers to pay non-exempt employees for all time they work, including unauthorized overtime, this case is significant in that it found in favor of the employer.

This case was unique in that the employer had no knowledge of the overtime worked; [read](#) GBQ's tips for setting and enforcing overtime policy.

01/13/2012

### **Recent NLRB Ruling Prohibits Employers from Requiring Employees to Sign Arbitration Agreements that Forbid the Collective Pursuit of Employment-Related Claims**

The NLRB has made clear its [position](#) that class action waivers do not belong in the workplace, and requiring such a waiver as a condition of employment is an unfair labor practice. The decision, which applies both to union and non-union workforces, will most assuredly be appealed to a federal court of appeal. *From OMA Connections Partner, Roetzel & Andress*

01/10/2012

### **Important Updates to Federal Trucking Regulations for 2012**

OMA Connections Partner, Roetzel & Andress LLP, [reports](#) on two important new transportation industry rules, one restricts cell phone use and the other modifies some aspects of the hours-of-service regulations; both take effect in early 2012.

Effective January 3, CMV drivers are prohibited from holding, dialing, or reaching for a hand-held cell phone while driving a commercial motor vehicle. The ban includes a driver's use of a cell phone's push-to-talk function, which requires the

continuous holding of a button. See the link above for details about allowed and disallowed communication practices under the new law as well as employee and carrier penalties for violations.

The Federal Motor Carrier Safety Administration has also published a new rule, effective February 27, 2012, relating to the hours-of-service requirements. The rule retains the 11-hour and 14-hour driving limits. However, it modifies the "34-hour restart," clarifies the definition of "on-duty" time, and adds a new 30-minute break requirement under certain circumstances.

There are staggered compliance dates for different components of this rule, so check details at the link above.

01/06/2012

### **Date for Required NLRB Posting Pushed to April**

The National Labor Relations Board (NLRB) has [agreed](#) to postpone the effective date of its employee rights notice-posting rule at the request of the Washington, DC federal court that is a legal challenge to the rule. The new implementation date is April 30, 2012.

Most private sector employers will be required to post the 11-by-17-inch notice on the new implementation date of April 30. The notice is available at no cost from the NLRB through its website, [www.nlr.gov/](http://www.nlr.gov/)

Readers will recall that the National Association of Manufacturers' brought suit against NLRB contesting its jurisdiction to require the posting that describes employees' rights to organize.

01/06/2012

## **NLRB Finalized Quickie Election Rule Before Year End**

As predicted, the National Labor Relations Board (the “NLRB” or “Board”) published a final rule amending its union election process.

The “quickie, or ambush, election” rule, which the Board rushed to finalize before losing one of its three remaining members at the end of last year, is expected to significantly change the process for contesting petitions for union elections and limit an employer’s opportunities to challenge the process before an election is held. It is scheduled to take effect on April 30, 2012.

The rule, which is opposed by the National Association of Manufacturers (NAM), may effectively shorten the amount of time in which union certification elections take place and could allow votes to occur in as little as 20 days. According to Joe Trauger, NAM Vice President of Human Resources Policy, “This is a continuation of dramatic overreach by the NLRB that is harming job creators. The Coalition for a Democratic Workplace, of which the NAM is a leading member, immediately filed a legal challenge to this rule in the federal court in Washington, D.C.”

Specifically, the rule would alter what types of pre-election hearings can be held and what types of appeals can be filed prior to an election. Per Trauger, “If certain matters can be discussed only after an election is held, these matters could become moot, leaving the employer with no voice prior to the election. We continue to explore all options the NAM has available to stop this attack on workplace election procedures.”

Read this [analysis](#) of the rule from OMA Connections Partner, Jackson Lewis.

01/06/2012

## **Obama Fills NLRB Vacancies**

President Obama announced this week his intent to recess appoint [three individuals](#) to serve as members of the National Labor Relations Board (NLRB).

The last day of Member Craig Becker’s service was January. 3. With the expiration of his appointment, the Board dropped to two members, Chairman Mark Gaston Pearce and Member Brian E. Hayes. The Board was last at its full five-member strength in August of 2010.

According to Joe Trauger, Vice President, Human Resources Policy, National Association of Manufacturers, “Under the Constitution, the President can exercise the recess appointment authority for those individuals already nominated, but have yet to be confirmed, when the Congress is in what is called a “recess” period. There is a question, however, as to whether the Senate was actually in a recess period ... when the President made these appointments.”

Presuming they stand, these appointments will maintain a quorum that can continue the board’s pro-labor activism. [Here](#) is a good analysis from OMA Connections Partner, Jackson Lewis.

01/06/2012

## **Employment Law: What to Expect in 2012**

Employment law is a dynamic field with new legislation, new regulations, and new court decisions interpreting the laws. [Here](#) are several topics that should garner attention in 2012: *From OMA Connections Partner, Roetzel & Andress*

01/06/2012



## Quickie Election Rule Finalized Before Year End

As predicted, the National Labor Relations Board (the “NLRB” or “Board”) has published a [final rule](#) amending its union election process. The “quickie election” rule, which the Board rushed to finalize before losing one of its three remaining members at the end of the year, will significantly change the process for contesting petitions for union elections and limit an employer’s opportunities to challenge the process before an election is held. It is scheduled to take effect on April 30, 2012. *From OMA Connections Partner, Jackson Lewis.*

01/02/2012

## Can You Require Job Applicants to Have Current Employment?

OMA Connections Partner, GBQ Partners, [noted](#) an emerging trend that employers may only be considering the employment applications of people who are already working.

Is it legal? On a federal level, it’s not clear yet and state laws continue to evolve. According to GBQ, the Equal Employment Opportunity Commission (EEOC) has not formally declared its position, but the issue is definitely on its radar screen. At the state level, New Jersey recently passed new legislation making it illegal to require that only candidates with current jobs may apply for employment, and other states are considering similar measures.

To minimize legal risk while maximizing resource-intensive candidate searches, GBQ offers these [tips](#).

12/16/2011

## Free Legally-Approved Employment Forms Available from OMA

OMA provides free up-to-date [reproducible forms](#) to assist your human resource department, managers and supervisors. These forms comply with federal and Ohio laws and have been reviewed by OMA counsel Bricker & Eckler for compliance as recently as December 2011. Best of all, they are free of charge to you as an OMA member.

The reproducible forms offered: Application for Employment, Health Questionnaire/Physical Condition, Absentee Calendar/Bi-monthly Absence Review, and Vacation Schedule

Please read the [special instructions to employers](#) to protect your company when using these forms.

12/16/2011

## Make Sure Your Employee Background Checks Comply With Federal Law

Many employers do background checks on current employees and job applicants. Background checks are a simple and effective screening tool in a labor market flooded with employees looking for work. But far too few employers know that they must [comply](#) with the Fair Credit Reporting Act (FCRA) whenever they obtain a background report prepared by reporting agency. *From OMA Connections Partner, Roetzel & Andress.*

12/16/2011

**Human Resources, Health Care & Employment Law Legislation**  
**Prepared by: The Ohio Manufacturers' Association**  
**Report created on March 9, 2012**

- HB7**      **POST-VIABILITY ABORTIONS (FENDE L)** To revise the criminal laws governing post-viability abortions.  
**Current Status:** 2/2/2011 - House Health and Aging, (First Hearing)  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_7](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_7)
- HB11**      **PATIENT PROTECTION AND AFFORDABLE CARE ACT (SEARS B)** To prohibit state departments and agencies from implementing or enforcing a provision of the federal Patient Protection and Affordable Care Act without meeting certain conditions.  
**Current Status:** 2/23/2011 - House Health and Aging, (Second Hearing)  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_11](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_11)
- HB61**      **COMPENSATORY TIME OFF (THOMPSON A, MARTIN J)** To give private employers the option to offer and employees the option to accrue and use compensatory time off in lieu of monetary overtime compensation.  
**Current Status:** 2/24/2011 - **SUBSTITUTE BILL ACCEPTED & REPORTED OUT**, House Economic and Small Business Development, (Fourth Hearing)  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_61](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_61)
- HB63**      **ABORTION - PREGNANT MINOR (YOUNG R, SLABY L)** To revise the procedures governing a hearing by which a court may permit a pregnant minor to have an abortion and to require a court to make its findings with respect to such a hearing by clear and convincing evidence.  
**Current Status:** 11/4/2011 - **SIGNED BY GOVERNOR**; 'Eff. 2/3/12  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_63](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_63)
- HB78**      **POST VIABILITY ABORTIONS (UECKER J, ROEGNER K)** To review the criminal laws governing post-viability abortions.  
**Current Status:** 7/20/2011 - **SIGNED BY GOVERNOR**; Eff. 10/20/2011  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_78](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_78)
- HB79**      **INSURANCE COVERAGE - ABORTIONS (BUBP D, UECKER J)** To prohibit qualified health plans for providing coverage for certain abortions.  
**Current Status:** 12/21/2011 - **SIGNED BY GOVERNOR**; Eff. 3/22/12  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_79](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_79)
- HB85**      **HEALTH INSURANCE (HACKETT R, SEARS B)** To prohibit requiring an individual to obtain or maintain health insurance.  
**Current Status:** 2/23/2011 - House Health and Aging, (Second Hearing)  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_85](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_85)
- HB125**      **ABORTION (WACHTMANN L)** To generally prohibit an abortion of an unborn human individual with a detectable fetal heartbeat.  
**Current Status:** 12/14/2011 - Senate Health, Human Services & Aging, (Third Hearing)  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_125](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_125)

- HB131**      **EMPLOYMENT RELATED MATTERS** (REECE A) To prohibit employers from using a consumer report or investigative consumer report for employment purposes.  
**Current Status:** 5/11/2011 - House Commerce & Labor, (First Hearing)  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_131](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_131)
- HB137**      **UNIFORM DEFINITION OF EMPLOYEE** (PHILLIPS D, DRIEHAUS D) To create a generally uniform definition of employee for specified labor laws and to create a uniform standard to determine whether an individual performing services for an employer is an employee of that employer.  
**Current Status:** 5/25/2011 - House Commerce & Labor, (First Hearing)  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_137](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_137)
- HB230**      **EMPLOYMENT APPLICATION QUESTIONS** (WILLIAMS S) To prohibit employers from including on an employment application any question concerning whether an applicant has pleaded guilty to or been convicted of a felony.  
**Current Status:** 6/1/2011 - House Commerce & Labor, (First Hearing)  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_230](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_230)
- HB257**      **LAKE ERIE WATERS** (MURRAY D) To establish a program for the regulation of withdrawals and consumptive uses of waters from the Lake Erie basin.  
**Current Status:** 6/15/2011 - Referred to Committee House Agriculture and Natural Resources Subcommittee  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_257](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_257)
- HB376**      **HEALTH INSURANCE COVERAGE-AUTISM** (CELESTE T, GARLAND N) To prohibit health insurers from excluding coverage for specified services for individuals diagnosed with an autism spectrum disorder.  
**Current Status:** 11/29/2011 - Referred to Committee House Health and Aging  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_376](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_376)
- HB412**      **HEALTH BENEFIT EXCHANGE AGENCY** (ANTONIO N, CARNEY J) To establish the Ohio Health Benefit Exchange Agency and to establish the Ohio Health Benefit Exchange Program consisting of an exchange for individual coverage and a Small Business Health Options Program.  
**Current Status:** 1/17/2012 - Referred to Committee House Health and Aging  
**More Information:** [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_HB\\_412](http://www.legislature.state.oh.us/bills.cfm?ID=129_HB_412)
- HCR3**      **HEALTH COVERAGE TAX CREDIT** (O'BRIEN S) To request the members of the United States Congress to reauthorize and continue the Health Coverage Tax Credit (HCTC) enhancements including provisions related to the monthly reimbursement program, the qualified family members program, and Voluntary Employee Beneficiary Associations (VEBAs).  
**Current Status:** 2/10/2011 - Referred to Committee House Finance and Appropriations  
**More Information:** [http://www.legislature.state.oh.us/res.cfm?ID=129\\_HCR\\_3](http://www.legislature.state.oh.us/res.cfm?ID=129_HCR_3)
- HJR2**      **HEALTH CARE COVERAGE** (MAAG R, SEARS B) To preserve the freedom of Ohioans to choose their health care and health care coverage.  
**Current Status:** 3/23/2011 - **REPORTED OUT**, House Health and Aging, (Third Hearing)  
**More Information:** [http://www.legislature.state.oh.us/res.cfm?ID=129\\_HJR\\_2](http://www.legislature.state.oh.us/res.cfm?ID=129_HJR_2)

- SB30**      **EMPLOYMENT DISCRIMINATION CREDIT HISTORY** (TAVARES C) To specify that discrimination by an employer against any person because of the person's credit history is an unlawful discriminatory practice under the Ohio Civil Rights Law.  
*Current Status:* 3/9/2011 - Senate Judiciary - Civil Justice, (First Hearing)  
*More Information:* [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_SB\\_30](http://www.legislature.state.oh.us/bills.cfm?ID=129_SB_30)
- SB35**      **MOBILE DEVICE OPERATION MOTOR VEHICLE** (TAVARES C) To prohibit driving a vehicle while using a handheld or manually operated mobile communication device and to establish the violation as a secondary traffic offense.  
*Current Status:* 2/2/2011 - Referred to Committee Senate Highways & Transportation  
*More Information:* [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_SB\\_35](http://www.legislature.state.oh.us/bills.cfm?ID=129_SB_35)
- SB55**      **HEALTH INSURANCE PAYMENTS** (TAVARES C) To prohibit health insurers from denying payment for a service during or after the performance of the service if the insurer provided prior written authorization for the service.  
*Current Status:* 9/20/2011 - Senate Insurance, Commerce & Labor, (First Hearing)  
*More Information:* [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_SB\\_55](http://www.legislature.state.oh.us/bills.cfm?ID=129_SB_55)
- SB62**      **COMPENSATORY TIME OFF** (BEAGLE B) To give private sector employers the option to offer and employees the option to accrue and use compensatory time off in lieu of monetary overtime compensation.  
*Current Status:* 2/16/2011 - Referred to Committee Senate Insurance, Commerce & Labor  
*More Information:* [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_SB\\_62](http://www.legislature.state.oh.us/bills.cfm?ID=129_SB_62)
- SB107**      **UNIFORM DEFINITION OF EMPLOYEE** (SKINDELL M) To create a generally uniform definition of employee for specified labor laws and to create a uniform standard to determine whether an individual performing services for an employer is an employee of that employer.  
*Current Status:* 11/29/2011 - Senate Insurance, Commerce & Labor, (First Hearing)  
*More Information:* [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_SB\\_107](http://www.legislature.state.oh.us/bills.cfm?ID=129_SB_107)
- SB112**      **OHIO HEALTH CARE PLAN** (SKINDELL M) To establish and operate the Ohio Health Care Plan to provide universal health care coverage to all Ohio residents.  
*Current Status:* 11/29/2011 - Senate Insurance, Commerce & Labor, (First Hearing)  
*More Information:* [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_SB\\_112](http://www.legislature.state.oh.us/bills.cfm?ID=129_SB_112)
- SB189**      **HEALTH CARE COMPACT** (GRENDLELL T) To join the Health Care Compact.  
*Current Status:* 6/21/2011 - Referred to Committee Senate Insurance, Commerce & Labor  
*More Information:* [http://www.legislature.state.oh.us/bills.cfm?ID=129\\_SB\\_189](http://www.legislature.state.oh.us/bills.cfm?ID=129_SB_189)
- SCR13**      **CONTRACEPTIVE DRUGS INCLUDE HEALTH INSURANCE** (TAVARES C) To urge the Secretary of the United States Department of Health and Human Services to include all federally approved prescription contraceptive drugs and devices in the list of women's preventive health services that must be covered by new health insurance plans.  
*Current Status:* 6/28/2011 - Referred to Committee Senate State & Local Government & Veterans Affairs

**More Information:** [http://www.legislature.state.oh.us/res.cfm?ID=129\\_SCR\\_13](http://www.legislature.state.oh.us/res.cfm?ID=129_SCR_13)

**SJR1**

**HEALTH CARE COVERAGE (GRENDALL T)** To preserve the freedom of Ohioans to choose their health care and health care coverage.

**Current Status:** 6/22/2011 - BILL FAILED; Vote 59-39 (60 votes needed to pass)

**More Information:** [http://www.legislature.state.oh.us/res.cfm?ID=129\\_SJR\\_1](http://www.legislature.state.oh.us/res.cfm?ID=129_SJR_1)