



June 24, 2009

The Honorable Armond Budish
Ohio House of Representatives
77 South High Street, 14th Floor
Columbus, Ohio 43215

RE: OHIO EPA'S SPENDING AUTHORITY

Dear Speaker Budish,

The Ohio Chamber of Commerce, Ohio Manufacturers' Association and Ohio Chemistry Technology Council would like to take this opportunity to express concerns with the funding constraints facing Ohio EPA. Collectively, our groups represent the majority of the business, manufacturing, and chemical industry in Ohio. The proposed budget for Ohio EPA could negatively impact services the agency provides to our member companies and ultimately the economy. Further, the many Federal environmental mandates that have been placed upon Ohio cannot be deferred or ignored without grave consequences.

Ohio EPA, like the businesses our groups represent, is facing dire revenue challenges. We respectfully request that Ohio EPA's spending authority be reinstated to the "as introduced" version of HB 1. This change will give Ohio EPA the flexibility it needs to efficiently use its limited funds to address the many challenges the agency faces.

Some of these challenges include achieving current and future Federal standards, especially in the area of air quality. This is not a trivial concern, as the federal government's decision to regulate carbon dioxide emissions likely means that Ohio - more than any other state - will have to develop and implement massive plans and rules to limit carbon emissions. This is due to our dependence upon coal-fired utilities for close to 90% of our electricity supply. These carbon regulations will be layered upon current Federal standards for ozone and particulate matter levels. Should Ohio fail to make progress on these due to lack of technical personnel and support resources, the specter of Federal orders and sanctions will become real. In addition, private organizations would have the right to sue Ohio to compel compliance.

Ohio EPA has indicated that, based on the current version of the budget, they will need to eliminate approximately 200 positions. If this is the case, Ohio EPA will need **more** budgeting flexibility at its disposal to ensure that its limited resources are put to task on the most pressing

challenges facing the state. The spending authority restraints currently contained in HB 1 will exacerbate the real problem of revenue shortfalls. These problems will affect the agency's ability to process permits in a timely manner and complete US EPA required state implementation plans (SIP). The efficient review of permits and the certainty of an approved SIP are absolutely necessary components for a business seeking to operate in the state.

Additionally, the General Assembly took a courageous step in 2006 when they streamlined Ohio's air permitting process. SB 265 improved Ohio EPA's regulatory framework by creating a more predictable and transparent air permitting system. We are concerned that the budget structure for Ohio EPA that is currently in HB 1 will jeopardize these well-thought out reforms.

By removing Ohio EPA's ability to spend existing funds, the General Assembly may undermine some of the great work already done to improve the agency's operations. Therefore, we request that the Conference Committee reinstate Ohio EPA's spending authority to the "as introduced" version of HB 1.

Our organizations recognize the difficult decisions you must make in these extremely trying economic times. We appreciate the thoughtful approach you are taking when making these decisions. Please do not hesitate to contact any of us if you have questions regarding this issue.

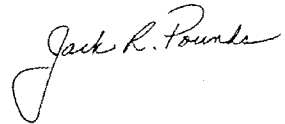
Sincerely,



Jenn Klein
Dir., Energy & Env Policy
Ohio Chamber of Commerce
Technology Council



Kevin Schmidt
Dir. of Public Policy Services
Ohio Manufacturers Association



Jack Pounds
President
Ohio Chemistry



June 24, 2009

The Honorable Bill Harris
Senate President
Ohio Senate
Statehouse
Columbus, Ohio 43215

RE: OHIO EPA'S SPENDING AUTHORITY

Dear Senate President Harris,

The Ohio Chamber of Commerce, Ohio Manufacturers' Association and Ohio Chemistry Technology Council would like to take this opportunity to express concerns with the funding constraints facing Ohio EPA. Collectively, our groups represent the majority of the business, manufacturing, and chemical industry in Ohio. The proposed budget for Ohio EPA could negatively impact services the agency provides to our member companies and ultimately the economy. Further, the many Federal environmental mandates that have been placed upon Ohio cannot be deferred or ignored without grave consequences.

Ohio EPA, like the businesses our groups represent, is facing dire revenue challenges. We respectfully request that Ohio EPA's spending authority be reinstated to the "as introduced" version of HB 1. This change will give Ohio EPA the flexibility it needs to efficiently use its limited funds to address the many challenges the agency faces.

Some of these challenges include achieving current and future Federal standards, especially in the area of air quality. This is not a trivial concern, as the federal government's decision to regulate carbon dioxide emissions likely means that Ohio - more than any other state - will have to develop and implement massive plans and rules to limit carbon emissions. This is due to our dependence upon coal-fired utilities for close to 90% of our electricity supply. These carbon regulations will be layered upon current Federal standards for ozone and particulate matter levels. Should Ohio fail to make progress on these due to lack of technical personnel and support resources, the specter of Federal orders and sanctions will become real. In addition, private organizations would have the right to sue Ohio to compel compliance.

Ohio EPA has indicated that, based on the current version of the budget, they will need to eliminate approximately 200 positions. If this is the case, Ohio EPA will need **more** budgeting flexibility at its disposal to ensure that its limited resources are put to task on the most pressing

challenges facing the state. The spending authority restraints currently contained in HB 1 will exacerbate the real problem of revenue shortfalls. These problems will affect the agency's ability to process permits in a timely manner and complete US EPA required state implementation plans (SIP). The efficient review of permits and the certainty of an approved SIP are absolutely necessary components for a business seeking to operate in the state.

Additionally, the General Assembly took a courageous step in 2006 when they streamlined Ohio's air permitting process. SB 265 improved Ohio EPA's regulatory framework by creating a more predictable and transparent air permitting system. We are concerned that the budget structure for Ohio EPA that is currently in HB 1 will jeopardize these well-thought out reforms.

By removing Ohio EPA's ability to spend existing funds, the General Assembly may undermine some of the great work already done to improve the agency's operations. Therefore, we request that the Conference Committee reinstate Ohio EPA's spending authority to the "as introduced" version of HB 1.

Our organizations recognize the difficult decisions you must make in these extremely trying economic times. We appreciate the thoughtful approach you are taking when making these decisions. Please do not hesitate to contact any of us if you have questions regarding this issue.

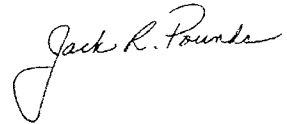
Sincerely,



Jenn Klein
Dir., Energy & Env Policy
Ohio Chamber of Commerce
Technology Council



Kevin Schmidt
Dir. of Public Policy Services
Ohio Manufacturers Association



Jack Pounds
President
Ohio Chemistry