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OHIO

House Energy & Natural Resources Committee

House Bill 6 - Opponent Testimony

Micah Derry – State Director

May 8, 2019

Chairman Vitale, Vice Chair Kick, Ranking Member Denson, and members of the committee, thank you for the opportunity to offer testimony today on House Bill 6. My name is Micah Derry, and I am the State Director of Americans for Prosperity – Ohio. Our organization is dedicated to breaking internal and external barriers that stand in the way of people realizing their full potential. Removing these barriers, in whatever forms they take, helps move our society toward one of mutual benefit, where people succeed by helping others improve their lives and transform their communities.

AFP-OH opposes HB 6. We appreciated the opportunity to voice our opposition on April 23 to the subcommittee and had originally intended to leave our testifying at that. But we had also been more optimistic that the testimony of such a broad coalition would have resulted in a more earnest attempt to change the bill.

We remain opposed to the sub-bill. This should not be a surprise. We have opposed similar legislation with similar aims in the past, although those bills were structured differently than this bill. The subcommittee and this full committee have received submissions of testimony from PhD economists, think tanks of varying philosophies, business interests, business owners, and stakeholders that stand to be impacted by Sub HB 6.

I will not seek to reiterate their points, but rather examine the public perception of HB 6 and the damage this bill will have on the credibility of the Ohio General Assembly, should the bill pass.

Perception

Dr. Ned Hill from Ohio State University put a fine point on the public perception of this bill. “If it looks like a duck, waddles like a duck, quacks like a duck, let’s just be honest and call it a duck.”

Recognizing that the sponsors of the HB 6 vehemently deny that it is a “bailout”, with all due respect, they are wrong. We can use language like, “incentives and economic development

packages” if that’s what we feel like we need to do to make ourselves feel better, but in the plain-spoken language most Ohioans prefer to use, HB 6 is corporate welfare, it is cronyism on full display; in other words, a bailout.

There are obvious reasons that the average Ohioan would have this feeling. Whether the so-called “Clean Air Act” benefits other companies down the road or not, I have not heard a single person dispute who benefits now. The *Cleveland Plain Dealer* reported on April 16th that since 2017, First Energy and First Energy Solutions have invested \$1.2M in campaign contributions and \$2.7M on lobbying and public relations efforts. First Energy or its subsidiary stand to benefit to the tune of \$150M in the first year alone should Sub HB 6 become law.

I want to be clear. I do not stand before this committee to make accusations. I am standing here today as a representative of a grassroots organization to explain why people across our state view this as a “bailout”.

Damage

Passing House Bill 6 is radioactive for the perception the public already has of this legislative body.

Pew Research has tracked public trust in government from 1958 through 2019. Today we stand at an all-time low.

Only 17% of people trust the government to do what is right.

Only 3% trust the government to *always* do what is right.

Only 14% trust the government to *mostly* do what is right.

This isn’t particularly surprising, considering the McClatchy-Marist poll in December of 2016 showed the same number of Americans, only 14%, believe that “everyone more or less plays by the same rules”. Contrast this with the 83% of Americans who believe “there are different rules for the well-connected and people with money.”

The exclamation mark in this mentality comes from the Reuters/Ipsos National Election Day poll that found 73% agree that “the economy is rigged to advantage the rich and powerful.”

Especially in light of the incredible amounts of money First Energy and First Energy Solutions have spent on campaign contributions and lobbying efforts, everyday working Ohioans are astounded to see them make a glowing return on their investment.

Their ROI, if HB 6 were passed, would be over 3,000%. Let that sink in for a second, and think about the average person, or a small business owner might think when they hear that information. Surely one thought that would cross their mind would be that it’s a better deal than the government has ever offered them.

Passing this legislation, to take money out of the bank accounts of working Ohioans, only to put their cash in the hands of a company that has spent most of this millennium as a Fortune 200 company, will only serve to reinforce this degradation of public opinion and trust in the institution of government.

In closing, I am blessed with the great fortune of running the Ohio operations for an organization that appeals to activists by ignoring party lines and working toward the goal of a free and open society. Our activists come to us because they share our belief that free people are capable of extraordinary things.

As these people, your constituents, gather together to work with us on the issues impacting them, there is a shared concern among them in the rise of what is popularly being called socialism. I've learned a lot by listening to our folks discussing their hopes, dreams, and fears. Many of them have observed that the rise in popularity for socialism has come from a failure of our leaders to consistently present a better model of free enterprise.

Make no mistake, House Bill 6 of the 133rd General Assembly is an epitome of the policies that have led hundreds of thousands of students on university campuses across the United States to believe that capitalism is a fraud, a fake, and a failure. It is because they have been told, and observed, that such cronyism and corporate welfare is actually capitalism, and because they see the inherent unfairness of a system which, in the words of Bastiat, practices "legal plunder" to enrich the wealthy, but tells the middle class it is for their own good.

Though more clever in its disguise than past iterations, Sub House Bill 6 is, at its core, corporate welfare – a bailout. Because it is, I must call it as much, and that is why AFP – Ohio opposes this legislation.

Thank you to the chairman and members of the committee for allowing me to share my thoughts with you today. I'm happy to answer any questions you might have at this time.

Our Mission: Americans for Prosperity exists to recruit, educate, and mobilize citizens in support of the policies and goals of a free society at the local, state and federal level, helping every American live their dream – especially the least fortunate