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DeWine Should Leverage Ohio's Natural Gas, Location

By Matt A. Mayer

Another month, another mediocre job report. In the past 8.5 years, Ohio's private sector has gotten weaker and weaker each passing year. From a high of netting 94,200 private sector jobs in 2011 to just 2,600 through the first six months of 2019, Ohio's net percentage private sector job growth ranks 50th out of the 50 states and the District of Columbia. It really can't get much worse.

So, what should Gov. Mike DeWine do to turn things around? He should do exactly opposite of what his predecessor, John Kasich, did for eight years; namely, Gov. Kasich spent eight years denigrating Ohio's natural gas energy entrepreneurs and threatening them and every manufacturing company reliant upon natural gas with higher taxes.

Kasich's zeal to hike the severance tax was about as counterproductive as a selling point could be for Ohio to lure companies with high natural gas use to relocate or stay here.

Think about it. In the past decade, Ohio, along with Pennsylvania and West Virginia, accounted for 85% of the growth of natural gas production in the entire United States. If those three states formed their own country, it would be the third-largest natural gas producer behind only Russia and the rest of America. Because of that enormous boost in production, natural gas prices are lower today than those prices were more than 30 years ago without even adjusting for inflation. There truly is no better place in America to build a manufacturing facility than in eastern Ohio where access to inexpensive natural gas is literally under one's feet.

Lightning doesn't strike twice usually, but for Ohio it has. Specifically, over a hundred years ago, Ohio became the manufacturing giant it was through the 1980s because of John D. Rockefeller's leveraging of the location of the first oil deposits in America. It wasn't coincidence that the automotive, steel, tire, glass and other heavy manufacturing industries arose in Michigan, Ohio and Pennsylvania. It was the access to inexpensive energy to build cars and other products that created Lordstown, Moraine, Youngstown, Canton, Toledo and Cleveland.

With Ohio's deposits of natural gas accessible due to hydraulic fracturing and horizontal drilling, Ohio has a second bite at the apple to lead a rebirth of manufacturing in America, especially with President Donald Trump's aggressive trade policies and his defense of American workers and their companies. America is becoming greater and stronger under President Trump, yet Ohio lags behind other states because of the legacy of Gov. Kasich's self-defeating policies.

Ohio also has a second massive benefit for every manufacturer who understands the competitive advantage of locating close to inexpensive natural gas. Those companies would be located within 500 miles of roughly half their domestic customers, with easy transit options along the I-70, I-77, I-71, I-75, and I-80/I-90 corridors, as well as via Rickenbacker Airport's growing air transport facilities. Few states have the one-two punch combination that Ohio possesses, yet heretofore our political leaders haven't thrown enough of those punches.

Gov. DeWine can and should fix that failure today. He should channel former Gov. James A. Rhodes, who constantly shouted from the mountaintops how great Ohio was and went far and wide, including to Japan, to attract businesses to Ohio. Those efforts resulted in Honda of America establishing a large manufacturing presence in Ohio that has only gotten bigger in the past 40 years. Tens of thousands of Ohioans owe their prosperity to Gov. Rhodes' efforts.

DeWine and his team should start an initiative aimed at gathering the key facts, developing the right policies to leverage Ohio's natural gas even more, putting together the strongest business case and public relations packages and doing what Rhodes did during his tenure and go across America and around the world promoting Ohio's one-two punch of access to inexpensive energy and close proximity to the greatest consumer market in the world.

For eight years, Ohio policymakers squandered the amazing opportunity its energy entrepreneurs placed at their feet, thereby rendering Ohio a laggard among the states.

DeWine must not let another minute pass before reversing course and becoming the governor who made Ohio great again and a leader among the states.

By leveraging Ohio's natural gas and ideal location, he can seal his legacy alongside Rhodes as one of Ohio's greatest governors.

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