

Pro-HB 6 Ad Raises Specter of China

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By Marty Schladen

An ominous ad suggesting that China is trying to take over Ohio power generation and meddle in Ohio elections is hitting the airwaves across the state. But the group behind the commercial offered no evidence that such a plot exists.

“Ohio Power” is a minute-long spot decrying the effort to repeal House Bill 6 — a \$150-million-a-year ratepayer bailout of FirstEnergy Solutions’ Davis-Besse and Perry nuclear power plants in northern Ohio. It’s goal is to persuade Ohio voters to avoid signing petition forms required to get a proposed repeal on the ballot.

WHERE TO SEE IT: The ad is part of a \$724,000 buy on broadcast television, \$316,000 on cable and \$117,000 on radio, according to Columbus-based Medium Buying.

VIDEO: It opens with scenes of a car on an assembly line, an empty warehouse and a row of fluorescent lights being turned off. That’s followed by a long shot of a Chinese government building, a shot of Chinese President Xi Jinping holding up a triumphal fist and ranks of Chinese officials applauding him, then close shots of Ohioans with somber faces, more shots of Xi, Chinese flags and officials, followed by black-and-white photos of faceless petition circulators. The ad closes with color video of more somber Ohioans and an empty warehouse.

SCRIPT: “They took our manufacturing jobs. They shuttered our factories. Now, they’re coming for our energy jobs. The Chinese government is quietly invading our American electric grid ... intertwining themselves financially in our energy infrastructure. Now, a special interest group ... boosting Chinese financial interest ... is targeting Ohio’s energy ... taking Ohio money ... exporting Ohio jobs ... even risking our national security. They’re meddling in our elections.

“In the coming weeks, you may be approached on the street or at your door to sign a petition to defund U.S. jobs and energy. They will ask for your name ... your address ... your signature. Tell them ‘no.’ Don’t sign your name to a plan that kills Ohio jobs, harms Ohio communities and endangers our energy independence. China turned off the power on Ohio manufacturing ... don’t let them do it to you. Don’t sign the petition allowing China to control Ohio’s power.”

Analysis: The over-the-top spot is an opening salvo in the next phase of the war over a bailout worth almost \$1.2 billion over six years. Carlo LoParo, spokesman for the pro-bailout group Ohioans for Energy Security, said Tuesday that if the group fighting the bailout succeeds in getting an initiative onto the 2020 ballot that could reverse it, it’s “very likely” that the nuclear plants will close.

LoParo — and the ad — say the reversal efforts are part of a plot by the Chinese government to take control of Ohio power generation and commit other bad acts. But what evidence do they have? It’s scant.

LoParo submitted items from Power Finance & Risk, a website covering the power industry in the Americas. One, from Jan. 30, was related to financing for a project to build a natural gas generating station in Lordstown by Macquarie Infrastructure Partners, Siemens Financial Services and Clean

Energy Future. That last company is runs by Bill Siderewicz, who also is involved with the anti-bailout effort, Ohioans Against Corporate Bailouts.

The news item said a \$534.4 million loan for the project was being put together by a group of banks led by Credit Agricole of France and the Industrial and Commercial Bank of China, which is controlled by the state. LoParo said he didn't know how much of the Chinese bank's money was going into the project.

But that project was cancelled. As The Dispatch reported last week, Siderewicz pulled the plug on the project because of the passage of the nuclear bailout.

Some gas-generation projects related to Siderewicz in Ohio have been financed in part by the Chinese bank. But there's an important difference between financing a project and investing in one. In the first instance, the bank acts as a lender. In the second, the company becomes part owner.

LoParo provided no evidence that the Chinese intend to play a role in a possible repeal of House Bill 6.

"It's a ridiculously wrong statement to distract voters from the penalties this bill (will inflict) on Ohio consumers," said Gene Pierce, spokesman for Ohioans Against Corporate Bailouts.

One problem with discerning the motives of the two groups around the legislation signed last month by Gov. Mike DeWine is that as limited-liability corporations, neither has to say who is giving them money, and both are refusing to do so.

"We're not going to get distracted," Pierce said. "We'll make our filings."

Similarly, FirstEnergy Solutions is in bankruptcy after receiving \$10.2 billion in state subsidies since 1999, but supporters of the bailout won't say who's financing the current \$1 million ad campaign.

A spokesman for DeWine said he had no comment on the ad or its secret financing.

House Speaker Larry Householder, R-Glenford, was perhaps the biggest supporter of the bailout and on Tuesday he seemed to support the ad as well.

"We continue to be concerned about increased foreign ownership of America's critical infrastructure and the potential threat it poses to our national security, energy security and public safety," said his spokeswoman, Gail Crawley.

Another backer, Senate President Larry Obhof, R-Medina, said he favored the bill because it saved jobs. "That's the right public policy for the people of Ohio, regardless of whatever messaging either side uses on the campaign trail," he said in an email.