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ACT is a division of The West Virginia State Building and Construction Trades Council, AFL-CIO. Steve Burton, President; Dave Efaw, Secretary-Treasurer; Steve White, Director.

Charleston - (304) 345-7570
Toll Free - (800) 930-9675
www.actwv.org



Inside

Beckley Protest	Pg. 2
Hospital	Pg. 2
Amazon.com	Pg. 3
Labor History	Pg. 3
Wetzel County	Pg. 4
Union Trades	Pg. 4

PIPELINE PROJECTS BOOMING

Pipeline projects related to the Marcellus Shale are creating good paying jobs for around 600 local union workers.

Marcellus Shale projects have been controversial because of the many out-of-state companies and workers used.

But on pipeline projects local workers are currently experiencing the positive impact of Marcellus Shale activity.

Dozens of pipeline projects, mostly in the northern part of the state, are currently employing hundreds of workers.

According to one estimate there are "30-40 projects going that represent around 250 miles of pipe."

The majority of these projects are being done with

skilled local union workers.

"We are very competitive in the pipeline market," said Gary Tillis, Business Manager of the Appalachian Laborers District Council. "Especially for transmission pipelines."

According to Tillis the industry is made up of three sectors – production, transmission and distribution.

Production, also called gathering, takes gas from the well site to a processing facility or another gathering line.

Transmission is the largest diameter lines that move gas long distances.

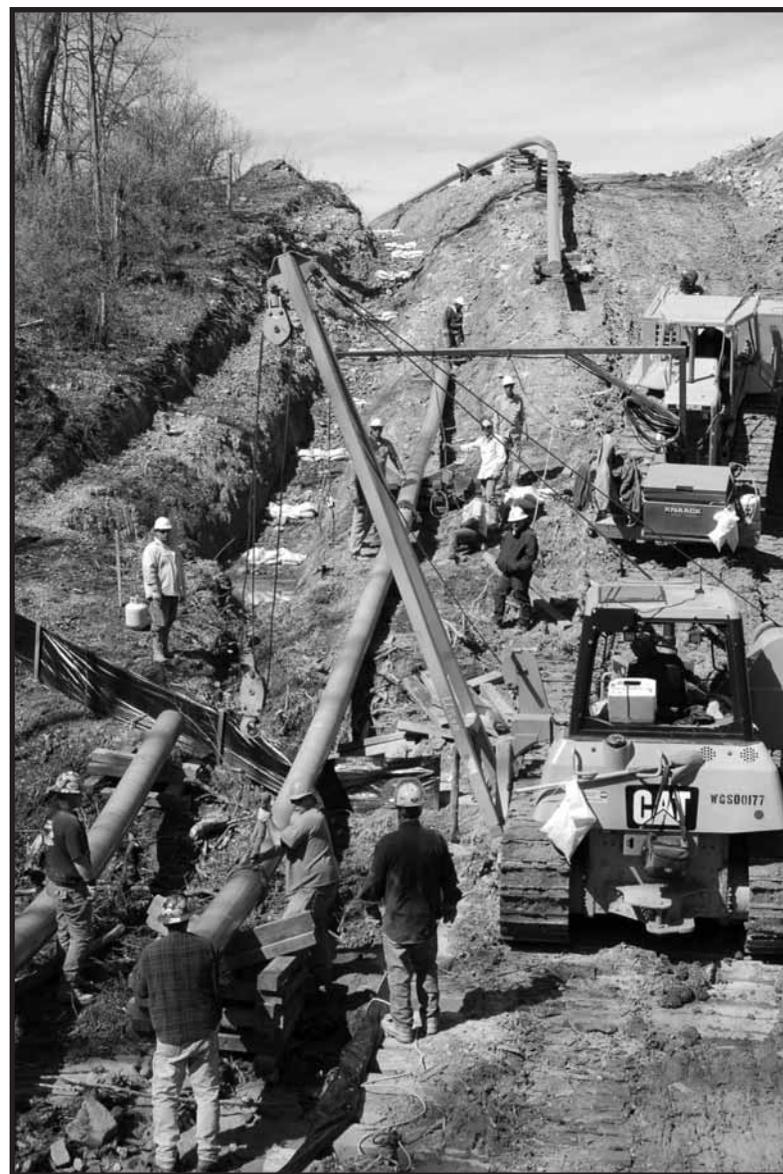
Distribution lines are the smallest and take gas to the customer.

Competition is tough with many new players trying to break into the market.

And the crafts have staged

Continued on p. 3

THIS PIPELINE PROJECT in Harrison County is being done by Contractors Rental Inc., of Huntington, WV, with union construction workers. It is one of many pipeline projects using local union workers in Marcellus Shale related work.



\$85 MILLION AND STILL COUNTING

MORE ON MACY'S INCENTIVES

ACT research has uncovered more details about state and county incentives used to lure Macy's to build their regional distribution center in Berkeley County.

Through extensive Freedom of Information requests ACT has pieced together funding from seven different public sources.

Macy's is building the 1.3 million square foot facility with an out-of-state contractor, H & M Construction based in Tennessee.

A Memorandum of Understanding (MOU) dated De-

ember 10, 2010 and signed by state and local development office officials outlines many of the incentives.

The largest tax break is already part of the state tax code and is called the Economic Opportunity Tax Credit.

According to the MOU "the company will be eligible to receive a tax credit from the state of West Virginia of up to \$45.5 million."

Another incentive is a \$5 million forgivable loan to be used for site preparation.

The state committed the loan on behalf of the West Virginia Infrastructure and Jobs Development Coun-

cil's Economic Development Bond Fund.

The Fund loaned the money to the Berkeley County Development Authority who then used the funds to reimburse Macy's for site work.

Because of this indirect funding, laws on open competitive bidding and state prevailing wage laws were determined not to apply.

Charles DeWeese Construction Inc., from Kentucky is doing the site work.

In addition the WV Division of Highways Industrial Access Road program was pledged to provide \$800,000.

The Governor's Guar-

anteed Workforce Program was committed for up to \$2 million for new employee training.

The Community and Technical College System also dedicated up to \$500,000 for new employee training.

Recent legislation provides for a sales tax break for the \$60 million worth of material handling equipment which means another \$3.6 million break.

The state Economic Development Authority approved the issuance of a \$176 million taxable bond for the company during their May meeting.

Continued on p. 2

BECKLEY BIG PROJECT DRAWS PROTEST

A long awaited Beckley Inter-modal Gateway project has turned sour for local construction workers.

Workers protested during the week of May 16 at the downtown project site because out-of-state contractors were importing workers.

Called the BIG Project the \$25 million venture includes a terminal for local and regional bus lines, a 300 car parking garage and a public event area, all on 4.5 acres.

\$20 million of the funding comes from a Federal Transit Administration grant.

The city's 20 percent funding match came from \$2.3 million in land value and \$2.7 million in Department of Transportation revenue

credits.

According to ACT Representative Wayne Rebich, National Erectors Inc., from Lumberton, NC and United Forming Inc. from Austell, GA are currently performing work at the site.

"Local construction workers need this work," said Rebich.

"It's unfair to bring in people when we are faced with severe unemployment."

The protest was met with positive public response.

Local media conducted an online poll asking the public how they felt.

The May 16 online poll results to the question: Should cities be required to use local contractors for construction projects? Yes: 81.1%; No: 18.9%.

WORKERS GET BACK PAY AT HOSPITAL JOB

Six workers will receive more than \$21,000 in back pay after an investigation turned up pay and classification issues at a Huntington Veterans Hospital project.

The workers were employed by Dennis R. Mills Contractor Inc.

Mills was low bidder late last year on a federally-funded renovation project at around \$1 million.

However his bid was significantly below the next bidder, a union company called Morrisons Plumbing Inc. of

Barboursville.

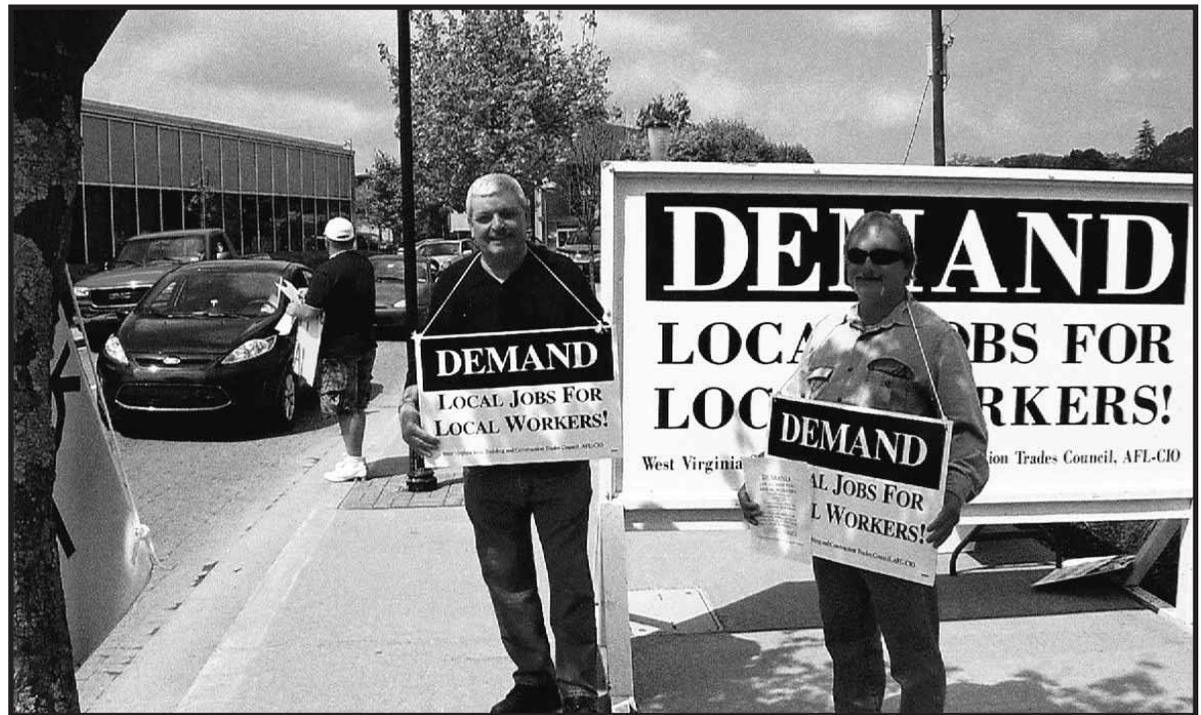
Randall May, Organizer for Carpenters Local 302, thought the bid difference was suspicious so he began an investigation.

After visiting the site and talking to workers in the weeks that followed May found a number of wage payment violations.

Some workers were getting as little as \$10 per hour, well below the required rate.

May helped the workers file complaints with the VA and the US Department of Labor.

According to May things *Continued on p. 4*



LETTING THE PUBLIC know about the lack of local construction hiring at the Beckley BIG project are Rick Barker, (left) Business Manager for Iron Workers Local 301 and Ronnie "Hacksaw" Smith, Organizer for Local 301.

MACY'S

CONTINUED FROM P. 1

But the financial impact of the move is unclear since the state has no financial obligation.

The second largest piece of funding identified so far came from the Berkeley County Commission in the form of a property tax deal.

Called a PILOT program, Payment in Lieu of Taxes, the state takes ownership of the project, at least on paper, making it state property which is not subject to property taxes.

Then a payment by the company is made that is less than they would have paid if the property was on the tax rolls.

In a report prepared for ACT, by a property tax expert, the value of the 15 year PILOT deal is \$27.9 million.

Without the property tax deal the county school system would have received around

\$2 million per year.

What if anything will now go to the schools is unclear.

The Berkeley County Board of Education said they had no discussion or action on any of the tax matters regarding Macy's.

Matthew McComas, ACT Representative for the area, has been gathering documents and trying to find out if sub-contractors have been selected for the project.

"I've asked them (H&M) a dozen times for a sub list or if they have packages where they are looking for subs – each time they just give me the run around," he said.

One part of the deal ACT is still working on unraveling is the tax break already in State code that eliminates any sales tax for any items shipped out of state.

The Freeport provision was put in place in 1987 and exempts inventory of warehoused goods that are temporarily stored in the State and

awaiting delivery outside of the State.

Warehoused goods sold for a point of delivery in the State remain taxable, however goods sold for delivery to a destination outside of the State are exempt from taxation.

The value of this existing tax code to Macy's is unknown.

For what has been discovered so far there are more than \$85 million in tax breaks, forgivable loans, and outright payments to Macy's from state and local taxpayers.

"We found lots of paper and details about what Macy's would get – but there was absolutely nothing about local construction workers or contractors discussed by state or local development officials," said McComas.

"We are not against a deal, we just want to know why, for this project, there is no consideration for local construction workers or contractors."

CONTRACTORS AT AMAZON.COM PROJECT DON'T HIRE LOCAL CONSTRUCTION WORKERS

Trades members protested at an Amazon.Com office project in Huntington on Friday, June 10.

They were upset that contractors on the project are from Georgia, North Carolina and Louisville, Kentucky instead of locally.

Amazon announced the project to much fanfare in April promising to bring 200 jobs to the area.

It is building a 70,000-square-foot customer service center at Kinetic Park.

Flanigan Real Estate Resources Inc. (FRE) of Cincinnati, OH is acting as developer and construction manager according to Mark Johnson, organizer for the Tri-State Building Trades Council.

“So far they [FRE] have brought in T & M Tilt-Up from Bethlehem, GA, R & R plumbing from Richmond, KY, and Amteck an electrical contractor from Lexington, KY,” said Johnson.

“But local workers and contractor’s right here are more than capable of doing this work competitively.”

Around 40 workers from area crafts participated in the event and got a very positive response from the public.

“Public support was great,” said Keith Hoskins, President and Business Agent, Pipefitters Local 521.

“We have tried to get bidding opportunities for local companies but apparently Amazon does not care.”

According to Johnson the

protest was set to continue every day, “for at least the next week.”



PROTESTING LOST CONSTRUCTION jobs at the Amazon.com project in Huntington were around 40 local workers from a variety of crafts. The action took place on Friday, June 10 and continued the following week.

PIPELINE

CONTINUED FROM P. 1

numerous protests when out-of-state companies import their workforce.

But a number of these out-of-state companies have failed to get their projects done on time and within budget.

“They just don’t know our terrain and soil conditions,” said Joe Bowen, Organizer for the Laborers.

“These out-of-state folks don’t have the skills and experience our local workers do.”

Both the Laborers and the Operating Engineers have also made it a point of protesting the loss of job opportunities to out-of-state companies.

“We’re committed to pro-

tecting our work,” said Tom Plymale, Business Manager for Operating Engineers Local 132.

The two crafts have spent many hours at public protests and pickets when gas companies award projects to unfair competition.

According to Plymale there are 11 contractors working on Marcellus Shale related pipeline projects.

Both crafts estimate around 500 members of the Operators and Laborers working on these projects in total.

In addition welders from Pipeliners Union 798, who are not affiliated with the State Building Trades, are involved.

“We certainly don’t have all the work, but we do have a lot of members working,” said Plymale.

WV LABOR HISTORY CONTEST



ACT’S WAYNE REBICH (left) and IBEW Local 466 representative John Boyd present checks to Jenna Clements (left) and Bonita Sink.

Clements is a student and Sink her teacher at Princeton Senior High in Mercer County.

Both are winners in last year’s WV Labor History Week poster competition.

The event is the idea of the recently formed West Virginia Labor History Week Coalition, a group of educators and labor organizations.

The group formed after the Legislature designated the first week of each September as Labor History Week.

The contest provided prizes of up to \$150 to students and teachers in Elementary, Middle and High School categories for the best Labor History poster.

More than 250 posters were submitted and judged by a panel of experts put together by the Coalition.

Prize money was donated by the North Central Labor Council and the West Virginia State Building Trades Council.

WETZEL COUNTY COMMISSION MEMBERS SUPPORT OF LOCAL WORKERS PRAISED

Upper Ohio Valley Building Trades representative made it a matter of public record that they appreciate the support of Wetzel County Commissioners on the issue of local jobs.

At the June 7 County Commission meeting Tom Gray, President of the Trades Council spoke to Commission members and praised them for their stance at a May meeting over local jobs.

Apparently a construction firm from Alabama had contacted the local county exten-

sion agent and asked what the local attitudes were towards nonunion workers.

The company was considering moving into the area.

"I would have to say the attitude in Wetzel County is pro-union," said the commission President Donald Mason. "We definitely want them to hire local people."

Neither the project nor the name of the Alabama firm was disclosed but many believe the work is related to the booming Marcellus Shale gas discovery.

Trades workers have staged a number of protests in the area about the huge influx

of out-of-state companies and workers related to Marcellus Shale projects.

"We thanked the Commissioners for standing up for local workers," said Gray.

"And we had a good discussion about the many local skilled workers in the community that are well qualified to do the construction work needed for Marcellus projects."

Gray was joined by a number of Trades representatives from various crafts who also praised the Commissioners.

"We have a lot of members who live in Wetzel County and have made a living for

their families by providing construction services to plants in the area," said Gray.

The Alabama Company had implied they wanted to 'bring construction jobs' to the area but ACT's Fuzz LaRue had a different interpretation.

"They want to take our jobs by importing low wage workers to undercut our living standards," said LaRue.

"The gas is here, the work is here – if a company from Alabama want to build a project they should hire local workers."

ACT Foundation
600 Leon Sullivan Way
Charleston, WV 25301
(304) 345-7570

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TOM GRAY FROM the Upper Ohio Valley Building Trades (standing) addresses the Wetzel County Commissioners (from left) Scott Lemley, Robert Gorby, and Donald Mason, at their June 7 meeting. Gray praised the Commissioners for supporting local construction workers at a recent meeting.

HOSPITAL

CONTINUED FROM P. 2

moved slow until a compliance officer with the VA from Tennessee got involved and

understood the situation.

"I explained it was not a union or nonunion issue," said May.

"These men were simply not being paid what the con-

tractor was supposed to pay."

Ultimately Mills left the job and the VA is looking for a replacement.

To date the workers have received \$13,000 in back pay

and will get the \$8,000 in a future payment.

"One worker ended up joining Carpenter Local 302," said May.

"Hopefully the second

place bidder will get a chance to finish the job, you have to wonder if they lost the bid because they planned to pay the correct wage and the other company did not."

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toll free 1 888 524-1421

600 Leon Sullivan Way, Suite 101
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(304) 344-0194 fax 344-0195
toll free 1 877 593-6093

reception@uniontradesfcu.com