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The ACT Foundation is a division of The West Virginia State Building and Construction Trades Council. Steve Burton, President; Roy Smith, Secretary-Treasurer; Steve White, Director.

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



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Gov. MANCHIN COMBATS UNDERGROUND ECONOMY Unauthorized Worker Bill Passes State Senate, On To House

A bill to increase penalties for companies who hire unauthorized workers passed the Senate without trouble on February 6.

The bill is similar to one proposed last year by legislators from the Northern Panhandle and it is those same legislators who are leading the way again.

S.B. 70 would increase penalties to those who hire unauthorized workers with penalties up to \$10,000, loss of licenses and jail time.

The bill also gives the Division of Labor authority to validate workers identification through other state agencies like

the Department of Motor Vehicles and Bureau of Employment Programs. Validation is needed to counter fake ID's that are often used.

Last year the bill only applied to contractors but this year it applies to all employers. That's because Governor Joe Manchin agreed to beef up the Division of Labor with five new positions aimed at combating the underground economy.

He announced his plans during his State-of-the-State address.

Sen. Andy McKenzie (R-Ohio) crafted the new legislation along with Sen. Jeff Kessler (D-Marshall), Chairman of the Senate Judiciary Committee.

The Homebuilders Associa-

tion and WV Contractors Association both fought the bill last year and were able to stop it in the House. Both have signed off on this years version.

The change in House Leadership means the bill has an excellent chance of passing. It is now before the House Judiciary Committee.

H.B. 2893 is a stronger version of the bill where Del. Orphy Klempa (D-Ohio) is lead sponsor.

Another bill aimed at companies that hire unauthorized workers is S.B. 468. It gives the Division of Labor authority to issue a cease and desist order to a contractor or sub-contractor who has unauthorized workers, adds penalties up to \$5000

and permanent revocation of a contractors license. The stiff language is another revision of the Northern Panhandles bill last year.

"We had a contractor hide behind his sub with illegal workers and there was nothing anyone could do," said Klempa. "This bill will fix that."

ACT produced and aired a half hour television show about the underground economy last year. The show documented how imported and undocumented workers are used as cheap labor in the state.

It also exposed labor brokers who import cheap labor into the state costing the state hundreds of jobs and millions in lost tax revenue.

2007 Legislative Session Roundup

Having two new legislators from the building trades, Orphy Klempa (D-Ohio) and Dan Poling (D-Wood) means more proposed legislation for the construction industry.

Klempa is leading the way on H.B. 2945 which would allow a tax credit for companies hiring apprentices.

Work force training is a hot topic, but until now most legislators didn't really understand apprenticeship.

The bill would give companies a \$4 per hour tax credit when hiring apprentices registered in a Federally approved Bureau of Apprenticeship and Training program. The proposed credit can not exceed \$5000 per worker.

Connecticut has a similar law. Poling is lead sponsor of a bill

to require sanitary facilities at construction projects.

Project must cost at least \$5

million before the requirement would be in effect.

The bill has been drafted and

sponsors lined up but does not yet have a number.

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DELEGATES Orphy Klempa (right) (D-Ohio) and Dan Poling (D-Wood) are union building trades members in the House of Delegates this year. They are working together to make sure their local constituents plus construction workers voices are heard at the legislature.

RON THOMPSON'S LABOR VOTING RECORD 45%

"No Show"

Delegate Fired!

The West Virginia Legislature declared vacant the seat of Delegate Ron Thompson on February 8.

The action followed an 11-month absence from legislative duties by the Raleigh County Democrat.

Thompson failed to take his scheduled and required oath of office on the floor of the House at the beginning of the 78th Legislature on January 10, and has not participated in any legislative work since the 2006 session ended in March.

Just prior to the start of the current session, the ACT Foundation made issue of Thompson's absence.

ACT gave state officials a 30-day notice of its intent to sue to stop Thompson from receiving his pay.

ACT noted the inequity of an elected official having a "no show" job, while taxpayers have to work for their money.

Legislative leaders tried several unsuccessful efforts to contact Thompson or schedule his appearance at the Legislature.

The House Rules Committee gave Thompson until January 25 to appear in the House Chamber and take his oath of office.

Speculation and rumor about the cause of Thompson's failure to show up were fueled by a report that Thompson had phoned and written House Speaker Rick Thompson (D-Wayne), no relation, saying he was suffering from an undisclosed medical problem as explanation for the absence.

Thompson apparently asked

for and received an extension of the deadline till February 5.

When he did not show on the 5th the Rules Committee announced they would take action to remove him from office on the 8th unless Thompson showed up in person to explain his absence.

Under the state constitution the House has sole authority to remove elected officials.

Thompson is not the only example of a "no show" legislator.

Last year, Del. Joe Ferrell (D-Logan), received his \$15,000 legislative salary even though he did not show up for the entire Legislative session or any other work sessions such as monthly Interim meetings.

Since Ferrell did not seek reelection, his absence has not drawn as much attention as Thompson's.

Thompson served for 12 years as a delegate. His WV AFL-CIO voting record was 19 right, 23 wrong votes.

"Our members have to show up to get paid, elected officials should be no different," said Steve White, ACT Director.

"And the citizens of Raleigh and Summers County deserve to have their full slate of Delegates at the legislature. The House did the right thing."

Thompson was the first elected officer removed from office since the Civil War.

The Democratic Executive Committee of Raleigh County will submit three names for consideration to Governor Joe Manchin.

Manchin will select one of the three to fill Thompson's two-year term, which ends in 2008.

Contractor Association Attacks Health Care Bill

For the third year in a row the Contractors Association of WV has lined up legislators to kill a health care bill proposed by the Trades.

H.B. 2438 would make contractors

prove their employees have health care before the contractor would be able to bid tax funded projects.

With rising health care costs a concern, the bill attempts to

make sure money already set aside for health care actually goes there.

Prevailing wage laws provide

ily still might show up at the hospital without insurance.

Hospitals claim treating patients without insurance is one of the leading factors to rising costs.

Del. John Pino (D-Fayette) and Del. Sam Cann (D-Harrison) led the charge for the Contractors Association

"AT LEAST DELEGATE PINO HAD TO COME OUT AND FIGHT IN THE OPEN THIS YEAR," SCOTT BREWER, BUSINESS REPRESENTATIVE, MID-ATLANTIC REGIONAL COUNCIL OF CARPENTERS

money for benefits in public works contracts.

If a contractor does not have a health plan their workers must get the money on their check, but they or someone in their fam-

during a House Health Committee vote held on January 31.

The vote ended up tied which meant the bill could not advance.

"At least Delegate Pino had to
Continued on p. 4

Plumber, Sprinkler Fitter Licensing Bill Possible

A bill to require plumbers and sprinkler fitters to be licensed is seeing new life this year.

The bill was first proposed in 2004 but ran into opposition from a variety of contractor groups. In 2005 proponents learned they must follow a new 'Sunrise' procedure before the legislature would consider any licensing bill.

So for the next year and a half the ACT Foundation put together a lengthy application and followed the process through the review process.

A legislative staff review yielded mixed reviews.

They acknowledged the standards and laws already in place in about half the states in the country.

However, reviewers wanted data about fatalities and damage due to unlicensed workers.

"Its pretty clear having properly installed plumbing is a health issue", said Tim Jividan, representative of the WV State Pipe Trades.

Having professional standards, making sure mechanics understand code, being able to regulate people coming into WV who perform plumbing, and making it easier for West Virginians who have a license to work in other licensing states were all valid reasons for the measure.

If the legislative staff didn't get it, the Joint Committee on Government Organizations did.

Two legislators, Del. Sam Argento (D-Nicholas) and Del. Craig Blair (R-Berkeley), understood the problems and rose to support the licensing effort. The

result was a licensing bill recommended by both the House, H.B. 2747 and Senate, S.B. 356.

Since the start of the 2007 session negotiations have been ongoing with a number of groups who have concerns about the bill.

Clarification about maintenance work, utility and water treatment plants, and processed piping have all been addressed.

"Only your basic plumbing and sprinkler work will be covered, we've agreed to make sure water pipelines and HVAC systems are not in the bill," said Jividan.

If passed the bill would provide for a grandfather period allowing anyone who has plumbing or sprinkler fitting experience to get a license.

An annual licensing fee would be required and after the grandfather period expires a test would also be needed for new licenses.

LONGVIEW AND BEECH RIDGE**Two Power Projects Make PSC Progress**

Two major energy projects recently received favorable results at the West Virginia Public Service Commission (PSC).

Longview Power LLC, a 695 megawatt coal-fired electric generating plant slated for construction in Monongalia County, and Beech Ridge Energy LLC, a 124-turbine windmill project proposed for Greenbrier County each received good news at the PSC in January.

In the case of Longview, additional PSC consideration became necessary when the project developer asked permission to increase the plant production capacity from 600 to 695 megawatts.

Longview applied for a ruling to confirm that the change was minor. In a hearing held at the PSC on January 24, the PSC staff agreed with Longview.

If the adjustment constitutes a "material change" in the project's underlying certificate, new hearings and a lengthy re-application process would have followed.

"The primary question of whether or not a 'material change' in the Longview project has occurred is the issue the PSC will address," said Vince Trivelli, an attorney for the Affiliated Construction Trades Foundation. "With the PSC staff in support, a favorable ruling is very likely."

In the Beech Ridge Energy case, project developers received good news on January 11 when the PSC refused a request by project opponents to reconsider their previous ruling allowing construction of the wind farm.

A group calling itself Mountain Communities for Respon-

sible Energy objected to the project's appearance and expressed fears of lowered property values.

The group has till mid-February to petition the Supreme Court to appeal the PSC's ruling.

Because of the ruling, Invenergy, the Chicago-based developer, can continue its plans for construction this year of a \$300 million, 23-mile long wind farm in northern Greenbrier County.

Both the Longview project and the Beech Ridge project represent significant opportunity for building trades members in West Virginia. And both have signed commitments to use local union crafts workers to build their projects.

Union construction leaders believe energy projects will continue to provide quality jobs to state residents.

"As public monies for infrastructure projects have been reduced, the privately-funded energy sector will provide a growing percentage of the opportunity for our members," said Roy Smith of the West Virginia State Building and Construction Trades Council.

"The trend nationally is towards more and more energy production. West Virginia is no exception."

The potential of the developing wind energy industry to contribute to a growing tax base has not escaped the attention of West Virginia Governor Joe Manchin.

Legislation introduced by Manchin early this month (H.B. 2818/S.B. 441) would increase taxes paid by wind farms.

Manchin proposes to increase the amount of tax on

electricity generated from five percent to twelve percent of capacity, effective January 1, 2007.

In addition property tax rates would rise approximately 30 percent above current levels.

The bill is the result of lengthy negotiation between Governor Manchin, wind developers and the ACT Foundation.

"Governor Manchin insisted wind projects pay taxes in line with coal projects," said Smith.

"This deal achieves his goal and allows these projects, which will create good paying jobs for local construction workers, to move forward."

"GOVERNOR MANCHIN INSISTED WIND PROJECTS PAY TAXES IN LINE WITH COAL PROJECTS," ROY SMITH, WEST VIRGINIA STATE BUILDING AND CONSTRUCTION TRADES COUNCIL

Boilermakers 667, Operators 132 Team Up For Safety Class



FOURTH-YEAR BOILERMAKER Apprentices got valuable hands-on crane signaling training thanks to a cooperative effort by Boilermakers Local 667 and Operating Engineers Local 132.

Boilermaker Apprentice Coordinator Dave White held the class at the Operators training center in Medina on January 15.

Local 132's Coordinator Chuck Parker was on hand to assist.

The operators took direction from the apprentices by hand signals and working in the blind. They also used radios.

The class was the result of discussions between Boilermakers 667 Business Manager George Pinkerman and Ronnie Burdette of the Operating Engineers.

"It's a win-win situation," said Burdette. "Most accidents with cranes are the result of communications problems."

"Working together like this is long overdue," added Pinkerman. "We should always look for ways to improve our industry."

Selling Products to Defraud Drug Tests Could Soon Become Illegal in West Virginia

A bill has passed the Senate that would make the sale and use of products used to defraud a drug test illegal.

The measure, S.B. 416, was created by Senate Judiciary Committee Chairman Jeff Kessler (D-Marshall) at the request of representatives from the State Building Trades.

It is now pending before the House Judiciary Committee.

Illegal drug use is a huge problem in the nations work places. And dangerous construction job sites are no exception.

In the unionized sector, joint

Labor-Management efforts to create a drug free workplace have been in place for years.

But there will always be some who use illegal drugs and try to avoid detection.

A variety of products have sprung up, mostly on the internet,

“We’re hearing these products are out there and people are using them,” said Sam Davis, Business Manager for the Parkersburg-Marietta Building Trades.

According to a May 2005 report from Government Accountability Office (GAO) the sale of such products are on the rise and mostly go unchecked.

The report, by Robert Cramer, Managing Director, Office of Special Investigations for the GAO, was submitted as testimony to the U.S. House of Representative Committee on Energy and Commerce.

“We found

“They are brazenly marketed on Web sites by vendors who boast of periodically reformulating their products so that they will not be detected in the drug test process.”

The West Virginia law, if passed, would not be the first state to try and address the prob-

lem. According to the GAO report at least a dozen states have legislation to address the sale of the products, including the bordering states of Maryland, Kentucky and Virginia.

Del. Dan Poling (D-Wood) is lead sponsor of the House version of this bill, H.B. 2962.

GAO

United States Government Accountability Office

Testimony
Before the Chairman, Subcommittee on Oversight and Investigations, Committee on Energy and Commerce, House of Representatives

For Release on Delivery
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DRUG TESTS

Products to Defraud Drug Use Screening Tests Are Widely Available

Statement of Robert J. Cramer, Managing Director
Office of Special Investigations



GAO-05-653T

that claim to allow the user to pass a drug test, even when using illegal drugs.

that products to defraud drug tests are easily obtained,” wrote Cramer.

Legislative

CONTINUED FROM P. 1

Oregon has a similar law.

Other bills of interest include the Clean Elections which

passed Senate Judiciary Committee on February 8. It now goes to Senate Finance.

Table Games bill passed out of House Judiciary also on February 8. It now goes to the House

Finance Committee.

The bill to maintain the 5 cents gas tax for highway maintenance is also in the works as well as a bill to increase the taxes paid by wind farm developers.

Health Care

CONTINUED FROM P. 2

come out and fight in the open this year,” said Scott Brewer, Service Representative for the

Mid-Atlantic Regional Council of Carpenters.

“In prior years we fought hidden foes who kept the bill from any agenda or a vote because they were part of the

old leadership.”

This year the bill had support from the WV Hospital Association, a number of union contractor associations, the WV Council of Churches, and the

WV AFL-CIO.

The biggest complaint from nonunion contractors was they did not want to have to provide

health coverage on private jobs.

The bill may be able to advance in the Senate, where last year it passed two committees.

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

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(304) 485-1421 fax 485-1487
toll free 1 888 524-1421
email: utfcu@charter.net

600 Leon Sullivan Way, Suite 101
Charleston, WV 25301
(304) 344-0194 fax 344-0195
toll free 1 800 450-8530
email: utfcuchas@charter.net