

THE ACT REPORT

VOLUME 17 NUMBER 3
MARCH 2008



A PUBLICATION OF
THE AFFILIATED
CONSTRUCTION
TRADES FOUNDATION

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



INSIDE

Drug Free	Pg. 2
AFL-CIO Endorses	Pg. 2
Building Trades	Pg. 3
Tax Changes	Pg. 3
College Bond	Pg. 4

2008 LEGISLATIVE SESSION SEES CONSTRUCTION & TAX CHANGES

Bills about taxes, construction spending and new public works policy all passed the 2008 legislative session which ended March 8.

The Alcohol and Drug Free Workplace Act sponsored by the State Building Trades will go into effect on July 1. The law will require all contractors bidding on state funded projects to have a drug and alcohol testing plan in place. (See related story for details).

The Public-Private Transportation Act, HB 4476, passed and will allow the Department of Highways to work with private companies who want to finance new road or bridge construction.

Key provisions to protect bidding and prevailing wage laws are included in the law.

The method is in use in other states and usually involves a company financing a project and

getting paid back through tolls. A bill to put \$75 million into Community College Construc-

tion passed. The bill dedicates \$5 million a year from lottery

Continued on p. 4



LETTING LEGISLATORS KNOW about issues important to the Trades are (from right) Charles Parker, Operating Engineers Local 132 and Fuzz LaRue, ACT Representative talking with Del. Louis Gall (D-Raleigh), Del. Alex Shook (D-Monongalia) and Del. David Perry (D-Fayette) in the House Chamber.

AEP GETS APPROVAL FOR NEW \$2.2 BILLION IGCC POWER PLANT

American Electric Power has been given the go ahead to build a \$2.2 billion 629 megawatt power plant in Mason County.

Approval came on March 6 from the state Public Service Commission (PSC).

The project will use new technology called Integrated Gasification Combined Cycle (IGCC) which will convert coal to gas before it is burned.

This new technology is much cleaner than current processes but is more costly as well.

A major issue of the permit hearing centered around the

rates AEP would be allowed to charge to recoup their investment.

AEP applied for the permit in October of 2006 but asked for a delay in the process due to technical issues.

Last year a hearing was held at the PSC and ACT intervened to support the project.

An economic impact study was commissioned by ACT and entered into testimony.

The study showed a huge impact from wages paid to local union construction workers for the project as well as related activity those payments create.

In addition Steve Burton, Business Manager of the Tri-State Building Trades provided

testimony about the history of union construction with AEP and the ongoing negotiations for an agreement for this project.

“We have been assured in writing local union construction workers will build this project, just like AEP has done with all of their projects in West Virginia,” said Burton.

“We are continuing talks with AEP to iron out the details of an agreement.”

The PSC spelled out a number of conditions AEP must meet regarding the project.

Those conditions include provisions that AEP must:

1. Seek additional approval from PSC for any material changes to the project;

2. Commence and continue construction within five years of the second quarter of 2008;

3. Pursue all reasonable and prudent federal and state tax credits or other incentives;

4. Within 10 days file an affidavit saying it will use at least 75% WV coal;

5. Come back to the PSC if the Virginia regulators impose changes that will be detrimental to WV customers or if the Orders are irreconcilable through accounting; and

6. Revise the cost estimate by January 1, 2009.

The project will be adjacent to AEP's existing Mountaineer Plant in New Haven. A start date has not been set.

STATE TO REQUIRE ALCOHOL AND DRUG TESTING PROGRAM STARTING JULY 1

A bill sponsored by the WV State Building Trades, ACT and a number of contractor associations will require all contractors bidding on state projects to have a drug and alcohol testing plan in place starting July 1.

Del. Dan Poling (D-Wood) helped draft the bill and with the help of Sen. Jeff Kessler (D-Marshall) the bill was set in motion in the Senate Judiciary Committee.

The Alcohol and Drug Free Workplace Act, SB 657, will require contractors to have a program which includes pre-

employment, random and post accident testing.

The test must look for a wide variety of substances and is known as a nine panel test.

According to Sam Davis, Business Manager for the Parkersburg-Marietta Building Trades Council, Ohio has had a policy in place requiring similar testing for a few years.

"We've had drug testing for years because industry has required it," said Davis. "If you want to work in the plants you have to take a test, now states

are doing the same thing."

A study released by the U.S.

percent of full time construction workers admit to using illegal drugs in the prior month.

"Drug use is a real problem and we fully support a drug free workplace," said Davis. "Our members want a safe place to

work, and there is no place for drug or alcohol abuse on a construction site."

A number of legal decisions in WV narrow the places where random drug tests can be used.

The new law says random tests may only be used when workers are in safety sensitive

areas.

A number of protections are in the bill ensuring only certified labs are used, mandating verification of positive results, and requiring ongoing education on drug and alcohol issues for both supervisors and workers.

"The construction industry is a safety sensitive industry by definition," said Lynn Wade, Administrator of the Labor Education and Development program which has provided testing and safety services in the construction industry since 1991.

"This is a needed bill," said Wade. "We've worked together - Labor and Management - to attack drug use on the job, and it's good the state joined in."

"OUR MEMBERS WANT A SAFE PLACE TO WORK, AND THERE IS NO PLACE FOR DRUG OR ALCOHOL ABUSE ON A CONSTRUCTION SITE." SAM DAVIS, BUSINESS MANAGER, PARKERSBURG-MARIETTA BUILDING TRADES COUNCIL

Health and Human Services Department last year said that illegal drug use was on the rise at all work sites.

However construction work places were ranked the second highest, only behind food services, for illegal drug use.

According to the study 15

WV AFL-CIO COPE COMMITTEE ENDORSES

The WV AFL-CIO has endorsed Anne Barth for the Second Congressional House of Representatives seat currently held by Shelly Capito.

Barth worked as an assistant to U.S. Senator Robert C. Byrd for the last 21 years and chose to run after John Unger, a state senator from Berkeley County, dropped out of the race earlier this year.

Also endorsed were Supreme Court candidates Menis Ketchum and Margaret Workman. Two of the five seats on the Supreme Court up for election this year.

Ketchum is a lawyer from Huntington who has also been Chairman of the Board at Marshall University.

Workman is a lawyer in Charleston who served on the

Supreme Court in the 1990's.

The endorsements took place in February during meetings held by the WV AFL-CIO's Committee on Political Education (COPE).

State and national candidate endorsement are done by the State COPE but House and Senate candidate endorsements start on the local level.

Labor Councils across the state are interviewing candidates who must first filled out a Labor questionnaire. For those already in office a voting record is examined as well.

Once questionnaires are reviewed and candidates interviewed each Labor Council will decide the candidates it wants the State COPE to support.

State COPE then meets to make the final decision.

"We already have endorsed many candidates who are long time allies of Labor," said Roy

Smith.

As the ACT Report goes to press the State Cope Committee will meet on March 15 to

decide the remaining endorsement for state house and senate races.

Each international union and

council affiliated with the WV AFL-CIO is entitled to representation at the State COPE meeting.



MEMBERS OF THE Kanawha Valley Labor Council (from left) Sheryl Johnson, Iron Workers Local 301 and Kathy Gallagher, AFSCME, interview a candidate seeking endorsement. Interviews are one of the key steps each candidate must take to get Labors support.

BUILDING TRADES SCREENING PROGRAM FOR U.S. DOE WORKERS CONTINUES

Free health screenings for construction workers who were employed at 23 nuclear defense sites will continue into 2008.

The U.S. Department of Energy and the Building and Construction Trades Department, AFL-CIO developed the program to provide outreach to thousands of workers who may have been exposed to harmful toxins, asbestos, radiation or beryllium working at the sites.

The Piketon A Plant in Piketon, Ohio is one of the 23 sites listed.

Ron Bush, former Business Manager for Boilermakers 667, works for the National Building Trades Medical Screening Program as an interviewer for the program.

Bush is based in Portsmouth, Ohio and can help anyone who worked at the Piketon site, or other sites, to see if their health has been effected and how to go about receiving a medical screening.

“Once someone contacts me I schedule an appointment and start the interview process,” said Bush.

“We go over work history documentation and schedule exams if needed.”

Bush also attends community functions, meetings, and similar events to help get the word out about the program.

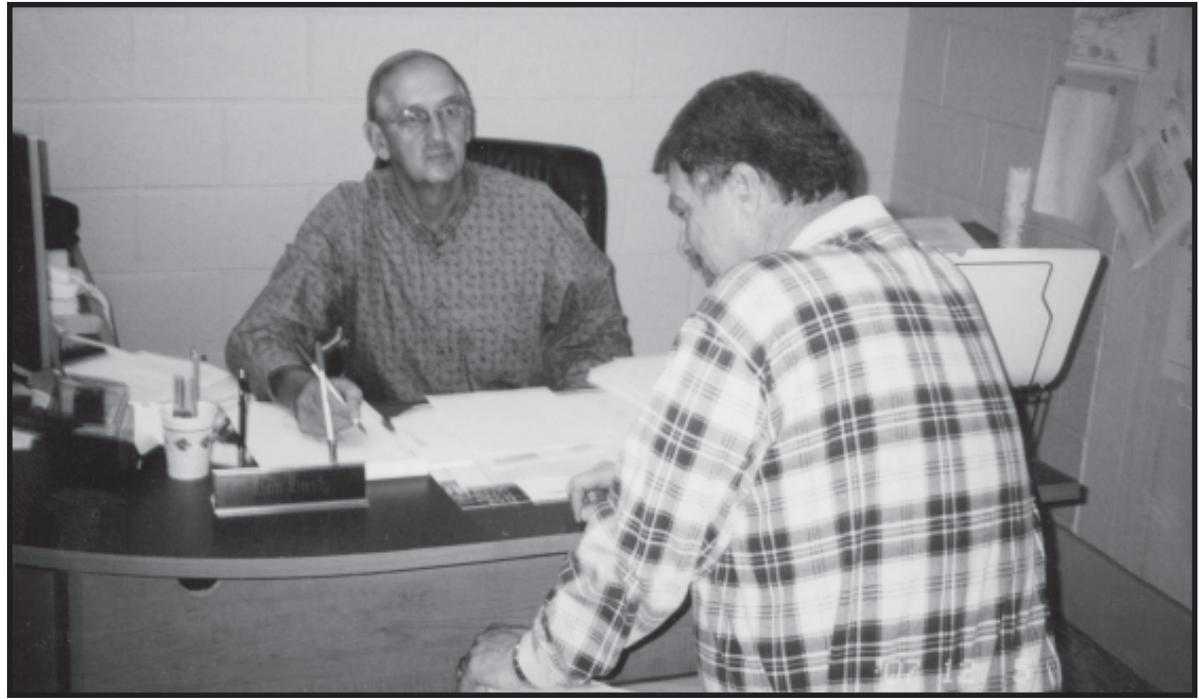
The Portsmouth office is one of ten locations across the country that have interviewed thousands of workers over the years.

Workers who were screened more than three years ago may be eligible for a re-screening.

The program is entirely voluntary and without cost to workers, but funding is limited.

To contact Bush call 740-353-8808 or call the main office toll free at 1-888-464-0009.

For a list of covered DOE sites visit www.btmed.org.



RON BUSH GOES over the National Building Trades Medical Screening Program with Larry Franz, Secretary-Treasurer of UA Local 577, Portsmouth, OH. Franz wants to inform his members how to make use of the health screening.

MORE THAN \$200 MILLION IN CUTS APPROVED

LAWS CHANGE TAXES FOR CORPORATIONS

One of the biggest issues during the 2008 legislative session was changes to the tax code.

A number of tax cuts for corporations were put in place and will be phased in over time.

However a number of loopholes were closed to bring in some of the money lost due to the tax cuts.

Both initiatives were part of Governor Joe Manchin's legislative agenda.

The Business Franchise tax will be eliminated by 2015 saving business owners more than \$165 million per year.

The largest portion of the tax savings was passed last year but

an additional \$50 million and the end of the tax all together was added this year.

In addition the Corporate Net Income tax will be lowered from the current rate of 8.75 percent to 6.5 percent by 2013. This will save business owners approximately \$70 million per year.

A tax credit aimed at lowering inventory property taxes for manufacturers was created that will save companies approximately \$11 million per year.

All together businesses will save more than \$200 million per year when these measures are fully implemented. But some Senate Republicans were outraged that companies had to wait for the cuts.

“It shows how out-of-touch

some of the Senate Republican leadership is,” said Steve White, ACT Director. “Faced with the biggest corporate tax cuts in decades they gave big speeches for the cameras on the Senate floor saying we had not done enough, it was outrageous.”

Some of the money lost through lower tax rates will be gained by new measures aimed at closing tax loopholes.

Closing loopholes will bring in around \$45 million per year and was done through two actions.

First, a new method of calculating what companies owe, called combined reporting, will be used starting next year.

This method is used by a number of other states and stops a common practice of large com-

panies claiming they made no money in West Virginia because they shifted their profits to an affiliate in another state.

A group called the Multi-State Tax Commission recently did a study that found West Virginia had the highest rate of corporate tax avoidance of all states.

More than 57 cents of each tax dollar corporations are suppose to pay were not because of legal loopholes and tax credits.

In addition a new Coal Bed Methane tax passed making companies pay a severance tax they currently do not. This measure is estimated to bring in around \$4 million a year to help counties fund infrastructure.

A new ‘think tank’ called the

WV Center on Budget and Policy weighed in on the debate.

The WV CBP analyzed the proposed tax cuts and showed the lost revenue projections.

The Center produced two documents about the impact of the tax changes making it easier for people to understand.

One suggestion from the Center, to adopt a trigger for future tax breaks, made it into the law.

The ‘trigger’ would stop any planned tax cuts if the state's Rainy Day Fund dropped below a certain point.

To read more analysis from the center go to their web site www.wvpolicy.org.

The ACT Foundation is one of the funders of the policy group.

\$78 MILLION FOR COLLEGE CONSTRUCTION

A bill to fund \$78 million of community college construction projects, SB 682, passed the legislature.

Using \$5 million per year of state lottery funds a bond for approximately \$78 million will be sold later this year to finance the construction.

The bonds will be paid back over 30 years.

The bill creates a Community and Technical College Capital Improvement Fund to receive the lottery proceeds.

A draft list of projects was supplied by the Council for Community and Technical College Education.

A list of nine projects across

the state was presented to legislators as the construction to be funded with the bond.

The legislation was proposed last year and passed the Senate but ran out of time to be dealt with in the House.

There was discussion about creating a similar fund next year to help four year colleges with their building needs.

Institution	Project	Proposed Bond Funding
Marshall Community and Technical College	Instruction Facility	\$13,500,000
Blue Ridge Community and Technical College	Instruction Facility	\$13,500,000
WV State Community and Technical College	Instruction Facility	\$13,500,000
New River Community and Technical College	Instruction Facility (Beckley Campus)	\$13,500,000
New River Community and Technical College	Renovation of Classroom Facility (Greenbrier Campus)	\$3,000,000
WVU at Parkersburg	Classroom and Lab Facility & Child Development Center	\$6,000,000
WV Northern Community College	Purchase and Renovation for Classroom and Lab Facility	\$6,000,000
Southern WVCTC	Purchase and Renovation for Classroom and Lab Facility (Williamson Campus)	\$6,000,000
CTC at WVU Tech	Renovation of Davis Hall	\$3,000,000
POTENTIAL BOND PROJECTS TOTAL		\$78,000,000

THIS DRAFT LIST of projects was presented to legislators to show where the proposed bond funding would be spent.

LEGISLATIVE

CONTINUED FROM P. 1

fund receipts to fund a bond which is expected to raise \$75 for construction. (See related story).

In addition, legislation passed to allow the School Building Authority to take \$5 million of existing annual funds and sell a bond. SB 297 will allow the SBA to fund more school construction projects in the coming year.

“Overall the session went well from a Building Trades perspec-

tive,” said Steve White, ACT Director.

“Having Delegates Dan Poling and Orphy Klempa, who understand construction, as members of the House is a real positive for the Trades.”

Rules to clarify license fees and testing for Plumbers and Sprinkler Fitters licensing were adopted. Last year legislation passed to require licensing but specifics were sent back to the legislature for review.

Both licenses should be available by July 1, but are not required until January 1, 2009.

The fee for both categories will be \$75 per year, but the Sprinkler Fitter license will also have a three year license available at \$150.

Testing will not be required unless a license is purchased after July 1, 2009. Anyone who gets a license before that time only needs to show they have worked as a plumber for four years or sprinkler fitter for five years.

Perhaps the biggest issue during the session was a combination of tax breaks for corporations to be phased in over the



**Check out our CD special:
11 month CD APY of 3.56%**

1925 Murdoch Avenue
Parkersburg, WV 26102
(304) 485-1421 fax 485-1487
toll free 1 888 524-1421
reception@uniontradesfcu.com

600 Leon Sullivan Way, Suite 101
Charleston, WV 25301
(304) 344-0194 fax 344-0195
toll free 1 800 450-8530
receptionchas@uniontradesfcu.com

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

Non-Profit Org.
U.S. Postage
PAID
Permit # 1374
Charleston, WV 25301

next five years. At the same time loopholes that allowed companies to avoid taxes were closed. (See related story).

More bills fail than pass which is both good and bad.

A bill to change court rules for Asbestos - Silica cases failed. The proposed change has been pushed for a number of years and would make it harder for those who have been poisoned by asbestos or silica to file a law suit.

Similarly a number of bills aimed at hurting the state prevailing wage law died.

Unfortunately the Health Care on Public Works bill HB 4520 also died again this year after passing out of the House Health Committee. The bill would have required public works contractors to show at least 80 percent of their workers were covered by some sort of health care plan.

Another public works bill sponsored by the Trades that

failed to get moving would have required contractors to list their sub-contractors within two hours of a bid.

The policy is already used by the State School Building Authority.

The Worker Freedom Bill which was the WV AFL-CIO's focus this year passed the House but died in the Senate.

The bill would have outlawed forced anti-union company meetings known as 'captive audience meetings.' The provisions would have also applied to discussions about politics or religion.

A bill to revise campaign financing called the Clean Elections bill (HB 4050) never saw committee action but continues to be reworked to address legislators concerns.

Full text of legislation can be found on the legislative web site <http://www.legis.state.wv.us> under the Bill Status tab.