

Comments from Dan Poling, Business Manager of Painters District Council 53
August 29, 2016 - Morgantown

Thank you for the opportunity to speak on this important topic - examining the economic importance of modern, reliable energy infrastructure to West Virginia and the United States.

As the Business Manager for Painters District Council 53 I represent 1,800 painters and allied trades in West Virginia and surrounding counties.

In addition I am here today representing the 20,000 construction workers affiliated with the West Virginia State Building and Construction Trades Council, where I also serve as Vice-President.

Construction jobs relating to any industrial or commercial construction project in our state are critical to our economic future. Energy jobs, in particular the manufacturing of electricity from coal, wind, hydro, natural gas and other resources makes up a substantial portion of the work our members and contractors accomplish year in and year out.

Many people refer to construction jobs as temporary, and while that may be true in part I would like to emphasize that thousands of construction workers earn their livelihood in the energy sector every year in occupations other than mining, drilling and facility operations.

Having an available supply of skilled, drug free construction workers does much for our state.

First, this social infrastructure enhances prospects for new projects. Companies want to know their projects will be built on time and within budget. If companies are looking for skilled qualified drug free workers in West Virginia we only need to know how many and when do you want them to start.

Second, having local workers on the job maximizes the economic impact from projects. Local workers spend their paychecks in their communities, pay into training and apprenticeship programs, have health insurance and retirement funds, and in general infuse the local economy with funds. When workers from outside the region are used on construction projects there is a leakage of economic activity to other regions that negatively impacts our communities.

The labor component on a typical construction project is 25 percent. That means 25 percent of every dollar spent on a project like a school or a bridge goes to paying wages and benefits on average.

On mega industrial projects, such as an ethane cracker that is very capitol intensive, expect the labor component to be a 'third of a third.' By that I mean if a \$6 billion project is announced we expect \$667 million to be spent on wages. That's a lot of paychecks.

So paying attention to where paychecks from our energy projects land is critical to a healthy local economy.

Finally, I would like to mention our robust apprenticeship method of training workers for the construction trades. Apprenticeship is more than on-the-job training, it includes related hands-on training at 29 training centers in and around West Virginia. Programs cover a variety of occupations from Boilermakers to Sheet Metal Workers. These programs are private sector partnerships between trade union and construction employers. Apprentices learn while they earn and at no cost to the apprentice or taxpayers. Together we have developed the best way to create the most productive, highly skilled workers in the world.

Approximately 10 percent of our workforce is in apprenticeship programs which range from a three to five year commitment. We would like to see that number increase to 20 percent and given a commitment to hire locally we certainly would be able to accomplish that goal. Such an increase could mean 4,000 apprentices per year getting the skills for a lifetime career.

In conclusion the energy sector remains a vital construction job creator for our economy. The growth of the natural gas industry has provided many needed jobs to local construction workers building pipelines and gas processing facilities. We anticipate ground breaking on a new gas fired electric generating facility in Moundsville later this year. Major pipeline projects are just a step away from completing their regulatory review. We are currently building a wind project in Grant County and recently completed a hydro project on the Ohio River. Our workers continue to work on repair and modernization projects at many coal-fired power plants throughout the year, every year. We are excited about the jobs an ethane cracker – hopefully two or three – in the region could bring. And the jobs such a project would create downstream as well.

Thank you for the opportunity to be part of this panel.