

THE ACT REPORT

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Comp, Pensions in Special Session

A special session of the legislature has produced major legislative changes already this year.

Governor Joe Manchin called for the session to begin on January 24. He introduced bills to rewrite workers compensation and ethics laws, as well as allow for a public vote to refinance \$5.5 billion in public employee pension debt.

As a result the state workers compensation program will be transformed over the next two and a half years into a private mutual insurance company.

Starting in 2008 other private insurance companies will be able to sell workers compensation coverage.

The key to the transition is a \$230 million per year bail-out of the system aimed at paying off the debt currently on the books.

One proposal, which was opposed by ACT, was to impose a one and one-half percent payroll tax for 15 years. The tax would have been paid 60% by employers and 40% by employees.

Instead a package of new taxes and existing funds equaling \$230 million per year was put together.

The largest component of the package was a \$90 million increase in severance taxes on coal, gas and timber.

Another \$45 million per year will come from future workers compensation premiums. The rest will be taken from funds, like from the national tobacco settlement,

intended for the general fund.

"The coal industry has been the biggest abuser of the workers compensation system," said Steve White, ACT director. "It only makes sense they be called on to help solve the problem."

But that's not how coal executive Don Blankenship, with the notorious A.T. Massey Coal Company saw it. Blankenship lobbied to defeat the severance tax but was unsuccessful.

The effect of the law is to transition from a state run system to a private one.

Benefit levels remain the same and set by the legislature. Disability definitions also remain the same and in the control of the legislature.

The appeals process and premium rate setting functions will be

part of the state Insurance Commission.

ACT was able to include a provision that allows companies, who are signed to a collective bargaining agreement, to join together for the purpose of group insurance, similar to existing health funds in the building trades.

"This may be an excellent opportunity for the trades, and signatory contractors, to finally benefit from safety measures and to end the subsidy low wage contractors have gotten at our expense," said White.

Also during the session was a measure that will allow voters to decide if they support a \$5.5 billion bond sale to shore up public employee pension

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Millwright Graduate Serving in Iraq

At a recent graduation ceremony for Millwrights Local 1755 one graduating apprentice could not be there.

Eric Kent is serving in Iraq as part of a U.S. Army reserve unit.

His skills are proving useful in the military as well. He is an E-4 Specialist and a welder in his platoon.

Since Christmas he has been at Camp Anaconda as part of a maintenance unit.

Kent has been in the Army for eight years, according to his wife Kelly. She also served in the Army, which is where they met.

"Eric joined the Millwrights because he liked welding," said Kelly Kent.

"His favorite job so far has been working on the Backbone Mountain Windmill project near Canaan Valley."

Kent got into the apprenticeship program by responding to an ad.

Eric and Kelly live in Mineralwells, Wood County, with their two year old daughter Grace and another child on the way.

Bill Boso, apprenticeship coordinator for the Millwrights knew Kent would be unable to attend the graduation ceremony. So Boso made arrangements to deliver the certificate early, then took a picture, enlarged it and

placed it on an easel during the ceremony held in Marietta on January 22.

"We are proud of Eric and the work he is doing," said Boso. "We look forward to his safe return."



ACCEPTING JOURNEYMAN honors on his behalf is Kelly Kent, wife of recent Millwright graduate Eric Kent. Bill Boso, coordinator for Millwright Local 1755, had this enlarged photo set up during the graduation ceremony last month.

2005 Legislative Session Underway

The 2005 legislative session began only ten days after the close of a special session that already brought major changes.

High on the agenda of the West Virginia State Building Trades and ACT is a measure to require all bidders on public works projects to have health care plans.

State wage laws include health care payments in the wage rates workers receive on public projects. But some companies do not offer health plans.

That leaves workers without insurance which is part of the many problems that plague our current health care system.

Rising health care costs make it harder and harder for workers to keep their health insurance. Having more people with insurance cuts down on the uncompensated care costs hospitals and health providers pass on to those who have insurance.

"Health care costs are a major part of all recent contract

negotiations," said Jim Ross, Business Manger for the Electrical Workers in Parkersburg.

Also on the Trades agenda is legislation to regulate so called "527 groups." Through a loophole in federal and state law these groups poured millions of dollars into local elections last year. Most dramatic was the defeat of Supreme Court Justice Warren McGraw, as much by Don Blankenship, a coal company executive, as his electoral opponent Brent Benjamin.

Blankenship was able to skirt election laws that only allow \$1000 contributions to candidate by forming a 527 group. He then funneled millions into the anti-McGraw effort, including corporate money which would have been illegal to give a candidate.

The proposed law, which passed a pre-session committee in January, would require the 527 groups to follow the same

law that any other PAC or candidate must already follow in the state. Contributions would be limited to \$1000 per election and corporations would not be able to give.

A companion bill to try a new way for candidates to get money was also passed by the committee.

The "Clean Election" bill

"HEALTH CARE COSTS ARE A MAJOR PART OF ALL RECENT CONTRACT NEGOTIATIONS" JIM ROSS, IBEW

would allow a person to run for office and get limited public funds if they could first get 75 people for a House race or 200 for a Senate race to give \$5 contributions.

If a person qualified they would not be able to spend their own money or take money from others.

The method has proved successful in Arizona and Maine.

If the bill passes it will fund a Senate and two House races during the 2006 election cycle.

The measure is voluntary.

Another bill promoted by ACT is one to revamp economic development credits to assist

union pension funds to invest in West Virginia.

There are plenty of tax credits and other incentives in current code but none that are aimed at the \$1.5 billion in union pension fund assets of union building trades workers.

The proposal will rewrite existing incentives to give better interest rates and more secure investment opportunities to union funds rather than tax credits.

Also expected during the session is a major push for table games at the four existing race tracks in the state.

Pennsylvania recently passed a bill to allow slot machines at their tracks and the racing industry anticipates a major slow down at West Virginia tracks as a result.

It is argued that table games are needed to keep people coming to the tracks and keep state revenue coming in.

The State Building Trades has not taken a position on this issue at this time.

Another hot topic will be more calls for tort reform.

In the target of business and

Governor Manchin is a part of insurance law called 'third party bad faith.'

This bad faith law is used when an insurance company refuses to pay, not to their client, but to the person who was injured by the client.

If an insurance company simply refuses to pay a claim there is little a person can do without some sort of law.

Insurance companies claim West Virginia's law is driving up premiums costs. However, they will not commit to lower premium costs if the law is changed.

Other legal changes are sought which restrict the ability of average people to go to court if they are injured. Insurance companies and major corporations are hoping these restrictive laws will pass and make it harder for law suits to be brought against them.

A bill to encourage apprenticeship opportunities on state construction projects is in the drafting stage. The concept is for the state, the largest purchaser of construction services in West Virginia, to support apprenticeship programs by requiring apprentices on state jobs.

Also a bill to license plumbers and sprinkler fitters is being reworked.

accountable to the Governor rather than that agency's governing board.

The West Virginia Development Office, West Virginia Housing Development Fund, and the state School Building Authority directors were among those included.

However, existing board members will stay in place rather than new appointments as had first been proposed.

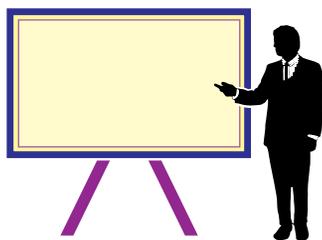
A strengthening of the states

ethics laws including more investigatory powers, passed with some controversial changes. Lawmakers added a 'gag order' provision that penalized a person who made a complaint to the Ethic Board if they also talked to the media. Governor Manchin signed the bill but called on legislators to eliminate the provision, which may be unconstitutional.

The special session ended on Saturday, January 29 with all of the Governor's bill passing.

Legislative Conference February 23

The West Virginia State Building Trades and the ACT Foundation will be hosting their annual legislative conference on Wednesday, February 23 at 10:00 am.



The conference will be held at the office of the WV State Building Trades, 600 Leon Sullivan Way, Charleston.

For more information contact your Business Representative.

Special

CONTINUED FROM P. 1

funds.

The bonds will lock in payments for the pension program which, except for the past few years, has been terribly underfunded.

The vote may take place next summer or fall.

A reorganization bill passed which now makes the head of a number of state agencies directly

2005 Wage Rates Blocked

State prevailing wage rates are under attack again.

The anti-worker Associated Builders and Contractors of WV has filed a protest of the 2005 wage rates set by the Department of Labor claiming the method used was faulty.

This is the exact same challenge used in 2003 that was unsuccessful.

The argument made both years is that the data sent in from contractor surveys does not contain enough information for each classification in each county.

They further argue the data submitted by unions should not be allowed.

Each year the Department of Labor sends out thousands of wage surveys to contractors all

over the state.

They also contact labor unions to ask for data, as allowed by law.

Unions provide their collective bargaining agreements as evidence of the negotiated wages between workers and contractors for each area of the state.

The contracts represent the wages paid to thousands of workers by hundreds of employers in the state.

In contrast the ABC represents only a few contractors in the state.

"The fact is the ABC contractors don't send in wage surveys," said Bill Dean, president of the Upper Ohio Valley Building Trades."

"They cry about the process but don't participate. The union-

ized sector does all the work and the ABC just complains."

The 2003 challenge was denied by an Administrative Law Judge after extensive hearings.

A Supreme Court case in Hardy County a few years ago had already gone over the arguments about the duties of the Labor Department.

The ABC then appealed to Kanawha County Circuit Court and lost. Judge Duke Bloom found no reason to reverse the Labor Department or the ALJ.

This process took almost 10 months, during that time the 2003 wage rates were not put into place. The law says that challenged rates don't go into effect.

The ABC then went to the WV Supreme Court of Appeals

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Corporations Dodge Taxes

Many of the nation's largest, most profitable companies are paying little or no state income taxes.

That's according to a study released by Citizens for Tax Justice, and the Institute on Taxation and Economic Policy.

The ACT Foundation helped release the report in West Virginia.

"The data in our report shows in stark terms just how successful large corporations have become at shirking their tax responsibilities to state and local governments," said Robert S. McIntyre, Director of Citizens for Tax Justice and an author of the study.

"As a result individual tax payers and purely in-state (usually smaller) businesses are paying a heavy price."

The study looked at available

annual reports for 252 of the Fortune 500 corporations since 2001.

71 profitable corporations managed to pay no state income taxes in at least one of the years between 2001 to 2003.

Companies with a presence in West Virginia, including Merrill Lynch, BB&T, Manpower, Toys "R" Us, and Marriott International were among those with no net state income tax in at least one year out of the three year period included in the study.

On average over the three years, the 252 profitable companies' net state income tax payments were only 2.3 percent of their US profits, or about one-third of the 6.8 percent average statutory state corporate tax rate across the country.

These are all profitable companies. For example, Merrill Lynch, who operate in West Virginia paid no state income

taxes from 2001 to 2003, yet they amassed \$8.8 billion in pretax US profits those years.

The 252 corporations studied avoided an estimated \$41.7 billion in state income taxes over three years.

The study helps explain the decline in West Virginia state corporate income tax collections. Companies have avoided state taxes by using loopholes such as profit shifting among states, or simply taking advantage of state tax breaks created by the legislature.

"The fact is large corporations are paying less while small business and working families are paying more," said Steve White, Director of the ACT Foundation.

"Given our state budget concerns our legislature must make sure corporations are paying their fair share of state taxes."

The study is available online at <http://www.ctj.org>.

"Gov OK's HELMETS-TO-HARDHATS"

Lewis Heads DOL

Governor Joe Manchin has announced he has asked current Commissioner of Labor Jim Lewis to re-maining in office.

That's good news for workers and their families.

Lewis, is a member of Plumbers and Fitters Local 565 in Parkersburg and a former employee of the ACT Foundation.

As Commissioner of Labor Lewis has implemented important new laws such as the Crane Operators Licensing Act and the state undocumented worker law.

He also is in charge of enforcing important laws regarding prevailing wages, overtime, child labor, contractor licensing, elevator safety and manufactured housing.

"Jim is an asset to the entire state and we applaud Governor Manchin for recognizing his talents and asking him to stay," said Roy Smith, Secretary-Treasurer of the WV State Building

Trades.

Smith also expressed approval for Manchin's recognition of the building trades 'Helmets-to-Hardhats' campaign.

Manchin mentioned the program in his State of the State Address.

The effort is aimed at linking men and women in the armed services to building trades apprenticeship programs when they leave the military.

The program matches returning veterans with the various trades within the construction industry.

He committed to signing a Resolution to show the full support of the State and aid in the promotion of the program.

"We want the hard working service people to join out programs when they are ready to go back to civilian life," said Smith. "They have skills we want and a work ethic in demand."

More information can be found online at www.helmetstohardhats.org.

Apprenticeship Conference April 19-22

Apprenticeship may be an old concept but it is changing rapidly.

Stay in touch with the latest initiatives, methods and regulations.

Attend the annual apprenticeship conference at Pipestem State Park on April 19th through 22nd.

A variety of speakers will be on hand delivering information aimed at improving apprenticeship programs.

Sponsored by the WV Joint Labor Union Management Apprenticeship & Training Advisory Council.

If you want more information about the conference, please contact Odie Parkins @ 304-428-1891.



Owners, Contractors & Building Trades Meet

The sixth annual Construction Coalition Conference was held in early February.

The purpose of the event is to bring together three key players in the construction industry - owners, contractors and workers - to share problems and dis-

cuss solutions.

This year the main topics focused on how to keep our industry competitive in a global economy.

The goal of the conference is to find ways for all three parts of the industry to work together.

Joe Maloney, Secretary-Treasurer of the AFL-CIO

Building and Construction Trades Department, spoke about national efforts to meet with construction users and contractors to focus on increasing the value union building trades members bring to the workplace.

Safety was a key issue discussed by participants. Ideas

were shared on safety initiatives from other parts of the country as well as a review of current programs in the state.

Governor Joe Manchin stopped by to talk with the group about his goals for improving employment opportunities.

The conference was attended by approximately 115 people.

"We had a good turn out and some excellent discussion," said

Roy Smith, co-chair of the event.

"We try to tackle the issues we can all agree on, like the need for safety, and ways to increase productivity but stay away from issues that divide us."

The event was sponsored by the state building trades, each local building trades council and their related contractors associations and the Appalachian Construction Users Council.



DISCUSSING ISSUES at the Construction Coalition Conference are (from left) Roy Smith, WV State Building Trades; Tom Householder, American Electric Power; Joe Maloney, AFL-CIO Building Trades Department; Mark Dempsey, AEP; and Greg Sizemore, Appalachian Construction Users Council.

A Call to "Action"

The West Virginia AFL-CIO is taking advantage of e-mail communications with a new program called Action Flash.

Action Flash is an electronic publication intended to keep union members informed about the issues affecting working people in the state.

It can also be used as a call to action, to e-mail, fax, call, write or all of the above, our local and national legislators.

"If working people are to affect change, we must act as One

Voice, with One Agenda, and One Movement," said Wayne Rebich, ACT Representative.

"There are over 100,000 active and retired members of the AFL-CIO in West Virginia, even with only 10 percent involvement in this call to action we could make a big difference."

All union members are welcome to participate.

To add your e-mail address to the Action Flash list simply send an email to: wvafclcio@wvafclcio.org.

If you have any questions contact Margaret Jarvis at 344-3557.

Wage Rates

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which on a vote of 3 - 2 declined to hear the appeal. Justices Maynard and Davis noted they would have heard the case.

The ruling came in June of 2004, almost a year and a half from the first protest.

ACT attorney Vince Trivelli intervened on behalf of construction workers early on in the process. Trivelli ended up following the case as it went first to the ALJ, then Circuit Court and finally the state Supreme Court.

Trivelli again has filed to intervene, against the objections of the ABC.

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WOAY 4

Oak Hill
Sundays @
11:00am

WCHS 8

Charleston,
Huntington, Parkersburg,
Beckley, Bluefield
Sundays @ 11:00am

WDTV 5

Clarksburg &
Morgantown
Sundays @ 11:00 am

WEST VIRGINIA WORKS SHOW TIMES SUNDAYS AT 11 AM

CABLE CHANNEL 9
Steubenville, Follansbee &
Wellsburg
daily @ 11:00am &
11:00pm

CABLE CHANNEL 10
Wheeling, St.Clairsville &
Moundsville
daily @ 11:00am &
11:00pm