



# THE ACT REPORT

VOLUME 3, NUMBER 10

A PUBLICATION OF THE AFFILIATED CONSTRUCTION TRADES FOUNDATION

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## 6 RESIGN FROM UPSHUR DEVELOPMENT AGENCY

On October 13, six members of the Upshur County Development Authority resigned.

All cited a recent advisory opinion issued by the West Virginia Ethics Commission.

The commission concluded that bank employees who own stock in the bank cannot sit on an agency and direct that agency to do business with their bank.

ACT had uncovered the violation when investigating the transaction between the development authority and Truss Joist McMillan (TJM), the builder of a new wood products mill.

Dennis Klingensmith, chief executive officer of Bank One and a member of the board was the sole signature on a land deal for the TJM property.

"When you are handling public money you can't be both buyer and seller when your company stands to

make a profit from the deal," said Steve Montoney, ACT's northern representative.

Montoney credits ACT researcher Pauline Hanson for getting the Ethics Commission involved.

"She called them to get their opinion on the issue and found that there were more problems than we imagined," he said.

Montoney has been working with building trades leaders to get job opportunities for local construction workers on the \$80 million project.

The development authority has proven to be more problem than help in this regard.

"Every time we asked for simple information we ran into a stone wall. These people were making up their own rules and would not tell anyone what was going on," Montoney said.

The owners have yet to announce a general contractor for the project.

## *In Pocahontas County*

# ACT Discovers Hospital Project Pays Low Wages

ACT's northern representative Steve Montoney recently uncovered some unlawful practices on the Pocahontas County Hospital project.

The prevailing wage is not being paid to construction workers on this publicly funded job.

The general contractor, Branch and Associates, Inc., is from Roanoke, Virginia, and the sub-contractors, are mostly out-of-state, one from Kentucky, and three from Virginia.

Montoney began the investigation at the Grant County Hospital when he learned that Senator Walt Helmick had been trying to lower the prevailing wage.

"Sen. Helmick was trying to lower the prevailing wage to the Virginia rate", Montoney said.

"We think he is trying to bring in this Virginia contractor. That was the reason we began the investigation."

Montoney began to look at other projects Helmick was involved in and came across the Pocahontas Hospital where Helmick was a member of the board.

Montoney found that the hospital project in Pocahontas County is funded with public money, including a grant from

***"Senator Helmick was trying to lower the prevailing wage to the Virginia rate."***

*ACT's Steve Montoney*

the governor. It is also funded with money from the Federal Emergency Management Agency that was to repair flood damage at the old hospital.

The federal agency agreed  
*Continued on page 3*

## ***BE&K Not Bid Winner For Mill***

Rust Engineering has been chosen by the Weyerhaeuser Company for the design phase of its new orient strand board mill in Braxton County.

The September ACT Report noted that the anti-union construction company from Alabama, BE&K, was one of three invited bidders for this first phase of the \$110 million project.

*Continued on page 2*

## ACT Digs Into Enforcement To Punish Contractor Cheaters

ACT is breaking records when it comes to going after those who break laws.

Tim Millne, ACT's Fair Contracting representative, uncovered Hastings Viatch, a Michigan-based contractor at Pittsburgh Plate Glass (PPG) in New Martinsville.

"We challenged the law and won. We got the Contractors Licensing Board to enforce a law never before enforced," Millne said.

Hastings was working without a contractor's license, secretary of state registration, wage bond and had other violations of state law.

Millne's investigation resulted in a cease and desist order for Hastings Viatch.

"PPG brought in Hastings on a scheduled shut down. They broke practically every law to allow them to work in West Virginia," Millne said.

However, the fine for

Hastings Viatch was reduced to \$1,000 after some political strings apparently were pulled.

Millne brought the matter  
*Continued on page 2*

## *Inside The ACT Report*

|                  |       |                 |       |
|------------------|-------|-----------------|-------|
| Bohpal Service   | Pg. 2 | Roy Smith       | Pg. 3 |
| COPE Endorses    | Pg. 2 | Pulp Mill Fight | Pg. 4 |
| Amendment Backed | Pg. 3 | CPA Hearing     | Pg. 4 |

# Bhopal Service Slated

During the night of December 3-4, 1984, a Union Carbide Corporation plant in Bhopal, India spewed 40 tons of deadly methyl isocyanate [MIC] - a poison and carcinogen - into the air over a sleeping city of 800,000.

The worst industrial accident ever, Union Carbide's release of MIC killed as many as 10,000 people while blinding, disabling and injuring hundreds of thousands more.

Union Carbide management continues

to blame the disaster on "a disgruntled Indian employee." Many believe the deaths and injuries at Bhopal where the inevitable result of Union Carbide Corporation's decisions on factory design and construction as well as on cutbacks in

maintenance, staffing and employee training.

Communities Concerned about Corporations, a national coalition of community groups, plans to commemorate the 10th Anniversary of the Bhopal Disaster with a two day national citizens gathering at the West Virginia State College Capitol Theatre in

town of Institute.

"Many of the same attitudes that caused the disaster in India threaten Institute, West Virginia and other communities today," said Chris Bedford, Chair of Communities Concerned about Corporations.

"Union Carbide, Rhone Poulenc, DuPont and other petrochemical corporations continue to use contractors like Brown & Root which hire mainly low skilled, inadequately trained workers.

"These contract maintenance corporations have been involved in a number of recent major petrochemical disasters. These corporations continue to blame individual workers for management mistakes."

Charleston on Nov. 11-13.

Charleston was chosen as the site for the 10th anniversary commemoration because the sister plant of Union Carbide's Bhopal factory still produces and stores huge quantities of MIC in the nearby

**Union Carbide's release of MIC killed as many as 10,000 people while blinding, disabling and injuring hundreds of thousands more.**

## BE&K Not Winner

*Continued from page 1*

ACT notified local politicians about BE&K's track record on out-of-state hiring and their negative impact to the community.

Armed with a study from California, ACT was able to show how much a contractor like BE&K costs communities when it pays substandard

wages and benefits and brings a migratory work force.

"It is not clear at this time if Rust will hire locally if they get the construction phase of this project," said Steve White, ACT director.

"However, we are much better off trying to deal with Rust than fighting with BE&K."

## ACT Digs Into Enforcement

*Continued from page 1*

to the attention of the Attorney General's office. Millne asked how many times the Contractors Licensing Board enforced the statute that a company must have a contractors license or be fined \$200 for every day they operate without one. The answer? Never.

"I went to the Contractors Licensing Board with a recommendation to enforce statute 21-11-13," Millne said.

"They issued a \$17,000 fine, \$200 a day for 80 days, plus

\$1,000 for being unlicensed.

"If they don't play by the rules, they're going to get bit and bit hard," Millne said.

Millne said this shows how important it is to have representatives at the Contractors Licensing Board meetings.

"I plan on utilizing this section of the law on each contractor with contracts in excess of \$25,000.

"If these contractors have three or four jobs and no license, that's six or 800 dollars a day," he said.

# AFL-CIO COPE ENDORSED CANDIDATES

\* Indicates Building & Construction Trades Union Member

## State Senate

**District 1**  
Edwin J. Bowman

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Don Macnaughtan

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Keith Burdette

**District 4**  
Oshel B. Craigo

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John C. Huntwork

**District 6**  
H. Truman Chafin

**District 7**  
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**District 9**  
William R. Wooton

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**District 14**  
John "Mike" Withers

**District 14**  
David E. Miller

**District 16**  
Sondra Moore Lucht

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**District 3**  
Talmadge Hutchins

**District 4**  
Kenneth D. Tucker

**District 5**  
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**District 9**  
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**District 10**  
J.D. Beane

**District 10**  
Brenda K. Brum

**District 11**  
Alvin K. Smith

**District 12**  
M. Susan Beard

**District 13**  
Carroll Edward Jett

**District 14**  
Gary Otho Tillis\*

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Margarette R. Leach

**District 17**  
Steve Williams

**District 17**  
Charles Carroll

**District 17**  
Susan Hubbard

**District 17**  
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**District 18**  
Larry Jack Heck

**District 19**  
Grant Preece

**District 20**  
Tracy Dempsey

**District 22**  
David Whitman

**District 23**  
Ernest C. Moore

**District 23**  
Richard Browning

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**District 27**  
Mary Pearl Compton

**District 27**  
Robert S. Kiss

**District 27**  
Warren R. McGraw II

**District 28**  
Ron Thompson

**District 28**  
Clyde D. McKnight, Jr.

**District 28**  
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**District 29**  
James J. "Jim" Rowe

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**District 30**  
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**District 30**  
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**District 31**  
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**District 35**  
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**District 45**  
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Larry Allen Williams

**District 46**  
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**District 50**  
Jerry L. Mezzatesta

**District 52**  
Vicki V. Douglas

**District 54**  
Laura Coltelli

**District 55**  
John Doyle

**District 56**  
Dale Manuel

## 'Clean Water And Jobs'

# Labor, Business Join Forces Backing Amendment Passage

On the Nov. 8 ballot there will appear an amendment to the West Virginia Constitution which is breaking records when it comes to supporters.

Amendment 3, also known as "Clean Water and Jobs," has everyone from Democrats to Republicans, from the coal industry to the Chamber of Commerce, and

from labor to business, rallying to pass it.

The amendment would authorize bond sales of \$300

million, to be used for water, sewer and industrial development.

Passage of the bond amendment will give hope to the 720,000 West Virginians without public sewers, and the 440,000 West Virginians who lack public water.

Roy Smith, secretary-treasurer of the West Virginia State Building and Construction Trades Council, and a supporter of the bond amendment, described how the amendment would work.

"The amendment would al-

low the state to sell \$300 million in general bonds," Smith said.

"The money from the bonds sold would be turned over to a committee in charge of prioritizing the state's needs and dispensing the money in grants, no interest and low interest loans, 80 percent of which is

the bonds.

"Most people, after the bond is explained to them, are in favor of its passage," Smith said.

"Their biggest fear is of additional taxes, even though that is not the case.

"The \$16 million that the Legislature has dedicated to-

ward repayment will be re-paid every year. There will never be an additional tax load on citizens be-

cause of this bond."

Smith said there are several benefits if the bond amendment is passed.

"To start it will mean an opportunity for additional work and more importantly a better, safer and healthier community for West Virginians to live in. It also offers an opportunity for the future," he said.

"The state building trades certainly believes it is in our favor," he said.

"I encourage members to read about the Amendment and seriously consider voting yes."

**Passage of the bond amendment will give hope to the 720,000 West Virginians without public sewers, and the 440,000 West Virginians who lack public water.**

mandated for water and sewer projects.

"The other 20 percent would go to economic development. For example, the infrastructure needs of industrial parks such as utilities, roads, or water and sewer.

"Money that is repaid would go into a revolving fund for future needs."

The Legislature allocated \$16 million a year of coal severance revenue for water and sewer system construction.

If the amendment passes, that money will go to pay off

## Paying Low Wages

*Continued from page 1*

the money could go to a new hospital when it was found the old one was beyond repair.

When confronted with these discrepancies, hospital Director Al Lawson denied the hospital was required to pay prevailing wage.

"Their argument was the federal money was for equipment, and in 1985 they floated private bonds using the hotel tax to generate revenue for the new hospital. But the place was still funded with public

money," Montoney said.

At the job site, Montoney said he only saw two West Virginia license plates.

"I guess they were the only two West Virginians working there," he said.

The information Montoney uncovered was turned over to the Division of Labor.

"We didn't start this whole thing to get more money for out-of-state workers, and we definitely don't want to stop the hospital from being built," Montoney said.

"We just want them to obey the laws and give consideration to West Virginia workers. I know our skilled union people can compete with anyone dollar for dollar."

"Apparently Sen. Helmick has decided to take the law into his own hands," said Steve White, ACT Director.

"There is no evidence that lowering the prevailing wage rates saves the taxpayer anything. It only puts money in the contractors pocket and encourages sub-standard work."

## State Council Chief Says Vote 'Yes' On Bond

By Roy Smith

State B&CT Council Secretary-Treasurer

Are you wondering why you would want to waste the time to go vote on November 8, 1994?

Let me give you one of many good reasons.

When you cast your ballot on November 8th, you will also be asked to approve or reject three constitutional amendments.

Amendment #3 is crucial to all West Virginia, but even more important to ACT members because of the many job opportunities created by its passage.

Amendment #3 titled "Infrastructure Improvement Amendment" allows the State to sell \$300 million in general obligation bonds. At least 80 percent of the funds must be used to

fund water and sewage projects throughout West Virginia. The remaining 20 percent will fund economic development projects such as industrial park sites and access roads.

The approval of Amendment #3 will not mean new taxes. The Legislature has already allocated \$16 million in existing revenue toward the repayment of these bonds, and this funding source cannot be withdrawn.

The money from the sale of the bonds will be allocated to approved applicants in one of three forms. It may be provided as a grant, a no interest loan or a low interest loan. The money that is lent from the fund is deposited into a revolving fund as it is repaid and reused for future infrastructure projects. Several surrounding states are currently using this type system and are enjoying great success because of it.

Every day, it seems, we hear or read of a public water system that has issued a "boil water" advisory to its customers or we hear of a sewage treatment facility cited for environmental violations.

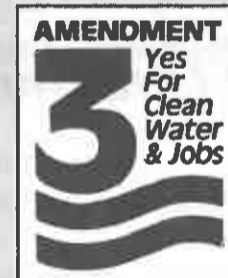
These notices or violations are not from systems that are in great condition. Brothers and Sisters, our status is nearing critical in many areas. It's past critical in some. Even if you turn your faucet on today and receive good clean water, can you feel sure it will be the same tomorrow or the next day?

You've heard of a win-win situation, well this is a win-win-win-win situation. We win because the \$300 million will go a long way toward cleaning up our environment, making life healthier for us and our families. We win because we have greatly enhanced job opportunities. We win because we will have a much better chance of attracting new business to our State. We win because it will not cost us anything . . . like new taxes.

So if you were still needing one more good reason to go to the voting booth, now you have it. Support our friends that desperately need your vote and while you're there, cast a vote for yourself. Vote YES for Amendment #3.



Roy Smith  
Backs Bonds



'We Were Satisfied The Senator Was Not A Supporter Of Merit Shop'

# Mason Pulp Mill Battle Heats Up Once More; Rockefeller To Look Into Local Hiring Issue

The battle over the proposed Mason County pulp and paper mill is heating up.

Last month it was reported ACT is challenging two environmental permits issues by the state for the mill.

ACT contends the permits were improperly issued and had many violations of state and federal law within them.

Since then the state Division of Environmental Protection, under pressure from the federal Environmental Protection Agency, backedpeddled and agreed to reopen the public comment on these permits.

Meanwhile, Sen. Jay

Rockefeller expressed an interest in helping secure commitments for local hiring.

ACT Director Steve White

Merit shop, also called an open shop, is a code word of "right to work" proponents. Basically it is the same as a

shop," White said.

"We had a good meeting and left with the understanding I would get back together

fied with a merit shop.

Rockefeller has been key in getting state projects.

These include the NGK sparkplug plant being built with local union workers, and the Swearingen Aircraft plant, committed to using local people to build and operate the plant.

"We thank the senator for his commitment to the working people of West Virginia," White said.

"We don't understand why some other politicians, who got our help to get into office, are now telling us they can't get a commitment for this mill."

*Bailey said Rockefeller would never say he was satisfied with a merit shop.*

met with Rockefeller's chief of staff, Lane Bailey, in Washington in early October.

White asked for the meeting after reading reports Rockefeller was satisfied with Parsons & Whittemore's plans to hire construction workers under a merit shop system.

non-union job, with some union sub-contractors.

ACT wants Parsons & Whittemore to hire local people to build the \$1.1 billion plant at Apple Grove.

"After meeting with Lane we were satisfied the senator was not a supporter of merit

with Steve Burton of the Tri-State Building Trades and come up with suggestions on how the senator could help."

Bailey said Rockefeller was misinterpreted in news stories on the merit shop issue.

Bailey said Rockefeller would never say he was satis-

## Hearing Is First Round In CPA Battle

*Supporters Far Outnumber Opponents At Legislative Interim Meeting*

Supporters of the Community Protection Act are gearing up for another round in the upcoming legislative session.

A public hearing was held by a joint judiciary committee the first Sunday in October.

The bill was introduced during last year's session by Sen. Humphreys, D-Kanawha, and Del. Larry Linch, D-Harrison.

The committee is chaired by Humphreys and Del. Bonnie Brown, D-Kanawha.

"The hearing went well,"

said Raymond "B.B." Smith, ACT's legislative representative.

"At least the legislators are

ordinator for Plumbers and Fitters Local 565 of Parkersburg; Jim Cerra, executive director of the Kanawha Valley

been to many hours of classes in OSHA process safety management but nowhere do they tell you how to fit two pieces

people who are permanent employees, but unless those who welded those pipes together knew what they are doing, that plant is going to explode.

Smith said the issue will be discussed again in December.

"It will only get harder," said Jim Cerra. "Anytime you're up against large corporations they're difficult to fight.

"The Kanawha Valley Builders Association strongly supports the Community Protection Act because we believe in our people.

"They have had safety and apprentice training and are drug tested and we're willing to put that on the line."

*There were five people testifying for the bill and only one testifying against it.*

asking questions," he said.

There were five people testifying for the bill and only one testifying against it.

Those testifying for it were Gary Yarnell, apprentice co-

Builders Association; Ruth Knabb, a former Rhone-Poulenc employee and a resident of Belle; ACT Director Steve White; and Stuart Calwell, ACT attorney.

The chief opponent to the bill is the manufacturers association. Its representative, Brenda Harper, was the only person to testify against the proposed legislation.

"The reasons she gave against it were it will make it harder for global competition, and it's already covered in OSHA process safety management rules," Smith said.

"Our side blew her out of the water," he said. "Gary [Yarnell] testified that he had

of pipe together.

"Which is the whole point. One of the things I thought came across well was the difference between the Community Protection Act and process safety management rules."

Calwell used an example of the airline industry to illustrate his point.

He said there are training regulations for pilots, flight attendants, air traffic controllers and others, but unless the people who weld the rudder know what they're doing, the plane's going to crash.

He said it's the same way with the chemical industry.

There are many regulations for training operators and

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### The ACT Report

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