

THE BI-MONTHLY PUBLICATION OF THE DISTRIBUTION CONTRACTORS ASSOCIATION



DCA NEWS

JANUARY / FEBRUARY 2024

**The
Annual
Convention
Issue**

The Annual Convention Issue



CONTENTS

04 President's Letter

05 2024 Convention

06 Candidate Profiles

12 Convention Sponsors

18 Auction Donors

19 Calendar

20 DCA & AGA Utility Contractor Workshop

22 Industry News

28 Insights



Outgoing President Ray Swerdfeger Stresses Significance of DCA Participation



2023 DCA President
Ray Swerdfeger

Outgoing DCA President Raymond Swerdfeger has been involved in the family business, K.R. Swerdfeger Construction, since he was a child. He learned the ropes from his father and took over as company president in 2006 when his father became the chairman of the board.

"He's Keith Ray Swerdfeger and I'm Raymond Keith

Swerdfeger, and I always joked with him that when I took over the company that I was just going to change the K and R to an R and K," Swerdfeger said.

The company was recently acquired by Artera Services and Miller Pipeline, where Swerdfeger is now a regional vice president. Swerdfeger noted, "I believe what's already changed will just continue to move forward... we've been running under Miller Pipeline's umbrella for the last almost two-and-a half years."

Swerdfeger has been involved with the DCA for over 30 years, attending meetings and conferences after graduating from college with a construction management degree in 1995. In an interview with *Underground Infrastructure*, he discussed the priorities of the DCA over the past year, which included continuing to work on pipeline safety management systems and creating infrastructure protection coalitions to improve 811 services in every state. Additionally, Swerdfeger stressed the significance of local involvement and encouraging members to get involved at the state level, not just the federal level.

During his *Underground Infrastructure* interview, Swerdfeger discussed the challenges facing the DCA, including the drive for renewable energy.

"There is a push nationwide for green energy, but a lot of times the debate comes down to a local level," he said. "We're starting to see, even at the city and municipal level, that some places are having natural gas bans, at least for new construction. You've already seen that here in Colorado, and I know other places across the United States have seen the same. That's our biggest

challenge right now. As we say, if they want to get to a different source of energy or renewable energy, to get from here to there, we still must use natural gas in the meantime."

Natural gas, he said, is not going away anytime soon. He credited the DCA with working to lobby for the use of natural gas and not banning it at local levels.

As the country pushes toward building up the electrical infrastructure for renewable energy, budget-challenged customers who use both gas and electric face difficult decisions on where to spend their money.

"Our biggest challenge right now is maintaining that backlog of work going forward as the industry moves more toward electrification," Swerdfeger said.

Looking forward to the new year, the DCA is continuing its focus on retention and recruitment of members through their Strategic Vision Committee. They recently started a marketing campaign, "Success Looks Like This," to highlight the different jobs within the distribution industry. The DCA also plans to continue developing their successful new Leadership Development program. Swerdfeger is a strong believer in embracing new initiatives to engage emerging leaders in the distribution industry.

Swerdfeger's experience growing up in the family business and working with his father gave him a unique perspective on the importance of local involvement and the significance of DCA membership, expressing the belief that this is the most effective way members' efforts can support the industry. He said he looks forward to the DCA convention in Hawaii and expressed gratitude for the opportunity to serve as association president. He added that his involvement with the DCA will continue for many years and encourages others to become involved at any level where they can be effective. ▲



2024 Annual Convention

For the most up-to-date Convention information including schedules, speakers, auction bidding information, attire suggestions and more, please download the DCA Events App.

Please see pages 6-11 for Board of Director candidate profiles, and for a list of convention sponsors, please see pages 12-17.



2024 Board of Directors and Officers

The election of a new board of directors is one of the most important things that occurs at the DCA Annual Convention. Through regularly scheduled board meetings and informal gatherings, the board helps direct the activities of the Association in line with its mission.

The board consists of four officers, a past president representative, two associate member representatives, six directors, a director at large, and the Association's executive vice president.

To help DCA's voting members become familiar with the candidates for the 2024-25 board, here is some basic biographical information on each nominee.

2024 Officer Nominees



President:
Mark Albert
AGI Construction

Mark Albert is the founder and chief executive officer of AGI Construction (AGI), headquartered in Smithfield, Rhode Island.

Brief work history: Albert studied business at Rhode Island College and engineering at the University of Rhode Island prior to founding AGI Construction. Under his leadership, AGI has grown from a small family-owned company into a regional natural gas contractor with nearly 300 employees servicing New England and upstate New York. Albert guided AGI through its rapid expansion in the natural gas industry and helped to create a proprietary cloud-based work management system specifically customized for the industry. He and his team created a training program that also serves as AGI's apprenticeship program for its field personnel, ensuring AGI's employees are the best and the most highly trained in the industry. Albert also developed a very detailed damage prevention process that is now referenced as an industry best practice.

Albert has served on the Northeast Gas Association Board of Directors for the past two years. He has served on the DCA Board of Directors since 2019 and was co-chair of the Government Relations Committee.

In addition to his business pursuits, Albert is committed to giving back to the community by supporting multiple organizations, such as A Wish Come True, the Metropolitan Regional Career and Technical Center, and many local youth sports teams. Albert is also a major supporter of the Boys and Girls Club of Providence and sits on their board of directors.

Family life: Albert's happiest times are spent on his family compound, which houses four generations: his long-term partner, Kathleen, his two daughters, his two grandchildren, and his father. In his free time, he enjoys traveling, boating, and watching the New England Patriots.



Vice President:
Dan Carson
Carson Corporation

Dan Carson is the president of Carson Corporation, headquartered in Lafayette, New Jersey. Carson has more than 30 years of experience in the construction industry as a specialty contractor performing both HDD and civil construction. Carson joined the DCA in 2013, served as co-chairman of the Trenchless (HDD) Committee, and was elected to the board of directors in 2018.

Brief work history: Carson attended the College of Wooster, where he graduated with a bachelor's degree in business economics. He formed Carson Corporation in 1987 to serve the growing construction industry in northern New Jersey, and his company has evolved to servicing both private and public sectors in the tri-state area.

Carson Corporation is shifting its focus to its civil division, which primarily services clients in the private sector, government facilities, solar farms, and public utilities.

Family life: Carson and his wife, Whitney, reside in New Jersey with their daughter, Montana. Carson enjoys cultivating his farm, outdoor activities, golfing, and spending time with family and friends.



Treasurer:
Doug Reeves
Primoris Services Corporation

Doug Reeves is the senior vice president of gas operations for Primoris Services Corporation (PSC), Little Canada, Minnesota.

Brief work history: Reeves began working in the utility industry in 1989, performing power pole and power line inspections in Indiana. A career change in 1990 initiated a shift to the natural gas industry, where Reeves performed and later managed code compliance services such as leak surveys and line locating throughout the upper Midwest. Reeves moved to Minnesota in 1997 and joined Q3 Contracting (Q3C) in 1998. During his time with Q3C, he held multiple positions in field operations management and estimating. Reeves was named president of Q3C in September 2017 and moved into the senior vice president role with PSC in April 2023.

Family life: Reeves and his wife, Carol, have two children, Katie and Nathan. The Reeves family enjoys traveling and the outdoors including golf, hiking, and time at the cabin.



Immediate Past President:
Ray Swerdfeger
K.R. Swerdfeger Construction LLC

Ray Swerdfeger is the vice president of K.R. Swerdfeger Construction LLC, Pueblo, Colorado, which was acquired by Miller

Pipeline in 2021.

Brief work history: Swerdfeger grew up in the family business, watching it expand from a few employees to more than 500 at its peak. After installing pipe in the field during high school and earning a bachelor's degree in construction management from Colorado State University, he started full time with the company as a crew foreman in New Mexico in January 1995. In 1997, Swerdfeger became superintendent of the directional drilling crews in Denver. He expanded the directional drilling group into a full-service trenchless division with manhole coatings, pipe lining, auger boring, and pipe ramming.

Swerdfeger was named president of the company in 2006.

In 2018, Swerdfeger was appointed by Colorado Gov. John Hickenlooper to the Underground Damage Prevention Safety Commission for a three-year term and reappointed in 2021 for another term.

Family life: Swerdfeger and his wife, Jill, have two children, Shae and Avri. Swerdfeger enjoys skiing the powder in Colorado, taking on home improvement projects, and spending time with his family.



Past President Director:
Mike Hickey
The Hallen Construction Co. Inc.

Mike Hickey is currently the executive vice president of operations for The Hallen Construction Company in the New York tri-state area. Hickey is a former chairman of the DCA Safety/Risk Management Committee.

Brief work history: Hickey started as a commercial diver for Oceaneering International in Morgan City, Louisiana, in 1978. In 1980, he began working as a laborer in the gas utility industry in New York. In 1990, Hickey and his three brothers joined the Hallen family in their construction business. In 1994, he was put in charge of the utility operations for Hallen and has held that position ever since. It was also in 1994 that he began attending DCA meetings.

Hickey served as 2019 DCA president. He also served a four-year term on the board of directors with the Northeast Gas Association as an associate member.

Family life: Hickey and his wife, Alice, have four married children, Michael and Vanessa Hickey, Craig and Tiffany Smith, Ryan and Kim Hickey, and Patrick and Kaitlyn Barry. They also have nine grandchildren. Hickey enjoys traveling, golf, scuba diving, and boating.

(continued on pg. 8)

Candidates for Contractor Member Director

Three to be elected for a two-year term



Director:
Dan Britz
Michels Utility Services Inc.

Dan Britz joined Michels in 2023 and is the president of Michels Utility Services Inc.

Brief work history: Britz joined the industry as a project manager with Minnesota Limited in 2008, overseeing transmission facility and maintenance projects across the central U.S. He was appointed president of Minnesota Limited in May 2021. During his tenure, he navigated multiple ownership changes in a dynamic market and continued to provide core leadership and innovative, strategic planning to the organization.

In January 2024, Dan accepted the role of president for Michels Utility Services Inc., where he continues to develop strategy and organizational structure.

Britz graduated from Bemidji State University with a bachelor's degree in industrial technology and completed his Master of Business Administration from St. Cloud State University.

Throughout his career, Britz has been active in industry events and associations, including serving on the PLCA board of directors in 2022 and as a member representative for the PLCA, DCA, INGAA, and other organizations.

Family life: Britz and his wife, Amber, have two sons, Wyatt and Myles. They enjoy spending time on their family farm, hunting, fishing, enjoying the lake, and filling time between their sons' football, wrestling, and baseball seasons.



Director:
Randy Bunch
Eastern Utilities Services

Randy Bunch joined Eastern Utilities/Haugland Group in July 2023 as director of trenchless operations, where he oversees all day-to-day trenchless operations.

Brief work history: Bunch joined BNSF Railway in 1994, where he worked his way up the ranks from laborer to supervisor. While employed at BNSF Railway, Bunch completed leadership training, welding school and other coursework at Johnson County Community College, and earned Federal Railroad Association certifications.

In 2008, Bunch began working in the underground construction industry and has served in various roles, including directional drill foreman and vice president of operations.

Bunch has been an active member in the DCA since 2014. He currently serves as co-chair of the Safety/Risk Management Committee. He has participated in several sub-committees and round table discussions that focused on trenchless operations. Bunch also attends special events to represent the DCA, including the 2022 Below Ground Worker Demonstration Day in Washington D.C and the Celebration of Construction at the National Mall in 2023.

Family life: Bunch and his wife, Wendy, have six children and four grandchildren. They enjoy spending time with family and friends, traveling the country, and camping out and riding UTV side-by-side at a private 6,400-acre UTV ranch.



Director:
Stephanie Krabbe
InfraSource LLC

Stephanie Krabbe joined InfraSource in 2013 and is vice president of operations for Michigan and Nebraska, based in Lennox, Kansas.

Brief work history: Krabbe's joined the industry 15 years ago, working in accounting for a gas contractor. Since then, she has also worked in large scale project management, training, and workforce development.

Krabbe moved to InfraSource in 2013 and has held a multitude of roles in her 10+ years with the organization. One of Krabbe's greatest accomplishments was the development of their Leadership Academy program six years ago, which continues today. Through that project, Krabbe found a passion for workforce development, and has since developed military programs, college programs, and technical school relationships to drive the workforce of the future forward.

Krabbe is active with the DCA and is currently co-chair of the Workforce Development Committee. Prior to becoming a co-chair for the committee, she worked on the SkillsUSA Playbook initiative and helped create the DCA Leadership Development Program, which launched in 2023. She has been a panelist for many DCA, American Gas Association, and Center for Energy Workforce Development events.

Family life: Krabbe and her husband, Jim, have five children. When they aren't spending time with friends and family, they enjoy traveling the world and discovering new cultures and countries.



Director:
Andy Miller
Alex E. Paris Contracting Co.

Andy Miller is the equipment fleet manager and director of special projects for Alex E. Paris Contracting Co., based in Atlasburg, Pennsylvania. The Alex Paris Company is a fourth-generation full service heavy/civil/utility and pipeline contractor that has been in business for over 95 years servicing the Mid-Atlantic areas.

Brief work history: Miller graduated from Washington & Jefferson College with a B.A. in business and received his MBA from the University of Pittsburgh in 1987. He has been involved in the construction and heavy equipment industry since childhood. He joined the Alex Paris Company in 1993 and has been active in all aspects of the organization since. Miller attended his first DCA convention in 2012 and is currently co-chair of the Government Relations Committee.

Family life: Miller and his wife, Becky, have three sons: Andrew, Owen, and Clark. Miller enjoys spending his free time with family and friends, traveling, and taking winter ski trips.



Director:
Josh Purrenhage
Otis Minnesota Services LLC

Josh Purrenhage joined Otis Eastern Service in 2021 as chief operating officer and is currently serving as a senior vice president at Otis Minnesota Services (OMS) in Wellsville, New York.

Brief work history: Purrenhage is the third generation in his family to work in the piping trades. He started in Alaska as an engineer for HC Price and has worked throughout the United States on various pipeline transmission and distribution projects. Purrenhage is experienced in project management, construction management, and various operations executive roles. He is currently a senior vice president at OMS, where he is focused on growing the business with an emphasis on pipeline integrity and distribution customers. He has a civil engineering degree from Michigan Tech University.

Otis Eastern Service, now OMS, has been an active member of the DCA since 1982, and Purrenhage has been attending DCA meetings since he joined the company in 2021. He is also an active participant in the Interstate Natural Gas Association of America (INGAA) and Pipe Line Contractors Association (PLCA).

Family life: Purrenhage resides in Orchard Park, New York with his wife, Kathy, and their four children: Ty, Cole, Dane, and Zoey. They are an active family with all their sons playing hockey and golf and their daughter focusing on gymnastics. They enjoy spending the summer with family at their cabin in the Upper Peninsula of Michigan.



Director:
Luke Wright
Wright Traffic Control

Luke Wright has been owner and president of Wright Traffic Control (WTC) since 2020.

Brief work history: Luke Wright has been involved in the family business for 24 years, including as vice president of W.D. Wright Contracting Inc.

Since taking ownership of WTC, Wright has focused on growing his team into "a people company that specializes in traffic control." Under his leadership, WTC has expanded to nearly 1,000 employees servicing nine states. In 2023, the company reached the 1-million-man hours worked milestone in one year while also keeping safety at the top of the priority list. Wright is looking forward to 2024 and the advancements in traffic control technology, which will assist in keeping his staff, clients, and communities safer on their daily commutes.

Wright has been an active member of the DCA for four years and is looking forward to many more years of WTC participating in all the DCA has to offer.

Family life: Wright and his wife, Andrea, have two daughters, Scarlett and Ellie. Wright enjoys hunting and golfing in his free time.

(continued on pg. 10)

Four Directors with One Year Remaining on a Two-year Term



Senior Associate Member Director:
Sarah Mahlik
TT Technologies Inc.

Sarah Mahlik joined TT Technologies in 2013 and is currently the national accounts manager. She covers the Midwest states as well as larger national accounts, helping to promote, educate, and train customers and engineers on trenchless technology.

Brief work history: Mahlik has a Bachelor of Business Administration with majors in both finance and marketing. She has worked in various financial institutions, including Accenture and Price Waterhouse Coopers, as well as in sales and management for the Kohler Company. Mahlik started attending DCA functions as a child in the 1990s and has been an active member for the past eight years. She regularly attends the Annual Convention, the April DCA & AGA Utility Workshop, and the Mid Year and Fall meetings. Mahlik serves as a member on the DCA Strategic Vision Committee. She is also active in the North American Society for Trenchless Technology (NASTT) and serves on the board for the Midwest Society for Trenchless Technology (MSTT). Mahlik also belongs to the Underground Contractors Association of Illinois.

Family life: Mahlik and her husband, Justin, have two children, Emma and Vivienne. Mahlik enjoys spending time with her family, being active in sports such as tennis and running, traveling, and reading.



Director:
Bill Colson
Pretec Directional Drilling LLC

Bill Colson is the general manager of Pretec Directional Drilling LLC in Eau Claire, Wisconsin. Colson is a current co-chairman of the DCA Safety/Risk Management

Committee.

Brief work history: Colson started in the industry in 1997 as an operator in the operating engineers. He worked his way through the ranks of operator, foreman, safety assistant, safety manager, project manager, and general manager. Colson has worked with many union pipeline contractors and HDD contractors across the nation. When Pretec formed in 2016, Colson was asked to fill the role of general manager. Colson has been attending and actively participating in the DCA since 2017, including becoming a co-chair of the Safety/Risk Management Committee in 2018 and being elected to the board of directors in 2023.

Family life: Colson and his wife, Kelly, have four children between them: Matthew, Alex, Camrynn, and Morgan, and one granddaughter. Colson enjoys traveling, fishing, and hunting, as well as working to improve the industry through political, educational, and other activities.



Director:
Chad Davis
Miller Pipeline

Chad Davis joined Miller Pipeline in 1997. He is the vice president of operations for the central and south regions.

Brief work history: Davis began his career with Miller Pipeline in 1997 as a laborer. He quickly progressed to operator and then became a foreman in 2000. In 2005 he was promoted to superintendent, and in 2011 he stepped into his current role overseeing construction operations in Alabama, Arkansas, Florida, Louisiana, Mississippi, North Carolina, South Carolina, and Texas. He has spent the last decade managing large projects, spearheading start-ups, and integrating acquired operations in the eastern and southern areas of the United States.

Davis is active with the DCA as well as other industry organizations and state gas associations. In 2014, he was selected for the Daniel Watters Individual Achievement Award at Miller Pipeline. The award recognized Davis for his loyalty, leadership, performance, and integrity, and helped set the standard for those to follow. Davis is also active with the Children's Bureau of Indianapolis and Habitat for Humanity.

Family life: Davis and his wife, Shara, have one son, Coy. In his spare time, Davis enjoys hunting, outdoor projects, coaching, and spending time with friends and family.



Director:
Rob Hotz
ECI Contracting

Rob Hotz is the general manager of HDD operations for ECI Contracting, West Concord, Minnesota.

Brief work history: Hotz currently leads ECI's Trenchless division, which includes the estimating, project management, and construction operations teams. Hotz has a Master of Science degree in civil/geotechnical engineering from Missouri University of Science & Technology and is a licensed Professional Engineer in 10 states. He previously served as manager of engineering, division manager, and vice president of operations at Laney. Prior to joining ECI, Hotz worked with GeoEngineers, Inc., Mears Group, and Laney Group.

Hotz is active in several industry associations, including DCA, PLCA, and North American Society for Trenchless Technology (NASTT). He and his wife started attending DCA functions in 2016 and have enjoyed the many friendships and connections made since. Hotz has served as co-chair of the Trenchless Committee, the Strategic Vision Committee, and the Future Leaders Committee.

Family life: Hotz and his wife, Stephanie, have four children: Eleanor, Robert, Clara, and Hazel. They enjoy spending time on the lake in the summer and participating in various activities with the kids.



Director at large:
Nate Eastway
Gabe's Construction

Nate Eastway is chief operating officer, Gabe's Construction Co. Inc., Sheboygan, Wisconsin.

Brief work history: After eight years as a structural engineer for an Indianapolis consulting firm, Eastway joined Gabe's in 2011 as the engineering and estimating manager and contract administrator. He became the vice president of HDD and specialty (civil) projects in 2016 and was named chief operating officer in July 2023, when Gabe's added their telecom and wireless divisions to his responsibilities. He continues to be the responsible charge professional engineer for Gabe's and their sister company, Stratis, Inc.

Eastway is active in national, state, and local associations of pipeline, gas, telecom, and wireless industries. He is an active participant with the DCA, PLCA, American Society of Civil Engineers (ASCE), and the Institute of Electrical and Electronics Engineers (IEEE) Insulated Conductors Committee. He started attending DCA functions in 2013 and is the current co-chair of the Trenchless Committee. This will be his first term on the DCA Board.

Family life: Eastway and his wife, Kristina Dykstra, have the most perfect mixed breed rescue dog named Udo, who is of interesting origins and spent his formative canine years roaming the mean streets of Sheboygan, Wisconsin. They enjoy spending time with family, friends, and backcountry kayaking and backpacking. He also enjoys mild success at gardening. Eastway is moderately successful with, and enjoys expanding, his collection of carnivorous plants.

Candidates for Junior Associate Member Director

One to be elected for a two-year term



Junior Associate Member Director:
Mike James
ISCO Industries

Mike James joined ISCO, Louisville, Kentucky, in 2005 and is currently vice president of sales and business development.

Brief work history: James started in the mechanical construction industry where his father worked and transitioned to the industrial piping business in 1988. James' has professional experience in all aspects of the HDPE (polyethylene) piping industry, including fabrication of fittings, inside sales, customer service, outside sales, sales management, business development, and many years of general management with financial responsibility.

At ISCO, James helps manage a large sales team in addition to focusing on domestic and international business development activities. James has more than 30 years of experience working with builders, developers, mining companies, pipeline contractors, pumping companies, engineering firms, and government agencies. He develops business through trusting relationships and understanding what people expect from a quality supplier. He is a believer in working hard and creating your own luck.

James and his wife, Nicole, own a specialty business in Tucson, Arizona, selling and installing fireplaces and outdoor kitchens.

Family life: James and Nicole have four children, Tyler, Shelby, Allison, and Carson, and one grandchild, Haven and Lola the family bulldog. In his spare time, James enjoys cooking and grilling, listening to music, running, and traveling the world.



Junior Associate Member Director:
Dustin Kraft
Vermeer Corporation

Dustin Kraft joined Vermeer Corporation in 2011 and is currently a regional manager, responsible for the Vermeer All Roads, Vermeer Iowa, Vermeer Midwest, and Vermeer North Atlantic industrial dealership groups.

Brief work history: After graduating from Central College in 2000, Kraft entered the residential construction industry as a sales rep with Pella Windows & Doors in Kansas City before eventually returning to his hometown of Pella, Iowa, to run his own State Farm Insurance agency. Kraft went to work for Vermeer Corporation as a global account representative before being promoted to the role of corporate account manager, where he was responsible for growing sales and maintaining relationships with some of Vermeer's largest customers.

Since attending his first DCA event — the 2016 Mid Year Meeting in Alaska — Kraft has been a regular at the annual convention, mid year, and fall meetings, as well as the safety congress and Washington, D.C. fly-in. His seven years of membership have seen him actively volunteer where needed, including on scholarship committees, in first-time attendee events, on the Membership and Government Relations Sub-committees, and as co-chair of the Trenchless Committee.

Family life: Kraft and his wife, Tara, have three children: Hayden, Jackson, and Kristian, who keep them active in church, school, and sporting events. When not chasing kids around, Kraft enjoys hanging out with family and friends, hunting, and staying active outdoors.

2024 Annual Convention Sponsors

Platinum Sponsors



American Augers, Inc.
www.americanaugers.com



Caterpillar, Inc.
www.cat.com



Century Products, Inc.
www.centuryproducts.net



Digital Control, Inc.
www.digitrak.com



Ditch Witch
www.ditchwitch.com



INROCK Drilling Systems, Inc
www.inrock.com



John Deere Construction
& Forestry Division
www.deere.com



McElroy Manufacturing, Inc.
www.mcelroy.com



National Equipment Dealers
www.nedealers.com



Right Turn Supply
rightturnsupply.com



Ring-O-Matic
www.Ring-O-Matic.com



Ritchie Bros. Auctioneers, Inc.
www.rbauktion.com

Platinum Sponsors (continued)



Sharewell HDD
www.sharewellhdd.com



TT Technologies, Inc.
www.tttechnologies.com



Vacuworx
www.vacuworx.com



Vermeer Corporation
www.vermeer.com

Gold Sponsors



Bentonite Performance
Minerals, LLC
www.bentonite.com



Brandt Industries
www.brandtind.com



Case Construction Equipment
www.casece.com



Darby Equipment Co.
www.darbyequip.com



Express 4x4 Truck Rental
www.express4x4truckrental.com



Groebner
www.groebner.com

(continued on pg. 14)

Gold Sponsors (continued)



HammerHead Trenchless
www.hammerheadtrenchless.com



**International Union of
Operating Engineers**
www.iuoe.org



Laborers International Union of N.A.
www.liuna.org



Reed Manufacturing Co. Inc.
www.reedmfgco.com



Subsite Electronics
www.subsite.com



**Pipeline &
Gas Journal**
*Underground Infrastructure Magazine
& Pipeline & Gas Journal (Gulf Energy)*
undergroundinfrastructure.com
pgjonline.com



United Association
www.ua.org



United Rentals
www.unitedrentals.com



Volvo Construction Equipment
www.volvo.com

Silver Sponsors



CETCO
www.cetco.com/dpg



CRC-Evans Pipeline International, Inc.
www.crc-evans.com



Cross Country Infrastructure
www.crosscountryis.com



Derrick Corp.
www.derrick.com



Ditch Witch West
www.ditchwitchwest.com



Finn Corp.
www.finncorp.com



Isco Industries
www.isco-pipe.com



Pipeline Machinery International
www.plmcat.com



Roland Machinery
www.rolandmachinery.com



Vermeer Midwest
www.vermeermidwest.com

(continued on pg. 16)

Bronze Sponsors



AIS Construction Equipment
www.aisequip.com



ALLU Group
www.allu.net



Benjamin Media
benjaminmedia.com



Brooks Tractor, Inc.
www.brookstractor.com



Cleveland Brothers Equipment Co. Inc.
www.clevelandbrothers.com



Ditch Witch Mid-States
ditchwitchmidstates.com



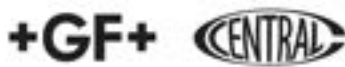
Ditch Witch Midwest
www.ditchwitchmidwest.com



Drilling Mud Direct
www.muddirect.net



Fabick CAT
www.fabickcat.com



Georg Fischer Central Plastics LLC
www.centralplastics.com



JANX
www.janxndt.com



The Lincoln Electric Co.
www.lincolnelectric.com

Bronze Sponsors (continued)



Miller Electric Mfg. Co.
www.millerwelds.com



RDO Equipment Company
www.rdoequipment.com



Vermeer All Roads
vermeerallroads.com



Vermeer Colorado
www.vermeercolorado.com



Vermeer Iowa & North Missouri
www.vermeeriowa.com



Vermeer of Indiana
www.vermeermidwest.com



Vermeer Mountain West
www.vermeermountainwest.com



Vermeer Texas-Louisiana
www.vermeertexas.com



Vermeer-Wisconsin, Inc.
www.vermeerwisconsin.com



Wyo-Ben Inc.
www.wyoben.com

DCA wishes to thank all of the 2024 Annual Convention Sponsors

2024 Annual Auction Donors

AGI Construction Inc.
Alex E. Paris Contracting Co. Inc.
ALLU Group
ARB Inc.
Atlas Trenchless LLC
Bentonite Performance Minerals /
 Drilling Mud Direct Brandt Industries
Carson Corporation
Caterpillar Inc.
Century Products Inc.
CETCO
Darby Equipment Company
Derrick Corporation
Digital Control Incorporated
Ditch Witch
ECI Contracting
Express 4x4 Truck Rental
Fabick Cat
Footage Tools
GF Central Plastics
Global Underground Corp.
Groebner
HammerHead Trenchless
Herrenknecht Tunnelling Systems USA, Inc.
Hydro Excavators II
InfraSource LLC
INROCK Drilling Systems Inc.
ISCO Industries
John Deere Construction & Forestry Division

McElroy
Mears Group
Michels Corporation
Miller Electric Mfg. Co.
Miller Pipeline
Miller Pipeline / KS Energy
K. R. Swerdfeger Construction LLC
Otis Minnesota Services LLC
Ozzie's Inc.
Pe Ben USA Inc.
PipeLine Machinery International LP
Price Gregory International Inc.
Primoris Distribution Services
Q3 Contracting Inc.
Reed Manufacturing Co. Inc.
Right Turn Supply
Ring-O-Matic
Sharewell HDD LLC
SiteWise LLC
T T Technologies Inc.
The Hallen Construction Co. Inc.
Trenchless Technology magazine (Benjamin Media Inc.)
Underground Infrastructure magazine
 (Gulf Energy Information)
United Rentals
Utility Line Services Inc.
Vacuworx LLC
Vermeer Corporation

**Thank you to all of the DCA Auction Donors -
your generosity is appreciated.**

Calendar

2024 DCA & Industry Events

FEBRUARY 12-17

DCA 2024 Annual Convention
Fairmont Orchid
Kohala Coast, Hawaii
www.dcaweb.org

FEBRUARY 22-23

HDD Academy
Arizona State University's SkySong Center
Scottsdale, Arizona
www.hddacademy.com

MARCH 4-6

DCA Leadership Development Conference
Session 1
Hyatt Regency DFW International Airport
Dallas, Texas
www.dcaweb.org

MARCH 7-12

PCCA Annual Convention
Turtle Bay Resort
Kakuku, Hawaii
www.pccaweb.org

MARCH 18-20

2024 DCA & AGA Workshop
InterContinental Kansas City at The Plaza
Kansas City, Missouri
www.dcaweb.org

MARCH 19-21

Underground Infrastructure Conference (UCI)
Oklahoma City Convention Center
Oklahoma City, Oklahoma
www.uctonline.com

APRIL 22-24

DCA Safety Congress
InterContinental Kansas City at The Plaza
Kansas City, Missouri
www.dcaweb.org

JUNE 24-28

SkillsUSA TechSPO
Georgia World Congress Center
Atlanta, Georgia
www.nlsc.skillsusa.org

JULY 14-17

DCA Mid Year Meeting
Fairmont Chateau Whistler
Whistler, British Columbia
www.dcaweb.org

OCTOBER 23-25

DCA Fall Meeting
Boston Park Plaza
Boston, Massachusetts
www.dcaweb.org

ATTENTION ALL DCA MEMBERS!

So you do not miss out on future meeting and event notices, please have your company's IT representative whitelist all emails from dcaweb.org. If you have any questions, please contact Teri Korson at tkorson@dcaweb.org.



DCA & AGA UTILITY CONTRACTOR WORKSHOP

PRELIMINARY TOPICS

- PHMSA Presentation
- OQ Integrity Process Update
- CGA/DPI Presentation
- Workforce Leadership Development Training
- Pipeline SMS Presentation
- GIS in the Pipeline Industry
- Artificial Intelligence & Gas Distribution Construction
- Economic/Market Outlook

REGISTER NOW



www.dcaweb.org
www.aga.org



**MASSOUD
TAHAMTAN**

Deputy Associate
Administrator
PHMSA



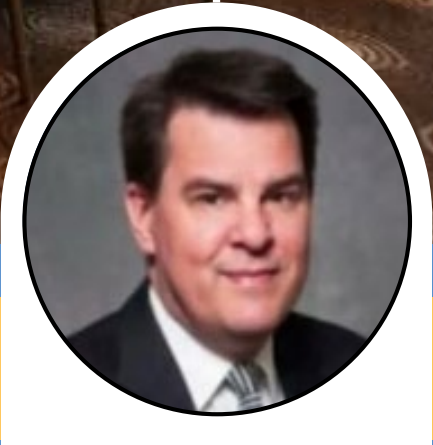
SPEAKERS



SAM HALL
Vice President
Damage Prevention
Institute



BARB CEDERBERG
Executive Director
Gopher State
One-Call



MARK BRIDGERS
Principal
Continuum Capital

Date
March 18-20, 2024



Location
InterContinental
Kansas City at The Plaza
Kansas City, Missouri

Industry News

The Rise of AI in Construction



In recent years, technology and digital collaboration have accelerated in construction. Yet it can be difficult to find the resources to implement new technologies while staying on track with projects.

Enter AI and machine learning.

These technologies will propel the industry forward, improving outcomes for workers, contracting companies, and end clients.

The use of AI could help improve safety, productivity, quality, and other vital measures. AI can take over monotonous duties and help with design and planning, allowing the humans on the team to spend their time honing their expertise and creativity.

Beyond that, AI and machine learning can help teams and companies make informed predictions, streamlining workflows.

Understanding AI, Machine Learning, and Deep Learning in Construction

The terms AI, machine learning, and deep learning are often thrown around together, but they do have some key distinctions.

AI is a broad field in computer science that deals with creating smart machines that can perform tasks that otherwise typically require human intelligence. These tasks include learning from experience, recognizing patterns, and understanding natural language.

Machine learning is a subset of AI.

Basically, machines can learn and predict outcomes on their own. Rather than a person programming them, they use software with algorithms that allow them to create predictions based on their analysis of data. For example, a machine can tell you that it needs preventative servicing.

Deep learning is a subset of machine learning, where the machine is taught to learn and make decisions based on artificial neural networks—specifically, deep neural networks (DNN). Deep learning is primarily used for handling large amounts of complex data.

What can these technologies do for construction projects and workers?

Useful Applications for AI in Construction

- Improve design quality.

AI, or more specifically, machine learning, can improve designs overall to make spaces better for the human end users.

For example, WeWork wanted its meeting rooms to match the ways people would use the spaces. The workspace startup used machine learning to help understand and predict the frequency of use for these meeting rooms, and the company was able to design the space to best fit the needs of the people before starting construction on it.

Machine learning can also help workers figure out design mistakes and omissions before going forward with building, which ultimately saves time and frees up resources for more productive tasks. The right AI technology can even test various environmental conditions and situations in the model. The technology can help determine if a particular element of the design is optimal or predict if it could create an issue down the road.

(continued on pg. 24)





- Create a safer jobsite.

Increased safety is a priority for construction sites; AI provides a high-tech way to achieve this goal.

AI-powered computer vision can be used to analyze trip and fall incidents on the jobsite, helping leaders come up with better safety measures for workers. This same technology can also analyze video footage to flag safety hazards and non-compliance.

For instance, if team members aren't wearing their protective gear properly, AI can spot this and prompt managers to conduct safety training.

AI can also streamline incident reporting.. Sensors, cameras, and devices installed on-site can monitor and gather data in real time and log any incidents that arise.

AI can also assist workers in detecting and reporting incidents. Thanks to natural language processing (NLP), AI-powered systems can analyze reports, identify patterns, and suggest the right course of action.

- Assess and reduce risk.

One of the truly amazing capabilities of AI in construction is that it can identify risks before they happen. This helps humans increase awareness of potential pitfalls and figure out how to prevent problems from arising.

- Increase asset lifespan.

Beyond design and construction, AI can even be instrumental in facility management to extend the total lifespan of an asset. There are often gaps in important information in facility management. As a result, it's difficult to manage repairs and renovations efficiently and cost-effectively.

AI and machine learning help streamline the process by augmenting the collection and utilization of data. It does this by classifying documents and data like work orders and assessing pertinent conditions in real time, with surprising accuracy.

When implemented properly, AI and machine learning can improve the daily lives of humans on the jobsite.

And while it may seem like a highly technical non-human approach, artificial intelligence can make things more human. Instead of taking humans out of the equation, AI and machine learning lets people do their real jobs more effectively. ▲

Register Now at www.dcaweb.org



Leadership Development Program



Session 1

March 4-6, 2024

Session 2

April 1-3, 2024

Hyatt Regency DFW Int'l Airport
2334 N. International Pkwy.
Grapevine, TX 85261

Pipeline Sector Unhappy with Clean Water Act Final Rule



The new Clean Water Act (CWA) final rule from the Environmental Protection Agency (EPA) potentially complicates efforts by pipeline builders (and other infrastructure sectors) to get construction approval from states and tribes.

The final rule on CWA section 401 certification reverses some of the pipeline-friendly aspects of a 2020 Trump administration rule that became the subject of a legal challenge. Section 401 says if a pipeline's construction results in any discharge into "waters of the United States," the pipeline must first get a permit from the state before the project can be authorized by a federal agency such as the Federal Energy Regulatory Commission (FERC).

The final rule includes an example that singles out pipelines and explains how a state might use enhanced environmental requirements to either slow down or cancel a project.

"INGAA has serious concerns with the final Section 401 rule, many of which echo what we included in our 2022 comments," a spokeswoman for the Interstate Natural Gas Association of America said.

"The final rule effectively eliminates the improvements that the 2020 rule delivered, including regulatory clarity around timelines and legal requirements," the INGAA spokeswoman added. "The 2023 replacement expands the criteria states must use to evaluate applications, and

unlawfully imposes new burdens on state regulators – effectively allowing certain states to veto all manner of important infrastructure projects."

In the final rule, the EPA criticizes many aspects of the Trump rule and states, "In this final rule, the Agency is returning to those important core interpretations and practices, such as an 'activity' approach to the scope of certification review, and greater deference to the role of states and tribes in the certification process, while retaining (and adding) elements that provide transparency and predictability for all stakeholders."

In terms of the "added elements," the final rule allows states and tribes to set their own certification requirement, which can either ignore federal requirements – EPA enumerates seven of those – or pile on additional requirements, in addition to the EPA "seven." Those include type of discharge, proposed activity, a map of the activity site, documentation that a pre-filing meeting request was submitted to the certifying authority, and more.

In the final rule, EPA dictates that a pre-filing meeting must take place, and it must be requested 30 days prior to a certification application being filed with a state, tribe, or federal agency. The Trump rule restricted that mandate only where the certifying authority was a federal agency.

Going further, EPA said it is "concerned that some, if not many, of the water quality-related impacts" would not be identified by the project applicant, if the scope of review was limited to "discharges only," which was the case under the Trump rule. Hence, the new leeway allows states and tribes to look beyond "discharges" to "activities" allowing "for additional water quality protections compared to the 2020 Rule's approach."

The EPA provides this example of how the "activity" rubric might affect pipeline construction applications:

"As another example, when reviewing the construction of a pipeline project, the 'activity' scope allows a certifying authority to consider water-quality-related impacts beyond the discharge of dredge or fill material from the construction and placement of the pipeline and, depending on the activity specifics, can include water quality impacts from non-discharge related erosion or sedimentation from the pipeline construction, as well as later water quality impacts from erosion or sedimentation from the operation and maintenance of the pipeline."

In an Aug. 5, 2022, letter to the EPA after the proposed rule was issued, Keegan Pieper, associate general counsel, Energy Transfer LP, which operates approximately 120,000 miles of pipelines in the U.S., blasted many technical aspects. Pieper asked it to be withdrawn because it cannot be justified and comes at "a particularly inappropriate juncture... given domestic and international energy and other infrastructure and supply problems." The EPA ignored those comments.

NEPA proposal elevates GHGs as pipeline approval impediments

The EPA isn't the only office throwing up potential roadblocks to pipeline construction. Interstate pipeline builders weighed in on the Council on Environmental Quality's (CEQ) proposed reversal of changes to the National Environmental Policy Act (NEPA) made by the Trump administration.

NEPA requires federal agencies such as FERC and the Army Corps of Engineers to require companies to prove they meet regulatory standards like the Natural Gas Act and CWA.

Biden-proposed NEPA changes would give environmentalists a leg up to block new pipelines because of alleged greenhouse gas (GHG) emissions. NEPA covers a broad range of government actions, including permit application decisions, federal land management decisions, and the construction of major public infrastructure projects such as highways.

Specifically, NEPA requires federal agencies to prepare environmental impact statements for "major federal

actions significantly affecting the quality of the human environment."

The pipeline industry, gas and oil, has objected to numerous aspects of the NEPA proposal, both on substantive and procedural grounds.

In a 40-page letter to the CEQ on Sept. 29, 2023, INGAA complained that the Biden NEPA reform proposal gave agencies an incentive "to engage in wide-ranging and speculative analysis of GHG emissions and climate change... Moreover, CEQ's proposed rule, if implemented as written, would slow down the NEPA process, mislead the public, and exacerbate the litigation risks that already create barriers to the construction of much-needed infrastructure."

For pipelines, any expansion of NEPA could impact FERC consideration of pipeline construction applications. FERC is currently wrestling with consideration of downstream GHG emissions when determining whether a proposed project would create "significant" emissions. Those emissions have to rise to the level of being "reasonably foreseeable" before FERC is required to make a "significance" decision.

A majority of FERC commissioners seemed to reach an agreement on those matters at their September 2023 meeting, a decision that could be read as positive for upcoming pipeline construction applications. A majority of the five commissioners essentially affirmed what is called the Driftwood compromise established by the commission earlier in 2023.

That had to do with the April 2023 certificate order for Driftwood Pipeline LLC's Line 200 and Line 300 project. In a blog post, the law firm Vinson & Elkins LLP wrote that the September approvals by FERC of six projects "show that the Commission now has a path forward on GHGs for all of the types of projects currently pending before the Commission, including those delivering to LDCs, downstream pipeline interconnections, LNG exporters, and power generators."

However, the Biden administration's NEPA changes, if finalized, could force FERC to go back to the drawing board and revisit the Driftwood compromise. About the proposed NEPA changes, Williams Companies, Inc. told the CEQ, "Williams does not want or expect 'easy' regulation; we seek a permitting process that is fair, consistently applied, and in compliance with NEPA and a federal agency's enabling statutes (e.g., such as the Natural Gas Act for FERC). It is difficult to conclude that such a process exists now. Rather, existing permitting uncertainty and unpredictable timelines are jeopardizing significant investment in new infrastructure and weakening our nation's energy system." ▲

Insights



DCA Leads Coalition Push for GIS Provisions in Pipeline Safety Legislation

Pipeline safety reauthorization happens about every four years, and usually becomes a DCA priority when pipeline safety bills are in play.

This year will be no different.

Although the "Promoting Innovation in Pipeline Efficiency and Safety Act" (PIPES Act) was approved by the House Transportation and Infrastructure (T&I) Committee in early December, pipeline safety legislation is shared by the House Energy and Commerce Committee, which has yet to consider and "mark up" pipeline safety legislation.

Meanwhile, the Senate Commerce Committee has not introduced its version of a pipeline safety bill, meaning there is a considerable amount of work to be done in the second session of the 118th Congress. No easy task in an impactful election year, when environmental issues are now part of PHMSA's purview and environmentalists are pushing the envelope to include additional mandates related to methane emissions.

Meanwhile, DCA continues to lead the construction industry in efforts to add requirements that will incentivize better mapping of underground facilities by pipeline operators. The last PIPES Act (2020) included language that requiring operators of gas distribution pipelines to identify and manage traceable, reliable, and complete records, including maps and other drawings. Accurate mapping of underground structures facilitates locating, and use of geographic information systems (GIS) is the most effective way to identify and document a wide range of data about a given area's underground infrastructure.

DCA has been in active in "stakeholder conversations" with House T&I Committee staff and other organizations engaged in the pipeline industry. The T&I bill addresses the enduring problem of damage to underground facilities during excavation activity. Providing excavators with all specifics related to the exact location of pipeline facilities needs to be a priority in Congress, and movement toward increased use of GIS mapping is gaining considerable attention.

The T&I PIPES Act includes language toward improved pipeline mapping and underground facility locating. Specifically, the bill would require states applying for PHMSA damage prevention grant money to demonstrate they have adopted or can show progress toward adopting several leading practices in their damage prevention programs. DCA was very pleased to see that these leading practices would include “encourag[ing] the use of commercially available technologies to document and securely share standardized digital data on underground facilities, such as geographic information systems...”

Therefore, when we needed support for language that would encourage use of modern technologies, specifically GIS, DCA called on its allies in the energy and construction industries to garner broad support for GIS mapping. This ad hoc coalition represents construction contractors, manufacturers, distributors, and other service providers, pipeline operators, labor unions, professionals in surveying, mapping, and engineering, and others engaged in construction of underground facilities who have a vested interest in underground facility mapping. In a letter to members of the T&I Committee, the coalition stated that a “fundamental need is to document utilities properly and in a standardized fashion at the time of installation.”

The letter pointed to the influx of federal dollars — namely the unprecedented \$550 billion in new investments in American infrastructure provided in the Infrastructure Investment and Jobs Act (IIJA) of 2021 and subsequent legislation — into a range of infrastructure markets as evidence of the need for more accurate mapping. According to this coalition, a “significant portion of those dollars will go toward improvements to underground systems. This means an unprecedented amount of excavation activity coming our way. The PIPES Act would take needed steps to encourage states to employ state-of-the-art technologies, such as GIS mapping, along with published standards for documenting utility infrastructure, which will only improve the damage prevention process.”

DCA will continue to support this language as the pipeline safety reauthorization heads to the House Energy and Commerce Committee as well as to the Senate, and will work with this coalition to back up our efforts.

Construction Industry Pushes Back on OSHA Heat Exposure Rule

In October 2021, OSHA announced they were considering a new standard to “more clearly set forth employer obligations and the measures necessary to protect employees more effectively from hazardous heat.” While OSHA has revealed potential parameters of a new rule, the agency has not issued a formal proposal yet.

OSHA convened Small Business Advocacy Review (SBAR) panels last September to get feedback from small businesses on the impact of the proposed heat safety standard. As a member of the Construction Industry Safety Coalition (CISC), DCA was happy to sign on industry comments on OSHA's proposed heat standard following the SBREFA process. CISC is comprised of a range of trade associations representing all sectors of the construction industry and advocates for effective and reasonable safety regulations, meaning it is at odds with OSHA under the Biden administration.

Workplace safety and health is a top CISC priority, and the coalition has remained at the forefront of industry efforts to protect construction workers from the effects of extreme heat. Along with other efforts, the associations that make up the CISC regularly conduct safety training on heat stress to provide workers with critical information about heat-related hazards on the job. CISC submitted formal comments on this proposed workplace standard, which CISC deems unnecessary, stating that OSHA needs to ensure companies have flexibility in compliance options if the agency continues to develop a new heat exposure standard.

In general, CISC expressed support for regulations that protect construction workers from illness, injury, and death, but said OSHA's current proposal is overly confusing and rigid, and therefore largely unworkable. For example, OSHA is considering heat triggers at specific temperatures to flag business owners when new requirements kick in. Specifically, a temperature of 86°F could trigger new “high-heat” safety requirements, including specifying certain amounts of water per worker. Several CISC members working primarily in the Southwest and other warmer regions indicated that the proposed temperature is reached during a majority of days throughout the year, making a “one size fits all” heat trigger temperature impractical.

If OSHA continues to move forward on this, CISC supports affording businesses the ability to choose from multiple compliance options and the ability to select workable, flexible, and cost-effective methods for protecting their employees from extreme heat. When considering the subcontractor-heavy nature of the construction industry, CISC strongly urged OSHA to establish that each employer on site is responsible for providing water to its own workers as part of any heat-related standard.

Specifically, CISC's comments address four key areas discussed in the SBAR Panel materials and the SBAR Panel's final report. Among the main points of these comments are:

(continued on pg. 30)

- If OSHA moves forward with efforts to regulate heat injury and illness, its standard should be flexible, performance-based, and emphasize training.
- The construction industry has shown that a flexible approach to addressing heat injury and illness is effective.
- Prescriptive administrative controls are ineffective and unworkable.
- OSHA's proposed temperature triggers are impractical and lack scientific support.
- Any acclimatization requirements must be flexible, science-based, and allow for self-managed acclimatization periods.
- Any rest or break requirements must be flexible.
- Additional administrative controls must be flexible.
- Any PPE requirements should be adaptable to the work environment.
- Any regulatory approach must be simple, emphasize training, and incorporate the concepts of "Water, Rest, Shade."
- The proposed recordkeeping and written plan requirements are unnecessary and impose burdensome compliance obligations on construction employers.
- Personal risk factors are outside of an employer's control but significantly impact how an employee will be affected by extreme heat, and construction employers should not be required to collect information about such risk factors.
- A construction worksite is not purely an "indoor" or "outdoor" work environment.

CISC also reiterated its suggestion for OSHA to consider a separate regulatory approach for the construction industry, as has been done in other OSHA rulemakings. DCA will continue to work with CISC to encourage OSHA to rethink the entire need for this proposal and suggest needed changes to the proposed standard if OSHA continues development of this shortsighted regulatory endeavor.

Biden Methane Rule Meets Immediate Pushback

There are few issues in today's national debate that are as volatile as climate change. Efforts to limit methane emissions through attacks on the natural gas industry continue to be the primary focus of President Biden's climate goals. In early December, the Biden administration released its final rule on stronger controls on methane emissions from gas and oil production and storage, as well as many processing and pipeline operations. Specifically, the Environmental Protection Agency (EPA) exercised its

authority under the Clean Air Act to issue rules specifically intended to minimize routine flaring of natural gas and the size and frequency of gas leaks.

Under the final rule, EPA will require state implementation plans to cover both existing and new operations, and all well sites, centralized production facilities, and compressor stations will have to be monitored regularly for leaks. Methane is clearly the primary target, but increased controls are also intended to reduce emissions from a broader range of volatile organic mixtures. According to EPA, changes to minimize routine flaring will reduce the waste of a valuable national resource, reflecting one of the contributing reasons behind developing this rule. While the rule focuses on wells and compressor stations, it also specifies that its requirements extend to the "point of custody" transfer to natural gas production, processing, transmission, and storage, up to a "city gate" point of transfer to a local distribution company.

EPA issued its initial proposed rule in 2021 and a supplemental proposal in November 2022, with the goal of reducing greenhouse gas emissions and protecting human health. Industry associations and coalitions filed comments warning of what the industry considered an impractical and overly expensive proposal. In response to the final rule, industry groups issued cautious statements saying they would review the complex rule (1,690 pages) to determine if it is cost-effective and provides adequate flexibility.

Under the final rule, routine flaring will eventually be phased out for most operations while allowances are made for temporary flaring or venting for various reasons, such as in emergency construction situations.

Manufacturers Call for Flexible Tax Credits Related to Hydrogen Production

It's no secret that manufacturers are a critical part of DCA's membership and the energy and construction industries in general. Along with other construction stakeholders, manufacturers continue to work toward developing tools and approaches that reduce emissions and promote sustainable energy sources. While increased use of hydrogen is an important part of those efforts, the manufacturing industry is calling for guidance regarding implementation of a hydrogen tax credit in a way that would support sound investments in energy technologies.

The U.S. Department of Treasury finalizes rules around the use of the "45V" tax credit, which was established in the Inflation Reduction Act (IRA). The 45V tax credit provides incentives to companies to develop, produce, and use clean hydrogen, and the manufacturing industry is expressing that Treasury's recent plans for 45V may undercut manufacturers' ability to take full advantage of the tax credit.

Certain provisions in particular are at the center of the issue, according to the National Association of Manufacturers (NAM). Considered the "Swiss Army Knife of decarbonization," meaning it can be used for nearly everything natural gas can be used for, hydrogen continues to be considered a leading source of American energy in the future. However, stipulations related to how clean hydrogen is created are facing serious scrutiny from industry.

The Treasury Department is currently considering policy that would require that only hydrogen power created through the use of new renewable energy would be eligible for the 45V credit. According to NAM, clean hydrogen created with renewable energy that is already on the grid would not qualify. This is problematic because of the nation's outdated permitting process, which can often take half a decade or more to add additional

clean power to the American power grid. Treasury is also considering to impose provisions that would result in companies only receiving the tax credit if they produce hydrogen energy at the exact same time that they are producing renewable energy.

The bottom line is that these provisions will create overly stringent restrictions that will likely impede investment and innovation. Investments in clean hydrogen energy will likely change the game for America's energy future, but only if industry has the opportunity to make these investments. Therefore, DCA applauds NAM for their efforts and will continue to support the manufacturing industry in urging the Treasury Department to create a flexible tax credit that rejects harmful provisions and provides an effective tax credit.▲



Eben M. Wyman
Principal
eben@wymanassociates.net



DCA NEWS is a bi-monthly publication of
Distribution Contractors Association
101 West Renner Road, Suite 460
Richardson, Texas 75082
972-680-0261
www.dcaweb.org



Robert G. Darden
Executive Vice President

Candace Green
Director of Communications