

THE BI-MONTHLY PUBLICATION OF THE DISTRIBUTION CONTRACTORS ASSOCIATION



DCA NEWS

SEPTEMBER / OCTOBER 2024



**Annual
Convention**

Scholarships

**Leadership
Development**



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Save the Date for the DCA Convention

Fairmont Scottsdale Princess
Scottsdale, Arizona

February 24 – March 1, 2025



DCA Convention Keynote Speaker KEVIN O'LEARY



DCA is happy to announce Kevin O'Leary will be a keynote speaker at the DCA 2025 Annual Convention at the Fairmont Scottsdale Princess Resort.

As a renowned entrepreneur, venture capitalist, and star of ABC's *Shark Tank*, Kevin is known for his no-nonsense approach to business and his sharp insights into the economy. O'Leary embodies success across sectors, including technology, education, finance, and venture capital. His perspective on economic dynamics will be invaluable at this stage of economic and political transition.

Registration Will Open December 3rd.

For the most up-to-date information, check the DCA Convention website at www.dcaweb.org/page/convention



Convention Sponsorship

The DCA Annual Convention holds a prominent position in the association's yearly agenda. DCA takes great pride in marking its 64th year as a leading industry conference, bringing together influential leaders in gas distribution, HDD, and utility construction.

The association acknowledges and values the steadfast support from member companies over the years and sees this convention as a distinct opportunity to cultivate closer bonds with equipment and service suppliers. DCA's budget for construction equipment and services is expected to reach millions of dollars, presenting an excellent opening for your organization to help. The convention serves as a vital platform for the association to stay updated on the latest advancements in member products and services and develop a more robust professional network. Associate members are a critical part of DCA's growth and success, and the organization hopes to continue to count on your unwavering financial backing.

DCA recognizes the significant efforts that members go through to secure funding and is committed to providing networking opportunities to build fruitful relationships that

benefit the community. Sponsors will receive optimal acknowledgment at the conference based on their support level.

2025 Sponsor Recognition Levels:*

- Platinum: \$25,000 and above
- Gold: \$10,000 - \$24,999
- Silver: \$5,000 - \$9,999
- Bronze: \$1,000 - \$4,999

**equals a combination of the 2024 Auction Donations as determined by the winning bid and 2025 Cash Pledge.*

To enable DCA to finalize its financial arrangements for the occasion, access our website at <https://www.dcaweb.org/page/Sponsorship> to complete the online form by **Wednesday, November 20, 2024**.

If you require any clarification, please reach out to Jacob Adams Mireles, DCA Director of Membership, via email at jadams@dcaweb.org or phone at (972) 200-2707. ▲





Annual Auction: How to Get in on the Action!

DCA is gearing up for the annual fundraiser auction, set to take place on the evening of Wednesday, February 26, 2025, during the convention at the Fairmont Princess in Scottsdale, Arizona. DCA contractor and associate members come together each year for an exciting and spirited event that raises crucial funds for the association. These funds support DCA's educational initiatives and scholarships for deserving students who will promote and enhance the industry. With a special emphasis on Workforce Development, the 2025 auction aims to make a significant impact.

Since 1991, the DCA auction has raised over \$13 million for grants, scholarships, and educational programming, thanks to the generous donations from DCA members. A full-color catalog will be available online a few weeks before the auction, building excitement and energy from the start of the silent online bidding to the closing gavel of the live auction. The highest bidders of auction items can

also achieve Silver, Gold, and Platinum sponsorship levels for next year's convention.

DCA is now accepting items for the 2025 auction. Members are invited to donate one or two highly sought-after pieces of equipment, trips, sporting events or even cash.

Visit: <https://www.dcaweb.org/page/AnnualAuction> for more information and to complete the online donor form. Along with the donor form, please include a 50-word description along with a 300-dpi high resolution photo in JPG format.

Donations must be received **no later than Friday, November 15, 2024**. Donations made after this date will be accepted on a space available basis.

If you have any questions or need donation ideas, please contact Director of Member Services Donna Reed at dreed@dcaweb.org or (469) 399-5588. ▲

CERTIFICATE

SCHOLARS





DCA Scholarship Applications Now Being Accepted

The application process for the 2025-26 DCA-Dale R. Michels Scholarship and Curtis Allen Scholarship is now open on the DCA website at: <https://dcaweb.org/page/Scholarship>.

All applications will be completed online.

Students should click on the link above, scroll down the page to find the scholarship they are interested in, click the button, and follow the instructions, including how to upload a transcript in PDF format.

Basic guidelines:

- The **DCA – Dale R. Michels Scholarship** encourages students *planning to pursue a four-year bachelor, or post-graduate* degree to apply.
- The **Curtis H. Allen Scholarship** focuses on those *planning to attend a trade, technical or vocational school*.
- Applications must include an unofficial or official copy of a transcript. See the specific scholarship for the correct transcript that should be uploaded.
- All applications and supporting documents must be completed no later than **Wednesday, January 8, 2025**.
- If DCA receives more than three applications from a member company for either scholarship, the member company will be asked to review and select three for inclusion in the application pool.
- The winning applicants will be awarded an unspecified amount of financial aid for the 2025-26 academic year. This amount could be renewable for up to four years with proof of academic success for the Michels scholarship and two years for the Allen scholarship.
- Financial need, academic major, and community service will be considered by the scholarship committees.

The DCA-Dale R. Michels Scholarship Committee is comprised of the DCA President, Treasurer, Past President Director, Associate Member Director, and up to five members appointed by the DCA President.

The Curtis H. Allen Scholarship Committee is comprised of the DCA Vice President, DCA Director at Large, DCA Alternate Associate Member Director, two Halliburton Representatives, and one member appointed by the DCA President.

Contact tkorson@dcaweb.org if you have any questions. ▲



DCA 2024 Fall Leadership Development Program Kicked Off in September



DCA contractor and associate members attended session one of the Fall Leadership Development Program at the Hyatt Regency DFW Airport. DCA once again partnered with ATW Training Solutions for a program aimed at professionals working in the distribution contracting industry who want to enhance their leadership abilities and advance their careers in the field. This program equips managers to engage and empower their teams to make an impact. Through focused learning and group activities, participants grow their skills needed to manage and lead their teams. This event has several training sections split over several months both virtual and in person.

Topics in the program focus on how to develop and apply leadership skills and styles to deal with daily leadership situations.

A participant commented, "I plan to use the methods of feedback and coaching on a day to day basis to effectively communicate with our teams and build a better workplace environment."

Participants will return to Dallas in late October for session two of the program.

The DCA Strategic Leadership Program, a graduate level course geared to those that completed the Leadership Development Programs is being held December 9-12. The graduate program will strengthen the leadership skills taught in the earlier program. Registration is open on the DCA website. ▲

Industry News

Underground Infrastructure

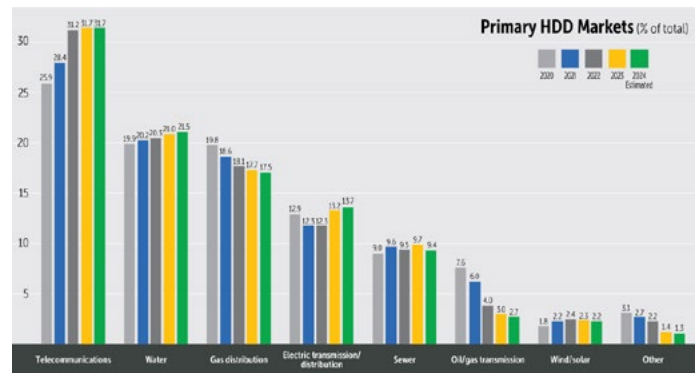
26th Annual Directional Drilling Survey: More Fuel on the Fire

By Robert Carpenter, Editor-in-Chief
Underground Infrastructure



In 2024, the drive to install fiber optic cable for homes, businesses, and entire communities continues to ride the tidal wave of momentum. Already well-funded by private ventures and industry giants (i.e., AT&T, Xfinity, and Verizon among others), the love affair with fiber in America has further heated up in the past two years as billions in government money have been and still are being pumped into the market via the famous Infrastructure Act of 2021.

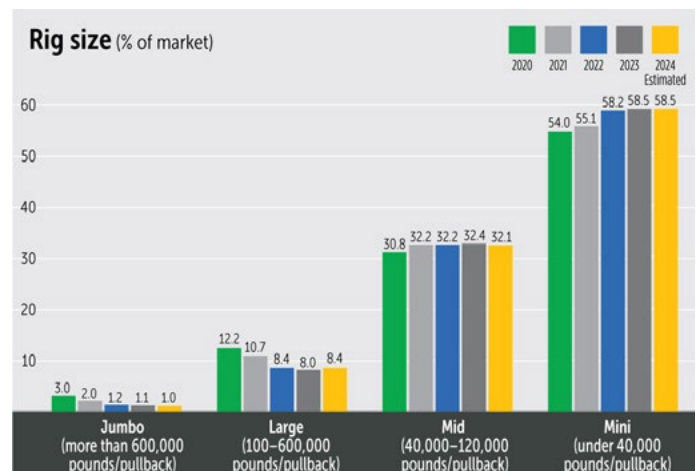
As the fiber market continues to burn bright, so does the utilization of horizontal directional drilling (HDD). The small rig market's appetite and need for HDD is again demonstrating remarkable consistency in 2024 according to the results of the annual *Underground Infrastructure HDD Survey*.



“We had an amazing 2023, and it looks like 2024 will be even better,” said a respondent from the Southwest. “Of course, that is assuming we can continue to keep up with our workforce needs. It’s been a struggle, but definitely getting better.”

For more than 26 years, *Underground Infrastructure* has been conducting its research into the disruptive technology of HDD and its impacts upon the utility and pipeline markets. To say HDD has been a game changer would be an understatement.

In addition to the continued strong fiber work, which primarily impacts small rig operations, other market twists are expected to further impact HDD markets during the remainder of 2024 for all levels of rig operations.



The most recent research for *Underground Infrastructure* was conducted during March and April 2024. It polled U.S. contractors that actively own and operate HDD units to enable a statistical portrayal of the market, from small rigs to large and jumbo models.

Also included in the data results were assorted utilities that own and operate HDD equipment. Their numbers

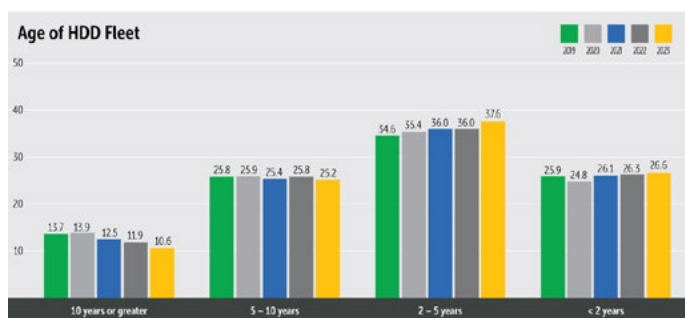
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have grown by 6% over the past year, further reflecting adaptation by utilities to highly volatile market conditions. Their growth also illustrates the demand for HDD work in a market that continues to be short of personnel and equipment, forcing utilities to increasingly incorporate HDD in-house.

"In 2022, we started an ongoing replacement project in several areas where HDD was the perfect technology for the job conditions and needs," said an electric utility construction manager in the Southeast. "We were having a tough time keeping contractors, as they had so much work and not enough people or equipment.

"Fortunately, we had the personnel and took the plunge to start doing a lot of the work ourselves. It took a while to get our equipment, but since then, it has worked out great, and we now have two crews working full time installing distribution lines by HDD."



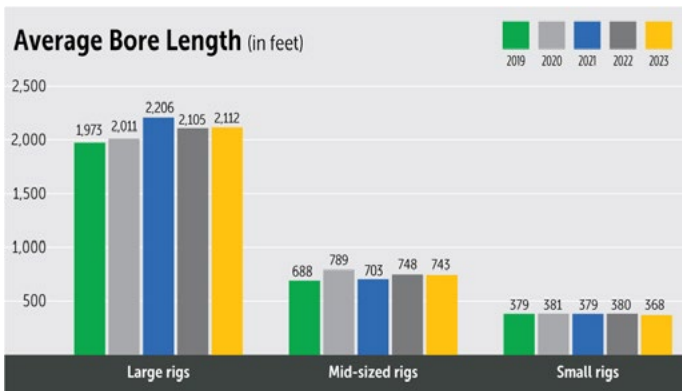
Fueling the Fire

Interestingly, in 2024, an already-hot market is being kicked into overdrive with the much-anticipated Broadband Equity, Access, and Deployment (BEAD) Program, a derivative funding mechanism from the Infrastructure Bill of 2021. BEAD will fund \$42.5 billion for fiber installation to be spread over all 50 states, Puerto Rico, and U.S. territories.

The fiber is to be placed where broadband service is either completely absent or not as robust as it should be, typically in rural or low-income areas. For many contractors bidding on this additional work, 2024 through 2026 will be very hectic times as the bulk of that funding hits the streets.

"We've finally gotten close to being caught up with our rig needs — we'll see how long that lasts, as we're looking at replacing a couple of rigs later this year or early next. But we're still struggling a bit with finding and retaining good help," observed a contractor from the Midwest. "Both will be essential to our ability to perform all the work we're lining up, including what we anticipate from the BEAD program."

Rig manufacturing has overcome many of the market supply issues that wreaked havoc in recent years, with rig delivery delays ranging from several months to over a year in backlogs. Since 2021, frustrated manufacturers have tried everything imaginable to boost their supply chain and keep up with customer demand. Their



contractor customers, in turn, have been desperate to find new or replacement rigs to keep up with demand from fiber utilities, which are also desperate to bring fiber products to a booming market place.

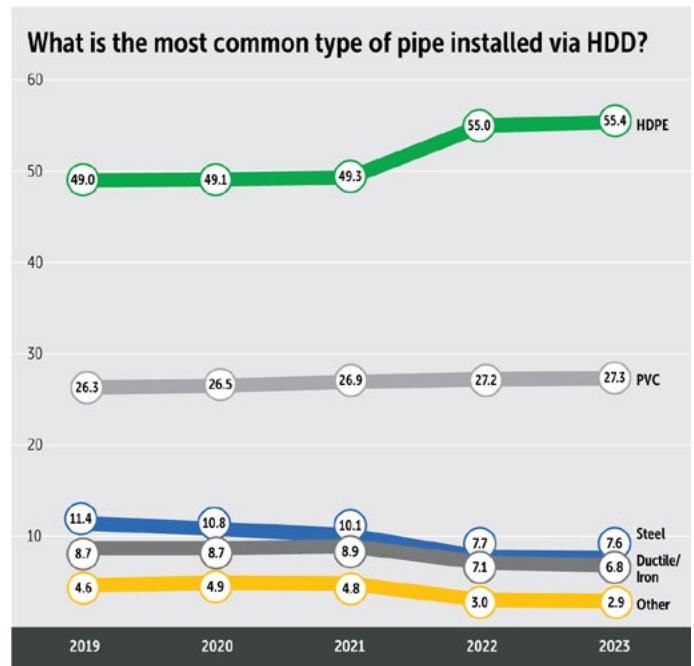
And it's not just the rigs themselves that are requiring record levels of work by industry manufacturers. The need for accessories such as mud systems, downhole tools, drill pipe, and trackers has combined with rig demand to force many manufacturers to add nightshifts and work around the clock to ensure constant delivery now that suppliers are close to catching up.

The good news is that the great small-rig shortage that plagued the HDD market since COVID appears to be drifting to an end. The struggle for suppliers that could deliver ample materials on a steady basis severely inhibited manufacturing capability in 2021 and 2022. It was not uncommon for contractors to wait up to a year for several of the popular small rig models. Even industry giants Vermeer and Ditch Witch were desperate for parts to complete rigs and send them out factory doors.

By 2023 and now into 2024, manufacturers started seeing substantial relief from clogged distribution lines, and parts have begun to flow at close to normal rates. Still, occasional hiccups plague the HDD industry, but those problems are receding back to minor issues rather than insurmountable problems. As one manufacturer explained, "We still have some concerns, but that's a whole lot better than having manufacturing being stopped dead in its tracks. Wait times are getting close to normal — what one would expect."

Electric Hardening

But both manufacturers and contractors are holding their breath in terms of keeping the supply of rigs/equipment on a steady track as the increase in power line spending may complicate the mix. Electric markets are now being supercharged by billions in supplemental infrastructure bill funds to "harden" their service lines.



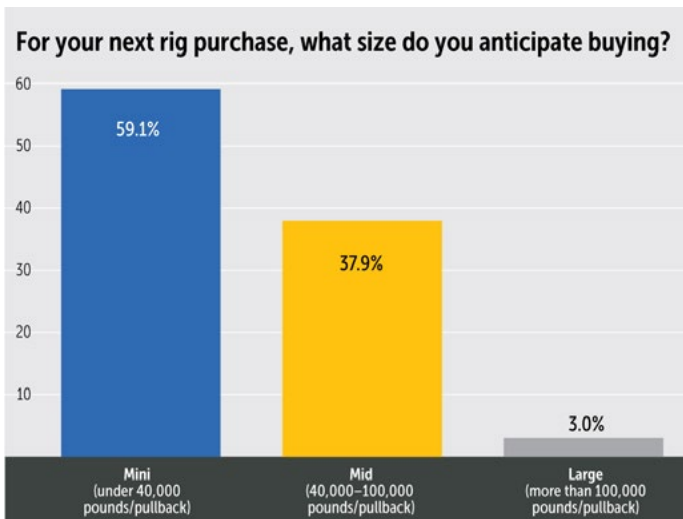
Hardening refers to using various means and methods to strengthen or shore up primarily overhead power lines from storms, flooding, tornadoes, hurricanes — even common accidents along highways and roads. Anecdotally in conversations with electric utility personnel, they all admit that the most practical way to harden electric lines is to move them underground.

But while that may seem like the simplest path, it is one of the most controversial. There remains an owner and engineer bias that moving electric lines underground is cost-prohibitive. Now, with federal dollars fueling electric work, more and more utilities are finally willing to consider undergrounding their systems and are successfully working through the historical misconceptions regarding cost.

Overall, worldwide rig sales grew in 2023 to 2,528, and most expect 2024 to experience another jump as rig manufacturers are now able to run close to full speed. The good news is that suppliers, in general, are doing a much better job in keeping up with demand, finally easing what have been crippling supply restrictions for all sizes of rigs.

In addition to fiber, other markets are displaying strong market strength, such as electric and gas distribution, water, and sewer applications. Frequently utilizing small rigs (40,000 pounds or less of pullback force), that sector should continue to account for 58.5% of all rig production in 2024. Rig manufacturing in mid-sizes (40,000 to 120,000 pounds of pullback) remains stable at 32.2% of the

(continued on pg. 18)



market. Jumbo rig sales (in excess of 1 million pounds of pullback force) retreated slightly from 1.1% to 1% market share.

Perhaps most notably, large rigs (generally 120,000 to 600,000 pounds of pullback force) have actually witnessed increasing sales in late 2023 and through the first half of 2024 after languishing in tough markets post-COVID. This is despite the incessant attacks and restrictions on conventional energy and pipelines by the Biden administration that have vanquished many existing and planned pipeline projects, taking their toll on large rig contractors, who typically work in this market.

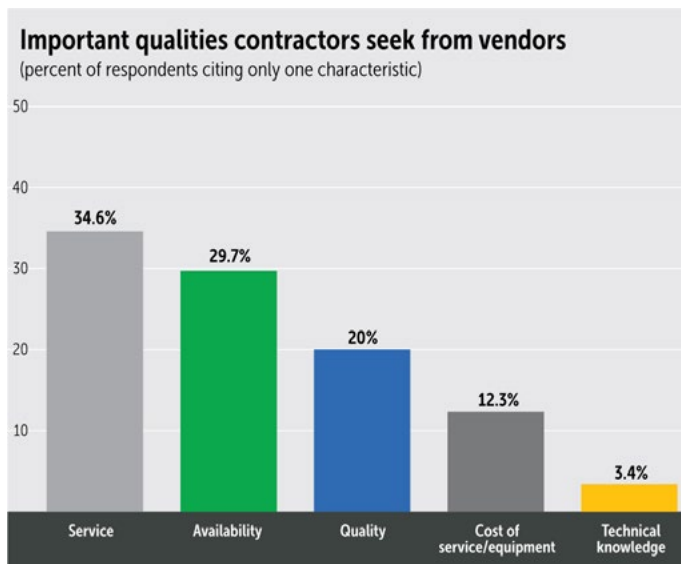
However, for the most part, large rig contractors have proven to be resilient and adaptable. The survey revealed that contractors continue to diversify their work, from prototypical oil and gas pipelines to all kinds of utility and alternative energy projects. Large rigs seem to have found a sweet spot for those willing to stick their toes into the waters of diversification.

"We've seen definite strengthening of the large rig market," reported a manufacturer. "Contractors are continuing to diversify successfully. We anticipate a good market in 2024."

Water, Water Everywhere

One of the most common areas that large rig contractors are pursuing is water pipelines.

"In early 2023, we picked up a couple of good water projects to fill in the lack of oil and gas work," related a Southwestern contractor. "Our success on the projects has since opened the door for interest from other water utilities in our area and kept us busy. Working in the



public works markets is a lot different than the private oil and gas market — we've had to do a lot of adapting and learning. But nonetheless, it has worked out well for us and we'll probably keep doing this kind of work even if oil and gas come back strong."

Water projects requiring larger rigs have grown significantly, and that trend is projected to continue for the near future. Well-chronicled water pipeline problems and supply needs have forced municipalities to turn their attention to replacing and expanding their systems. Water utilities searching for additional supplies are both building and planning water pipelines. Add in billions of dollars in the Infrastructure Bill dedicated to water, and it's easy to identify a robust growth curve for this market.

Contractors are still facing another familiar challenge in finding and retaining their workforce, though most feel like that has eased somewhat. "The last few years really hit us hard in terms of workforce," said an Upper Midwest contractor, "We think we're seeing a light at the end of the tunnel for 2024 as we're getting better response to hiring practices."

"We're still behind in workers for what we'd like to have," said a Mid-Atlantic contractor about his workforce. "But we're finding some good people and slowly catching up to the point that we're comfortable in buying some new equipment this year."

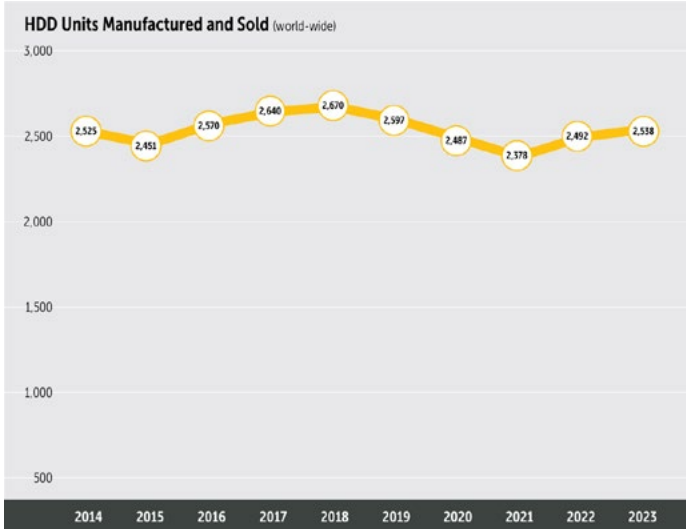
A West Coast contractor pointed out that "there have been several big company layoffs out here this past year that have worked to our advantage. We reached out to some of those people, hired and trained them, and now both of us are happy."



The survey historically asks contractors about the most important characteristics and needs they seek from their manufacturer and supplier partners. Predictably, in 2023, availability of equipment was at the top of the list, as noted by 34.6% of the survey respondents. Service remained a strong desirable characteristic of vendors at 29.7%. Quality was third place at 20.2%.

Like any strong and growing market, HDD in general continues to have its fair share of problems, such as drillers without proper training or knowledge.

“We’re all for competition,” said a contractor from the Mountain West states, “but not being prepared to assume a role as a respectable and quality contractor is unforgivable,” he said. “This is a great industry, and we all need to do our part to keep it that way.” ▲



Save the Date for the DCA Safety Congress

Hyatt Centric, French Quarter
New Orleans, Louisiana

March 24 – 26, 2025



Calendar

2024 & 2025 DCA & Industry Events

2024

OCTOBER 28-30

DCA Leadership Development Conference -
Session 2
Hyatt Regency DFW International Airport
Dallas, Texas
www.dcaweb.org

NOVEMBER 19-21

CEWD Workforce Development Summit
The Wharf
Washington, D.C.
www.cewd.org

DECEMBER 9-12

DCA Strategic Leadership Program
Hyatt Regency DFW International Airport
Dallas, Texas
www.dcaweb.org

2025

FEBRUARY 4-8

2025 PLCA Convention
Marriott Marco Island
Marco Island, Florida
www.plca.com

FEBRUARY 24 - MARCH 1

DCA Annual Convention
Fairmont Scottsdale Princess
Scottsdale, Arizona
www.dcaweb.org

2025 (cont.)

MARCH 4-6

Underground Infrastructure Conference (UIC)
George R. Brown Convention Center
Houston, Texas
www.ui-conference.com

MARCH 24-26

DCA Safety Congress
Hyatt Centric, French Quarter
New Orleans, Louisiana
www.dcaweb.org

MAY 26-29

Pipe Line Contractors Association of Canada
(PLCAC) Convention
Fairmont Banff Springs
Banff, Alberta
www.pipeline.ca

JUNE 23-27

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

JULY 14-17

DCA Mid Year Meeting
Grand Geneva Resort & Spa
Lake Geneva, Wisconsin
www.dcaweb.org

OCTOBER 29-31

DCA Fall Meeting
Gaylord Texan Resort & Convention Center
Grapevine, Texas
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.

Insights



New Legislation Introduced to Combat Pipeline Vandalism

DCA has long advocated for increased penalties for criminal acts made during pipeline protests. While violent and otherwise criminal protests have not made front page headlines since the turbulent demonstrations surrounding the Dakota Access Pipeline years ago, problems associated with pipeline sabotage remain.

In recent years, DCA has supported legislation such as the Pipeline Sabotage and Accident Prevention Act (HR 1484), which would close loopholes in current law to establish specific penalties for sabotaging pipelines by turning valves or causing structural damage that compromises public and environmental safety. Provisions similar to those provided in HR 1484 were included in

the current pipeline safety reauthorization, and DCA has been working to keep the criminal penalty in the legislation as it moves through the legislative process.

In late September, Republicans serving on the Senate Commerce Committee introduced the “Safe and Secure Transportation of American Energy Act” to protect American energy from attacks or even the threat of attacks. The legislation, authored by Sen. Ted Cruz (R-Texas), ranking member of the Commerce Committee, would deter domestic “eco-terrorists” from targeting pipelines that transport natural gas and oil by expanding current criminal penalties to cover vandalizing, tampering with, or disrupting the operations or construction of a pipeline.

"The number of targeted, disruptive activities against vital oil and gas pipelines is growing, Sen. Cruz said. "These disruptions, whether during construction or operation, are not just inconveniences — they put people's lives at risk and are direct assaults on our economy and American energy independence. I am proud to spearhead legislation to jail eco-terrorists who try to shut down pipelines and prevent the movement of American energy. It is particularly needed given Hollywood radicals celebrate and encourage eco-terrorism through films like 'How to Blow Up a Pipeline.' Ironically, when eco-terrorists take extreme measures like valve-turning, they actually risk damaging the environment, which is exactly what pipeline operators are working to avoid. This legislation would ensure these highly disruptive acts now meet the thresholds for criminal penalties."

The legislation is supported by nine other Republican "original cosponsors," who say that although current laws criminalize eco-terrorism and the destruction of infrastructure, they don't go far enough. Current federal law allows for criminal charges against individuals who damage or destroy operating pipelines, but does not clearly apply these penalties to those who vandalize, tamper with, or disrupt the operation or construction of a pipeline. This legislation would take significant steps to correct that oversight.

House Panel Examines Implementation of Revised WOTUS Rule

The "Waters of the United States" (WOTUS) rulemaking has to be considered one of the longer-lasting, more intense permitting issues remaining in the debate over environmental protection. The fight over WOTUS policy, intended to define the geographic reach of federal agencies' authority in regulating streams, wetlands, and other water bodies under the Clean Water Act has been a hot topic for decades. After the Biden administration issued the latest "final" rule on WOTUS in early 2023, the rule was immediately challenged in several states before being considered by the U.S. Supreme Court.

Last spring, the Supreme Court overturned the Biden Administration's definition of wetlands that fall under the Environmental Protection Agency's (EPA) jurisdiction. In what is referred to as the *Sackett* case, the high court sided with an Idaho couple who held that they should not be required to obtain federal permits to build on their

property that lacked any navigable water. The *Sackett* decision provides a very clear standard that substantially restricts the agency's ability to regulate certain types of wetlands and streams. In other words, wetlands that do not have a continuous surface connection with a navigable water are not federally jurisdictional.

While the Supreme Court decision was well received by American businesses, farms, and the construction industry, implementation of the new policy is raising some complaints. To address these concerns, the House Transportation and Infrastructure Committee held a hearing in September.

EPA issued a final "conforming rule" following the *Sackett* case a year ago, but did not better specify the scope of the federal government's authority. The new rule appears to be broader than policy enacted previously by EPA. For example, the new rule indicates fewer ditches would meet the standard for exclusion from a discharge permit, presenting a new level of uncertainty.

The American Farm Bureau Federation (AFBF), which testified at the hearing, highlighted the impacts of inaction from the Biden Administration on the agricultural community. These concerns are shared throughout the construction industry.

"With this level of uncertainty, it's unfair to our landowners. And again, I just don't understand why the agencies won't come out and clearly tell landowners what the rules of the road are," said the AFBF witness. "I hear from people who have to walk away from projects, walk away from creating jobs in rural communities because of this regulation. And frankly, this is one of those regulatory rule makings that makes the next generation of farmers not want to get into farming. So, there is a real ripple effect here that I think folks are failing to acknowledge."

Fines for discharging without a permit can reach as high as \$64,000 a day, and negligent violations of the Clean Water Act can also lead to up to a year in jail. The Supreme Court's decision to limit permit requirements related to WOTUS only to waters with continuous surface water connections did a lot to address these problems, but much clarification is needed by EPA to ensure developers are protected from overzealous enforcing authorities who preferred the WOTUS policy before the Supreme Court set the record straight.

(continued on pg. 24)

EPA Encourages Supreme Court to Uphold Biden Methane Rule

Following several mandates related to climate change over the past few years, the EPA issued a final rule in December of last year intended to significantly cut emissions of methane from the gas and oil industry. Methane is a powerful planet-warming gas that climate advocacy groups have pressed nations across the globe to rapidly reduce as global temperatures change.

One major goal of the methane rule is to end routine flaring of the natural gas while drilling oil wells by phasing in a requirement for that gas to be captured instead of flared or vented. The rule also requires strict leak monitoring of oil and gas wells and compressors, and attempts to reduce leaks from equipment like pumps, storage tanks, and controllers.

In August of this year, Republican officials in 24 states asked the Supreme Court to pause the rule from going into effect while legal challenges play out in at least one lower court. This sparked new concerns from Democrats in Congress and their allies in the “environmental” community, who fear the increasingly conservative high court might “deep-six” the new methane requirements.

About a month later in September, Biden administration officials encouraged Supreme Court justices to reject requests to block EPA’s new limits on methane emissions. Opponents of the rule said in a court filing that the EPA set an unrealistic timetable for compliance, and that the new standards violate power sharing between states and the federal government required by the Clean Air Act.

One of the main sources of methane is natural gas wells. The EPA’s rules also set tougher requirements for flares emanating from the wells. DCA has advocated for years for policy that allows, if not requires, natural gas being captured, piped, and brought to market during energy extraction and development operations. Addressing “fugitive methane” by ensuring a safe, robust gas and oil gathering pipeline network would be a lot more effective than punitive measures coming out of the Biden White House.

The rule also authorizes EPA to identify “super-emitters” for prompt legal action, allowing private citizens or groups to investigate and file complaints to halt emissions that might be illegal. Opponents argue that the EPA

cannot legally delegate enforcement authority to private persons, and that doing so would violate constitutional due process rights.

State officials also objected to an EPA schedule that requires them to submit compliance plans within two years. They said the new rules would cover “hundreds of thousands” of oil and gas facilities, many of which had never been regulated previously, and that compliance within two years would be “impossible.”

EPA denied in its Supreme Court filing that it violated any state and federal power sharing under the Clean Air Act. “The Clean Air Act mandates the control of dangerous pollution, and recently Congress has twice — in no uncertain terms — specifically directed EPA to limit oil and gas sector methane pollution,” EPA wrote in a Supreme Court brief.

The challenge from the oil and gas industry is part of a larger effort to oppose what it considers one of the most extreme parts of the Biden administration’s environmental agenda.

House Considers Measures to Push Back on ESG Initiatives

Since progressive “Environmental, Social, and Governance (ESG)” concepts have spread throughout most industry sectors, many employer-side organizations have done what they can to adhere to what many consider overly-aggressive ESG requirements while pushing back to the extent possible. In the construction industry, ESG strategies to help reach the goal of “net-zero” emissions are increasingly in the spotlight in terms of the “carbon cost” of construction. Some expect that, in coming years, America will see a legal shift to create a more robust contractual environment to hold parties operating in the sector to account for climate commitments on projects as the nation moves closer to mandated net-zero deadlines maintained by government entities.

While the environmental side of the ESG equation likely impacts the construction sector most, it has not been able to evade social issues. Employers (mostly in the public arena) are more regularly adding drafting into contracts aimed at combatting any human trafficking in supply chains, making appropriate use of apprentices, and setting payment expectations for supplier staff. Such obligations, by their nature, are intended to drive the

governance of a contractor and their supply chain to see they are complied with. The question is, why is any of this being forced on American businesses?

Many in Congress share concerns over the push for ESG. On September 19, the House passed a legislative package of over 15 ESG-related bills reported out of the Financial Services Committee by a 215-203 vote. These measures would amend securities laws to specify that issuers are only obligated to disclose information that they consider material for making voting or investment decisions, require the Securities and Exchange Commission (SEC) to justify certain disclosure mandates, raise resubmission thresholds for shareholder proposals

that have been rejected multiple times, and require proxy advisory firms to register with the SEC, among other provisions.

The House also passed anti-ESG legislation that would require fiduciaries of employer-sponsored retirement plans to make decisions based only on monetary factors (allowing for non-monetary factors in certain situations).

While the legislative package is promising, it stands no real chance in the current Senate. Last year, a resolution for congressional disapproval of the Department of Labor's "ESG rule" was passed by Congress, but ultimately vetoed by President Biden. If this bill were to get past the Senate, it likely faces a similar fate. ▲



Eben M. Wyman
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CEWD WORKFORCE DEVELOPMENT SUMMIT

November 19–21 2024 | Washington, D.C. | The Wharf

Presented By  **CEWD**
Center for Energy
Workforce Development

Member News



McElroy

McElroy Again Receives OSHA Recognition for Commitment to Workplace Safety

McElroy has been recognized for its commitment to workplace safety with a new designation from the Occupational Safety and Health Administration (OSHA) Safety and Health Achievement Recognition Program (SHARP).

McElroy was recognized on July 15, 2024 by the Occupational Safety and Health Administration for its commitment to workplace safety. *Pictured from left to right above are McElroy Vice President and Chief Technology Officer Jim Johnston, Oklahoma Labor Commissioner Leslie Osborn, McElroy Environmental Health and Safety Manager Tony Little, and OSHA Consultation Division Director Jason Hudson.*

Oklahoma Labor Commissioner Leslie Osborn presented the company with a proclamation commending leadership and employees at two McElroy campuses, located at 833 N Fulton Ave. and 5305 E. Admiral Place in Tulsa. She and OSHA Consultation Director Jason Hudson also presented company leadership with a flag commemorating McElroy's SHARP-certified status.

SHARP is an on-site consultation program that offers confidential occupational safety and health services to small- and medium-sized businesses in the U.S., free of charge. Consultants from local agencies or universities work with employers to identify workplace hazards,

provide advice for compliance with OSHA standards, and assist in establishing and improving safety and health programs.

"We all can use another set of eyes to help make sure we're doing the right thing here at McElroy and providing a safe workplace for our team," said McElroy Environmental Health and Safety Manager Tony Little.

While addressing the crowd during the presentation, Osborn commended McElroy's continued emphasis on employee safety. McElroy, she said, has a long history of ensuring safe working conditions for the hundreds of team members who come to work each day.

"In my six years as labor commissioner, I have discovered that McElroy is like our flagship," Osborn said. "Its three sites are consistently trying to do everything they can to keep their employees safe and to meet the qualifications to be a SHARP company. Often, we use McElroy as an example across the state of why companies should want to be involved in this program."

To become SHARP certified, companies must first reach out to their local OSHA representatives for a consultation visit. During the visit, representatives study the company's entire workplace, doing walk-throughs of facilities, examining existing safety programs, interviewing employees, and going through the company's training records. The process is time and labor-intensive, and once completed OSHA representatives provide a report of their findings.

The company has a long history of dedication to workplace safety. In 1964, McElroy founder Art McElroy asked for OSHA to visit and help assure compliance with OSHA standards. This predated federal OSHA requirements and is a testament to McElroy's culture of safety.

"Even back in those days, Art knew that it would be good to have someone come in and help make the workplace safer for his team," Little said.

McElroy has been SHARP certified since 1999 and its three campuses are part of 14 SHARP-certified workplaces in Oklahoma. This certification extends from 2024 to 2026.

For more information about McElroy, visit www.mcelroy.com.



Volvo Construction Equipment

Volvo Construction Equipment Marks 50 Years of Manufacturing in Shippensburg

It's been 50 years since workers began building heavy construction equipment at a plant in Shippensburg, Pennsylvania. Back then, the site was owned by Ingersoll-Rand and employed about 50 people. Today, it's the North American headquarters of Volvo Construction Equipment and employs more than 650 people.

Staff gathered to celebrate the milestone Thursday in conjunction with a visit from the Association of Equipment Manufacturers "AEM Manufacturing Express" bus tour. Festivities included a cookout, yard games and sharing stories from the last five decades.

"We have heavily invested in our facilities, our people and our services here in Shippensburg. The work done at this site has a significant impact on our customers,

our industry and the local community," said Gustavo Casagrandi, head of operations at the site. *"It's rewarding to gather today to reflect on all of that."*

Combining this celebration with AEM's visit was natural.

"We're proud AEM members, so this is a great way to celebrate our employees' contributions to the construction and manufacturing industries," said Casagrandi.

The "AEM Manufacturing Express" is an interactive mobile tour visiting 80 member manufacturers across 20 states. It's the largest public engagement initiative in the association's history, designed to celebrate the U.S. equipment manufacturing industry and the 2.3 million workers who help "build, power and feed the world."

"We're thrilled to be part of this 50th anniversary celebration alongside community leaders and supporters," said Megan Tanel, president of AEM. "This tour has been an amazing opportunity to tell the stories of the people of our industry."

The AEM and Volvo teams invited local policymakers to the event to raise awareness of and support for bipartisan policies that support the equipment manufacturing industry and its employees.

Five Decades of Manufacturing in Shippensburg

Over the past 50 years, roadbuilding and general-purpose construction equipment has been manufactured at the Shippensburg factory beginning with compactors, which have remained a focus.

Proximity to Interstate 81 — a major manufacturing and distribution corridor — and a highly skilled employee

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DCA – Lyons' Grant Committee Makes Donation to FIRSTwnc

The DCA – Lyons' Grant committee approved a \$10,000 donation to FIRSTwnc, an Asheville, NC non-profit that offers comprehensive services for people with disabilities, special healthcare needs, and those who love and support them. The executive director is Janet Price-Ferrell, spouse of DCA associate member Woody Ferrell with Finn Corp. In the wake of Hurricane Helene's devastation, the funds will be used support the Asheville, NC community by offering activities for young children, teens, and adults with intellectual and developmental disabilities (IDD), especially with schools and other programs temporarily closed. All donations will go directly to support their staff who have suffered property and wage losses, as well as

to fund the programming that serves their families and individuals with IDD.

The DCA-Lyons' Family Grant committee is comprised of the: DCA president, treasurer, junior associate member director, and past president director. Through the years, the grants have been used for a variety of reasons including when a community emergency or crisis occurs. Serving on the 2024 committee are Mark Albert, AGI Construction; Doug Reeves, Primoris Services; Mike James, ISCO Industries; and Mike Hickey, The Hallen Construction Co.

If you or your company would like to donate to FIRSTwnc, please visit: <https://firstwnc.org/donate>.

base made the area appealing to Volvo Group, which acquired the site in 2007 as part of its purchase of the road development division of Ingersoll-Rand.

Volvo has made significant investments in the site over the past 17 years, including a \$30 million, 200,000-sq.-ft. expansion of its operations footprint in 2010. In addition to the production of wheel loaders, soil compactors and asphalt compactors, operations at the location include a regional excavator completion center and a rebuild center for used equipment. The site is the North American headquarters for sales and marketing, a hub for purchasing and supply management, and the design and engineering center for compaction equipment.

The Volvo Customer Experience Center and 40-acre proving grounds opened in 2014, housing a demonstration fleet of more than 70 pieces of equipment spanning the company's full product portfolio. In 2023, a Technical Training Center wing added machine servicing bays and classrooms where dealer technicians and sales teams can learn about Volvo's latest machines and

technologies, including electric equipment. The venue hosts more than 10,000 Volvo CE dealers and customers annually.

Volvo CE collaborates with the Franklin County Career & Technology Center on a training program for industrial workers and has partnered with Shippensburg University to support a new engineering program. The company employs about 50 interns each year, and Penn State University is an Academic Preferred Partner of the Volvo Group. Volvo CE also works with the National and Pennsylvania chapters of SkillsUSA to support middle school, high school and post-secondary students and professionals enrolled in training programs for trade, technical and skilled service occupations.

"It's an honor to work in such a storied place and continue sharing Volvo's commitment to training, safety and sustainability with our community," said Casagranti. "I can't wait to see what the next 50 years bring for our people and our industry."

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Melfred Borzall

Melfred Borzall, AEM Host U.S. Rep. Carbajal for Santa Maria Facility Tour

In August, horizontal directional drilling (HDD) tool manufacturer Melfred Borzall hosted U.S. Rep. Salud Carbajal (D – California) for a comprehensive tour of its state-of-the-art facility in Santa Maria, California.

The visit, organized in collaboration with the Association of Equipment Manufacturers (AEM), highlighted the innovative advancements and contributions Melfred Borzall has made to both the local community and the broader directional drilling industry.

During the tour, Carbajal observed firsthand the cutting-edge technology and precision engineering that

have solidified Melfred Borzall's position as an industry pioneer. Discussions centered on the critical role that HDD technology plays in infrastructure development and how companies like Melfred Borzall are driving innovation to meet the growing demands of modern construction and utility projects.

"We are honored to have Representative Carbajal visit our facility and witness the dedication and expertise that our team brings to every product we create," said Peter Melsheimer, Vice President of Sales and Marketing at Melfred Borzall. "Our commitment to quality, innovation, and community support is unwavering, and we are proud to contribute to the economic vitality of Santa Maria and beyond."

Melfred Borzall, founded in 1946, has consistently led the way in HDD tooling and accessories, earning a reputation for reliability and excellence. The company's innovative solutions are trusted by contractors worldwide, and its commitment to customer satisfaction remains at the core of its operations.

AEM, representing more than 1,000 member companies, plays a crucial role in advancing the interests of the equipment manufacturing industry. The organization's collaboration with Melfred Borzall on this event reflects a shared dedication to promoting the growth and success of American manufacturing.

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Vermeer Corporation and Right Turn Supply

Vermeer, Right Turn Supply Partner to Deliver High-Quality Drilling Products to Underground Industry

On Sept. 3, 2024, Vermeer Corporation entered into a strategic partnership agreement with Right Turn Supply. Through this agreement, Vermeer dealers will have rights to distribute Right Turn Supply's drilling fluids, drilling

additives, and complementary products, as well as access to strategic jobsite consulting.

"This partnership is a strong pairing of two industry leaders, providing customers a total package solution," stated Tony Briggs, Vermeer Vice President of Lifecycle Solutions. "The combination of Vermeer and Right Turn Supply will allow customers to receive the highest quality products for a complete jobsite and expert consulting, service, and support."

They will also gain additional consulting resources. Vermeer already has dealer support and expertise, and now will have the addition of Right Turn Supply's team of application experts.

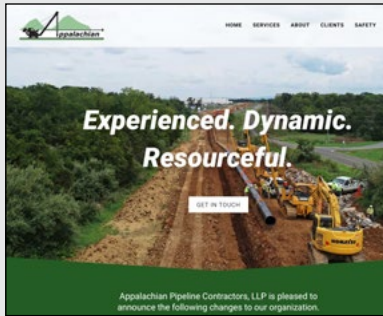
"This is an exciting time for two industry leaders to partner," stated Jon Heinen, co-owner of Right Turn Supply. "With more underground work than ever before and the industry driving towards a better and brighter future, Vermeer and Right Turn Supply are armed with significant advancements in how work gets done and together will provide the industry's best products and support." ▲



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