

Testimony of Dwight Engen, Construction Marketing Director, Minnesota Laborers-Employers Cooperation & Education Trust (LECET)

1 **Q: Please state your name, affiliation, and address.**

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3 A: My name is Dwight Engen, and I am the Construction Marketing Director of the Minnesota
4 Laborers – Employers Cooperation & Education Trust (MN LECET), a position I have held
5 since August, 2006. My business address is 81 East Little Canada Road, St. Paul, MN 55117
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7 **Q: What is the purpose of your testimony today?**

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9 A: My testimony is designed to explain the potential impact on Minnesota’s construction
10 industry of a decision to approve or reject Enbridge’s application for a certificate of need to build
11 the proposed Line 3 Replacement project.
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13 **Q: Please briefly describe your experience in the construction industry.**

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15 A: MN LECET was created in 1992 as a non-profit joint labor/management cooperation effort
16 affiliated with the Laborers District Council of Minnesota and North Dakota and the Laborers
17 International Union of North America (LIUNA).
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19 Minnesota LECET’s area of jurisdiction is the entire State of Minnesota, the State of North
20 Dakota and three counties in Northwest Wisconsin. We have more than 800 Signatory Union
21 Contractors who are signed to LIUNA collective bargaining agreements covering many
22 construction sectors including the oil/gas and energy sectors. These contractor employers make
23 up many of the Great Lakes region’s leading commercial, industrial, specialty and civil
24 construction contracting companies. These contractors are some of the largest and most
25 technologically advanced organizations who serve the construction industry in this region and
26 around the world. However, a majority of the signatory contractors working under collective
27 bargaining agreements with LIUNA in our region are small family-owned businesses with fewer
28 than 20 employees. Many of these smaller construction firms are specialty driven contractors
29 who perform unique tasks in support of the construction industry.
30

31 In the course of my work for LECET, I have had opportunities to interact with hundreds of
32 signatory contractor employees which has given me a good understanding of what challenges
33 they face and what factors make them successful.
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35 LECET promotes the many benefits of Union construction, including quality construction, safe
36 construction practices, and state-of-the-art training and Apprenticeship programs. LECET is
37 dedicated to facilitating a positive relationship between Labor (Laborers Union) and
38 management (signatory contractors). We do this through educational seminars, newsletters,
39 member and contractor outreach events, sponsoring industry related open houses for Union
40 contractors and construction industry stakeholders, and more. Major initiatives of LECET are to
41 stimulate job growth, expand opportunities in construction markets and to promote construction
42 careers to new people who are considering entry into the trades.
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45 **Q: Why do you believe that approval of the Line 3 Replacement pipeline is important for**
46 **Minnesota’s construction industry?**

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48 A: First, I believe that the job creation associated with construction and operation of the pipeline
49 is very real and very significant to the skilled construction craft Union Laborers and skilled
50 trades men and women who will be hired by signatory contractor employers to perform this
51 important work.

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53 These are great jobs for skilled Laborers and other trades men and women. Projects like this
54 have historically delivered good pay and benefits, by contributing to those individual workers’
55 health, welfare, pension and benefit plans. In addition these projects create many ancillary and
56 supporting jobs for engineers, inspectors, product manufacturing, distribution of equipment and
57 supplies and so much more. We are confident that Enbridge Energy Partners LLC would be able
58 to identify a more comprehensive report on job creation.

59
60 Second, the timing of the Line 3 project is good in terms of availability of skilled Labor
61 workforce pool for the pipeline construction industry. With no current pipeline projects in the
62 works, skilled Pipeline workers are ready to get back in doing the work they love and are highly
63 skilled at doing. Laborers Union locals in Northern Minnesota have a vast group of skilled
64 Laborers who have worked on pipeline projects in the past 20 years. According to Enbridge, the
65 new Line 3 will comprise “the newest most advanced pipeline technology” and the skilled
66 construction laborers and other tradesmen and women are poised and ready to do the work.

67
68 When looking at the career of a construction worker and in this case, a pipeline construction
69 worker, it can be noted that projects like these are what keep members engaged in the industry,
70 up to date with the most current and available trends and prepared to go to work. Over a career,
71 pipeline Laborers- those who specialize in pipeline construction- may have worked on up to 20
72 or 30 pipelines over a career. Our labor pool includes many who fall into this category as skilled
73 professionals working in the pipeline sector.

74
75 **Q: Why is the availability of reliable and stable fuel supplies of particular importance to**
76 **Minnesota construction employers and construction workers?**

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78 A: Stable fuel sources are critical to Minnesota’s and the region’s economy and to the
79 construction industry – a significantly large user of oil/fuel sources. The Line 3 replacement
80 program will help to prevent possible disruptions that could occur due to growing problems with
81 operation of a badly outdated pipeline. This can, in turn, maintain the integrity of our fuel
82 availability and pricing.

83
84 All of our 800 plus signatory Contractors use and rely on reliable and stable fuel sources for all
85 of their fleet needs and more importantly for all their heavy equipment vehicle operation during
86 construction. In addition, contractors must have reliable fuel to transport much of their heavy
87 equipment and machinery.

88
89 Fuel is a significant factor that is built into the overhead of the operation of the business and
90 certainly included in the equipment and machinery operation during the construction process.
91 Having a more reliable domestic fuel source that is regionally accessible and competitively
92 priced for the entire region can positively or negatively affect the economic vitality of any

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93 construction contractor. In addition, general consumers and in this case Minnesota's economy
94 benefits by stable, reliable and competitively priced fuel sources for their everyday needs.

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96 Skilled construction workers also depend on reliable fuel sources and competitive pricing of fuel
97 to commute to and from jobsites. Many construction workers drive upwards to hundreds of
98 miles to get to and from projects and fuel is a factor in their decision of whether to go work on a
99 project or not. Construction jobs are often transient in nature and the workers often look at the
100 price of fuel for consideration in their career needs.

101
102 Finally, the States of Minnesota and Wisconsin are blessed with having local refining companies
103 serving our regional area. These refineries have proven to be good employers, with good paying
104 jobs for LIUNA members and other trades men and women. The stability of these jobs should
105 also be an important factor when considering pipeline construction. The refineries are
106 continually under construction as they meet the needs of modern fuel demands and often, our
107 own skilled labor pool sees the benefit of being able to do this important work.

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109 In summary, having locally produced and available fuel sources is very important to the
110 construction industry for the contractors and workers who build and maintain all of our important
111 infrastructure needs: energy, transportation, commercial, water quality and so much more.