



DIEFFENBAUCH & HRITZ

October 2017 Newsletter

BIRTHDAYS

October 7

Courtney Hampton

October 9

Mike Kearns

October 21

Brian Sanetrik

OCTOBER NEW HIRES

David Corder

Project Engineer

Jon Higgins

Survey Apprentice

WORK ANNIVERSARIES

October 5

Kerry Westfall - 7 years

October 10

Seth Butler - 1 year

UPCOMING EVENTS

October 5

West Virginia Energy Expo

Mylan Park

Morgantown, WV

October 9-11

WVONGA Fall Meeting

Canaan Valley Resort

Davis, WV

SAFETY TIPS FOR FALL DRIVING

by John Yanero

There's nothing more beautiful than a fall drive, but this season brings some unique hazards for drivers. Being aware of these potential dangers can help keep you and your family safe and prevent accidents.

Be Aware of Poor Visibility

Falling leaves, while beautiful, can obscure your vision, as can rain and fog. Shorter days are part of the fall season, making it more difficult to see children playing or people walking and riding bicycles. Be aware of limitations in your visibility, and slow down if you can't see well. Use your dimmed headlights in bad weather with decreased visibility. If possible, try not to be on the roads when it's hard to see.

Watch for Children

Children love to play in piles of leaves, so use extra caution where leaves are piled at curbside. In addition, the school bus will be making its rounds now that school is back in session. In addition to educating children about back-to-school safety, it's important to stay vigilant as a driver.

Slow Down on Wet Pavement

In many areas of the country, rain is common during the autumn. If it's raining, keep a safe distance from the car in front of you. Wet roads make it more difficult to stop. When wet leaves are on roadways, they make the pavement slippery, and it can be difficult for drivers to get good traction.

Be Prepared for Bright Sunlight

When sunrise occurs later in the morning, it can also present challenges for drivers. Have a pair of sunglasses in the vehicle to wear when the sun is bright is a good strategy. If it becomes too difficult to see because of bright sunlight or glare, a good strategy is for the driver to pull over until he or she can see again.

Watch Out for Ice

As the temperatures drop further at night, a driver will need to spend some extra time in the morning scraping frost off his or her vehicle. Shady spots on the roadway may be home to black ice, which a driver may not be aware of until his or her car starts to skid on it.

WEST VIRGINIA PREPARES FOR MANUFACTURING JOBS SPURRED BY SHALE GAS

Pronko, R. Brock. 2017, October 2. *West Virginia prepares for manufacturing jobs spurred by shale gas.* Retrieved from http://www.pabusinesscentral.com/news/2017-09-15/News/West_Virginia_prepares_for_manufacturing_jobs_spur.html.

On August 3, President Trump, who won big in West Virginia — 67.9 percent of the vote vs. Hillary Clinton's 26.2 percent — held a campaign-style rally at the 9,000-person Big Sandy Superstore Arena in Huntington, West Virginia.

"As you have seen, I have kept my promise as President," he told attendees.

"We are putting our coal miners back to work. We have ended the war on beautiful, clean coal. We have stopped the EPA intrusion. American coal exports are already up."

Coal imports have increased due to a recovering global economy, which began before Trump's presidency. Coal prices rebounded by 100 percent last year. The handful of new mines in Alabama, Pennsylvania, West Virginia and Wyoming that have opened or are scheduled to open have been in the permitting process for years. These new mines will produce metallurgical coal for steelmaking. The latest, Acosta Deep Mine, which started the permitting process in 2010, opened in June near Somerset, Pennsylvania. The mine will produce 375,000 tons per year of metallurgical coal and create about 80 underground mining jobs that pay an average of \$80,000 to \$100,000 annually.

The market for the thermal coal used in power generation — the biggest use for coal in the U.S. — has been steadily declining. Low-priced natural gas from the abundant shale gas plays in the Appalachian Basin and other shale gas regions in the country have caused power plant owners/developers to switch from coal to natural gas. Since 2010, natural gas for power generation has increased by nearly 33 percent to 9.7 Tcf (trillion cubic feet) per year.

Last year, for the first time, natural gas-fired power generation exceeded coal generation in the U.S. on an annual basis, according to the U.S. Energy Information Administration. Natural gas produced 31.5 percent of the country's electricity and coal 30.2 percent, and it will likely become the predominant source of electricity by 2020. In addition, robotic automation — self-driving trucks, automated loaders and automated drilling and tunnel-boring systems — has significantly contributed to the declining employment in the coal mining industry, according to a study by the Brookings Institution. By 2015, coal mining had lost 59 percent of its workforce, compared to 1980.

As the product of three generations of coal miners (immigrants from Scotland), Rebecca McPhail, president of the West Virginia Manufacturers Association in Charleston, WV, has seen the decline of coal mining and the rise of the natural gas industry in her state.

"The issue we have in West Virginia is more a cultural one," said McPhail.

"People have established deep roots in the southern West Virginia coal fields, and the idea of leaving those areas to go to other parts of the state isn't a particularly desirable one.

"That said, given the right roads and infrastructure development — a big issue on the table in West Virginia — we can establish an environment primed for shale-related downstream manufacturing

growth in the southern regions of the state."

West Virginia manufacturers employ 6.44 percent of the workforce and produce 9.88 percent of the total output in the state. Total output from manufacturing was \$7.45 billion in 2014. There were 48,500 manufacturing employees in West Virginia in 2015, with an average annual salary of \$65,653.

"Today, low-cost natural gas is enhancing U.S. and West Virginia's manufacturing competitiveness in several important ways," said McPhail.

"The most immediate beneficiaries are energy-intensive industries, such as producers of chemicals, aluminum, steel, glass, cement and polymers, which enjoy a cost advantage of up to 50 percent over their counterparts in Europe and Asia.

"Much of those cost savings are passed to downstream manufacturers that use those petrochemicals to make everything from plastics to synthetic fabrics — and eventually to U.S. consumers who buy those products."

McPhail points to U.S. Methanol's Liberty One Methanol plant in Institute, West Virginia as an example of a company that relocated in West Virginia to access cheap, natural gas. U.S. Methanol is disassembling a methanol plant in Brazil and will reconstruct it in the Dow Chemical facility in Institute. The plant is expected to create about 350 temporary construction jobs and 50 permanent jobs at the plant.

"There are also discussions on the table centered on co-generation and manufacturers that could produce their own energy through the availability of supply and sell excess power into the grid," said McPhail.

"In addition, current pipeline projects, particularly those in the state's eastern panhandle, should open new possibilities for existing and future industries to access a competitively — priced energy source."

The Mountain Valley Pipeline, a 303-mile interstate pipeline that will run from northwestern West Virginia to southern Virginia, is scheduled to go online in October 2018. The Atlantic Coast Pipeline, a 600-mile interstate pipeline that will serve multiple public utilities in Virginia and North Carolina, will go online in late 2019.

"One of the unfulfilled promises of trade agreements is the idea that manufacturing might move to lower cost countries, but that those other countries would raise environmental and worker standards on parity with the U.S. and that simply hasn't happened," said McPhail.

"Further, our ability to compete goes far beyond wages into the regulatory environment, healthcare costs and tax structure.

"The difference I see in what our companies value about the American worker is the value of their skill and training.

"It is important for the U.S. and West Virginia to keep an eye on developing the quality workforce needed to meet current and future demand."

What effort has West Virginia made to retrain coal miners and train younger people entering the job market for the anticipated growth of manufacturing due to shale gas and the development of ethane cracker plants, which will provide feedstock for manufacturing plastics and other industrial products?

"West Virginia as a State is making considerable progress in the development of our community and technical education system," said McPhail.

"Our regional community and technical colleges are extremely responsive to industry needs.

"Further, West Virginia is starting even earlier with a program called 'simulated workplace' in high school career and technical education centers.

"Automation, while replacing some jobs, will create others."