

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

Docket No. HP22-002

**IN THE MATTER OF THE APPLICATION OF NAVIGATOR
HEARTLAND GREENWAY, LLC FOR A PERMIT UNDER THE SOUTH
DAKOTA ENERGY CONVERSION AND TRANSMISSION FACILITIES
ACT TO CONSTRUCT THE HEARTLAND GREENWAY PIPELINE IN
SOUTH DAKOTA**

DIRECT TESTIMONY OF NATHANIEL RUNKE

ON BEHALF OF THE INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL 49

May 25, 2023

Q. State your name and address.

A. Nathaniel Runke. My address is 611 28th Street NW, Rochester, MN 55901.

Q. State your employer and business address.

A. My employer is the International Union of Operating Engineers Local 49 (Local 49). Our Sioux Falls branch office is located at 4009 W. 49th St. – Suite 102 Sioux Falls, SD 57106.

Q. State your position with Local 49.

A. I am the Regulatory & Political Affairs Coordinator.

Q. What is your educational background?

A. I graduated from University of Minnesota-Twin Cities in 2004 with a Bachelor of Arts in History, and from the University of Wisconsin-Stevens Point in 2006 with a Bachelor of Science in Forestry and in 2020 with a Master of Science in Data Science.

Q. Please provide a brief explanation of your work experience.

A. I worked as an arborist for eleven years, six of which were with the City of Rochester. For those six years I was represented by and a member of Local 49. In 2017 I was employed by Local 49 as a business agent representing members that worked for municipalities in SE Minnesota. In 2019 I took a year away from Local 49 to finish my master's degree and returned in 2020 to my current capacity as Local 49's Regulatory & Political Affairs Coordinator. I have been working in that role for the past three years.

Q. Please summarize the duties and responsibilities in your current role, and how they relate to this project.

A. Local 49 represents 14,500 heavy equipment operators, mechanics and stationary engineers across South Dakota, North Dakota, and Minnesota. Many of which earn their living building infrastructure projects like Navigator's proposed pipeline. Operating Engineers along with Laborers, who are also a party in these proceedings, and two other trades perform the work associated with major pipeline projects. The major responsibilities of my role are to identify and track energy infrastructure projects, and to engage with regulatory bodies on our members' behalf across Local 49's three state territory.

Our members specialize in the safe and efficient operation of heavy equipment. These unique skills can often be utilized in a variety of construction sectors and as such it is difficult to quantify the exact number of Local 49 members that work in the pipeline industry. However, during the construction of Enbridge's Line 3 replacement, the most recent major pipeline project in Local 49's territory, there were thousands of Operating Engineers on the project. Projects like Navigator Heartland Greenway LLC'S (Navigator) proposed Heartland Greenway Pipeline (project) have a massive effect on the likelihood that our members will have good paying jobs and be able to support their families doing the work they know and love.

Q. Is this your first-time submitting direct testimony for a South Dakota Public Utilities Commission proceeding?

A. Yes, this my first-time submitting direct testimony to a proceeding before the South Dakota Public Utilities Commission.

Q. What is the purpose of your direct testimony?

A. The purpose of my direct testimony is to support Navigator's proposed project in South Dakota. Local 49 supports Navigator's project because Navigator has committed to utilizing union labor on the project. My testimony is intended to convey project benefits that relate to its utilization of union labor on the project.

Q. What benefits does the use of union labor bring to the construction of the Navigator pipeline?

A. Construction completed by union labor connects tens of thousands of highly trained and experienced tradesmen and tradeswoman with massive projects like these. Union contractors can scale up their workforce for a large project like this one, without sacrificing the technical expertise that is needed from each person on the job. With Navigator's Letter of Intent, its construction spreads will be staffed by tapping into the thousands of tradespeople I referenced above.

Members of trade unions have access to unparalleled training opportunities. They can supplement the experience they learn on the job with the hands on and classroom training provided at Union training centers. Most of this training is completed in the construction offseason and helps to ensure that our operators keep improving their skillsets and are prepared and available to be dispatched throughout the entire construction season.

Also, the sheer number of qualified workers needed for a project like this makes workforce procurement a massive challenge. This project is not looking for workers in a vacuum, the Sioux Falls region's rapid expansion and multiple other large energy and pipeline projects in the region will also add strain to gathering a suitable workforce for a project like this. That is why it is so important that Navigator has chosen to utilize union labor across this project. Through the last 3 years of workforce shortages and strain our union has increased our membership by more than a thousand members. Our members are the strength of our Union, and their skills along with those brought by the other trades will play a pivotal role in the success of this project.

Q. Why is worker training important?

A. In two words safety and efficiency. The training our tradespeople complete ensures that they can competently and efficiently build any project they are dispatched to on day one. Local 49's Training Center is a 65,000 square foot facility with approximately 400 acres of outdoor training area, 10 state-of-the-art classrooms, six heavy equipment shop bays, a welding shop, and 30,000 square feet of indoor enclosed training space for year-round all-weather training. Our members also have access to the IUOE International Training & Education Center in Crosby, Texas. This 265-acre campus houses an 8,120 square foot conference space that seats up to 900 people, 17 classrooms and labs, 15+ pad crane field, simulator room, heavy equipment mechanics shop, welding bays, and a 227-room onsite hotel dormitory. Pipeline specific training occurs at this facility as well as IUOE Local 181's training facility in Boston, Kentucky. This training is offered free to any member on 12 pipeline related types of equipment or construction techniques and in progressing skill levels. These courses run 10 hours a day 6 days a week and consist of 2 hours of morning classroom work and 8 hours of field training. This exhaustive level of training is why we are confident in our claim that our operators are the best in the world.

Another importance of training is the apprenticeship process. For an untrained individual construction sites can be a very dangerous environment. That is why Local 49's Registered Apprenticeship Program

requires 6000 hours in the program, minus previous experience, and for every 2000 hours of on the job experience the apprentice is required to receive 144 hours of related instruction through our Training Center Apprenticeship program. This ensures that our newest most inexperienced members are given a safe and structured pathway to become the productive and efficient journeyman Local 49 is known for.

In the 2022-23 training season alone Local 49 had over 2,900 of its members attend courses at our Local 49 Training Center. The public should rest easier knowing that this pipeline will be built by workers whose skill and expertise are second to none. I can confidently say that there is no other way Navigator could have done more to ensure their project is built to exact specifications in a timely and safe manner than they did when they signed the Letter of Intent to utilize union labor across the project.

Q. What other ways does utilizing union labor on this project affect its overall benefits?

A. In utilizing union labor this project will maximize the number of people from the area utilized for the project. It will also ensure the wage rates for the work required on this project are attractive enough to draw the required workforce and retain them for the duration of the project. These are family sustaining wages that include contributions to family health insurance and retirement benefits. This maximizes the amount of local workforce and ensures the value of these benefits stay in the area. Full staffing and retention of workers ensures stable and efficient completion of work that is completed to the rigorous standards that are specified for this project. These benefits positively affect the workers, local communities, and the project itself.

Q. Does this conclude your testimony?

A. Yes. Thank you for your time and the opportunity to submit this testimony.