

TAUC CEO DANIEL HOGAN: Good morning.

("Good morning" from the delegation.)

How is everyone doing at the tables
this week?

(Laughter.)

Uh-oh. Uh-oh. All right.

Well, we're here to talk about the
future and the work opportunities that exist out

there in the construction industry.

So Ladies and Gentlemen, good morning. I'm both humbled and honored to be here in front of you today. Humbled to stand before an audience that was chosen via the democratic process to represent their peers and their interests here at the 30th International Roofers Union Convention.

I'm also honored to have the opportunity to speak today and share my perspective of the union construction and maintenance industry. But before I get started discussing the industrial construction and maintenance opportunities out there, I need to take an opportunity to recognize and pay my respect to your leadership of the Roofers International Union. These gentleman have been good friends of ours. They have sat on the NMAPC for a number of years, and I understand congratulations are in order as well at this Convention.

International President Jim Hadel, International Secretary-Treasurer Mitch Terhaar and all of the ten Vice Presidents of your General Executive Board of this proud and strong International Union. Gentlemen, thank you for the invitation to speak today; but, more importantly,

thank you for all that you do for the union
construction and maintenance industry.

(Applause.)

I would also be remiss if I did not
recognize Jordan a/k/a Gig Ritenour for his
leadership of the Roofers' Construction Department
and ensuring that your Union's National Agreements
remain highly effective tools for your International
Union and provide long-term stable work
opportunities to your members throughout the
United States. Gig.

(Applause.)

All right. PowerPoint. There we go.
Let's get down to business.

110. What do you think this number
means? I can give you a hint. It's related to your
Union and the U.S. construction industry.

Any guesses? How about this, mega
projects. Ladies and Gentlemen, our research yields
that there are 110 construction and/or maintenance
projects that are underway as we speak or will be
breaking ground this year in 2023 that are valued at
a billion dollars or more each and many of those are
multiples of billions. Let that sink in for a

moment.

Never before in the history of the United States have there been so many billion-dollar projects underway at the same time. If you extend that into 2024, the number jumps to 144.

And here is the real kicker, the vast majority of these projects are industrial grade manufacturing and production projects, meaning some sort of widget is going to be rolling off the line or product being produced at the end of the day. Think microchips and semi conductors, electric vehicles and their new power plants, the electric battery, energy generation and refining, pharmaceuticals, just to name a few industries.

These are not your traditional transportation heavy highway commercial infrastructure projects. Nope, those are going to be in addition to what you see here. And guess what, we know those projects are coming too fast following the passage of the Infrastructure Investment and Jobs Act.

While the majority of the mega projects outlined here are happening in the Midwest,

the South, Mid-Atlantic, nearly every state in the union will have major construction and maintenance activity. So to state the obvious, we have a hell of an opportunity in front of us. An opportunity to gain market share and capture emerging markets, to organize non-union contractors and arguably, the most important, to attract the next generation of craft worker for he who controls the labor supply will control the construction and maintenance industry. Mark my words.

Now, onto my specialty and that is the National Maintenance Agreements a/k/a the NMA and The Association of Union Constructors, also known as TAUC.

First up, the NMA. What you are looking at here is an overview of 2022. Back up. The NMA has been a relied upon resource for union contractors and their labor for over 50 years, been around since 1971. And it is the most sophisticated National Project Labor Agreement in the United States.

Under the NMA we contract a large number of metrics including where it has been approved on a craft-by-craft basis, when it's in

use, and even the number of work hours coming out of any given Local Union. By capturing these metrics, our program can in turn provide data-driven analytics back to a program's participants, your international unions, your contractors and, most importantly, our owner clients, which is invaluable. You're going to see what I'm referring to here in a few seconds.

TAUC, The Association of Union Constructors, is a network of nearly 1,800 union contractors that also utilize the National Maintenance Agreements. It is in effect the management party to the NMAPC, and I might proudly add is the only national multicraft union contractor association of the United States. We might not be the biggest but at least we don't speak out of both sides of our mouth.

Our membership is so unabashedly proud to be union employers that the union leadership on my NMA committee also considers TAUC to be their association as well. It's true. You can quote me on that.

Now, let's take a deeper dive in some of the metrics that the NMAPC program has and will

provide a baseline of the generational opportunity staring down our industry.

In 2022, we had roughly 60 million work hours performed under the program. We just exceeded that a couple of months ago. I'm not talking about '23 hours because we haven't had those reported as of yet. We're a year in arrears, if you will. We'll have more data closely following the conclusion of '23 that will be more accurate. So follow with me. I'm going to give you data and then we're going to have a little more emotional plea.

60 million hours worked at nearly 770 different owner clients. Okay. That's roughly 1,500 different facilities throughout the country where those projects were performed. We have, as I said, just shy of 1,800 union contractors, 1,760, and roughly 6,500 projects were performed in calendar year 2022. That's a lot. That's a lot of different projects.

Specific to the Roofers, to your Union, you had just over a half million work hours performed in '22 for 36 different owner clients at just over 120 different facilities.

As President Hadel mentioned, you

currently have 34 signatory contractors and they did about 200 -- just shy of 210, 207 projects in 2022. Trust me. Gig can verify this. In '23, you're going to have a lot more than 207. Guaranteed.

If you look at, you know, what the Roofers have been doing over the last 10 years, you will see the pandemic, which is now firmly in our rear. It was not beneficial to anyone. We were at just over 300,000 in 2020. 2021 as we started to emerge from the pandemic, we got up over 400,000. 2022, over 500,000. What's going to be happening is that number is going to continue to grow and you will see that here in a moment.

This is a stack up. So the NMA is comprised of 14 different participating international unions, Roofers being one of them. This is how each of those crafts break down in terms of work hours. '21 is in orange. '22 is in blue. You will see 415 for yourselves in '21 and just over half a million in '22.

So I'm a data guy. I love numbers. For those of you that don't like to digest or consume numbers, I've got a little story board put together here. The Marketing Department doesn't

care for it when I tell this story but numbers speak for themselves. If you're looking for a more sympathetic conversation, these are Fortune 500 companies. All right. I'm going to tell a brief story.

You get out of work. You hop in your preferred or premium vehicle, whether it's an F150 or 1500 Silverado pickup, which was fashioned from the steel makers that we also do work at. And you drive to your local gas station and fill up with your premium gas before popping inside and grabbing yourself a 12-pack of Anheuser-Busch and getting back in that vehicle, driving home, turning on that light switch which gives you power, lights to your house that was produced by one of our great utility customers. Before hopping on your John Deere tractor and cut your gas, go inside, open up that 12-pack, pour yourself a bowl of Campbell's Chunky Soup, use some of that GP toilet paper to clean yourself up after you polish off that 12-pack and you wake up and do it all over again.

Ladies and Gentlemen, soup to nuts, this program, your contractors, your members keep America moving and we are everywhere. Every

industrial manufacturing facility that exists in the United States has an opportunity for your membership and this program can be the conduit to get you there.

Our opportunities. Let's talk about the future. From an industrial construction and maintenance perspective the now and immediate future is the brightest that my generation has ever seen. From the map outlining the vast quantity of mega projects breaking ground this year to satisfying our own existing owner-clients' construction and maintenance needs, there will be no shortage of work opportunities and further highlights the need for the development of a robust workforce.

Let's talk automotive electromobility. Whether you like it or not, the future of the automotive industry is electric. Whether it's the big three, Ford, GM, Stellantis or one of those other foreign manufacturers, everyone is investing in building electric vehicles and it is a boon for the construction industry.

Currently underway just between the big three, there are nine electric battery manufacturing plants being built on eight different

sites within the U.S. under the NMA program. Each of these sites on average will have roughly 3 million square feet under roof. Let that sink in. We're talking about covering on average 55 football fields at nine separate locations. Guess whose got the job putting those roofs on? You all do. The strong and proud International Union of Roofers and that's because of your participation in the NMA program and the relationship that we have been able to foster with our automotive clients.

Now depending upon whose plant it is, GM versus Ford, each one of these battery plants will yield between 5 and 15 million union work hours to construct and install the process manufacturing equipment. Again, that's between 5 and 15 million work hours each. Total investment by the big three trusted to your Union, to your contractors to be built under the NMA program now exceeds \$30 billion.

The U.S. Department of Energy projects that North America's battery manufacturing capacity will leap from 55 gigawatt hours per year in 2021 to nearly 1,000 gigawatt hours per year in 2030. And, again, that's just the battery manufacturing plants, not the vehicle assembly plants. You see, there's

an entire other side of the automotive industry. Because once they have manufactured all of these batteries, they're going to need to have vehicles to put them in so they can sell them to you. And aside from a few, GM's Factory ZERO where the Hummer is being built, Lake Orion, which is currently underway where they're putting in that electric pickup and Avon Lake OHAP or Ohio Assembly Plant, as well as Stanton, Tennessee where the F150 Lightning is being built. We haven't even scratched the surface on retooling or building new facilities, new factories to accommodate the marriage of these batteries to the big 3's electric fleet.

For example, GM has promised 30 new EVs by 2030. That's 50 percent of its fleet. To put that into perspective, GM currently has four and if you've been paying attention, the Bolt just got killed a few months ago. That means there is 27 new EVs coming from GM in the next seven years.

Ford has also stated that it expects to have 40 percent of its fleet electrified by 2030, while it currently only has two EVs on the market now. Stellantis, well, the good old Dodge Chrysler Mopar is a little bit further behind than its U.S.

counterparts but I can confirm that it has broken ground on its first battery plant, Kokomo, Indiana, and all signs point to a similar trajectory of that of Ford and GM. Needless to say, the U.S. automotive construction and maintenance industry is a bright spot for us and will continue to be for a number of years.

Now to the renewable revolution, the utility industry, which historically had been our largest market under the program, is also ramping up their spending as they move from coal fire to natural gas to carbon neutral. Think solar wind, hydro, geothermal. This is due to regulatory pressures, climate change concerns, et cetera.

In fact, more than 25 utility grade solar and wind projects have either been built under the NMA program in recent years or are currently underway at this time and all signs point to this trend accelerating.

Just look at what NABTU were able to do with Orsted North America and the Northeast Atlantic Coast. Unfortunately, it's not going to be like the mid-to-late 2000s when our utility customers were placing back-end technology on their

coal-fired units, but, it is a positive sign that the industry is starting to make significant investments again, with some economists, some economists, estimating demand for renewable energy generation to grow 400 percent by 2050.

I also want to point out that since the COVID-19 years, there's been a major effort to expand America's manufacturing capacity. Probably the only good thing that came out of COVID was the recognition that our supply chains had become too fragile and that America needed to bring a capacity back to the United States.

As a result, general manufacturing remains a strong sector for growth opportunities as domestic and foreign manufacturers build new capacities at existing plants as well as construct new facilities.

Programs like the CHIPS Act is pumping investment into manufacturing facilities such as the \$20 billion Intel plant being built in Cardinal, Ohio, which could from a total investment standpoint approach or exceed \$100 billion when it is all said and done. Pretty incredible.

So here's the plan or better yet the

path forward. We all need to do -- this is what we all need to do in order to ensure our current long-term customers get what they've signed up for decades and how we, as the union construction and maintenance industry, can take advantage of building relationships with new clients and new industries.

Let's focus on increasing the adaptation of proven technologies, to increase safety, productivity and extend the careers of our current skilled craftspeople along with leveraging our ability to attract the next generation of craft worker. We all know union labor is not the cheapest option. But doubling down on the adaptation of technology will further enhance our position of being the most sophisticated and skilled and efficient. After all, you get what you pay for at the end of the day.

And finally, and most importantly, we need to attract the next generation. If you didn't already have a sales pitch as to why joining our industry before today, I hope you have one now. It is everyone in this room's responsibility to find your replacement, to become a mentor to someone working with us or looking for a better way of life

for themselves and their family.

We need to take every opportunity to speak positively and truthfully about our industry and the opportunities that exist within it. We cannot solely rely on our apprenticeship programs to solve our labor supply issues, which are only going to become more compounded with all of the investments into construction and maintenance.

No, we must open our doors to future brothers and sisters that are looking to improve themselves and empower them to have success within our ranks, organize them, make them our own, so they are no longer our competition. If we are successful, our industry will succeed, grow and we'll all collectively prosper long into the future.

Thank you for your attention. God bless you all. Let's kick some ass in '23 and '24.

Thank you.

(Applause.)