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Washington Contractor's License No. YOUNGCL970RC

Younglove Construction, L.L.C.
Statement in Response to Letter Dated March 3, 2012
from Representatives Jim Moeller, Sharon Wylie, and Tim Probst

March 8, 2012

Younglove Construction, L.L.C., received a letter from the above-referenced State of Washington legislators related to a project it is constructing in Vancouver, Washington. The letter contains a number of factual errors. This letter was provided by the writers to at least one member of the media; therefore, Younglove is providing this statement publicly to correct the errors in the March 3, 2012, letter and to help interested parties understand the nature of the project and the project's positive economic impact on the Vancouver area.

One of the authors of the letter, Representative Moeller, had previously been provided a report dated December 20, 2011, prepared by Mr. Trent Harris of the State of Washington Department of Labor and Industries, who presented many of the facts listed below. Mr. Harris' report specifically noted that "Younglove is a licensed contractor in the state and appears to do a good job assuring their employees are legal to work in the United States." That report also notes that "the facilities are being built with private UGC money with no financial benefits or incentives from the POV (there is no cost to the public agency for this work)."

Here are some facts about Younglove and the Vancouver project:

1. Younglove is a reputable design-build contractor specializing in bulk material handling facilities, such as the Vancouver facility, and has been in continuous operation since 1896. Most of Younglove's projects include a structure constructed using the very specialized "slipform" method of construction.
2. Younglove is properly licensed, registered, and insured in accordance with all of the requirements of the State of Washington.
3. Younglove is licensed and registered to work in most states and performs work throughout the country.
4. There are only a very small number of construction companies with the experience and capability of constructing the Vancouver facility which Younglove is constructing for United Grain.
5. Slipform construction—especially on projects of the large scope of this project—is very complicated and requires specialized skills of both the design-builder and its employees. This is especially so during the critical period when the main structures are poured,

Younglove Construction, L.L.C.

Leaders in the design and construction of bulk materials handling facilities since 1896

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which is a 24-hour-a-day, 7-day-a-week operation. This slip phase typically lasts for periods of only one to two weeks.

6. During the slip process, a large crew of skilled workers familiar with the intricacies of the process are needed for only this short period of time. This crew is in addition to the normal work force on the project.
7. Younglove has never used the H1B1 Visa Program for short-term slip workers, and none of the workers hired by Younglove for the Vancouver project were hired pursuant to the H1B1 Visa Program. In fact, Younglove has used H1B1 Visa's for only two hires in its entire history—both times for degreed construction engineers.
8. Younglove is proudly an Affirmative Action, Equal Opportunity Employer in compliance with the law; and Younglove's employed work force does include some minority employees.
9. Younglove has voluntarily participated in the Department of Homeland Security's E-Verify Program for a number of years. Every employee hired by Younglove is required to provide proper documentation demonstrating that the newly hired employee is legally qualified to work in the United States. Younglove goes beyond the minimum legal hiring requirements and electronically verifies each new hire's legal right to work in the United States by using the Department of Homeland Security's E-Verify system.
10. The letter references hiring "American workers" and "Washington citizens". The authors of the letter should be aware that it is illegal and discriminatory for an employer not to hire an otherwise qualified applicant on the basis of either citizenship or residence.
11. The short-term skilled employees who participated in the slip process were employed for only a very few weeks in total, and those slips were weeks and months apart. Younglove has been on site in Vancouver for approximately 14 months, and the vast majority of the people Younglove employs on the Vancouver site are workers who were hired locally and who live in the local area. The balance of the Younglove crew consists of long-term Younglove employees who travel from project to project across the country—primarily in supervisory roles.
12. In addition to the work conducted by its own employees, Younglove has subcontracted portions of the work to approximately 20 locally based subcontractors who have performed their portion of the work with their local employees. These local subcontractors have been extremely complimentary of the practices at the Vancouver site. Younglove plans to subcontract to at least 10 more local contractors before the project is complete.
13. The vast majority of materials used in the Vancouver facility have been purchased from local suppliers with local employees. This includes in excess of 27,000 cubic yards of concrete.
14. Younglove uses both Union and merit shop subcontractors. For example, Younglove subcontracted the placement of approximately one-third of the concrete on the project to a local Union subcontractor; and the electrical work on the site is being performed by a Union electrical subcontractor.

15. The letter makes certain inferences concerning safety at the Vancouver site. Younglove and United Grain are very proud of the project's safety record. Younglove's own crew has worked approximately 170,000 hours on the Vancouver site with only one minor lost-time accident.
16. By all measures, Younglove's safety record is much better than the national average, especially for self-performing contractors. Younglove has a Worker's Compensation Experience Modification factor of 0.73, which means that it receives a 27% discount from standard worker's compensation premium rates due to its long-term excellent safety record.
17. All of Younglove's employees are covered by worker's compensation insurance. The Washington Department of Labor and Industries has checked this fact out. Because the site of this project is on a port facility, worker's compensation insurance is not offered by the State of Washington's monopolistic worker's compensation program since U.S. Longshoremen and Harbor Workers worker's compensation applies. Therefore, Younglove purchased its worker's compensation insurance for this project from a private insurance company.

Respectfully,

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