

**FIELD HEARING ON THE STATE OF THE
AMERICAN ECONOMY: APPALACHIA**

HEARING

BEFORE THE

**COMMITTEE ON WAYS AND MEANS
U.S. HOUSE OF REPRESENTATIVES**

ONE HUNDRED EIGHTEENTH CONGRESS

FIRST SESSION

FEBRUARY 6, 2023

Printed for the use of the Committee on Ways and Means

COMMITTEE ON WAYS AND MEANS

JASON SMITH, Missouri, *Chairman*

VERN BUCHANAN, Florida	RICHARD E. NEAL, Massachusetts
ADRIAN SMITH, Nebraska	LLOYD DOGGETT, Texas
MIKE KELLY, Pennsylvania	MIKE THOMPSON, California
DAVID SCHWEIKERT, Arizona	JOHN B. LARSON, Connecticut
DARIN LAHOOD, Illinois	EARL BLUMENAUER, Oregon
BRAD WENSTRUP, Ohio	BILL PASCRELL, JR., New Jersey
JODEY ARRINGTON, Texas	DANNY DAVIS, Illinois
DREW FERGUSON, Georgia	LINDA SA NCHEZ, California
RON ESTES, Kansas	BRIAN HIGGINS, New York
LLOYD SMUCKER, Pennsylvania	TERRI SEWELL, Alabama
KEVIN HERN, Oklahoma	SUZAN DELBENE, Washington
CAROL MILLER, West Virginia	JUDY CHU, California
GREG MURPHY, North Carolina	GWEN MOORE, Wisconsin
DAVID KUSTOFF, Tennessee	DAN KILDEE, Michigan
BRIAN FITZPATRICK, Pennsylvania	DON BEYER, Virginia
GREG STEUBE, Florida	DWIGHT EVANS, Pennsylvania
CLAUDIA TENNEY, New York	BRAD SCHNEIDER, Illinois
MICHELLE FISCHBACH, Minnesota	JIMMY PANETTA, California
BLAKE MOORE, Utah	
MICHELLE STEEL, California	
BETH VAN DUYNE, Texas	
RANDY FEENSTRA, Iowa	
NICOLE MALLIOTAKIS, New York	
MIKE CAREY, Ohio	

MARK ROMAN, *Staff Director*

BRANDON CASEY, *Minority Chief Counsel*

C O N T E N T S

	Page
OPENING STATEMENTS	
Hon. Jason Smith, Missouri, <i>Chairman</i>	7
Hon. Donald Beyer, Virginia, <i>Ranking Member</i>	21
Advisory of February 6, 2023 announcing the hearing.....	4
WITNESS	
Tom Plaughner, Vice President of Operations, <i>Allegheny Wood Products</i>	32
Ashley Bachman, Owner/Operator, <i>Cheetah B's Restaurant</i>	39
Wylie McDade, Co-owner, <i>Devil's Due Distillery</i>	46
Jamie Ward, Itmann Prep Plant Manager, <i>CONSOL Energy Inc.</i>	55
LOCAL SUBMISSIONS FOR THE RECORD	
Local Submissions.....	12
PUBLIC SUBMISSIONS FOR THE RECORD	
Public Submissions.....	141



United States House Committee on
Ways & Means
CHAIRMAN JASON SMITH

FOR IMMEDIATE RELEASE
January 30, 2023
No. FC-01

CONTACT: 202-225-4021

**Chairman Smith Announces Field Hearing on the
State of the American Economy: Appalachia**

House Committee on Ways and Means Chairman Jason Smith (R-MO) announced today that the Committee's first official hearing of the 118th Congress will be a field hearing examining the state of the economy for American workers and families. The hearing will take place at **11:00 AM on Monday, February 6, 2023, at Allegheny Wood Products in Petersburg, West Virginia**. The official address is 1454 Johnson Run Rd, Petersburg, WV 26847.

Members of the public may view the hearing via live webcast available at <https://waysandmeans.house.gov>. The webcast will not be available until the hearing starts.

In view of the limited time available to hear the witnesses, oral testimony at this hearing will be from invited witnesses only. However, any individual or organization not scheduled for an oral appearance may submit a written statement for consideration by the Committee and for inclusion in the printed record of the hearing.

DETAILS FOR SUBMISSION OF WRITTEN COMMENTS:

Please Note: Any person(s) and/or organization(s) wishing to submit written comments for the hearing record can do so here: WMSubmission@mail.house.gov.

Please ATTACH your submission as a Microsoft Word document in compliance with the formatting requirements listed below, **by the close of business on Monday, February 20, 2023**. For questions, or if you encounter technical problems, please call (202) 225-3625.

FORMATTING REQUIREMENTS:

The Committee relies on electronic submissions for printing the official hearing record. As always, submissions will be included in the record according to the discretion of the Committee.

The Committee will not alter the content of your submission but reserves the right to format it according to guidelines. Any submission provided to the Committee by a witness, any materials submitted for the printed record, and any written comments in response to a request for written comments must conform to the guidelines listed below. Any submission not in compliance with these guidelines will not be printed but will be maintained in the Committee files for review and use by the Committee.

All submissions and supplementary materials must be submitted in a single document via email, provided in Word format and must not exceed a total of 10 pages. Please indicate the title of the hearing as the subject line in your submission. Witnesses and submitters are advised that the Committee relies on electronic submissions for printing the official hearing record.

All submissions must include a list of all clients, persons and/or organizations on whose behalf the witness appears. The name, company, address, telephone, and fax numbers of each witness must be included in the body of the email. Please exclude any personal identifiable information in the attached submission.

Failure to follow the formatting requirements may result in the exclusion of a submission. All submissions for the record are final.

ACCOMMODATIONS:

The Committee seeks to make its facilities accessible to persons with disabilities. If you require accommodations, please call 202-225-4021 or request via email to WMSubmission@mail.house.gov in advance of the event (four business days' notice is requested). Questions regarding accommodation needs in general (including availability of Committee materials in alternative formats) may be directed to the Committee as noted above.

Note: All Committee advisories and news releases are available on the Committee website at <http://www.waysandmeans.house.gov/>.

###

THE STATE OF THE AMERICAN ECONOMY: APPALACHIA

Monday, February 6, 2023

House of Representatives,

Committee on Ways and Means,

Washington, D.C.

The committee met, pursuant to call, at 11:00 a.m., at Allegheny Wood Products, Inc., 1454 Johnson Run Road, Petersburg, West Virginia, Hon. Jason Smith [chairman of the committee] presiding.

Chairman Smith. The committee will come to order.

Without objection, the gentleman from West Virginia, Mr. Mooney, is authorized to participate in today's hearing and ask questions of the witnesses.

So passed.

Welcome to the first hearing of the Ways and Means Committee in the new Republican majority. Thank you to Allegheny Wood Products for hosting us. As you all may have noticed, the first full hearing of the Ways and Means Committee is not being held in the marbled Halls of Congress. Instead, we are in Petersburg, West Virginia, for the first of many such field hearings.

The Ways and Means Committee has a connection to the American public that dates back to the founding of our country. Every family, business, farmer, senior citizen and, frankly, foreign nation, is impacted by our work. More importantly, our values are reflected in that work.

But, over the last few years, this committee's work -- and that of Congress -- has drifted from the needs of these good people. We must course correct. We must prioritize the voices in rooms like this one and not those of the Washington political class.

We will hear today about the state of the American economy, and it is in danger: historic inflation, high energy bills, declining real wages, labor shortages, spikes in interest rates, the supply chain crisis, China's unfair trade practices and so much more. These are some of the challenges confronting working families that Republicans will work to solve.

If we want to put our Nation on sounder footing, we need to prioritize our most valuable resource: the American worker. And the first step is listening to Americans on the front lines of our economy, hearing their stories and their ideas for improving life for their families, their neighbors, and our country.

The people of West Virginia are resilient, but life is undeniably harder than it was

just 2 years ago. Communities like Petersburg have seen their voices drowned out by special interests in Washington calling for more spending and more regulation that has fueled the fire of inflation. For many Americans, it feels like Washington has forgotten all about them.

In West Virginia, the cost of living has increased 15.1 percent since President Biden took the oath of office, costing families a total of \$7,000 and counting. For parents, it means choosing between new shoes for school or filling up your tank to get to work. For seniors, it means figuring out each month whether to pay for groceries or the heating bill. Gas prices have risen 42 percent in this State since Biden became President. Up and down the supply chain, farmers, businesses, and workers are being crushed.

In West Virginia, there are two job openings for every unemployed person. Across this country, too many Americans have been incentivized by misguided Washington policies to sit on the sidelines of our economy and miss out on the dignity and the paycheck that came from a steady job. For small towns, it can mean treasured local establishments shutting their doors from lack of workers.

Today, we will hear from Tom Plaughter, a 25-year employee of Allegheny Wood Products, our host today; Ashley Bachman, a mom of three and local restaurant owner; Wylie McDade, a veteran and co-owner of a local distillery; and Jamie Ward, West Virginia native and a 30-year veteran of the coal industry.

The stories of our witnesses, Americans trying to make ends meet and provide for their families, tell the real state of the union. When President Biden gives that speech tomorrow, he will claim the Nation is finally turning a corner on inflation, the same inflation he spent a full year denying and which his chief of staff called a high-class problem.

The truth is, is that inflation has risen 13.9 percent across the country since Joe

Biden took the oath of office. Skyrocketing costs are even worse in rural communities, where inflation is 130 percent higher than urban areas, and real wage growth is 25 percent lower. And, after increasing government spending by \$10 trillion with a T, he will ask the taxpayers, through this committee, to approve a clean increase of his ability to borrow more.

President Biden will take credit for falling gas prices. Few things could be more insulting to the coal miners of West Virginia and energy producers across the country than to hear the President take credit for their hard work. In fact, this administration is shutting down fossil fuel production while throwing billions at green energy projects run by the Democratic donor class.

Who knows if President Biden will bother to mention the supply chains. Small businesses waiting for parts and equipment on back order know that our supply chain issues haven't been solved. The struggle means lost revenue for businesses, smaller paychecks for workers, and higher prices for families.

Instead of negotiating trade agreements to bring supply chains home and sell more American goods abroad, the Biden administration has been out to lunch. His speech will likely not mention the worker shortage, even though his party's war on work helped create the problem. The result has been "help wanted" signs everywhere and the lowest labor force participation rate since Jimmy Carter.

We need to connect more Americans to work. That is how you help lift families out of poverty. Where I come from in Missouri, people work hard and play by the rules. They buy Always Save mac and cheese and they shop at Walmart to stay in their budgets. They get excited if a restaurant lets kids eat for free because it means they can afford to spend a family night out.

They deserve the same opportunities as the people who walk the Halls of Congress.

That is why we are here in Petersburg to partner with the American people to find the solutions. It is their voice that matters most in writing the next chapter of American history, not K Street lobbyists.

To that end, for those from the community in attendance here that are not testifying and the employees of Allegheny, we want to hear from you too. We will be providing a notebook for you to share your thoughts with this committee and which we will insert into the official record of the hearing.

So throughout the hearing those notebooks will be passed out, and I want more than just the four witnesses here to tell us about the issues you are concerned with in this country and your ideas for solutions, so that we can enter those into the official record and bring them back to Washington to help deliver results for each and every one of you.

[The information follows:]

***** COMMITTEE INSERT *****

COMMENTS TO THE UNITED STATES HOUSE OF REPRESENTATIVES
COMMITTEE ON WAYS AND MEANS REGARDING
THE STATE OF THE AMERICAN ECONOMY: APPALACHIA

Field Hearing on the State of the American Economy: Appalachia

February 6, 2023

Submission by Camille J. Howard
Grant County Press LLC

As a 30+ year employer of the Grant County Press, my husband and I, plus another longtime employee, Tara Pratt, had the opportunity to purchase the Press approx.. 5 years ago. At that time, the health of the Press was excellent and we were on course to pay off our business loan early. The advent of COVID-19 brought our road to an early payoff to a screeching halt. No local news and events, closed businesses, etc. dried up our ad revenue. Illness took its toll among our staff. We struggled but refused to give up. By the grace of God, we survived ut continue on a rocky road. Newsprint prices have increased, paper products for our commercial print shop are out of stock, inflation has reduced the amount of funds our advertisers have to spend.

Many people wave the “freedom of the press” flag but there is little avoidable to sustain the independently owned, small newspapers of this state. We are some of the few voices that have no corporate oversight. We call it as we see it. The current economy is killing us. Our employees g without raises yet we cannot give up the news our community needs; the local news found nowhere else but here. We pray we can continue to keep our doors open.

COMMENTS TO THE UNITED STATES HOUSE OF REPRESENTATIVES
COMMITTEE ON WAYS AND MEANS REGARDING
THE STATE OF THE AMERICAN ECONOMY: APPALACHIA

Field Hearing on the State of the American Economy: Appalachia

February 6, 2023

Submission by Dean Alanko
VP Sales
Allegheny Wood Products, Inc.

The border, the border, the BORDER. Both northern and southern. I can't believe we allow our country to be invaded every day! The money we are spending caring for, and chasing illegals everyday astounds me.

I question the money and arms we continue to pour into a non-democratic regime in Ukraine.

I question the money we send to other countries while at home we continually hear about lack of money for domestic projects/needs.

Over 60% of the kiln dried lumber we ship is exported. Secondary wood products manufacturing has left the country for cheaper labor markets. This opens the species of wood used to come from other countries. We compete with these species and need to promote the valuable agricultural product that is hard wood lumber. The American Hardwood Export Council received funding from USDA, MAP, and FMD programs. Please support funding for USDA FAS and agricultural promotion.

COMMENTS TO THE UNITED STATES HOUSE OF REPRESENTATIVES
COMMITTEE ON WAYS AND MEANS REGARDING
THE STATE OF THE AMERICAN ECONOMY: APPALACHIA

Field Hearing on the State of the American Economy: Appalachia

February 6, 2023

Submission by J.R. Murray
Digital Illusion Rentals

Because of inflation, I see brides worried about being able to afford a wedding. I see rental costs raising with little relief in sight. As a rental company, I chose not to raise prices because I was worried my work would lessen. The problem with this, is it is harder to afford my overhead costs. Spending needs to be cut immediately if we have any hope for our kids future.

COMMENTS TO THE UNITED STATES HOUSE OF REPRESENTATIVES
COMMITTEE ON WAYS AND MEANS REGARDING
THE STATE OF THE AMERICAN ECONOMY: APPALACHIA

Field Hearing on the State of the American Economy: Appalachia

February 6, 2023

Submission by John DiLorenzo
Safety & HR Manager
Allegheny Wood Products, Inc.

Workforce participation rate continues to be low, productivity low. This is due to stimulus injection into the economy discouraging individuals from seeking employment, being able to stay unemployed and maintain a satisfactory lifestyle without contributing to society.

Additionally, the self induced government inflation has lead to unnecessarily high prices of food and energy. The high cost of gasoline has led many to see no reason to work in West Virginia due to the cost of going to work in a rural area, with the cost of fuel.

Our state has been a leader in producing energy to drive forward the national economy this has been attacked in the past 2 years.

Our industry has been a high contributor to economic growth, this has been damaged by the lack of individuals willing to work. High fuel costs and supply chain issues in order to productively run our business.

Carbon credits have now come into play adversely affecting our industry which is a sustainable industry with managed timber and harvesting for continued forest growth of sustainability.

COMMENTS TO THE UNITED STATES HOUSE OF REPRESENTATIVES
COMMITTEE ON WAYS AND MEANS REGARDING
THE STATE OF THE AMERICAN ECONOMY: APPALACHIA

Field Hearing on the State of the American Economy: Appalachia

February 6, 2023

Submission by Julie Shobe
Allegheny Wood Products, Inc.

As an employee of AWP I am very concerned about supply chain issues and lack of containers available for shipping our containers overseas.

Personally, I am very concerned about the increasing costs of groceries. Also, this may not be an area of concern for this committee, but insurance companies should not be able to tell doctors how to treat their patients. Doctors should be in charge.

COMMENTS TO THE UNITED STATES HOUSE OF REPRESENTATIVES
COMMITTEE ON WAYS AND MEANS REGARDING
THE STATE OF THE AMERICAN ECONOMY: APPALACHIA

Field Hearing on the State of the American Economy: Appalachia

February 6, 2023

**Submission by Kelly S. Riddle
Allegheny Wood Products, Inc.**

I am the VP of forestry for AWP and would like to see Congress help industries throughout the US by stopping subsidies to individuals which disincentivize workers from participating in the workforce.

We need to go back to policies which allow us to fully develop our fossil fuels, including coal and oil, which have proven to be reliable and affordable forms of energy for our country.

Finally, as a forester and professional in the forest industry, I think we need to promote our forests and the forest industry as the only sustainable, renewable resource which is and should be the primary tool to reduce the issues with carbon and climate change through active management and harvesting of forest resources.

Thank you for your consideration.

COMMENTS TO THE UNITED STATES HOUSE OF REPRESENTATIVES
COMMITTEE ON WAYS AND MEANS REGARDING
THE STATE OF THE AMERICAN ECONOMY: APPALACHIA

Field Hearing on the State of the American Economy: Appalachia

February 6, 2023

Submission by Pandora Barr

The cost of medication for our elderly is simply unacceptable. My father recently had heart surgery. The cost of the medication they expect him to purchase even with all of the excess insurance he carries above Medicare is astronomical. He has worked since 12 years of age and still worked at the age of 82 to try to survive in this crazy world. The elderly have built this country, but we choose to ignore their needs as they age.

The cost of living for a single mother trying to put her child through college, resulted in me obtaining a second job.

Our education system has needs which can only be met with the help of federal funding. Our children are being raised by grandparents who have no idea how to navigate the technology used in our school system. The extra aides allowed with COVID funding have helped to get our children caught up. But what happens when those aides go away? We are back to overcrowded classrooms with only a teacher to provide the education needed. Our teacher shortage in WV is a direct result of the low wages we pay our teachers. Our school systems need to teach basic money management, budgeting, etc. Our children have been conditioned to think that this is a disposable society. Throw it away and buy new. We need to teach our children to budget, to understand the value of a work ethic, not staying inside on an electronic device.

In response to your Obamacare question. I worked for a company for 27 years – when Obamacare came out. The company decided they were no longer going to offer coverage to me. I went through your Obamacare system it took me 14 months to actually get a policy in place (remember at this point I am a licensed insurance agency). When finally getting that policy in place in order to even afford the policy the deductible was so high the only way that policy would have helped is if I were to get catastrophically ill.

This again goes back to my first comment. My parents have worked hard all their lives. Paid insurance – now at an age where they are eligible for Medicare – and they buy extra medical supplies, etc. and STILL can't afford medication needed to have a decent quality of life!

Broadband reliability is almost nonexistent in our area!

COMMENTS TO THE UNITED STATES HOUSE OF REPRESENTATIVES
COMMITTEE ON WAYS AND MEANS REGARDING
THE STATE OF THE AMERICAN ECONOMY: APPALACHIA

Field Hearing on the State of the American Economy: Appalachia

February 6, 2023

Submission by Teri and Greg Campbell

My husband is 68 years old and a retired Sgt. From the WV state police. He had finally completely retired about 3 and a half years ago. He had to return to work as Chief of Police of Petersburg, WV because we found ourselves struggling financially about a year ago. It's not what we want. We would prefer to spend these days together & enjoying our children and grandchildren, but finally we do not have a choice. The Biden Administration has been disastrous for our country, our state, and our families.

Chairman Smith. I want to thank our witnesses for taking time away from their families and work to be with us today and share their stories.

I am pleased to recognize the gentleman from Virginia, Mr. Beyer, who will serve as acting ranking member today, for his opening statement.

Mr. Beyer.

Mr. Beyer. Chairman Smith, thank you very much. And thank you for scheduling this hearing. Thank you for bringing us to West Virginia. I am so glad you chose an Appalachian and West Virginia specifically to host this first Ways and Means Committee hearing of this Congress.

This may be the only time I ever get to be the acting ranking member on Ways and Means, so thank you. And I may be one of the very few Democrats around, but I want you to know how much I care about your children, your health, your family finances and especially your future.

Communities throughout this region and my own State of Virginia have been the first to experience the direct effects of massive economic forces that have come to dominate policy discussions in Washington and in capitals around the world. The consequences of the energy transition and globalization have been felt first and often hardest in communities like this one. So, I am so grateful to have the opportunity to hear how local businesses have adjusted to these and the other trends affecting the U.S. economy.

This is a particularly great time and place to host a hearing since businesses, workers, and families in West Virginia are beginning to take advantage of the numerous programs recently passed by Congress and signed by President Biden.

Despite the expectations of many in Congress, last Congress was historically productive, at least from my perspective, and delivered a series of massive investments for Appalachia and West Virginia, in infrastructure, clean manufacturing, energy security, as well as R&D, that will make the region well positioned to compete in the 21st century.

Companies in Appalachia are already capitalizing on the variety of tax credits and direct investments we made in those new bills. Multiple new large battery manufacturing plants have been announced in West Virginia in the last year, along with an electric school

bus factory and a host of others throughout the region, bringing in thousands of high-quality manufacturing jobs.

Furthermore, with Federal funding provided by the Infrastructure and Jobs Act and the tax credits in the Inflation Reduction Act, West Virginia is leading the way in diversifying and growing its energy portfolio. You are taking advantage of your high school workforce and existing energy infrastructure to establish a clean hydrogen hub that will supply the energy needs for the region as we move towards a wider variety of cleaner fuels.

And individual taxpayers stand to benefit directly as well. The Inflation Reduction Act included a series of tax credits and rebates, which will provide much-needed relief to families dealing with inflation by dramatically lowering energy costs.

Hundreds of thousands of low- and middle-income households in the State will soon be able to replace older, less efficient appliances with electric heat pumps, clothes dryers, water heaters at steep discounts that will save them hundreds of dollars per year on their utility bills.

And other provisions in the IRA will make it significantly cheaper for taxpayers to make repairs and improvements to their homes that increase energy efficiency and reduce the cost for installing solar panels and battery storage systems.

There is one final item in the IRA I would like to mention. I was extremely pleased to see a permanent extension of the black lung excise tax included in the bill, which support the Black Lung Disability Fund. This trust fund provides healthcare and a small stipend for miners disabled with black lung if their employers have gone bankrupt and no single company can be identified as responsible for a miner's disease. I know this was a tremendous relief to miners and their advocates, who are now able to turn their full focus to other important issues facing the mining community.

There is a great deal of work that still needs to be done. Abandoned coal mines remain a serious problem for local communities in West Virginia and southwest Virginia, as they create polluted watersheds, hazardous erosion and land subsidence, underground mine fires and piles of coal waste.

One measure that can help is the bipartisan RECLAIM Act, which Hal Rogers and I have worked on for a number of years, which would provide \$1 billion in funding for Appalachian communities to restore polluted land and water resources, seal and fill abandoned deep mine entries and voids, and prevent erosion and sedimentation.

This measure was advanced in previous years, and I hope to work with my friends and colleagues across the aisle to see it through this Congress.

Again, Mr. Chairman, thank you so much for welcoming me here. It is wonderful to be back in West Virginia, and I look forward to hearing from the witnesses.

Chairman Smith. Thank you, Mr. Beyer. We greatly appreciate you being here.

I will now recognize our two colleagues of West Virginia, welcoming us to their beautiful State, Mrs. Miller and Mr. Mooney, for some brief remarks.

Mrs. Miller, you are free to go first.

Mrs. Miller. Thank you so much, Chairman Smith.

And I would also like to thank our host, Allegheny Wood Products. And I want to welcome all of my colleagues to my home State of West Virginia. I truly believe there is no better place to live, work, and raise a family. As Dorothy would say, there is no place like home.

I am really excited for the opportunity today to be able to highlight some of the stories of hardworking West Virginians and the unnecessary struggles that they face because of an overreaching Federal Government.

I would like to especially thank our guest speakers, Mr. Plaughter, Ms. Bachman, Mr. McDade, and Mr. Ward, for taking time out today to join us. Your voices are essential for the Representatives who are here today to help fight for the policies that will empower our constituents.

West Virginia faces so many challenges, and this is due to the constant attacks on our energy industry from unelected bureaucrats and uninformed lawmakers, which have caused untold damage to all of our communities in southern West Virginia in particular.

The effects of bad policies have been devastating. Recently, high gas prices and soaring inflation have left the effect on our families as they are struggling to make their ends meet. An overzealous IRS has targeted working-class Americans. President Biden immediately broke his promise to not tax anyone making less than \$400,000, and this administration has surrendered to foreign countries on international tax negotiations.

The President has also failed to devise any coherent trade policy, leaving our

exports uncompetitive. It is almost as if President Biden is more interested in shipping our jobs overseas than our products.

According to the Economic Innovation Group, 48 million Americans reside in distressed communities, where nearly a quarter of the population are below the poverty line and more than a third of them are out of work.

While the national economy has shown signs of recovery, it is slow to reach our communities, the ones like mine that have been hit the hardest by the Great Recession. Over a decade later, they are still far behind the rest of the country and are now reeling from the new economic crisis in front of us. We cannot let this happen again.

Today's hearing provides the perfect opportunity to lay out our case for brighter days ahead under Republican leadership. The 2017 Tax Cuts and Jobs Act was essential for the booming economy that we had under President Trump. Unemployment reached 50-year lows, 50-year lows. Ordinary workers had the strongest wage growth of any group, and the businesses stopped leaving the United States for low-tax countries and, thus, keeping our jobs right here in the United States.

The Tax Cuts and Jobs Act also included important provisions, like creating Opportunity Zones, which have promoted businesses to settle right here in West Virginia. According to a recently released report, close to half of all Opportunity Zone tracts have received investment between 2017 and 2020, and even more since then. In fact, West Virginia saw 4,000 last year compared to 2019. Modernizing and improving the successful Opportunity Zone policy will be essential to continue driving investments to the communities that need it the most.

I want to thank you again for the opportunity to highlight my beautiful State, Mr. Chairman, and I hope you return soon.

I yield back my time.

Chairman Smith. Thank you, Mrs. Miller. There is definitely no place like home. I would like to recognize Mooney.

Mr. Mooney. Thank you. Thank you, Chairman Smith, and all my colleagues. As I look around, you may not realize, we got so many States represented here: California, I mean, the South. Our schedule in Congress is generally we work/vote 4 days out of 5, 3 weeks out of 4. And today is the first day we would vote on a Monday at 6:30 p.m. We have votes tonight. So what everybody here has done is come in a day early to hop the bus at 7 a.m. to come from D.C. to here to have this hearing with us, and then they are going to take the bus right back to D.C. and vote tonight.

So I really appreciate the effort this committee made. It is quite unique. I don't know that I have come to a field hearing before, so it is really an honor to be with you.

I live in Jefferson County with my wife and three kids, Charles Town. For my colleagues, it is a little less than 2 hours north of here. And I can actually get to D.C., it is 70 miles from my home in Charles Town to Congress.

But welcome to the Ways and Means Committee, the powerful Ways and Means Committee here in Grant County, West Virginia. I thank you for the opportunity to join today's hearing and allow me to contribute to this important conversation.

I am grateful that the hearing is in my district, and I hope today's discussion focuses on issues in rural America that Washington often overlooks. West Virginia families are being forced to make tough economic decisions.

According to the Congressional Budget Office, which is the standard we all use to look at the numbers in D.C. and the spending, inflation, the price of consumer goods has risen, inflation, 13.9 percent in just the last 2 years since President Biden took office. The price of gas, groceries, and utilities remain high, and the value of hardworking West Virginian paychecks are decreasing due to inflation. The cost of living is skyrocketing,

turning on the lights, heating your home, buying groceries for the week are now difficult choices that my constituents have to make.

So helping small businesses get off the ground and expand is another challenge I hear when I travel the 27 beautiful counties in the congressional district I represent, the northern half of the State. You have your entire State delegation here, Carol Miller and I, the two Congressmen from West Virginia.

I listen to the feedback. It is so important to hear your feedback when we go to Washington, so that we know exactly what to focus on. I actually went and toured Grant County Hospital this morning before I came here. And transportation is an issue there because, unlike big cities, to get to and from a hospital or to another hospital, it is often 2 hours whereas in a big city it might be 2 miles. Those are different challenges that we have in rural America.

I normally serve on the Financial Services Committee, and we just passed my bill last week, a bipartisan bill, called Expanding Access to Capital for Rural Job Creators Act. And that simply would survey the problems and challenges -- the unique challenges, frankly -- that small businesses have in rural areas when they are attempting to get capital to expand their business. I am glad the House passed it unanimously, and it will make it easier to navigate the needs and the bureaucracies that small businesses have to deal with.

You see, here in West Virginia, we don't have any big cities. For 8 years, I represented Kanawha County, Charleston, and I now represent Morgantown. We don't even have a city with more than 50,000 people in West Virginia. Okay. This is a rural State.

We have challenges. Internet access is a big challenge everywhere I go, with the exception of Hardy County, where Hardy does a great job with internet. But, you know, internet access is a challenge. Transportation. The weather is often a challenge.

What we do have is hardworking taxpayers here in West Virginia, and we have great natural resources: Coal. And this beautiful wood you see around here, we have plenty of that. You can cut it down, plant it, cut it down again, plant it, cut it down again. We have great forests.

We need, for our State to be successful, to harness our natural resources and not allow the Federal Government to get in the way of that, as they often do. West Virginia's small business owners create jobs. Okay. That is what businesses do. These are be job-creating businesses. You have hundreds of employees here that create good-paying jobs for West Virginians. Rural job creators face these difficulties obtaining loans, you know, workforce issues, inflation and regulatory challenges.

There is much more that can be done, and I think that this committee will come away with valuable information from our witnesses here today. We can take that back to Washington, D.C., work together to chart the best path forward for a more prosperous America.

Thank you and I yield back, Mr. Chairman.

Chairman Smith. Thank you, Mr. Mooney. It is a pleasure to be in your congressional district, and thank you for allowing us to come visit.

I will now introduce our witnesses. Tom Plaughter is vice president of operations here at Allegheny Wood Products, our gracious host today. Mr. Plaughter is a native West Virginian and has 25 years of service with AWP. He currently oversees all operations for AWP's sawmills, dry kilns, IT, transportation, and exports.

Thank you for sharing your time and this great facility with us today.

Ashley Bachman is the owner of Cheetah B's Restaurant, a highly rated steakhouse right here in Petersburg, currently employing a staff of 35, a mother of three. Ms. Bachman is a West Virginia native and a veteran of the hospitality and special events industries. Her passion is entrepreneurship, with a goal of bringing more opportunity and growth to this community.

Ms. Bachman, thank you for joining us.

Wylie McDade is co-owner of Devil's Due Distillery, a craft distillery located in West Virginia's Eastern Panhandle. Mr. McDade works with local farmers, sourcing as much as possible from the surrounding land. Mr. McDade is also a veteran of the U.S. Navy.

Thank you for being here, for your service to our country, and for sharing your experience and the story of Devil's Due.

Jamie Ward is the preparation plant manager at CONSOL Energy, Incorporated. A father of three, Mr. Ward was born and raised in southern West Virginia and has a 30-year tenure in the coal industry.

Mr. Ward, thank you, for taking time for us today, as a representative of an industry that is so critical to communities and families in this State.

The committee has received your written statements, and they will all be made part

of the formal hearing record. You each have 5 minutes to deliver your oral arguments, oral remarks.

Mr. Plaugher, you may begin when you are ready.

**STATEMENT OF TOM PLAUGHER, VICE PRESIDENT OF OPERATIONS,
ALLEGHENY WOOD PRODUCTS, INC.**

Mr. Plaugher. Thank you. Mr. Chairman, distinguished committee members and guests, allow me to welcome you all to Allegheny Wood Products and welcome to West Virginia.

My name is Tom Plaugher, and I am the vice president of operations for Allegheny Wood. AWP is one of the largest producers of Eastern U.S. hardwoods. We operate sawmills and dry kiln facilities throughout the State of West Virginia. We don't make two-by-fours or two-by-sixes for framing.

We manufacture hardwood lumber. Species like red oak, white oak, cherry, hard and soft maple, poplar and walnut, the lumber that goes into fine furniture, cabinetry, mouldings, millwork and flooring. We also manufacture hardwood pellet fuel from the byproducts of the sawmilling process. Our intent is to utilize every portion of the trees that we harvest.

AWP is a family-owned company founded by John and Patricia Crites back in 1973. We will celebrate a milestone of 50 years in business this year. We started out with a small sawmill and 13 employees, selling products within a 300-mile radius. Today, we have a dozen locations, 800 employees, and we sell our products all over the world. We have exported our products to over 30 different countries, and we loaded over 5,000 export containers last year alone.

The forest products industry contributes \$3.2 billion in economic impact to the State of West Virginia on an annual basis. There are over 30,000 people in this State that work in our industry. And it is the only industry that is found in all 55 counties. AWP

employs over 75 independent logging contractors and nearly 100 independent trucking contractors to support our operations on a regular basis.

With that much economic impact, we are often asked, are we running out of trees? The answer is a resounding no. Recent U.S. Forest Service studies have shown that we are reliably growing two and a half times the volume that is being removed in the Appalachian region.

There are a couple of key factors about our industry that I need for you to keep in mind. The first is that we are directly tied to housing. We need single-family housing starts and remodeling expenditures to be high, because those are the homes where people install high-quality hardwood products.

The second is that we must have access to trade. Much of the secondary manufacturing in the hardwood industry left the U.S. in the early 2000s. For industries like ours to be successful, we must have access to markets and the ability to export our goods. The past 5 years have been extremely challenging for the hardwood industry, with a trade war beginning in 2017 and the COVID pandemic in 2020.

American hardwood producers suffered because of retaliatory tariffs imposed on our products during the trade war, and AWP was forced to close two of our mills and lay off employees that had been with us for decades because business was so bad. The pandemic brought a new challenge nearly every day for months, as lockdowns were imposed, rules and regulations were made and changed repeatedly. Some businesses were shut down while others were allowed to operate, and some businesses and industries received government assistance while others did not. Our industry was hit hard during that period and not all companies survived.

There are five critical problems that have materialized over the past 2 years that are poised to impact our industry once again in 2023: The first is dramatically increasing fuel

costs. The war on fossil fuels has played havoc with the cost and supply of diesel fuel and all oil products. That hampers our industry at every link in the chain.

The second is the supply chain crisis. Getting parts and supplies needed to operate has been very difficult and sometimes impossible. We sell our products internationally, and getting product to our customers timely, with the shortages of shipping containers and available vessel space, has been a major hurdle.

Third is the inability to find qualified labor. Much of the workforce does not appear to have returned to work following COVID, and that is impacting the productivity of every industry.

Fourth is rising interest rates. This is slowing down the housing market. It makes capital more expensive, and it will put the brakes on our entire industry.

And last but certainly not least is increasing regulations and bureaucracy. Regulatory agencies have ramped up their efforts to come out with new initiatives and requirements that hamper permitting and place more burdens on businesses at every turn.

A trip to the grocery store will convince you that inflation has gotten out of hand. And you might think that would be the case for all goods and services, but the fact is that the pricing for our products has fallen 40 percent, on average, over the past 6 months, due to the decline in the housing market and the lack of demand.

I want to finish by saying that we here in West Virginia are blessed with an abundant natural resource. And our industry is made up of some of the finest, hardest working people you will meet, both at AWP and the forest products industry as a whole.

Thank you again for this opportunity, and I am happy to answer any questions.

[The statement of Mr. Plaugher follows:]

***** COMMITTEE INSERT *****

E. Thomas Plaugher

Draft Written Testimony 2/2/2023

U.S. House of Representatives Ways and Means Committee Hearing

Mr. Chairman, distinguished committee members and guests, allow me to welcome you all to Allegheny Wood Products and welcome to West Virginia! Thank you for giving us the opportunity to host this hearing at our company headquarters here in Petersburg.

My name is Tom Plaugher and I serve as Vice President of Operations for Allegheny Wood Products. AWP is one of the largest producers of eastern U.S. hardwoods. We operate sawmills and dry kiln facilities throughout the state of West Virginia. We don't make 2x4's or 2x6's for framing, we manufacture hardwood lumber – species like red oak, white oak, cherry, Hard and Soft Maple, and walnut. The lumber that goes into fine furniture, cabinetry, mouldings, millwork, and flooring. We also manufacture hardwood pellet fuel from the by-products of the sawmilling process. Our intent is to utilize every portion of the trees that we harvest.

AWP is a family-owned company founded by John and Patricia Crites in 1973. We will celebrate a milestone of 50 years in business this year. The company started with a small sawmill and 13 employees selling products within a 300-mile radius. Today we have over 800 employees and we sell our lumber all over the world.

The founder of our company has always told us, "It all starts with the trees." We have a unique, renewable resource here in the Appalachian region that has provided generations of West Virginian's the means to make a living and to provide for their families. The forest industry contributes \$3.2 billion dollars in economic impact to the state of West Virginia on an annual basis. There are over 30,000 people in the state that work in the forest products industry, and it is not just for companies like AWP. We employ over 75 independent logging contractors and 100 independent trucking contractors to support our operations on a regular basis.

With that much economic impact, we are often asked "are we running out of trees?" Fortunately, the answer is a resounding NO! Recent U.S. Forest Service studies have shown that we are reliably growing 2.5 times the volume that is being removed annually in the Appalachian Region. A well-managed renewable resource like this can provide forest products, opportunities for recreation, and a long-term tool for carbon capture for generations to come. That is all in addition to the jobs and economic impact these forests provide.

The past few years have been very challenging for our industry. In 2017, we were caught in a trade war between the U.S. and China. American hardwood producers suffered because of retaliatory tariffs imposed on our products. AWP was forced to close two of our mills and lay off employees that had been with us for decades because business was so bad. The hardwood industry banded together and lobbied tirelessly. Trade agreements were worked out, but then COVID hit. We were deemed an essential business and were not forced to shut down. But as the different forms of government assistance came out we realized two things:

One: AWP would not be eligible for PPP funds. The hardwood industry is a highly fragmented industry with many small producers. There are no Fortune 500 companies in the hardwood lumber industry. Even the largest producer probably makes up only 5% of the total market share. The vast majority of our competitors and contractors were eligible for those funds, but we were not.

Two: As the crisis developed and different forms of assistance began to come out, keeping enough employees became a problem for the entire industry.

The supply chain crisis hit us hard from two directions. It became difficult to obtain the parts and equipment that we needed to run. Lead times went from a few days to several weeks or even months. Lead times on saws that we commonly use in our mills doubled, then tripled as a shortage of steel left manufacturers without the raw materials they needed to produce the saws. All of this served to increase manufacturing costs across the board at our facilities.

Much of the secondary manufacturing in the hardwood industry left the U.S. in the early 2000's meaning that for industries like ours, we must have the ability to export our goods. We must have access to trade. The supply chain crisis caused access to containers and vessel space to export our cargo timely to become scarce. Shipping rates from Asia soared and steamship lines opted to send containers back empty rather than load cargo here in the U.S. They took full advantage of the exorbitant rates being paid to move products from Asia and American exporters in all industries suffered as a result.

In late 2021, demand for our products returned. We improved and restarted one of the mills that we had closed in 2019. We have a plan in motion for improvements to be completed and the second mill to be re-started in mid-2023. AWP and our entire industry attempted to ramp up production, but most companies were unable to do so due to a lack of labor. Some of our contractors closed their doors or dramatically scaled back their business as they were unable to find employees to fill the available jobs.

Our industry is directly tied to housing. We need single family housing starts and remodeling expenditures to be high because those are the homes where people install hardwood floors, hardwood furniture and cabinets, hardwood mouldings and millwork. Rising interest rates put a damper on housing in the latter half of 2022 and the outlook for 2023 is not good.

I have heard it said many times that higher costs don't really affect businesses and that they simply pass that additional cost along to their customer. It does not work that way in our industry. Our product pricing is based on supply and demand. We sell into a global market, and we have to compete with products from all over the world. If the price for our lumber becomes too high, customers will simply look for a cheaper alternative or a replacement product.

There are 5 Additional Pressures that have materialized over the past 2 years that are poised to impact our industry once again in 2023:

- *Dramatically Increasing Fuel Costs*
 - o Increased diesel fuel and oil cost hamper our industry at every link in the chain. From the logging and trucking contractors to the forklifts and loaders we operate, to the cost to ship our finished products. Every aspect of manufacturing is hampered by this.
- *Supply Chain Issues*
 - o Parts and supplies are hard to get and have dramatically increased in price.

- Timely and reliable ability to export our goods to our customers has been a major hurdle for 2 years.
- The inability to find qualified labor.
 - Much of the workforce does not appear to have returned to work following COVID.
- Rising Interest Rates
 - This is slowing down the housing market, it makes capital more expensive, and it will put the brakes on our entire industry.
- Increasing regulations and bureaucracy - regulatory agencies have ramped up attempts to come out with new initiatives and requirements that hamper permitting and place more burdens on small business at every turn.

Everyone knows what inflation has done to the price of a dozen eggs. You might think that would be the case for all goods and services across the board but pricing for our products has fallen 40% on average over the past 6 months.

Dealing with market fluctuations and regular business cycles is part of the challenge for anyone running a business, but the uncertainty of what will be imposed upon us next from Washington DC is what is really hampering our industry. This Committee and Congress can really help us by reigning in government over-regulation.

The economic outlook for 2023 does not look good, but we remain optimistic. We are blessed with an abundant natural resource and our industry is made up of some of the finest, hardest working people you will ever meet – both at AWP and the forest products industry as a whole. Thank you again for this opportunity, and I am happy to answer any questions.

Chairman Smith. Thank you, Mr. Plaugher, and thank you for hosting us once again at AWP.

Ms. Bachman, you are recognized.

STATEMENT OF ASHLEY BACHMAN, OWNER/OPERATOR, CHEETAH B'S RESTAURANT

Ms. Bachman. Hello, ladies and gentlemen of the committee. My name is Ashley Bachman, and I am a mother of three children and currently own a local restaurant called Cheetah B's. I have been a resident of Grant County for 11 years now. When I first moved to Grant County, I was working in Lanham, Maryland, for a trade show and special event company as a freight coordinator for a company called Hargroe Incorporated. The pay was far higher than any job I can do in our community, but after becoming pregnant with my third child, it became impossible for me to travel that way for this shop.

I saw an opportunity to open my own business with a local restaurant when a local restaurant decided to close their doors. We opened Cheetah B's on June 15th of 2015. I didn't have any culinary training but always had a passion for cooking.

It took us a couple years, but we built a highly successful restaurant. Right at the peak of our success, COVID shut our business down. My husband and I were employed through the restaurant, so this was terrifying to us. We had three children. How were we going to make it? How were we going to pay our bills, let alone feed our children?

We couldn't accept the fact that we were forced to shut down due to COVID-19 regulations, so my husband and I put our thinking caps on. We have a window in our restaurant that faces the road. We decided we would try to operate a restaurant through what we called our drive-through. Luckily, we were able to keep our doors open during

this trying time by pivoting our business model by finding different ways to serve our customers.

Unfortunately, after COVID, we have been hit with another crisis, the crisis of rising cost of everything. This has proven to be a much tougher task than what we dealt with during the COVID regulations.

The cost of goods has been steadily rising throughout the past couple years. It has been tough to stay ahead. We have had to change our menu prices countless times just to make sure that we don't go out of business.

We are still not charging enough for our menu items, because we are afraid we will price ourselves out of business. We have and continue to struggle with the ever-increasing cost of goods. Of course, our customers suffer with us as well as they pay more for menu items that have gone up in price, the customers that still come out to eat, that is. We have taken a hit in business so far these past two quarters, having less customers come in.

Just as the increasing cost of goods has required us to change menu prices and menus altogether, the failures in supply chain have caused the same. I can't tell you how many times our food reps have come into our establishment to warn us of which products were going to be out of stock for an unknown amount of time or which products were going to be increasing in cost to the point that we may not even want to order them. Just one example would be bone-in chicken wings. We used to sell one to two 40-pound cases a week. They used to be \$40 a case before they skyrocketed to up over \$150 for the same amount.

Just as the cost of goods have gone up, so has the cost of our energy to cook those items. Our kitchen cooking equipment runs off of propane. This is the only utility that we pay in our establishment, as our leaser pays the others. During some months, the cost

of propane has more than doubled the price that it was in the corresponding months of 2020. The rise in price in all other energy costs has caused our lease payment to increase from \$2,000 to \$4,500 a month in only 5 years' time.

Our little restaurant has been bleeding money due to all the increased costs, and I don't know how much longer we will be able to continue with the prices the way they are. It is very worrisome.

Our business has been very fortunate with workers during the past few years. We also pay a higher wage to keep these employees. We have, however, seen it has affected other businesses. We have heard through our food reps and other restaurants that have had to close or completely change their business hours because of lack of workers. Just last week, I saw at my doctor's office that CVS Pharmacy is no longer open on the weekends because of staff shortages.

I believe that the amount of money that has been handed out throughout the years has definitely contributed to this. Around the same time stimulus checks were going out and added unemployment benefit money is when the worker shortage started to happen.

Higher fuel costs affect our community probably more than most. It takes more fuel to get our groceries and other essential items across the mountains that we live in between. Our local grocery stores charge sometimes double to even triple on goods than other grocery stores in more populated areas. Our local gas stations charge 30 cents per gallon more than gas stations just 30 miles away.

Some of the biggest financial worries I hear from my community is the cost of goods, price of gas, price of utilities and just life in general. The cost of everything has gone up. I see lots of my old customers at the grocery store, and they tell me they are sorry they haven't eaten at my restaurant lately because they are just struggling to live.

My community is having a hard time right now. I have colleagues and powerful

community members asking me for a second job, and, unfortunately, with the rise of inflation costs, I cannot run with any more staff members at the moment. Lots of my current staff members are using their employment at my restaurant as a second source of income and still find themselves struggling. My husband and I have even found ourselves struggling to keep up and are also taking on other business opportunities besides our restaurant.

We have such a wonderful community that is trying their best to bring new business, to provide more job opportunities and fun things to do for our youth in the area, but entrepreneurs like myself are scared to make any financial decisions during this recession.

We personally bought a 5,000-square-foot building to be the future site of Cheetah B's and Potomac Valley Brewery, but have put a hold on our project seeing other peers go through devastating financial hardships working on similar projects. We can only hope that things will normalize again and give our businesses and children hope for the future.

It was a pleasure speaking with you today and thank you for having me.

[The statement of Ms. Bachman follows:]

***** COMMITTEE INSERT *****

Hello ladies and gentlemen of the committee. My name is Ashley Bachman, and I am a mother of 3 children and currently own a local restaurant called Cheetah B's. I have been a resident of Grant County for 11 years. When I first moved to Grant County I was working in Lanham, MD for a tradeshow and special events company as a freight coordinator for a company called Hargrove Inc. The pay was far higher than any job I could do in our community but after becoming pregnant with my third child it became impossible for me to travel the way that I was for this job. I saw an opportunity to open my own business when a local restaurant decided to close their doors. We opened Cheetah B's on June 15th of 2015.

I didn't have any culinary training but always had a passion for cooking. It took us a couple of years but we built a highly successful restaurant. Right at the peak of our success Covid shut our business down. My husband and I were both employed through the restaurant so this was terrifying to us. We have 3 children, how were we going to make it? How were we going to pay our bills let alone feed our children. We couldn't except the fact that we were forced to shut down due to Covid 19 regulations, so my husband and I put our thinking caps on. We have a window in our restaurant that faces the road. We decided we would try to operate our restaurant thru what we called our drive thru. Luckily we were able to keep our doors open during this trying time by pivoting our business model by finding different ways to serve our customers.

Unfortunately, after Covid we have been hit with another crisis. The crisis of rising costs of everything. This has proven to be a much tougher task than what we dealt with during the covid regulations.

The cost of goods has been steadily rising throughout the past couple of years. It has been tough to stay ahead of. We have had to change our menu prices countless times just to make sure that we don't go out of business. We still are not charging enough for our menu items because we are afraid that we will price ourselves out of business. We have and continue to struggle with the ever-increasing cost of goods. Of course, our customers suffer with us as they pay more for menu items that have gone up in price, the customers that still come out to eat that is. We have taken a hit in business so far, these past two quarters, having less customers coming in.

Just as the increasing cost of goods have required us to change menu prices and menus all together, the failures in the supply chain have caused the same. I can't tell you how many times our food reps have came into our establishment to warn us of which products were going to be out of stock for an unknown amount of time or which products were going to be

increasing in cost to the point that we may not even want to order them. Just one example would be bone in chicken wings. We used to sell 1-2 40lb cases a week. They used to be \$40 a case before they skyrocketed up to over \$150 for the same amount. Luckily, this is one of the very few items that has finally came back down to earth.

Just as the cost of goods have gone up so has the cost of our energy to cook those items. Our kitchen cooking equipment runs off propane. This is the only utility that we pay in our establishment as our Leaser pays the others. During some months, the cost of propane has more than doubled the price that it was in the corresponding months of 2020. The rise in price in all other energy costs has caused our lease payment to be increased from \$2000 to \$4500 a month in only 5 years time. Our little restaurant has been bleeding money due to all the increased costs and I don't know how much longer we'll be able to continue with the prices the way they are. It's very worrisome.

Our business has been very fortunate with workers during the past few years. We also pay a higher wage to keep these employees. We have however seen how it has affected other businesses. We've heard through our food reps of other restaurants that have had to close or completely change their business hours because of a lack of workers. Just last week I saw at my doctors office that CVS pharmacy is no longer open on the weekends because of staff shortages. I believe that the amount of money that has been handed out throughout the years has definitely contributed to this. Around the same time that stimulus checks were going out and the added unemployment benefit money is when the worker shortage started to happen.

Higher fuel costs effect our community probably more than most. It takes more fuel to get our groceries and other essential items across the mountains that we live in between. Our local grocery store charges sometimes double to even triple on goods than other grocery stores in more populated areas. Our local gas stations charge around 30 cents per gallon more than gas stations only 30 miles away.

Some of the biggest financial worries I hear from my community is the cost of goods, price on gas, price of utilities and just life in general. The cost of everything has gone up. I see lots of my old customers out at the grocery store and they will tell me they are sorry they haven't eaten at my restaurant lately because they are just struggling to live.

My community is having a hard time right now. I have colleagues and powerful community members asking me for a second job and unfortunately with the rise of inflation costs I cannot run with anymore staff members at the moment. Lots of my current staff members are using their employment at my restaurant as a second source of income and still find themselves struggling. My husband and I have even found ourselves struggling to keep up and are also taking on other business opportunities besides our restaurant.

We have such a wonderful community that is trying their best to bring in new businesses to provide more job opportunities and fun things to do for our youth to the area, but entrepreneurs just like myself are scared to make any major financial decisions during this recession. We personally bought a 5000 square foot building to be the future site of Cheetah B's and Potomac Valley Brewery but have put our project to a halt seeing other peers go thru devastating financial hardships working on similar projects. We can only hope that things will normalize again and give our businesses and children hope for the future. It was a pleasure speaking with you all today and thank you for having me.

Chairman Smith. Thank you. Thank you, Ms. Bachman.

Mr. McDade, you are new recognized.

STATEMENT OF WILEY MCDADE, CO-OWNER, DEVIL'S DUE DISTILLERY

Mr. McDade. First, I would like to thank you all for inviting me here today to speak. I am here with my wife, Cynthia, and lead distiller, Ken Walker.

And I will tell you a little story. So I come to Petersburg today to tell you a story about our small business located in our small little town in America. The town is called Kearneysville. It is located in Jefferson County, West Virginia.

This county is of incredible historic importance to the United States. George Washington didn't just sleep there; he lived there. His brother Charles, who in 1868 founded Charles Town at the heart of the county, lived there as well. The American Civil War started there at Harpers Ferry. West Virginia seceded from Virginia shortly thereafter in support of the Union. And I can tell you that the people of West Virginia are fiercely proud of their State.

The people here come from all walks of life. Farmland abounds. So do small shops and boutiques and restaurants. The county is ringed by national parks: Harpers Ferry, Antietam, C&O Canal. The two great rivers, the Shenandoah and the Potomac, converge there and form the northern end of the Chesapeake Bay watershed, which flows under the Nation's Capital just about 40 miles away, as the crow flies.

I think you guys probably thought, as the crow flies, this place was pretty close to you until you got on the back roads, and you found out that it is always twice as far to get anywhere in West Virginia, but it is also twice as beautiful. When you cross the border, it just feels different here. John Denver captured that perfectly. And I think that is why

people come here.

Nationally, a small distillery feels right at home here. It is true that, prior to the Whiskey Rebellion in the late 1700s, many, if not most, farms had a working still. It was logistically far easier and economically more profitable to bring grain to market by the barrel than by the bushel. Appalachia to the south and west of where we are, it wasn't always accessible as it is now today.

Today, West Virginia's rich culture and tradition is showcased at our distillery. We aim to take local grains, the same ones that have been produced there for hundreds of years, and use that same tradition to produce a product that you just can't get anywhere else. We don't look to make products better there; we just look to make them different. Jefferson County proved to be the place that has everything we need to succeed.

Geographically, our distillery is strategically placed in a small business park called James Burr near the I-81 corridor, a major north-south interstate and commerce artery. That highway bisects the Eastern Panhandle of West Virginia and is in relatively close proximity to us, which we chose to help keep freight costs low.

We are also a completely electrified distillery, due to the current unavailability of natural gas in our area. You know, natural gas boilers in the distillery industry are almost 100 percent more efficient than electricity.

At least 75 percent of our agriculture inputs are supplied by the local farms in the county. However, grain is only one part of a much bigger production process that we have there, and our inputs are freighted in from across the United States and sometimes around the world.

Our whiskey is mashed and distilled on equipment produced in Missouri. Our whiskey, by Federal law, must be aged in American White Oak. The oak for these barrels is sourced from all over the United States: The Ozarks, which are known for their

tight grain white oak; the Tennessee Valley, which that white oak is known around the world, a lot of Kentucky whiskeys are aged down there; and, of course, lots and lots of oak from right here in Appalachia is used in the production of our whiskeys.

Our bottles are produced throughout the United States and abroad. Our label production occurs in Maryland and New York, and our merchandising is a mix of locally produced craft, which we love, but also national commercial products from around the United States. Nearly all of these products rely on freight and working supply chains.

We started our business in 2021, and when we started diesel prices were in the mid-\$2 range. Factories were producing at or near capacity. Warehouses were full. Choice in products -- I will say that again -- choice in products was plentiful.

Much has changed in the past 2 years. Fuel prices and their fluctuations have made planning difficult, especially on already small margins. Due to factory closures, glass shortages have been and continue to be a scourge on our industry. Input costs on grains have risen sharply, something we are really actually pretty well-positioned to endure because we deal a lot with local farmers, but ever present on the commercial market.

Lead times are up by at least a factor of 2 and sometimes up to a factor of 10. And, in particular, order minimums have gone up significantly. I have to buy more. And a guy like me who, you know, relies on just-in-time delivery yet can't afford an entire truck, now has to buy more product at one time or put in longer and longer contracts, contract out for the whole year instead of maybe for just the quarter.

The enormous glass warehouses that feed our industry remain at minimum capacity with only minor gains in stocks, and supply chain logistics remain painful, to say the least.

Despite input cost increases, we are reluctant to raise prices, and we haven't done so. And I believe that this is one of the main drivers keeping our clientele coming back. However, it comes at a great cost, growth. Our workforce should consist of 7 to 10 in

order to work the distillery, the tasting room, and the distribution aspect of the business, yet we do so with five. Everyone works long hours. They wear many hats.

My business colleagues in the area tell me that they have similar experiences and that hiring remains a challenge, a perceived shortage of available workers. That shortage is compounded by rising home prices, soaring rents, and inaccessible credit.

In the face of all these problems, our outlook looks strong. And I believe our community outlook is also very positive, but this is West Virginia, and mountaineers inherently know how to do more with less.

So we endure and hope that Washington can work to provide stability in our markets. We need lower and more consistent fuel prices to allow for planning on thin margins. We need choice in energy to achieve efficiencies in our industry. We need to strengthen national manufacturing and refill our national commercial warehouses.

We need to pull back from intensive interest rate hikes and stabilize local housing availability. We are just one small, proud West Virginia business out of many thousands all looking for the same thing, an opportunity to succeed. Thank you.

[The statement of Mr. McDade follows:]

***** COMMITTEE INSERT *****

06 February, 2023

TO: U.S. Congressional Committee on Ways and Means
FROM: Wylie McDade

SUBJ: STATEMENTS PREPARED FOR STATE OF THE AMERICAN ECONOMY:
APPALACHIA

ENCL: (a) Biography
(b) Introduction to Devil's Due Distillery
(c) Statement of Wylie McDade for Congressional Field
Hearings
(d) Truth in Testimony Disclosure Form

1. My name is Wylie McDade. I am co-owner of Devil's Due Distillery, a small distillery located in Kearneysville, Jefferson County, WV. Thank you for the opportunity to appear before this committee today. I hope to represent the hardworking individuals of my business and provide insight into the economics and human resources at work in Wild, Wonderful West Virginia.

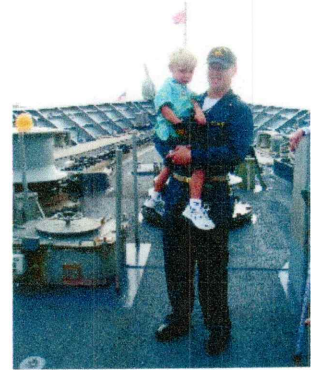
2. Please find my prepared statements attached.



Wylie McDade

Wylie McDade is a resident of Jefferson County, WV and co-owner of Devil's Due Distillery, also located there. He is married to Cynthia McDade. They have three sons, Ethan, Samuel and William.

Wylie is a retired Navy veteran, having served 24 years of active service. He enlisted in the Navy in 1996 and spent the first ten years of his career as an enlisted cryptologist. In 2004, he received a commission as a Surface Warfare Officer, four years later he transferred back into cryptology. Wylie deployed throughout the world in support of US Operations Enduring Freedom, Iraqi Freedom, and Partnership of the Americas; NATO Operation Active Endeavor, multiple coalitions and joint/combined task force operations, and dozens of group and unit specific operations. Wylie retired as a Lieutenant Commander in 2019, he settled with his family in West Virginia to pursue a career in industry and manufacturing.



His education includes:

- M.S. Cyber Systems and Operations, Naval Post Graduate School, Monterey, CA
- B.A. International Politics, Elliot School of International Affairs, George Washington University, Washington D.C.
- U.S. Navy Mandarin Chinese Training Graduate, Defense Language Institute, Monterey, CA



After retirement, Wylie, Cynthia and their children settled in Jefferson County. The following year, Wylie and his brother Brian Halbert built the Distillery. Their idea was to place the Distillery in a popular location so as to be supported by local tourism and also in an agriculturally productive area to support production and better integrate supply chains. Jefferson County proved the right answer.

Wylie now produces small batch whiskies and moonshines for sale at his Distillery and distribution in the local market. Cynthia continues to serve the military and the community as a licensed social worker. They enjoy family time, an occasional beach vacation, and a love of fishing with family and friends.


Wylie McDade
LCDR, USN (RET)



DEVIL'S DUE

DISTILLERY

Kearneysville WV

Our Story

In the rolling hills and farms of Jefferson County, West Virginia, near the meeting place of the Shenandoah and Potomac Rivers, sits Devil's Due Distillery. Every day, the hardworking men and women of this Distillery take local whole grain, water, fire and oak and transform them into fine spirits. Devil's Due Distillery strives to represent the best of what West Virginia can offer, fresh clean water naturally filtered through limestone and minimally processed, locally sourced fresh grains that grow in the nutrient rich soils found around the many rivers that run through the area, and 100% American charred white oak, much of which is sourced directly from Appalachia. What Devil's Due Distillery delivers is an experience for the customer that ties them back to the land. It is the local flavor of Appalachia derived from the air, the earth and the water that you just can't recreate elsewhere. At Devil's Due Distillery we don't aim to make our fine Whiskey and spirits better, just different. Give us a try, better yet take the trip and come see for yourself what "Almost Heaven, Made in West Virginia" is all about. **Devil's Due Distillery, The Spirit of West Virginia.**

About the Owners

Devil's Due Distillery is led by Wylie McDade and Brian Halbert, both of whom were born and raised in nearby Loudoun County, Virginia. Wylie a 24-year Navy Veteran and Brian, a graduate of Old Dominion, and software engineer, now produce traditional, small batch, grain-to-bottle Bourbons, Whiskies, Vodka and seasonal spirits and Moonshines. In 2021, the two opened their dream to the public. The distillery is located in the in beautiful, history filled rolling hills of Jefferson County, WV, near Harper's Ferry and the C&O Canal. The distillery operates out of a new 4,000 sq. ft. manufacturing facility, which houses its production equipment, rick, tasting room and distillery store. The distillery has a bottling capacity of 30,000 bottles per year, with expansion plans occurring in 2023 and 2024 to handle future capacity and demand.

About the Products

Devil's Due Distillery currently bottles and distributes the following spirits in 45 stores throughout the State of West Virginia:

- **Devil's Due Straight Bourbon Whiskey:** High-Rye Bourbon – Corn, Rye and Malt Barley. Aged 3 to 4 years. Sweet caramel notes, cinnamon and vanilla, well-rounded malt and oak finish.
- **Devil's Due Rye Whiskey:** Rye, Wheat and Malt Barley mash. Aged two years. Loaded with spice and oak, with a smooth malt finish.
- **Devil's Due Maple Whiskey:** Wheat, Corn and Malt. Aged two years. Proofed with a measure of American Maple Syrup. Beautiful maple flavors, a wash of whiskey on the pallet, pecan finish.

Wylie McDade

Brian Halbert



06 February, 2023

I come to Petersburg today to tell you the story of one small business, located in one small town in America. The town is called Kearneysville and it is located in Jefferson County, WV. This county is of incredible historic importance to the United States. George Washington didn't just sleep here, he lived here. So did his brother Charles, who in 1786 founded Charles Town at the heart of the county. The American Civil War started here at Harper's Ferry. West Virginia seceded from Virginia shortly thereafter in support of the Union. The people here are fiercely proud of their state.

The people come from all walks of life. Farm land abounds as do small shops, boutiques and restaurants. The County is ringed by National Parks - Harper's Ferry, Antietam and the C&O Canal. Two great rivers, the Shenandoah and the Potomac converge here and form the northern end of the Chesapeake Bay Watershed which flows under the nation's capital a scant 40 miles away. When you cross the border, it feels different. John Denver captured the feeling perfectly. That's why people come here.

Naturally, a small distillery feels right at home here. It's true that prior to the Whiskey Rebellion in the late 1700s many (if not most) farms in West Virginia had a working still. It was logistically far easier and economically more profitable to bring grain to market by the barrel than by the bushel - Appalachia to the south and west wasn't always as accessible as it is now. Today, West Virginia's rich culture and tradition is showcased at our Distillery. We aim to take those same local grains, that same tradition and produce a product that you just can't get elsewhere. We don't look to make the product better, just different. Jefferson County, WV has everything we need to succeed.

Geographically, our Distillery is strategically placed in the James Burr Business Park near I-81, a major north south interstate and commerce artery. The highway bisects the Eastern Panhandle of WV and its relatively close proximity helps keep freight costs low. We are a completely electrified facility due to the current unavailability of natural gas lines. Natural gas fired boilers are 100% more efficient than electrical heating in this industry. At least 75% of our agricultural inputs are supplied by local farms in the county. However, grain is only one part of our process and much of our production inputs are freighted in from across the United States.

Our Whiskey is mashed and distilled on equipment produced in Missouri. Our Whiskey, by federal law, must be aged in American White Oak. The oak for these barrels is sourced from the Ozarks, the Tennessee Valley, and right here in West

Enclosure (c)

Virginia's Appalachia. Our bottles are produced throughout the United States and abroad. Our label production occurs in Maryland and New York. Our merchandising is a mix of locally produced craft and national commercial products. Nearly all of these products rely on freight and working supply chains.

In 2021, when we started our business diesel prices were in the mid-\$2 range. Factories were producing at or near capacity. Warehouses were full. Choice in products were plentiful. Much has changed in the past two years. Fuel price fluctuations make planning difficult, especially on already small margins. Due to factory closures, glass shortages have been and continue to be a scourge on our industry. Input costs on grain have risen sharply, something we are positioned well to endure when dealing locally with farmers, but ever present on the commercial markets. Lead times are up at least by a factor of two to ten. Ordering minimums have double and tripled. Oak prices have skyrocketed and continue to stay high. The enormous glass warehouses that feed the industry remain at minimum capacity with only minor gains in stocks. Supply chain logistics remain painful to say the least.

Despite input cost increases, we are reluctant to raise prices and have not done so. I believe that this is one of the main drivers keeping our clientele coming back. However, it comes at great cost - growth. Our workforce should consist of seven to ten in order to work the distillery, the tasting room and the distribution aspect of the business, yet we do so with five. Everyone works long hours wearing many hats. My business colleagues in the area tell me that they have a similar experience and that hiring remains challenging - a perceived shortage of available workers. This shortage is compounded by rising home prices, soaring rents and inaccessible credit.

In the face of all these problems, our outlook is strong. I believe our community outlook is also positive, but this is West Virginia and Mountaineers inherently know how to do more with less. So we endure and hope that Washington can work to provide stability in our markets. We need lower and more consistent fuel prices to allow for planning on thin margins. We need more choice in energy to achieve efficiencies in our industry. We need to strengthen national manufacturing and refill our national commercial warehouses. We need to pull back from intensive interest rate hikes and stabilize local housing availability. We're just one small, proud West Virginian business out of many thousands all looking for the same thing - opportunity to succeed. Thank you.


Wylie McDade
LCDR, USN (RET)

Enclosure (c)

Chairman Smith. Thank you.

Mr. Ward, you are recognized.

STATEMENT OF JAMIE WARD, ITMANN PREP PLANT MANAGER, CONSOL ENERGY INC

Mr. Ward. Chairman Smith, Ranking Members Neal, and members of the Ways and Means Committee, I would like to thank you for the opportunity to speak today.

My name is Jamie Ward, and I am here representing CONSOL Energy, a 150-year-old thermal and metallurgical coal-producing company with operations in Pennsylvania and West Virginia, where I supervise the Itmann No. 5 preparation plant outside of Mullens, West Virginia.

I have worked in the coal industry for almost 30 years. Growing up in southern West Virginia, I was surrounded by coal mines in the coal industry from the time I was young. I attended Independence High School in Raleigh County. There, I decided to enter the workforce after graduation, beginning my career at a local coal company where I conducted coal sampling and quality analysis. From there, I worked at the coal companies for several different operators before landing at CONSOL.

As my career progressed, I watched as coal companies began to either consolidate, go bankrupt, or be bought out, at one time causing me to work for 6 different companies in a period of 13 years.

I saw the coal industry decline further, to the point where I was forced to leave West Virginia to find work in the industry in Alabama for a time. I watched small towns in my home State fall on incredibly hard times, all because of antioal policies that were being pushed in Washington, D.C., by people who had never even been here where I grew

up. The result of these policies have been economic disaster to the people of Appalachia.

In 2019, CONSOL Energy decided to reinvest in a thin seam coalfield in southern West Virginia, providing me the opportunity to move back to my State. My experience at preparation plants allowed me to join the CONSOL team in the position I am in now. I manage the day-to-day operations of a plant, including 25 employees and contractors. I also interface with customers and coordinate shipments on a daily basis, both domestic and international sales.

CONSOL Energy owns and operates the largest underground high-BTU bituminous coal complex in North America. And now, in Wyoming County, West Virginia, we operate our new Itmann No. 5 metallurgical coal mine and prep plant, which it produces coal, coking coal in the steel production.

Itmann prep plant recently shipped its first trainload of coal to customers in October of last year. It was a truly exciting step in the right direction toward bringing the mine and plant up to full production, despite many supply chain challenges that were being felt nationwide, which was a result of policy decisions made at the highest level.

Though CONSOL has brought jobs and economic stimulation to Mullens, Pineville, Itmann, and other little towns, all of Appalachia still faces staffing shortages. This is due to the variety of factors, including fuel costs making it hard to travel to work and Federal policies that attack our coal jobs.

The coal industry is consistently under pressure from Washington, which makes it harder to do business and provide the materials needed for steel and other fuel with affordable electricity. Federal agencies make it difficult for the operators to even get off the ground, especially when agencies make the rules that are very hard to follow.

I remember a time when someone could not drive more than 3 or 4 miles without seeing a coal mine where you would be able to find work. Now I have employees coming

from as many miles -- one of them drives over 75 miles from the State of Kentucky.

Imagine driving an hour and a half every day to work with the gas prices we see as high as they are. You can see how something like that would prevent someone who wants to succeed from being able to simply get to the job site.

In addition, the rising cost of groceries do not make things easier on my staff at the plant. The prices of milk and eggs, two items that most families need weekly, are through the roof. We pay our workers great wages, but the rising cost of basic needs is still deeply felt, no matter how much you get paid. There is only so much that can be done from the industry side to help ease the burden of high fuel and grocery bills that we are forced to pay.

My team at the plant is incredibly hardworking every day, and we support the local economy through our work there. We have a local general store in Mullens, where we buy our boots, supplies, food, and whatever we might need because the nearest store to get these things is an additional 25 miles away.

We also use a local service garage in Mullens to service the vehicles of our fleet. These things help keep our small economy in Mullens up and running, but, sadly, the same cannot be said about the thousands of other little towns that struggle because of the rising cost of living.

CONSOL's Itmann operation has the capacity to mine 800,000 to 1 million tons of coal output a year, with over 20 million in reserve. That amount of output is life-changing for West Virginians and the other Appalachia who need a stable job.

We do our part. It is time for the Federal Government to do its part by lowering the costs rural Appalachians are forced to pay every day just to stay alive.

I look forward to answering any questions that you have. Thank you again for allowing me to share my perspective of the state of the American economy in Appalachia.

[The statement of Mr. Ward follows:]

***** COMMITTEE INSERT *****

Testimony Before the House Committee on Ways and Means
February 6, 2023
“The State of the American Economy: Appalachia”

Chairman Smith, Ranking Member Neal, and Members of the Ways and Means Committee, I want to thank you for the opportunity to appear today.

My name is Jamie Ward and I am here representing CONSOL Energy, a 150-year-old thermal and metallurgical coal producing company with operations in Pennsylvania and West Virginia, where I supervise the Itmann Number 5 preparation plant outside of Mullens, West Virginia. I’ve worked in the coal industry for almost 30 years.

Growing up in southern West Virginia, I was surrounded by coal mines and the coal industry from the time I was young. I attended Independence High School in Raleigh County and decided to enter the workforce after graduation, beginning my career at a local coal company, where I conducted coal sampling and quality analysis. From there, I worked at the coal companies for several different operators before landing at CONSOL. As my career in the industry progressed, I watched as coal companies began to either consolidate, go bankrupt, or be bought out, at one time causing me to work for 6 different companies in a period of 13 years.

I saw the coal industry decline further to the point where I was forced to leave West Virginia to find work in the industry in Alabama for a time. I watched the small towns of my home state fall on incredibly hard times all because of anti-coal policies that were being pushed in Washington, DC by people who had never even been to the place where I grew up. The result of these policies has been an economic disaster to the people of Appalachia.

In 2019, CONSOL Energy decided to re-invest in the thin seam coal fields of southern West Virginia, providing the opportunity for me to move back to the state and be with my family once again. My previous experience at coal preparation plants allowed me to join the CONSOL team in the position I am in now. I manage the day-to-day operations of the plant including our 25 employees and other contractors. I also interface with customers and coordinate shipments of our coal for both domestic and international sales.

CONSOL Energy owns and operates the largest underground high-Btu bituminous coal mine complex in North America, and now, in Wyoming County West Virginia, also operates our new Itmann #5 metallurgical coal mine and prep plant, which produces the coking coal used in steel production. The Itmann prep plant recently shipped its first trainload of coking coal to customers in October of last year. It was an exciting step in the right direction toward bringing the mine and plant up to full production despite many supply chain challenges that are being felt nationwide, which are the result of policy decisions made at the highest level.

Though CONSOL has brought jobs and economic stimulation to Mullens, Pineville, Itmann, and other towns in the surrounding area, all of Appalachia still faces staffing shortages. These staffing shortages are due to a variety of factors including fuel costs making it hard to travel to

work and hostile federal policies that have attacked coal jobs and deterred workers from staying in or entering our industry.

The coal industry is constantly under pressure from Washington, which makes it harder to do business and provide the materials needed for steel and the fuel for affordable electricity. Federal agencies make it difficult for any operation to even get off the ground, especially when agencies make rules that are very hard to follow. The EPA's recently updated Waters of the U.S. rule will likely extend permitting timeframes, create more uncertainty, and increase our cost if we ever try to expand our operations. All these things discourage investment by other companies in Appalachia and limit job creation for Appalachian workers.

I remember a time when someone could not drive more than three or four miles without seeing a coal mine, where you'd be able to find work. Now, I have employees coming from many miles away just to keep a job. One of them even drives 75 miles, one way, all the way from Kentucky. Imagine having to drive an hour and a half to work every day like he does, with gas prices being as high as they are. You can see how something like that would prevent someone who wants to succeed from being able to simply get to a job site.

In addition, the rising costs of groceries do not make things any easier for my staff at the plant.

The prices of milk and eggs, two items that most families need weekly, are through the roof. We pay all our workers great wages, but the rising cost of basic needs is still deeply felt no matter how much you get paid. Because of that, there is only so much that can be done from industry's side to help ease the burden of high fuel and grocery bills that we are forced to pay.

My team at the plant is incredibly hard working every day and we support the local economy through our work there.

There is a local general store in Mullens where we buy most of our boots, supplies, food, and whatever we might need, because the next nearest store to get these things is 25 miles away. This increases in the cost for necessary items when costs for supplies and groceries are already too high for most families. We use a local service garage in Mullens to service the vehicles in our fleet, because we believe in supporting the communities where we work. These things help to keep the small economy of Mullens up and running, but sadly the same cannot be said about the thousands of other towns across Appalachia which struggle because of the havoc that inflation has wreaked on the cost of living.

CONSOL's Itmann operation has the capacity to mine 800,000 – 1 million tons of coal output per year, with over 20 million tons in reserve. That amount of output is life-changing for West Virginians and others in Appalachia in need of a stable job. As I mentioned, the industry has been hampered by regulatory uncertainty and risk, higher-than-normal costs out of our control, and inflation that has been brought on by overall irresponsible policy.

We do our part. It is time for the federal government to do its part by lowering the costs rural Appalachians are forced to pay every day just to stay alive.

I look forward to any questions you may have. Thank you again for allowing me to share my perspective on the state of the American economy in Appalachia.

Chairman Smith. Thank you, Mr. Ward.

And I want to thank all of you for your excellent testimony and for being here once again. We will now proceed to the question-and-answer session, and I will begin with the first question.

My colleagues here today will certainly have a number of more specific questions as we dive into the impact of Federal policies and programs on the lives and livelihoods of folks here in Petersburg and families all across the country, but let me begin with a more general question for each one of you.

If you were sitting on the side of this -- if you were sitting on the side of this room with the ability that we all have to write the laws of the land, what is one thing, the first thing you would do or change to make your lives easier?

I ask that question because this committee is committed to empowering all of you, to empowering the voices of citizens all over this country when it comes to creating and changing policy.

So I ask, if you were sitting in our seats, standing in our shoes, what would be the first thing that you would want us to do?

Mr. Plaugher, I will begin with you.

Mr. Plaugher. Well, I am not sure if it would qualify as a law, but I guess the first thing that I would do is ask you to look at getting the inflation under control. The impact of inflation on our communities, on my employees is devastating. And their cost of living has gone through the roof.

And, as Jamie mentioned, you know, we are in rural West Virginia. A lot of my employees drive a long way to get to work. So the price of gas, the price of fuel for them is a major factor in their cost just to get through, make it each month.

So the inflationary pressures and the cost of fuel I think is something that you

should be looking at immediately.

Chairman Smith. Thank you.

Ms. Bachman.

Ms. Bachman. I have to agree with the cost of fuel. I feel like we need to be more self-sustaining, have a more self-sustained energy in here, the United States. This would allow the cost of logistics to go down and lower the cost of goods.

I also feel like you should look at decreasing the current unemployment benefits that are being received. Currently, a Grant County resident averages around \$21,000 a year. For an unemployed couple receiving unemployment benefits and ObamaCare, a spouse would need to make for a full-time job paying \$73,000 a year to be better off. So those two things I think.

Chairman Smith. Ms. Bachman, would you repeat that last sentence?

Ms. Bachman. Yes. A spouse would need to make \$73,000 a year working full-time in order to receive the same amount of pay as somebody receiving, a couple receiving unemployment benefits and ObamaCare.

Chairman Smith. Thank you, Ms. Bachman.

Mr. McDade.

Mr. McDade. I would agree with her on the problems with worker shortages in the country, getting people back to work. What policies can you put in place to get people back into the factories? Most of the issues I see are unavailability.

When we call and ask for something, you know, for the inputs for my business, you know, I always seem to be -- they always seem to be scraping the bottom of the barrel to get me the supplies that I need to make my business function.

Chairman Smith. Mr. Ward.

Mr. Ward. Yeah, more focus on the inflation, gas prices, grocery prices. And,

really, college isn't for everybody, but maybe some more focus on the high school education. When they come out of high school, they are more equipped for real life.

A lot of kids now they come out and, in my opinion, they just are really not prepared to enter the workforce, but they so choose not to go to college. So there is an issue, the way I look at it.

Chairman Smith. Thank you.

I will now recognize the acting ranking member, Mr. Beyer, for any questions he might have.

Mr. Beyer. Mr. Chairman, thank you very much.

And I think all of you brought up the issue of labor force availability, which is not unique to West Virginia, by the way. In northern Virginia, we have the exact same problem with virtually every business.

It is fascinating that the labor force participation rate from 1948 through 2023 averaged 62.8 percent. It is now 62.4. So it is almost where it has been for all of our lives. In fact, before the recession -- before the pandemic, rather, when Donald Trump was President in January 2020, 3 years ago, it was 63.5, so up less than 1 percent more.

It is fascinating that the labor force participation rate has come back for virtually every category of people except childbearing women, which is largely blamed on the absence of childcare.

But, Ms. Bachman, I am fascinated by -- economic impact payments stopped 18 months ago. The child tax credit stopped 13 months ago. Unemployment insurance applications are at their lowest rate in 50 years. But your 21,000 versus 73,000 is fascinating.

Do you pay healthcare for them, or why is it fair to add that to the benefit that they get that keeps them out of work?

Ms. Bachman. Well, this is the average of -- looking up statistics, that is the average of what the Grant County resident brings home. That is not necessarily my employees. I pay my employees a little bit more than that.

But, unfortunately, I am unable to offer healthcare at this moment. Healthcare is just out of my means. I looked into it. I am uninsured. My whole family is uninsured at the moment. We are out-of-pocket pay. We just can't afford that monthly bill right now. And it is --

Mr. Beyer. Is that an argument for getting rid of ObamaCare and making that insurance available to those people in your town?

Ms. Bachman. Well, I personally don't have insurance. I know that, you know -- I just -- I fall in that middle class where I don't -- I make too much to go and get certain benefits that the United States offers low-income people, but I just make enough to where I can't afford insurance for my family right now.

Mr. Beyer. What you are clearly sort of affirming is the chairman's thought that we are paying people to stay home.

Ms. Bachman. Yes.

Mr. Beyer. Okay, great. Thanks.

Commander McDade, you talked about inflation being very, very real, which I wholly appreciate. The good news, which is hard for us to appreciate right now, is that Wall Street Journal says inflation in the last 6 months has been running at less than 2 percent. However, still pretty high compared to what it was before the pandemic.

And, of course, you also said that the interest rate is killing you, which I appreciate also, especially on housing and everything else. We have relatively few controls as a Member of Congress. We can't do price controls. The last person that did that was Richard Nixon. And the Fed, after the 578,000 jobs that were just announced for January,

is likely to raise them again in March.

What else should we be doing to hold down inflation that the Fed is not doing now?

Mr. McDade. Boy. Well, the first thing we should do is stabilize the interest rates, I think, in this country. You know, you have mentioned quite a few things, but I will give you an example.

Over the last, say, oh, I don't know, 10 or 12 months, we have seen the housing prices in our neighborhoods go up, and they went up, they have gone up significantly. I have seen the neighbors when they sell their house.

And you know who doesn't come house shopping anymore is families with children. We only see older folks come in and look at those houses, and I have seen them with my own eyes, people who have made their money in the world. And the biggest, I think, complaints I get is that forces a lot of people into the rental market, and the rents are now skyrocketing.

And so it causes a problem. I mean, I know people who rent, and they say: Yeah, our rents are up significantly what they were just 2 or 3 years ago.

And, to your point on inflation, I am more interested in how we are going to be drawing down prices now, now that -- if inflation has crested, that is fine, but once those prices go up, how do we bring them back down to a level where we can all, you know, make a living?

I told you we have a thin, a very thin margin. The liquor industry is the most regulated industry probably besides banking. I mean, it has been that way ever since Prohibition. And there are huge -- we pay steep, steep fees in forms of excise taxes. And so our margins are -- I mean, they are pretty small. And so anything that opens that margin up a little bit is going to help us out.

Mr. Beyer. Thank you very much, Mr. Chairman.

I yield back.

Chairman Smith. Thank you.

Mrs. Miller, you are now recognized for 5 minutes.

Mrs. Miller. Thank you, Chairman Smith.

And it is nice to say "chairman" and have the gavel on our side.

And thank you, Ranking Member Beyer.

And, again, thank you all for being here today.

I am so honored to have the first Ways and Means hearing of the Republican majority right here in my State, our State of West Virginia.

You know, southern West Virginia has borne the brunt of attacks tax by President Biden's disastrous agenda. It is long overdue for our Nation to hear from real West Virginians on the impact of Washington's poor decisions on their lives, businesses, and communities.

I have here an article, a statement from the Coal Association. Mr. Chairman, I would like to submit for the record this statement by the West Virginia Coal Association, explaining how the Biden administration's war on coal has cost thousands of jobs and devastated the social fabric of communities in this great state.

Chairman Smith. Without objection, so ordered.

[The information follows:]

***** COMMITTEE INSERT *****



America's Coal Association's Issues Response to President Biden's Comments Regarding 'Shutting Down Coal Plants Across America'

November 07, 2022

CHARLESTON, W.Va. — In response to comments by President Joe Biden over the weekend stating that "we're going to be shutting [coal] plants down all across America" America's Coal Associations issues the following response:



President Biden's insistence that coal plants and coal miners be shuttered serves as an affront to the 381,000 hard working men and woman across America who work in some capacity with coal mining.

Aside from the callousness, the President's remarks reflect recklessness and total ignorance of coal's value to our nation's independence, defense and security.

Mining is among our country's most honorable professions, contributing significantly to our industrial job base and to local, regional, and national economies. Our miners are an essential part of our nation's fabric with many of their spouses working as teachers, nurses, Sunday School teachers and every imaginable profession throughout our society.

Our industry fully supports clean air and a clean environment. We take great pride in our environmental compliance record and overall stewardship of the land. Our mining operations are among the world's best and our industry's record in the US is superior to similar mining complexes around the world. The technological advancements employed at our mines and electric manufacturing facilities are second to none.

Our nation's infrastructure and national defense systems depend on coal as does the secured delivery of household and industrial electrical supplies. Continuous base load electric generation that only coal provides keeps the electric grid secured and ensures our country's energy independence.

Coal is what built our country into the world superpower it is, and coal will continue to be a strong economic driver for years to come. Frankly, our miners deserve more from their government and their President! God Bless our "Freedom miners" and families.

America's Coal Associations are supportive of an all-of-the-above energy strategy but believes the United States should not trade one energy job for another or unnecessarily shorten the life of these foundational contributors to our economy and industrial job base.

For additional information, contact Chris Hamilton at (304) 342-4153.

The following State Coal Associations and Groups have signed on to the above response:

- Emily Arthun, Executive Director, American Coal Council
- Randy Eminger, Executive Director, Energy Policy Network
- Nick Williams, President, Illinois Coal Association
- Tucker Davis, President, Kentucky Coal Association
- Mike Cope, President Ohio Coal Association
- Rachel Gleason, President, Pennsylvania Coal Alliance
- Matt Bell, President Reliable Energy, Inc. (Indiana)
- Judy Colgan, Executive Director, Rocky Mountain Mining Institute
- Chuck Laine, President, Tennessee Mining Association
- Ches Blevins, President, Texas Mining and Reclamation Association
- Travis Deti, Executive Director, Wyoming Mining Association
- Chris Hamilton, President, West Virginia Coal Association

Mrs. Miller. While I can go on and on about the successes that we have seen and the challenges we continue to face, the most important thing for us to do here is to hear your voices. You can hear ours all the time.

So I just want to thank all of you for representing West Virginia so well in this hearing.

Mr. Ward, thank you for being here today. I understand that you have three children and two of them are attending higher education in our State. One is at WVU, and the other is in my beloved Marshall. Go Herd.

Our State for way too long has exported our educated children. What do you see as the greatest challenge into keeping them here right now?

Mr. Ward. To keep the kids here, I mean, we educate them. But we do not offer them positions to use their education to stay in the State. So we have to create jobs that, once they are educated, higher-paying jobs, competing with other States, that would be our biggest hurdle to keep them here.

Mrs. Miller. That is so correct.

I do have to mention basketball. One thing Mullens is famous for is their basketball.

But your story is the story of way to many West Virginians whose lives have been impacted by the decisions of both lawmakers and bureaucrats in Washington. So I am glad that you had the opportunities to return home. In -- the fact that you have to drive 20 miles to buy shoes or groceries or socks or underwear, it is amazing. The people that live in Washington, D.C., who only have to go down, like, half a block the buy those things, it is unusual.

You know, the coal industry has been under heavy scrutiny by Washington and usually by people who are really ignorant of the importance and the history of the product

that you produce.

Can you at least tell them the difference between metallurgical and thermal coal and how important each type of coal is?

Mr. Ward. Yes. What we do at Itmann or in the southern West Virginia part is the metallurgical coal. It is -- we are after the coke, the carbon that is in the coal. So that is the metallurgical coal that is used to make carbon which goes into steel making. The thermal coal, which is -- it is used. Its primary job is for electricity, to generate electricity.

Mrs. Miller. Electricity. Oh, my goodness.

Thank you so much.

Mr. Plaugher, thank you for hosting us here at Allegheny Wood Products. Again, the facility is a testament to all the hard work that you do. An important role of the Ways and Means Committee is overseeing our trade agenda, and I very first sought this seat on this committee after seeing your hardwood product while I was on a trip overseas in China and experiencing firsthand the importance of the trade, not just for our national interest but the impact that it has right here in West Virginia.

Can you speak briefly to Allegheny's exports and what challenges the Federal Government has created in getting your products to market?

Mr. Plaugher. Well, the two biggest challenges in recent years have been the effects of the trade war, when retaliatory tariffs were levied on our products, basically taking 25 percent off the top of what we could charge for our products to our customers in Asia.

The supply chain crisis is the second big issue. And over the last 2 years as the supply chain crisis has tightened, it has made it extremely difficult to get access to containers, to vessel space for us to reach our customers on time.

If we have a customer in Asia who is doing -- who is looking for just-in-time

delivery, we have to be able to put that on the ground for them timely. And the supply chain crisis has made that extremely difficult.

As steamship lines took advantage of the higher rates coming from Asia, they elected to ship containers back, empty, rather than load products here in the United States, and took advantage of those exorbitant rates coming back this direction and left American exporters high and dry.

Mrs. Miller. Thank you.

I am so sorry I can't get to the other two. I have run out of my time.

So I yield back my time, Mr. Chairman.

Chairman Smith. Thank you, Mrs. Miller.

I now recognize the gentleman from West Virginia, Mr. Mooney, for five minutes.

Mr. Mooney. Thank you, Mr. Chairman. I am just going ask two questions. I want my colleagues to have plenty of time.

Actually, Mr. Plaugher, I am going to ask you first. Has Allegheny Wood Products been affected by any supply chain failures?

Mr. Plaugher. Yes, Allegheny Wood Products has been effected by many supply chain failures. As one of the other gentleman mentioned, you know, just the ability to have the supplies on hand to run our plants has been dramatically affected by the supply chain crisis.

Parts that we may have been able to get in a couple days, so we would keep one on the shelf because we knew order and have one here quickly, suddenly turned into things that we couldn't get for 3 months.

So you had to increase your inventory of supplies just to maintain your regular production schedule, to have what you needed in order to be able to run, which means you had to sink more money into supplies.

Mr. Mooney. The next question will be directed to Ms. Bachman.

And congrats. I read in your bio, your statement you are opening another business, a bouncy house for kids. As the father of an 8-year-old, we were looking for things like that the past few years. And we had one of those in Jefferson County. And when COVID hit, they shut it down. And the kids didn't have a place to go. So it was kind of a shame to be perfectly honest.

So I hope there is a good clientele for that. There must be. I am sure you have done a market analysis, and hopefully the children will benefit from that. Particularly the cold weather, it is hard to go out to the parks.

But so I guess my question to you, you had mentioned the jobs and how expensive it is for employees and finding employees. Do you think there is enough work opportunity in this part of the country?

Ms. Bachman. I do think there is enough opportunity, but what you lack is motivated workers. Again, when you pay them more to sit at home, you know, there is no motivation to go to work, especially in a place like my restaurant. It is, you know, the kitchen is hot. You know, you are on your feet for hours. It is not a very fun job. So I personally experience issues getting employees.

But, again, we are in a small town. I think I have a good reputation of being a good employer. So I have been able to retain employees. And, again, I have to pay good money to keep them.

Mr. Mooney. Yeah. Well, I guess it is better to have more jobs than people than more people than jobs, if you had to choose between the two. But it is still a problem, and I do think a lot of the policies government created has exacerbated that, made it too easy not to work. We need to get people back to work. They are able-bodied adults.

Mr. Chairman, I am going to go ahead and yield back the balance of my time.

Chairman Smith. Thank you, Mr. Mooney.

I would like to recognize the vice chairman of our committee, Mr. Buchanan, from Florida for 5 minutes.

Mr. Buchanan. Thank you, Mr. Chairman.

I just want to thank all of our witnesses for being here. There is nothing I am more passionate about than entrepreneurship and startups. So I am going to have two or three questions I want to have you weigh in on.

I also want to mention AWP is celebrated, if the math is right, their 50th anniversary today. That is a great American story. Let's give them a round of applause.

And I think they have close to 800 employees. So that is just an incredible story. Our goal as an organization is to do everything we can to get to you another level and help our startups as well.

On the startup thing, I have got a bill that basically would quadruple startup expenses that you can deduct. Would that help you in terms of attracting capital or setting up your business? And part of the reason I say that, I read a statistic many years ago. It always sat here in my heart. Ninety-two percent of startups aren't in business 5 years later.

You have talked about the struggles both of you are looking at, and that is why we need to do everything we can to help especially the two of you get to another level.

But let me ask you, Mrs. Bachman. What do you think? Would additional write-offs up front in terms of attracting capital, if you could write that off and tell the investor you can write it off, would that make a difference?

Ms. Bachman. Oh, that would make a huge difference. I mean, we have more power of buying supplies. I mean, we can employ more people, providing more income. I mean, I -- that would definitely benefit my business.

Mr. Buchanan. Mr. McDade, do you want to comment on that real quick?

Mr. McDade. Well, coming from an industry that gets taxed pretty heavily, I mean, absolutely, any sort of relief on that front, especially for us from being the startup perspective, would be outstanding.

Mr. Buchanan. Yeah. The other thing is the Tax Cuts and Jobs Act. I don't know if you are that familiar with it.

Mr. Plaugher, I am going to ask you. A couple of things that we did on especially on past years' subchapter S company, we, you know, decreased that 199 20 percent. But also in terms of we went to this idea of full expense. Instead of writing something off over 5 years, you can write it off now. Now some 20 percent of -- well, it is supposed to sunset. We are going to hopefully try to change.

But can you address those two things, the tax cuts in general?

And by the way, I will say with my Democratic friend here that the bill they passed or are trying to pass out of our committee, when you added it all up, it looked pretty good on math. It was 46.4 percent. It was gigantic. We can talk about that later, but that is reality of it.

But what is the, in terms of adding taxes or full expensing, what is your thoughts on that?

Mr. Plaugher. Congressman, I am a forester and a lumberman and probably pretty poor accountant. But just in general, the tax cut would be very beneficial to us, especially the bonus depreciation, the upfront depreciation. The line that is behind you is actually a test line for an automated lumber grading system. We will put the scanning equipment in place here in about 2 weeks. And at the end of the day when we finish this line completely, it will be about a \$5 million investment.

Mr. Buchanan. So you are able to write that off first year, it would probably be

part of the reasons why you did it.

Let me just jump over. I have got one big question I want to answer because I think we are not focused on it enough at a committee or just in general. I mentioned this to the chairman. But healthcare costs for small businesses, I know you are a bigger can. You guys absorb more. But a lot of small businesses can't, you know, can't do it.

So let me just ask you in terms of your cost, because you touched on it a little bit, we talked about it a little bit earlier, in fact, Mrs. Bachman. What is -- what is your sense of -- why don't you tell your story? You wanted to get -- look for insurance for your new company. You have got three children, a husband, and you wanted to be able to get healthcare. To me, this is unacceptable. If we do nothing else, we need deal with this.

Why don't you mention what they quoted you on the government website?

Ms. Bachman. For a family of four, it was \$750 a month.

Mr. Buchanan. Seven-fifty a month times twelve is almost \$10,000 a year.

What did you?

Ms. Bachman. I didn't get insurance, and I am just out-of-pocket pay. I pay myself \$39,000 a year. So that would take a huge chunk of my wage.

Mr. Buchanan. Yeah, it is all wages. I can tell you in our area, as someone mentioned to me, I heard your story, they are paying -- a couple, they got an Italian restaurant, 20 years. They came up to me and said they are paying \$3,000 a month for the two of them. They are in their early sixties. They don't get Medicare, but they thought it was outrageous. I thought it was outrageous until I heard your story.

We got your back. Thank you.

I yield back.

Chairman Smith. Thank you.

I would like to recognize the chairman of the Trade Subcommittee, the gentleman

from Nebraska, Mr. Smith.

Mr. Smith of Nebraska. Thank you.

I appreciate all of our witnesses here today, the perspectives that you bring, that you share, that you experience.

I think it is especially instructive, Mr. Plaugher. Thank you for touching on the trade issue. I think it is important to note that things can get really complicated really quickly as various policies might be pursued. We always, I think, need to keep that in mind, ultimately keeping the consumer in mind. It is the consumers that I think are touched by all of you.

And so I think, as we look at inflation and as important as I think trade policy is, I also believe that the workforce shortages and the supply chain shortages, and the two being obviously related, are a significant driver for inflation.

And it concerns me greatly. You know, it is tempting. Let's see. It is tempting to celebrate unemployment rates. I think West Virginia's is 4.1 percent. Grant County is 3.4 percent. That sounds great. But it is only part of the story.

Our national workforce participation rate is only 62.4 percent and Virginia's is 54 -- West Virginia -- I am sorry -- is 54.8 percent. These are significant numbers that I don't think get enough attention.

And we have realities that exist across our big country where there are different needs in different communities, different factors impacting various communities, small and large, rural and urban. And so we always need to keep that in mind.

But if there is one thing that I think we can do is engage folks who might be receiving some benefits, and I think we always need to ask ourselves a question. Are we engaging the American people like we could in perhaps bringing them, encouraging them off of the sidelines?

I have worked on -- with many of my colleagues here what we call the JOBS For Success Act to engage States who administer these programs, to have to tell us more if they are making any progress, if they are actually bringing people off the sidelines, so we could improve that workforce participation rate.

It should concern all of us that, for example, 45 percent of West Virginians are not in the workforce. And those numbers obviously can vary across the country.

But when you look at where reality sets in, I would be curious, Ms. Bachman, you order supplies all the time for your operation.

Ms. Bachman. Yes. We get food trucks at least twice a week, two separate trucks. So --

Mr. Smith of Nebraska. Right. I kind of think I know the answer on the cost eggs lately but that is a -- involves a lot of things as well. But I would be curious to know, and from all of you, too, that, you know, there are high prices and then there is lack of availability across the board in some cases or at least temporarily.

And I am just wondering how you, each of you, might experience that, what you do to deal with that, because it is a reality that can be pretty painful.

Ms. Bachman, if you want to lead that off.

Ms. Bachman. Unfortunately, things happen so quickly in my industry. So, you know, for instance, a case of lettuce, it was after average last year about \$32 a case. That is for 24 heads of lettuce. It went from \$32 to the very next week \$100 for the same exact case.

And, you know, we have up to our prices and then you have angry customers and it is hard to convey that, you know, I mean, we can't give -- we have to charge these prices, you know. I am sure that everybody sees the same thing when they go to the grocery store.

But, yeah, I mean, and it is constantly we are -- we will order something or and our supply won't come in. So we will have to go locally and order items that are two, three times as much as they would have been through Cisco or US Foods, causing us even more costs that we should not have to endure.

Mr. Smith of Nebraska. Right.

Mr. Plaugher?

Mr. Plaugher. I guess early on in this supply chain crisis the real issue is being able to get things at all. So that caused the problem of just having what you needed in order to operate.

But as the supply chain has come back together and things have come back in line, the prices have settled now on a lot of these items that have more than doubled where they were when it -- when things start.

So for us, for example, for parts and supplies in 2022, to run our operations, we more than doubled the cost from 2020 to buy the same things and produce the same amount of goods that the price has not gone up on.

Mr. Smith of Nebraska. Thank you.

My time has expired. I yield back.

Thank you.

Chairman Smith. Thank you.

I would like to recognize the gentlelady from Minnesota. Mrs. Fischbach.

Mrs. Fischbach. Thank you very much, Mr. Chairman.

And I would like to thank you all for being here today.

And I think Mr. Mooney at the beginning of the meeting said there is lots of States represented, and I will just tell you a little bit. In -- in -- I am from Minnesota. I am from rural Minnesota, from -- yeah, you can tell by the accent. But you know, from Canada,

almost all the way to Iowa, so we are very rural. We are very heavy ag. We are very heavy manufacturing.

And so the workforce shortages are huge, and I can't remember. Who was it said they had to go 20 miles to get there? Mr. Ward at the end? I go about 30 miles. I have got a grocery store and a Dollar General. But other than, that you have to go about 30 miles to get in my area.

But I just I wanted to ask a little bit about, I know that there was talk about the housing issues. And that is one of the things that I have been looking at in my district, you know, and we look at those workforce issues, because we are low on housing. We just can't get it. We can -- we -- sometimes we can attract people. We can't find the housing for them because it is too expensive. And in Minnesota I will tell you there is huge overregulation from the metro area on how to build a house in Minnesota. So that doesn't help us.

But, you know, is it price? Is it availability? I mean, what are the issues with housing? And I will throw it out to everybody.

Mr. McDade. You know, about -- I have had a couple of friends try to move into the area and it has kind of changed. When the market was hot, you -- there wasn't anything in the Eastern Panhandle you could find in the \$200,000 range. They were, at soon as they came on the market, they were gone. And So it was availability for a while. And then as the ramp-up increased, then it became price. And I feel like a lot of people felt like they got -- they got locked out of the market.

When you add the interest rates on top of that, if you want to move and you can find someone to buy your house for 20 or 30 percent more than it was a year ago, well, then you have to move into another house that is equally expensive. And so it is just -- yeah, it is a struggle and it doesn't look like it has any end to anyone. I think that

is the feel I get when I speak to people.

Mrs. Fischbach. Is there any issue with low-income housing? I mean, or it is not that. It is market rate housing that you are looking for.

Mr. McDade. Well, no, I mean, on the -- I touched on it earlier. The rental market is also -- you know, I have got -- my sister rents and she has moved from one rental house to another. And those prices per square foot went up. And it is built in to -- the people I talked to. When the lease is up, those prices will go up. And they will go up the maximum allowable by law right now is what -- is the things I am seeing and so big step increases in rents and anytime they can be had.

Mrs. Fischbach. And just -- if anybody has anything else to add about the workforce shortage, if there is issues that, I mean, that we didn't touch on yet, I mean, because, obviously, you know, we talked a little bit about education and that is it.

Generally, I talk about strong rural communities. And so it is not just -- you know, it is not just the housing issue, not just the education, but there is a lot going on of those, they interplay. And they are all involved in making sure that we have the workforce we need and we have the folks we need here. So --

Mr. Plaugher. Congresswoman, I guess I would say I appreciate Mr. Beyer's comments about workforce participation not having not changed.

But in our communities, you know, we -- I know that there are a lot of young people who are not working. We drug test for our facilities. We have a terrible problem in our communities with drugs. We have been doing that for over 20 years. It used to be we would find marijuana, softer drugs like that. Today we find fentanyl, heroin, cocaine in the most rural parts of West Virginia.

And I know that is hampering a lot of our young people from and holding them back, ending their lives. So I know that is a huge part of our issue here in West Virginia.

Mrs. Fischbach. Well, thank you.

And I have a couple of seconds left, if anybody wants to jump in there. Otherwise, I will go ahead and yield my time.

Thank you, Mr. Chair.

Chairman Smith. I thank the gentlelady.

I would like to recognize the gentleman from Oklahoma, Mr. Hern, for 5 minutes.

Mr. Hern. Thank you, Mr. Chairman, for moving this meeting out of the ivory tower that knows no recession known as Washington, D.C., and get out among the real people.

Having spent 35 years in business before coming here in the restaurant business, I was talking to Mrs. Bachman about how difficult it is. For anybody that is listening, I would recommend nobody getting in the restaurant business. It is very difficult.

Mr. Plaugher, thank you so much for AWP hosting us here. You know, one of the biggest issues that we have right now is, you know, not taking about things that really matter to the American people. And that is why we are hear.

In 2025, we have the expiration of section 199A which gives back some cash or cash flow to the businesses in American, small businesses in America, to be able to invest more, to do more for their people, to stay more competitive, to innovate. I know the chairman has carried the bill forward about making that a permanent fixture, as we go forward, to give security to our businesses as we go forward in America.

The National Federal of Independent Businesses have talked about how important that is to the small businesses in America to be able to stay competitive as the economy around the world changes.

Mr. McDade, I would like to say, first and foremost, to you thank you for your 24 years' service in the Navy, protecting the freedom so we can have these kinds of meetings.

So we really appreciate you so much for doing that.

I would like to talk to you about, you know, your testimony that you put forth. And if we remove this where you now would have 20 percent more income to be taxed on, what would that do to your business, removing that ability to produce that cash flow?

Mr. McDade. Well, let me give you an example of why we are even here in the first place. The excise, the Federal excise tax traditionally has been based on the proof gallon. That is 100 proof gallon of liquid, 50 percent alcohol, 50 percent water. It is taxed by the Federal govt at a rate of \$13.70 a proof gallon.

Now the Craft Beverage Act that was passed said that, well, the first 100,000 gallons of your production will be exempted and will be charged a rate of \$2.70 per gallon. That is the reason there is a craft distillery industry in the United States. Jim Beam makes that on Thursday and so it is not a big deal to them, but it is everything to us.

And that whole thing kind of underpins the growth of our entire industry, and that is why you see more and more of them popping up.

And I would say there is -- there are answers like that in lots and lots of industries. It is not necessarily that we want to cut that -- you know, we want to cut taxes. But if you want to encourage growth from the bottom, it is excellent example that is now -- that is -- that is now being played across the entire United States.

We went from, oh, in the eighties less than 200 distilleries probably to an industry that was just still recovering from, you know, 80 years since prohibition to now over 6,000 and growing, back to something -- it used to be something like before prohibition where nearly every town in the United States had a distillery making, you know, making something from the local grains.

Mr. Hern. I appreciate. Your response is very similar to some other small business of all types across America, and we really appreciate. We will do everything we

can as we move forward to get a bipartisan solution to this so that we can fix this for all the small businesses in America.

Mr. Ward, I come from Oklahoma, an energy State where 40 percent of our energy are fossil fuels. In fact, I always love to challenge my Democratic friends who talk about Google. Google's largest data server farm in America and around the world is 25 miles east of Tulsa, and it sits about a thousand yards from a coal-fired/natural gas-fired energy plant. And the reason it sits there, by their own admission, is because they need reliable energy.

And then have you President Biden saying that the country's coal plants should be closed because they are too costly to operable and cannot be relied upon as a dependable energy source for future generations.

Mr. Ward, what would that do to America and to your businesses to see that fulfilled, based on your mentioning that Consol Energy announced in October 2022 the commission of the Itmann Preparation Plant? Could you expound on how important coal has been and is today and will be in the future for American energy supplies?

Mr. Ward. Yes. Coal is very important to southern West Virginia, really, in my opinion, the world. You talk about reliable. Ask Texans when they relied on solar source for energy and the ice storm came. They didn't have no electricity, and they needed heat. Coal-fired electricity just kept going. It was very reliable, and it is been reliable since it was invented. And it is cleaner now than it is ever been, and it is more reliable now than it is ever been.

As far as the metallurgical coal, it makes strong carbon steel. So it is very important to us. It is very important to our economy.

Mr. Hern. Mr. Chairman, I would like to thank the witnesses for all being here today and sharing their testimony.

Mr. Chairman, I yield back.

Chairman Smith. Thank you.

I would like to recognize the chair of our Subcommittee on Tax, Mr. Kelly, from Pennsylvania.

Mr. Kelly. Thank you, Chairman.

And thank you all for being here, and I know we have a lot of people who came today to hear what was going on.

And I think that one of the common fixes today, because no matter where I go, whether I am going in church or coming out of church or going shopping, people stop me and say you know what, you guys in Congress got to do something to fix this. I say, you know what, until a month or 2 months ago we were in the minority. And when you are in the minority, you can't fix anything. And I -- our inability to work with each other is probably the biggest problem we have.

The other problem we have -- and I don't mean to slight anybody or to make anybody feel, hey, wait, this guy is not talking the right way. I sat on the school board for 4 years. My personal opinion is that there is nothing more private than public education.

The things that are being fed to our children today are so radical and so far away from the world that I grew up in and the culture that I grew up in. When I am the youngest guy in church, there is a problem. When our kids get fed things that are so unreal, there is a problem.

I just want to let you know that every single person serving in any, any political position in your town, in your country, in your State is elected. They just didn't go in and sit down. And this is the thing that is driving me crazy.

I talk to people every day, and I say I understand your frustration. I understand where, except you need, you need, you need to be careful who it is that you elect.

And too many people tell me, I don't even bother voting anymore.

And I say, Really? Why is that?

They say, My vote doesn't count.

I said, That is a correct statement. If you don't vote, your vote doesn't count.

We are in the situation we are in today because of elections, not just the recent election but going back probably 50 years. You have seen what has happened to our country since the end of World War II. And, again, thank you for your service. And there is a lot of people sitting out in the audience that have served.

Ladies and gentlemen, I keep hearing this term about being woke. My answer to that is forget being woke. Wake the hell up. Your country is being stolen from you. Your country is being destroyed, not by an outside entity but by an internal rot.

The most important elected position in any community is school board. I am tired of hearing that people can pick whatever -- whatever book they want, whatever textbook, whatever curriculum they want and if you are parent questioning that, you are bad.

Look, we are sitting here today because our chairman said we need to get out and get into the country and the country needs to get into us. Every single problem you are talking about goes back to what President Reagan said in his inauguration speech in 1981. It went something like this: The government is not the solution to our problem. Government is the problem.

Ladies and gentlemen, to you and us, if we don't start standing up for what we know to be true, for what we know to be the way it must be, to what we know is wrong, please do not take another day off. Do not take a play-off and think that somehow this is going to get corrected.

I am on a soapbox right now, preaching. But I don't think I have to ask any of you.

Mr. Ward, we have talked about this. The Pittsburgh scene, 40 percent of our

electricity is through burning coal. Oh, my God, you can't do that. Look what happened in Europe. Shut it down. Shut it down. Shut it down. Shut it all down. Then we wonder about why we have the inflation we that have. Why, we wonder? We look at what happens to our schools. Where is that group? Where are those green peas? Where that is upshoot that is going to take over the rows?

Every single problem we have can be going the person who, when you look in the mirror, looks back at you and say: What are you doing today to get this thing back on track?

Our chairman has brought the committee into the countryside because the countryside needs to know that we are you. We represent you. That is all we do. We are Representatives. Please, I know what you are going through right now. I am also a small business owner. It is horrendous what you have to go through. We can't get talent. We can't get any relief. The cost of everything is soaring.

And the answer is we need more government. No, we don't. We need less government. We need more people, American people, going back. And we were talking today. By the way, our business is 70 years old this year. My mother and father started it in 1953 with absolutely nothing and went through a lot of sleepless nights, a lot of months where it was just hard making payroll and you paid everybody except you. That is how you kept your team together.

So I want to thank you all for being here today, and I want to thank you for what this family has done for this area and the difference it has made in lives.

And, Mr. Chairman, the more we do this, the more we get the feeling of who it is that sends us to Congress and why they send to us Congress, we have got to get the hell out of that town and get out here in the countryside and talk to people and make the changes we need to change.

Thank you so much, and I yield back.

Chairman Smith. Thank you, Representative.

I would like to recognize the subcommittee chair of Oversight, Mr. Schweikert, from Arizona for 5 minutes.

Mr. Schweikert. Thank you, Mr. Chairman.

And thank you for doing this.

You know, I am from the Phoenix-Scottsdale area. I passed more trees here than I think I have in my State. I noticed you have no sorrels. If you would like one, I will send you one.

But here is the great irony. I am from the desert my whole life, yet many of the problems you have are very similar to us. I represent a community with the highest inflation in America. And yet, Mr. Plaugher, you were talking about the difficulty that has created in running the business and the production.

So a couple of things I want to understand, because I am desperate to also figure out what we can do policywise that is great for West Virginia but also great for Arizona. You know, it is just good American policy.

In the last let's do 2 years; you, in your opening statement you talked about your cost of running the business. Can you give me, like, 30 seconds on where your cost drivers were and how much of it was also now your workers just desperately needing a salary change because they are getting poorer every day? You know, when your salary doesn't go up as fast as your inflation, you are poorer the next day. And that is happening, like, crazy in my district. Matter of fact, my folks are almost 5 percent poorer today than they were a year ago. And I am told rural America is every bit as brutal.

First, tell me what is happening in just cost of making the business work.

Mr. Plaugher. Well, costs of making the business work are rising in every way.

Most notably, the biggest driver of that is the price of oil, whether that be what it does to diesel fuel and oil products or products that are made or derived from oil, you know, steel, plastic, anything like that. As the price of oil comes up --

Mr. Schweikert. You run kilns.

Mr. Plaugher. Yes.

Mr. Schweikert. What does a big kiln end up consuming energy-wise?

Mr. Plaugher. Well, our kilns are driven by steam. And we produce that steam by running the byproducts of the saw milling process.

Ms. Schweikert. Interesting.

Mr. Plaugher. We burn sawdust. So we use biomass to fuel our kilns.

Mr. Schweikert. Interesting. And your wages, how much wage pressure?

Because, you know, you mentioned it in the restaurant. I am just curious. In the lumber industry, what are you seeing in your wage pressures?

Mr. Plaugher. We have seen considerable wage pressure. And I have talked to a lot of other business owners across the country that, you know, especially depending on your location. Some of them have seen their wage structure double from what it was 2 years ago.

And, again, you have to remember the prices of our products have not doubled. They have not gone up at all. In fact, they have dropped dramatically here over the last few months.

Mr. Schweikert. And is that because of housing, or you think an international slowdown? Is it your products that are being exported, or is it domestic?

Mr. Plaugher. It is both. It is due to lack of demand. You know, again, you need, for our products to do well, you need housing, single-family housing, remodeling to be doing well, because that is where that our types of products are put, hardwood floors.

Mr. Schweikert. Okay. There is one off there I really want to ask you. Much of the hardwood or elegant furniture manufacturing design production is no longer in the United States.

Mr. Plaugher. That is correct.

Mr. Schweikert. Any idea what we could do to get that type of production back in West Virginia again?

Mr. Plaugher. That is a very difficult question, sir. And the reason that most of that manufacturing left here was for cheap labor.

And we face a situation where up until very recently I could put lumber in Shanghai cheaper than I could put it in Chicago with the freights. That is reversed itself somewhat here with ocean freights, but up until very recently that was the case. You know, the --

Mr. Schweikert. And I know I am interrupting but it is -- time is a tyrant here.

Mr. Plaugher. Yes.

Mr. Schweikert. Have you seen some of the new automation that is starting to happen in furniture manufacturing and some of the sort of the new computer-driven CNC type equipment?

Mr. Plaugher. Absolutely, sir, and it is fantastic equipment. But you have to remember that you are competing against a furniture plant in Vietnam where the average wage for that worker is probably \$250 a month American.

Mr. Schweikert. Can we arbitrage it through doing equipment?

Mr. Plaugher. I don't -- in my experience, I would say no, because we have actually tried that ourselves with our own furniture dimension plan. And at the end of the day, we could not compete against that cheap labor, you know, so cheap compared to our American labor or costs that it is worth that extra cost to send that material overseas, have

it processed, and send it back here.

Mr. Schweikert. Okay.

Mr. Plaughter. And that is why these American furniture companies have turned into design and marketing companies rather than manufacturers. They have contracted that out to foreign entities.

Mr. Schweikert. Okay. Tom, thank you.

Mr. Chairman, that actually would be an interesting side project is if we could get energy, get young men back into the labor market, and the incentive to buy the equipment, how much of this could we actually move back domestically again.

Chairman Smith. Thank you, Representative.

I would like to represent the subcommittee chair of Work and Welfare, Mr. LaHood, from Illinois.

Mr. LaHood. Thank you, Chairman Smith. And I want to thank you for bringing us here today for this hearing.

The more we can get to real America, which is what today is all about, the better we are going to be as a committee. And as we listen and learn and acknowledge the challenges that all of you have talked about today, it is going to be beneficial to us as we go back to Washington, D.C., and have to decide many of these issues. I want to thank each and every one of you for your valuable testimony today.

Mr. McDade, thanks for your service to our country.

And I want to thank AWP for having us at this wonderful location. I notice we got a lot of wood products here.

Mr. McDade, I was hoping we could have had some Devil's Due product here, but maybe that will come later. But, again, this has been very, very helpful for us to hear this today.

I want to -- you know, just thinking about what each one of you have said in your individual businesses, as we think about coming through COVID, everybody knows we have lots of challenges and disruptions with COVID. But I think everybody thought, boy, once we get through COVID, it is going to be back to normal. We are going to have all our workers back, we are not going to have supply chain issues anymore, energy costs will back to normal. And it has been just the opposite, and all those struggles you have had to go through have been related to that.

And what has been frustrating about this current administration in the first 2 years is they haven't focused on any of these issues. Right? COVID was bad enough. And so as we think about our new Republican majority and this committee, in looking at all those issues you have articulated -- supply chain issues, energy costs, how do we get back to energy independence, worker retention -- we hear you loud and clear here today on those things. And that is part of why we are here today on our first hearing is to take that message back.

Mr. Plaugher, I want to just touch on a comment that you made in your opening statement as it related to trade, your statement, American hardwood producers suffered because of retaliatory tariffs imposed on your products.

I am not a fan of tariffs. To me, tariffs are taxes. They are taxes on businesses. They are taxes on consumers and, obviously, the trade war was detrimental to you. Can you talk a little bit about that period and what it meant for jobs production and profit to your company?

Mr. Plaugher. Well, that period became a pure survival period for most of us in the hardwood industry because that was so devastating to our industry. To -- it made our products uncompetitive in those marketplaces.

And we are -- we are not a business that can just pass along whatever additional

costs come up to our customers. We are a supply-and-demand business. If our products get -- our prices get too high on our products, our customers will simply look to a replacement product. And they will go to something else.

So, you know, for us to operate during that period, most companies operating during that period, they were operating at a loss to try to keep their employees, to keep their business going, and just to survive that period.

I understand the reasons for the tariffs and what was trying to be accomplished there. But when you are caught in the middle of that, it is an extremely uncomfortable place to be.

Mr. LaHood. And I think you mentioned you had to close down two mills during that period?

Mr. Plaugher. Yes, sir, that is correct.

Mr. LaHood. Yeah. Maybe just a follow-up on that. We are dealing extensively on how we deal with China. If I understand your export market, about 60 percent of your hardwoods goes to China.

Mr. Plaugher. That is correct.

Mr. LaHood. Any -- I mean, how do you -- so as we look at policy decisions, we look at the malign activities that China has engaged in all around the world, any suggestions you have for us as we look at how you deal with China?

Mr. Plaugher. I am afraid that one is probably way above my pay grade, sir. But again, that is where a lot of these secondary manufacturing for furniture is. That is where our furniture comes from in large part is those manufacturing plants, so -- as well just about everything that we buy in the store.

So I think that is something that America has got to take a hard look at is where our goods come from and that if you -- if you are in a position of having to deal with a

controversial power, where does that leave all of White House are depending on those goods and a company like us depending on that trade.

Mr. LaHood. Got you.

Maybe, Ms. Bachman, real quick here, we have heard a lot about reliable broadband and making sure we get that to our rural areas. It is a huge issue, that digital divide, how we bridge that, how we bring that connectivity.

Can you talk about broadband as it affects maybe your children and their school or your business?

Ms. Bachman. It affects our business constantly.

So we have Square for a point of sale, and they guarantee that they can go and accept credit card payments when we are offline. But a lot of times when it comes back, we just cannot capture that payment. So we are losing actual, you know, whole sales because of internet.

And, you know, in a lot of big cities I know that they are doing, like, the QR code menus in order to keep up with the inflation rates. And, you know, we can't rely on that because we don't have a good internet infrastructure in our area.

Mr. LaHood. Thank you.

Thank you, Mr. Chairman.

Chairman Smith. Thank you.

I would like to represent -- recognize the gentleman from Ohio, Mr. Wenstrup.

Mr. Wenstrup. Thank you, Mr. Chairman.

I want to thank you-all for spending your day with us and your service to your community, your service to this great country of ours.

And I am sure that you get up each day, wanting to make each day productive. And I am hoping that today will lead to some productive measures going forward, not only

for you but for your workers and for your families.

Ms. Bachman, I worked my way through school in restaurants. I -- from dishes to cooking to waiting tables, it is hard work. But I did it all through school to reduce my students loans so that you, the taxpayer, wouldn't have to pay off my student loans, which you shouldn't have to pay off. They are my responsibility.

You know, COVID hurt us all. Kids have lost years of education. We saw mandates coming down for vaccine, removing doctors completely from the conversation and your personal healthcare. And a lot of this has led to a decreased workforce including in our military.

You know, I see -- I am glad I live in a country where we have safety nets to help us out. You bring up a point where you are in this hole. Right? You know, because you know, we have Medicaid. I am glad we have a safety net. But you know what? Honestly, it has the highest mortality and morbidity and the least access to care of any health program in America.

And we have one party that brags about putting more people in it and another participate that says we want fewer people to need it. And you fall into that hole where you make too much to get -- so you don't get Medicaid but you don't make enough to actually afford \$750 a month.

These are the problems that we have to address because in that situation, unless you go from abject poverty to a number one draft choice in the NFL, you can't just skip over that gap. And you get stuck in it.

You know, the Tax Cuts and Jobs Act did a lot for this country. We had no inversions. We didn't see companies leaving our country. We actually had more coming back in. We encouraged domestic production which is vital to our supply chain. But let's just take energy, which every one of you have talked about being a cost and a problem and

a burden.

You know, we have, again, one party that is advocating that we go to electric vehicles. But all those take batteries that we rely on China for. We can't make them ourselves. We rely on China.

We talk about solar panels. You know, I have got fields where farmers said, oh, okay, I will lease to solar -- to a solar panel field and everything is built but there is no solar panels. We rely on China for those. This does not make us energy independent and it doesn't help us and it doesn't help your business.

But these policies that we have been putting in place are rewarding China and punishing the United States and punishing your businesses.

So, you know, and let's just talk about coal. China is burning coal. They don't do it cleanly like we do. You know? And why are we doing this to ourselves? Last time I checked, the Earth goes around every 24 hours. So what they do matters. And so this is the situation we are in.

I served in Iraq for years as a surgeon. And I realize now my supplies, my protective equipment, my pharmaceuticals rely on China. How did we get here? How are we letting this happen to us and continue to make it even worse?

What I would like to answer on the supply chain side is, you know: What is your number one or two supply that really holds up your business? And do you know where it comes from and how you are going to overcome this? Because the way to overcome some of it may be by the actions that we take.

Who would like to answer what your number one supply chain concern?

Mr. Ward. Ours would be electrical supplies and they -- most of them are manufactured in China.

Mr. Wenstrup. Thank you.

We can go down the line.

Mr. McDade. Ours is also a stable supply of electricity. We are an entirely electrified production facility. From the -- from a farming perspective, though --

Mr. Wenstrup. Uh-huh.

Mr. McDade. -- I mean, corn is king in my business. You can't make bourbon without it.

And so I hear -- I hear a lot from local farmers that -- same thing you hear on the news but they see it in action -- is fertilizer prices, fuel prices, seed prices, weed killer prices, all of those things have -- you know, it is -- they are kind of the root, the thing that underpins the entire-- you know, corn underpins our entire economy. Everything is either fed on it or we eat it or it is produced to make, you know, used to make fuel.

And so seeing that stabilized as well, I think, is pretty critical.

Mr. Wenstrup. Yeah, I am southern Ohio. I get the corn deal.

Ms. Bachman. I would have to agree. Food, inflation costs are my number one concern. And I think, you know, if you fix fuel costs and getting energy here, then that would fix it.

Mr. Plaugher. On the manufacturing plant side, electronics are the biggest issue that we run into. But we run sawmills, and we are entirely dependent upon contract logging companies to harvest the wood that we purchase and bring it to our mills. And that is dying breed, as those folks cannot get access to capital. It is a very capital-intensive business.

So it is kind of the war on small business that is preventing folks like that from starting new businesses, growing existing businesses that affects our supply chain for the raw materials we need.

Mr. Wenstrup. Thank you.

We need to continue to drill down on why those exist, why those are problems, and what we can do to encourage solving those problems.

Thank you.

Chairman Smith. Thank you, Representative.

Would like to recognize the gentleman from Pennsylvania, Mr. Fitzpatrick, for 5 minutes.

Mr. Fitzpatrick. Thank you, Mr. Chairman.

Thank you all for having us. You are very blessed to live in a beautiful part of America, and I know you know that. I think we all had the same collective reaction when we are driving out here. It is not that far in terms of miles, but it is like being in a totally different place, a very real place. So thanks for having us.

You-all touched upon different economic forces that are posing challenges.

You know, Mr. Plaugher, you zoomed in on taxes and tariffs.

Ms. Bachman, you focused, at least your personal story, on healthcare.

And both Mr. McDade and Mr. Ward talked about overly oppressive regulations affecting your respective industries.

The common thread amongst all of you, which is really the American story, you have all taken chances and taken risks in order to do what you are passionate about, what you love, and what you are good at. And this is a televised hearing. It is all on the record.

I would just like for you to share with us, if you could, let us know, when you are going through the rough times -- and I am sure all of you have hit at different points and for different reasons with different levels of extremity, I should say, being one paycheck away from falling through the cracks, one medical incident from falling through the cracks, one lost customer from falling through the cracks.

I think it would be helpful for us to bring back to our colleagues: What do those kitchen table conversations sound like for people like yourselves who have invested your entire life, all of your passion, all of your energy and, because of outside forces completely outside of your control, you got to start planning for alternatives? I think it would help me, it would help our country to hear that.

We could start with you, Mr. Ward.

Mr. Ward. Yeah, I have lived through some ups and downs. The coal market historically has highs and lows. My wife and I, we have faced them, many of them, day to day. You wouldn't know if, when I returned home, if I would have a job. Then the good times would hit, a change of administration. The coal company would see or the coal industry would see a little bit of relief. And then you would see people like me, you know, buy houses, buy this, buy that.

And, generally, just one election would change all that. With policies that would just push down, it would spin out. And I always made fun of -- not really fun but just made a comment that you could look at the local bank and see what the -- what people are going through because the vehicle that they went and bought a month ago, they can't afford because of the decline in the industry and it is sitting there for sale, besides the ATVs, the houses for sale, the people moving away.

That is -- and I know that my wife and I, we have set -- I have sliced bread just to make two pieces and then on the other side I have bought two loaves of bread at one time. So I have seen both sides of that. Fortunately, right now it is on the high side. So but all of the people that work for me, my employees, they go through the same struggle.

Mr. McDade. Yeah, I have heard it a couple of times. It is that we are all just trying to survive still right now. It is still at the same point. There is -- you know, we are seeing things come back online a little bit. But my business, it has got to make money.

And there is less and less money to be made not only from rising input costs.

But, you know, over -- I do a lot of forecasting. And I know how much my business should have made in December. I am sure of it because I saw the run up. I have done the numbers. We have been spot on many times and we were and it was 30 percent less than we thought we were going to make in December.

And we just saw through this fault a tightening closer from last year's numbers to this year's numbers until we hit January, and then our numbers this year slumped under last year's numbers. And so that gap that we were above just kept getting smaller and smaller until it went inverse.

Now there is some recovery going on right now, and I see good signs for a numbers of reasons, mostly because we try really hard. But growth right now is -- you know, we got a lot of irons in fire and we are trying to figure out which ones we got to put on the back-burner.

Ms. Bachman. We struggled a lot when we first opened our business. We -- I was in the kitchen a lot. So and I didn't hire an accountant right off. And I lost \$17,000 in a month and a half just with internet or the internet loss of that in the credit card transactions.

We almost lost our home. My husband was working full time in D.C. still and we were paying -- using all of his money just to pay for our employees and our cost of goods because we didn't have the money that we were supposed to make from the sales. And, again, it was poor internet infrastructure.

But, you know, we just we almost threw in the towel. We almost gave up. But we just -- I don't know what it is. It just -- we gave it everything we had. We started marketing heavy. We started doing all these share contests and giving away free dinners, and people would come in. And, you know, somehow it turned around our business.

And I now have a wonderful team that works for me. But we almost didn't make it, but we are glad we stuck with it.

Mr. Plaugher. You asked what -- about the conversations around the kitchen table or the meeting table. And, with us, anytime we faced hard times, when we are discussing what we are going to do and which way do we go next, we are always talking about our people. I am fortunate. I got the greatest employees in the world. This room that you guys sit in was a construction site when I walked your team through here a week and half ago.

And anytime that we have faced hard times, the conversation all boils down to how do we take care of our folks. We have to keep things going. So no matter what cards we are dealt, I guess, or what things are handed down from Washington, we have got to look at the hand we are dealt and say, okay, where do we go from here. We are going to win. So we just got to figure out how to do it.

And like Wylie said, pretty much everybody I have got works really hard. As the founder of our company has always said, we are a bunch of C students but, man, we're not afraid to work. So that is where our conversations kind of boil down to.

Mr. Fitzpatrick. I appreciate that.

I yield back, Mr. Chairman.

Chairman Smith. Thank you, Representative.

I would like to recognize the subcommittee chair of Social Security, Mr. Ferguson, from Georgia.

Mr. Ferguson. Thank you, Mr. Chairman.

And thanks to each of you for being here today. Listening to your story, it hits really close to home because it sounds like this area has been through or is going through what my hometown of West Point, Georgia, went through.

We were once home to the textile industry. The largest employer in our area was a Fortune 500 company, and we had about 35,000 people in our area working in the textile industry. And then, all of a sudden, some folks that were educated beyond their intelligence that had been elected to office in Washington came up with policies that destroyed our way of life there. And they passed NAFTA. And there were a series of promises about better jobs that would come and greater economic opportunity, and those promises were just simply empty promises. Never materialized.

And then Washington's response was to send more checks, more government assistance, and more ideas from Washington to try to save our area. And, again, it left a generation in poverty. It moved people from the middle class into poverty. And, most importantly, it eroded hope in our area.

And it seems like, listening to you all today, that these same sort of broken promises are being seen here in this area. This Green New Deal of energy just seems to be destroying a way of life here, whether it is in the cost of propane, as you mentioned, to run your business, the energy needed to harvest and process and distribute wood, the cost of energy to process your product, Mr. McDade, and clearly, the impact that these policies have had on the coal industry.

It just seems like that these, again, are empty promises that are backed up with

more checks that come through that disincentivize work, that put people on the sideline, and they just leave a generation behind the rest of the country.

So I am sorry for what Washington has done to you, Republicans and Democrats. It is shameful, and it shouldn't happen. And that is why we are here, to understand the impact of it but also figure our way out of it. And it sounds like one of the most important things that we can do is to get D.C. out of these policies and let American small businesses run.

So, with that, Ms. Bachman, first of all, I am sure running a restaurant, you probably look over to your left and probably need to buy some of Mr. McDade's product on a regular basis, because --

Ms. Bachman. Yes.

Mr. Ferguson. Yes, exactly. But talk to me again about the cost of propane. I want to make sure I heard you right on that. You said it had doubled?

Ms. Bachman. It has doubled since 2020 for us.

Mr. Ferguson. Okay. And the other energy costs that are wrapped into your lease have also gone up.

Ms. Bachman. Yes. Our lease has gone up. We started our lease at \$2,000, and it is today at \$4,500 a month.

Mr. Ferguson. And a big part of that is the energy cost that is associated with it.

Do these same costs around propane, do they impact a lot of your customers in this area that heat their homes with propane?

Ms. Bachman. Oh, I am sure it does. I just had an employee last month borrow money off of me because she was -- again, it was electricity, but she was behind \$600 on her utility bill.

Mr. Ferguson. Wow, \$600, that is a impactful.

Ms. Bachman. And she is a single mother of two, two children.

Mr. Ferguson. Wow.

Mr. Ward, I am sure you have heard an awful lot from the Biden administration about green energy jobs and how that is the wave of the future. How have those manifested themselves here in this area, as coal jobs go away and folks are left without income and hope? Have those green energy jobs manifested themselves here in this region?

Mr. Ward. In southern West Virginia, where I am from, I haven't seen too much green energy jobs take any jobs that we currently have.

Mr. Ferguson. I don't believe I would hold my breath waiting on them. And it is a shame. It really is a shame that you talk about energy policy and do it in a theoretical way. And it is probably blissful ignorance, but, at the end of the day, it has an impact on families, and it is hard.

Mr. Plaugher, again, talk to us about the cost of the product that I am -- the cost of your product that I am paying for as a consumer, because of the energy cost.

Mr. Plaugher. Well, again, our cost of manufacturing the product, our cost of operating has gone up dramatically because of the cost of energy, because of the price of oil, really, and how that translates to all of the other goods and services you have to buy, along with just the fuel to operate. Again, our prices on those things have more than doubled since 2020.

Mr. Ferguson. Thank you. And, listen, it just sounds like that the promises of the Green New Deal energy policies are just empty, and they are having a negative impact on folks here.

With that, Mr. Chairman, I yield back.

Chairman Smith. Thank you.

I would like to recognize the gentleman from Kansas, Mr. Estes.

Ms. Estes. Thank you, Mr. Chairman.

I want to start off by saying how much I appreciate today's field hearing. You know, too often we are stuck in a bubble in Washington and away from Americans that really are impacted by the decisions we make. That is why I travel home every weekend, go to the grocery store, go to the gas station, fill up my van, and trying to make sure that I stay involved with the people that I represent.

We hear stories every day from Kansans and Americans throughout our districts about the concerns that they face, similar to what we are talking about today. You know, the Biden administration and some of my colleagues have tried to paint a rosy picture about the economy, but that is not what people are saying in Kansas or you are saying here today in West Virginia.

I had a woman in Wichita call my office a few weeks ago, was shocked to discover that her gas bill was \$100 more than it was a year ago. And she was not knowing how she was going to handle it and angry that decisions and policy decisions in Washington, D.C., and people had openly attacked energy production in her area.

In grocery stores, people are shocked to see the price and having to discover how much they have to pay for groceries. We have heard recently from the Biden administration that inflation is easing and that they were celebrating 6.5 percent inflation. Well, 6.5 percent inflation is not something to celebrate. That means prices were 6.5 percent more than they were a year ago, and that was on top of being 7 percent higher than they were the year before that.

And so, in total, inflation is up 14 percent since President Biden took office. That is kind of a staggering number to think about, that, in the last 2 years, the same goods and services cost 14 percent more than they did before. And that is a permanent loss of

American wealth through that cost. And wages haven't kept up. Real wages have dropped 3.5 percent over the last 2 years. For 21 months in a row, inflation has outpaced wage growth under President Biden.

The state of our economy is bad and Americans know it. In our first constituent service survey of the year, 71 percent of the respondents said inflation and the economy are the priority for us to address in Congress. It was the third highest issue for Kansans just behind Federal spending and the southern border.

Kansans and West Virginians know that 14 percent inflation over 2 years is crippling for families and small businesses, and we need to implement commonsense solutions to help Americans struggling through this Biden economy.

One way we can do that is stop attacking American energy, as we have talked about today. You know, one day in office President Biden and his executive order pen started attacking energy producers. And we have seen gas prices tick up ever since.

The so-called Inflation Reduction Act allowed the Biden administration to sidestep rulemaking process, allowing the EPA to impose a methane fee, despite ongoing marginal well studies. These fees on small, often family-owned, wells could cost the economy up to \$9 billion and as many as 90,000 jobs.

That is why I have reintroduced a bill, the Marginal Well Protection Act. The bill would prohibit the EPA from imposing a methane fee on marginal oil and gas wells. And to try to cover up the disastrous energy policies, President Biden has put our Nation at risk by selling off the Strategic Petroleum Reserve, including to companies controlled by the Chinese Communist Party.

The SPR's level is at the lowest level since 1984. And, unfortunately, the administration has not created a reasonable plan to replenish the reserves, and they are dragging their feet to go through that process. We need to be responsible about refilling

that so that we have that strategic safety net for us and the country.

A couple questions before I run out of time.

Ms. Bachman, have you had to increase your prices to compensate for some of those phenomenal food price increases you had?

Ms. Bachman. Yes.

Ms. Estes. And so how have your customers reacted to that?

Ms. Bachman. Well, most customers understand, but you have, you know, still a few that are angry that the prices have increased. They don't realize that we buy quality ingredients. So, you know, we are buying steak that has been aged for 21 days. So you are going to pay a higher premium on something like that. So, I mean, we get good quality ingredients. But, for the most part, customers have been very understanding. And, yes, we have increased our menu prices.

Ms. Estes. Thank you. And, you know, I just want to say again thank you all for being panelists today, for spending your time with us and sharing some of the information about the issues that you are addressing and having to deal with so that we can make sure that we make good policies to help with that.

So, with that, I yield back, Mr. Chairman.

Chairman Smith. Thank you, Representative.

I would like to recognize the gentleman from Pennsylvania, Mr. Smucker, for 5 minutes.

Mr. Smucker. Thank you, Mr. Chairman.

And hello, everyone. It is wonderful to be here. In fact, I feel a lot more at home here than in our Ways and Means Committee room where we all have to wear ties.

I hung a lot of drywall in my life, and I built a construction company. So this is where real things happen, and I really appreciate the opportunity to do this field hearing.

I do think it is worth pointing out who is not here. So this was intended to be a bipartisan hearing, as all of our hearings are. And, with the exception of my friend Mr. Don Beyer, not one Democrat has chosen to show up.

They had access to the same bus we did. They could have driven their cars. They are coming from around the country to come to D.C. But I think they are more comfortable -- they must be -- in their bubble in Washington, D.C., inside the beltway than to be out here and really talk to real Americans about how their policies are impacting all of you.

We heard it from them. We went to all of their hearings that they held when they were in the majority. And they kept blaming us, saying we didn't care because we didn't vote for their massive spending bills. And then they won't even show up to talk to each one of you and to hear from you. So I think it is a shame.

Secondly, the other point I want to make -- and Mr. Beyer is a good friend of mine. I know he is very serious when he says he cares about each one of you and your families, as he did initially. I have worked with him on a number of issues.

But listen to his opening statement and contrast that with what we are talking about. They literally believe that Washington is the answer to your problems. He went down over a list of items that they spent taxpayer money to give to you. He talked about making it easier to install solar on your home. He talked about all the government handouts.

And it is not what I heard you want. What I heard from you was get inflation under control. Get the cost of fuel under control. Unleash American energy independence. Find a way to get people back to work. Get people back into the factories. Again, more focus on inflation, a good education system. These are the things that you really want, not government handouts.

And so I just want everyone to think for a moment about the difference in the

approaches here and what the parties feel is important.

And Mr. Beyer talked about rising interest rates as well. Well, you know what caused that, right? So, first of all, the trillions of dollars in additional spending caused the inflation. Their economists warned that would happen. We knew it was going to happen. We warned them.

But spending money we don't have, by the way, printing money, trillions and trillions of dollars, spending about \$10 trillion just in the first 2 years of this administration over the trillions that are spent on an annual basis caused the inflation.

And then, when they were not willing to cut back on the spending, the only tool we had was for the Federal Reserve to raise interest rates because you can't just keep inflation going up; it can quickly spiral out of control. And they are trying to tamp down the economy by raising interest rates.

These are failed policies, folks. And we believe in you. They believe in Washington to solve your problems. We believe in the workers who are represented here today who are feeding -- who are building America. In my area, there is a lot of snack food. You know, if you have eaten an Utz pretzel, if you have had either the Peeps, you -- I am from Pennsylvania so I say feeding the country.

But here you are building America, and you are part of making this economy and this country what it is, and too often their policies get in the way.

So I have lots of questions, but I went on a rant, but I just want you to know how much we appreciate the opportunity to be with each of you. We appreciate the work that you are doing every day. We appreciate the witnesses who are taking big risks to run a business, as I did. And you are the job creators in the country, and you are helping many people as you are doing that. So thank you so much for hosting us.

Chairman Smith. Thank you, Representative.

I would like to recognize the gentleman from North Carolina, Mr. Murphy, for 5 minutes.

Mr. Murphy. Thank you, Mr. Chairman.

And I want to thank you guys for coming out and everybody for participating today. The lunch was pretty doggone good. I come from northeastern Carolina barbecue-wise, so we will have a little bit of a contest there, but it was pretty doggone good.

We are driving up here in this big bus, and there are police following us, and I can only imagine what people on the road were thinking. They are thinking either, one, well, it is a bunch of Members of Congress or it is a bunch of criminals being escorted by the police. And I am starting to wonder if it isn't a little bit of each, because I think that is what the American public feels Congress is like, a bunch of criminals.

And I am here to say, and I think you guys have seen this, we have some people that really give a damn, and both Republican and Democrat, I really mean that. Some folks that really, really care.

Sadly enough, some of the philosophies are absolutely divergent because individuals don't come out and see how the rest of their world lives. I come from eastern North Carolina. It is flat. We don't have these kind of hills, but we have water. We have pine forests. We were talking about that a little bit earlier.

And so I understand the pressures you guys are facing now with interest rates, a declining home industry, and the pressures you have to get rid of your product.

You know, as my colleague Mr. Smucker said, you know, so much of the spending has gone into -- we are a self-inflicted crisis one after another. We knew coming out of the pandemic, there was going to be pent-up demand. There was going to be decreased supply because people were locked out of their jobs. But, when you add fuel to the fire,

you destroy the fabric of America.

And that is what you guys are facing. I understand that, and I am sorry for that. I will tell you the way interest rates are going now -- they just raised it a little bit -- they are not going to change anytime soon, because we haven't gotten the fire under control.

I look at what happened in our forestry industry, which is the same here. We are trying to export wood chips, but the world is going against that and pushed by the climate stuff.

Second is, you know, I look at our fishing industry. That is a big deal for us in eastern North Carolina. Fuel prices have gone through the roof. The administration just attacks with rules and regulations. Now they want to put in a rule that no ship above 35 feet will be able to go more than 10 miles an hour. Try going 10 miles an hour on your own, see how long it takes you to get anywhere. So you won't be able to fish. And we take the vast majority of our seafood from overseas anyway.

One thing, I am a physician by trade, and I look at the workforce, and I understand that this is one of the epicenters of the opioid epidemic. So I wonder if each of you could tell me a little bit about that, which, by the way, we had, in 2021, 107,000 people died from the opioid epidemic. It is going to be easily over 120,000 this year. So those are people that could come and work in your workforce but cannot.

I will also say just one aside before I ask you the question. One of the reasons you are having problems finding people to work is President Biden has continued the public health emergency, which, in my medical opinion, should have stopped a year ago. What is the result of that? Eighteen million people nationwide are now receiving Medicaid benefits who are not eligible.

So those individuals are sitting home cashing a check that are not eligible under Federal law, and they are keeping out of your workforce. So think about that, all those

individuals. And then, when I hear the 55 percent participation rate here in West Virginia, it just kills me. I am surprised you can even stay afloat.

And so if you can, tell me a little bit of story just because you can, you got about a minute, if individuals in your workforce have been affected by the opioid epidemic.

Ms. Bachman. I know, with the restaurant industry, I mean we are constantly dealing with it, especially in the younger days, because I didn't know what I was looking for. I had no idea what a drug addict looked like. But they go through lengths to go and do drugs at work. We found needles and stuff in our ice machines. It is crazy.

I am pretty blessed now. They know that my stepfather, he is actually the chief of police here in the city of Petersburg. So, you know, I have got a no-drug policy. So we have cleaned it up. But we struggled for the first 3 years. We had tons of drugs in our restaurant. And, you know, that is just not the way I was raised, but this is my workforce that I had to choose from, unfortunately. Again, I have come a long ways since then, but that was the beginning.

Mr. Murphy. I will tell you I just hear this story over and over and over again: We can't get somebody because they can't pass a drug test.

If you look at what is happening at our southern border, ladies and gentlemen, we are being invaded by drug cartels. And we are allowing that ourselves. And it is killing our Nation in so many different ways; not only people actually dying, but we are killing our workforce because we are addicting other individuals.

I am over my time. Again, thank you so much for your stories. They meant a great deal. And don't give up the fight. We are the greatest country on Earth, despite our bumps and bruises. And thank you for your work.

With that, I yield back, Mr. Chairman.

Chairman Smith. Thank you, Representative.

I now recognize the gentleman from Tennessee, Mr. Kustoff, for 5 minutes.

Mr. Kustoff. Thank you, Mr. Chairman. Thank you for arranging the hearing today outside of Washington, D.C., and thanks to everybody at AWP for being great hosts, and also to the witnesses for appearing today.

If I could, Mr. Plaugher, to you, as I understand, at AWP, companywide you have 800 employees. You are roughly about 50 short. Am I right that, before the pandemic, for a starting wage unskilled worker, you were paying about \$11.50 per hour, now you are over \$14 starting wage?

Mr. Plaugher. Yes, that is correct.

Mr. Kustoff. And can you generally talk about, benefitwise, health insurance -- I know there has been talk, Ms. Bachman, with you with health insurance -- what you do for your employees health insurance-wise?

Mr. Plaugher. Yes, thank you. When we hire an employee on full time for us, they become eligible for our 401(k) program and also our health insurance. And the founder of our company has always insisted that we try to keep health insurance for our employees and keep that as reasonable as we possibly can.

If we were to look at not carrying that health insurance, we could certainly raise our minimum wages considerably by doing that, but my older employees -- well, all of my employees with families, they really depend on that.

It doesn't mean as much to the 18- or 20-something that is just out of high school. They are bulletproof at that point, so health insurance isn't something that they really consider too much when they are going to look for a job. But for my long-term employees, it is a critically important thing. They have to have access to good health insurance.

So we have tried to keep our health plan as robust as we possibly could and as

cheap for our employees as we possibly can. And we are actually a finalist for Health Rosetta's Health Plan Heroes award and, if chosen, we will be ranked in the top 2 percent of self-funded health plans in the United States.

Mr. Kustoff. You are a good employer. You have a good starting wage in West Virginia, good benefits. Your opinion -- and you have been here a while -- the enhanced unemployment benefits that were paid out to people during the pandemic and afterwards, stimulus payments, were they a disincentive for people to want to come to work?

Mr. Plaugher. Yes, absolutely. It put businesses that continued to operate in the position of competing against the government for employees. You know, as the pandemic went on, we had employees that were coming to us for every reason to try to get out of work, you know, and to be eligible for those enhanced unemployment benefits when they realized they could actually make more money staying at home than they could coming to work.

Now, that was a very small percentage of our employees. We have a very loyal workforce, and our crew has really stuck with us, and I can't say enough good about them. But a lot of the benefits that are still out there -- I think Mr. Beyer commented earlier about a lot of those have ended at this point.

But I can tell you from experience, I have had plant managers that tried to give a raise to an employee. I had this just very recently where an employee, he is a very talkative guy, and every time my plant manager would come near him, he was like: Hey, I need a raise. You need to give me a couple of bucks an hour. I really need a raise.

So I happened to be down there the day that the plant manager came to him and said: Hey, you have done a good job. You have done everything I have asked you. You learned this new skill, and I am going to give you a raise. Here is where we are going to go.

And the employee looked at him, and he said: Well, I am going to have to quit.

And my plant manager was dumbfounded, and so was I. What do you mean, you are going to quit? You have been asking me for this raise every day for months. You have done what I asked; now you are going to get it.

And the employee said: Well, it is going to jeopardize my medical card and the other benefits that I get. But don't worry; I will quit and come back to work for a temp agency. I will work for you, but I have got to quit.

Well, there is something badly wrong when there is not an incentive for those employees, you know, to keep growing. You have done a good thing. You need to keep advancing. You need to keep learning new skills to try to earn more money.

But there are programs in place, whether they be from the Federal Government or from our State, that cause us to compete against that, and they disincentivize those employees to advance, to get ahead. And that is wrong.

Mr. Kustoff. In your opinion, the child tax payments that went to people over the last year or so, did they disincentivize people to want to work?

Mr. Plaugher. I don't know about that. You know, and I don't know -- I know that a lot of my colleagues that were doing well in life, their children got some of those payments too. And they felt like: Well, I really didn't need that, you know; there were people who needed it more than me.

I don't know if that actually disincentivized people from working or not.

Mr. Kustoff. Real quick, Mr. Ward, you talked earlier about West Virginia. You talked about the coal mines and how far you got to drive. Now, you got people all around the country watching today's hearing. What would you say about West Virginia and the importance of coal to this State and what it means to you?

Mr. Ward. What coal means to the State, the taxes that coal pays. We pay a lot

of taxes to the State, to the economy. So coal is a big provider for the State of West Virginia as far as keeping stuff going. And coal is important to me because it puts food on my family's table.

Mr. Kustoff. Thank you.

Thank you, Mr. Chairman. I yield back.

Chairman Smith. Thank you, Representative.

I would like to represent the gentlelady from the State of New York, Ms. Tenney.

Ms. Tenney. Thank you, Mr. Chairman. And thank you so much to you and Representative Miller for hosting us here, along with Alex Mooney, our colleague. You have great representation.

I hale from the State of New York. I am a business owner. Our business was founded in 1946. We use paper products that are derivatives of yours. We do pharmaceuticals and packaging, and I used to run a newspaper.

But I want to just say, first of all, I was an attorney for many years, and I have always worked in a business, but I want to just give a shout-out to Kelly Crites, your general counsel, because that is my job and my family business. And it is a tough job. And we know that you are the straw that stirs the drink when a lot of things come up, and we appreciate it. I had a great conversation with her earlier.

But I really appreciate what I hear you saying today. I am from a very similar part of upstate New York. I am not from New York City. You will hear from our New York City Representative.

But things are very similar in New York as they are here. We have many of the same problems that you are experiencing, having a hard time getting people to come to work, competing against government. As you said, Mr. Plaugher, just to talk about we have employees that don't want a raise and don't want to succeed because they are going to

lose their benefits.

And I think it is worth talking about, you know, Mr. Beyer's discussion of the employment participation rate compared to the seventies, where I believe it was about full employment, not people taking partial employment, and also so many people that left during the pandemic and never came back. So we have the same problem trying to get people to come to work, getting quality individuals.

And you mentioned something that really struck me, as a person who does a lot of our human resources, is the drug testing aspect of it. We cannot get people to work. And I know this is also a problem with our Armed Services.

So, Mr. McDade, you were there, and thank you for your service as well. This is a problem. And Mr. Murphy rightly mentioned the southern border.

I have a question, though, on what happens with your unemployment insurance. And I want to ask each one of you, were you assessed in the State of West Virginia after the unemployment insurance or after you were -- were you, number one, forced to shut down during the pandemic, and did you have to repay any unemployment insurance? Because I know maybe Ms. Bachman might have been hit more with the restaurants, but if each of you could just explain how your unemployment insurance worked and if you were forced to shut down during the pandemic.

Mr. Plaugher. Well, we were not forced to shut down during the pandemic. We were an essential business, and we were allowed to run. I am afraid I don't know the answer to the unemployment insurance question.

Ms. Tenney. Ms. Bachman.

Ms. Bachman. I am in the same boat. My husband helps a lot with that end of the business. I am kind of more on the hands-on side. And the restaurant had to shut down, but we were innovative, and we ended up opening up a drive-through/grocery store for our

community. And we didn't really charge anything extra for the groceries because, you know, my friends were going to Walmart, and we saw the shelves were empty.

So we just used it as a service for our community that, you know, come and order some food from us, and we have some grocery supplies at no extra cost than what we got them.

Ms. Tenney. Did you get reassessed for unemployment insurance from the State of West Virginia, do you know?

Ms. Bachman. I am not sure.

Ms. Tenney. Okay. Mr. McDade.

Mr. McDade. We built during the pandemic, and so we didn't start hiring until the April kind of 2021 timeframe.

Ms. Tenney. But I believe, rightly so, your industry was considered an essential business.

Mr. McDade. It was. And my colleagues in my industry, it was. It was an essential business. And you probably know that because you probably smelled whiskey in your hand sanitizer for a number of months during the pandemic.

Ms. Tenney. If you could get it.

Mr. McDade. That is what most of the distilleries did.

Ms. Tenney. Yeah. No, thank you. I don't know if you were aware of that, if that affected your business, but the unemployment insurance was an issue.

Mr. Ward. As far as Itmann CONSOL in West Virginia, we were just getting started during the pandemic, but my prior company that I worked for, we were deemed essential. And I can't comment on the unemployment.

Ms. Tenney. Mr. Ward, while we are with you, I would just like to ask you, so I just stepped off the plane on Saturday morning in upstate New York, and it was minus 12

degrees. We had record cold in upstate New York.

And with the billions in subsidies that have been given to the Northeast and our region for solar and wind, only 3 percent of the electric grid had anything to do with sustaining the people who suffered during this recent cold. And I have to tell you that my own Buffalo Bills had 7 feet of snow at one point and had to end up playing in Detroit.

So I really would love to know if you could tell us how much of West Virginia's energy grid relies on coal.

Mr. Ward. I can't quite quote exact numbers, but I am assuming it is over 50 percent.

Ms. Tenney. Okay. Well, thank you so much. I believe my time is up. But thank you to all of you. Thank you for your service and for fighting the good fight as businesses. We are on your side. We want to see you succeed, and we want to help you. Just be glad you are not in New York. Things are worse there. Thanks so much.

Chairman Smith. Thank you, Representative.

I would like to recognize the gentleman from Utah, Mr. Moore.

Mr. Moore of Utah. Thank you, Chairman. Thank you, Ranking Member Beyer.

We are absolutely thrilled to be here. Washington needs to be constantly in the communities in which they serve and understanding these issues firsthand. Your testimonies were great, and I want to recap just a couple of things I learned from each of your testimonies. But I am going to pose the question that I am going to ask of you, and then I will briefly share just my appreciation.

The question that I would love many of you to weigh in on is, if you could choose, if you could make sure we understood one to two things to get right and keep consistent for you, as business owners and crucial people working in our economy, what are the one to two things that we need to get right and keep consistent?

As a few of us that are in our second term had the distinct honor of running for Congress for the first time as COVID was ramping up and, you know, there was a lot of confusion going on and a lot of really well-intended policies but ultimately had long-term effects took place, one thing hit me, because I came from 8 years -- my previous 8 years were in management consulting, where all I did was try to help small businesses and businesses grow and navigate sort of tricky waters, right, and predict the future.

And the thing that just stuck out to me, and it has even gotten worse over the last 2 years, is the policies we implement in Washington absolutely affect you all, and it makes it virtually impossible as things are constantly changing for you to do your job.

I always joke that us politicians, we live our lives in 2-year increments where you all, as CEOs and workers, you are looking 10 years out. And there is a disconnect there. So if there is one to two things that if you could have us get right and keep consistent, I would love to hear from you.

Mr. Plaugher, your testimony actually inspired that question, just talking about the things that have been so difficult to navigate.

Ms. Bachman, your emotional piece of how difficult it is to build a business plan, put it in place, and then have everything disrupted and having to make constant change to all the world around you when there should be more consistency.

And, Mr. Ward, I constantly talk to people about building clean energy, and we have to have baseload power to build clean energy. And I appreciate the work that you and your colleagues do. I represented in my first term a energy-producing area, and the environmental issues that you all are leading out on it, and we need to make sure we support baseload power.

And then, Mr. McDade, I will take it a little bit of a different direction. You served your country. The second half of your time in your career is something so

productive. And there are so many veterans that are going through difficult times right now, and they are not finding that productivity and what you were able to find in starting your own business and engaging that way. And you have been a model, and I really appreciate your work there. And we need to make sure that we do that for all of our veterans.

One to two things. Let's start here, Mr. Plaugher, and just quickly go down, and if we could get it right, let's do it.

Mr. Plaugher. Number one looks to me like energy policy. And, you know, we need consistency. We need to know where we are going with energy policy. I am all for green energy, but it looks like the way this is being brought forward it is at everyone's detriment, and it is definitely hurting communities like ours. And the cheaper energy that we have, the more opportunities for business, the more opportunities for jobs are out there available, and that needs straightened out.

Mr. Moore of Utah. Ms. Bachman.

Ms. Bachman. I agree with Tom as well, but I also feel that you need to decrease unemployment benefits so that you can get people motivated to come to work.

Mr. McDade. Leadership and vision at the top are going to stabilize our markets. If you tell us what you are going to do and you lay out a plan to bring down inflation, bring down fuel costs, just putting that plan together and presenting it to the American people is going to go a long way in stabilizing those markets. If we talk about it and say that it is going to happen, quite often if we follow the right steps it happens.

But back to another one. Fentanyl killed my kid brother, a cheap pill on the street. And, you know, I heard it for a while that some politicians saying, you know what, we need to make Fentanyl a worse crime.

And the first thing you can do is make it first degree murder if you are dealing

Fentanyl, period, and that is it and we will nip this problem in the bud. But it is going to take something very drastic to keep our children and our brothers and sisters from dying on the street every single day.

It happened to me. I guarantee it happened to most of you or someone you know. Everyone seems to have a story about it. And, like, what are we doing? Like, nip it in the bud. Make it a capital offense if you have to, but make it stop.

Mr. Moore of Utah. Thank you for highlighting that.

If you will indulge, Mr. Chairman, for Mr. Ward just to share his last thought.

Mr. Ward. The only thing I could ask is just every decision that you all make just always put America first. Make sure that, before your decision, that once you make it America is better. Protect the southern borders. And that is my two things.

Mr. Moore of Utah. Thank you. Thank you all.

Thank you, Mr. Chairman.

Chairman Smith. Thank you, Representative.

I would like to recognize the gentlelady from the great State of California, Ms. Steel.

Ms. Steel. Thank you very much, Mr. Chairman.

And this is a very important hearing on the state of the economy. So thank you for our guests for taking time from your busy jobs to discuss how they have been dealing with the economic downturn for over the last 2 years.

And, Mr. Plaugher, I came from the lumber business my -- grandfather used to own. I have never seen this clean lumber yard, you know, in my life. So I used to play with dust, you know, sawdust and all these woods and stuff. So I thought I was expecting that kind of lumber yard, but this is very, very clean. So thank you for opening up this place, and I am so grateful.

I represent southern California, and our families pay some of the highest costs in the whole country. A lot of other States, they complain about, you know, how awful this economy and everything, but, you know, compared to California, I think it is much better other States in the Nation.

One outrageous example of progressive policies that hurt my constituents is the fact that State gas tax is 50 cents per gallon plus 23 cents for cap-and-trade program to lower greenhouse gas emissions, and 18 cents for State low-carbon-fuel programs. So our tax and fees are much higher than any other State's. It went up last year. Actually, \$9 per gallon people had to pay in California.

Government handouts without any plans makes working family class and the small business going through the very tough time. In California only -- Ms. Bachman, you are working so hard for the restaurant. Forty percent of small business never came back in California. So it is really, really bad.

So, Mr. Plaugher, my constituents were on the front line of the original supply chain crisis. We are located next to the ports of Long Beach and L.A. There are the number one and number two, the biggest size of ports in the Nation. Ships were backed off the coast and trucks were lined up trying to get into the ports. This caused all kinds of disorder in our neighborhood and supply chain.

In California, it is the worst progressive policies. So independent truckers cannot come in. A lot of truckers, actually 50 percent of the truckers are independent truckers. They cannot come into California, and they cannot drive. I always tell people that you do whatever -- you do opposite of what California government does; then you know that you are doing the right thing.

So you are trying to lead the company or work for. Can you share how American businesses have been left on the hook for a failed supply chain and how that affects not just

your employees that I have been hearing but those associated with your business and community?

Mr. Plaugher. Well, as far as how, American businesses have been left on the hook for the supply chain. I mean, again, it looked like there were things that the government probably could have done to help smooth the supply chain out or to help things run smoother. And there really wasn't any action taken on any of that.

And American businesses were left to just pick up the pieces, to figure out how to navigate that situation as best they could. And they did things like I mentioned before, that you doubled up on the supplies that you bought because you didn't know when you could get them again, and that led to higher price increases because, you know, everyone was trying to grab everything that they could get so they had what they needed to operate.

The same way on the exporting side. There were a lot of unfair things that happened, whether you were an importer or an exporter, in dealing with the steamship lines and dealing with getting vessel space and dealing with demurrage costs and charges that were levied against you.

And you were stuck with them. I mean, you basically had no repercussion. You had no way to argue them or to deal with them. It was just another cost levied against you that you had to deal with for somebody else's incompetence.

So all of it just led to more costs for American businesses.

Ms. Steel. My next question is: Many employers have expressed concerns with me about the skill shortage in southern California. I think it is in the Nation too. Can you share how this could impact your business today but also in the future if not handled by the government correctly?

Mr. Plaugher. As far as the skill shortage, we see a shortage in the trades, you know, in trying to hire people with welding skills, with, you know, different trade-related

skills. There is definitely a shortage there. And there are tons of opportunities out there for young people who would want to go into the trades and learn things like that.

You know, again, from our standpoint -- and one thing that was mentioned a while ago was our starting wages. At this plant, we are actually at \$13 an hour. Ours run from 13 to 18. It depends where you are at. But that is for entry-level, zero-skill labor. If we could get people in, we will train them. We will teach them. We will give them skills. But getting them to pass the drug test, to show up on time, to show up 5 days a week and do that on a regular basis, that is the challenge.

And, as one of my plant managers commented one time, we were meeting with an Economic Development Authority person, and they were asking for job training they could offer, and he made that comment. And he said: If their mama didn't teach them that, I don't know what kind of job training you are going to offer that is going to do that.

And that is just the basics of being ready to go into the workforce.

Ms. Steel. Thank you, Mr. Plaugher.

And thank you to all the witnesses.

I yield back.

Chairman Smith. Thank you, Representative.

I would like to recognize the gentlelady from the great State of Texas, Ms. Van Duyne.

Ms. Van Duyne. I appreciate that, Chairman.

And thank you all for being here. I cannot tell you the warmth that you have received us. And if your Meadowbrook Farm's barbecue and brisket is anything reflective of the food that you have here, we will be back. And you guys have been so good to be sitting there for hours as we have been getting up and down taking breaks. So I really hope that part of this includes getting them fed. And, by the way, me saying that from

Texas is a really big thing. And I don't know that I would ever admit it in my State, but that is like some of the best I have ever had.

And I appreciate getting out of D.C. I appreciate, Chairman, you getting us out of D.C. I feel like we have to get out of that Godforsaken place to be able to hear what is actually going on in our country.

Last night, I flew in, and I took my daughter out to dinner. We all talk about inflation. We went and got pizza. We split an appetizer, had two drinks, and two personal pizzas. Over a hundred dollar bill for pizza. It is ridiculous.

This is what normal people are feeling every single day. And I will tell you, when I ran -- I have been a Representative. I was a city council member. I was mayor. I now work in Congress.

My job is to represent the people in my district in D.C. My job is not to represent D.C. in my district. And I think we all feel like that. So getting out here and actually hearing your stories firsthand is very, very powerful to me.

And, when I say hearing the truth outside of D.C., when I am home, I have meetings with my small businesses, when I have meetings with my teachers, when I have meetings with our parents, with just normal constituents, I am hearing from them every day that the problems that they are running into, high, you know, what, 40-year high inflation. They are dealing with problems with supply chains. They are dealing with energy costs. They are dealing with a hard time hiring people.

And yet, just earlier last week, we had a President who wants to make everybody feel better. And he comes in, and he tells you: Oh, no, we have beaten inflation. Oh, no, no, we have no problems. Look at how great the economy is doing.

Now, I don't know about you. I feel like I am in a twilight zone when I hear that. And so my question to you all is, am I the only one? Because what I have heard from

every single witness today is you are going through hardships.

So, out of curiosity, do you feel like what you are seeing is, one, reflective of what people across the country are seeing? And, two, do you feel like the policies that are coming out of this administration are solutions to the problems that you are facing?

And, Mr. Plaugher, I will start with you.

Mr. Plaugher. Yes, I believe everyone across the country is dealing with these issues, and it has got to be hitting us equally hard every place. I mean, inflation is hard on every family, on everyone.

And no, I don't see the answers coming from Washington right now that are going to fix these things. Quite the contrary. It looks like the direction our energy policy is going, things are going to continue to cost more. It is going to get more expensive and a lot more uncertainty there. So, no, I don't see the answers coming at this time.

Ms. Van Duyne. I appreciate you saying that.

Ms. Bachman.

Ms. Bachman. I agree. I don't see any hope in the next few years. My husband and I are returning back to work outside of the restaurant. I mean, we have to do. We are in struggle mode right now, in survival mode, shall I say, just trying to make it through all this. And we are hopeful that, in the next election period, that the Republicans take over again.

Ms. Van Duyne. Mr. McDade.

Mr. McDade. Which commodity is not more expensive today than it was 2 years ago? I can't think of one. And they are all tied to the same thing, energy and energy policy. When one goes up, the other is going to go up. And that is all we see to move those products.

But I see it even in my local community. I go by the local gas station: \$17 an

hour and a \$3,000 sign-on bonus to go be a cashier at a gas station. Now, what does that do to the other local business owners when they can make much, much better money working -- and there is nothing wrong with being a cashier at a gas station, but you get my -- I mean, there are technical jobs out here in my place, in your place, in all of these places. And so it is pushing everything up, at least that is our perception from down at the bottom.

Ms. Van Duyne. Thank you.

And I am going to quickly ask Mr. Ward a separate question: You keep hearing all of these things coming out of the administration about all these great green new plans and how that is flushing trillions of dollars into your community. You, in particular, are you seeing it? Are you seeing all these resources coming into your community?

Mr. Ward. No. No, we don't see any of that coming to where I am from in southern West Virginia.

Ms. Van Duyne. Thank you very much.

Chairman Smith. I want to thank the Representative.

The gentleman from Iowa, Mr. Feenstra, is recognized for 5 minutes.

Mr. Feenstra. Thank you, Chairman Smith.

I want to thank you. It is an incredible honor to be now part of this committee, and I look forward to working with the committee to create solutions to all the problems and concerns that we have talked about.

I come from Iowa. I am a rural Iowa kid, born and raised in rural Iowa. And I am no different than each one of you, right? We work hard. We care about our country. We are happy, and we just want to be successful. That is all we want. And yet, it is a real struggle right now. It is a real struggle.

Our economy is in a precarious situation. Economics 101 notes that, when there is

too much money chasing too few goods, you are going to have inflation. And that is exactly what has happened. We put \$6 trillion -- or this administration put \$6 trillion into the economy. We have pinch points in the supply chain. And we have this incredible inflationary issue happening amongst us.

One of those inflationary issues is obviously our workforce. Our unemployment rate is 3.4 percent. That means there are about 5.7 million unemployed people in our country. However, there are 11 million job openings currently. That means there are two jobs for everyone employed. In a perfect system, you could have two jobs.

However, we know that, because of skills, it doesn't work that way. 2.9 million fewer workers are not in the workforce because of the pandemic. Before the pandemic, all right, we had 2.9 million more workers. Why did that happen? Because we had all these giveaways to keep people out of work.

So my question is this: Mr. Plaugher, I will start with you. You talked about the different things that are keeping people from work. You also noted what we need to do to train people. How do we bring people to Iowa? How do we bring people to West Virginia to want to work in our areas, in our occupations?

Mr. Plaugher. As far as how to bring people to West Virginia, West Virginia is a wonderful place, if you have never spent any time here. And I think the State is doing a lot of things right now that will attract more people to West Virginia.

You know, I would like to see the native West Virginians, though, again, I feel that there are a lot of people out there who are not working who could be working. And the things that I see impacting that so much are the drug issues and also some of the benefit issues where we end up competing against the government. And, you know, we need to straighten it out so that people are incentivized to want to work, to want to get ahead.

Mr. Feenstra. Another issue that you brought up, Mr. Plaugher, that you noted that

home starts are slowing down, and you are right. I mean, year over year that has passed, home sales are down about 20 percent. Home affordability has never been worse. It is even worse than in the 1980s.

And there are obviously two reasons for that. Obviously, the big issue is inflation. Inflation is hitting building starts. It costs 42 to 50 percent more to build a house today than what it did several years ago. The cost of a mortgage is double.

What an incredible nexus when you have your cost of building a new house is doubled and the cost of financing it is doubled. This is catastrophic.

Mr. Plaugher, when you start looking at forecasting for your business, does this concern you? Is this something that, you know goes bump in the night that you are worried about?

Mr. Plaugher. Yes, absolutely, it does. Again, our goods that we manufacture go into hardwood products that are used generally in single-family housing and home remodeling. So they are more luxury items.

So, yes, absolutely. The forecast doesn't look good in terms of that and helping our business.

Mr. Feenstra. And this is our concern for every business, every business in our country right now, is the cost, the cost of goods, the supply chain, the workforce. And you can see what is going to happen. We are driving ourselves into a recession when our interest rates continue to go up. The Fed just increased another 25 basis points.

These are real serious issues that need to be resolved by serious people. And I just think our administration is not serious about what is happening, obviously. They keep saying that everything is rosy, and that is wrong. So I greatly appreciate each one of your testimonies, and it is time for us to get to work and try to create solutions for you.

Thank you so much, and I yield back.

Chairman Smith. Thank you, Representative.

I would like to yield 5 minutes to the gentlelady from New York, Ms. Malliotakis.

Ms. Malliotakis. Thank you. And good afternoon to everyone. I appreciate the chairman and the committee selecting West Virginia.

I have never been to West Virginia. It is a beautiful State. And I really enjoyed hearing from all of you today.

I represent New York City, Staten Island, and southern Brooklyn. And, to be quite honest, the challenges you are facing are not different from what we are facing in my city, although I would say probably it is worse in New York City because of our local and State government.

But we have the similar challenges when I speak to the small businesses in my community, the restaurants that are struggling after the pandemic, being slammed with food inflation and high energy costs, and, of course, small businesses that I represent just trying to get by. And, unfortunately, I feel the policies that have come out of our government, whether local or Federal, have just made it worse. They haven't helped. They have actually made it harder for you.

And that is a problem. And I think that is why we are all here today, to kind of hear -- and, quite frankly, you are validating a lot of what we have been saying, those who are here. Sadly, the ones that need to hear this aren't here today, mostly.

But we will continue to take this message and echo it, because the reality is, is you have had to adapt. You have had to make tough choices. You are dealing with higher energy costs due to a bad energy policy, which we are seeking to reverse and try to restore energy independence. And, like you said, we want diversification. We are for clean energy, but not to the exclusion of traditional energy sources that are affordable and reliable.

In terms of labor, they have incentivized people not to return to the workplace. We have worked to try to end that. But it is like an endless cycle, right? They keep spending money with one hand, and then they are taking it from you with the other hand because now you are paying more in terms of inflation and whatnot.

But, with the spending and the debt, as my colleague mentioned, I mean, this is that endless cycle. They spend money. They create more debt. It leads to inflation. Now the interest rates are increasing. Now, as a result, mortgage rates, loan rates, and that is impacting your businesses as well.

So I have a very basic question, just a basic question, because I think sometimes Washington needs to hear fundamentals here. What would happen if your business spent more than you took in? What would happen if your debt exceeded the value of the products that you produce?

Mr. Plaucher. Our business wouldn't last very long. And, you know, there is only so long that you can sustain something like that.

Ms. Bachman. Same here. We would have to close our doors immediately.

Mr. McDade. I think you have seen in some cases we are deficit spending on the ground just to maintain our businesses.

Mr. Ward. It would be the same result. We would have to shut down.

Ms. Malliotakis. I think that says it all. And that is what Washington needs to do as well. We need to adapt. We need to make those tough choices. And that is what the Republican Conference is aiming to do to try to manage our debt, to lower our debt-to-GDP ratio, to be more responsible with your tax dollars, and to stop trying to fix problems by creating more problems.

And so I thank you all for being here today. Obviously, I would have more questions, but my colleagues have already asked them all. So I am pretty much at the end

here.

One last thing, with a minute and 30 seconds left: The interest rates, any of you are seeking to maybe take a loan to expand or buy a new facility, you know, create a new mortgage for that. Any comment you would like to make on how mortgage and interest rates are affecting you right now?

And I can tell you as somebody, I speak to home builders in my district slowing down now, 35 percent I think decrease in home building. They are having difficulties now. Home buyers, all that is slowing down.

How is that affecting your industry and particularly for wood products, and then anyone else who would like to talk about how it is impacting their business, preventing them from expanding?

Mr. Plaughter. I think it affects all industry just as far as access to capital goes. And I mentioned earlier that our business, we depend on a lot of other small businesses to operate, logging contractors, trucking contractors, folks like that. A lot of those are folks that are just starting with one truck or two trucks and trying to get their business going. And so, for them, especially, access to that capital and the cost of that capital is a huge driver in whether or not they can actually start that business or grow that business.

So I guess I see that as all holding back some of the business expansion.

Mr. McDade. Well, I mean, we are in the middle of an expansion right now. And the business has to grow. You know, we are out of space. And so we will take it on the chin. That is what we are going -- that is what we have to do. And, yes, it will be much more expensive to borrow money this time around than the last time around.

Chairman Smith. I also want to remind the folks in the audience that there are clipboards being passed around. If you want to submit any comments for the record, for the committee hearing, be sure to fill that out. And we will submit that to the official proceedings.

Last but certainly not least, we would like to represent the great gentleman from the State of Ohio, Mr. Carey.

Mr. Carey. Thank you, Mr. Chairman.

And as most people in Columbus, Ohio, we can trace our roots right here to West Virginia. In Mason County, west Columbia, he wasn't -- my great-great-grandfather wasn't a coal miner but he was a salt miner. And I actually just live about 11 blocks where he moved many, many years ago.

Mr. Chairman, we were talking. I would like to submit for the record this article showing that West Virginia coal mine employment is at its lowest level since 1980, at fewer than 12,000 coal jobs, or about half the level of just a decade ago. And that is less than 10 percent of the all-time high.

So if you don't mind, I would like to submit it for the record.

Chairman Smith. Without objection, so ordered.

[The information follows:]

***** COMMITTEE INSERT *****



Download the WVPB App
For iOS and Android



[Make a Donation](#)

[Home](#) » West Virginia Coal Mine Jobs In 2021 Were Fewest Since 1890

[Curtis Tate](#)

Published May 2, 2022 - 7:26 pm

West Virginia Coal Mine Jobs In 2021 Were Fewest Since 1890



Live Radio
[Open Radio Player](#)

Share this Article



West Virginia mines produced about 90 million tons of coal in 2021, according to [the Office of Miners Safety Health & Training](#).

That's up from 2020's 72 million tons – the lowest number since 1915. However, the state's coal mines employed fewer workers last year than they did in 2020.

Coal mine employment stood at just below 12,000 in 2021 – the lowest number since 1890.

According to state data, Marshall County produces the most coal and employs the most workers.

Northern West Virginia produces more than Southern West Virginia. Until recent years, it was the reverse.

Tags Related to This Article

Energy & Environment

Mine Safety

Related News

Mr. Carey. A couple of other things. I mean, I think I have been looking at all the towns on this wall. And as somebody -- as Congresswoman Miller knows, I have been in most of those towns over the years. But there is real people in those towns and a couple of things.

I mean, a lot of us come here. We are from all over the country. We don't have a State Senator like Randy Smith who is a coal miner. Right? Jim Justice, who has been in the energy industry. We don't have AGs like Patrick Morrissey who is fighting Federal regulations. You have got Riley Moore doing a great thing on the lending side of things.

But, Chairman, I am really happy you brought us out here to West Virginia, because you are hearing from real people about real things.

A couple of things I want to point out. If you look at coal production historically, so in 2008, America produced 1.3 billion tons of domestic coal. Now whether that is metallurgical, whether it is steam coal, 1.3. The only numbers we have for 2021 is, the latest numbers we have, we are down to 580 million tons. Think about those numbers.

And So when you look at towns like Princeton and you wonder what has happened to the economy and all the spinoff jobs, that is the other thing. Mr. Ward, you talk about the miners that you have in those -- that work with you in the new mine. But for every one of those coal miners, there are four spinoff jobs.

And if you look at some of the counties that -- whether it is Monongalia County, Marshal County, and you look at the average income for a coal miner, it is anywhere from \$75,000 to \$90,000 a coal miner. Now, when you look at the average wage or the average per-household income, it is \$25,000.

So what happens when you take those good-paying coal jobs away and the spinoff jobs away? It truly affects the economy and definitely affects the economy of West Virginia and all coal-producing States.

But it is not just coal. It is also natural gas. And I think if we are looking at what we have seen as my -- as my colleague across the aisle there said, what percentage actually comes from West Virginia in terms of power production per coal, it is 88 percent.

And the other part, of course, is natural gas. And as you were saying, you know, natural gas gets diverted, obviously. We need to have an energy policy that is based on sound, reliable science, not political science, one that understands baseload energy, one that understands that there are only two choices of energy that you could actually store on sight, nukes and coal. Those are two baseloads.

Now in this rush that we had done as a country to green energy, which is fine, I am all of the above, i think we should have that. But when you look at all the products for these -- that go into a lot of these renewables, they all come from China which, by the way, doesn't have the same mining regulations that we have in this country, doesn't have the same environmental, you know, cautions that we have in this country.

So, Mr. Ward, I probably went on a rant because it is something I truly believe in. But could you just tell, I think, this committee from Consol's perspective, which is a very highly respected company out of Pittsburgh, can you just kind of give what you guys do for the local community and the amount of people that you're now employing that are relatively close by here.

Mr. Ward. Yeah, we started hiring back in June. We took -- we took -- took a look around and tried to get the very local that we could. We started -- of course, there is several jobs that I have, you know, the electricians, there are varied trades I can't hire out of that trade.

But we opened up to people that haven't even been in the coal industry before and give them a job. This is the first step that we took. My general manager, he insists that we get local stuff as close as we can. We could do the bigger stores, the bigger supply

chains. But we get stuff needed locally. We have several vehicles, fleet vehicles.

Mr. Carey. It is safe to say you are definitely benefitting the local economy.

Mr. Ward. Yes. We are putting back what we can.

Mr. Carey. Thank you.

Real quick, Wes, who actually is the owner of Meadowbrook Farm BBQ in the back, I spoke with him just recently. He actually used to work at the Mount Storm Power Plant which is serviced by the Mettiki coal mine. But he and he I were talking. I am a big fan of ribs. But he told me, and I am sure this goes the heart of the products, but just a year ago barbecue ribs were double the price than what they were just one year. Now they are still up 40 percent.

So I just thought I would throw that out there, and Wes was just telling me about the economics of barbecuing.

So thank you, Mr. Chairman.

And thank you all for inviting us down. Thanks so much.

Chairman Smith. Thank you, Representative.

I want to thank each and every one of the witnesses for being here today. You took time out of your busy schedule, away from your family, away from your employees to share ideas that we need to hear as members of Congress.

I want to thank Allegheny Wood Products once again for allowing to us be here in our very first hearing of the House Ways and Means Committee this Congress.

And I also want to thank every member that took the time to be here. I want too thank, Acting Member Beyer, for making the point to be here.

I am extremely proud of you all for listening. This is how we can move America forward, by listening to real Americans and delivering on those issues. So thank you.

Please be advised that members have 2 weeks to submit written questions to be

answered later in writing. Those questions and your answers will be made part of the formal hearing record.

With that, the committee stands adjourned.

[Whereupon, at 2:07 p.m., the committee was adjourned.]

PUBLIC SUBMISSIONS FOR THE RECORD



American Forest & Paper Association (AF&PA) Statement for the Record

U.S. House of Representatives Committee on Ways and Means

Field Hearing on the State of the American Economy: Appalachia – February 6, 2023

The American Forest & Paper Association (AF&PA) is the national trade association of the paper and wood products industry and advances public policies that promote a strong and sustainable U.S. forest products industry in the global marketplace. The industry makes essential products, including tissue products, pulp used in diapers and other personal hygiene products, papers for communication and education, building/construction products, and packaging for food, beverages, foodservice, cleaning supplies, pharmaceuticals, medical equipment and other consumer products.

The forest products industry directly employs about 925,000 men and women and is built on principles of sustainability: producing recyclable products from a renewable resource. We are among the top 10 manufacturing sector employers in 43 states. We believe public policies are most effective when they meet the economic needs, environmental concerns and societal expectations of our diverse communities.

Our industry is often the heart of many local communities across the country. More than 75 percent of U.S. pulp and paper mills are in counties designated by the Census Bureau as more than 80 percent rural. To stay competitive globally, we need policies that support U.S. manufacturing, our workforce, and supply chains.

We value strong relationships with workers in our mills and broader labor coalitions throughout our industry, including the United Steelworkers (USW) and other labor unions, as we work to achieve our shared policy goals.

We are pleased to see Chairman Smith and Ranking Member Neal take an important step with today's hearing to provide a renewed focus on the U.S. forest products industry, and AF&PA looks forward to continuing to be a resource for this Committee in the future.

AF&PA takes a careful, thoughtful, data-driven approach to public policy, which led us to support many of the provisions in both the Tax Cuts and Jobs Act back in 2017 and the Inflation Reduction Act last year.

With that said, several key issues in the tax space are threatening our industry's ability to grow and hire more workers in the coming years. We ask Chairman Smith and Ranking Member Neal to consider working on these issues in a bipartisan way to deliver a solution in the 118th Congress.

- **Research expenses:** The Section 174 research expense policy issue that began last year must be fixed retroactively to the beginning of 2022 to prevent major disruptions to cash flow for our companies. Failure to do so would directly impact employment, pay, and worker benefits. As we continue to strive to become more sustainable and produce



more recyclable products for our customers, we need to experiment with varying methods and equipment on a regular basis. This, in turn, drives up our R&D costs.

- **Interest deduction limitation:** The section 163(j) interest deduction limitation became more onerous for our companies at the beginning of 2023. The limitation's measurement metric – which is based on earnings before income taxes, depreciation, and amortization (EBITDA) – must remain intact and not lose the depreciation and amortization portion. It is an ordinary and necessary business expense. Our industry is more capital-intensive than the general manufacturing population of companies, and our members rely heavily on the ability to access debt markets to finance their substantial investments.
- **Expensing and bonus depreciation:** The Section 168(k) bonus depreciation provisions are due to shrink by 20 percent each year for the next five years, expiring completely after 2026. Given the capital-intensive nature of our industry and the potential economic repercussions of this upcoming change, it is essential that full expensing remains in place, or else we risk being outpaced by our international competitors, which would result in job losses and a decrease in productivity.

Once again, we thank the members of this Committee for their focus on the state of the American economy. Thank you for considering AF&PA's views and concerns. We look forward to an open dialogue with each of you on issues of vital importance to our sector in the future.

February 6, 2023

The Honorable Jason Smith
Chairman
Committee on Ways & Means
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Richard Neal
Ranking Member
Committee on Ways & Means
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairman Smith and Ranking Member Neal,

As a small business owner, thank you for holding today's hearing on the state of the American economy. My name is Tina Miller. I am the owner of Walkabout Outfitter in Roanoke, Virginia. Walkabout Outfitter is an outdoor clothing and gear retailer run by friendly, expert staff with six locations serving Virginia in Richmond, Harrisonburg, Lexington, Roanoke, and Blacksburg. We carry high-quality, trusted brands and cater to every level of experience: from AT Thru hikers to casual day hikers and anyone in between. From trail to tavern, we've been encouraging happiness since 2005. While we encourage happiness, I have many concerns that I would like to share with you.

For the past several years, I've spent sleepless nights worrying: is my small business going to go bankrupt? I opened my first retail store at 23 years old – all excited about having my own business – the American Dream! I worked seven days a week and often even slept in the store since I lived an hour away and I'd be right back at it the next morning. I had a second job, waitressing, and a third job, house and farm sitting, for the first eight years of the business as I reinvested everything that the business made back into it and to eventually hire employees. I always paid myself last...and that's if there was anything left to pay me which often there was not. That's part of the blood, sweat, tears, and love that goes into owning your own business! You would think that owning and running a business eventually becomes easier, but unfortunately, it has become more and more challenging. So much of it is because of government regulations and bad policies.

Walkabout Outfitter has six locations across Virginia with about 35 employees. Throughout the last three years, we've had to deal with lower sales, higher costs, fewer customers, and more paperwork. We completely thought that we would not survive the crippling weight of COVID mandates, government shutdowns, and taxes. We worked non-stop during 2020 in order to not go bankrupt!

Things got so bad, my husband and I didn't pay ourselves for 10 months. We took care of our managers because it was the right thing to do. If we hadn't had savings, Walkabout Outfitter would likely not be here. I went through treatment in 2013 for horrible, aggressive cancer that had a 6 month prognosis if the chemotherapy didn't work; my children were 3 and 5 years old at diagnosis. I would, hands-down, go through that again, before going through 2020 again, knowing what I know now. The horrible struggles that happened during COVID, mostly caused by the government, was absolutely awful! It put my entire family in "dark places" mentally as we struggled to have our business, which is part of our soul and being, kept alive!

I have spent so much time following bureaucrats' orders rather than working on my business. I didn't start a small business to fight with government about staying in business. When did small business become the bad guy?

Small businesses are the backbone of both Virginia and our country's economy. All told, small businesses employ 1.6 million Virginians and 61.7 million Americans nationwide. Our country wouldn't be the same without the innovation, sacrifice, and entrepreneurship from small businesses. We are the ones dedicated to our communities and the first to help support local schools and charities. Yet over the past few years, it feels like small businesses are continually on the defense – pushing back on bad policies just to stay afloat. Small businesses shouldn't be considered an enemy, but rather should be seen as positive players in our economy. Why is it that I, and other small business owners, feel that the government hates businesses – also known as employers?! Shouldn't the government be extolling small businesses and get out of their way so they can build their business which creates more jobs, care about their local communities, occupy buildings, pay property and sales tax, donate locally, and the list goes on! Look at the way cities all are going – they are becoming “any town America” as it's mainly just big corporate chains! Small businesses are dying and lots of that is because they are just so tired of fighting all the government regulations. Eventually most small businesses will go away and it will be just huge corporations left from retail stores to even something so personal as funeral parlors.

The worst of the pandemic is past us, but so many of the burdens are still weighing us down. That's why I need Congress to focus on supporting small businesses and encouraging the small business economy.

First, give us permanent tax relief. I understand the Small Business Deduction (Section 199A) will expire after 2025, as will the current individual tax rate structure. This uncertainty adds an additional pain point for small businesses. By making this tax relief permanent, it helps small businesses to come back stronger, expand and hire more people, and keep our communities moving forward. The Small Business Deduction is incredibly helpful for small business owners like me. Chairman Smith, I understand you have led the effort to make this deduction permanent for the last four years. Thank you for your advocacy and help!

Second, cut red tape. Less regulation means more time and money spent helping my small business grow and hire. Increasing the regulatory burden, such as expanding the overtime exemption, will reduce small business flexibility and force us to make major changes to our operations, such as requiring currently salaried employees to clock in and clock out. We currently allow salaried employees to work more hours certain weeks in order to work fewer hours other weeks, but increasing the overtime exemption threshold would not allow our business to continue that flexibility that our employees love! Ultimately, it will be demoralizing to our staff and harm our business.

Third, encourage the states to use their surpluses from federal dollars to shore up their unemployment insurance trust funds. Virginia's state trust fund is low, and if it isn't refilled, I'm looking at huge tax hikes. States should use the federal money it received during the pandemic instead of taking more money from my small business.

Simply, make it so that small businesses can stay in business. At the end of the day, that means growth for the Virginia economy and for our country's economy. I've spent too many nights wondering if tomorrow's the day my small business will go under. With the right help from our leaders, many of whom are present here today, I hope to never worry about that again.

Respectfully submitted,

Tina Miller, Walkabout Outfitter, Virginia