

Leaders Highlight Construction Industry Issues at Joint Alliances Meeting

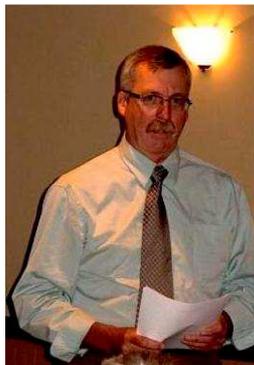


Approximately 60 construction industry leaders attended the joint Alliances Meeting.



Alliance presidents, Andy Mosser on the left and Walter Christophersen on the right.

PORTLAND, MI – A luncheon meeting was held on September 1, 2011 between members of the Mid and West Michigan Construction Alliances about issues important to Michigan’s construction industry. Walter Christophersen, President/Treasurer of the WMCA and Andy Mosser, President of the MMCA, opened the meeting and welcomed those in attendance. They asked persons in attending to introduce themselves and their construction affiliation. Both presidents alternated introducing guest speakers as they appeared.



Pat Devlin, Financial Secretary/Treasurer, Michigan Building & Construction Trades Council.

New International Trade Crossing, Political & Legal Updates – Pat Devlin, Michigan Building & Construction Trades Council. Mr. Devlin stated that the new International Bridge being proposed between Detroit and Canada is now known as the “New International Trade Crossing” rather than its previous name of Detroit River International Crossing (DRIC). In an attempt to get legislative approval to build the new bridge, he explained that he believes Governor Rick Snyder is trying to tie the bridge project to other bridge and highway projects in Michigan, therefore, expanding the scope of infrastructure improvement throughout Michigan. The new bridge alone could employ as many as 10,000 construction workers.

Mr. Devlin spoke on workers’ compensation and unemployment legislation coming up again in the new legislative session. Building Trades members could lose up to 25% of workers’ compensation benefits if legislative trending doesn’t change. He stated that he feels he has a working relationship with Governor Rick Snyder and Senate Majority Leader Randy Richardville and is working to develop a relationship with House Speaker, Chase Bolger. He is hoping this relationship-building with State government leaders will enable him to prevent proposed workers’ compensation changes that would be devastating to Trades workers.

In his meeting with these leaders and with other legislators, Mr. Devlin said he has also discussed the contentious Right-to-Work issue. He has attempted to educate on this issue and to discourage those in power from taking on this very divisive anti-worker legislation.

He also discussed the recent passage of the anti-PLA legislation. Mr. Devlin stated that the Trades have already gone to court challenging the anti-PLA law. He reported the Trades recently filed a federal lawsuit in the U.S. District Court, Eastern District, Southern Division of Michigan.

During the question and answer period of Mr. Devlin's presentation, Mark Mangione, Business Manager of UA 174, asked if Mr. Devlin could use his influence to get Trades leaders appointed to various construction-related state boards so that organized labor will continue to be at the table on how construction standards are used and applied in Michigan. Mr. Devlin assured the audience he was working on that and would continue to do so.

Lobbying New Legislators – Bart Carrigan, AGC Michigan and Jim Crawford, Karoub Associates. Mr. Carrigan spoke briefly before introducing Mr. Crawford. Carrigan stated that AGC of Michigan was in support of Project Labor Agreements (PLAs) as well as Michigan's Prevailing Wage Act. He believes that public owners must have the ability to choose whatever method works best for them in delivering construction projects. Without choice it puts owners who have used PLAs before in a position of paying more for their construction projects.



Bart Carrigan,
President, AGC of
Michigan

Mr. Carrigan introduced Jim Crawford of Karoub Associates. Mr. Crawford is a lobbyist and works hand-in-hand with AGC of Michigan. Mr. Crawford emphasized that lobbying is all about building relationships with elected leaders and this takes time to get them to trust you and your advice. Mr. Crawford emphasized that, "don't ever lie to elected officials," because once you do, they will never ever trust you again. Not all elected leaders will make the decisions you want them to make, but your job is to educate them thoroughly on the issues. Once you do that, you've done your job, and then it's all up to them. Mr. Crawford used the example of the excellent relationships that the Building Trades has with Senate Majority Leader Randy Richardville and other Republican lawmakers. Mr. Crawford believes that Mr. Richardville and Mr. Devlin have been able to develop a good working relationship because of the efforts of both to develop that relationship. In stressing this point, he gave the example of how the Michigan Optometric Association seems to have one of their members assigned to each legislator or the legislator's committees, making sure legislators are educated on issues important to optometrists. They begin to work with candidates during the election process.



Jim Crawford,
Partner, Karoub
Associates

Mr. Crawford gave another example of his work with AGC of Michigan. The issue was the Michigan Business Tax and that legislators did not understand the relationship between how contractors and subcontractors work together in the construction industry and how tax changes would negatively effect subcontractors. He was able use the relationships of AGC members to communicate with former House Speaker Andy Dillon and with former Senate Majority Leader Mike Bishop so they better understood this issue from a contractor's perspective so that subcontractors were not adversely affected by the changes to the Michigan Business Tax.

Mr. Crawford recommended that construction labor and management leaders meet with their legislators once a quarter, educating them on the issues that are important to their industry. They need to develop relationships with both parties. "It's a relationship business and many times the messenger is more important than the message."

Stan Buell, President of Grand River Construction, commented that he spoke with both of his legislators regarding the importance of PLAs. The legislators didn't take his advice, but he felt that this was a start in his relationship building with his area legislators.

Mr. Crawford stated that there are approximately 15-20 swing seats in the Michigan legislature. Because of the swing seats, he doesn't think that Right-to-Work legislation will reach the Governor's desk, although he wouldn't be surprised if the legislature makes a push for "Right-to-Teach" legislation because of the legislative recall attempts by the Michigan Education Association against republicans.

Todd Tennis stated that he hopes that RTW doesn't make it to the Governor's desk, but that he is worried that issues negatively affecting the organized construction industry might come up after the 2012 elections in the "lame duck" session, especially if the House reverts back to control by the democrats.

Bart Carrigan stated it is very important that elected representatives have an opportunity to see union construction training centers in Michigan that have been funded with private monies negotiated through labor-management collective bargaining.

Don O'Connell,
Executive Director,
Operating
Engineers Local
324 Labor-
Management
Education
Committee.



Right-to-Work (for less) Update – Don O'Connell – Operating Engineers Local 324 Labor-Management Education Committee. Mr. O'Connell stated that he believes it is very important to build relationships with state government leaders especially from a labor-management perspective. Although he hopes that Jim Crawford is right and that RTW (for less) legislation doesn't reach the Governor's desk, his organization is working as though it will. He mentioned that a new group has arisen, supposedly on behalf of workers, named "Michigan Freedom to Work." He believes this group is being financially and politically supported by the Mackinac Center, an extreme right-wing organization, opposed to worker rights as well as other forces outside of Michigan.

Mr. O'Connell stated that "Michigan Freedom to Work" has already informally rolled out its campaign to get a right-to-work (for less) law approved in Michigan. He stated that many press conferences were held recently throughout Michigan and that their formal campaign is going to start some time around Labor Day, which he said is a travesty to workers, especially on Labor Day.

Mr. O'Connell stated that a RTW (for less) law would make illegal the ability for a union to negotiate a union security clause into union contracts. RTW (for less) makes it illegal for unions to collect dues for services that the law requires unions to provide. Mr. O'Connell affirmed that a RTW (for less) law would jeopardize construction standards important to owners and the industry because there will be a significant decrease in funding for skill and safety training. He stated that pension funds will be weakened increasing the risk for employer withdrawal liability.

Mr. O'Connell illustrated that six of 10 of the worst performing states are RTW (for less) states, i.e., Mississippi, Nevada, Alabama, Florida, South Carolina and Georgia. Oklahoma, the most recent state to enact RTW (for less) laws has lost 22,000 of its manufacturing jobs since 2002 when their law took effect. Leading the way in job creation are two non- RTW (for less) states, Maryland and New York.

Mr. O'Connell stated that citizens who live in a RTW (for less) states have a lower quality of life. These states have lower median household incomes, higher poverty rates, more citizens without healthcare, a higher infant mortality rate, and spend over \$2,000 less on each pupil in grade school.

Labor is developing a very comprehensive plan to deal with the attack. He stated his task was to develop a plan to educate and engage the business community. Businesses need to understand that RTW (for less) will not be the panacea of economic development the proponents claim it will be. Business needs to publicly proclaim that this legislation would not benefit them. Mr. O'Connell distributed information and forms to begin developing a database of businesses that would support organized labor position on RTW (for less). He offered to forward the information electronically to anyone to needed it in that format by sending a request to doconnell@324lmecc.org.

In conclusion, Mr. O'Connell, stressed the importance of not taking RTW (for less) lightly. In reaction to a comment about the legislation only attacking a segment of labor, he shared a statement important to the Trades that originated with Martin Niemöller, who was an ardent nationalist and prominent Protestant pastor who emerged as an outspoken public foe of Adolf Hitler and spent the last seven years of Nazi rule in concentration camps. The quotation read as follows:

"First they came for the Socialists, and I did not speak out -- Because I was not a Socialist.
Then they came for the Trade Unionists, and I did not speak out -- Because I was not a Trade Unionist.
Then they came for the Jews, and I did not speak out -- Because I was not a Jew.
Then they came for me -- and there was no one left to speak for me."

Ed Haynor, Consultant with the WMCA, stated that it appears that Michigan already provides for working persons, in a union environment, who don't desire to pay union dues. As a lifetime member of the National Education Association, he stated when he was a teacher, we seemed to have two or three teachers each year that didn't pay union dues but paid a service fee. Apparently, these teachers were opposed to unionization for religious reasons. So they paid a service fee in order to account for benefits they received as teachers for their share of the collective bargaining process, but at the same time, for religious reasons didn't want to pay union dues. This way all teachers were able to work harmoniously with each other and not disrupt the workplace. Mr. O'Connell responded by saying that the Michigan AFL-CIO is in the process of explaining how this option (Beck rights) works in Michigan.

Building Code Cycle Changes – Tom Bowes, IBEW Local 58/NECA JATC and board member of the Michigan Chapter of the International Association of Electrical Inspectors. Mr. Bowes started his presentation by reiterating comments made earlier; that legislators need to be reminded of the fact that the organized construction industry training is privately funded through collective bargaining agreements and that is the model of labor-management cooperation to deal with industry needs.

He stated that the Michigan legislature is contemplating changing the building code cycle from three to six years via House Bill 4561. House members who initially supported this legislation include: Joe Haveman, Amanda Price, Greg MacMaster, Ben Glardon, Kevin Daley, Margaret O'Brien, Jon Bumstead, Bruce Rendon, Peter MacGregor, Frank Foster, Bill Rogers, Rick Outman, Ken Goike, Lisa Lyons, Al Pscholka, Kurt Heise, Marilyn Lane Lesia Liss, Ken Yonker, Vicki Barnett, Douglas Geiss, Wayne A. Schmidt, Thomas Hooker, Holly Hughes, Deb Shaughnessy, and Mark Meadows.

He commented that the legislation appears to be coming from the Home Builders Association and the Michigan Municipal League, and that it would negatively affect commercial and industrial construction.



Tom Bowes,
Assistant Director,
IBEW Local
58/NECA JATC and
board member of
the Michigan
Chapter of the
International
Association of
Electrical Inspectors

He emphasized that in Dr. Michael Porter's presentation at the 2011 Mackinac Policy Conference four relevant points were brought out regarding government regulation and productivity. They were that governmental policies should focus on: Speeding up the regulation and permitting; reducing unnecessary costs of doing business; aligning training with business needs; and designing policies to support emerging technologies. He stated that changing the code cycle from 3 to 6 years would not be good for the construction industry or good for business based on these four standards.

Mr. Bowes commented that lengthening the time for building code changes, which have long been based on three-year updates, is contrary to National and International Standards and industry practice. The codes, he stated, are primarily industry standards, developed and approved by industry participants who have expertise in specific technical areas. Code changes should be regarded as acceptance of updated industry standards, and not as additional governmental regulation. He acknowledged that there is a cost to government for new code books and training, but that the costs are easily offset when a private business is able to use innovations from the new code without resistance from building code officials because a new product type or installation technique is recognized "in the book".

He pointed out that skilled trades and building inspector code education programs are presently based on a three year cycle and that changing the length of the cycle would create issues which would be difficult to deal with. National curriculums are updated to coincide with the changes, and additional delays would create problems in obtaining course materials and trying to decide which portions of the different versions of the code would be covered to keep skilled trades workers abreast of new technologies.

Mr. Bowes stated that the 2011 National Electrical Code (NEC) has hundreds of changes from the last cycle and that it would be nearly impossible to approve those changes on an individual basis in lieu of accepting the Code by reference. Code changes range from completely new articles to grammar and punctuation corrections. Of the 5077 proposed changes to the 2011 NEC, 4093 proposals came from industry and not from the code panels. If House Bill 4561 is enacted, the law would cause code changes to be at the discretion of the Bureau of Construction Codes and the legislature, rather than under the aegis of private industry. If passed, this law would cause delays

and costs to contractors and owners because building code officials would lack the necessary code-based guidance to easily approve designs which incorporate new categories of products.

Using previous electrical code books, Mr. Bowes showed how the electrical code has grown exponentially over the years, mainly based on the increased sophistication of technology. He also compared the code book to a telephone book, by saying, "Who is still using a six year old telephone book?" He also noted that there is already a great deal of flexibility in adopting new codes and that there are frequently delays in new code acceptance as things are now.

He concluded his presentation by saying, "The mandated three year code update cycle spurs the government to move forward with adopting new codes based on accepted industry standards. These decisions should not be left up to the discretion of regulators and legislators who do not have the expertise to deal effectively with the technical aspects of the code."

Both Mr. Mosser and Mr. Christophersen thanked those in attendance for their attendance, participation, and support of issues important to those who make their living working in Michigan's construction industry.