

Labor News

The Changing Landscape Of Labor

What The Break-Up Of Unified Organized Labor Means For The Industry

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Organized labor has generally faced declining membership for decades. That decline has been evident in the construction industry as well. In 1970, an estimated 40% of construction workers belonged to a union. By 2005, that figure had fallen to 13.1%. The disagreement among organized labor leaders about how to curb the overall decline in union membership recently led several unions to withdraw from the AFL-CIO and form their own labor federation.

From 1957 to 2005, organized labor was largely unified under a single federation,

the AFL-CIO. In July 2005, however, several large unions, some representing construction workers, left the AFL-CIO to form their own labor union federation, known as the Change to Win Federation (CTW). As of June 2006, CTW had approximately six million members who belonged to seven member unions, including the International Brotherhood of Teamsters (Teamsters), Laborers' International Union of North America (Laborers) and the United Brotherhood of Carpenters and Joiners of America (Carpenters). Despite the schism, AFL-CIO remains the largest labor union federation in the U.S., representing over nine million workers.

This historic split in the organized labor movement can be expected to have repercussions in the construction industry. CTW has identified the construction industry as one of eight industries it will target in its organization efforts. Labor

experts predict that, at a minimum, non-union employers will see increased efforts to organize new members by both CTW and AFL-CIO member unions, while unionized construction contractors are expected to encounter more difficult bargaining with unions and may see an increase in jurisdictional disputes among unions.

Specifically, non-union employers should be prepared for aggressive organizing campaigns. In addition to typical union organizing efforts, unions are expected to use anti-corporate campaigns, i.e., aggressive public campaigns waged against employers designed to coerce employers into agreeing to union demands. The campaign is typically waged in the courts and regulatory agencies and through the media. The union feeds

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negative information, usually unrelated to labor disputes and sometimes untrue, in an effort to tarnish the employer's public reputation.

Employers who are already unionized are also likely to experience more aggressive union activity. In addition to the emphasis on organizing new members, both AFL-CIO and CTW member unions are expected to pursue more aggressive bargaining stances in an effort to demonstrate that their federation is more successful in protecting workers' rights. Because of this aggressive bargaining, employers should be prepared for an increased possibility of strikes due to failed collective bargaining.

This possibility has already been realized by at least one group of contractors. In June 2006, the Laborers struck members of a Chicago-area bargaining association after its contract expired and bargaining efforts failed. In addition to revealing the hard bargaining stance unions are expected to take in contract negotiations, this strike demonstrated the cohesiveness of the building trades unions. Despite the CTW/AFL-CIO split at the national level, local union members remained loyal to one

another as other building trades unions refused to cross the Laborers' picket lines, effectively shutting down work on major construction sites in Chicago.

While AFL-CIO and CTW member unions have pledged to continue to work together at the local level, many labor experts doubt local cooperation will continue.

If this is the case, unionized employers can expect jurisdictional disputes over which unions' members have a right to perform certain work. In the past, such disputes have typically been resolved through the AFL-CIO's Building and Construction Trades Department (BCTD) or by the National Labor Relations Board (NLRB). CTW member unions representing construction workers and the International Union of Operating Engineers have withdrawn from the BCTD and formed their own body, the National Construction Alliance (NCA). While the NCA is optimistic that the breakup will result in fewer jurisdictional disputes, the existence of dual bodies responsible for assigning work in the construction trade will likely create disputes. With no established method for resolving disputes

and no additional allocation of NLRB funds toward dispute resolution, union in-fighting may increase and job sites may be disrupted if strikes are used to protest work assignments to unions without traditional jurisdiction over that work.

While these consequences of the AFL-CIO's breakup should be expected, employers can take steps to minimize the effect on their business. Non-union employers who would like to keep their non-union status should review their policies and procedures to ensure that they are maintaining a positive work environment. Moreover, non-union employers should address any vulnerabilities that may be exploited by an anti-corporate campaign. Union employers must also take steps to minimize the disruption aggressive union tactics might have on their operations. Union employers should be prepared for aggressive bargaining by unions and explore methods to increase their bargaining power before contracts expire. Additionally, union employers should create plans to deal with strikes and jurisdictional disputes in ways that will minimize work stoppages and disruptions on the job site.



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Poupore Outlines NCA

BA Members Pose Labor Questions To Executive Vice President Of National Construction Alliance At Fall Meeting

The defection of three large unions from the AFL-CIO to the new National Construction Alliance (NCA) in 2006 brought with them a flood of questions about the NCA.

In addition to wondering what would be different about the new organization, local construction professionals wondered how these changes would impact their businesses.

While some of the questions may have been answered at the Builders Association's Fall Meeting, many of the questions regarding local impact are seemingly here to stay.

Ray Poupore, Executive Vice President of the NCA, covered what the NCA is and what it proposes to be in his keynote speech at the Fall Meeting, which took place over breakfast Oct. 19 at the Hilton Garden Inn-O'Hare in Des Plaines.

Poupore discussed the different levels of the NCA and why the organization was formed. The NCA is composed of the Laborers International Union of North America, the International Union of Operating Engineers and the United Brotherhood of Carpenters and Joiners of America.

While Poupore's speech centered around describing the different levels of the NCA and the differences between the NCA and the AFL-CIO's Building and Construction Trades Department, he also discussed how important contractors were to the young organization.

"We have to go to contractors who, for whatever reason, haven't worked with us," Poupore said. "The NCA would love to work on only all-union projects, but we're going to be hell-bent on making sure our basic tradesmen can do their work anywhere. We want to keep the base we have and expand on that.

"We want to treat contractors as our

customers. We need to maintain the base we had in addition to growing the market. To do that, we're going to be user-friendly for contractors."

The NCA is trying to expand its reach outside of traditional union strongholds with work in areas that aren't traditionally union. Poupore used recent multi-billion dollar projects in Kentucky and Texas as positive examples of the NCA trying to create a broader base.

Poupore discussed the NCA's Heavy and Highway Division, its Capital Improvement Division, its Building and Commercial Division and its Power and Industrial Division.

Poupore touched on the subject of jurisdictional disputes during his speech, saying that the NCA would avoid using the AFL-CIO's "greenbook" for those disputes wherever possible.

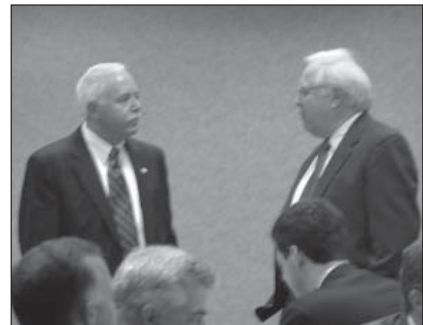
"In this construction market, we need a modern solution to those disputes, not a book that bases things on court decisions handed down 60 years ago."

Poupore favors using local decisions and practices. As an organization, the NCA is trying to formulate its own policy for dealing with jurisdictional disputes.

"I'm not going to b.s. you and tell you that we've got a silver bullet or a magic dust, but I think we have the leadership in place to create the solutions we're all looking for," he said.

He stressed that while the organization might not have an answer to some things at this time, the NCA has a good system in place and wants to be sensitive to the needs of contractors.

In a question and answer session following the speech, Builders Association



Ray Poupore, Executive Vice President of the National Construction Alliance, speaks to Builders Association members during the Fall Meeting (top photo). In the other photo, Poupore chats with Builders Association President Al Leitschuh.

members aired their concerns about issues with Poupore, most notably on jurisdictional disputes. James McShane of McShane Construction Corporation voiced the concerns of many members when he expressed his frustration with problems on jobsites due to disagreements between unions that the NCA represents.

While Poupore did not have an immediate answer to the question of what the NCA could do about jurisdictional disputes, he pledged to discuss the issue with union presidents.

The session also included questions on maintenance agreements, unfunded vested liability in pensions and the National Labor Relations Board.

Association members were left to wonder how the changes on the national union landscape would affect their businesses and the local construction industry.