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Honeymoon in construction industry ends with a bang

Unions, contractors trade barbs as negotiations loom, jobs numbers drop

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A short honeymoon between unionized construction workers and the contractors who hire them has collapsed into tensions that are at their highest level in years.

Even as both sides prepare to sit down for crucial negotiations for contracts covering 60,000 workers in 18 unions and billions of dollars in projects, disputes have broken out on multiple fronts. Union officials are furious with a contractor group that has launched a subway ad campaign targeting construction workers and warning that nonunion labor could put their jobs at risk.

The officials call the ads tantamount to interference in the negotiations. They accuse the contractors of trying to intimidate union members and say the group is overestimating unemployment in the trades.

RETREAT NO MORE

Relations have become so strained that contractors say their union counterparts won't sit down with them to discuss safety issues. For the first time in 14 years, the sides called off their annual winter retreat.

"There was a trust here, but now that trust is broken," said Gary LaBarbera, president of the Building and Construction Trades Council of Greater New York, an umbrella labor group.

The flare-up comes as the construction industry is still reeling from the recession and as nonunion workers get more jobs across the city. Moreover, there has been a small but disturbing rise in fatalities on unionized jobs.

According to the Occupational Safety and Health Administration, five workers have died through February, two of them on union sites. That compares with three fatalities in the same period last year, one of which was on a union job. There were eight deaths in all of 2010, three on union jobs.

Louis Coletti, chief executive of the Building Trades Employers' Association, said he was rebuffed when he called union officials to discuss the mortality trend.

Mr. LaBarbera insisted in an interview that a meeting isn't necessary. Additionally, he said, it is inappropriate for management to reach out directly to union members with the ad campaign, which BTEA launched in March.

He said the campaign is designed to scare union members with dire predictions of what will happen if they do not make major concessions.

For example, the website linked to the ads states that if the 25% cost difference between union and nonunion jobs isn't reduced, "union contractors and union members won't have projects to build." It also claims that 30% of union construction workers are unemployed and shows photos identified as projects using nonunion labor. A chart posted on the site indicates a massive increase in nonunion hours since 1974.

STRICTLY EDUCATIONAL

"The goal all along has been to provide information and education so [union members] understand the situation," said Mr. Coletti.

Though Mr. LaBarbera concedes that nonunion labor has made inroads, he notes that major projects such as the World Trade Center are union jobs.

"The leaders of the building trades are extremely upset," said Mr. LaBarbera, who insists that union unemployment is closer to 20%. "BTEA is trying to undermine the union leadership."

Such rancor contrasts sharply with the good will shown during the recession, when the sides worked together to reduce costs in an attempt to spur building. In 2009, they collaborated to implement changes that they then calculated cut costs by about 15%. To achieve that, unions altered work rules, and management shaved profit margins. Last year, *Engineering News-Record*, a trade magazine, recognized the parties for their unique partnership.

Those savings, however, have not been enough to ward off the threat of nonunion workers, Mr. Coletti said. The cost differential between union and nonunion labor, currently between 25% and 30%, must be reduced to between 8% and 10%, he said.

Mr. Coletti stressed that BTEA members are willing to pay more to use skilled union labor but said they are losing jobs because of the higher costs. "This is not a race to the bottom," he said. "We are not the enemy. We want to use union labor."
