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Union change or die

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New York City's construction unions face a crisis that verges on "change or die." The good news is that where they need to compromise isn't so much wages or even benefits, but work rules rooted in interunion rivalries.

Things are tough industry wide, as the New York Building Congress reported this week. Construction spending in the city is down 23 percent from 2007, and employment is off 15 percent over the last two years -- meaning nearly 20,000 fewer jobs.



Practically the only union shops left are on gov't-backed jobs: A worker securing cable near the top of 1 WTC last month.

And the unions are facing the stiffest competition ever from a nonunion workforce that is becoming increasingly skilled and flexible, capable of erecting the most sophisticated buildings. Developers and contractors who once relied on all-union workforces are now finding ways to mix union and nonunion workers -- and many union members are quietly taking nonunion jobs, because that's all that's available.

Today, there are some 700 stalled sites throughout the five boroughs, according to the Building Trades Employers' Association, which represents unionized contractors.

Only a handful of union-only private projects are being built in the city. The only force staving off total disaster for unionized construction is the public sector, which is building the Second Avenue Subway, the World Trade Center site and a few large environmental projects. Without government jobs, construction-union unemployment -- already around 30 percent -- would surely soar to historic highs.

Yet nonunion jobs, no more than 10 percent of the industry in the 1970s, are now generally thought to be 40 percent of the total -- and growing.

How can such an erosion of union jobs be occurring -- almost without public notice -- in this city once regarded as a bastion of labor strength?

The answer is economics: Union workers cost a project 20 to 30 percent more than nonunion. But the costs are not merely wages and benefits, generous though they are by most standards. In many ways, the far more serious problems for management are the entanglement of work rules, featherbedding, unproductive practices and jurisdictional disputes that slow down and often halt work.

These disputes are unique to the union world and simply don't occur on nonunion sites.

Quarrels *between* unions over jurisdiction -- which crafts are entitled to perform which tasks -- have been bitterly contentious since the start of collective bargaining. Iron, steel, glass and reinforced concrete -- the basic materials of any skyscraper -- all became targets of early battles that continue today.

Plasterers, bricklayers and cement finishers fought among themselves over laying the concrete; lathers and ironworkers fought over reinforcing bar (rebar). Then innovation last century ushered in arguments between carpenters and sheet-metal workers over installing metal window frames, doors and trim.

Indeed, every innovation in construction methods or materials introduced new disputes - - and often serious vandalism -- by warring unions.

Jurisdictional conflicts seriously undermine productivity and raise costs in New York -- yet aren't even an issue in competitor cities. They've become the most important reason not to use union labor.

The good news is that the unions can do something about these destructive disputes. Back in 2009, they tried to curb the worst abuses through Project Labor Agreements, which were negotiated site by site to mandate such basics as a full 8-hour workday in

exchange for an 8-hour paycheck, standardized holidays, staggered start and finish times, overtime capped at time-and-a-half and prohibition of strikes or stoppages.

But developers and contractors concluded that the PLAs were mainly unenforceable and that the promised savings of 20 percent turned out to be more like 2 to 3 percent.

Now there's a better chance to fix the problems. On June 30, 23 labor contracts expire, giving the unions a historic opportunity to propose reforms that will save their jobs. This means:

- * Removing restrictions on the contractor's choice of equipment, technology, tools, methods, designs and materials, prefabrication and off-site work -- all of which should be in the domain of management discretion.
- * Abolishing contractual requirements for temporary services.
- * Starting and ending the workday at the worker's assigned station.
- * Making an 8-hour day, 40-hour week the standard, with overtime to be paid at time and a half over 40 hours.
- * Permitting staggered start times among and within trades.
- * Limiting paid days off to major national holidays.

Union construction labor now costs 20 percent to 30 percent more than nonunion; these reforms would bring it closer to the 10 percent that many developers say is tolerable. Without them, private-sector union work will continue its vanishing act -- a tragedy for the union workers who built New York.

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