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Civic Group Says That Concessions Are Needed From the Construction Unions

By [CHARLES V. BAGLI](#)

A prominent civic group has joined builders and real estate executives in calling for major concessions from the unions that dominate the construction industry, saying cuts are needed to allow major projects to move forward.

The group, the [Regional Plan Association](#), is supported by corporations, including some connected to real estate, and by planning groups in New York, New Jersey and Connecticut. It is a respected organization known more for advocacy on transportation issues and large public works than for taking sides in labor matters.

But the association has quietly circulated a 51-page report saying that the expiration of 30 union contracts in June presents a chance to reform the \$25 billion unionized construction industry by eliminating what the report calls obsolete work rules and featherbedding; by adopting a standard eight-hour day for all building trades; and by reducing benefit packages.

Members of the association are scheduled to present the report, “Construction Labor Costs in New York City — A Moment of Opportunity,” to Deputy Mayors Stephen Goldsmith and Robert K. Steel on Monday.

“Given the wrenching changes in the real estate industry since the recession,” said Robert Yaro, the president of the [Regional Plan Association](#), “a growing number of builders have found that they can no longer support high labor costs.”

“This is not about what union workers are paid,” he added. “It’s about work rules and productivity. Those are things that should be changed.”

The labor negotiations come at a critical time for the construction industry, as a growing number of buildings in the city are being constructed with cheaper, nonunion labor.

The [Building Trades Employers’ Association](#), a group that represents contractors, has paid for subway advertisements and [a Web site](#) directly appealing to union members to agree to concessions, angering union leadership in the process.

This month, 400 union construction workers held a noisy protest outside the Taj Pierre Hotel as [Sam Zell](#), founder of Equity Residential Properties, arrived for a speaking engagement. Mr. Zell’s company is building an apartment building at 500 West 23rd Street with nonunion labor.

The construction unions dismissed the report, saying its authors were antagonistic to labor unions. They were referring to [Julia Vitullo-Martin](#) and [Hope Cohen](#), former associates of the conservative Manhattan Institute who now work at the Regional Plan Association and prepared the report.

“So individuals with longstanding right-wing, anti-worker associations and views want to blame labor for our economic problems,” said Paul Fernandes, a spokesman for Gary LaBarbera, president of the [Building and Construction Trades Council](#), a union umbrella group.

“This draft report is rife with factual errors and omissions that reveal its underlying ideology,” he added.

“The only thing missing from this piece of garbage is the [Koch brothers](#) and the governor of Wisconsin.”

The once cordial relationship between Mr. LaBarbera, whose group represents about 100,000 workers, and Louis J. Coletti, president of the Building Trades Employers’ Association, has become strained. Mr. LaBarbera “won’t sit in the same room with

Coletti,” said a union lawyer who insisted on anonymity because he was not authorized to discuss the matter.

Real estate and construction executives said they were not trying to create a “Wisconsin,” referring to political efforts in Wisconsin and elsewhere to strip union workers of bargaining rights.

“This is about saving the industry,” Mr. Yaro said. “It is by no means an attack on the unions.”

The [Real Estate Board of New York](#), a powerful lobbying group that represents most of the city’s residential and commercial developers, the contractors’ group and now the Regional Plan Association have conducted a campaign to enlist City Hall, in the hope that the mayor would use his influence on their behalf. But the [Bloomberg administration](#) has thus far seemed unwilling to insert itself into the labor dispute.

The association’s report says developers and owners, who absorbed the higher costs of union labor during the real estate boom, are now under pressure to cut costs because of lower rents and stringent financing terms.

But the report also says that leading developers and contractors are attached to union construction work, in part because “the best union labor continues to surpass nonunion in skills and productivity,” and because the jobs provide “a key channel of upward mobility for millions of Americans.”

The report describes as archaic various provisions that unions have succeeded in keeping around, in contracts that were also signed by employers.

These include the required presence of master mechanics and oilers for heavy equipment like cranes, which have become technologically advanced enough that the mechanics and oilers have very little work to do; and rules that say steamfitters, electricians and plumbers must always be around to monitor heat, electricity and water service, which the report likened to an apartment building having a full-time plumber rather than simply calling one when a leak occurs.

The report also called for eight-hour shifts to officially begin when a worker reaches his station, not when he arrives at the ground level, an issue in tall construction sites where many men are using a few hoists to get to the floors where they are working.

“To keep union firms competitive, the ongoing labor contract negotiations — and reformed work rule practices — must bring the union-nonunion differential closer to 10 percent from the current 20-30 percent,” the report says.

“If this does not happen, nonunion labor is likely to gain an ever-increasing share of the market, forcing union developers and contractors to accept open-shop arrangements or leave the construction business.”