

PMCA & UA Local 290 Contract Negotiations
March 16, 2011
1:05-6:20, approximately
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Mason went through the details on the PMCA Oregon website. He said the information on the site is intended to be fact-based; please let us know if you see any inaccuracies. We are responsible for the future of our industry. Anything we can do to improve our reputation should be a common goal.

Mason made the following points with respect to the information on the website:

- Man-hours have been declining. 2010 was the lowest in 15 years.
- A Journeyman fitter package is \$55.98/hour, \$116,000/year. Benefits makes up \$42,411 of that yearly amount (\$20.39/hour or 36% of total package). These costs don't include other employer costs such as safety, equipment, office staff and overhead, vehicles, etc.
- Wage increases have varied between \$0.90 - \$2.13 since 1996.
- A \$7.00 increase, which is the Union's opening proposal, is a 12.5% increase. That's 461% more than the historical average of \$1.52.
- The 5-year average for CPI is 2.3%, 10-year average is 2.1% and the 15-year average is 2.4%. If you had just been receiving CPI increases your current package would be \$9.04/hour less than it is.
- Market share is declining. Currently only 40% of the work is Union. We're the minority in this equation. Market share is the lifeblood of our industry; if we lose market share the ship sinks. Industrial design work is happening more and more outside of the U.S.
- In the Los Angeles area, they are doing some pretty radical stuff to regain their market share, which is currently only 17%. They are doing anything and everything to reduce crew costs and get the work.
- We can't put all our eggs in one basket with Intel. We need to try to regain market share in our service, high-tech and industrial disciplines, in large and small towns. We won't see boom times like 1995 again.
- I don't understand the Union's approach to voting. Why do members have to be on-site to vote? That is a 400-mile drive for many. This is not a democratic process. That is my one opinion statement in this presentation and would encourage the Union to re-think that approach. With today's technology there is no reason why voting has to be limited to on-site.

John opened up the floor for Q&A.

Q: Isn't the extra cost to employers outside of the wage/fringe package also a cost to non-Union companies as well?

A: Mason said yes, non-Union has these costs as well.

Q: You have posted links to non-Union competitors' websites. How does advertising for our competitors help our market share?

A: Mason said I think we need to know who our enemy is.

Q: I don't agree that we should compare ourselves to Local 16 in LA. The labor force at 290 is more skilled than down there. Local 16 guys work everywhere, even for non-Union companies and we don't tolerate that. There is a huge difference between them and us.

A: Mason said I agree completely. I don't want to see us go there either. Frank said that was their response to the gravity of the situation down there. Ed said San Diego is totally non-Union now. LA has slowly declined.

Q: Do you have a productivity rate comparison between Locals?

A: Mason said we don't see comparisons among Union Locals. We only see between Union and non-Union. Dustin said his observation is that the productivity is better up here than down south, although we have fairly established "steady Eddies" in other areas we typically operate in.

Q: Isn't it apparent that your "steady Eddies" aren't your most productive group?

A: Mason said we have an established group in Chandler that is productive, but it gets more difficult with other Locals we don't know.

John said we strive to provide the best. We haven't heard complaints about our craftsmanship and productivity. Mason said this is critical to the long-term success of our industry. Out-of-town work is difficult because we are at the mercy of the Local. I need to be able to bring in the guys I trust. Portability is a real issue for us; some of our customers want us to work all over. Dustin said the 50/50 name call is more critical for us. It allows us to go after projects more aggressively.

Q: What is your strategy to deal with the GCs who aren't Union supporters and award work to non-Union contractors?

A: Mason said we have a little bit different view on that. The GCs are our customers too and they have a right to make this choice. We want to make sure they make an educated decision. If I apply pressure to them about that they just won't work with me at all. We leave it to John to have the difficult conversation with them. Ed said we try to feed you the information. It gets us into trouble if we make waves with the GCs. Sometimes they can't give us the work because our numbers are too high. Frank said this is a balancing act for us. Hoffman still creates a lot of jobs for us. Mason said all of the big GCs have the ability to run with dual gates. I wouldn't be surprised if they bring Big J up here. They don't want disruptions.

Caucus 2:24-3:00

Frank asked what the Union's position is on their language proposals. John said we are waiting for your rebuttal on those. Frank said we will address those before we talk about economics.

Frank distributed and discussed the PMCA Tentative Agreement document.

Section 4.1(a)33 – We have TA on this.

Section 4.1(a)48 – We have a counter on this to add "cut and cap" in parentheses after "dismantling."

Section 9.1(b)3 – We have a counter on this. We reviewed this with legal and we don't advocate a place that is not legal and zoned for business use. We suggest requiring a \$200k bond. John asked if a \$200k bond is retroactive to existing employers. Frank said we have no issue with that.

Section 11.6(f) – We have a counter on this. We want it to be made clear that this is taxable to the employee.

Section 21.7 – We agree to all the language changes in the Welding/Brazing Article, but in 21.7 we want to keep existing language with two hours.

Frank distributed and discussed the document regarding Hiring Hall language.

Section 1.7(g) – We want to keep the number at 15. This is not the time to change this.

Section 1.10(b) – We had asked about a combination form that employers could present to the Union as an alternate. We are waiting for a response from the Union on this.

Section 1.10(f) – We want to keep existing language.

Termination Notice – We are okay with the Union’s proposal on this.

Frank distributed and discussed the document regarding PMCA proposals.

Proposal #1 – We need a 3-year agreement; it brings stability to our industry and our clients. Some of our contractors are bidding jobs 3 years out. This is a critical issue to maintaining our market share.

Proposal #2 – We are okay with a LOU for the Standards for Excellence. Mason said we want the Standards for Excellence printed in the book along with the LOU.

Proposal #3 – An updated drug and alcohol policy is one of the most important things we can do to maintain safety. Our customers want this.

Proposal #4 – We are staying with our proposal on this. This is a small thing we can do to help productivity.

Proposal #5 – We are withdrawing our proposal on this and want to stay with existing language. We dealt with a grievance on this issue yesterday where someone got off the bus 1 minute late and wanted 30 minutes of overtime plus 2 hours pay for every day until they got paid. This all balances out. Sometimes they will be early. This is a non-productive issue.

Proposal #6 – We are withdrawing our proposal on this.

Proposal #7 – We are staying with our proposal on this.

Proposal #8 – We are withdrawing our proposal on this and want to stay with current contract language.

Proposal #9 – We are willing to discuss alternatives to the IRC, such as a list of arbitrators that we select from.

Proposal #10 – We are withdrawing our proposal on this and want to stay with current contract language.

Proposal #11 – We want to add “welding/brazing” after “competency test.”

Proposal #12 – We are withdrawing our proposal on this and want to stay with current contract language.

Proposal #13 - We want to add “welding/brazing” after “competency test.”

Proposal #14 – We are proposing to add a new section “d,” making this voluntary.

Frank said we surveyed our contractors before negotiations. Large and small contractors are equal in my eyes. Some are barely keeping their heads above water, and some are doing okay. The majority of our contractors want a freeze and we asked them what they can afford. Our proposal is based on their response. In the first year of the contract we want a wage freeze. In the second year, we hope things are looking better and propose a \$0.25 increase. In the third year we propose a \$0.50 increase.

John asked about the Union’s travel pay proposal. Frank said we want to keep existing language. This is not the time to increase these costs; it will cost us jobs. Most of our employers are good about paying more than the contract requires.

Caucus 3:30-5:30

John said there are still some proposals we intended to present at the meeting that was canceled, so we will get those to you.

John gave responses to the PMCA Tentative Agreement document.

Section 4.1(a)48 – We propose the following: “The operation, maintenance, repairing, servicing, dismantling, cutting and capping...”. Frank said we have a TA on that.

Section 9.1(b)3 – We want to keep existing language. The existing language hasn’t been an issue. Bonding issues can be taken up with the trust.

Section 21.7 – We are staying with our proposal for 3 hours. Frank said this agreement can sunset. If we don’t agree to it, it goes away.

John gave responses to the document regarding Hiring Hall language.

Section 1.7(g) – There are some shops that never have 15 people. We can’t get people dispatched, they get starved out and have to move. It makes it difficult for us to man the job. We still agree that we need name call, but 15 locks people out. If they are not skilled, you can terminate them. We propose to reduce the number to 7. Mason asked how long this language has been in. John said back when we were organizing those areas. Ed said he thinks it was in the 80’s and was meant to help the smaller shops.

Section 1.10(b) – We are okay with your proposal and can add “or as accepted by the hiring hall” to the language.

Section 1.10(f) – We are okay with keeping existing language, but want to remove “pre” from “pre-employment.”

Termination Notice – We need to make sure there is a space for the employer’s address and telephone number.

John gave responses to the PMCA proposals.

Proposal #1 – We agree that there is uncertainty. That’s why a 1-year agreement makes sense. Then we can see how the economy shakes out.

Proposal #2 – We are okay with the LOU and adding the Standards for Excellence into the contract.

Proposal #3 – Bring the most current panel limits to the next meeting so that we can review. Frank said you have those in the proposal from the committee. John said we will propose to the members to raise the limits and to list the certified labs in the policy.

Proposal #4 – We do not agree with your proposal. We think it will save you money not to have this in the contract. This will be an issue on larger jobs. What is a “package?” This is what you hire workers for. Keep existing language.

Proposal #7 – We are not interested in voluntary time for make-up. This is a logistical mess for us.

Proposal #8 – We are staying with our proposal on this. We understand you have withdrawn yours.

Proposal #9 – We are not interested in the IRC. We are big enough parties that we can come to agreement. We can go to non-binding arbitration if we agree. We have the ability to agree to alternative plans now.

Proposal #11 – We feel you already have the ability to request welding/brazing certificates. This is done on our dime; we spend money to have the test done. Frank said a lot of contractors are still doing their own testing. Mason asked what if a member busts a test on his first day. John said there are going to be those issues. We are very serious about our welding/brazing program. Mason asked about travelers. John said they won’t get dispatched until we verify their certification.

Proposal #13 – Same response as to proposal #11.

Proposal #14 – Keep existing language. This could put service shops in a bind; you won’t have anyone on-call.

John said we came in high with our wage proposal and you came in low. We don’t want to play the game where we come down \$0.50 and you come up a nickel. We need to have more dialogue on each other’s needs. We will take your proposal to the members on Sunday. Mason asked if it makes sense to lump together the issue of wages, travel and term of agreement. John said yes, we agree that makes sense. We also have a meeting scheduled on the 27th at which time we will present your best and final offer.

Future meetings were scheduled for March 22 and March 24, locations to be determined.

Caucus 6:05-6:15

Mason said we will meet at the training center on the 22nd and hopefully at NECA again on the 24th. Meetings to start at 1:00. John said we will make parking available to you on the office side of the building. We were very disappointed in the meeting that was canceled. We appreciate your concerns with the situation at that time.

Meeting adjourned.