

PMCA Wage Proposal 3-26-11

Mason Evans (President JH Kelly, LLC and Chairman PMCA Negotiating Committee)

Our language and economic proposal are grounded in data and bargained for the long-term benefit of our industry. These charts show our historical highs, lows and averages as well as our recent proposals.

- Our lowest increase was in 2006 at \$0.90.
- Our highest was in 2002 at \$2.13.
- The 5-year average is \$1.34, the 10-year average is \$1.52, and the 15-year average is \$1.63.
- The most recent offer from the PMCA is a freeze in 2011, \$0.25 in 2012, and \$0.50 in 2013. The most recent proposal from UA290 is a 1 year contract with an increase of \$5.50.

I congratulate the people in this room from both negotiating teams.

We have had 7 formal meetings lasting over 38 hours, not including prep time, to review 64 proposals.

Our team has conducted surveys, reviewed historical data, commissioned market studies and evaluated industry best practices.

All of this information is available for review on our website.

Collectively, this data shows that our market has several major challenges.

- The state unemployment rate is over 10%.
- Our state government has a budget deficit of over \$3 billion.
- Several major and important PMCA members did not survive our last contract and others are not likely to survive this contract.
- Our non-Union competition has completed more, larger, and increasingly complex projects with top-tier GCs.
- These non-Union contractors control 60% of the market share.
- PMCA members are losing more prevailing wage work than ever in our history.
- 2010 was the 2nd lowest man-hour total in this past 15 years.
- Our peers in the industry, such as Local 48 electricians, just settled their contract wages at an increase of \$0.80 or 1.5%.

There must be a relationship between man-hours, the market, and the total package.

This will result in difficult choices regarding wages and benefits.

The PMCA represents all of the contractors in our association from Eureka to Astoria.

As an association, our members strongly endorse the drug and alcohol policy as presented and recommended by the Joint PMCA Local 290 Drug Testing Subcommittee.

Our economic offer is based on the data compiled and presented, the current economy, the competitive environment, and the needs of our customers.

Our offer is as follows:

- Increase of \$0.75 in 2011
- Increase of \$1.00 in 2012
- Increase of \$1.25 in 2013

For the benefit of our industry, the PMCA urges that UA Local 290 vote and pass this offer.

Thank you.