

Keep a Good Thing Going

The Washington Nationals Stadium Project: A Model for the Future

JANUARY 2008

LIUNA!

and LIUNA Local 657: D.C. Workers Building D.C.

Keep a Good Thing Going

The Washington Nationals Stadium Project: A Model for the Future

Good Projects, Good Jobs

The \$611 million Washington National's baseball stadium project has been a boon for residents of the District of Columbia seeking good jobs and future opportunities.

For a community that has historically struggled with high unemployment and too few economic opportunities for minorities, the stadium construction has created hundreds of family-supporting jobs with health-care coverage. The project has opened the doors to future advancement with free construction skills training and cleared the layoff benches of already experienced construction craft workers.

In all, more than \$12 million has been returned to District neighborhoods in the form of workers' steady paychecks.

And for the region as a whole, the stadium is a source of pride, nearing completion on budget and on time—in fact, faster than any Major League baseball stadium in history.¹

Despite initial controversy and attacks from a few predictable groups with a history of blocking efforts by working people and minorities to improve their lives, the stadium project has proven itself.

The key to the project's success is the pre-project agreement forged by the District, community leaders, construction contractors, and workers and their unions. This community compact—known as a Project Labor Agreement—is tried-and-true, having been used on major construction and engineering feats from the Hoover Dam to the Trans-Alaskan Pipeline.

For the District, the stadium PLA is a model for the future—a good thing to keep going.



PAMELA EASTER, a D.C. resident and a mother of one, has worked on the stadium for five months. The stadium project is Pamela's first construction job since she finished her training. Pamela says that "working on the stadium project has made a difference in terms of getting work with good pay and benefits."

Project Labor Agreements—Community Compacts that Work

Project labor agreements, or PLAs, are pre-hire collective bargaining agreements that establish the terms and conditions of employment on one or more construction projects. The primary purpose of PLAs “is to facilitate the smooth completion of the project by getting all the participants to agree to certain ground rules.”²

Project labor agreements require all contractors working on a project to adhere to collectively bargained terms and conditions of employment. PLA “provisions standardize and stabilize wages and benefits, starting times, overtime rules and holidays, and related matters.”³

PLAs reduce uncertainty and help ensure that project are completed on time by requiring that all parties “agree not to interrupt project work when disputes arise, but instead to submit all disputes to fast and binding arbitration.”⁴

“In sum, a PLA ensures that in a complex project involving multiple contractors and multiple crafts everybody is working together, points of conflict are minimized, and things get done in an orderly fashion so

that schedules can be maintained and a good quality project is completed on time.”⁵

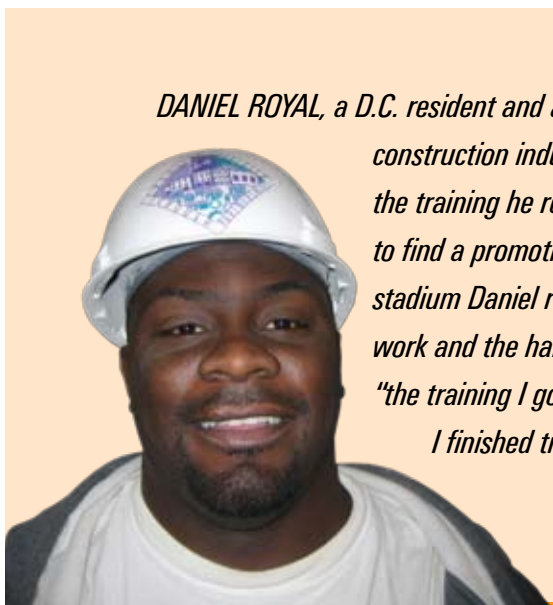
Fulfilling Need—District Economic Background

Historically, the District of Columbia has struggled with worse than average unemployment. As of December 2007, 6.1 percent of District residents were jobless, an alarming figure that is more disturbing below the surface:⁶

- Among African-American males, 10.2 percent are unemployed.
- Among African-American women, 9.8 percent are unemployed.
- The unemployment rate in the District is consistently higher than the unemployment rate nationwide.

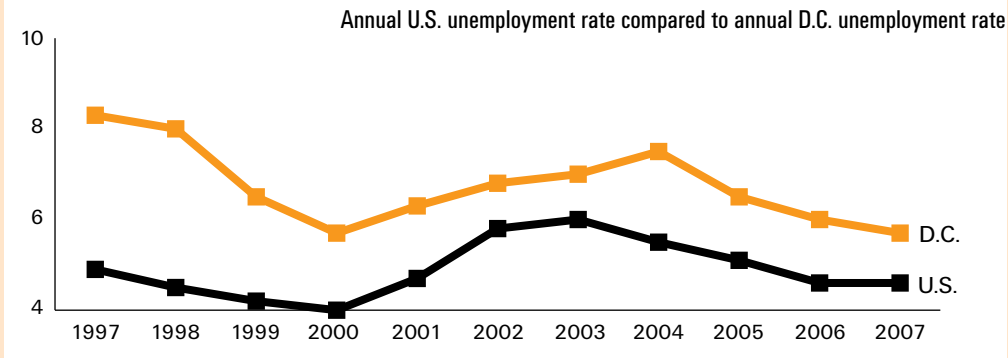
The costs of unemployment and under-employment weigh heavily on community resources and taxpayers. In 2005 the “Washington D.C. Unemployment Compensation Program paid out a total of \$89,120,268 in benefits to 23,680 recipients.”⁷

Unemployment and under-employment creates pressure on community health services as families without health care seek public care.

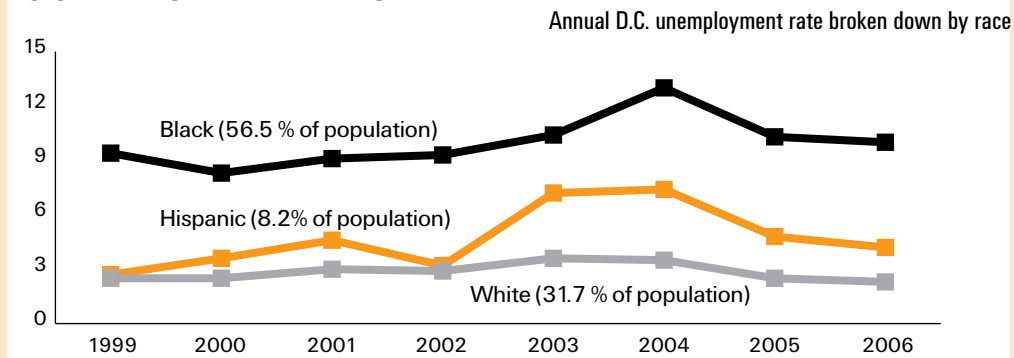


DANIEL ROYAL, a D.C. resident and a father of three, was introduced to the construction industry through his job building the stadium. Due to the training he received on the stadium project, Daniel was able to find a promotion with another union employer. While at the stadium Daniel received training in mason tending, scaffolding work and the handling of hazardous materials. Daniel says “the training I got through my union was great and as soon as I finished training, I got a job.”

UNEMPLOYMENT COMPARISON⁸



DC UNEMPLOYMENT BY RACE⁹



A crucial piece of the solution is clearly good jobs with training for future opportunities.

The Washington Nationals Baseball Stadium PLA has helped hundreds of D.C. families get ahead:

- 87% of all new apprentices working on the stadium project have been District residents.
- 72% of all apprenticeship hours—topping 200,000 work hours—have been performed by District residents, surpassing goals by more than half.
- Due in part to the stadium project, not a single District journeyman is unemployed.

The Washington Nationals stadium project has not only put District residents to work—it has changed lives by helping residents start

family-supporting careers in construction. Through its apprenticeship and continuing training programs, local construction unions have provided free training to hundreds of residents new to construction. Stadium workers have been trained in skills that employers need, including OSHA training, masonry work, forklift operation, scaffolding and other skills.

How PLAs Work

PLAs are pre hire collective bargaining agreements that apply only to a specific project and determine the wages, hours and other terms and condition of employment for the duration of the project. PLAs are typically negotiated between a collection of labors unions and the project manager who represents the interests of the government,

in public construction projects, or the project owner, in private construction projects.

Because PLAs are negotiated on a project specific basis, they can be tailored to meet the needs of the particular project and the local community.

PLAs are “ideal for complex projects that have an extended construction schedule and involve multiple crafts and trades.”¹⁰ Complex construction projects tend to require workers having a variety of different skills, such as earthmoving, concrete, masonry, scaffolding, carpentry, plumbing, electrical and finish work.

Coordinating the large labor force, made up of contractors, subcontractors and their employees, all of whom must work side-by-side, is a necessary but difficult task. Failure to properly coordinate the work force can lead to costly construction delays. Project labor agreements reduce some of the uncertainty inherent in large scale construction projects by ensuring a steady flow of highly qualified labor, harmonizing hours and holidays across construction trades workforces and modifying shifts and work schedules to meet the project’s needs.¹¹ This is particularly necessary for large or complex project that need to be completed on a tight schedule.¹²

The PLA as a Community Compact

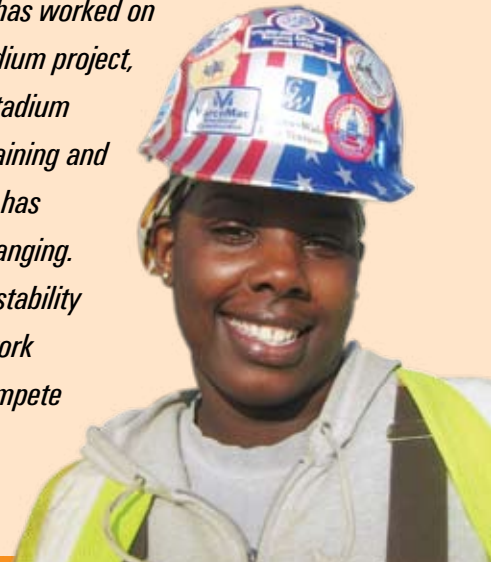
Workers

Workers benefit from PLAs because they establish a steady stream of family-supporting jobs for the local workforce. The jobs involved in projects governed by PLAs are family supporting jobs because wages and benefits, including health care, are set based on community standards. This means that all contractors, union and non-union, competing for the project agree to the same set of wages, standards and working conditions for their employees. A contractor cannot lower the bar for all workers by reducing its workers’ pay and benefits in order to make its bid more competitive.

Not only are wages and benefits prearranged, but PLAs establish benefit management systems which include health and pension plans that are open to both union and non-union workers. The benefits are usually more comprehensive and generous than non-union plans.¹³ “Many non-union workers earn the best pay and benefits of their working lives under PLAs.”¹⁴

Project labor agreements can make jobsites safer by establishing labor/management

NIESHA HARRIS, a D.C. resident and a mother of one, has worked on the stadium for six months. Prior to working on the stadium project, Niesha was unemployed. Niesha likes working on the stadium because “at the stadium job there is better pay, good training and lots of overtime.” While working at the stadium Niesha has received training in concrete finish work and dry wall hanging. Niesha credits her stadium job with providing financial stability and says “my future is better because of the stadium work because I have gained more skills and experience to compete for jobs.”



committees to deal specifically with health and safety issues. These committees proactively address safety issues for the entire project so that all workers can operate under the safest conditions possible. The health and safety committees can also deal with issues that arise during the course of the project more quickly than if those concerns were being addressed by individual contractors.

Project labor agreements can be used to create effective training and recruitment programs for new workers, addressing a critical need in light of the reported looming skills shortages in the industry. Training is generally free for workers through trades unions working in partnership with employers. The combination of skills training and on-the-job experience help workers move through various levels, from an apprentice to a journeyman towards a career they can be proud of. By learning new skills and gaining additional experience matched to employer needs, PLA workers are able find additional opportunities for advancement. The training opportunities in PLAs help turn entry level jobs into family-supporting careers in the construction industry.

Communities

PLAs help to provide a steady stream of work for local construction workers because the projects “tend to be large and long-lasting.”¹⁵ Moreover, PLAs can be designed to address a wide variety of needs in the local community. PLAs can be crafted to benefit the local workforce by including local hiring goals and requirements, as in the case of the Nationals stadium project.

PLAs can also include community outreach programs that facilitate the enrollment of local workers into apprenticeship programs. Community outreach is often targeted towards women and minorities who are underemployed in the local workforce. Such programs are the first step towards a stable,

BRYANT ALLEN, a D.C. resident, has worked on the stadium for a little over a month. Prior to working on the stadium project, Bryant worked for a nonunion construction employer. Bryant says he likes working on the stadium project because “there is a lot of work, you are always busy and you get to help build the metro area. I really enjoy being a part of building the stadium.”

fulfilling and family supporting career in the construction industry.

When a PLA emphasizes local employment “the project’s payroll stays in the community and contributes to its prosperity.”¹⁶ By improving working conditions and expanding local work opportunities, project labor agreements benefit the entire community for the duration of the project and beyond.

Contractors

PLAs benefit contractors not just by helping to ensure a skilled and productive workforce, but by also leveling the playing field for responsible employers by preventing unscrupulous contractors from low-balling bids based on substandard wages.

There is no substantial evidence that project labor agreements decrease the number of bidders on construction projects, nor is there substantial evidence that project labor agreements raise the costs of construction projects.¹⁷

In addition to not discouraging bids and not raising the costs of projects, PLAs level the playing field between contractors by requiring

both union and non-union contractors to pay prevailing wages and standardizing working conditions. Some have claimed that PLAs discriminate against non-union contractors in favor of union contractors. That is not true. Instead, projects are “rewarded to the lowest responsible bidder regardless of whether the contractor has a collective bargaining agreement with its workers.”¹⁸ A contractor, both union and non-union, is free to compete in a variety of ways to make its bid the lowest in order to earn them the job. The PLA simply stipulates that neither a union nor non-union contractor can lower its bid on the backs of its workers by cutting back on their wages and conditions of employment.

Another benefit of PLAs for contractors is the “guaranteed pool of highly trained, skilled labor, who agree to the terms of the agreement, including no strike clauses.”¹⁹ A California study shows that contractors who use PLAs maintain that on complex, long term projects, a PLA fosters positive communication channels to address workers’ concerns, grievances or disputes and resolve them quickly, thereby creating continuity and stability of the workforce at the job site.²⁰

Taxpayers

PLAs decrease uncertainty making it more likely that projects are finished on time and on budget. The “desire for smooth project coordination, enhanced by a stable labor base, drives the need for a PLA.”²¹

PLAs “eliminate costly labor-caused delays in large construction projects.”²² PLAs have a “superb” record of performance in minimizing project budget increases caused by labor problems.²³ Labor caused delays are avoided because “the central part of every PLA is the ‘no strike’ pledge given by the workers” on the project.²⁴ PLAs have built in mechanisms for quickly resolving labor disputes. As PLAs exist independently of local union agreements, they are immune to delays caused by local union disputes and organizing efforts.

Health and safety programs established by PLAs help save millions of dollars by reducing jobsite wellness and injury risks.²⁵ PLAs can be formed to allow “alternative dispute resolution and modified health-care delivery and claims management procedures,” which can drastically reduce workers compensation costs.²⁶

COURTNEY HOLMES, a D.C. resident and a mother of one, has worked on the stadium for five months. Prior to working on the stadium project, Courtney worked for a nonunion construction employer. Courtney prefers her current union employer and says that “working on the stadium has made a difference in my life because I can set more long term goals for my future.” Courtney says her employment future is brighter because on the stadium project she received training in OSHA, flagging, job readiness, mason tending and concrete work.

Tried-and-True: PLA Success Stories

Project Labor Agreements have helped successfully create some of the world's most impressive construction and engineering feats:

- Hoover Dam, 1931-1936
- Grand Coulee Dam, 1933-1942
- Shasta Dam, 1938-1945
- St. Lawrence Seaway, 1954-1959
- Disney World, 1967-1971
- Trans-Alaska Pipeline, 1973-1977

Project Labor Agreements continue to help build America:

- Route 1-15 Project, Salt Lake City, UT
- Toyota Assembly Plant, San Antonio, TX
- T.F. Green Airport, Providence, RI
- East Side Union High School District, San Jose, CA
- Adriaen's Landing, Hartford, CT
- Des Moines Event Center, Des Moines, IA
- Port of Oakland, Oakland, CA
- Woodrow Wilson Bridge, MD

Who Could Be Against This?

The D.C. Economic Empowerment Coalition or DEEC, has spent significant sums on mailing and advertisements maligning the stadium project.

Despite their claims, DEEC is not an impartial advocate for D.C., but is a front-group for out-of-town contractors and the association to which they belong—the Associated Builders and Contractors.

IRS 990 forms show that ABC has provided six-figure financial backing to the DEEC.²⁷ Moreover, the DEEC's sister organization and Political Action Committee, Citizens for Empowerment is heavily funded by MC Dean, a Virginia electrical contractor, and Miller & Long, a Maryland contractor, both ABC activists. According to filings with the District of Columbia Office of Campaign Finance, Citizens for Empowerment received \$125,000 from Miller & Long and \$75,000 from MC Dean in 2005.²⁸ Even the DEEC web site (<http://www.deec.org>) is held in the name MC Dean.

IN FOCUS: THE WOODROW WILSON BRIDGE PROJECT

The construction project to build a new Woodrow Wilson Bridge across the Potomac River was divided into three separate contracts. The Maryland and drawbridge sections of the bridge used PLAs. The Virginia section did not. The Maryland and drawbridge sections are ready to open six months ahead of schedule. The PLAs for the Maryland and drawbridge sections utilized monthly meetings between the project manager, unions and contractors that facilitated coordination and lead the way towards under-budget and ahead of schedule completion. Despite being a project that is approximately one quarter the size of the Maryland and drawbridge sections, the Virginia section is still not ready to open.

The groups behind DEEC are on a mission to smear the baseball stadium project not because they believe in a community compact that advances everyone's interests, but because they are interested only in their own profits and oppose provisions that reward work, create future opportunities and support minority communities.

ABC History and Mission

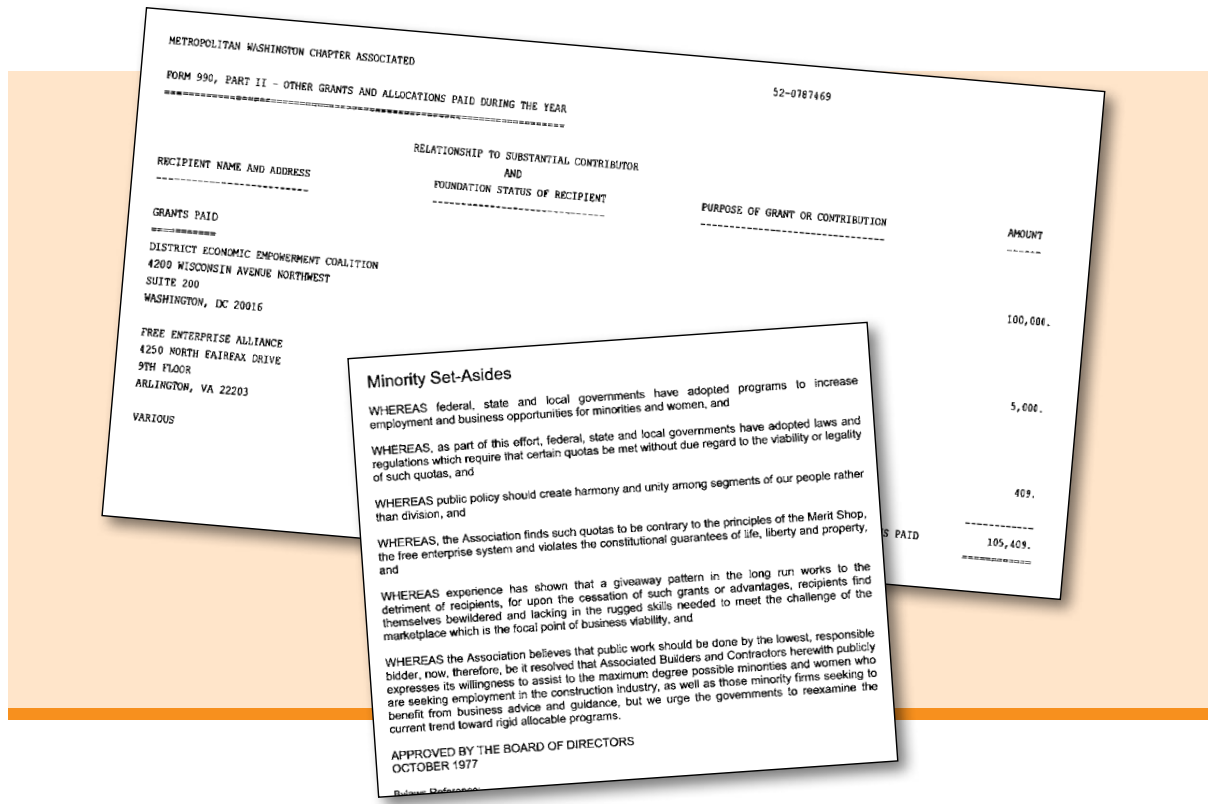
ABC was formed in 1950 in Baltimore by a group of contractors determined to fight workers and their unions. They are philosophically opposed to programs that help in the advancement of disadvantaged groups. Their stance on women and minorities, laid out in their bylaws, while cloaked in the language of inclusion, is actually anti-affirmative action, anti-local hire and anti-minority contractor set asides.²⁹

Where Does ABC Stand on the Issues?

ABC comes down against construction workers on issues from wages to minority advancement.

Since its founding, ABC has spearheaded numerous campaigns to prevent the use of project labor agreements on public construction projects.

ABC opposes Davis-Bacon prevailing wage laws arguing that communities should accept lowest bidding contractors without regard to other factors. This opens the door for contractors to win bids on large projects by cutting costs and lowering standards. The community loses because any jobs created will be with substandard wages and benefits that will drive down existing community standards.



ABC Craft Training

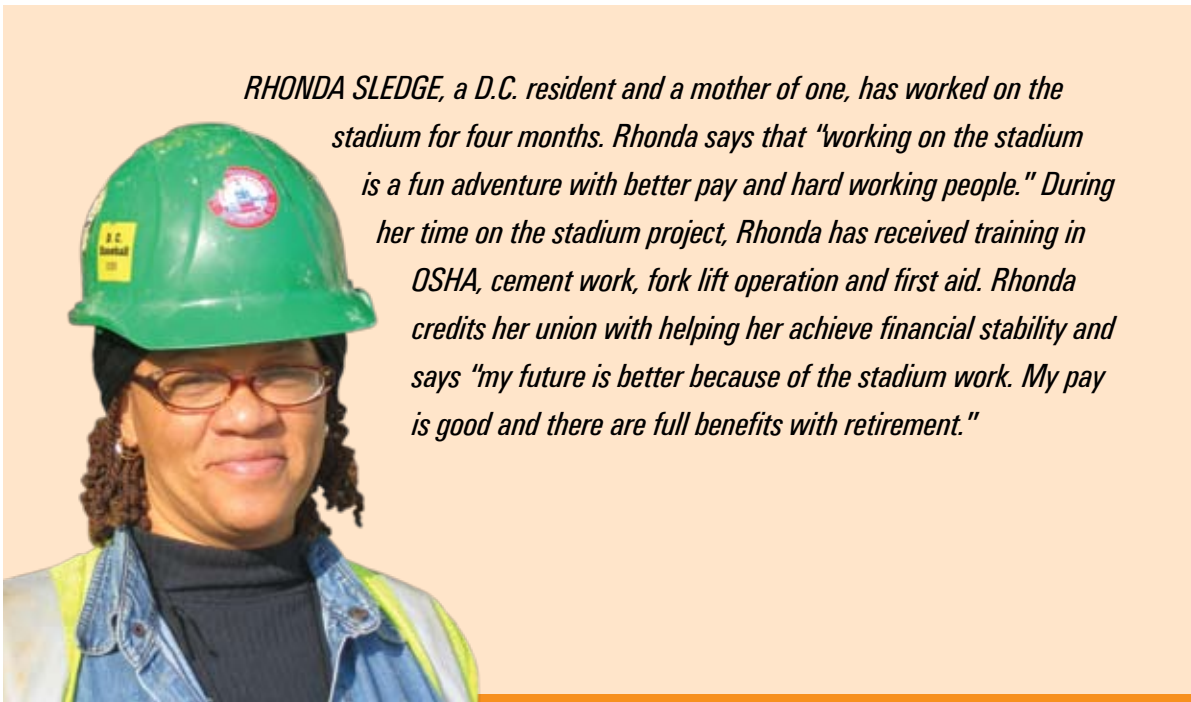
Although ABC bills itself as a training provider and operates numerous training centers across the country; they are doing little to accomplish their stated goals. A report by the Building and Construction Trades Department at AFL-CIO found that, “The combined figures for all of the nation’s Associated Builders and Contractor’s apprenticeship programs reveal a small and ineffectual training program.”³⁰ In fact, their nationwide graduation rate is only 29% or less than 5,000 graduates a year—in an industry that employs 10 million workers.³¹

Let’s Keep a Good Thing Going

As Washington, D.C. prepares for future investment—in its schools and other public projects—officials must make sure investments do not exacerbate disparities and shortcomings in the city.

The lessons of the Nationals stadium project are clear. A community compact in the form of Project Labor Agreements can best serve all parties—residents, workers, taxpayers and business.

The District should keep a good thing going. It cannot afford to pass up this opportunity to keep residents employed in family-supporting constructions jobs with good benefits and a path to advancement.



RHONDA SLEDGE, a D.C. resident and a mother of one, has worked on the stadium for four months. Rhonda says that “working on the stadium is a fun adventure with better pay and hard working people.” During her time on the stadium project, Rhonda has received training in OSHA, cement work, fork lift operation and first aid. Rhonda credits her union with helping her achieve financial stability and says “my future is better because of the stadium work. My pay is good and there are full benefits with retirement.”

STADIUM EMPLOYMENT FACTS

- 72% of all apprenticeship hours have been performed by District residents.
- 87% of all new apprentices working on the stadium project have been District residents.
- 1/2 of all new stadium hires are District residents.
- 1/3 of experienced and seasoned journey-level workers on the stadium are District residents.
- Due in part to the stadium project, not a single District journeyman is unemployed.
- Over 211,650 apprentice-level work hours on the stadium have been performed by D.C. residents.
 - D.C. residents at the apprentice level have earned approximately \$2,963,128 on the stadium project.
- Over 343,180 journey-level work hours on the stadium have been performed by D.C. residents.
 - D.C. residents at the journey-level have earned approximately \$9,094,429 on the stadium project.
- Overall, with wages ranging from \$15 to \$28 per hour, the stadium project has brought approximately \$12,057,557 in income to D.C. families.

STADIUM CONSTRUCTION FACTS

The \$611 million project is

- On time
- On budget
- Being completed with an unblemished worker safety record
- Training stadium workers for careers in the construction industry
- Providing hundreds of family supporting jobs for D.C. residents

FOOTNOTES:

- ¹Post, Baseball Park in Nation's Capitol is on its Way to Break the Speed Record, ENR (December 10, 2007)
- ²Scharnau and Sheehan, Project Labor Agreements in Iowa: An Important Tool for Managing Complex Public Construction Projects, The Iowa Policy Project, p. 2 (October, 2004)
- ³Id.
- ⁴Id.
- ⁵Id.
- ⁶Bureau of Labor Statistics, United States Department of Labor, December 2007 Jobs Report <http://www.bls.gov/news.release/empsit.toc.htm>
- ⁷D.C. Department of Employment Services Report
- ⁸Bureau of Labor Statistics, United States Department of Labor, Historical Unemployment Data by Region and Demographic, <http://www.bls.gov/lau/home.htm>
- ⁹Id.
- ¹⁰Rickman, Project Labor Agreements: A Home Run for California, State Building and Construction Trades Council of California (2000)
- ¹¹Belman, Bodah and Philips, Project Labor Agreements, Electri International, The Foundation for Electrical Construction, Inc., p. 1 (January 2007)
- ¹²Id.
- ¹³Rickman
- ¹⁴Id.
- ¹⁵Belman, Bodah and Philips, p. 8
- ¹⁶Rickman
- ¹⁷Id.
- ¹⁸Scharnau and Sheehan, p. 5
- ¹⁹Project Labor Agreements and Construction in Maine, Bureau of Labor Education, University of Maine, p. 1 (June, 2005)
- ²⁰Johnston-Dodds, Constructing California: A Review of Project Labor Agreements, California Research Bureau, California State Library, p. 59 (October 2001)
- ²¹Rickman
- ²²Id.
- ²³Id.
- ²⁴Id.
- ²⁵Id.
- ²⁶Id.
- ²⁷ABC 2006 IRS Form 990
- ²⁸District of Columbia Office of Campaign Finance: <http://ocf.dc.gov/dsearch/dsearch.asp>
- ²⁹Article I, ABC Bylaws Revised 2004
- ³⁰Associated Builders and Contractors Apprenticeship Training: Flawed and Failing Programs, Building and Construction Trades Department AFL-CIO (2003)
- ³¹Id.

LIUNA!

and LIUNA Local 657: D.C. Workers Building D.C.

www.webuildthestadium.org