The Washington Connection

by Jim Hadel
International Vice President and Washington Representative

A New National Maintenance Agreement Provides Work, But at a Cost

The National Maintenance Agreement Policy Committee (NMAPC) met with representatives of Ford Motor Company and Chrysler Group on April 30th to discuss the struggling financial status of the auto industry and the car makers' request for assistance from the NMAPC on future manufacturing-facility construction.

The Committee, after serious discussion and deliberation, approved a series of modifications (concessions) to the current National Maintenance Agreement (NMA) that would allow the corporate giants to save on labor costs. The most notable and substantial of these modifications is the ninety-percent (90%) wage rate. These modifications were approved for a two-year period and will expire June of 2011.

The expected savings from these modifications could not be estimated at the time; however, both companies felt it would provide a major step towards financial solvency over the stipulated time period. In return, both companies agreed to utilize union contractors under the terms of the NMA on one hundred percent of their construction and industrial maintenance projects over the two-year period.

The modifications to the NMA will be in effect at specific Ford and Chrysler facilities in ten states, and these wage adjustments will adversely affect our members working at these facilities. Total membership hours are down by approximately twenty-six percent (26%) for the first six months of 2009, and proposed government relief and stimulus packages so far have produced few results for the construction sector.

The entire country is suffering through the harshest economic downturn in recent history. In that regard, supporting the auto manufacturers in their request was by no means an easy decision. However, consider the fact that work under the NMA has provided over six million man-hours of employment to the roofers union in various industries. Approximately thirty percent (30%)–or 1.8 million–of those hours were attributed directly to the auto industry. The reality is that the auto industry is a significant part of our market share. In addition, take into account the subsidiary industries (steel, rubber, etc.) that are directly affected by the auto industry; these too will increase work opportunities for roofers.

Our manufacturing base–and specifically union manufacturing–has slowly eroded, and along with it are the plants and production facilities that once employed union roofers. We must at least attempt to save what little industrial work we have left in this country.

In summary, our decision to support Ford and Chrysler's request to modify the NMA was based on three factors:

- We have had a harmonious and profitable relationship with Ford and Chrysler for over twenty-five years.
- We felt it was necessary to do our part to assist a struggling industry that has supported union trades and to preserve job opportunities for our members.
- From a public relations point of view, it was the right thing to do when considering the taxpayers' support of the industry and the close media attention bestowed on automakers' plans for restructuring and solvency.

As a footnote, General Motors Corporation has requested to meet with the NMAPC separately to discuss their issues. The first meeting was set for August 5th and we will keep all affected parties updated on any possible proposals.

Project Labor Agreements Make a Comeback

On February 6, 2009, President Obama issued Executive Order 13502 which effectively rescinded the previous administration's ban on project labor agreements (PLAs)–comprehensive pre-hire collective bargaining agreements–and encouraged executive agencies to consider requiring the use of PLAs in large-scale (over $25 million) construction projects. In early July, the Federal Acquisition Regulatory Council (FAR Council) published two notices that (1) repealed a rule prohibiting agencies from requiring PLAs, and (2) proposed, for public comment, a new rule to implement the President's order.

Since the prior executive order restricting the use of PLAs has been lifted, and the FAR Council has rescinded its rule restricting the use of PLAs, agencies are no longer prohibited from requiring the use of a PLA when permitted by law. Therefore federal agencies contemplating construction projects are encouraged to consider the value of PLAs on a project-to-project basis. The good news is that there are already fifteen projects, being undertaken in twelve cities, that are either confirmed or anticipated PLA sites. ■