

March 6, 2014

To: Contractors Considering Bidding New Sacramento Kings Arena

From: Eric Christen, Executive Director, Coalition for Fair Employment in Construction

Re: **What the Impact of the Union Crafted and STILL HIDDEN Project Labor Agreement (PLA) for the New Kings Arena Could Mean for Your Business**

A Project Labor Agreement has been imposed on this public works project, a project receiving at least \$258 million in public subsidy. The Coalition for Fair Employment in Construction stands adamantly opposed to this giveaway to Big Labor special interests. A PLA is nothing but welfare for certain trades who are afraid and unable to compete against their merit shop competitors. As shown below, a PLA will harm the ability of the 85% of the construction workforce in the Sacramento Region who are union-free to build this project.

Here are three examples as to why the Project Labor Agreement is a matter of public concern:

- Mayor Kevin Johnson held a press conference on September 4, 2013 to announce the PLA. (The ill-fated press conference, coordinated by the elite Mercury Public Affairs firm, backfired when opponents of the backroom union deal held their own impromptu press conference immediately afterwards.)
- At the State of the City address on February 12, 2014, Mayor Johnson extensively cited alleged benefits and conditions of the PLA, including a comment about a provision for homeless people and convicted criminals to build the arena.
- Unions and community organizations filed a brief in court on February 14, 2014 in support of the City of Sacramento's position that a petition for a public vote on the arena subsidy failed to qualify for the ballot. The basis for submitting that amicus brief is the alleged PLA.

A public records request submitted by Kevin Dayton of Labor Issues Solutions, LLC to the Office of the Mayor on October 16, 2013 failed to uncover the Project Labor Agreement, although it revealed correspondence about the deal between the mayor's office, union representatives, and personnel of Mercury Public Affairs, a public relations firm working for the Sacramento Kings ownership. Dayton and CFEC's public attempts to obtain the backroom union deal and expose it have proven unsuccessful to date. What are they afraid of? Where's the media?

Regardless, Here are the Requirements of a Typical PLA

Although PLAs are replete with provisions that cut competition, there are four provisions of PLAs that are particularly aimed at harming union-free workers, apprentices, and contractors:

- PLAs require non-union companies to pay their workers' health and welfare benefits to union trust funds, even though these companies have their own benefit plans. Companies thus have to pay benefits twice: once to the union and once to the company plan. Workers never see any of their benefits sent to the unions unless they decide to leave their non-union employer and remain with the union until vested. Worse, contractors could now be held liable for union trust funds that are underfunded.
- PLAs require non-union companies to obtain their workers from union hiring halls. This means that a non-union company has to send its workers to the union hiring hall and hope that the union sends the same workers back. In addition, this provides unions with the opportunity to dispatch "salts" (paid union organizers) with conflicts of interest in employment to non-union companies. A typical PLA will only allow 3-6 non-union workers at most. After that you have to hire exclusively from the union.
- PLAs require non-union companies to obtain apprentices exclusively from union apprenticeship programs. Participants in state-approved non-union apprenticeship programs cannot work on a job covered by a PLA. This means that young people enrolled in non-union apprenticeship programs can find themselves excluded from work in their hometowns.
- Non-union workers must pay union dues and fees or join a union.

Were You Even Aware of This?!

This is What Mayor Kevin Johnson, the Kings Owners, and Local Union Bosses Have in Store for You and Your Company.

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