



The Rank and File Catholic

(Connecting the teaching of the Church with the struggles of Labor)

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PROJECT LABOR AGREEMENTS

By: Todd Johnson,

*based on an article by Larry Roberts, Director of the
Kentucky State Building and Construction Trades*

Project Labor Agreements (PLAs) are market contracts for the procurement of construction services used by owners in both the public and private sector. However, PLAs are primarily a private sector tool. A PLA is a project specific, uniform agreement covering all the crafts on a project, and lasting only as long as the project. It is a comprehensive labor relations agreement – “the job site constitution” – that sets uniform terms and conditions.

PLA use in the public sector is a settled legal question. In its landmark 1993 Boston Harbor decision, the U.S. Supreme Court recognized the value of PLAs in serving the public interest and opened the door for their use by state, county and municipal agencies. Attorney General Jack Conway opined in OAG 10-006, “A Labor Agreement between a local Board of Education and a Labor Union in a school construction project is not prohibited provided the terms of the labor agreement do not offend or violate the Kentucky Model Procurement Code or the public school construction statute found at KRS 162.070.

Each year, government agencies throughout Kentucky spend tens of millions of dollars on construction projects. As stewards of the public treasury, it is the responsibility of government officials to make sure those resources are spent in the most effective and efficient manner possible. Project labor agreements, like many other procurement authorities provided to agency contracting offices, are just one tool that may help agencies achieve greater economy and efficiency in particular cases.

When the government or private owner comes to the market with a large amount of real, tangible work, that owner is in a position to demand concessions. These concessions might include wage discounts or access to apprenticeship training or a host of other possibilities that might be on the owner’s wish list.

There are numerous examples of PLAs that have been used with great success in both the public and private sector including for example, the Tennessee Valley Authority, UPS and Toyota. That’s right, Toyota. In a letter dated February 25, 2011, President Ted Agata stated in part.....Large scale construction projects pose

unique challenges for corporations such as ours that maintain the highest standards of safety, efficiency and productivity. To address these challenges, Toyota has consistently employed Project Labor Agreements for our major construction projects, and we could not have been more pleased with the results. To date, approximately 45 million man-hours have been invested in the construction of nine automobile, truck and component plants in the United States and Canada. In each and every instance, those projects were completed “on time and on budget,” and with an exemplary safety record.” This letter was sent to Mark Ayres, President, Building and Construction Trades Department in 2011 on the 25th anniversary of the first PLA on the Toyota Manufacturing Facility in Georgetown.

Most chemical weapons disposal facilities around the country have been built with project labor agreements including the current project at Bluegrass Army Depot in Richmond. In these cases, the primary purpose of these PLAs is to obtain priority access to skilled labor on projects that were both time and quality critical.

PLAs make no sense in local areas where unions have nothing that the public or private owner wants. But if the government wants priority access to skilled union labor or the investment of union apprenticeship funds in minority training or the use of union hiring halls to facilitate local hire or the transitioning of returning veterans into construction careers or the implementation of project-specific work rules or the application of new drug testing policies or any other union asset or concession useful to a specific project or government purpose, PLAs are the market contract of choice to harvest these benefits in exchange for access to the work the government controls.

Prohibiting Kentucky’s procurement agencies from utilizing a PLA takes the government’s interest out of the game. For instance, the government may be interested in local, veteran or minority hire or the development of construction careers for disadvantaged workers while the contractor conceivably could care less.

Disallowing union contractors the ability to utilize a PLA on public projects will limit

competition as union contractors will not bid on government projects that contain this prohibition which robs the taxpayer of the ability to harvest the full value of their tax dollars.

PLAs need not give the unions or union contractors sole access to the owner's work. In the public sector, PLAs permit nonunion contractors to bid on the work. Government PLAs typically permit nonunion contractors to bring key workers onto the project independent of union hiring halls. PLAs can set aside some work for minority contractors; and some of the work can be set outside the PLA. PLAs are flexible and creative labor procurement contracts that bend to the needs of specific projects.

In sum: PLAs have been demonstrated to be a very useful construction management tool for cost savings, for on-time, on-budget, and quality construction. PLAs allow the government to harvest the full value of the asset they own; namely specific work. They should be used when the government has substantial work to offer and construction unions have something the government wants. To deny government access to this tool prevents the government from representing itself in its own best interest when circumstances warrant. Where a government agency determines that use of a PLA will advance the government's interest in achieving economy and efficiency, producing labor-management stability, and ensuring compliance with law and regulations governing safety and health, equal employment opportunity, labor and employment standards, and other matters, government agencies should not be denied that opportunity.

Editor's Note: Mr. Roberts is an expert on project labor agreements. He was an excellent voice of rebuttal to the anti-labor bill.

A LIVING WAGE CONTRACT

The following is a copy of the contract that was signed for the renovation of St. Stephen Cathedral and is used as a model contract for all major building projects in the Diocese of Owensboro. A major reason we were able to get this living wage contract was because Todd Johnson, a union organizer and member of St. Stephen Parish, made known to the parish council and pastor the importance of paying a just wage in accordance with the Church social teaching.

ITEM NO. 1:

In accord with Catholic Church teaching regarding the dignity of work and the rights of laborers, we require that all contractors who submit bids on St. Stephen Cathedral provide their employees a living wage, which includes health care and pension.

Wages for construction workers on the St. Stephen Cathedral renovation:

Workers shall be paid a minimum of \$16.42 per hour.

Benefits in addition to the above wages:

Retirement Savings Plan, 401K, 3% of wages
Health Insurance, 7.1% of wages

Legally required benefits in addition to the above wages:

Social Security
Medicare
Federal unemployment insurance
State unemployment insurance
Workers compensation

If you do not have a retirement plan or health insurance, they will be paid directly to the employee.

The Chaplain's Corner

Pope Benedict XVI: A Friend of Labor

By: Fr. Anthony Shonis

Holy Name of Jesus Parish, Henderson, KY

Recently Bill Londrigan and I were interviewed on a Catholic radio program about unions. Unfortunately our interviewers were not friends of labor but tried to drive a wedge between the Church and organized labor over the issue of abortion

If unions do become pro-abortion as part of their policy then a wedge will be driven between the Church. However, as Bill and I tried to point out this may be the case somewhere else (California?), it is not the case in Kentucky. The Kentucky AFL-CIO is committed to those bread and butter issues that have formed the backbone of unions; better wages, retirement, job security, safety on the job etc.

However, the unfortunate aspect of the interview was we never discussed Pope Benedicts encyclical Caritas in Veritate (Charity In Truth). Particularly where he speaks about the indirect employer, the people who buy the goods that are made in sweat shops. This is new ground being broken by the Vatican. It is not just the owners of sweat shops that bear a moral responsibility for the plight of the workers, but that responsibility also involves people who benefit from these sweat shops by buy their cheap goods.

In other words in this hour interview, 85% of our interview was spent defending the rights of workers to organize and conveniently the challenges the Pope the issue to our society and economy were never discussed?

The following is an excerpt from the Labor Day Statement of the United States Conference of Catholic Bishops:

Fifty years ago the Holy Spirit gave a gift to the Catholic Church ... Vatican Council II. This was an ecumenical council in which all the bishops of the Catholic Church around 2500 met for four years not to condemn of the modern world but to embrace the world.

"The joys, hopes, the grief and anguish of the people of our time are the joys and hope the grief and anguish of the followers of Christ as well". Para. 1 The Church in the Modern World of the Modern World.

The changes that the Vatican Council II set in motion will not be fully realized for hundreds of years, but the direction has been set...the the Church will engage the modern world and throw its resources behind the struggle for justice and peace.

One area is the role of lay people (baptized Catholics) in the Vatican II's Dogmatic constitution on the Church "The laity by their very vocation seek the kind of God by engaging in temporal affairs ...they life in the ordinary circumstances of family and social life...they are called there by God so by exercising their proper function and being led by the spirit of the gospel, they can work for the sanctification of the world from within."

HABEMOS PAPAM (WE HAVE A POPE!)

By: Father Anthony Shonis and Todd Johnson

The Church has a new Pope, Pope Francis I. The first time in the Church's history we have a Pope from Latin America and from the southern hemisphere. As I listen to people speak about the new Pope I began to think of Pope Leo XIII who issued the great social encyclical, *Rerum Novarum*, On the Condition of Workers.

We now have a Pope who knows, first hand, the inequalities of world economics and the devastating effects of globalization. Yes, globalization has created wealth, but it has also deepened the gulf between the rich and the poor. He knows from experience the human toll that global economic systems have taken on the most vulnerable workers of the world, the poor.

We have in this country our own poor working class. These are the workers for minimum wage who though they work as hard as anyone in society they constantly fall behind. Pope Francis I is also a voice for them

President Barack Obama issued a statement about the new pope: "As the first pope from the Americas, his selection also speaks to the strength and vitality of a region that is increasingly shaping our world, and alongside millions of Hispanic Americans, those of us in the United States share the joy of this historic day."

We look forward to being led by a Pope who in our great social justice tradition, will defend the rights of all working men and women, especially the most disadvantaged among us.

THE TWO PATHS OF FRANKFORT

*By: David O'Brien Suetholz
St. William Parish,
Louisville, KY*

If you ever spent time in Frankfort while the General Assembly was in session you may wonder whether the person you were talking to was from your hometown of Owensboro, Prestonsburg, Sandy Hook, Louisville or whether he or she was American royalty from Kennebunkport. Is this the same person who carries a membership card to my Union? Why is he so friendly during election time and now won't speak with me?

Forgetting where we come from is a grievous and dangerous error.

Jesus, the carpenter who was born in a stable while his parents were immigrants in a foreign city, had a choice to turn his back on his humble roots and embrace the kingly messiah some of his followers thought he should be. Such a king could conquer as David had and reclaim the fabled glory of Israel. Jesus rejected such a path and instead chose to remain intimately connected with people who were rejected by the high and mighty, Samaritans, women, children, and immigrants. He commanded his followers to feed the hungry, clothe the naked, heal the sick, visit the imprisoned and otherwise tend to the outcast orphans and immigrants. If we are to call ourselves followers of this Jesus, the carpenter of Nazareth, His life is our example.

We Catholic Christians are blessed because our new Pope Francis is clearly reminding us in both his words and deeds that we are to stay in intimate contact with those who suffer and toil and are marginalized. Success as a follower of Jesus is not the trappings of power and privilege but rather, service to the least among us. Maintaining the connection with the marginalized is paramount in our journey as believers and followers.

The true labor movement strives to defend and advance all people regardless of creed or color, sex or sexual orientation, nationality or birth. All people are God's precious children and deserve to be treated according to their inherent dignity. No person should be treated as merely a "cog in a machine," a number on a balance sheet or "trade bate" for a difficult budget. Our labor leaders, especially those who assume elected positions, must be conscious that though they are sent to the gilded halls of power, they must remain intimately connected with the people increasingly disregarded by those with power.

This past session thirty representatives consisting mainly labor friendly democrats but also three notable republicans, bravely resisted pressure from the chamber of commerce and the governor's office. Unfortunately the majority, including a card-carrying Union member, turned their backs on the people when they adopted the chamber of commerce's pension elimination proposal for future public employees. Seduced by the mirage of power and esteem they sold out the security of future generations. Some did so without even talking to the groups who represented the affected workers. Their "sell-out" was a failure on many levels.

Additional information may be found on the internet at:

United States Conference of Catholic Bishops; www.usccb.org/sdwp/national/labor.htm

CATHOLIC CONFERENCE OF KENTUCKY: www.ccky.org

The Catholic – Labor Network: www.catholiclabor.org

Catholic Social Teaching: www.osjspm.org

“The Rank and File Catholic” (TR AFC) newsletter debuted on Television on September 30th, 2005. This ½ hour program was recorded at the “West Kentucky Community and Technical College” located in Paducah, KY as part of a series titled “THE UNION LABEL” and was hosted by Berry Craig. Fr. Anthony Shonis, Chaplain of TR AFC, and Mike Roby, Editor of TR AFC, were his guest. A “FREE” DVD of the program may be obtained from the TR AFC staff.

Back issues of TR AFC may be found on Fr. Shonis’s WEB page, www.thecatholicjourney.com under “THE RANK AND FILE CATHOLIC” Tab.

PUBLISHER’S NOTE: The major expense we have in the publication of this newsletter is the cost of distribution! It would be helpful if we could e-mail it to as many as possible. If e-mail would work for you, please send your e-mail address to: mcmurray@insightbb.com. THANKS