The Downfall of Union Labor Dominance for the New York City Construction Trades and Its Effect on Non-Union Labor Growth.

The Downfall of Union Labor Dominance for the New York City Construction Trades

and Its Effect on Non-Union Labor Growth

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A Thesis in the Field of Legal Studies for the Degree of Master of Social Sciences

Harvard University

May 2018

Abstract

What are the causes and implications of shrinking market share for organized labor trade unions in the New York City commercial construction industry? In 2009, a major sea change occurred which showed, for the first time, more private sector work was performed in New York City by non-union labor forces in lieu of organized union labor tradesman. How did this happen and what are the causes that lead to it?

The research outlined in this thesis will show that the downfall of organized labor dominance in the commercial construction trades started out west and worked east with New York City being one of the, if not the, final strongholds to lose the majority position after over half a century of union labor dominance. A majority position which peaked in the 1960s at almost 90% of the commercial construction jobsites throughout the city.

The New York City downfall started in the 1980s with the massive Hazardous Material removal industry work being performed by illegal, undocumented workers under poor conditions on the mostly unregulated jobsites. This downfall picked up momentum after the undocumented workers re-positioned themselves into non-union construction trades in the 1990s. As the decade moved on into the 2000s, the non-union labor contracting trades became more and more sophisticated in commercial construction practices, became stronger financially, increased their insurance limits, increased their bonding capacity, and subsequently took on larger and more sophisticated projects, which lead to the capture of more market share as each year progressed.

Acknowledgements

My sincere gratitude to the following people, who were a major part of my journey.

Richard B. Freeman, PhD

-Herbert Ascherman Chair in Economics, Harvard University.

-Faculty Co-Director of the Labor & Worklife Program, Harvard Law School.

-Director, Science and Engineering Workforce Project, SEWP National Bureau of Economic Research (NBER).

-My thesis director.

Your infinite wisdom and input into the overall tone and depth of this thesis was second to none. You made me pursue excellence in research, keeping the high-level thinking in focus while extracting the details. I also appreciate your humor during all of our review sessions.

Donald Ostrowski, PhD – Research Advisor in the Social Sciences, Harvard University.

No one made me work harder to “get it right”, and push for the document to be as polished as it could be. You raised the bar, with no exceptions, and I appreciate all of your experience and input.

Sarah Powell, Assistant Director, Graduate Degree Candidate Advising, Harvard University.

My Harvard curriculum advisor. Thank You for all of your time, efforts and insight into the University. You guided me through the Harvard experience the past four years.

Tanna Wise – Classmate. Thank You for your feedback and peer reviews on the drafts, concepts, and visions. You held nothing back, and told it like it needed to be.

-*Raymond McGuire* – Harvard Law Graduate & Managing Director of CAGNY.
-*Richard Anderson* – Former President, New York Building Congress.
-*Louis Coletti* – CEO of the BTEA.

The time, meetings, information, experiences and documents that you shared with me, to put this all together, was invaluable. I could not have completed this thesis without such credible resources at my fingertips. You are the true "Giants of the Game."

Mireya – my wife and best friend. Thank You for putting up with my endless hours, discussions, and providing in-depth feedback from a clear perspective over the past few years. You were there for all of it, and for that, I am forever grateful.

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"Labor cannot stand still. It must not retreat. It must go on, or go under."

-Harry Bridges, ILWU. 1961

I.

Introduction

In 2009, a major sea change occurred in the New York City arena of organized trade labor for the commercial construction industry. For the first time since the creation of the major New York City construction unions, dating back to the nineteenth century, more work was performed by Non-Union tradesmen than Union tradesman. This was not an abrupt milestone as warning signs had been coming for many years. In the massive New York City market, the projects are run by Construction Management firms but the actual "trade" work is performed on the site between two main Labor sectors: Organized Union Labor forces or Non-Union Labor forces. For the first several decades of the twentieth century (1920s to 1980s), the majority of the work had been performed by organized Union labor, the latter third comprised of undocumented, unskilled, untrained, illegal immigrants, performing serious hazardous waste clean-up work and demolition, under sub-human conditions, until the environmental laws changed.

What are the causes and implications of shrinking market share for organized labor trade unions in the New York City construction industry? Shrinking market share – comprises the metrics of the market which show that a $42 billion industry in 2016, had less union trade hours worked in 2009, than it did any year prior to that time.[1,2] What is very unique in the New York City arena is the fact that the warnings were there for well

[1] New York Building Congress, "Reports & Analysis," 2017. NYBC Website. <www.building congress.com>.

[2] Building Trade Employers Association (BTEA), "Reports." 2015. BTEA Website. <bteany.com>.

over a decade and they were openly discussed amongst the unions and industry.[3] It is fair to say the downfall possibly could have been prevented, as is detailed later on in this thesis, yet it was not. This thesis will show the timeline of historical data, how it correlates into the downward spiral of market share loss, and where the unions might go from here to recapture market share in the future. This thesis will compile data from the three main governing bodies of the industry, and tie it together into one comparative document. The significance of this comparative will outline the specific areas where the union trades can possibly recapture market share versus where it is lost forever.

[3] Construction Industry Partnership (CIP). "CIP Annual Conference." BCTC & All Affiliated Unions, BTEA, CAGNY, BCA. February, 2009. Diplomat Hotel Conference Center, Ft. Lauderdale, Florida.

II.

America's Labor Movement – An Historical Outline

"What is Past is Prologue"

-National Archives Building, Washington DC

Organized Labor in the United States existed back into the late nineteenth century. It has been in every major public and private sector of industry; manufacturing, teaching, firefighting, police, travel, textiles, automotive, trucking, shipping, and construction to name a few. Union membership, as a whole, really gained its strength in numbers in the early part of the twentieth century after the Great Depression and during the war efforts.[4] After such enactments as President Hoover's government work movements in 1932, the Wagner Act, the New Deal by President Roosevelt, two World Wars, and a strengthening economy, the labor movement reached its percentile peak in the 1950s.[5] Labor unions were gaining strength and became regulated in 1935 by the National Labor Relations Act (NLRA).[6] The percentage of U.S. union members (aka "Density") reached its pinnacle in 1954 at approximately 35% of the countries' work force, and the total number of union members capped out with 21 million members in all

[4] Stephen Walters, "Unions and the Decline of U.S. Cities," *Cato Journal* 30, no.1. (Winter 2010): 125.

[5] Gerald Mayer, "Union Membership Trends in the United States," August 31, 2004. Cornell University ILR School, p. 12. <digitalcommons.irl.cornell.edu/key_workplace>.

[6] William G. Domhoff, "The Rise and Fall of Labor Unions in the U.S. – From the 1830s until 2012." Who Rules America? Sociology Department – University of California at Santa Cruz, 2013, p. 33.

industries and disciplines.[7]

Below in Figure 1 are two comparative graphs that define the picture of union Density as a whole:[8]

Then – 1964 Now – 2014

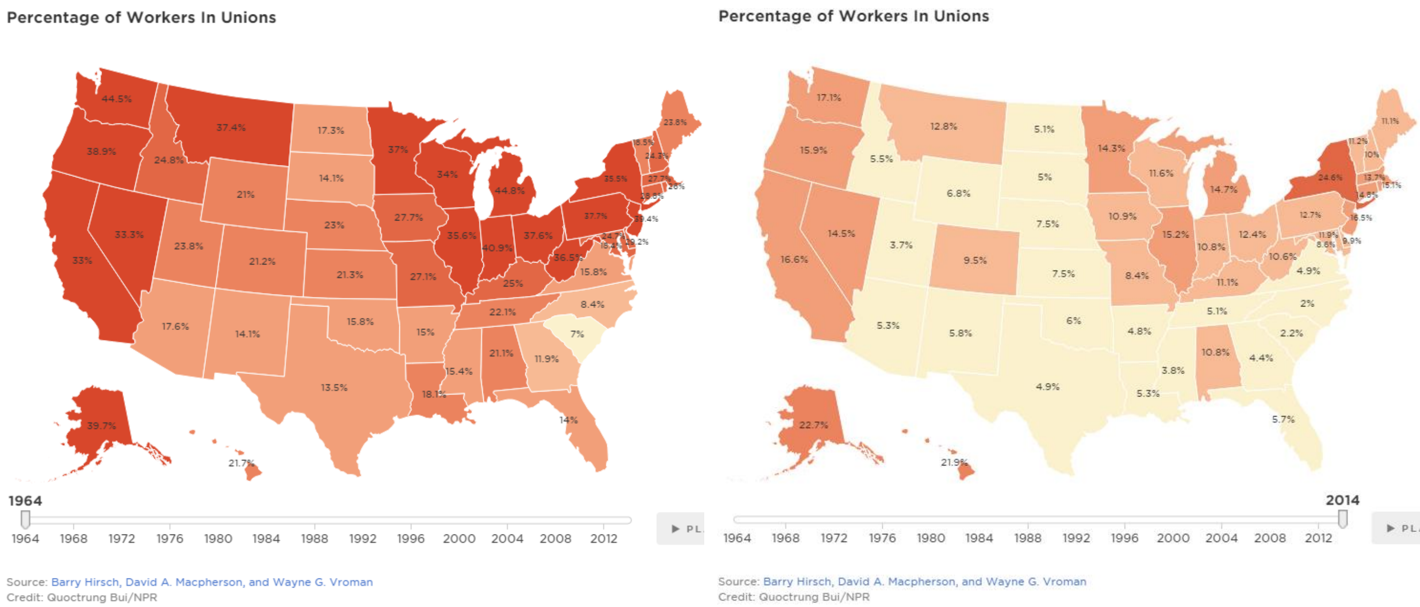

Figure 1. America's union density by state (1964-2014)
Source: *Monthly Labor Review*

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[7] Barry Hirsch, David Macpherson and Wayne Vroman, "Estimates of Union Density by State, 1964-2014," *Monthly Labor Review* 124, no. 7 (July 2001). 51-55.

[8] Ibid.

In conjunction with the previous density maps, overall union membership as a percent of employment has steadily declined since the 1950s as shown in Figure 2:[9]

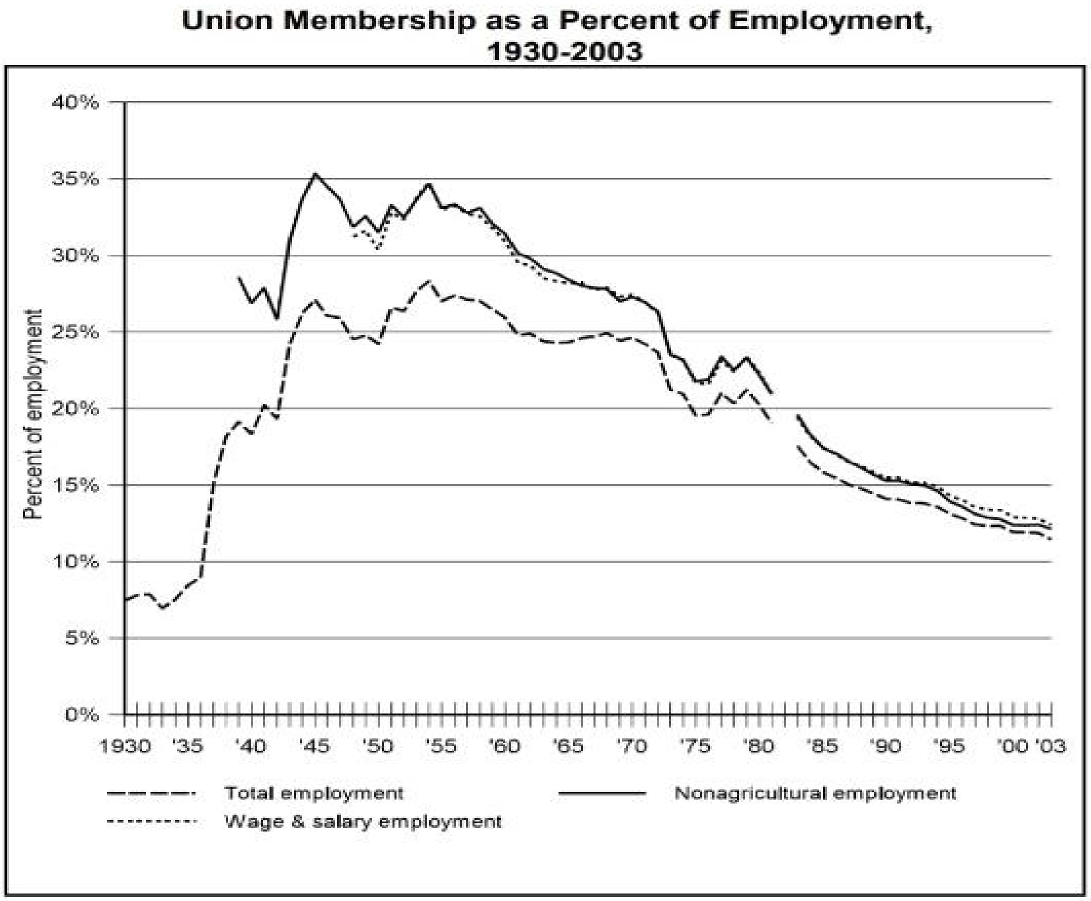

Figure 2: Union membership trends in the United States
Source: Mayer, "Union Membership Trends in the United States."

The 1950s and 1960s were a great era in American economics and prosperity. Manufacturing was at an all-time high, people were buying homes, financing was readily available, and the U. S. economic engine was operating at a high growth rate in the

[9] Mayer, "Union Membership Trends in the United States," 11.

country's history. In contrast to this, and as with all economic cycling, the growth could not sustain the momentum and slowly declined into the 2000s where we are today.

As depicted in the War of Attrition Map[10] shown below on the following page (Figure 3), the erosion of America's overall labor strength came from many sources; offshore manufacturing, inflow of illegal immigrants looking for work, economic down times, etc. This added to the union erosion across the country in both public and private sectors.[11]

* Follow the arrows from the lower left index box that show the INFLOW of movements like migration of Asian or Latin American workers (non-union), and follow the OUTFLOW arrows for operations like Offshoring Manufacturing to Asia (also non-union labor practices).

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[10] Richard Vogel with Idell Vogel, "The Fight of Our Lives: The War of Attrition against U.S. Labor." Posted July 13, 2007. <http://combatingglobalization.com/articles>. 22-page printout.

[11] Ibid., 1-3.

Figure 3: The war of attrition against U.S. labor
Source: Vogel, "The Fight of Our Lives – The War of Attrition against U.S. Labor."

Before moving forward into the overall decline of the construction union labor movement throughout the United States, this next section (Section III) will specifically outline and define the commercial construction industry in New York City.

III.

The New York City Commercial Construction Industry

This chapter explains what it is and how it works.

A) Organizations that Govern the New York City Construction Industry:

There are numerous industry organizations and “authorities” that govern the New York City commercial construction industry, outlined below are the five key organizations that run the industry at an administrative and management level:

* New York Building Congress (NYBC) – Overall Governance of the industry for Heavy & Highway and Building Construction[12]
* Building Trade Employers Association (BTEA) – Managing Organization of Construction Managers & Contractors *Includes the Contractors Association of Greater NY (CAGNY), the Building Contractors Association (BCA), and numerous independent subcontractors/vendors.[13]
* Building Construction Trades Council (BCTC) – Management representing Union Labor[14]

[12] New York Building Congress, “About.” 2015. NYBC Website. <www.building congress.com>.

[13] Building Trade Employers Association (BTEA), “About Us.” 2015. BTEA Website. <bteany.com>.

[14] Building Construction Trades Council of Greater New York. 2015. BCTC Website. <nycbuildingtrades.org>.

* New York City Department of Buildings (NYCDOB) – NYC Department of Buildings manages all permits & Inspections as well as overall governance for the City and public safety[15]
* Real Estate Board of New York (REBNY) – Overall Governance and Management of the developers and real estate companies in New York City[16]

These five key administrative bodies govern and regulate the industry. While designed to work in conjunctive harmony for the benefit of the industry and the customer, this cooperation does not occur all of the time, but usually will. Members who comprise the Real Estate Board of New York (REBNY) are the developers ("customers") who build the private sector projects. While many of REBNY members have tried to remain loyal to union construction, the cost differential in today's market, coupled with non-union capabilities the past fifteen years, have forced them to go down multiple paths. Some projects are 100% union sites, some are 100% non-union sites, some projects are a hybrid admixture of both disciplines (known as "Merit Shop" or "Open Shop").[17] This is what the New York City industry has become, for even the largest projects. The developers (REBNY) are those for whom the other four governing bodies work for in the private sector (not including government or public work).

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[15] New York Department of Buildings, "About." 2015. NYDOB website. <www.nycdob.com>.

[16] Real Estate Board of New York (REBNY), "About." 2015. REBNY Website. <www.rebny.com>.

[17] Construction Industry Partnership (CIP), "CIP Annual Conference." BCTC & All Affiliated Unions, BTEA, CAGNY, BCA. February, 2009. Diplomat Hotel Conference Center, Ft. Lauderdale, Florida.

B) Organized Union Labor versus Non-Union Labor Trades

To help understand the complexity of the variation within the fifteen trade crafts involved, coupled with over forty union locals to perform these crafts, outlined below is a list (Table 1) of the different unions that comprise the New York City commercial construction industry:

Table 1: Union trades (15 majors, 29 allied associations/locals)[18]

1. International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths & Helpers
2. NYC District Council of Carpenters:
   - -Four General Carpenter Locals
   - -Millwright and Machinery Erectors
   - -Timbermen and Dockbuilders
   - -Resilient Floorcoverers
3. International Brotherhood of Electrical Workers
4. International Union of Elevator Constructors
5. International Association of Heat and Frost Insulators & Allied Workers
6. International Association of Bridge, Structural, Ornamental, & Reinforcing Iron Workers:
   - -Lathers Metallic Local
   - -Derrickmen and Riggers
   - -Ironworkers
   - -Ornamental Ironworkers
7. Laborers International Union of North America:
   - -Blasters, Drill Runners and Miners
   - -Concrete Workers
   - -Cement and Concrete Workers
   - -Mason Tenders
   - -Asbestos, Lead, and Hazardous Waste Removers & Handlers
   - -Construction & General Building Laborers
   - -Building Concrete, Excavation & Common Laborers
   - -Pavers & Roadbuilders
   - -New division for Hi-rise Residential with a blended rate
8. International Union of Operating Engineers
9. International Union of Painters and Allied Trades:
   - -Painters District Council

[18] Building Construction Trades Council of Greater New York. 2015. BCTC Website. <nycbuildingtrades.org>.

-Metal Polishers
-Painters Structural Steel
-Glaziers
-Drywall Tapers

10. Operative Plasterer's & Cement Masons International Association:
    -Plasterers
    -Cement Masons
11. United Association of Journeymen & Apprentices of the Plumbing & Pipefitting Industry:
    -Plumbers
    -Steamfitters
12. United Union of Roofers, Waterproofers & Allied Workers
13. Sheet Metal Workers International Association
14. International Brotherhood of Teamsters
15. International Union of Bricklayers, and Allied Craftworkers:
    -Tile, Marble and Terrazzo Workers

Following is a list (Table 2) of the non-union trades that comprise the New York City commercial construction industry:

Table 2: Non-Union trades

1. Carpenters (All Disciplines)
2. Concrete Workers (in conjunction with Carpenters)
3. Steel Workers
4. Elevator Constructors
5. Electricians
6. HVAC Trades (Heating, Ventilation, and Air Conditioning)
7. Plumbing & Fire Sprinkler Systems
8. Heavy Machinery Operators
9. Laborers (all trade disciplines of general work scope)

As depicted by the two different trade craft allocations outlined above, it is clear where a major problem lies. There is no way to be competitive in a market where one labor pool (union) has over forty different trade affiliations to perform the same work scope as another labor pool (non-union), which performs the same work scope with only nine disciplines. The coordination of such numerous union trades is detrimental to work production on a jobsite. This volume of trade crafts also brings a myriad of business issues for the construction manager as every trade represents a subcontracting company with their own contract, insurance, finances, coordination, equipment logistics, safety practices, management, etc.

Carpenters and Laborers are the critical key trades to the entire scenario. They are the two specific trades, which more than any other make union versus non-union substantially different from a cost and value perspective. Others trades, such as Electricians or Elevator Constructors are their own specialty, but the generality of work scope performed by Carpenters and Laborers create tremendous arenas for multi-tasking in a non-union environment. As one example; a non-union laborer can clean and protect the site, deliver materials, operate construction elevators, operate small machinery, work on punch lists, perform general light duty construction, caulking, insulating, perform wet trade work like tile, plaster, painting, or masonry, etc. On a jobsite employing union labor, the only thing “”skilled laborers” (Mason Tenders) perform is general cleaning and protection of the site.

This example of diversity makes the “skilled laborers” very valuable and cost effective on a non-union jobsite performing multiple tasks during any given workday. The same can be said for the non-union carpenters – instead of strict carpentry work, they can install windows, perform drywall taping work, paint, install metal and glass systems, roofing, insulating, install millwork, exterior siding, etc. There is no comparison for effectiveness with production on a project where dozens of tasks can be combined into only a few because of multi-tasking workers.

C) Intellectual Context

"Price is what you pay. Value is what you get."

-Warren Buffet

If you have ever sat through, or witnessed a discussion with organized labor in a symposium, conference, news media segment, negotiation session, etc., as I have numerous times, you will hear one key word many times from union representatives − value.[19] Value in what you get, value in the price you pay, value of union work ethics, value of quality, value of safety programs, value of pride in the work performed by union tradesmen. Maybe this can be attributed to the running mantra of "Union Yes" (as in the famous bumper sticker campaign from the 1980s)[20] or maybe it just sounds good towards the message being broadcast by the labor source to the membership masses. However, from the vocal rhetoric the unions have preached for many years, comes one critical issue: the union labor cost has outweighed the "value" benefits from the perspective of one key group of people in the industry – the customers.

Industry Definitions and the Customer

The commercial construction industry can be broken into two main sectors: infrastructure of roads, bridges, tunneling, etc. this sector is classified as "Heavy &

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[19] Ibid.

[20] Matt Creamer, "You Won't See Another "Union Yes" Ad Campaign Anytime Soon," April 1, 2013. Advertising Age. <adage.com.article.news.union-ad-campaign-anytime>.

Highway" and is all "public" work. The second sector is all about structures of buildings for offices, hotels, retail, medical, entertainment, etc.,[21] and these projects are funded in either public or private arrangements. In this sector of the industry, new buildings are constructed or existing ones are renovated. Within the envelope of the actual structure (known as the "Core & Shell"), are the "interior fit out" portions that comprise a myriad of uses; such as lobbies, office spaces, ground floor retail environments, and possibly residential, hotel space, etc. It is rare in today's world to see a building constructed out of the ground or renovated without a variety of "mixed use" components in its design. The economic variables make it too great a risk for single purpose use should a downturn or softening of a real estate cycle occur. This is in conjunction with the multi-faceted amenities and options that tenants demand in today's cities. These new major projects may be built with public or private funding.

In 1990, unionized forces built 85% of all the work in the city. By 2000 that number had dropped to 70%. In 2009, for the first time, more than 50% of the work constructed on private projects was performed with non-union forces.[22] Today that non-union number is about 60%, mainly in the Hi-Rise Residential sector, but growing into other sectors such as office, retail, etc. These industry statistics are obtained from the Building Permits filed in the NYC Dept of Buildings, and Real Estate deals closed – which are monitored by the New York Building Congress[23] and BTEA. From these two

[21] New York Building Congress. "Reports & Analysis," 2016. NYBC Website. <www.building congress.com>.

[22] Building Trade Employers Association (BTEA), "Winter Conference Symposium." March 3, 2017. Diplomat Hotel Conference Center, Ft. Lauderdale, Florida.

[23] Ibid.

data points, the NYBC can factor and project forward what the coming year, or few years will be, with credible accuracy. The second tier of governing body is broken into two main authorities: The Building Trade Employers Association (BTEA) which represents the Contractor's (now with union or non-union companies), and the Building Construction Trades Council (BCTC), which represents Organized Labor for all of the different trades. Together, this triangle of governance represents the professional, organized management companies and the organized labor work forces that perform the work.

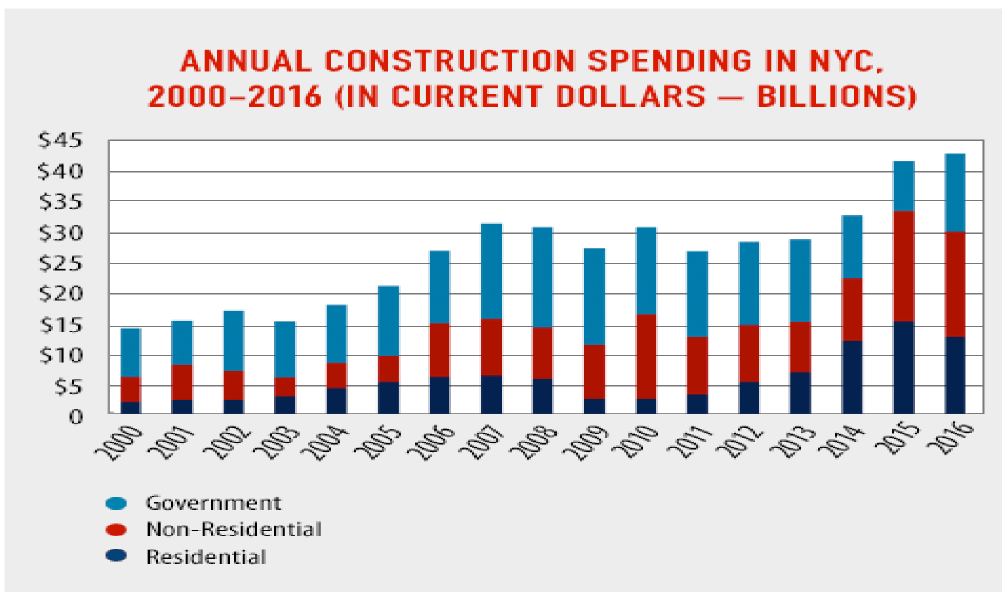

Figure 4: Annual construction spending in NYC (2000-2016).
Source: "New York Building Congress – 2016 Annual Report"[24]

According to the New York Building Congress (NYBC) statistics shown above in Figure 4, the industry projections in the greater New York City area were approximately $42 billion for 2016. Approximately $21B of which was "Heavy & Highway," while

[24] New York Building Congress. "Reports & Analysis." 2016. NYBC Website. <www.building congress.com>.

$21B was slated for "Commercial and Residential Buildings."

The construction companies' role in the industry is that of a Construction Manager ("CM"), or depending on the contractual arrangement, it could be classified as a General Contractor ("GC"), (either a CM or GC performs the same managerial role in the execution of the project). CM's provide a service value in the industry by coordinating the actual work of constructing a project. These services have a wide range of involvement from pre-construction, construction, obtaining Certificates of Occupancy ("C of O"), tenant move-in, to legal sign-off of the project. The CM coordinates the work between the design team and the subcontractor stable who actually performs the work with individual crews of tradesman for their specific crafts. Subcontractors to the CM's are the companies that actually employ most of the union (or non-union) tradesmen.

The customers in the commercial construction industry are mainly private developers or public entities like hospitals, courts, city and state agencies, etc. These customers of the market are usually established and savvy within the industry and determine how money is spent. Price can be the value of the project, or price can be the "value" in what a customer feels they are receiving for the dollars being expended. It is important to note that customers have a different perception for the word value than the unions do.

Outlined previously were the value points from the union's perspective, but it is not what the unions think, it is what the customer thinks, and the unions do not seem to understand that as observed from their actions. As discussed in almost every budget meeting or symposium I have ever participated in over the past fifteen years, value to the customer is not training, skilled labor, safety, labor capacity depth, etc., value is what the union trade labor will "cost" to build the project versus non-union trade labor. As a CM, we are often asked this question in budget review meetings for a project. A developer may ask "Why should we pay the differential, what is the value to do so, what value will it bring to the project, and what will it cost out of the budget to hire union work forces when we do not need to?" The value definition is much different from the customer's point of view than the unions – because organized labor only focuses on wage & benefit increases while voicing rhetoric for "quality" and "value." Maybe that can be an assumed mindset of "union blindness" to economic reality.

There is one wild card to all of this: Non-Union labor. Non-union labor is not bound by any Collective Bargaining Agreements (CBA's), or members of any of the governing organizations outlined above, which basically makes them "free agents" that can be hired by construction firms to perform the work. For many of our customers it is not realistic anymore to build with unionized trade forces, and the non-union labor is the "value solution." The non-union labor forces have become larger, more sophisticated, cognizant of good safety practices and affordable.[25]

In 2009, the private market share organized labor dominance changed in favor of non-union workforces because the higher union labor cost to the customer was no longer "valuable." This is obvious by the number of previous "union-loyal" developers who have recently "gone non-union" to construct their project(s).[26] This is how the industry sea change occurred over the past fifteen years, and why the organized labor downfall

[25] Mark Breslin, "Challenges and Opportunities for Union Construction in New York City," February 16, 2010. CIP Annual Conference. Symposium Lecture. Ft. Lauderdale, Florida.

[26] Ibid.

occurred. Outlined below is a timeline of the major milestones that occurred in the New York City market.

Industry Timeline of New York City Union Labor Density – Some Key Milestones:[27]

* 1930s to 1985 – New York City Construction unions are a powerful force and dominate the industry landscape by sheer numbers of manpower per trade and projects performed. Membership is at 250,000 at its peak until the 1980s
* 1990 – 85% of all major public & private work in New York City is performed by unionized trade forces.
* 1993 – First construction industry union strike in over 50 years.
* 1995 – 80% of all major public & private work in New York City is performed by unionized trade forces.
* 2000 – 70% of all private work in New York City is performed by unionized trade forces.
* 2008 – As agreed by BTEA, NYBC & CAGNY, approximate loss of Hi-Rise Residential to Non-union, presumably forever. *Some of this was accelerated due to the financial crisis.
* 2009 – Tipping Point – where for the first time ever, labor for private sector work becomes 50/50 union versus non-union
* 2015 – Approximately 35% of all private projects are built with unionized labor forces. Less than 100,000 active members remain employed with the trade unions.

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[27] NewYork Building Congress, "Reports & Analysis." 2016. NYBC Website. <www.building congress.com>; Building Trade Employers Association (BTEA), "Winter Conference Symposium." March 3, 2017. Diplomat Hotel Conference Center, Ft. Lauderdale, Florida.

IV.

Decline in Organized Labor for the Commercial Construction Industry throughout the United States

The next sections (A-D) outline the decline timeline of union construction trades on a macro-national level and magnify scope specifically to the New York City market.

A. National Decline of Construction Trade Unions

Now that the industry has been defined in Section III, this section specifically lays out the big picture of the national market decline for the commercial construction industry. The decline started in major cities out west in the late 1970s and moved east by about the early 1990s. Los Angeles and San Francisco, Las Vegas, Denver, Indianapolis, Pittsburgh, etc. were part of the wayward east wave that saw the decline in union construction market share.[28] A major part of the issue was the influx of very cheap, illegal immigrant labor forces out west[29] that were willing to do manual labor jobs at a fraction of the cost of U.S. Citizens, this includes mainly Latinos, but also some Europeans and Chinese.[30]Once the decline started to reach New York City, it included a group that branded themselves as the Chinese Construction Workers Association (aka CCWA) – a sort of "organized", non-union, cheap labor group who work in large

[28] Breslin, "Challenges and Opportunities."

[29] Richard Vogel with Idell Vogel, "The Fight of Our Lives: The War of Attrition against U.S. Labor." Posted July 13, 2007. <http://combatingglobalization.com/articles>. 22 page printout.

[30] Gregory Butler, *Disunited Brotherhoods* (New York: iUniverse Publishing, 2006), 1-301.

numbers and multi-task disciplines.[31] From numerous reports over the years, they are notorious for working with very little standards of jobsite safety or regulation, but they are a "cheap labor" option and thus desired by contractors to help boost profitability.[32] However, the Latino and European population was entrenched before the CCWA came into existence.

National union membership in the construction industry has steadily declined throughout the country for several decades. In 1954, approximately 87 percent of the construction industry workforce was unionized, but by 2015, just 13.2 of the work force belonged to a union.[33] California was the first state to realize a sharp decline in union members due to the increasing availability of undocumented workers. The influx of illegal, undocumented immigrants in the 1970s and 1980s were much more prevalent in California than the rest of the country.[34]

The California decline was a two-fold process as the northern portion of the state had most of the union labor density (Los Angeles and San Francisco respectively). The main decline was driven by an influx of undocumented workers through the southern border, willing to work in a labor-intensive industry, which had no "entry requirements"

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[31] Ibid., 55.

[32] Raymond McGuire, Managing Director – Contractors Association of Greater New York (CAGNY). At CAGNY offices; 950 Third Avenue, New York, NY. Personal Interview. September 21, 2017, 1pm.

[33] Barry Hirsch, David Macpherson. "UnionStats.com/Index of Tables/*I.U.S. Historical Tables*: Union Membership, Coverage, Density and Employment, 1973-2017" Private Construction Workers – Excel Chart, Row 2015.<Unionstats.com>.

[34] Lowell Turner, Harry Katz, and Richard Hurd, *Rekindling the Movement: Labors Quest for Relevance in the 21st Century* (Ithaca, NY: Cornell University Press, 2001), Citation for Chapter 5 –"Organizing Immigrant Workers – Case Studies from Southern California," by Ruth Milkman and Kent Wong, 6.

for participation. Non-union Construction workers do not need to be part of a union, pass safety exams, have college degrees, have affiliations with any local government authorities, have licensing or professional certifications, etc. However an undocumented worker cannot sign up to be a member of a union as they have no credentials, therefore they cannot take apprenticeship or safety exams, they cannot get OSHA safety training cards, they cannot sign up for benefit programs, etc., and this is what started the California decline as contractors quickly realized they could boost profits by building non-union. The decline moved north fairly rapidly, into Los Angeles, and eventually San Francisco. "In the span of a few decades, Los Angeles area construction went from an industry that was two-thirds white, and largely unionized, to one that is overwhelmingly Latino, mostly reliant on immigrants, according to a *Los Angeles Times* review of federal data."[35] The decline in wage rates followed the increase of non-union workers: "In 1972, construction paid today's equivalent (2017) of $32 an hour, almost $10 more than the average private-sector job. However, real wages steadily declined for decades, erasing much of that gap."[36]

Today's overall result is that 1 in 10 workers are in a construction trade union compared to 4 in 10 in the 1970s.[37] Hart Keeble, a business manager of the Ironworkers Local sums the experience up distinctly; "What happened was, slowly, one contractor

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[35] Natalie Kitroeff, "Immigrants Flooded California Construction. Worker Pay Sank. Here's Why," *Los Angeles Times*, April 22, 2017.<latimes.com>.18 page Printout (un-numbered)

[36] Ibid., p. 3 of 18 on Printout (un-numbered).

[37] Kitroeff, "Immigrants."

became non-union…and picked up a couple of workers, and somebody told him about their undocumented friends, and that was the model people adapted."

Ruth Milkman, a sociologist who had done research on the history of construction in southern California did not agree with Mr. Keeble's position and stated "The sequence of events is that the de-unionization and the accompanying deterioration of jobs came first, before the immigrants."[38]While the data shows otherwise, Milkman conceded that the influx of undocumented immigrants made it easier for project managers to shun union labor.[39]

Below are the analytics of California union membership from 1964 to 2000 (Tables 3-6):

Table 3: State of California statistics, by percentage of unionization:[40]

1964 = 33.0% of the Union Membership throughout the country.
1976 = 22.7%
1986 = 20.3%
2000 = 16.4%

Table 4: United States – overall union membership – by year:[41]

1964 = 16,841,000 Union Members throughout the country.
1976 = 17,403,000
1986 = 16,975,000
2000 = 16,334,000

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38 Tom Cicotta, "California's Construction Workers Make Less Than They Did 40 Years Ago," April 25, 2017. Breitbart News. <breitbart.com>.

39 Cicotta, "California's Construction Workers."

40 Hirsch, Macpherson, and Vroman, "Estimates of Union Density", 51.

41 Mayer, "Union Membership Trends in the United States", 22.

Table 5: United States – Union members in the construction trades:[42]
*Note: Construction Trades comprise approximately 14% of overall Union Membership by category.

1964 = 16,841,000 x's .14 = 2,357,000 Total members in the U.S.
1976 = 17,403,000 = 2,436,000
1986 = 16,975,000 = 2,376,000
2000 = 16,334,000 = 2,286,000

Table 6: State of California – Union members in Construction trades – by year:

1964 = 2,357,000 (Total members in Construction) x 33.0% = 777,810 Members in California
1976 = 2,436,000 x 22.7% = 552,972
1986 = 2,376,000 x 20.3% = 482,328
2000 = 2,286,000 x 16.4% = 374,904

California went from 777,000 members in construction in 1964 down to 552,000 by 1976. The next significant decline was by 1986, when there were 482,000 members, totalling a 38% decrease, or more than 1/3 of the membership in about twenty years. Yet, while the construction trade unions were in membership decline in California from 1964 to 1980, the overall union membership throughout the rest of the country did not decrease as severely.[43] This was the cause and effect scenario that started construction industry de-unionization out west, and eventually pushed it east where we are today.

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[42] The Truth about Project Labor Agreements – Just 14 percent of U.S. Construction Industry is Unionized." January 19, 2018. <thetruthaboutplas.com/2018/01/19/bls-just-14-percent-of-u-s-construction-industry-is-unionized/>. 1-2.

[43] Hirsch, Macpherson, and Vroman, "Estimates of Union Density," 51.

Figure 5. Breslin Slide. Macro-Economic: National
Source: Mark Breslin, Labor Symposium – February 2010, Fort Lauderdale Florida

Breslin defines today's national market very well by stating the current percentile of market share within the revenue of the industry. He also outlines the geography of specific states and the order in which the downward trend moved across the country. There was a sort of underlying current that created momentum as the decline moved east. As one state or region made a strong move to non-union labor, the eastward regions followed, and so on. It is also important to note that the national density of almost 80% of the current union trade workforce is in only 26% of the states.

By the time the underlying current of non-union construction labor moved into the New York City region, other factors had already started to enact a downfall. Many of the older cities in the country, like New York, are located on the eastern seaboard. Because of their age and the construction methodologies used in the early to mid-nineteenth century, the older structures were ripe with hazardous material conditions. However, New York had a much larger portion of the hazardous conditions due to the sheer size of the cities' geographical footprint mass, and the history of manufacturing facilities based there fifty-plus years ago. The New York declining momentum was accelerated beyond the trending of the national average, and the trigger point for this was hazardous material abatement work.

Table 7:

Union Membership in the United States by Industry, 1994-2002

Year	Union Members (1,000s)	Employed Labor Force (1,000s)	Percent Union Members	Union Members (1,000s)	Employed Labor Force (1,000s)	Percent Union Members	Union Members (1,000s)	Employed Labor Force (1,000s)	Percent Union Members	Union Members (1,000s)	Employed Labor Force (1,000s)	Percent Union Members	Union Members (1,000s)	Employed Labor Force (1,000s)	Percent Union Members
	Farming, Forestry, And Fisheries			Mining			Construction			Manufacturing			Transportation, Communications and Utilities		
2002	55	3,458	1.6%	39	491	8.0%	1,367	9,538	14.3%	2,510	18,100	13.9%	2,675	9,769	27.4%
2001	50	3,332	1.5%	63	565	11.1%	1,388	9,695	14.3%	2,717	19,295	14.1%	2,692	9,778	27.5%
2000	59	3,554	1.7%	56	527	10.6%	1,390	9,505	14.6%	2,881	20,271	14.2%	2,749	9,882	27.8%
1999	56	3,393	1.7%	58	557	10.5%	1,362	8,872	15.4%	3,037	20,186	15.0%	2,795	9,591	29.1%
1998	36	3,446	1.0%	73	624	11.7%	1,212	8,549	14.2%	3,137	20,597	15.2%	2,795	9,380	29.8%
1997	43	3,527	1.2%	84	637	13.2%	1,223	8,296	14.7%	3,270	20,795	15.7%	2,736	9,170	29.8%
1996	37	3,567	1.0%	76	568	13.4%	1,158	7,924	14.6%	3,412	20,504	16.6%	2,692	8,792	30.6%
1995	45	3,562	1.3%	84	649	12.9%	1,072	7,632	14.0%	3,469	20,505	16.9%	2,770	8,725	31.8%
1994	49	3,552	1.4%	102	681	15.0%	1,110	7,475	14.8%	3,533	20,170	17.5%	2,847	8,690	32.8%

Source: Mayer, "Union Membership Trends in the United States"[44]
in conjunction with data from the Bureau of Labor Statistics (BLS).[45]

As depicted in the industry segment chart (Table 7 above), the percent of union members in the construction industry on a national scale runs about 14% of the overall union membership.

[44] Mayer, "Union Membership Trends in the United States", 31.

[45] United States Department of Labor – Bureau of Labor Statistics (BLS) – Economic Releases. "The Truth about Project Labor Agreements – Just 14 Percent of U.S. Construction Industry Is Unionized." January 19, 2018. <thetruthaboutplas.com/2018/01/19/bls-just-14-percent-of-u-s-construction-industry-is-unionized/>. 1-2.

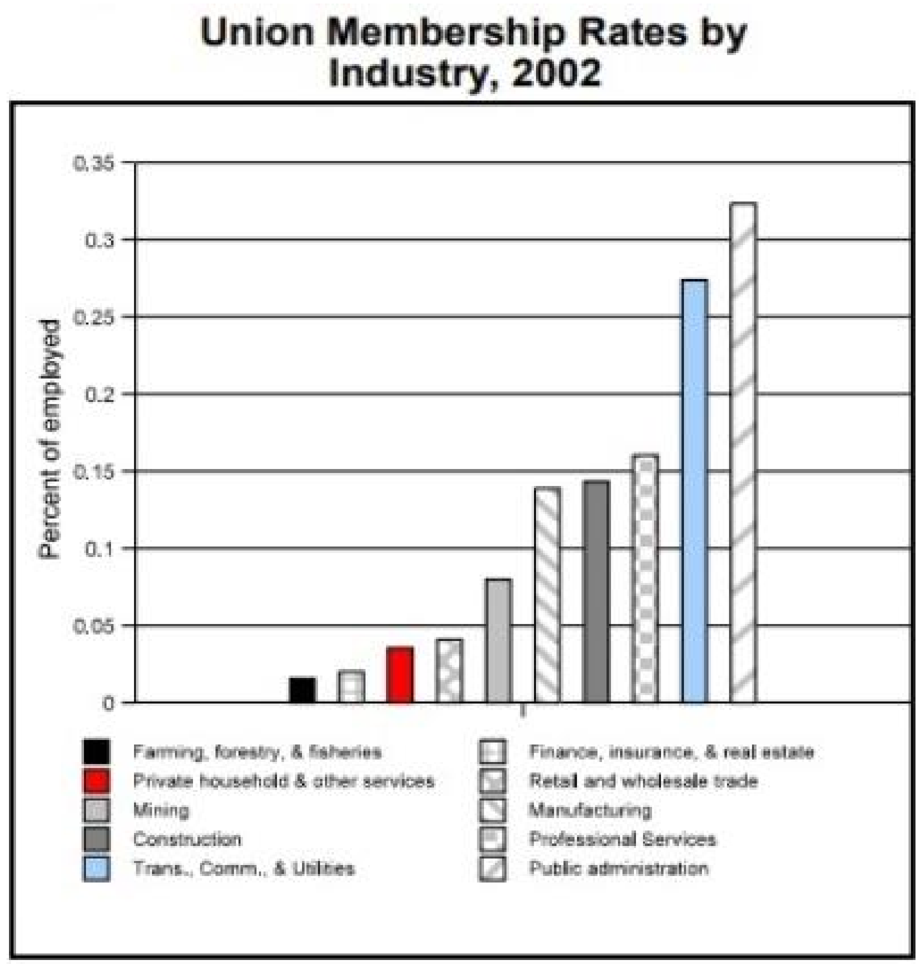

Figure 6. Union membership rates by industry, 2002.
Source: Mayer, "Union Membership Trends in the United States"[46] – in conjunction with data from the Bureau of Labor Statistics (BLS).[47]

The data in Table 7 (previous page) is a snapshot from 1994 to 2002. However, these data points are extracted from the Bureau of Labor Statistics, which go back to the 1980s. This same metric can be found in the pictorial chart shown above (Figure 6),

[46] Mayer, "Union Membership Trends in the United States", 19.

[47] United States Department of Labor – Bureau of Labor Statistics (BLS) – Economic Releases. "The Truth About Project Labor Agreements – Just 14 percent of U.S. Construction Industry is Unionized." January 19, 2018. <thetruthaboutplas.com/2018/01/19/bls-just-14-percent-of-u-s-construction-industry-is-unionized/>. 1-2.

which is from the shared database, and also shows construction trade membership density at 14%.

To analyze the trending of the membership density, specific milestones are used to calculate the data points, which are then defined in the graph on the next page (Figure 7). In 1979, union membership reached its overall peak of 20,986,000 members.[48] By 2015, that number was down to 14,800,000 members,[49] a 29% decline. Using 14% membership participation in the union construction trades as defined in the earlier section, it equates to 20,986,000 x .14 = 2,938,040 members in 1979, and 14,800,000 x .14 = 2,072,000 members in 2015, the same 29% decrease ratio respectively.

Applying the 29% national decline metrics during the 1979 to 2015 period, to the 250,000 members in New York City in 1979, it then equates to 177,500 members in 2015 (250,000 x .71 = 177,500). As depicted on the next page (Figure 7), in the "New York City Construction Union Membership 1979-2015" graph, actual local membership decline of 60% is double the trending rate of the national decline at 29% during that same time frame. The national decline ran at a relatively steady decline of 0.8% per year during that era, totaling 29% over 36 years, yet the New York market had an average of 10,000 union jobs per year which were lost during a decade, equating to about 4% a year overall, compounded, which is five times the national trend during that same decade. Of major significance is this steep decline occurred during the "HazMat Era" as it is known in the industry. This was the era when the majority of hazardous material abatement programs

[48] Mayer, "Union Membership Trends in the United States", 22.

[49] United States Department of Labor – Bureau of Labor Statistics (BLS). "Union Members – 2015." January 28, 2016. <bls.gov/news.release/archives/union2_01282016.pdf>. Pg 1 of 12 on Printout (un-numbered).

were underway, non-union labor was employed on these jobsites under poor working conditions, and the trigger for the downfall of union labor on construction sites in New York City was enacted.

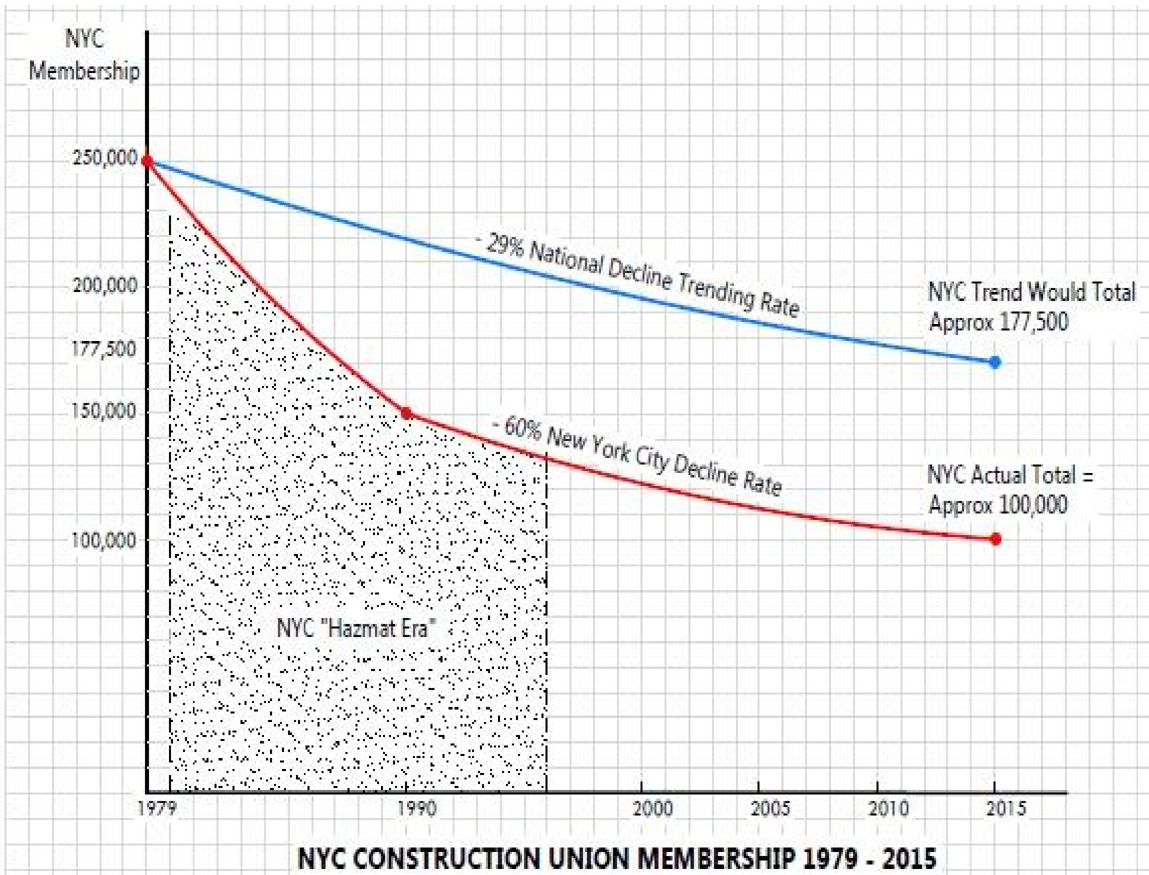

Figure 7. NYC construction union membership 1979-2015
Source: Clifford Aikens. Data comprised from Gerald Mayer – Cornell University,[50] BTEA,[51] Joseph Hooper,[52] and the Bureau of Labor Statistics.[53]

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[50] Mayer, "Union Membership Trends in the United States", 31.

[51] Building Trade Employers Association (BTEA). "Winter Conference Symposium." March 3, 2017. Diplomat Hotel Conference Center, Ft. Lauderdale, Florida; Louis Coletti, President & CEO – Building Trade Employers' Association (BTEA). Personal Interview. At BTEA offices; 1430 Broadway, New York, NY. November 16, 2017, 11:45am.

[52] Joseph Hooper, "The Asbestos Mess," *New York Times*, November 25, 1990.

B. New York Decline – The Beginning of the End

Hazardous Material Conditions ("HazMat"), undocumented immigrant labor – and the beginning of the end of the New York City construction union labor stronghold:

"Hazardous Material Conditions." Presumably no three words have ever spawned a more lucrative pathway of the commercial construction industry in New York City. The lack of proper regulations, lack of proper legislation, mob infiltration, racketeering, corruption, lack of governing inspections, use of illegal and undocumented immigrant labor, lack of safety regulations, etc., is so deep, and so well documented amongst numerous legal actions – both criminal and civil – that it could define its own research book or more likely, volume of books. "Hazardous Materials" such as; Asbestos, Lead Paint, Ammonium Refrigerants in major cooling systems, Halon Gasses in fire protection systems, extremely toxic PCB's (Polychlorinated Biphenyl – which attack the central nervous system) found in every light fixture ballast and electric motor drive manufactured before the 1970s, toxic polymers, asbestos laden roofing materials, etc. were all prominent building materials beyond the first half of the century, and finally deemed dangerous, and outlawed, in the latter part of the century by the states and federal government.

Now the country has a problem, all of these "sick buildings" as they are called in the industry, need to be cleaned up – but by whom? In conjunction with this necessary clean-up, what started out as a frontier of hazardous material ("HazMat") removals in the

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[53] United States Department of Labor – Bureau of Labor Statistics (BLS). "Union Members – 2015." January 28, 2016. <bls.gov/news.release/archives/union2_01282016.pdf>. 1-12.

toxic wasteland of old, decrepit, bankrupt New York City manufacturing facilities, turned into the beginning of the end of organized union labor dominance in the commercial construction industry – the unions just did not know it yet. The problem with these jobs for performing hazmat abatement operations, and the demolition of structures affiliated with the hazmat work, was that it was dangerous, it was unregulated, it was fairly new to the industry, with many unknowns, and because of all of this, the unions wanted nothing to do with the work – or so it appeared at the time. An appearance that was veiled from organized crime, operating in the background, yet highly infiltrated into the New York City construction labor unions at a management level, and controlling trucking of hazmat waste, but not providing jobsite workforce labor.

James McNamara, Director of Mayor Koch's office of Construction Industry Relations, in conjunction with the New York unit of the FBI stated "When I say corruption, I'm using very broad terms. Some of it is labor racketeering. Some of it is political influence. Some of it is bid-rigging, and some of it is extortion through the use of illegal immigrant labor forces."[54] The FBI, through an undercover sting operation from a fake company they created to submerge themselves in the industry, stated "The payoffs are made, for example, to arrange what is known as "Coverage." This involves paying union officials, subsequently traced back to mob kingpins, to look the other way while a job is undertaken by workers, most of whom are illegal immigrants, paid way below the union scale and without any benefits."[55] To further outline the schemes involved, the sting uncovered a flagrant violation in the disposal of the hazmat waste, as stated by

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[54] Michael Oreskes, "Corruption is called a way of life in New York Construction Industry." April 25, 1982. The New York York Times.

[55] Ibid.

Ronald Goldstock, the Deputy Attorney General in charge of New York State's Organized Crime Task Force; "The toxic waste hauling industry has become increasingly dominated by organized crime, which if allowed to control the transportation and final disposition of toxic chemicals in an illegal manner, it will cause insurmountable damage to the environment, let alone the manner of which the removals are being performed with undocumented, illegal aliens removing the material and filling the trucks."[56]

To put this hazmat and related demolition work into scale, it was worth billions upon billions of dollars that started in the late 1970s and ran into the 1990s. That twenty year window forever changed the landscape of the non-union labor infiltration into the once powerful, and dominant, organized labor forces. An infiltration which the unions would never recover from because the contractors who employed the tradesman realized there was way too much money to be made, and much less nonsense to be dealt with from organized labor and all of their crippling demands. As history and statistics indicate, once a contractor "went non-union", they never (or rarely) returned to union labor, not only for obvious financial reasons, but also due to the restriction that the company can no longer legally sign CBA's.[57][58]

There is almost no body of people more powerful in "membership" than organized union labor forces – membership that has its privileges because being a

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[56] Ralph Blumenthal, "Illegal Dumping of Toxins Laid to Organized Crime," *New York Times*, June 5, 1983.

[57] New York Building Congress. "Reports & Analysis." 2016. NYBC Website. <www.building congress.com>.

[58] Louis Coletti, President & CEO – Building Trade Employers' Association (BTEA). Personal Interview. At BTEA offices; 1430 Broadway, New York, NY. November 16, 2017, 11:45am.

member of a union makes that person part of a distinct group, with specific rules and governance. Unions are organized, trained, well accounted for, with strong hourly wage earnings, with voting rights, with retirement funding, with excellent healthcare benefits, with all of the benefits a blue collar worker could wish for – being part of the so called "brotherhood", part of the team, a belonging, a member. Conversely, non-union labor forces do not enjoy most of these benefits, if any, and no one more so than illegal immigrant labor – labor that will do anything for a paycheck and a dream. The dream of a better life, of a belonging, of a possible green card after working here for many years, a dream of "membership" into not a union, but a country.

All of these factors came into play with the illegal Polish immigrants who dominated the labor force of the hazmat industry in the beginning. The commercial construction industry has been traditionally loaded with Irish, Italian and African American workers, dating back to as far as the data was captured, basically the early nineteenth century. Yet the illegal immigrant labor that started to dominate the hazmat removal, demolition, and clean-up work in the late 1970s started with the Polish, then the Irish, and then the Latinos. Why the Polish first? How did they become the country which supplied the labor that dominated the most dangerous work conditions in New York City's history? It can be best explained as a case of timing when they left Poland, coupled with a confluence of events which created the "HazMat Era" snapshot in time.

In the early 1970s three things happened in a short period of time; 1) President Nixon signed the Clean Air Act of 1970, and the Environmental Protection Agency (EPA) was enacted on December 2 of that same year.[59] 2) During this same time frame,

[59] Joseph Hooper, "The Asbestos Mess." November 25, 1990. *New York Times*.

illegal Polish immigrant farmhands began coming to the U.S for full time work in lieu of seasonal part time work during a short period ("wakacjusze") in their homeland[60] which led to a new, and available work force within New York City, willing to do any task for a paycheck. 3) In 1978 the new Mayor, Ed Koch, set up a program to start rebuilding thousands of old, dilapidated, low-income housing complexes through the newly created NYC Department of Housing Preservation & Development.[61] All of these decrepit, toxic buildings had to be cleaned up first, thus creating a new and unique increase in demand for unskilled labor.

These three moments in history, eventually came together to create the perfect storm so to speak, and create the conduit for available workers who were willing to do anything for full time employment, and do it under the radar of governmental enforcement due to their undocumented status. Because of their illegal status, and farming backgrounds, they found fast, easy employment in the food service industry, but that would eventually morph into the hazmat industry since the food service jobs ran basically a 10 hour (or less) workday, whereas hazmat and demolition work ran around the clock, therefore a worker could burn themselves out with double shifts, or as much as they could physically handle to make more money.

Most Polish Americans (legal) immigrated to the U.S. after World War II when they fled Germany, Russia, and Austria. That immigration wave became known as the Polish za chlebem, which translates "for bread", as these workers came here for a better

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[60] Elliott Robert Barkan, *Immigrants in American History: Arrival, Adaptation, and Integration*, ed. Elliott Robert Barkan (Santa Barbara, CA: ABC-CLIO, 2013), 1194.

[61] Butler, *Disunited Brotherhoods*, 43-50.

life and would literally work a day's pay for meals.[62] The second wave of Polish came here illegally as farmhand immigrants, who were escaping Communist rule, and looking for a better way of life with a dream for full time employment, American citizenship, and the pursuit of owning land in America. According to Bukowczyk, today, there are over 10 million Polish immigrants in the U.S., the largest diaspora of Poles in the world.[63]

Business owners never know what potential opportunities will develop from unknown situations or scenarios in new markets. In the case of the illegal immigrant Polish workers here, they morphed into the commercial construction industry in New York City through a chain of events by simple word of mouth, as described by many Polish immigrants who later testified in court cases.[64] A worker who spoke some English got a better paying job, with longer hours, and as much shift time on the clock as his body could absorb, by starting to work in this new arena of "hazmat abatement." And that person told two friends, and those two friends told two friends, and so on. Very shortly, with a multi-billion dollar abundance of never-ending work for the next decade, the "illegal immigrant Polish community" in New York City took over the hazmat abatement industry by force. According to testimony in the Kaszycki case outlined below, they were nicknamed "The Polish Brigade" on the site due to their tremendous production. They worked in all five boroughs, handling as much work as their bodies could absorb, getting paid barely above minimum wages, with no overtime pay, with zero health concerns from

[62] John Bukowczyk, *A History of the Polish Americans* (New Brunswick, NJ: Transaction Publishers, 2008), pg xxii – Introduction to the Transaction Edition.

[63] Ibid., pg xx – Introduction to the Transaction edition.

[64] Massimo Calabresi, "What Donald Trump Knew about Undocumented Workers at his Signature Tower." August 25, 2016. TIME Inc.

their boss, with zero safety protocol, with zero enforcement of undocumented workers, in an extremely dangerous environment.

All of this work went on while the unions seemingly wanted nothing to do with employing their workers into such dangerous conditions, and the potential legal and membership backlash ramifications that could go with such involvement. Union delegates were specifically told from the Local's hierarchy to let the HazMat work go as the respective disciplines did not want the potential liability.[65] However, as stated previously, it is not quite as simple as it appears – the unions at the time were deeply entrenched with major organized crime families and their associates.[66] These crime families and certain affiliated union "management" owned the trucking companies who moved and disposed of the hazmat refuse and demolition debris, they ran the teamsters from behind the scenes, they owned the machinery rental companies, they owned the concrete products supply companies and processing plants that re-sprayed safe fireproofing (IE: Monokote product by W. R. Grace) back onto the steel structures after toxic lead paint and asbestos were removed, etc.[67] So the crime families still made their money in this portion of the industry, but on perimeter operations, not in the hazmat trenches with their own labor forces at risk.[68]

To showcase a perfect case study on exactly this practice, look no further than our current President of the United States. There was a highly publicized case after Donald

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[65] Ibid.

[66] Michael Oreskes, "Corruption Is Called a Way of Life in New York Construction Industry," *New York Times*, April 25, 1982.

[67] Ibid.

[68] Ibid.

Trump tore down the old Bonwit Teller Building, a 1930s, 20-story structure on Fifth Avenue, to make way for his new 68 story Trump Tower. The Bonwit Teller headquarters building was loaded with lead paint, asbestos, PCB's, Ammonium Refrigerant systems, etc. In 1979, the entire structure was demolished in record time, with little to no "abatement safety practices" – by illegal, undocumented Polish immigrants. In the subsequent lawsuits that followed, which went on for over a decade, specifics of the arrangements of the operation came to light in the court documents that included testimony from over 100 persons who worked on the site. It started with William Kaszycki, a legal resident, English speaking immigrant from Poland who had undocumented friends in the food service industry and had his own jobsite cleaning company. His friends would work in restaurants by day, and clean construction jobsites with his company at night.

Through a mutual friend, Trump approached him to take on the demolition work of the Bonwit Teller structure. Work that Kaszycki's company was surely not experienced in, qualified for, or insurable for, yet would offer him the shot of a lifetime to do a major, multi-million dollar project in the demolition industry – one that was controlled by the mafia and the unions at the time.[69] In court records, the prosecution stated "Trump claimed he did not know all of Kaszycki's workers were undocumented and claimed he hired them through a subcontractor. But the fact is Kaszycki was that subcontractor whom Trump specifically sought out in order to gain access to super cheap, undocumented labor, performing very high risk hazmat and demolition work, and that it was Trump himself who suggested, and guided Kaszycki to "start a new company" for

[69] Federal Court Reporter. "#874 F2d 912 – Diduck v. Kaszycki & Sons Contracting." Second Series – January 30, 1989.

the job."[70] Kaszycki directly testified that "From January to March of 1980 they sneaked [sic] over from their "day jobs" and worked either of two sets of shifts from 6am to 6pm, or 6pm to 6am, to perform extremely dangerous, unregulated hazmat and demolition work." Some workers in the case also testified they worked 24 hour shifts, with 8 hours off afterwards and were paid only $4-$5 an hour with no overtime and no protection equipment offered by the company.

The workers testified that when union labor forces later joined the project to start the foundation, they had hardhats, gloves, harnesses, boots, etc. – which the illegal Polish workers had none of.[71] One worker testified that "The building they were demolishing was laced with asbestos and toxins, and they were removing all of it, with no debris separation (a major legal issue in today's world), no gloves, no hard hats, and no respirators."[72] An illegal immigration expert, Jennifer Gordon, who is a graduate from Harvard Law School and a lawyer at the Central American Refugee Center stated that "The workers were purchasing fake Social Security Cards, and/or even Green Cards in an operation in Astoria Queens. The fake documents could be had for $200 per piece and were "laughable" for their poor quality, but would pass the acceptance of a city inspector, if they would ever come to check on the labor force, which she said, rarely occurred."[73] She also stated that some of the labor force complained to her that the first week of wages went to the foreman for "the insurance program", of which they never received any

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[70] Ibid.

[71] Ibid.

[72] Ibid.

[73] Deborah Sontag, "Emigres in New York: Work Off the Books," *New York Times*, June 18, 1993.

paperwork for, and regardless, were never given financial healthcare benefits if an injury occurred on the site anyway." When challenged by this accusation in the trial, Kaszycki stated he "knew of no such scenario with his workers", but dozens of workers testified to the exact practice of "ubezpieczenie" (meaning "insurance" payment) as she described.

After the Polish dominance in the hazmat and demolition world was in full operation, a few years later, the Irish came into play, followed by the Latinos. In an interview with one former worker, Tim Devlin stated "I came here in 1984 and started construction three days after I arrived. Most of us are here undocumented, I would say 95% from my community of workers and friends. Most of us are here illegally and we work low skilled, dangerous jobs in construction and get by with help from the Irish support network, and connections with the Gaelic football community. We come in illegally by many means, but the international sports exchange gives us temporary visas, which some of us overstay and simply disappear into the mainstream." Mr. Devlin's is a typical story in the 1980s of how the undocumented Irish community started to work their way into the construction trades by simply needing a job. Carpenters and laborers worked at the forefront of the undocumented Irish disciplines.[74]

Following the undocumented Irish was the Latinos – especially the Mexicans and Salvadorians, but also inclusive of Peruvians and Guatemalans. Both the Irish and Latino communities followed the exact same path as the original Polish community – first starting out in food service, and then morphing into the commercial construction sector.[75]

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[74] Ines Novacic, "How Irish Immigrants in New York City see Immigration Reform." April 17, 2013. PRI Media, Arts & Culture.

[75] Lawrence Mishel, "Diversity in the New York City Union and Non-Union Construction Sectors." March 2, 2017. Economic Policy Institute. <epi.org>.

According to the U.S. Census Bureau, approximately 80% of all Mexican New Yorkers were born outside of the U.S., and it is estimated that there were over 62,000 undocumented workers in New York City in 1989 (this is estimated by the city from research data since most undocumented workers do not come forward to be "counted").[76]

According to testimony from Mr. Rivera-Batiz, an expert in illegal and undocumented Hispanic immigration in New York City, Professor at Columbia University, and the recipient The American Hispanic Economist Achievement Award; many Mexicans residing in New York City will remain in the city for a long time, if not their lifetimes once they come here. Illegal Mexican immigrants have generally been successful in securing unskilled jobs in New York in food service, cleaning, construction, and manufacturing. They have low educations, and speak partial English at best. Their median age is 24 years to 34 years and over 60% have not completed U.S. high school standards.[77] Rivera-Batiz also goes on to state that the movement of drugs in the 1980s brought a wave of illegal "one-way immigrants" as they are called, into the country by crossing the border as drug mules – which they can basically only do one time. These "one-way" illegal's (aka: "una solo direccĩõn") then travel their way to mainly California or New York.[78]

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[76] Eric Ruark, "Amnesty and the American Worker – a look at how illegal immigration has harmed working class Americans and how amnesty would make matters worse." March, 2010. Federation for American Immigration Reform (FAIR). 1-29. <http://library.intellectualtakeout.org/library/research-analysis-reports/amnesty-and-american-worker>.

[77] Francisco Rivera-Batiz, "Mexicans Are Now New York City's Fastest Growing Ethnic Group." September 12, 2003. Columbia University-Teachers College. <http://www.tc.columbia.edu/articles/2003/september/mexicansarenownewyorkcitysfastestgrowingethnicgroup>.

[78] Ibid.

The New York hazmat and demolition markets were so vast, and starving for labor forces to perform the work, that the illegal Mexican community became the perfect body of workers to feed the conduit of work and replace the burned out Polish labor forces. The “underground communities”, as they are known, of illegal immigrant labor are in the big cities, right out in the open, where they blend in with much less risk of being discovered by police or government agencies.[79] There is no better melting pot than New York City, and no better place to make money than a massive industry, starving for labor forces to perform dangerous work. The work was in New York, the Labor forces were in New York, it was the perfect mix, at the perfect time.

According to numerous testimonials of court cases, the Mexican workers were treated poorly by their employers and managers. If a worker was injured, the contractor simply terminated the worker and put another person in that position right away. Workers had zero safety equipment, training or documented paperwork. They had no rights, only a dream of someday becoming a U.S resident, or citizen, by working and hiding here in New York illegally in the meantime.[80] Due to their lack of paperwork, the illegal workers could not set up bank accounts because of their undocumented status, so the contractor’s foreman, acting as their “agent” would either set up a Western Union wire transfer so they could send money back to a family member, or they would use a “Coyote” (a legally travelling representative with proper credentials) to bring money back to their homeland.

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[79] Francisco Rivera-Batiz, “Mexicans Are Now New York City’s Fastest Growing Ethnic Group.” September 12, 2003. Columbia University-Teachers College. <http://www.tc.columbia.edu/articles/2003/september/mexicansarenownewyorkcitysfastestgrowingethnicgroup>.

[80] Ibid.

In either case, both of these “transactions” came with a “fee” to the foreman or the Coyote, thus watering down their illegal earnings even further.[81]

The undocumented workers all had the same problem amongst them: No paperwork, visa, green card, etc. They were completely disposable human capital for the contractors. There was plenty of work, and plenty of illegal immigrants to perform the work, so in a sense, everyone was happy – at the time. However, like all things, times changed. Numerous lawsuits started to come out of the injuries suffered by the undocumented workers, who at that point decided they had nothing else to lose except deportation. Some of the injuries were very severe, and crippling, and permanent from demolition work gone bad. The second wave of lawsuits came downstream in the form of “claims” and “multi-party litigation” of long-term health hazards due to exposure of hazardous material removals; Asbestosis (mesothelioma), lung disease, brain damage, spinal deterioration, nerve disorders, memory loss, skin cancers, etc. These lawsuits came from many different angles, and from the most dangerous of litigant – someone with nothing to lose – which clearly was the case for an undocumented worker. What’s the worst that can happen – they get deported, having no rights or societal membership here anyway.

The issues of the undocumented, illegal workers were highly known to the hazmat industry, so much so that the Business Manager of Local 78 – Asbestos, Lead & Hazardous Waste Laborers, openly testified years later to a group of labor leaders in a

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[81] Eric Ruark, “Amnesty and the American Worker – a look at how illegal immigration has harmed working class Americans and how amnesty would make matters worse.” March, 2010. Federation for American Immigration Reform (FAIR). 1-29. <http://library.intellectualtakeout.org/library/research-analysis-reports/amnesty-and-american-worker>.

packed forum in 1998.[82][83] Mr. Pawel Kedzior opened with "I arrived illegally from Debica Poland on a ship with other illegal immigrants and worked my way through the industry, all the way to a Business Manager's position in Local 78, which is unheard of in today's world, and even more so back then. When I first arrived here, I had no paperwork, spoke no English, with just a dream to be a U.S. Citizen someday, and to work for whatever it took to do so. My first jobs on construction sites and demolishing old factories were a nightmare. I was paid in cash, below minimum wages, and told by my employer that if I complained, I would be deported. I had no rights, no voice in my own future." He went on to speak for a long while and gave a presentation which stated the following conditions he witnessed first-hand, experienced himself, or both;

- Endemic racial discrimination
- Employers who underpaid the workers and cheated them out of prevailing wages, overtime and benefits
- Forced kick-backs to employers to secure and maintain employment
- Improperly enclosed or ventilated work areas
- "Dry" rather than "Wet" operations of removal, and without containment bags
- Having to work in street clothes, with no uni-body suits
- No decontamination rooms or showers, so the workers went home carrying hazmat particulate on their skin and clothes
- Forced to eat inside the contaminated work zones to save time for decontamination cleanings and to ensure concealed conditions should an inspector arrive on site
- Using simple paper masks that you get at a local hardware store. There were no fitted Respirator masks
- No separation of contaminated materials from the demolition debris – which was carted off by union operated, teamster driven, trucking companies to unknown dump sites mixed in one voluminous haul.[84]

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[82] Erik Peterson, "Justice in Asbestos." March 18, 2005. Labor Education Service. <www.d.umn.edu/Peterson/JusticeforAsbestos.pdf >.

[83] PRNewswire. "Labor Leaders &Workers Demand Justice & Dignity for Immigrants." November 30, 1999. <http://www.PRNewswire.com>.

[84] Erik Peterson, "Justice in Asbestos." March 18, 2005. Labor Education Service. <www.d.umn.edu/Peterson/JusticeforAsbestos.pdf >.

It may be hard to comprehend these issues from an illegal Polish immigrant, who worked his way up to a U.S. citizen and union manager – let alone the thousands of undocumented workers who never made it beyond a day's pay for a day's work, under those inhumane conditions. In testimony from a court case in New York, Ann Bastian, Senior Director of the New World Foundation, claimed that "In a vibrant labor movement, the illegal immigrants probably would have been picked up by a union."[85]This is inaccurate for two facts: The unions did not want the hazmat work (as previously stated) and secondly, the unions could not make an illegal, undocumented immigrant worker a member.

Abby Scher, who wrote for The Magazine of Economic Justice stated "Unions seemed to have been caught off guard by the growing sphere of low wage work in their industries. It is an old story: unions bureaucratized modes of operating often kept their doors shut to new workers. Construction, demolition, restaurants, garments – many new immigrants flooded into dangerous, low wage jobs where unions were weak, or where leaders hesitated to organize new constituencies who might threaten their position."[86] Again, another statement of opinion that may have seemed backed up by the "appearance" of what was going on, but in a distinct investigation involving an illegal immigrant's death on a jobsite, it provided a much clearer, and realistic picture as to the truthful scenarios which were occurring with undocumented workers in hazmat abatement and demolition.

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[85] Abby Scher, "Immigrants Fight Back- Working Centers lead Where Others Don't." September/October 1996. Dollars&Sense – Real World Economics. <http://www.dollarsandsense.org/archives/1996/0996scher.html>.

[86] Ibid.

In 1988 a major court case came to light in the public eye as to what was really going on in the hazmat world. Harold Greenberg founded Big Apple Wrecking in 1980, a demolition company which quickly became one of the busiest firms in the business. In a lawsuit filed by Ms. Bozena Krzewski, her fiancé Mariusz Skowronski was an undocumented Polish worker who was employed at the firm. "He had worked seven days straight amid thick choking dust while they tore down an old 13 story building on Madison Avenue, and would come home white as a ghost, covered in dust. The building was loaded with asbestos and other hazardous materials. Mariusz worked with a crew of about 50 other illegal immigrants on the project." She also testified that "Mariusz was only 24 years old, and used a fake social security number to get his pay check. In order to keep his job, he paid the foreman a kickback of $200 – $300 a month to "represent" him as the English speaking labor foreman."[87]

On the 8th day of straight work, Skowronski dragged himself to the jobsite and began to work on one of the mini, rubber tired bulldozer machines (known as a "Bobcat"). He had no proper or prior training on the equipment, except for a few weeks of recent experience, and wore no safety protection. According to the coroner's report, "Skowronski died within 30 seconds of being hit on the head by a blunt force object and died on the machine." His blood was pooling at the side of the machine when other workers spotted him through a thick cloud of dust. Denis Guerin, the attorney representing Skowronki's fiancé in the case stated the machine had the safety manual and instructions still neatly folded in a protective sleeve of the machine and had never been unsealed.

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[87] Tom Robbins, "Demolition Work a Deadly Calling Union Honchos Left Employees in Peril," *New York Daily News*, July 29, 1999.

To further describe some of the antics that were going on during the era with undocumented workers in the hazmat industry, and in a separate case of the same company in 1988, Harold Greenberg was convicted at trial for bribing a federal inspector to overlook major asbestos removal violations while demolishing the old Gimbel's department store in Manhattan. And in yet another case, of the same firm, when they tore down the old Palladium Club in Manhattan, OSHA (the federal Occupational Safety and Health Act) issued more than $25,000 in fines for illegally scraping lead paint off of steel beams.

The stories are endless, but the regulations were not. Starting in the mid to late 1980s, the volume of mostly anonymous complaints by illegal workers from the unregulated hazmat industry to the New York City Department of Health (NYC-DOH) started to attract the attention of city, then state, and eventually federal prosecutors. Undocumented, illegal immigrants, who just like Kaszycki's workers at the Trump Tower case, had nothing else to lose and were calling into NYC-DOH offices to lodge complaints about specific jobsite locations, and related inhumane work conditions, that could easily be inspected by city officials.

Because of this onslaught of new public information coming forth and coupled with lawsuits and newspaper articles (as there was no internet or "social media sites" at the time), the City of New York was forced to finally do something. On November 19th, 1985, the City Council passed "Local Law 76" which amended the City Air Pollution Control Code.[88] The law stated "It is unlawful to employ any individual to handle friable

[88] New York City Department of Environmental Protection – Bureau of Environmental Compliance. "Title 15, Chapter 1 of the Rules of the City of New York." February 3, 2011. <http://NYC.GOV/NYCResources/Environment>.

(delicate and crumbling) material unless that person possesses a valid Handling Certificate" and it included "Establishment of procedures for the safeguarding of the health and safety of the public and all persons who work in or at the vicinity of an asbestos project. From 76, came "Local Law 80", which Mayor Koch quickly signed into law, that stated "The City grants contractors a Demolition Permit only if they show that each employee working at a hazmat project holds a Handling Certificate on their presence of employ at all times for inspection. Any use of uncertified employees will result in fines and revocation of Permit(s)."[89]

To get a certified Handling Certificate is an involved process. The worker has to have proper identification credentials, has to go through training programs sponsored by the contractor, has to be certified, and properly "fitted" for a full face breathing respirator attached to a hard hat. In today's world, these safety regulations are a given, but they did not exist back in the 1980s.

From Local Laws 76 and 80, the dominoes began to fall. The world of "undocumented", illegal workers in the HazMat portion of the commercial construction industry was soon to become a frontier that would pass into New York City labor history. Shortly following the new Asbestos regulations, were lead paint abatement laws, toxic waste handling, jobsite safety regulations, etc. Simple procedures such as "not dry" jobsites (meaning all dust inhibiting operations would be continually watered down with hose operators), no more dry removal operations of hazmat IE; wetting down asbestos before scraping, same for lead paints, on-site containment barriers, showers for the workers inside of the containment zones before exiting, recapture of run-off water,

[89] Ibid.

certified and fitted respirators for all workers, etc. The new regulations put into effect were vast and furious in pace, one new regulation after another. The “old way” of doing the hazmat and demolition – was over. Now no undocumented worker could pass the paperwork criteria needed to be employed on these jobsites, let alone hope for an eventual green card, and subsequent citizenship.

Regardless of the regulatory policies and licensing, the damage to the union trades was done from the viewpoint of the contractors who employed these illegal, non-union workers. If there is one thing the undocumented workers taught the contractor’s was that profits were exponential when cheaper labor was employed. From a contractor’s perspective, organized union labor added a measure of stability to a wildly unstable business – but non-union labor lined their pockets with profits. Non-union labor was here to stay, but in a different form. Legal, documented workers enjoyed the severe sacrifices of the undocumented, illegal immigrants from the decade prior. Non-union labor in the trades of carpenters, laborers, painters, hazardous material removers (with proper certifications and training), demolition workers, roofers, masons, etc. Contractors who actually employ the union tradesman, had learned a new and viable lesson – there’s no need to pay a worker $30 and hour, plus all the benefits – to simply paint a wall, sweep a floor, or operate a construction hoist elevator.

Unions did not adjust their position even with the new regulations coming into action for the abatement removal operations. However, the unions reaped some benefits out of the new regulatory enforcement because of the teamsters involvement with trucking of the hazardous materials. This was enhanced further by the materials being brought to specific dumping sites, which were regulated by the city and state, and operated with union members of the operating engineers local to work payloaders, dozers, spreaders, dump trucks, etc.

Undocumented workers are still out there in the commercial construction industry, but in vastly fewer numbers on any major jobsites.[90] I can personally attest to this from my own dealings the past 32 years in this industry. Companies cannot hire undocumented workers on a major jobsite in the New York City commercial construction industry anymore because they cannot pass through the entry gates without proper photo ID, OSHA safety training cards, etc. Now there is so much regulation, safety certification, ID's required to sign someone onto payroll, insurance enrolment processes, etc., that it is not possible to use undocumented workers for these roles. Statistics show the illegal immigrants went back into the food service industry, landscaping, driving illegally, garment industry work, suburban construction, etc., or maybe they simply went back home.[91] Regardless, the mark they left on the commercial construction industry in New York City was a permanent one of what it was like during that era, and how incredibly dedicated these workers were to their bosses, the intense efforts they gave the projects, and in some cases gave their lives, for a shot at a paycheck and the American Dream.

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[90] Eric Ruark, "Amnesty and the American Worker – a look at how illegal immigration has harmed working class Americans and how amnesty would make matters worse." March, 2010. Federation for American Immigration Reform (FAIR). 1-29. <http://library.intellectualtakeout.org/library/research-analysis-reports/amnesty-and-american-worker>.

[91] Ibid.

C. The New York Strike – June 30, 1993 11:59:59pm

> "Those unions that enjoy the right to strike have no guarantee that sacrificing their jobs and their livelihood will result in victory, but they nevertheless engage in lengthy strikes. Not because they are assured of winning, but because they are determined to fight."
>
> *-William Burrus, 1998*

As the clock struck midnight into July 1, 1993 there was a strike by the International Brotherhood of Teamsters against the major contractor collective bargaining organization – CAGNY.[92] An actual strike in the New York City commercial construction industry had not occurred for many decades. The Teamsters decided to go out on strike at midnight since they could not iron out a new Collective Bargaining Agreement with the organization that represented the major construction management firms in the city, as it is well described in the CAGNY 25th Anniversary video production[93]:

> "This was the defining moment. We were going to take a strike to set the tone so that the Teamsters would get the message that we weren't going to cave in to their demands year after year."
>
> -Raymond McGuire, Managing Director of CAGNY.

> "The strike became so involved and drawn out that the owners of companies were renting RYDER Trucks to personally deliver material to the jobsites for their men to continue working. The move was unprecedented, unheard of in our industry."
>
> -Peter Davoren, CEO of Turner Construction North America & CAGNY Member.

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[92] Contractors Association of Greater New York. "About CAGNY" / History. 2015. CAGNY Website. <www.cagnyonline.com>.

[93] Contractors Association of Greater New York. "25 Years of CAGNY." Directed by Michael Tancredi. Produced by Clifford Aikens & Dawn Zanichelli. 2009. CAGNY video production.

Part of the Teamsters strike tactic was to put a serious strain on jobsite logistics:

> "Congested streets, limited parking, and lack of storage areas present logistical ordeals for urban construction. Trucks containing heavy supplies and materials may be limited to certain roadways. The necessity to use bridges and tunnels in islands like Manhattan require that huge structural elements be brought to the worksite only at specified times in the early morning hours. Other supplies, scheduled to be delivered as needed, in the midst of heavy daytime traffic, may arrive at unpredictable times. In any event, a location, on the ground or within the structure, has to have been previously prepared to receive the goods; trucks must be immediately offloaded – there is simply no place to wait."[94]

-Ronald Goldstock

> "The high cost of delay within the construction industry has long been a well-known and well-documented phenomenon. Construction has always involved an element of speculation. The developer and the investor do not receive any return until the building has been completed and during the process of construction a considerable sum of money has been tied up."[95]

-Harold Seidman

Delays were clearly the motive from the Teamsters to try and get CAGNY to settle, yet the education from this strike for the management side of the industry, was one key contribution to the unions eventual decline, as it proved to management that they could still deliver material without union teamster drivers. This experience started a cultural change in mindset for construction management firms that the unions would never recover from a mere 16 years later.

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[94] Ronald Goldstock, "Corruption and Racketeering in the New York Construction Industry." October 4, 1994. New York University Press (In association with IAIPSIG Media).

[95] Harold Seidman, *Labor Czars: A History of Labor Racketeering* (New York: Liveright, 1938), 8.

D. Definitive and Final Warning Signs:

Construction Industry Partnership (CIP) 1999-2010[96] – The Early Warnings

The BCTC representing union labor, along with the BTEA (CAGNY and the BCA) representing management, decided to form an Annual Conference where labor and management could get together to discuss ongoing issues in the industry within a united forum. Most of the week long symposium was focused on private sector work, but there were some discussions for public sector as well. It started out as a huge, annual symposium attended by over 1,000 industry personnel, for safety practices, insurance regulations, best practices education, current market conditions with the developers, latest technological advances, etc. Then it quickly morphed the final six or seven years into the biggest issue of all – the concern of growing market share being performed by non-union labor at an alarming rate. Every year the CIP leadership council would post the latest numbers in union versus non-union labor market share. As shown in Figure 8 of the next page, membership started out about 70% union, 30% non-union in 2003. By 2009, it was basically 50% / 50%. By the end of 2009, the tipping point was achieved and more work was performed by non-union labor forces than union forces.

[96] Construction Industry Partnership (CIP). “CIP Annual Conference.” BCTC & All Affiliated Unions, BTEA, CAGNY, BCA. February, 2009. Diplomat Hotel Conference Center, Ft. Lauderdale, Florida.

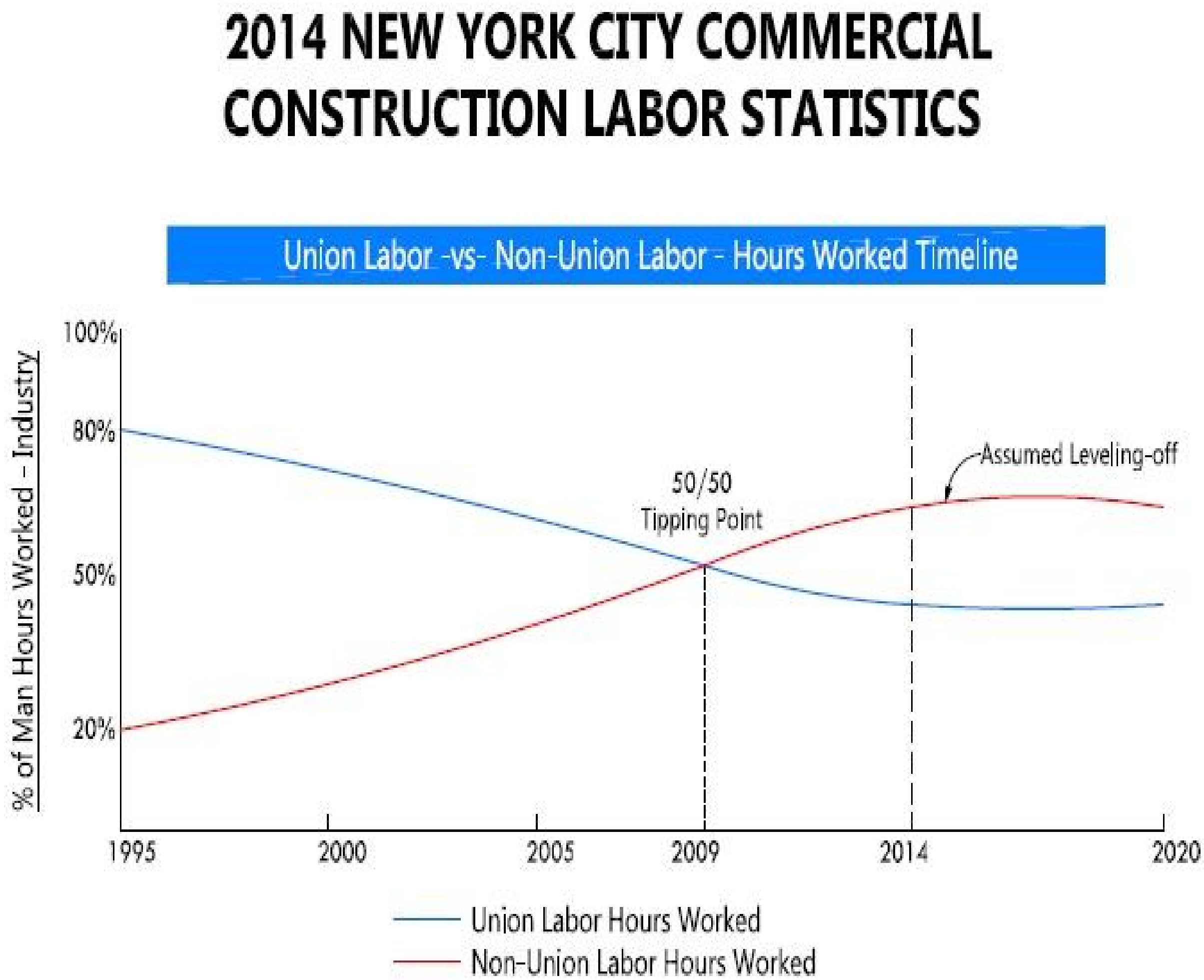

Figure 8. New York City commercial construction labor statistics.
Source: BTEA[97]

Major Factors in the NY City Union Labor Decline

The following Factors outlined below, portray the specific and pointed reasons for the private market share decline of organized union construction labor in New York City by 2009:

[97] Building Trade Employers Association (BTEA). "Winter Conference Symposium." March 3, 2017. Diplomat Hotel Conference Center, Ft. Lauderdale, Florida.

Factor #1: Hours Worked

The main driving factor is a specific data-point known as – Hours Worked. "Hours Worked" is the economic term the unions took many years to understand by their refusal to discuss this obvious market-share loss metric.[98] Every contract (CBA) renewal period, union leaders focused on pay raises and demands for escalation to the benefit funds.[99] Yet the main issue at hand is how do they fund the benefit and retirement packages for the new stable of workers coming behind the current work force within any given local union? The answer is simple – Hours Worked. For every hour a tradesman works, a large portion of their package rate goes to fund the retirement and training benefits within the union. Declining membership due to market share loss equals fewer hours worked, and less dollars collected to fund these key areas. So for every hour worked by a cheaper, non-union worker, the less money the union receives to fund their future existence.

Factor #2: Cost & Value

The second main factor is the overall cost of a project – which is the "value" the customer cares about. This was outlined earlier in Section III – Intellectual Context. To outline an easy-to-follow example, a sizable commercial construction project costing $100 million dollars can be broken into two main sections: Cost of material and cost of labor to construct the material. Historical estimating data would equate to a 40/60 split

[98] Breslin, "Challenges and Opportunities."

[99] Ibid.

for realistic cost budgeting,[100] so for this example, there is $40 million in material, and $60 million in labor costs. The material costs do not change regardless of what labor force is placing them.

Non-union tradesman cost about 30% less than the union tradesman. The main difference is not in the hourly rate, it is in the benefit package. Most non-union employees make their hourly rate which equates to their weekly paycheck (aka; "in the envelope"). So a union worker making $100 per hour (wage rate + benefit package) will only cost 70% of that amount for the non-union worker, or $70/hour. The labor portion in this example is $60mm x .7 = $42mm. This $18mm savings gets passed onto the customer. Therefore, the $100 million dollar project built with organized labor will cost the developer only $82 million to build with non-union labor – numbers way too big to ignore.

Because of this, most developers now request pricing for non-union labor as well as what the upcharge differential is if they choose union labor – this is the "value" that the customer cares about. In today's market, customers ask for non-union pricing first, since that is their new mindset. The upcharge differential to employ union labor is considered usually after they receive both price points. It is fair to say that there was a sense of "union blindness" to this economic reality as the non-union labor movement in the private sector work started to gain momentum.

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[100] RS Means. "Cost Data Online-Building Construction Cost Data." 73rd Annual Edition. 2015. Retrieved: RSMeans website-Annual Subscription via Adobe Digital Viewer.

Factor #3: Competition of Non-Union Labor Capabilities

Twenty years ago, maybe fifteen years ago, the non-union subcontractor community was not savvy enough, experienced enough, or have a deep enough labor pool to handle large scale work where they were considered a threat to the organized labor community.[101] The non-union workforces have worked their way across the country from Los Angeles to Denver to Indianapolis to Washington DC, to the "last stand" which was New York City and its powerful organized labor foothold.[102] Much of the work performed in the previously mentioned cities was the result of hiring non-union, undocumented workers.[103] The past ten years has seen an eruption of non-union trade labor performing work in NY City as contractors have let their CBA's expire. Ten years ago, a non-union concrete contractor did not have the experience, labor depth, or political savvy to construct a twenty story building in Manhattan. Today, that same contractor can erect a 50 story building – with success and timely completion.

This did not happen overnight, but over time where successful projects of one magnitude, lead developers to hire the same companies for the next, bigger project, which enacted more success and confidence, and so on. Today, the non-union contractors are experienced, have deep labor pools, the proper financial backbone, much larger bonding capacity, and have become a mature market choice. This is why in 2009 the non-union labor community started to capture the majority of private market share for the first time.

[101] Breslin, "Challenges and Opportunities."

[102] Ibid.

[103] Breslin, "Challenges and Opportunities."

The unions saw this trending spread west to east across the country over two decades, but did little, if anything, to prevent the downfall.[104]

Factor #4: Archaic Work Rules

The current mindset came from union administration, and workers performing tasks, procedurally claiming “That is how it was done and always had been done.” There was no initiative for forward thinking. Outdated “roles” and rules for a worker, such as an “Oiler”, are extinct in today’s era. An “Oiler” was a third man on an operating engineer’s team that “oiled” the machine. The role was created in the days of the steam shovel and used for lubricating the equipment – this was before computer controlled hydraulics came into existence, yet the role was still in existence until only a few years ago. “Master Mechanics” are required on a site when there are three or more engines – this includes things like local hardware store compressors, generators, heaters, etc. The Master Mechanic “watches” the other mechanics to make sure they were properly “operating” the equipment, like making sure the switches were turned on correctly or a fuel cap was properly seated, etc.

This includes unnecessary roles such as a teamster, paid full time by the construction company, in a loading dock to check all the delivery cards of the drivers, or “Shop Stewards” being the first man in on a project to “govern” the other workers on a project even if it was a tiny project with say three carpenters for a week. Electricians being paid thirty minutes of overtime to stay after the workday ends so they can “shut down” the project – a practice known as “Temporary Light & Power.” Layoff rules of

[104] Ibid.

paying a worker by noon the day he gets let go, so the worker has time to go cash his check (for four hours), etc., the list seems endless, and only a sampling of examples are defined here.

These archaic rules add tremendous cost to a large project and not one of them exists on a non-union jobsite. The costs of these “rules” are so extreme to the ratio of work actually performed by a tradesman with their own hands, that it is not really measurable except to take note of the excessive waste factor in “downtime” for an 8 hour day. There are companies who have done their own analytical studies of “lost time” or "downtime” for an 8-hour workday, but from the ones I have seen it is always attributed to “lost minutes waiting for the hoist” (jobsite elevator); “waiting for deliveries”; “obstruction on the work site of other trade’s men, equipment and materials”; “lack of direction from the project management”; etc. The basic premise always seems to blame someone or something else, it is never the unions own antiquated rules that get in the way of the production. Production that has been constricted by rules so outdated, they still follow in some cases such processes as “time carding” to track the workers time into and out of a jobsite, where in the computer era, it has been done electronically for over twenty years.

On the following page is a data graph (Figure 9) created with jobsite observed analytics by Mark Breslin and AACE, for a typical workday of productivity on a union jobsite. *Of specific note, it includes metrics of “waiting time” for deliveries, jobsite hoists, coordination of other trades, etc. This metric is attributed to waiting for vertical hoisting of personnel and materials in lieu of taking the stairs where applicable, unloading/loading material, time to send personnel to go get food/drink for breaks, time travel to/from lunch, etc. in lieu of bringing break-time meals up into the site when entering the building, getting tools and supplies at the start of the work day, in lieu of doing so before/after the start of the actual shift. Coordination of trades is also a major waiting time loss/delay factor in a workday. Union trades must wait for other trades to perform their portion of the work before continuation can occur. Non-union labor has the luxury of not losing much of this coordination time as they can multi-task across trade crafts.

Activity	Percentage of workday
Direct work being performed	32%
Waiting time / delays	29%
Travel time	13%
Receiving instructions	8%
Tools, material, and set-up	7%
Late starts and early quits	6%
Personal breaks	5%
Total for workday	100%

Figure 9. Breslin Slide. Activity in relation to percentage of workday
Source: Mark Breslin in Association with AACE International – 2001[105]

Factor #5: Variance in Work Hours & Holidays

One of the key, major issues with union construction is the tremendous variation of work day durations; paid holidays, start times etc. Carpenters work 7-hour days (with two 15-minute breaks, one 30-minute lunch break), Laborers work 8 hour days (with

[105] Mark Breslin, *Survival of the Fittest: How the Future of Union Construction Depends on Every Journeyman, Every Apprentice and You* (San Ramon, CA: McAlly International Press, 2005).

same break allocations), yet they have different start and end times. Multiply this effect by the fifteen trades listed previously and it is very difficult to manage a jobsite with effective work production. To make matters worse, the holidays vary so tremendously that it affects other trades on project when a critical trade may be off that day, like the electricians, who need to maintain temporary power so other trades can work. To solve this, the electricians must be brought in on holiday overtime (at double the cost) to cover the project. Like the problems outlined in Factor #4, the list of possible configurations also seems endless.

Factor #6: Corruption

> "There is virtually no aspect of the New York City construction industry that is not affected by corruption and racketeering. These problems are not only typical, they are both longstanding and pervasive."[106]
>
> −Ronald Goldstock
> Harvard Law School JD, 1969

It is not possible to ignore the subject of corruption in any discussion or writings about organized union labor in the New York City commercial construction market. However, this subject is so vast and permeated within the unions over several decades that it is its own major topic by itself and therefore cannot be portrayed here except in a very finite snapshot.

Outlined below are just a few points in order for the reader to understand the history and depth of the problem (this is in conjunction with the subject as portrayed in

[106] Ronald Goldstock, "Corruption and Racketeering in the New York Construction Industry." October 4, 1994. New York University Press (In association with IAIPSIG Media).

the previous "HazMat" section). Corruption has eroded the strength of the unions and allowed non-union competition to prosper while the unions got their administrations cleaned-up over the past few decades.

Construction trade unions have been infiltrated with organized crime since its inception at the turn of the last century. Together, the "Five families" of New York (Gambino, Bonanno, Genovese, Columbo and Lucchese) all had controlling interests in certain portions of the major unions, most dominantly the carpenters, teamsters, concrete suppliers, laborers, and painters unions.[107] As this infiltration went on for decades, the real housecleaning started with Rudolph Giuliani, who was the District Attorney for the Southern District of New York back in the 1980s.[108] His first act was to clean up the Javits Convention Center, which was infested with organized crime corruption, labor hour scams, "ghost employees" on the payrolls, over-billing, serious lack of production, intentional delays, intimidation tactics, sabotage, false injury claims, extreme over-charging to perform even the simplest of tasks (IE: charging a "$125 minimum" to plug in a table lamp for a showcase vendor), etc.[109]

On April 29, 1988, Vincent Cafaro, a former captain in the Genovese crime family stated under indictment in a Senate Subcommittee hearing that he personally collected 2% "club memberships" from the teamsters union and concrete industry suppliers on behalf of the Genovese crime family for private work, mainly at the Javits

[107] "Mob Role in NY Construction Depicted," *New York Times*, April 30, 1988. Special to *New York Times*. <http://www.nytimes.com/1988/04/30/nyregion/mob-role-in-new-york-construction>.

[108] New York City Government, "History of NY City Mayors," 2015. <http://www.nyc.gov/html/nyc100/html/classroom/historyinfo/mayors>.

[109] Ibid.

Center. Cafaro also stated it was the families' estimation that "Organized crime controls 75% of the construction industry in NY City through its control over the concrete industry, the teamsters, and the construction unions."[110]

"Back in 1986, after extensive research and hearings, the President's Commission on Organized Crime released its final report on corruption in organized labor. It singled out four unions, above the others, as being "substantially influenced and/or controlled by organized crime": the International Brotherhood of Teamsters (IBT), the Laborers International Union of North America (LIUNA), the Hotel Employees and Restaurant Employees International Union (HERE), and the International Longshoremen's Association (ILA)."[111] "The International Brotherhood of Teamsters long has been considered the embodiment of union corruption. The Teamsters have some 1.4 million members, down from roughly 1.9 million in the early 80s."[112] Subsequent to that, and since 1994, The New York City Carpenters union has operated under control of a federal district court judge – which included Kenneth Conboy as an appointed, "Special Master" to monitor the union in its entirety.[113]

Giuliani's second act was to further pursue mafia indictments against construction union infiltration through his mayoral terms until 2002:

> "One area where for years the City has tried to rid mob influence is the construction industry. I know about mob influence on the construction industry because, during my time as U.S. Attorney, I prosecuted many of the

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[110] Ibid.

[111] Carl Horowitz, "Union Corruption in America – Still a Growth Industry," 2004. The National Institute for Labor Relations.

[112] Ibid.

[113] Butler, *Disunited Brotherhoods*, 101-102.

> leading members of organized crime and corrupt unions such as the Carpenters and the Teamsters. …We sent the leaders of three major crime families to prison − for 100 years − for bid-rigging and other illegal activities tied to the commercial construction industry here.
>
> The mob tax that we all pay for virtually every construction project is not insignificant. Corruption was so commonplace that the organized crime families set up fee structures as if they were legitimate businesses."[114]

In 2008, 62 Mafia members of the Gambino, Genovese, and Bonanno crime families were indicted in an FBI RICO sting operation. "In all, more than five dozen were indicted across three organized crime families and the construction industry and its supporting unions."[115] The FBI also stated "Once ruled by the powerful Carlo Gambino and John Gotti, the Gambino family has been reduced to a shadow of its former criminal self over the years by the FBI and its partners, both nationally and internationally. But it is far from dead, continuing its efforts to infiltrate such industries as trucking and construction."[116]It is fair to say that this timing, culminating in the 2009 tipping point of non-union labor domination, is not coincidental.

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[114] New York City Government, "Freeing the Economy of Organized Crime – Archives of Rudolph Giuliani." October 23, 1997. <nyc.gov/records/rwg/97/orgcrime>.

[115] Federal Bureau of Investigations. "Mafia takedown – 62 Indicted in New York." February 7, 2008. <fbi.gov.news/stories/2008/february/mafiatakedown>.

[116] Ibid.

E. Fighting Back against the Major Factors to Recapture Market Share:[117]

To try and fight back against the major factors as previously outlined, the unions prepared themselves for a resistance campaign through a myriad of tactics, intimidation, publicity campaigns, open business discussions, self-promotion, etc. Outlined below are some positions the unions deployed in the 2000s to try to stop the momentum of non-union labor gaining market share, and to try and recapture some of the already lost private market:

* Industry advertisements about non-union jobsite safety track records: Several public campaigns were promoted about poor safety track records on non-union jobsites. Many of the portrayed "statistics" were completely unfounded and could not be backed-up with credible sourcing.[118]

* Foreign Manufacturing dominance: Almost no woodwork, stonework, plumbing products, etc. are made locally anymore, and surely not by extinct union factories. In fact, most are imported into the U.S. from numerous other countries.[119] Bad press campaigns and jobsite sabotage became rampant against products from Europe and China. This one subject alone completely shut down Millwright & Cabinetmakers locals 246, 1146, and 2155 – forever.[120]

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[117] Breslin, "Challenges and Opportunities."

[118] Raymond McGuire, Managing Director – Contractors Association of Greater New York (CAGNY). At CAGNY offices; 950 Third Avenue, New York, NY. Personal Interview. September 21, 2017, 1pm.

[119] Vaclav Smil, *Made in the USA – The Rise and Retreat of American Manufacturing* (Cambridge, MA: MIT Press, 2013).

[120] Butler, *Disunited Brotherhoods*, 131.

* Confronting union contractors, in lieu of non-union jobsites: The unions spent tremendous efforts policing their own signator's jobsites instead of going to their competitor's offices to have business meetings to pursue new companies and increase their market share.

* "Scabby" the Rat:[121] A famous, inflatable "creature" that is meant to "intimidate" non-union jobsites. The irony about this tactic is that the Rats (there are more than one) are made in a balloon shop employing non-union labor located in Illinois, and the "Rat operation crew" for the day set up around 8, take breaks, take lunch, and pack up around 2pm – even though the non-union jobsite works until 4pm or later.

  *Note: Tourists love taking pictures with Scabby, having no idea what he represents.

Figure 10. "SCABBY" the Rat[122]

* Negative Public Ads about "Stealing Union Jobs": Perceived by the industry as ineffective bantering with jobsite posters and flyers handed out at "Scabby the Rat" protests. It also includes periodic ads in trade magazines, local newspapers, billboards, website advertising, blogs, etc.

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[121] Ibid, 142.

[122] Photo Credit: Clifford Aikens, April, 2016. East 53rd Street, Manhattan.

* Jobsite Rally's & Picketing: Typical union picket lines that did very little to slow down the ever-increasing market share by non-union jobsites, as the analytics of the industry decline in union membership clearly show. This includes "Union YES" campaigns[123]and promotional posturing.

* Apprentice Ratios:[124] The unions changed the allowable apprentice ratios to a higher number so that contractors could hire more apprentices since their hourly rates are cheaper. *However, it does not change the benefit package cost, so the only savings is in the hourly rate of pay "in the envelope", and the contractor gets less experienced workers.

* Personal confrontations: Of non-union workers, and companies that hire them, including union members who went to the non-union side to maintain employment and survive with a weekly paycheck. This includes situations where Scabby has been set up outside of a home in the city, or suburb, targeting an owner or industry executive.

* Unions fighting to stick with archaic, non-productive work rules: The negotiating tactics and voiced rhetoric such as; "How it has always been", "This is our rules", "A day's work for a day's pay", etc. In today's world of choices for competitive wage rates, these archaic mantras do not apply anymore to a developer having to pay approximately 30% more for the labor portion, or about 15% – 18% more for overall costs, on a project.

* *Project Labor Agreements (PLA's):* This is a national trend, not just New York, where a document ("PLA") is drawn up for a specific jobsite outlining pre-locked labor costs, no strike clauses, harmonized work rules, holidays, and hours for all

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[123] Matt Creamer, "You Won't See Another "Union Yes" Ad Campaign Anytime Soon." April 1, 2013. Advertising Age. <adage.com.article.news.union-ad-campaign>.

[124] Butler, *Disunited Brotherhoods*, 12.

trades, etc. Opponents say they are helpful, but still do not lower the cost enough versus non-union wage rates. It is hard to measure the effectiveness because lack of PLA on a given project does not necessarily prevent that project from happening, yet there is no proof that a project could get going only because there was a PLA, as it could have gone forward anyway. The job simply "went non-union" as the cost was too great a savings compared to a few benefits received for a PLA.

Regardless of all of these deployed tactics and solutions, it is simply not cost-effective anymore to build a sizeable project strictly with unionized trade forces. The non-union labor forces have become larger, much more sophisticated, cognizant of good safety practices and very affordable via a 15% savings to the overall budget. The economic differential makes it too great a risk for a developer to stay the old-school course and just hire Union affiliated labor because of loyalty or past experience.

Figure 11. Macro market trends.
Source: Mark Breslin Labor Symposium – February 2010, Fort Lauderdale Florida

V.

The End – of the End

"If you dislike change, you are going to dislike irrelevance even less."

− General Eric Shinseki. US Army Chief of Staff.

New York, New York: May 24, 2011. If there was ever a "moment-in-time" snapshot that defined the beginning of the end of the union trade domination in the New York City Commercial Construction Industry – this would be the moment.

Below, on page 70, is the official letter (Figure 12) as issued by the BTEA, legally notifying the BCTC of its withdrawal, and termination from the New York Plan:[125] The "New York Plan" was an agreed plan between the BCTC (Labor) and the BTEA (Contractors & Management), along with other union-representing organizations, and most local union offices. The plan's purpose was to maintain harmony in the building and construction industry between jurisdictional disputes amongst the trades. By the BTEA giving the formal 90 day notice as defined in Article VII of the plan, they terminated their enacted following of the New York Plan, and thus became an "open shop" governing body that no longer had to abide by the regulations set forth in collective bargaining agreements for the construction trades in New York City. Since the BTEA represents most of the contractors in New York, including hundreds of trade specialty contractors, it

[125] Louis Coletti, President & CEO – Building Trade Employers' Association (BTEA). Personal Interview. At BTEA offices; 1430 Broadway, New York, NY. November 16, 2017, 11:45am.

meant they no longer had to follow union labor bylaws, CBA's, etc. To say this was a watershed, defining moment in the history of New York City organized labor for the commercial construction industry – is an understatement.

BUILDING TRADES EMPLOYERS' ASSOCIATION
INTEGRITY • VALUE • SAFETY
1430 Broadway, Suite 1106 • New York, NY 10018 • www.bteany.com
Telephone: 212.704.9745 • Facsimile: 212.704.4367

ALLIANCE OF BTEA UNION CONTRACTORS

Louis J. Coletti
President & CEO

May 24, 2011

Gary LaBarbera
President
Building & Construction Trades Council
Of Greater New York
71 W. 23rd St., Suite 501-503
New York, New York 10010

RE: **Notice of Termination of the New York Plan**

Dear President LaBarbera,

At its May 19, 2011 meeting, the BTEA Board of Governors voted to inform the BCTC and its Executive Board of its decision to terminate the NY Plan between the BTEA and the BCTC.

Please regard this letter as notice in accordance with Article VII of the New York Plan for the Settlement of Jurisdictional Disputes ("The Plan") that the BTEA hereby terminates the Plan effective at its earliest expiration date. This notice of intention to terminate the NY Plan is being provided greater than ninety (90) days prior to the anniversary date of the NY Plan, as provided in Article VII.

The BTEA shall, however, continue to serve as the co-administrator of the Plan until its expiration. Thereafter, the BTEA may provide administration under any replacement NY Plan to the extent that the appropriate bargaining parties agree and the BTEA so consents. The BTEA will not, on the other hand, negotiate for any of its member employer associations, or their constituents, concerning the participation of those employer associations' (or their constituents') involvement with the NY Plan.

Respectfully Submitted,

Louis J. Coletti

Louis J. Coletti
President & CEO

Cc: BTEA Board of Governors & Association Executives
BCTC Executive Board
Steven Spinola, President, Real Estate Board of New York
Federal Mediation and Conciliation Services
New York State Employment Relations Board

Figure 12: BTEA letter. May 24, 2011

VI.

Economy of the Economics

> "History shows that where ethics and economics come in conflict, victory is always with economics. Vested interests have never been known to have willingly divested themselves unless there was sufficient force to compel them."
>
> − B.R. Ambedkar

Union labor in general is a powerful force thus the slogan "The United Brotherhood" which is used by many of the different locals around the country, in numerous trades and disciplines. Highlighting this, I feel that the brotherhood slogan may never be more accurate than the powerful, politically connected, stronghold that used to be organized labor in the New York City commercial construction market. It seems apparent that the one thing the unions never grasped, when the decline started to unravel, when the warning signs were there for many years – was the economics of it all versus the politics of the industry.

Is there any "economy" in the economic metrics of the industry? Can the unions think differently, adapt, and react accordingly with things like "economy-of-scale" on huge union projects with tremendous manpower? Is there economy in consolidating some of the trades into much fewer disciplines like the non-union forces have? Is there economy in combining local administrations into less local unions to strengthen the administration and management and cut down on overhead and operating costs with less offices, locations, etc.? Is there an economy in consolidating safety and training programs under one roof, with less buildings, classrooms, seminars, schedules, located all over the five boroughs? The answer to all of this is yes, because that is the world that the non-union trades live in – much less overhead, many less disciplines as defined previously. So why do the unions not operate with these economic efficiencies? Or should I ask; why do the unions choose not do it – because they surely could – they just do not, and therein lies a major part of the problem as outlined by Mark Breslin with his "Adapt or Die" approach.[126] The non-union labor forces do not have to adapt, they already operate with all of the economic benefits previously laid out above. The unions obviously do not want to do this, or they would have done so long ago. They would rather have each local function as its own governing body, with its own membership, administration, overhead operating costs, power, region of work scope – and subsequent loss of market share that now go with such thinking.

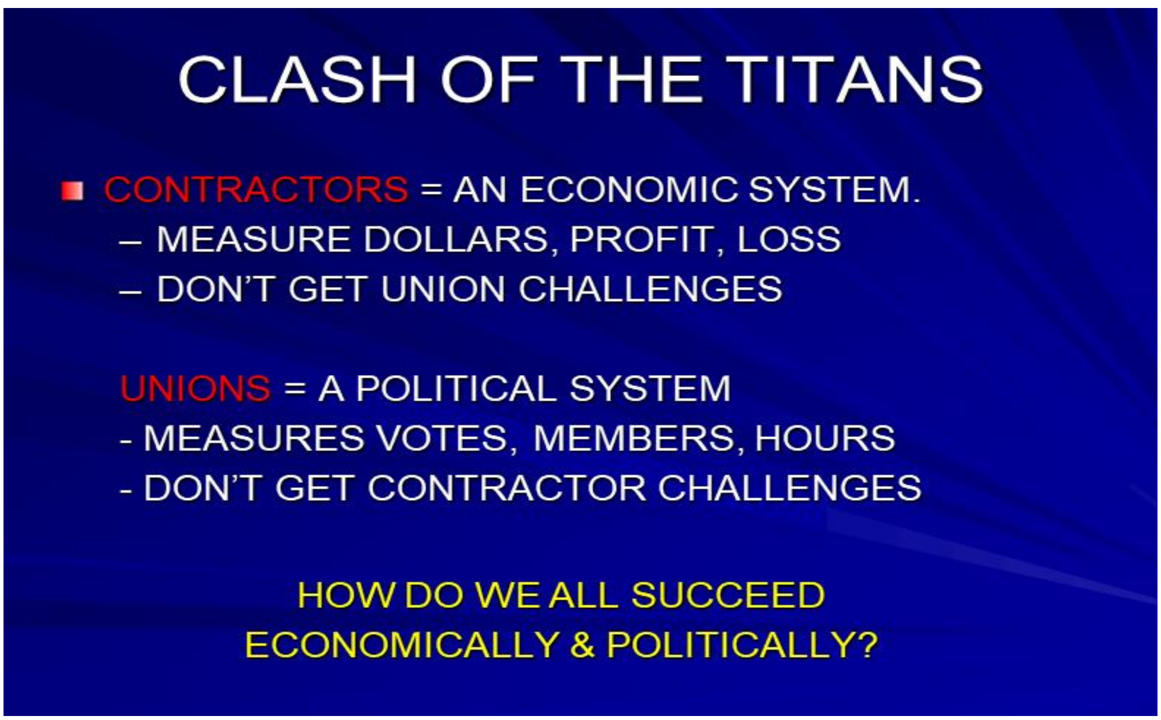

Figure 13. Clash of the titans.
Source: Mark Breslin Labor Symposium – February 2010, Fort Lauderdale Florida

[126] Breslin, "Challenges and Opportunities."

Breslin sums it up really well here with his “Clash of the Titans” viewpoint (Figure 13). The contractors, and their customers, are in an Economic System and think in terms of dollars, profits, and growth. Unions are in a Political System and think in terms of membership, voting, and unified goals for union strength.

The number one issue was not that the owners and developers (the “customers” as stated previously) cared about training, safety records, manpower depth, etc., it is that they cared most about the cost. Cost is the number driving factor in whether a project is viable or not as an investment in a development. If non-union labor could perform the same tasks, and produce the project for a minimum cost savings of 15% in lieu of using union labor forces – that’s what the customers cared about. The Graph depicted on page 74 below (Figure 14) says it all:[127]

[127] Louis Coletti, President & CEO – Building Trade Employers’ Association (BTEA). Personal Interview. At BTEA offices; 1430 Broadway, New York, NY. November 16, 2017, 11:45am.

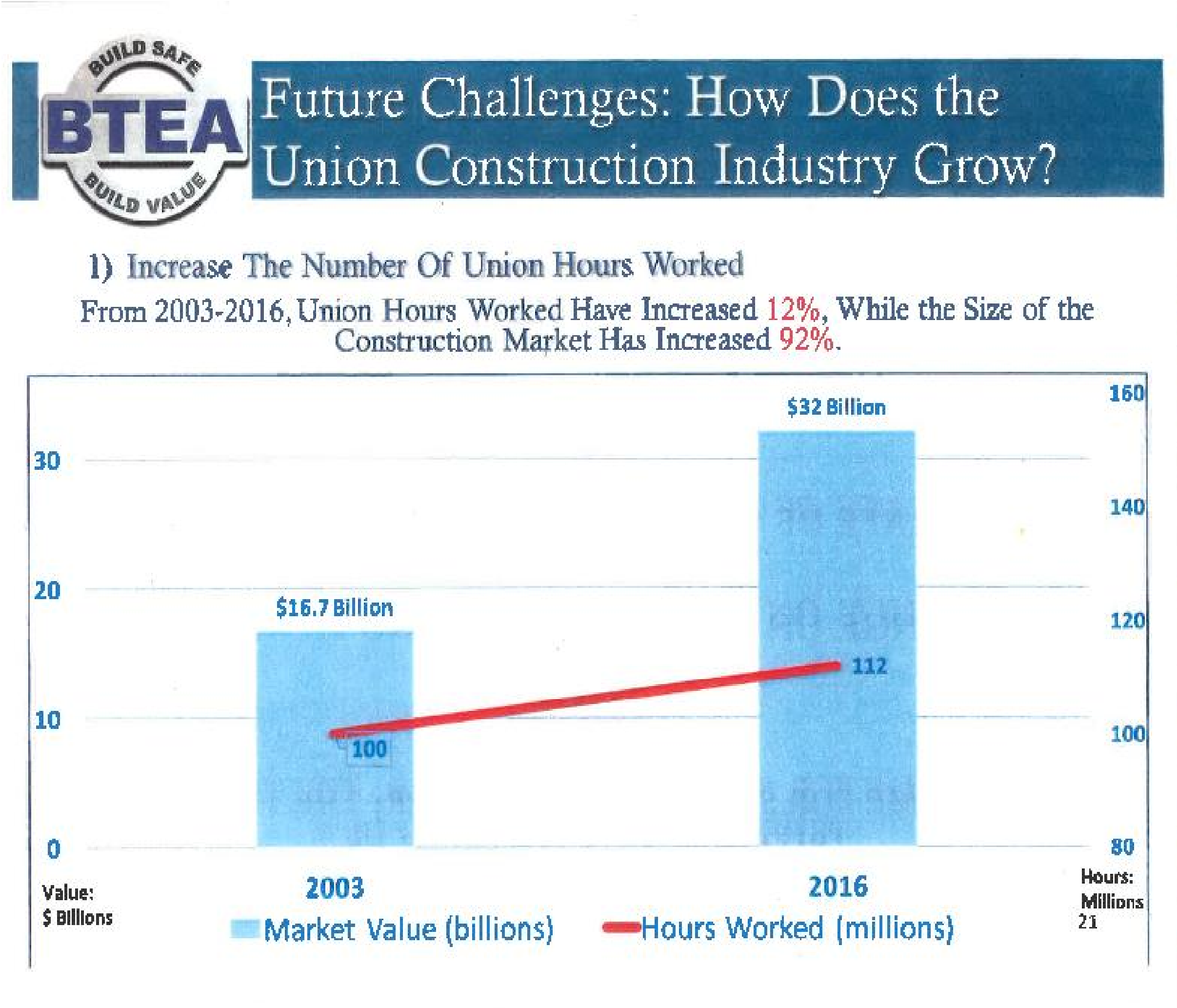

Figure 14. Future challenges: How does the union construction industry grow?
Source: BTEA – March 2017

This graphic representation (Figure 14), tracked by the BTEA, specifically outlines the extreme ratio differential from 2003 to recent times, for organized commercial construction labor here in New York City. Market revenue went up 92%, while the Hours Worked for the union labor trades has only increased a mere 12% percent over the time span of that growth. So who is performing the other 88% growth of the work scope? Simple – non-union labor workforces. Union labor only realized a 12% increase in Hours Worked, which is the key metric for this entire downfall scenario. That comparative to the massive differential of increased revenue over that same time span, puts a visual marker to understand the issue in one pictorial.

As previously outlined, this did not happen overnight, but in a slow economic burn that developed over two decades. It is important to note that there is also a public/private ratio to this current economic workload that is sending a "false signal", and it seems like a sense of comfort within the New York City organized labor trades for the time being. There are major public projects in the city that have occurred, and are still occurring, during the time frame depicted in the graph. The public projects are tens of billions of dollars spread out over a few years, and some have prevailing wage classifications. So even though prevailing wage & benefit rates may not be hard-line "union pricing" per se, they still have fairly similar wage rates, and rates certainly higher than non-union labor for the same work scope. I use the term "false signal" because that is exactly what this overheated market sends – a false signal that times are great, work is plentiful and endless, and there really is no "downfall" (as union labor representation has publicly stated the past two decades).

It is plausible this temporary signaling to the union labor forces gives them a feeling of invincibility that it will never end, and they do not have to change anything – or do they? The problem is once a new LaGuardia Airport is built, Port Authority Bus Terminal is renovated, Ground Zero is reconstructed (which it almost is now), the 2nd Avenue Subway is created and operating (now exactly one year old), the Midtown and Battery Tunnels are rebuilt from the Hurricane Sandy destruction, the new Moynihan Train Station is complete (moving it across the street from the old Penn Station), etc. Once all of this work is completed, there will be more public work, but nowhere near the massive scale that is currently happening, and has been happening, over the past several years.

In my interviews with Louis Coletti of the BTEA, Raymond McGuire of CAGNY, and Richard Anderson of NYBC they all had the same observation: that the massive public work will become severely constricted in growth in about another two years.[128][129][130] As Lou Coletti said, “Let’s call it 2020.” Therein lies my “false signals” reference, because if the momentum slows for the Heavy & Highway public work sector work in the next two years – then what? Did the unions sit back and think they are fat and happy with an endless supply of work for their forces, or did they use that time to adapt and make themselves stronger to come out the other side ready to recapture market share. Research and data depicted here trends that they will not have gotten stronger since this is not the first major public work cycle to be enacted since the 1980s, leading to continued downfall, and they are in for a rude awakening when the massive public work dries up in this current cycle. The current work force has been temporarily shifted, the industry has not added jobs. When that shifted adjustment ends, there will not be enough private sector work to absorb the loss of public projects and its related manpower demands.

The public-versus-private sectors create massive swings in the economics of the construction industry, maybe more than any other. Sectors can be overheated (as they are

[128] Louis Coletti, President & CEO – Building Trade Employers’ Association (BTEA). Personal Interview. At BTEA offices; 1430 Broadway, New York, NY. November 16, 2017, 11:45am.

[129] Raymond McGuire, Managing Director – Contractors Association of Greater New York (CAGNY). At CAGNY offices; 950 Third Avenue, New York, NY. Personal Interview. September 21, 2017, 1pm.

[130] Richard Anderson, Former President & CEO – New York Building Congress (NYBC). Telephone Interview. September 21, 2017, 3:06pm.

right now), they can both be dead, or one sector can be strong while the other sector is weak. President Trump is saying he is going to put a massive infrastructure program into place, maybe as much as $1 Trillion. Even if that happens, only a portion of it will go to New York, and much of New York's bridges, tunnels, airports, facilities, etc. are either fairly new or being renovated at this time. There will be some work here with Trump's plan, if it goes, but surely not along the lines of what has been expended here in New York City the past few years.

In order for the unions to shed this sense of false security that they have, they need to get better focused and trained on economic cycling of the commercial construction industry. Following trending in federal reports, industry data-capture companies like RS Means, regional city reports from BTEA, NY Building Congress, etc.,[131] it is fair to say that the commercial construction industry has a ten year cycle; about three years to ramp up, five year run, two years to ramp down, and the trending repeats. History has shown this to be relatively accurate in a private sector, ignoring acts of war, acts of god, economic depressions/recessions, etc.

However unions do not have any "forecasting programs" in place for economic cycling of future work. Any union I have researched into or inquired about this topic in the NY commercial construction industry gives basically the same response – we do not provide that (if they even understood my question, which a few clearly did not). They "plan" their future on past membership numbers, what the labor traffic demands are

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[131] RS Means. "Cost Data Online-Building Construction Cost Data." 73rd Annual Edition. 2015. Retrieved: RSMeans website-Annual Subscription via Adobe Digital Viewer; Building Trade Employers Association (BTEA). "Reports." 2016. BTEA Website. <bteany.com>; New York Building Congress. "Reports & Analysis." 2015 & 2016. <www.building congress.com>.

within the industry, what the contractors are telling them will be immediate future needs for labor, etc. This creates a problem from the perspective that the unions do not account for the customer's economic concerns about cost. The union's mindset seems to be to satisfy what the short-term demand will be for their services and prepare accordingly, which is nothing short of a recipe for disaster.

Everything researched and written about in this thesis proves this cultural mindset within the New York City construction union organizations to be accurate. The customers do not care about how busy the trades are, what the "value" is that the unions claim to bring to the table (as previously outlined), what the training programs are, etc. – they care about cost. Cost, which is one of the simplest economic terms that can be defined, is what the customer wants to talk about and focus on. A fair assumption is that customers will probably use union labor, as long as it does not cost them more. I have been told exactly such by numerous customers over the past decade, and especially in the past five years. This is where the non-union economics come in as a viable alternative, and how customers are now using such to push back.

The first publically visual pushback of union labor's "Scabby the Rat" protests in New York City, which came from the customer's side, was at radio City Music Hall in 2005. This was the very first time an owner decided to "take on" union labor forces with a public resistance display to show their beliefs. Scabby was set up at Radio City due to non-union labor forces being used at the world-famous music hall. Radio City ownership (the customer) decided to create their own inflatable in the form of a custom-made cat with its paw extended, sitting perched on the marquis of the building. The cat was set up secretly, at 3am, to the delight of the public as dawn arose at Rockefeller Center.[132] This was a smashing success making newspaper headlines in the city.

The customer, Radio City, cared about one economic metric – cost. They were not going to be intimidated, bullied, threatened, preached to, or whatever the latest union labor tactics were being deployed at the moment, so they created their own visual response. It is an interesting segway using the word "employed" since that is what the union does with these public attention garnering scenarios, which are at numerous locations throughout the city, and dozens of sites on any given workday. There are actually sub-cultural, micro-economic spinoffs from the union's attempt to recapture market share through visual and public intimidation. First off, there are strike funds that are captured in every hour worked by a specific trade. Every local trade union has "strike fund" money. Though there are very rarely "strikes" in the commercial construction industry (many CBA's have "No Strike Clauses"), the unions use that money for a myriad of public protests, either in the form of actual rallies or picket lines, including the tiny rat operating crew of usually three union members, who operate the creatures. The rat crew also hands out propaganda paperwork around the creature to "notify" the public passerby's what the issue is about, while visually attacking the (potential) customer from the sidewalk and/or streets of the public arena.

Scabby in his own right has become a micro-economic "cottage industry" for the unions here in New York City. To the extent that the main company who makes them,

[132] Jen Chung, "Cat vs. Rat at Radio City Music Hall." October 27, 2005. <Gothamist.Com>.

Big Sky Balloons, has an entire section in their website (Figure 15 below) entitled "Union Rats" – that is how absurd it has become.[133]

Figure 15. Photo. Big Sky website homepage

All of the inflatables are made in a Non-Union shop in Plainfield Illinois. In a recent phone call I placed to one of the owner's, Peggy O'Connor, she was "…sad to say that they only had (2) of the 12 foot tall (they go up to 25 feet) rats in stock because it has been so busy this year and the stock is depleted."[134] She can however "make me my own custom rat in 4-6 weeks after a 50% deposit." She told me they make about (200) "Union Rats" a year, and the average cost is about $6,000.[135] That is $1.2 million a year in revenue just to supply the rats to unions across the country. That cost does not include the operational costs, such as labor to manage and transport the creatures, set them up,

[133] Big Sky Balloon & Searchlight Co. "Website Home Page." 2017. <bigskyballoons.com>.

[134] Peggy O'Connor, Co-Owner Big Sky Co. Telephone Interview. December 5, 2017, 11:34am.

[135] Ibid.

inflate them, store them, etc. Overall, Scabby is an annual multi-million dollar economic sub-culture just for the construction unions. This is the sort of efforts the unions have expended since 1990 in order to attempt to keep their shrinking market share, in lieu of educating potential customers as to why their additional cost(s) versus non-union labor are worth the price.

Scabby was born from the idea of a union bricklayer in Chicago who wanted to "send a message" to a non-union jobsite where he had lost the contract due to cost differential. He knew Mike O'Connor of Big Sky and asked him if he could create something "intimidating" that he would inflate in front of the jobsite each day and take down each night.[136] The bricklayer also had a cousin in the Laborers Union in New York – which is how Scabby migrated here to New York as the word spread. In 1990, the Laborers Union, local 79, was the first to "employ" Scabby here in New York City at a jobsite on Madison Avenue.

While the history of the inflatable creatures is interesting, was it, is it, effective? Maybe it was effective years ago, but does not seem to be in today's market as the increase in non-union labor jobsites has not rescinded in twenty-five years. In concert with this fact, other customers have followed the lead of the Radio City Music Hall "pushback", and it is easy to understand that the aura of the inflatables and their intended influence is no longer viable in today's world. Customers are pushing back, resisting the intimidations, and hiring non-union workforces regardless. Overall, it is very simple – the customer cares about costs, and the intimidation tactics still employed by the unions are a snapshot of yesteryear.

[136] Matt Soniak, "The Story Behind the Giant Inflatable Union Rat." August 9, 2011. <MentalFloss.Com>.

The BTEA has charted the massive differential in economic spending on construction dollars versus the union trade hours worked in a given year, over the past decade. *Observe how flat the blue graph line is which portrays union Hours Worked in comparison to the red graph line economic Spending increase.

CONSTRUCTION SPENDING/UNION HOURS WORKED

Year	NYC Construction Spending	NYC Union Hours Worked
2003	$17.0 Billion	106.0 Million
2004	$17.0 Billion	100.0 Million
2005	$19.0 Billion	99.0 Million
2006	$25.0 Billion	107.0 Million
2007	$31.0 Billion	119.0 Million
2008	$33.0 Billion	127.0 Million
2009	$26.0 Billion	106.0 Million
2010	$28.0 Billion	117.7 Million
2011	$27.7 Billion	97.1 Million
2012	$27.3 Billion	105.0 Million
2013	$28.1 Billion	106.0 Million
2014	$32.4 Billion	107.5 Million
2015	$41.2 Billion	110.0 Million
2016	$42.4 Billion	112.0 Million

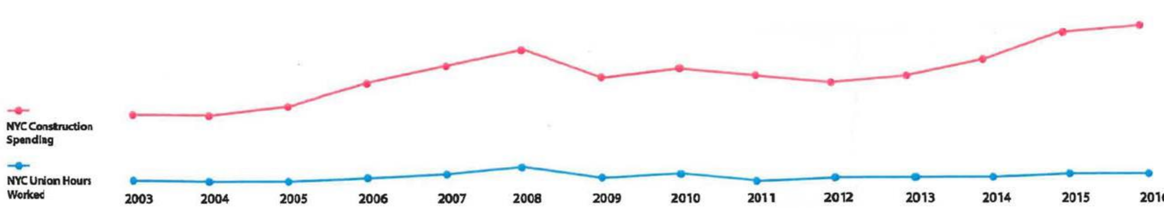

Figure 16. Construction spending / union hours worked
Source: BTEA – March 2017[137]

As portrayed in the graph above (Figure 16), the economic cycle has had an upward trend for the past thirteen years, which is highly unusual per historical data. As the Building Congress data states, New York City has been on an all-time record run

137 Building Trade Employers Association (BTEA). "Winter Conference Symposium." March 3, 2017. Diplomat Hotel Conference Center, Ft. Lauderdale, Florida.

since such data was initially captured back in 1921.[138] The industry enjoyed an increase in spending from $17B in 2003 to over $42B in 2016. However, in the same recent 13-year time span, the non-union work force has become incredibly strengthened while the union trades have been busier with all of the recent public work (the "false signal" previously described).

As a final point, shown below on the following page (Table 8), is a budget example the BTEA displayed in their 2017 symposium.[139] This is from an actual project in Manhattan that the developer (customer) asked the Construction Management firm for a side-by-side comparison of Union versus Merit Shop (primarily non-union) trade costs for a $143 million dollar project. In this comparative the non-union trades could be employed to perform work at 17% less -or- $122 million, for a $21 million dollar savings. Obviously, these numbers are way too big to ignore, but they seem be by the unions.

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[138] New York Building Congress. "Reports & Analysis" & "History." 2016. NYBC Website. <www.building congress.com>.

[139] Building Trade Employers Association (BTEA). "Winter Conference Symposium." March 3, 2017. Diplomat Hotel Conference Center, Ft. Lauderdale, Florida.

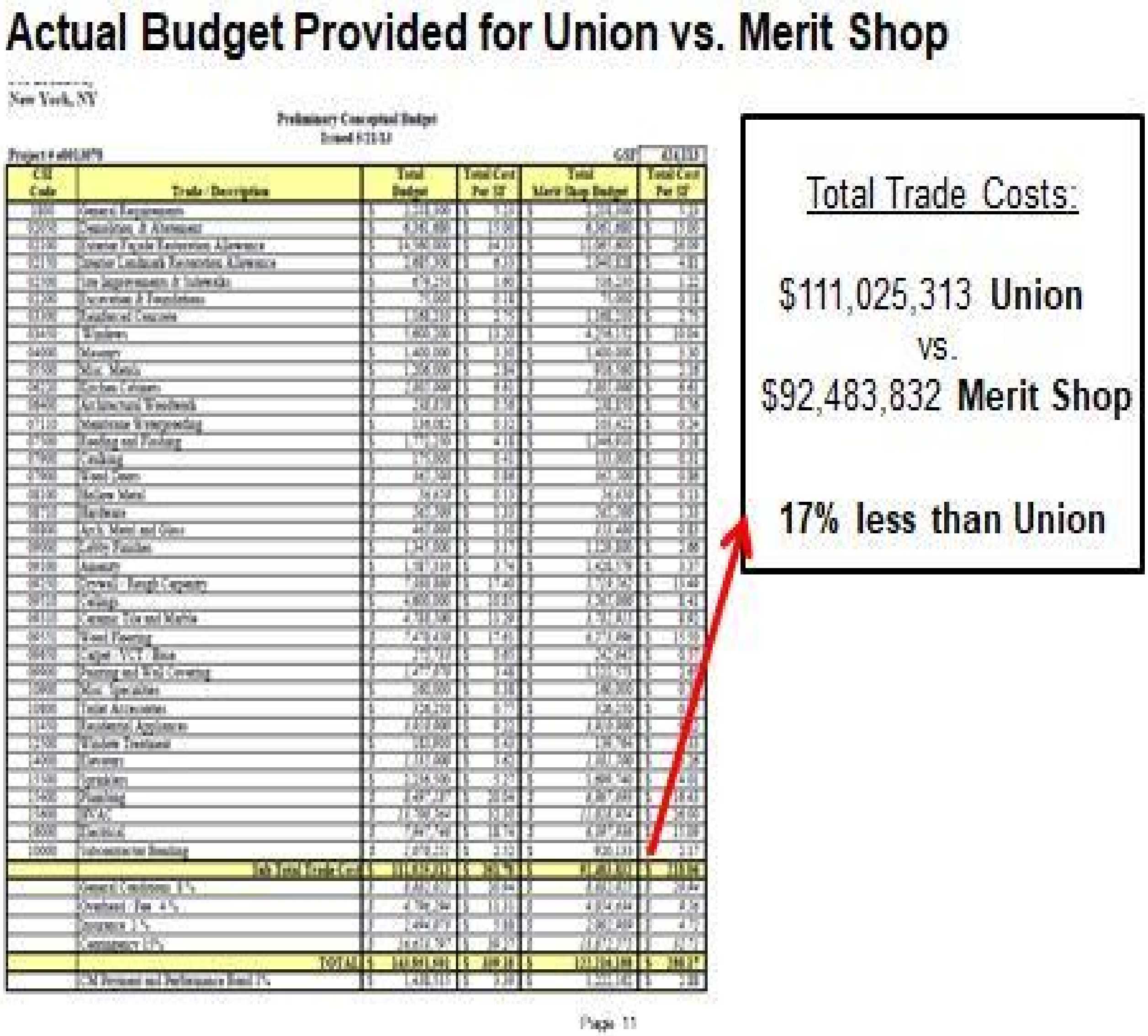

Table 8. Actual budget provided for union vs. merit shop
Source: BTEA – March 2017

By reviewing the statistical ratio in Table 8 (outlined in the Box to the right), note that the 17% cost differential is in aggregate to the project. There are some trades with no cost affect, and others with much higher ratios. General work trades with vast scope, like Carpentry, will have a much higher savings, like 25%, whereas Elevators, a unique specialty trade, will have a lower percentage in savings, such as 10%, etc.

“A lot of data washes away a lot of things.”

-Jim Bessen, Economist, Boston University

This quote was made by Jim Bessen at a recent Harvard Business School forum in February, and it seems fitting here. This thesis is loaded with analytics outlining union labor decline. The numbers do not lie, so why do the unions not see it? In my interviews and research with union representatives, I have heard, more than once “There is plenty of work, the decline data is inflated….” Therefore if Bessen’s quote is to be considered, it appears the unions may be playing a role of hoping the problem is exaggerated and will go away by ignoring the data and subsequent facts showing union labor decline and non-union labor growth in the commercial construction trades.

*See next page for a larger view of the budget document (Table 9) showing line-item detail by trade, and related costs by Trade Description and/or Square Foot.

Below is the budget-only portion, up-scaled for clarity:

New York, NY

Preliminary Conceptual Budget
Issued 5/21/13

Project # e0013078 — **GSF** 424,113

CSI Code	Trade / Description	Total Budget	Total Cost Per SF	Total Merit Shop Budget	Total Cost Per SF
1800	General Requirements	$ 2,218,300	$ 5.23	$ 2,218,300	$ 5.23
02050	Demolition & Abatement	$ 6,361,680	$ 15.00	$ 6,361,680	$ 15.00
02100	Exterior Façade Restoration Allowance	$ 14,560,000	$ 34.33	$ 11,065,600	$ 26.09
02150	Interior Landmark Restoration Allowance	$ 2,685,300	$ 6.33	$ 2,040,828	$ 4.81
02500	Site Improvements & Sidewalks	$ 679,250	$ 1.60	$ 516,230	$ 1.22
02200	Excavation & Foundations	$ 75,000	$ 0.18	$ 75,000	$ 0.18
03300	Reinforced Concrete	$ 1,168,210	$ 2.75	$ 1,168,210	$ 2.75
03450	Windows	$ 5,600,200	$ 13.20	$ 4,256,152	$ 10.04
04000	Masonry	$ 1,400,000	$ 3.30	$ 1,400,000	$ 3.30
05500	Misc. Metals	$ 1,206,000	$ 2.84	$ 916,560	$ 2.16
06220	Kitchen Cabinets	$ 2,805,000	$ 6.61	$ 2,805,000	$ 6.61
06400	Architectural Woodwork	$ 238,850	$ 0.56	$ 238,850	$ 0.56
07110	Membrane Waterproofing	$ 136,082	$ 0.32	$ 103,422	$ 0.24
07500	Roofing and Flashing	$ 1,772,250	$ 4.18	$ 1,346,910	$ 3.18
07900	Caulking	$ 175,000	$ 0.41	$ 133,000	$ 0.31
07900	Wood Doors	$ 365,500	$ 0.86	$ 365,500	$ 0.86
08100	Hollow Metal	$ 56,650	$ 0.13	$ 56,650	$ 0.13
08710	Hardware	$ 565,500	$ 1.33	$ 565,500	$ 1.33
08800	Arch. Metal and Glass	$ 465,000	$ 1.10	$ 353,400	$ 0.83
09000	Lobby Finishes	$ 1,345,000	$ 3.17	$ 1,129,800	$ 2.66
09100	Amenity	$ 1,587,310	$ 3.74	$ 1,428,579	$ 3.37
09250	Drywall / Rough Carpentry	$ 7,380,080	$ 17.40	$ 5,719,562	$ 13.49
09510	Ceilings	$ 4,600,000	$ 10.85	$ 3,565,000	$ 8.41
09310	Ceramic Tile and Marble	$ 4,788,500	$ 11.29	$ 3,782,915	$ 8.92
09551	Wood Flooring	$ 7,470,450	$ 17.61	$ 6,573,996	$ 15.50
09650	Carpet / VCT / Base	$ 275,733	$ 0.65	$ 242,645	$ 0.57
09900	Painting and Wall Covering	$ 1,477,070	$ 3.48	$ 1,122,573	$ 2.65
10900	Misc. Specialties	$ 160,000	$ 0.38	$ 160,000	$ 0.38
10800	Toilet Accessories	$ 326,250	$ 0.77	$ 326,250	$ 0.77
11450	Residential Appliances	$ 3,910,000	$ 9.22	$ 3,910,000	$ 9.22
12500	Window Treatment	$ 183,900	$ 0.43	$ 139,764	$ 0.33
14000	Elevators	$ 1,535,000	$ 3.62	$ 1,381,500	$ 3.26
15500	Sprinklers	$ 2,236,500	$ 5.27	$ 1,699,740	$ 4.01
15400	Plumbing	$ 8,497,187	$ 20.04	$ 6,967,693	$ 16.43
15600	HVAC	$ 13,700,564	$ 32.30	$ 11,028,954	$ 26.00
16000	Electrical	$ 7,947,746	$ 18.74	$ 6,397,936	$ 15.09
10000	Subcontractor Bonding	$ 1,070,251	$ 2.52	$ 920,133	$ 2.17
	Sub Total Trade Cost	**$ 111,025,313**	**$ 261.78**	**$ 92,483,832**	**$ 218.06**
	General Conditions 8 %	$ 8,882,025	$ 20.94	$ 8,882,025	$ 20.94
	Overhead / Fee 4 %	$ 4,796,294	$ 11.31	$ 4,054,634	$ 9.56
	Insurance 2 %	$ 2,494,073	$ 5.88	$ 2,002,989	$ 4.72
	Contingency 15%	$ 16,653,797	$ 39.27	$ 13,872,575	$ 32.71
	TOTAL	**$ 143,851,501**	**$ 339.18**	**$ 122,216,188**	**$ 288.17**
	CM Payment and Performance Bond 1%	$ 1,438,515	$ 3.39	$ 1,222,162	$ 2.88

Table 9. BTEA. Preliminary conceptual budget

As portrayed on the previous two pages (Tables 8 & 9), these cost differentials are huge. Not just for customers, but also the general contractors/construction managers who build, and the insurance companies who insure, the projects. For insurance companies it is a double-edged sword. They are insuring projects that cost less, so the cost of the insurance program(s) are theoretically cheaper, which is good to promote their services to contractors and developers, but such decrease accumulates less revenue. However, there is an inherent risk factor that goes up tremendously in dealing with merit shop subcontractors, who may, or may not, have the true depth and expertise to handle some of these large projects. From my direct dealings, the non-union subcontracting community has become stronger in the past decade, but many subcontractors only have the labor depth to handle one or two large sized projects at any given time. This puts tremendous stress on the insurance companies to provide the correct liability and risk coverages, and at an affordable rate (usually about 1.5% of a total project cost).

Another factor in the merit shop option and the largest player to be involved the past decade is foreign money. Foreign money has zero concern in how the project gets built. Foreign money has zero concerns about labor relations or workplace harmony. Foreign money cares about one thing and one thing only: Cost.

I cannot explain how many budget meetings I have sat through with foreign based developers which had discussions about any other subject but "costs." Yes, schedule and quality is also important, but money is dominantly the number one discussion point. If a developer from Italy, China, England, Australia, Peru, etc. (I've sat with developers from all of these countries), comes into New York City, they are looking to build their "vision" of their project for the best price they can get. There is very little dissemination between spending a few dollars more on the lobby, or exterior curtainwall, or elevator systems, or lighting, and the relative perceived “bang for your buck” payback that may offer a better product to the potential tenants of the development. There is no way to measure if a developer spent an extra two million dollars on the lobby and some tenant amenity features, that they may have rented their commercial spaces at a higher rate, or sold their condos for more dollars per square foot. It also does not mean a project that is unsuccessful in the marketplace as far as sales/rentals, would have done better if they had spent ten million more on a fancy exterior curtainwall system so the building had a better look, or maybe high-tech lighting systems, etc. There is no way to speculate or calculate the “what if” scenarios on a developers payback over time, and for that reason, they usually do not take those risks.

No developer (customer) is more in tune with that mindset than foreign money. “Out of towners” as they are tagged in our industry, are not going to spend more than they have to. As a conservative approach, they are the largest body of customer classification who always ask first and foremost “How much is the cost differential if we build it non-union versus union?” I can say that almost exclusively from my vast dealings with out-of-towners. The foreign developers I sit with are fairly savvy in monetary interactions and financial forecasting. They may not have influential politically connected prowess, understand what it takes to build here in New York City, realize the rules & regulations of the permit processes, etc., but I can say they understand the dollar, and how far it will go. Organized labor in the New York City commercial construction industry does not seem to understand this overall economic concept. The severe deterioration of “Hours Worked” speaks for itself.

VII.

An "Alternative Beginning" Perspective

As an alternative counterpoint to this thesis, there is a very well-written article entitled "Sheetrock Sweatshop – How New York's Scab Contractors Make Millions off the Backs of Their Low Wage Tradespeople."[140]It was written in May of 2012 by a gentleman named Gregory A. Butler. It is fair to give recognition to this article because it lays out, in very pointed detail, Mr. Butler's experiences and opinion of the downfall of union trade labor in the commercial construction industry. Mr. Butler is a union member of the New York City District Council of Carpenters. He founded and moderates the website Gangbox: Construction Workers Newsletter. Gangbox is loaded with articles, usually about one per month, that cover a myriad of issues in the New York commercial construction industry.

His "Sheetrock Sweatshop" article is of particular interest as he feels the deterioration started (the "Beginning of the End" as outlined here on page 27) in 1971. In April of 1971, New York State, and City, repealed the 1947 Rent Control Law, which opened the gateway for then Mayor Lindsay's subsidy program to allow landlords of public housing to renovate their old apartments using a $784 funding program established by Wall Street banks.

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[140] Gregory Butler, "Sheetrock Sweatshop – How New York's Scab Contractors Make Millions off the Backs of Their Low Wage Tradespeople." May 22, 2012. Gangbox: Construction Workers News Service. <gangboxnews.blogspot.com>.

Enter Mayor Ed Koch in 1978, and the public works development project of renovating NYC Housing. Mayor Koch was faced with the debt crisis in the city, part of which was paying back the interest on the $784 million dollar housing subsidy loan – which the city could not do at the time as it was facing bankruptcy. As part of the solution to this fiasco, Mayor Koch created the NYC Department of Housing Preservation and Development. Koch saddled the new department with creating a way to get the costs down for this massive housing renovation program. The best solution was to get the wages down, below prevailing wage levels, as it was all the city could afford at the time and the only real solution since building material costs were at a set market price-point and could not be lowered any further.

In response to this mandate to get the costs down, The NYC Department of Housing Preservation and Development made an agreement with Vincent DiNapoli who owned Inner City Drywall. Inner City was working on numerous sites for the city at the time, and employed union labor. The city went to Mr. DiNapoli because of the existing relationship and the fact that Inner City was already under contract doing the majority of the work on numerous sites. Mr. DiNapoli had two other affiliations; he was president of the Metropolitan New York Drywall Association – which was publicly known, and, he was a "captain" in the Genovese crime family – who as history has shown, controlled the Carpenters Union during the 1960s to 1990s. It is fair to speculate that the second affiliation was unbeknownst to the administration at the NYC Dept of Housing. Regardless, Inner City Drywall Inc. took the contract to rebuild the housing projects – with non-union "scab" labor as Butler outlines, paying no benefits, and below prevailing wage level rates. This set the first major non-union work project in New York City in motion, simply because it could be since Mr. DiNapoli had the horsepower and the connections to make it happen.

Mr. DiNapoli, in conjunction with a fellow captain of the Genovese crime family, Louis Moscatiello, brought "Lumping" into the arena on the NYC Housing renovation projects. "Lumping" is an industry term that pays workers by the piece, instead of by the hour, and allows the reported average hourly rate to look higher than it actually is. Using sheetrockers as an example, an agreement may be to pay a worker for "six boards an hour." This means handling, and installing, six boards of sheetrock in an hour's time frame, on average, or one every ten minutes. This is done with a two-man crew, and the boss does not care if you take breaks, work through lunch, leave early, start late, etc. If you want to work a seven hour day – of which you are paid for – then you and your co-worker "owe him" 42 boards of sheetrock to be placed during that day. If you place less, you get paid less, as if you were only on site for five or six hours, etc. This discretionary tactic allows the boss to get 42 boards of sheetrock placed in a day, or whatever the task and related metric may be, and if you have to work through lunch, or stay until 6pm that night to make it happen, but you still get your paycheck equating to a "seven hour workday" because of the lumping arrangement.

"Lumping" of installed material always had a set goal that had to be reached by working more than a seven-hour day so the contractors could push the workers, but a worker did not get paid beyond that time to reach the goal. Ignoring a "lumping goal", the seven-hour pay day was recorded on paper – and that was all that the NYC Department of Housing cared about in the monthly reports. Whether the city knew lumping was occurring or not, will never be known, nor does it matter as that is how it was done.

Subsequently years later, with the fall of the union dominance and related organized crime affiliations, changes in work rules and laws, and the world of the internet, electronic labor time reporting, etc. – there is no way to legally enact a lumping program on public projects in today's world. However, in the 1970s, in New York City, that is how the trade contractor's got around the prevailing wage threshold, and they did it with mob controlled union corruption – so the union "management" did this – to themselves.

Mr. Butler's perspective is a fair and reasonable one for how he defines the beginning of the "scab contractor" movement in the industry, and it was worth outlining it here as an alternative beginning to the downfall. Mr. Butler starts his viewpoint in the public sector of the work force and scope, I start my viewpoint in the private sector of work scope. Regardless of whose perspective the reader may agree with, both perspectives lead to the same point in the late 1980s – the beginning of the downfall of union labor dominance in the New York City commercial construction industry.

VIII.

Conclusion

To sum up the New York City construction union labor decline in one issue: the problem is Hours Worked. After analyzing the causes and implications of this decline, can the unions gain back some of this extremely critical metric. Without increasing hours worked, the benefit package dollars do not exist to fund the future benefits of the eventual retirees, which will mature from the current membership.

The decline of hours worked, and of membership volume, occurred even though the warnings were there for many years to the union trades and their organizations. Warnings from the cities across the country that experienced the same exact phenomena, and warnings within the New York City industry as a whole, that this trend had moved eastward and was nearing the New York City threshold.

The main issue at play is that certain markets are clearly gone forever, and will not be possible for re-capture. Too much water is under the bridge, too much time has passed, too much non-union expertise has been enacted, and these markets are simply "forever gone" as industry leaders call it. Said markets would classify as; Retail Construction, Housing, Hi-Rise Residential buildings (towers more than 15+ stories), interior Corporate Office construction outside of the "Midtown/Downtown" regions. These markets, as outlined above, will be from today forward, either non-union, or at best Merit Shop with a hybrid of non-union trades intermixed with union trades for an entire project. There is no way a "forever gone" market can be brought back to fully contracted union construction trades, as the customers will never spend the increase for those services. A sprinkling of all-union projects could possibly occur within New York City, but definitely not the majority of work like in the 1980s. The customers will not do so going forward, as they do not need to due to the fact that sophistication and experience of doing work in those arenas with non-union labor forces is now vast and plentiful. The savings is there to build these project classifications non-union, and will remain intact with customers choosing to do so.

Having said this, there may be room for some recovery of market-share in other areas, such as: Hi-Rise Commercial, large-scale Public Works, Transportation, Heavy & Highway, large scale Retail. These areas are still predominantly performed with union labor, and the focus should be to maintain marketplace since a "recapture" does not necessarily have to occur. A pro-active defense of such markets however, must be pursued and maintained. The one positive metric the unions have in New York City, is overall market volume of massive projects, as these complex projects need organized labor with proper training and depth from the local halls to meet the schedule and expertise demands. Massive projects like the $3.5 billion Freedom Tower, $15 billion rebuilding of Ground Zero, the $20 billion West Side Hudson Yards Development, $3.7 billion dollars for a new LaGuardia Airport, or billions of dollars in infrastructure modernization projects, cannot be done with non-union labor forces – they do not have the labor-pool depth or expertise. Nowhere else can you ramp up a project and call a labor hall for fifty workers the next day for a major concrete pour, except in organized labor trade unions. The workers come to the site the next morning, ready to go, skilled, trained, experienced.

At his industry symposium in 2010, Mark Breslin defined an “Action Plan” outline (Figure 17) of what needed to be done by the unions to recapture market share for the lost and/or declined classifications of type, and subsequently, hours worked.

Figure 17. NYC organized labor action plan – 2010
Source: Mark Breslin Labor Symposium – February 2010, Florida.

There have been movements towards this plan, but it is not enough as proven by the outcome of the downfall specifically detailed previously. As a counter-position to the unions allowing the downfall to occur, it is fair to speculate that the unions attempting to do something earlier about preventing the downfall may not have prevented it from happening anyway. The downfall could have been attributed to “a sign of the times”, changing cultures, changing of workplace values, different politics, shifts in regulations and policies, economic cycling, technology driven businesses, global economies, inflow of foreign goods, foreign investors who are not labor savvy in the United States, etc. There is no way to measure or intelligently project "What might have been...".

Adding to this, corruption was so bad, it lead to going backwards before going forwards because the corrupt management and "affiliations" had to be scrubbed clean, before the unions could even attempt to compete against the ever increasing non-union options to their customer base. No operating business can function with the level of corruption that the construction trade unions carried within them for multiple decades – not only mob-infiltrated corruption, but corruption within the hierarchy of the different locals themselves using favoritism, nepotism, personal benefits, political positions, abuse of funds for personal gain, etc. The union membership had no option or choice in dealing with the corruption as that was handled at the highest levels of union management, not by the membership body of the workers on jobsites.

From a different view point, it is important to ask this question now that over a decade of non-union construction labor growth has become a major foothold in New York City: did owners and developers really gain overall by saving 15% of their project labor costs? Now that some time has gone by the past few years, many non-union projects have come in many months late due to learning curves and labor pool production problems, including a deficiency in enough available labor to support large-scale projects. It is well known, and documented, that non-union sites are more dangerous with less safety regulations, which has led to lawsuits and injury claims that lag on years past the ribbon cutting ceremonies of the projects.[141] On some merit shop projects I have been

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[141] Laura Walter, "Most NYC Construction Deaths Occur on Non-Union Worksites," November 27, 2007. EHS Today. <EHStoday.com/safety/news>; Kathryn Brenzel, "Data Wars: Nonunion Group Says Half 2017's Construction Deaths Happened

involved with, they came in beyond originally scheduled completion targets because there were not enough labor forces in place to meet the demands throughout the city. From interactions I have discussed with industry colleagues, this is a problem that permeates the industry in a widespread array. Part of it is due to labor depth, the other portion can be attributed to an overheated market and simply too much volume of work occurring.

What are these duration overruns worth to the bottom line for a developer on a project before they can sell residential units, rent commercial space, or open retail stores within their project? What are those delays worth in the financing costs of the project which accrue monthly? Will unions actually gain in the long term, by learning and becoming stronger now? Theoretically, they have tightened their operations, financial conditions, and procedures to become more productive and efficient. They have done this through ridding the mob corruption (enacted for them by the city), modernizing systems and adding computer technologies, changing work rules and archaic regulations, becoming much more transparent to their customers as to how they operate and under what regulations, having publicized elections of union officials and subsequent results of such election outcomes. Theoretically, this efficiency should have a long term payback effect in the form of "investing in themselves" and their own operations for the benefit of young current members, and future membership, in the years to come.

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on Union Sites," August 29, 2017. The Real Deal – New York City Real Estate News. <therealdeal.com/2017/08/29/data-wars-nonunion-group-claims-half-2017s-construction-deaths-happened-on-union-sites/>.

> "Unions should use the ultra-competitive market and tough economy as an opportunity to retool their product and make it more lean and efficient to compete in today's marketplace instead of relying on government handouts to stay relevant."[142]
>
> −Ben Brubeck
> U.S. Bureau of Labor Statistics

The New York construction union's industry dominance downfall happened on their own watch. They allowed it to occur by sticking to archaic work rules, rallying cries, threats, demands, and ignoring the economic realities, possibly hoping a downfall would not happen like it did throughout the rest of the country. Having said that, there is an opportunity to adapt and recapture some market share. There is an opportunity to increase their Hours Worked, increase production standards, and to provide real "value" to the customer – on an economic cost benefit basis. It is up to the declining 100,000 union tradesmen, and their leadership, to continue to do something about it.

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142 Ben Brubeck, "The Truth about Project Labor Agreements – Construction Industry Union Membership Declines." January 28, 2016. U.S. Bureau of Labor Statistics. <thetruthaboutplas.com/2016/01/28/bls-construction-industry-union-membership-declines/>.

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