

SUMMARY OF RESULTS OF ATLANTA AREA STANDARDS CAMPAIGN
3rd QUARTER 2005

• **MAXIMUM MOBILITY**

- The bus we purchased is working out extremely well. As the campaign expands into Midtown and Buckhead, we are using the bus more and more, and it has lived up to all of our expectations. In addition to serving as a vital tool in our campaign to enforce area standards, we were fortunate enough and proud to be able to help our brothers and sisters in the Gulf Coast area with deliveries of food and supplies just days after the hurricane. We stand ready to help as needed.

• **PARTNERSHIP WITH D.O.L. TO STOP 1099**

- We continue to work closely with the Department of Labor and the IRS criminal investigation division to clean up the 1099 epidemic. As a result of a yearlong investigation and with evidence provided by us, a local labor broker- Eagle Contracting was recently raided and served with a search warrant. Federal agents virtually confiscated their entire operation and are preparing for possible indictments. The effects of this bust appear to be widespread, as other unfair contractors, including The Circle Group, have come up in the scope of the investigation and in evidence retrieved during the execution of the search warrant.

• **BUILDING RELATIONSHIPS**

- We are continuing to develop partnerships with local end-users within the scope of the campaign. Colonnade Properties continues to directly help in upholding area standards, as they informed one of our signatory GC's (Welch-Tarkington) that they could not sub an upcoming job to O'Neal Drywall and Acoustics because he gave his word that he wouldn't allow O'Neal to work on their property until they get right with us. As a result, Welch-Tarkington self-performed the job, called the union hall and put 8 members to work on the project.
- Kent Matlock, owner of the largest minority-owned marketing firm in Atlanta, has proven to be a prime example of positive, proactive help from an end-user in this campaign. Although it took a few days worth of bannering and a ULP for letting Family Drywall (who is no longer working in our jurisdiction) build out their new office space, Kent sat down with us and agreed to investigate the wages and benefits of the rat, facilitate a meeting between us and the GC, and speak publicly to the media about the realization that area standards and fair wages are important to everyone-including the business community. Kent remains an important ally who will serve as a direct conduit to the minority business community and a vocal proponent for area standards and the necessity for a business/UBC partnership.
- Also involved with the Family Drywall dispute was Duke Realty, who had family on a Duke property by the airport. Upon our notification about the dispute, Duke had Family removed from the job while still in progress and sent a memo to all Duke construction personnel and to their contractors informing them that they are no longer permitted to use Family until right with the Carpenters. Duke also welcomed our list of acceptable contractors and will call on our contractors to bid more work. Winter properties also released a memo to not allow Family on any more of their projects until they do the right thing.
- Most recently and most satisfying has been a new relationship with Trizec Properties at Colony Square Mall. After a long, drawn out battle with Trizec at that property that included litigation, we had to start it up again as Choate Construction, Inc. hired Fidelity Interior Construction (target) to perform work at



400 Colony Square. After about 10 days of demonstrations, Trizec's new property manager at Colony introduced himself and expressed his desire to get off on the right foot this time. As a result of those discussions, Trizec agreed to not allow Fidelity on their property for any future work until right with us and push to dismiss pending litigation initiated by Trizec's previous manager. In return, and as a show of good faith, we agreed to stop demonstrating at the site, allow Fidelity to finish the job (1 week left), and withdraw a ULP we had pending against Trizec. We look forward to building on this relationship.

- We are also getting ready for next year's proxy season and working with the UBC Corporate Affairs department to establish our list of firms targeted for 2006 proposals and Q&A's to further develop business relations with some of the highest levels of the local economy, property owners and business community leaders.

• CAMPAIGN UPDATES

- Castillo Construction, Inc. owner Victor Castillo was a member of the UBC who tried to make it on his own as a drywall sub. After getting ripped off several times and seeing the effects of the campaign, Victor agreed that the only chance for survival in the Atlanta market was to get on our List of approved contractors. Victor signed our drywall Agreement and is actively bidding work to land that first union job. His company is relatively small, serving as a great union option for some of the smaller T.I. jobs in the area. We are helping every way we can to get Castillo Construction as much work as possible.
- We have recently received the research for Midtown and Buckhead from Adam Pagnucco and have concluded our initial sweep of the now 130 buildings within the scope of the campaign. The stats themselves paint a clear picture of the effects of the campaign on market share. In the downtown market, our contractors are averaging 60 to 80% of the work, while we only control 40% and 17% of the work in Midtown and Buckhead respectively.
- We are currently dissecting Adam's research and formulating our strategic, comprehensive plan to gain market share in these markets and we are looking forward to the challenge.
- As reported earlier, we are enjoying a momentum within the campaign that is resulting directly in more work for our contractors-especially in the Downtown area where we have spent the most time demonstrating, and where our contractors have gone from almost no market share to consistently more than half. However, one of the biggest detriments to the success of the Campaign remains the use of unfair subcontractors by Atlanta general contractors, including UBC contractors. Not only does this practice completely undermine the standards we are enforcing with non-union firms, the unfair subcontractors are picking up even more work, assuming they won't be targeted while subbing from a UBC general contractor. (It has been Council policy not to enforce area standards by protesting jobs where a union contractor was involved, but rather to work with our contractors diplomatically to resolve the issue.) The issue is getting worse. For example, at the time of this report, one particularly unfair sub has 6 substantial jobs Downtown-all for Union general contractors, with no worries of public shame. We also lose credibility when a non-union GC demands to know why his jobs are being protested when UBC contractors are doing the very same damage to area standards with no consequences. Essentially, UBC contractors who are hiring

substandard subcontractors to work on their projects are now playing one of the biggest roles in suppressing the very standards that we all need to protect in order to gain market share.

- Therefore we have decided that, effective immediately, while we continue to urge our signatory contractors to self-perform their drywall work or hire only subcontractors from our List of Approved Area Standard Contractors, we have no choice but to enforce Area Standards on all projects within our jurisdiction, including those performed by UBC contractors who hire unfair subcontractors.
- Specifically, while the use of any contractor not on our approved List may result in demonstrations, we will be informing our contractors that the use of key substandard unfair contractors working in our jurisdiction will automatically result in a Notice of Labor Dispute sent to all involved parties, followed by lawful public demonstrations that will encompass all firms associated with projects where these unfair contractors are employed, regardless of union status.
- We will be inviting signatory contractors involved in the campaign to a meeting on October 19th to discuss any concerns they might have and to iron out the details of existing jobs we may need to overlook as we move forward. We expect to hear some heated discussion, but look forward to sharing the benefits of what can sometimes be tough, but necessary decisions.

- **VOLUNTEER ORGANIZING**

- We offer members \$10 in merchandise credits for every hour that they volunteer on the picket lines or other activities. Our Locals have turned in 10 volunteer hours for the second quarter.