# CENTRAL VALLEY BUSINESS OUR MAIL

w.cvbiziournal.com

December 2007

MODESTO-TURLOCK

STOCKTON-LODI-MANTECA-TRACY-LATHROP



Santa takes time out of his busy holiday schedule and comes to Sherwood Mall - photo courtesy of Keith Burgad, Burgad Imaging

## Valley retailers hopeful for holiday boost 147 million Black Friday weekend shoppers, up 4.8%

By Craig W. Anderson

Retailers were encouraged by increased Black Friday weekend traffic that was up almost 5 percent from last year, according to the National Retail Federation. Average consumer spending was \$348, down 3.5 percent from last year, but it was still 14.8 percent higher than 2005.

On the busy online-shopping Monday after Thanksgiv-

ing, called "Cyber Monday," Americans spent more than \$700 million, according to comScore, a Virginia online commerce data tracking company. This was up about 15% from 2006.

"While last year showed a greater emphasis on highdefinition televisions, this year consumers were focused on lower priced doorbusters like digital photo frames, laptops and cashmere sweaters," said NRF President and CEO Tracy Mullin. "Though Black Friday weekend was a complete success for many retailers, the results of the holiday season won't be determined until the last two weeks of December."

Others have somewhat different opinions.

see Holiday rush page 8

# Greenmail Independent builders accuse unions of coercion

By Lowell McCoy

Are labor unions using the environmental laws to black-mail government into giving them exclusive contracts? Union officials say no. Independent non-union builders say it is obviously true. For the past decade there has been an escalating public relations and legal conflict between the two.

At the core of the dispute is what is called a Project Labor Agreement. A PLA states that union labor must be used. It further states that labor must receive a prevailing wage. There are other provisions, but these are the touchstones.

When a PLA is not present in the requirements for a building project, the unions file a legal demand for proof that an environmental standard is being met. This is

see Unions page 6

### Pro Audio/Video Install: Home Theater Manicians



#### Unions

continued from Front Page

known as "greenmail".

The word "greenmail" in this usage should not be confused with another definition, which means to buy a company's stock to manipulate it for the reason of gaining control of the company.

Greenmail in this article is meant only to refer to the filing of time-consuming legal requests for environmental reviews of projects, claiming a concern for a cleaner world, until a PLA is signed. Once the labor agreement is inked no more environmental filings ensue.

According to the Associated Builders of California (ABC), greenmail is a commonly used tactic to stall construction projects until labor unions get guaranteed employment contracts.

The unions deny they are using environmental filings as leverage to gain PLAs with guaranteed union contracts. They also maintain that PLAs are good for the community because they guarantee living wage jobs, help maintain a skilled building trades workforce, and ensure that building projects are done properly, safely, and on time.

They believe the term greenmail is a misleading and unfair attack on them by the ABC out of pure self-interest. ABC members are non-union builders who are forced to pay union dues when a PLA is agreed upon for a given job.

A PLA costs taxpayers more money on public projects and is unfair to nonunion labor and contractors, again according to the ABC.

The City of Roseville filed for a permit to build a new power plant in 2004. A labor group filed a long list of concerns over environmental issues. California power plants are approved by the California Energy Commission (CEC), and they must comply with CEQA (California Environmental Quality Act) regulations, concerned groups and citizens can file as intervenors.

To comply would take a lot of time. Roseville figured they'd lose up to

\$15 million answering all the requests, buying power, and other costs. Roseville's city council voted to accept the PLA and the union group withdrew their request.

The City of Riverside fought back against the same tactic by the same labor group. The CEC approved the project, but Riverside lost \$6 million to win the dispute, according to published reports.

PLAs have affected local taxpayers and local tradesmen directly. The San Joaquin County's \$96 million administration building is to be built under a PLA, for example. Greenmail wasn't used to gain a PLA in this case.

During the process in San Joaquin County, the head of a local union asked the county administrator to call the PLA a "local employment guarantee", but many sub-contractors outside the area have received contracts so far. This was documented by the ABC after a Freedom of Information Act request unearthed a handwritten note from a union leader to the San Joaquin County Administrator.

Power plants have been the favorite battlefield for greenmail, or the accusations of same, because they are big construction prizes that have environmental affects that must be mitigated. The degree of mitigation is the key to a greenmail filing.

A prime mover as a filer of environmental challenges is a group called the California Unions for Reliable Energy (CURE) that was formed in 1997. CURE was formed by the International Brotherhood of Electrical Workers, IBEW utility, Boilermakers and the United Association Unions. The Ironworkers joined them later.

It was CURE that acted in the Roseville and Riverside cases.

By the end of 2003, the State Building and Construction Trades Council (SBCTC) had negotiated PLAs covering the construction or retooling of 37 co-generation power plants in California. The 37 PLAs covered 13,425,000 construction work hours. In addition, many of the agreements contained 30-year maintenance agreements covering an additional 3,650,000 hours of maintenance work.

By the way, SBCTC's President is Bob Balgenoth, who is also the Chair of CURE.

Thought the SBCTC crows about the number of PLA-negotiated projects, it also maintains that through CURE it has also been a boon to the environment.

#### In a 2004 letter written by Balgenoth and published on the SBCTC website, he states:

"CURE has led the fight for dramatic reductions in emissions of NOx and other air pollutants during construction and operation of power plants, reduced use of fresh water for power plant cooling, and reduced exposure of workers and the public to toxic chemicals, among other environmental improvements. CURE was first to propose many environmental requirements that are now standard on most plants. CURE is justifiably proud of its role in these accomplishments.

For example, when the High Desert and Sutter power plant proceedings began, the applicants proposed NOx emission rates of 4.0 and 3.5 ppm, respectively. These rates were claimed to be "state-of-the-art." CURE's experts researched the issue and provided evidence that pollution control equipment manufacturers were willing to guarantee much lower emission rates. The applicants opposed CURE's recommendation. The issue was hotly contested. Ultimately, both applicants entered environmental settlement agreements with CURE in which they agreed to emission rates of 2.5 ppm. This rate became a requirement in the California Energy Commission (CEC) licenses and the air district permits.

Subsequently, in the proceeding for the Three Mountain Power project, CURE provided evidence that pollution control equipment manufacturers were willing to guarantee a 2.0 ppm

NOx e was ho develo tal sett That a ect wo to achi rate. B 2.0 pp require power

agreen thousa Califo Bo claimo prove C

Novel that I tion of taking CUR ings. the do

decision that control of the second that control

awar **ABC** pany, CUR prova forni jection impa ronn repo comi men basec also and plan appl ente

hold

belie

unic

I the Listeria Wamath Earny and of Can Inamiin Wallov's most II

#### continued from Front Page

\$15 million answering all the requests, buying power, and other costs. Roseville's city council voted to accept the PLA and the union group withdrew their request.

The City of Riverside fought back against the same tactic by the same labor group. The CEC approved the project, but Riverside lost \$6 million to win the dispute, according to published reports.

PLAs have affected local taxpayers and local tradesmen directly. The San Joaquin County's \$96 million administration building is to be built under a PLA, for example. Greenmail wasn't used to gain a PLA in this case.

During the process in San Joaquin County, the head of a local union asked the county administrator to call the PLA a "local employment guarantee", but many sub-contractors outside the area have received contracts so far. This was documented by the ABC after a Freedom of Information Act request unearthed a handwritten note from a union leader to the San Joaquin County Administrator.

Power plants have been the favorite battlefield for greenmail, or the accusations of same, because they are big construction prizes that have environmental affects that must be mitigated. The degree of mitigation is the key to a greenmail filing.

A prime mover as a filer of environmental challenges is a group called the California Unions for Reliable Energy (CURE) that was formed in 1997. CURE was formed by the International Brotherhood of Electrical Workers, IBEW utility, Boilermakers and the United Association Unions. The Ironworkers joined them later.

It was CURE that acted in the Roseville and Riverside cases.

By the end of 2003, the State Building and Construction Trades Council (SBCTC) had negotiated PLAs covering the construction or retooling of 37 co-generation power plants in California. The 37 PLAs covered 13,425,000 construction work hours. In addition, many of the agreements contained 30-year maintenance agreements covering an additional 3,650,000 hours of maintenance work.

By the way, SBCTC's President is Bob Balgenoth, who is also the Chair of CURE.

Thought the SBCTC crows about the number of PLA-negotiated projects, it also maintains that through CURE it has also been a boon to the environment.

# In a 2004 letter written by Balgenoth and published on the SBCTC website, he states:

"CURE has led the fight for dramatic reductions in emissions of NOx and other air pollutants during construction and operation of power plants, reduced use of fresh water for power plant cooling, and reduced exposure of workers and the public to toxic chemicals, among other environmental improvements. CURE was first to propose many environmental requirements that are now standard on most plants. CURE is justifiably proud of its role in these accomplishments.

For example, when the High Desert and Sutter power plant proceedings began, the applicants proposed NOx emission rates of 4.0 and 3.5 ppm, respectively. These rates were claimed to be "state-of-the-art." CURE's experts researched the issue and provided evidence that pollution control equipment manufacturers were willing to guarantee much lower emission rates. The applicants opposed CURE's recommendation. The issue was hotly contested. Ultimately, both applicants entered environmental settlement agreements with CURE in which they agreed to emission rates of 2.5 ppm. This rate became a requirement in the California Energy Commission (CEC) licenses and the air district permits.

Subsequently, in the proceeding for the Three Mountain Power project, CURE provided evidence that pollution control equipment manufacturers were willing to guarantee a 2.0 ppm NOx emission rate. Again, the issue was hotly contested, and again, the developer entered into an environmental settlement agreement with CURE. That agreement provided that the project would be designed and constructed to achieve a 2.0 ppm NOx emission rate. Based directly on this agreement, 2.0 ppm is the emission rate now required on all new combined cycle power plants in California."

CURE's environmental settlement agreements have prevented literally thousands of tons of NOx emissions in California every year.

Both CURE and ABC have claimed that CEC decisions have proved their contentions.

CURE claimed vindication with a November 2004 finding by the CEC that EIR filings didn't delay construction of power plants, but the CEC was taking no position on the credibility of CURE or the sincerity of the EIR filings. They were making a finding only the delay accusation.

A month later the CEC made a decision to okay the plant in Riverside that didn't have a PLA.

#### The ABC stated:

"In July, the Riverside city council awarded a \$25.1 million contract to ABC member The Industrial Company, Inc. to build the power plant. CURE then attempted to block approval of the power plant at the California Energy Commission, raising objections based on the project's potential impact on air quality and other environmental concerns. A subsequent staff report and proposed decision from the commission stated that the environmental objections of CURE were not based on facts. The proposed decision also acknowledged that CURE actively and aggressively intervenes in power plant licensing for cases in which the applicant has not previously agreed to enter into a PLA with unions."

Greenmail is in the eye of the beholder, according to CURE. The ABC believes greenmail is as obvious as a union picket line.

sage er om-

iny. int

: rea-

g l a ental

iildis a teuc-

g enain acts. good iarun a

ınd

one

il is hem st. ders

when
bb.
oney
nonac-

per-1004. nli-

the EC),

Act) citi-

up to