



Massachusetts
Chapter

September 12, 2016

To Whom It May Concern:

I am writing to you regarding information you may have received from The New England Regional Council of Carpenters regarding Callahan, Inc., including copies of resolutions from Cambridge and Somerville that disparage Callahan in an attempt to deny them work in favor of the Carpenters Union.

Callahan, Inc is a member in good standing of Associated Builders and Contractors and a long-time provider of quality construction management services. The truth is these attacks, which are full of inaccurate, unsupported and misleading information, are not some type of public service effort as the union is trying to represent. The Carpenters may claim to be a watchdog, but the fact is they are an active market participant. This is really about the marketplace, and about the unions trying to gain the upper hand.

The campaign against Callahan is part of an orchestrated effort by the Carpenters Union and other unions here and across the country to deny work to contractors that have chosen not to sign with unions. These unions attempt to smear the reputation of successful open shop firms and then pressure clients to not hire these firms.

The claims in these resolutions are not factually substantiated, nor did the elected officials seek to meet with or speak to Callahan about their concerns prior to passing them.

While the union has a right to try and organize non-union firms, in this case certain elected officials who have been supported by the Carpenters are helping the union in its efforts against Callahan. The resolutions openly endorse the use of union labor and "go on record" to "urge" Callahan to meet with the union, and even specifically name the very same union leaders that are working to deny jobs to non-union contractors on a daily basis.

These resolutions were passed in 2015. The fact that they so openly promote hiring unions and not doing business with a non-union firm is especially interesting to consider now, in light of recent indictments of Boston city officials regarding pressure to hire union labor.

I encourage you to take a closer look at all of the Carpenters' claims about Callahan, Inc. as many of them are, in fact, false and misleading. I would also like to offer some additional information and perspective on Callahan, Inc., and the open shop construction industry.

First, to provide some context, it is important to understand the make-up of today's construction industry. According to the 2015 U.S. government data analyzed and compiled by unionstats.com, the vast majority of the industry is no longer unionized. In Massachusetts, 83 .1 percent of construction workers are not union members, while only 16.9 percent are in a union. Nationally, only 13.2 percent of the construction workforce is unionized, with 86.8 percent choosing not to sign with the construction unions.

As the unions' numbers have continued to decline, they have increasingly turned to well-funded PR campaigns to discredit open shop competitors. While the Carpenters Union represents themselves as "watchdog for the construction industry" the fact is they are a market participant that has turned to boiler plate attack campaigns against successful open shop firms as a means to win work. While ABC chooses not to engage in similar attacks, we think it is interesting to note that at the same time the Carpenters Union works to label Callahan and other successful open shops as anti-worker, the Carpenters' own pension fund, which union members will rely on for their retirement, was put on the U.S. government's Endangered List in 2015 for having funding or liquidity problems, according to the U.S. Dept. of Labor.

As Mark Twain said never let the facts get in the way of a good story. It is important to consider some of the information the union is not providing in their claims about Callahan, Inc.

First, the "labor dispute" the Carpenters claim to have with Callahan is nothing more than their ongoing opposition to all open shop competitors. This is where the demographics of the industry matter. With unions representing only 20 percent of the Massachusetts construction workforce, their wages and benefits are not the "area standard." Many workers choose open shop firms for their merit-based compensation and an environment that recognizes individual achievement. According to Personnel Administrative Services, more than 90 percent of open shop firms offer health insurance to their workers, and these workers are not subject to various dues and vacation pay deductions, as are union members.

With regard to the claims about subcontractors on Callahan projects, the fact is that Callahan reviews its subcontractors and requires their compliance with all applicable laws and requirements. If a problem does arise, Callahan takes whatever action is appropriate. The plain reality of the industry is anyone who says there will never be a problem on a large construction site, union or open shop, is simply not telling the truth. What is important for the project owner is how a problem is dealt with, and Callahan is an experienced contractor with a strong track record of successfully managing projects and subcontractors.

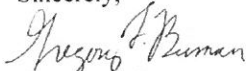
Callahan, Inc. is a member of ABC's Merit Apprentice Program, and has been recognized several times for its safety achievements with ABC STEP (Safety Training Evaluation Process) Awards. Callahan is also a member of ABC's Safety Committee. I have worked with Callahan as an active ABC member for a number of years and can attest to their expertise and professionalism and their interest in the betterment of the industry in which they work. They maintain positive relationships throughout the industry, and choose a very different path than the Carpenters' negative attacks.

Callahan, Inc. shares ABC's fundamental belief in the value of true open competition. While ABC represents open shop contractors, we appreciate that there are fine union firms in the industry. Construction buyers are best served by open bidding to all qualified contractors, both open shop and union. The type of closed, union-only bidding sought by the Carpenters Union limits access to only the unionized portion of the industry. The result is a smaller talent pool, reduced competition and higher costs.

ABC and our member firms such as Callahan, Inc. seek to promote a responsible and professional industry. We believe the best approach is for all involved - industry organizations, contractors and government agencies - to work collectively to ensure education, awareness and understanding of the various laws and regulations rather than use serious industry issues as a means to help advance anyone's particular competitive agenda.

I am happy to provide any further information or answer any questions you may have. I thank you for your consideration and I wish you the best of luck with future projects.

Sincerely,



Gregory F. Beeman
President