



**Connecticut  
State Building  
Trades**

## **Testimony for the Transportation Committee on the Six Month Review of the ARRA Projects**

August 19, 2009

The Connecticut State Building Trades is here today to testify on employment in the construction industry in Connecticut in the summer of 2009. This testimony can be summed up in one word, actually, and that word is "bleak." I can only give you exact figures for my own union, Operating Engineers Local 478, but from talking with the rest of the construction union leaders in the state, I am sure they are in the same position as Local 478.

Last year at this time, Local 478 had 354 members out of work. This past Friday, we had 668 members out of work. This is 23% of our 2904 total active members. 23% unemployment at what is considered the height of the construction season in Connecticut is going to make it a very long winter for a number of our members and their families.

As a result of this unemployment, the construction trades are shrinking. The least senior workers, those not used to the boom and bust cycles of the industry, usually give up on construction and find other types of careers that are not as cyclical. The main difference in this cycle is that there are limited employment opportunities in other lines of work. In October of 2007, the peak of the building boom, there were 69,400 construction workers in Connecticut. In June 2009, the latest figures available, there were 51,300. That number is the lowest in 10 years, 8300 workers less than the previous low of June 1999. This means the industry has shed over 18,000 workers, or 26% of our workforce, in 20 months. According to other statistics from the Connecticut Department of Labor, over 9700, or 19%, of the 51,300 construction workers left in the industry were unemployed in June.

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The unemployment has been long term. The decline in the number of construction workers began in January, 2008, and has continued unabated until the present. In my local union, our hours fell precipitously in September of 2008, which is an indicator of quickly increasing layoffs. In the union construction industry our Taft-Hartley health plans and our pension plans reflect the seasonal nature of our industry. Unlike plans in non-unionized construction in which you must elect unsubsidized COBRA the month after your layoff, our plans carry your benefits forward when you are laid off. The defined benefit pension plans also give a full credit for less hours than the 2080 that is considered a full work year. The Local 478 health plan carries forward for about 10 months from layoff, and our pension plan considers 1420 hours to be a full year, for example. Many of our members are now out of health benefits for themselves and their families, and are being forced onto COBRA benefits. Although we subsidize our COBRA payments, the cost of the plan puts severe stress on the budget of a person trying to live on unemployment compensation.

What we and our members are having a hard time understanding is the seeming lack of urgency on the part of the State to get stimulus jobs from the bidding and planning stages into actual job creating construction. If you drive north of Pittsfield, Massachusetts there is a nine mile stretch of Route 7 that has been reconstructed curb to curb with stimulus money. It has been milled, the catch basins raised and replaced, it is paved, recurbed, and line striped, and has been completely finished since July. In Connecticut, I do not believe that there are many jobs from the ARRA that are close to their maximum employment, let alone finished. There is a simple explanation for this. The time line Massachusetts adheres to is one week from bid to award and one week from award to order to proceed. In Connecticut it is 60 days from bid to award and 45 days from award to order to proceed. It would seem logical to us to ask our neighbor how they do it, and emulate them. An extreme but not isolated example of the CT DOT process occurred with the Route 15 resurfacing and safety improvements in Trumbull and Fairfield, one of the jobs that was just released as a stimulus project. This job was originally bid in early spring 2008. The award was delayed several times by the DOT after the bid opening. Finally, the DOT decided they did not want to proceed with the award to the low bidder in late November 2008 and cancelled it after holding the contractor in limbo for an entire construction season. The project was advertised for rebid this February, rebid this March, and the notice to proceed was give on June 22. Preliminary work is proceeding on the project currently. The thing to remember is that money encumbered does not mean jobs created. There can be a significant delay between the two.

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The Building Trades believes that this is the time for the state to step up to the plate and begin releasing the work they have planned and ready to go. Public civil construction can be an economic driver during these down times. We realize that revenue is down, but bonding to rebuild our infrastructure pays off in so many ways. It will help to relieve the constant traffic woes our state is suffering from, improve our mass transit systems, furnish new schools for our children, and put thousands of Connecticut workers back to work at high paying jobs with benefits if it is done correctly. Don't just release the mega jobs, tackle the hundreds of smaller projects that need doing also. Fix the obsolete and deficient bridges, repave the disintegrating highways, build the busways and high speed rail and improve our railway and mass transit facilities. It will cost money, but it will help get the economic engine running again and put people back to work.

What we are really asking for is for someone to step up and provide the leadership to coherently attack the twin problems of the construction depression and our crumbling infrastructure. Private sector construction work is nonexistent in the state at this time. The State should, as it has in the past, step forward and use its resources to improve the lives of all Connecticut citizens by rebuilding our roads bridges and mass transit and, in doing so, put Connecticut's people back to work.