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Leaders of Operating Engineers, Local 324 withholds employee health insurance funds in “baffling” negotiation tactic

Union representatives block millions of dollars paid by road and utility construction companies to pay workers’ health insurance premiums

LANSING, Mich. — Union leadership representing thousands of road and utility construction workers in Michigan is blocking the release of millions of dollars that have been paid by construction companies to cover the workers' health insurance premiums — a bewildering move that threatens to leave the workers and their families with no health care coverage.

The move by representatives of Operating Engineers, Local 324 (OE 324) to block the release of the funds appears to be aimed at trying to affect the terms of new contracts with 128 road and utility construction companies that do over 90 percent of the construction projects in Michigan, and who are also members of the Michigan Infrastructure & Transportation Association (MITA). The contract between OE 324 and MITA companies expired June 1, 2018. MITA has invited the union to meet to negotiate a new contract numerous times before and after June 1st, but the union has declined to meet, said MITA Executive Vice President Mike Nystrom.

"I've been negotiating contracts for nearly three decades, and I've never seen such a baffling, bizarre and reckless tactic than this one by the Operating Engineers' leadership," Nystrom said. "We're totally at a loss to understand how this will do anything to advance the negotiating of fair contracts for both sides, and it's easy to see how this could negatively affect the health and lives of thousands of road and utility construction workers and their families, who could literally be left with no health insurance."

Nystrom said MITA offered and insisted in writing to continue health care coverage to the union members and their employees, even though other contract terms have yet to be negotiated.

"Obviously, road and utility construction work is a tough job, and our companies are committed to making certain the thousands of workers who were covered by the expired contracts don't have to worry about health insurance for themselves and their families while we work on the new contracts," Nystrom said. "MITA and the contractors have made several efforts in the last couple of months to protect health care coverage for the employees, all of which the union has

rejected. Why the union leaders, who continue to get their health care coverage through all of this, would block funds for their members' health insurance defies explanation."

Nystrom said MITA contractors remain willing to meet "anywhere and anytime" to start work on new contracts. He also noted that during a typical negotiation, wage rate increases and benefit contributions are paid retroactively once a new contract is agreed upon.

"We have offered to meet to start discussions numerous times, but the Operating Engineers' leadership have so far just flat out refused," Nystrom said. "As we wait for them to decide when they want to start the negotiations, we strongly urge them to resume paying the health insurance premiums for the thousands of workers they represent. The companies have paid the money, literally millions of dollars, to cover the premiums, because no one wants these workers to go without health insurance while they work at some of the toughest jobs out there. This union decision is unconscionable."

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MITA (www.thinkmita.org) is a statewide construction trade association that consists of more than 500 Michigan companies representing construction disciplines such as road and bridge, sewer and water, utility, railroad, excavation and specialty construction throughout the State of Michigan.

For more information or background on labor negotiations, go to <https://michiganinfrastructurelabornegotiations.com/>