



Airconditioning, Refrigeration and Mechanical Contractors Association of Southern California, Inc.



ALERT
Third Quarter 2006



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July 18, 2006 Negotiation Update!

Negotiations on the **ARCA/MCA** and District Council 16 Southern California HVACR Service Master Labor Agreement began on Thursday and Friday July 6-7, 2006. Current updates on negotiations, including the Union and Association proposal, may be viewed on www.arcamca.org. When viewing both documents note there is black text and the blue text. The black text is the original proposal submitted across the negotiation table. The blue text is text that has been added to better explain the proposal for a person who was not in attendance at the meeting. Since this is the first time negotiations have encompassed counties other than Los Angeles and Orange, the joint effort to merge the Inland Refrigeration agreement and the San Diego agreement is reflected on the second page of the Association's proposal.

A meeting of **ARCA/MCA** member companies was held on Thursday evening, July 13, 2006. The companies in attendance voiced strong support for the bargaining positions and proposals given to the Union that will generate an increase in the take home pay (taxable wage) for their signatory employees, while keeping fringe benefits competitive in the marketplace. The non-union competition has been able to advance the taxable wage of their employees while holding fringe benefit costs to a minimum. It is this economic structure we must compete with on a daily basis. With that in mind, the Association proposal is designed with the objective of better competing for skilled labor resources, increasing market-share and thus more signatory contribution hours.

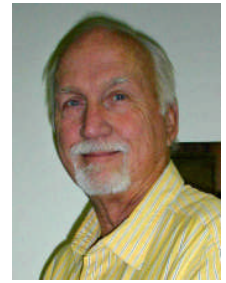
The negotiation meeting schedule is July 21, August 17, 18, 28, 29, 30, 31. The web page at www.arcamca.org will be updated throughout negotiations. Questions about its content should be directed to the ARCA/MCA office at 909.477.4515.



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**Review the latest
information
regarding Labor
Negotiations**

**Current Events
&
Negotiation Update**



As President of ARCA/MCA Southern California I am a member of the negotiating committee. Negotiations began on July 6, for a new Southern California wide Service Master Labor Agreement. This meeting was followed by our Association membership meeting on July 13. I must say with the heat we are experiencing throughout Southern California, I was impressed with the attendance and the participation. Based upon the comments of the meeting participants, and the telephone calls we are receiving from those that were unable to attend, there are several key issues that we as an industry view as very important.

The need for an increase in our employees taxable wage, cost of benefits, lack of an available workforce with required skills, and the shift in ratio of active employees to retirees were a few of these important issues. The industry trends are of concern, such as decline in hours worked and decline in market-share. Your negotiating committee asks for your continued input and participation.

Phil Evans ...

Wittler-Young Service Company

President's Message

Industry Updates....

FIRST SAFETY SEMINAR FOR SERVICE PROVIDES USEFUL ADVICE MSCA's first Safety Training for Service seminar held in early April in Baltimore, Maryland, provided program participants with critical information to enhance their safety programs. The 32 attendees that participated in this one-day program rated the program extremely high and indicated they would be making changes in their current safety program based on what they learned in this seminar. Three industry experts presented programs on vehicle safety, refrigerant safety and electrical safety. Later this year, MSCA will be publishing a model electrical safety program to help ensure contractors are in compliance with safety requirements.

"MANAGING SERVICE PROJECTS" This new seminar was presented for the first time on May 23rd in western Pennsylvania. The program focused on the unique job of being a service project manager and how to effectively and efficiently juggle all facets of this fast-paced and demanding job. Since most service project managers are coordinating many installation/retrofit jobs of all sizes at the same time – the need for proper planning, superior customer relations, precise time management, and an excellent working relationship with subs and partners is paramount. This interactive and intense one-day course will enhance attendees' skills in handling this crucial job. Additional classes will be scheduled later this year in various locations around the country.

IAPMO, ICC AGREE TO JOINTLY DEVELOP PLUMBING, MECHANICAL CODES: The International Association of Plumbing and Mechanical Officials (IAPMO) and the International Code Council (ICC) announced recently that the two groups have agreed in principle on the essential elements of a venture to jointly develop one plumbing code and one mechanical code for nationwide use. Henry Green, president of the ICC, said, "After much hard work, code development processes have been agreed upon which will enable us to jointly provide one plumbing code and one mechanical code for our country's use beginning in 2009." After additional details of the joint venture have been worked out, both organizations plan to hold meetings throughout the country to educate their members about the benefits of the new relationship.

EEOC Implements Long Awaited Revisions to EEO-1 Report

Submitted by...Seyfarth Shaw LLP

On January 27, 2006, the Office of Management and Budget approved the Equal Employment Opportunity Commission's (EEOC) revisions to its EEO-1 Report. This is the first major overhaul of the EEO-1 Report in 40 years. The newly finalized changes summarized below are further detailed in our November 18, 2005 Management Alert.

Beginning with the 2007 reporting cycle, covered private employers (100 or more employees) and federal contractors (50 or more employees) will be required to use the revised survey form. Because the revised survey form will not be effective until 2007, it is recommended that employers delay implementing any changes to their data collection systems until after they have submitted their 2006 report. In a nutshell, the major revisions to the survey include:

New and Revised Ethnic and Racial Categories

- Adds a "Two or more races, not Hispanic or Latino" category; and
- Replaces "Asian and Pacific Islanders" category with two separate categories, "Asian, not Hispanic or Latino" and "Native Hawaiian or Other Pacific Islander, not Hispanic or Latino."

New and Revised Job Categories

- "Officials and Managers" job category will be subdivided into "Executive/Senior Level Officials and Managers" and "First/Mid-Level Officials and Managers" job categories; and ...

- Reclassifies non-managerial business and financial occupations, previously listed under the "Officials and Managers" job category, to the Professional" job category.

Race/Ethnicity Data Collection

- Endorses employee self-identification of race and ethnicity over visual identification by employer; and
- Extends EEO-1 race/ethnicity data collection to Hawaiian employers.

OFCCP 2005 Fiscal Year Results

The OFCCP has released its results for the 2005 fiscal year. It reports that it was responsible for increasing the amount of financial remedies to persons it found to be victims of discrimination by 31%, to \$45.2 million. It also increased the number of individuals who received such remedies by 53% over the previous year to 14,700 persons. During this last fiscal year, the number of compliance evaluations decreased significantly from fiscal year 2004, from 6500 to 2700 audits. This decrease was caused, according to OFCCP Director Charles James, because of changes in the system used to select contractors for audit. In 2005, according to the OFCCP, it chose to audit larger employers and employers with a more significant number of indicators of systemic discrimination. Director James states, however, that he expects the number of audits to increase to 6000 during this 2006 fiscal year.

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 Review the latest information regarding Labor Negotiations

2006

August

1-2		Association Executive Council (AEC) Annual Meeting (Carmel Valley, CA)
2	8:00 am	SCPT Appeals Committee
3	10:00 am	SCPT Board of Trustees
7	5:00 pm	Inland Refrigeration Training JAC & Training Trustees (dark)
7-11		United Association General Convention (Las Vegas, NV)
10	10:00 am	ARCA/MCA Board of Directors (dark)
15	8:00 am	ACRT Investment Committee
16	10:00 am	ACRT Board of Trustees

September

4		ARCA/MCA Office Closed
7	12-3:30 pm	A&J Training Center Open House (Compton)
11	5:00 pm	Inland Refrigeration Training JAC & Training Trustees
14	10:00 am	CLC Committee Meeting (Sacramento, CA)
16	6:00 pm	JJATC Apprentice Graduation Banquet (canceled)
19	11:00 am	A & J Board of Trustees
20	8:00 am	SCPT Finance Committee

Mission Statement

ARCA/MCA
Southern California

The Mission of the Airconditioning, Refrigeration and Mechanical Contractors Association of Southern California, Inc. (ARCA/MCA Southern California) is to exceed the expectations of the Association's member companies. The Association will provide a link of communication that will address, advance, and inform the Association membership of the latest updates on legislation, technology, and issues pertinent to the Airconditioning, Refrigeration and Mechanical Contracting Industry. The success of the Association in achieving this Mission is to be based on integrity and loyalty to its members. We will strive to be diligent and flexible by supplying services the membership needs to be competitive in an ever-changing business environment.