All U. S. Business Managers and Business Representatives

Date: June 1, 2015

Re: Equalization Requirements

Dear Brothers and Sisters,

As some of you are aware, at the 2012 BA Conference a sub-committee was created to meet and develop recommendations on the enforcement of equalization on Spiral Pipe and Fittings. This sub-committee made up of several members of the General Executive Council was appointed by General President Nigro and met independently to pursue their stated objective. Within a short time after their first meetings, General President Nigro and SMACNA leadership met and decided it would be best to meet jointly to establish an agreement on the issue of equalization of spiral pipe and fittings.

This joint SMART/SMACNA committee has now met for a period of two-plus years and has examined every facet of this subject to try and come up with a workable agreement. In the end and to the great frustration of all, the result of this process has been to end without agreement on new language. From my perspective and the members of the SMART sub-committee, to meet for this period of time and to fail to come to an agreement is not only extremely disappointing, but an extraordinary waste of valuable time for all participants, both labor and management.

So this takes us back to the original request from the conference attendees, how are we going to address the issue of the enforcement of wage equalization? The short answer is to enforce the provisions of the Standard Form of Union Agreement (SFUA) already in place.

Therefore, we move forward, and I direct all local unions to abide by the full requirements of the SFUA as they relate to wage equalization and more specifically to the enforcement of SFUA Article 2, Section 2 and Article VIII, Section 2.

First, the provisions of Article II, Section 2, shall remain the basis for wage equalization as stated, "Subject to other applicable provisions of this Agreement, the Employer agrees that when subcontracting for prefabrication of materials covered herein, such prefabrication shall be subcontracted to fabricators who pay their employees engaged in such fabrication not less than the prevailing wage for comparable sheet metal fabrication, as established under provisions of this Agreement."
Second, in keeping with the stated language of Article VIII, Section 2, "On all work specified in Article I of this Agreement, fabricated and/or assembled by journeymen, apprentices, preapprentices and/or classified sheet metal workers within the jurisdiction of this Union, or elsewhere, for erection and/or installation within the jurisdiction of any other collective bargaining areas or local union affiliated with Sheet Metal Workers' International Association, whose established wage scale is higher than the wage scale specified in this Agreement, the higher wage scale of the jobsite Union shall be paid to the employees employed on such work in the home shop or sent to the jobsite," the wage differential will go to the member who actually performs the fabrication work.

To clarify, this provision does not allow for the pooling of wages where the money is distributed among all workers in the shop. The subsection clearly states, "the higher wage scale of the jobsite Union shall be paid to the employees employed on such work."

I believe these clarifications should provide all local union business managers and business representatives with the direction necessary to live up to their contractual and constitutional duties of protecting the integrity and intended purpose of this SFUA language. I further direct all local unions whose members are engaged in fabrication of equalized products to give their full cooperation to local unions installing such products by providing information about the actual conditions under which the fabrication was done.

If you have any questions on this issue please do not hesitate to contact your International Representative.

Fraternally,

[Signature]
Joseph Sellers, Jr.
General President

JS/RLM/tsl
cc: Rich McClees, General Secretary-Treasurer
    Marc Norberg, Assistant to the General President
    Joe Powell, Assistant to the General President
    International Directors
    International Representatives
    International Organizers