

# Hundreds walk off Tesla job in Nevada labor dispute

March 1 2016, by Scott Sonner

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Hundreds of union construction workers walked off the job at Tesla Motors' battery manufacturing plant in northern Nevada on Monday to protest what union organizers say is the increased hiring of out-of-state workers for less pay.

Approximately 350 plumbers, carpenters, electricians, painters and others walked away from the construction site Monday along U.S. Interstate 80 about 25 miles east of Reno, said Russell James, District 16 business development specialist for the Building and Construction Trades Council of Northern Nevada.

More than 100 picketed outside the main gate against what they say is an unfair labor practice that undermines promises to hire mostly Nevada workers in exchange for more than \$1 billion in state tax breaks, James said.

"It's corporate welfare at its worst," he told The Associated Press.

Union officials said work at Tesla's gigafactory is increasingly being done by crews for the non-union, New Mexico-based Brycon Corp.

"Nevada's tax dollars should be used to provide jobs for Nevada construction workers, not New Mexico construction workers," said Ted Koch, president of the northern Nevada council.

Tesla said in a statement that the electric car-maker is in compliance

with all state requirements. It said many of the contractors at the site are union, but "the one at issue is not."

"The union is ... claiming that this contractor is somehow favoring out of state workers. In reality, more than 50 percent of the workers used by this contractor and more than 75 percent of the entire gigafactory workforce are Nevada residents, demonstrating the project's strong commitment to Nevada," the company statement said.

The Governor's Office of Economic Development said Monday that an outside audit released in December for fiscal year 2015 showed Tesla was in compliance with state law requiring the company "employ a minimum of 50% Nevadans on the site of the Gigafactory."

"That audit showed that 68% of construction workers were Nevadans. Tesla reported that Nevadans comprised 74% of construction workers during the 4th quarter of 2015. Tesla has exceeded, and continues to exceed, the requirement to hire Nevadans," said Jennifer Cooper, the office's communications director.

The incentive package allows in some cases for Tesla to hire more out-of-state workers if not enough skilled workers are available in Nevada. But James insisted that's not the case.

"They say it's because there are not enough workers in state to fill the jobs, but we have all kinds of workers available. They simply are going out of state because they can pay them less money," James said Monday. "Most of the guys from out of state probably have no health insurance and no pension benefits, so that alone could be a difference of \$10 an hour even if you pay the same wages."

Phil Casaus, Brycon's chief financial officer, said Monday his company is in "full compliance with the 50 percent Nevada residency

requirement." He said they are paying "fair wages" at all skill levels with a "very robust" benefits package. He said he could not provide specifics or estimate the number of workers they have assigned to the Nevada site.

"Under our agreement with Tesla, we are very limited as to what we can share about the project or our scope of work," he told The Associated Press from Rio Rancho, New Mexico.

James said union leaders haven't decided whether to file a formal complaint with the state or the U.S. Labor Department, and wasn't sure if workers would return to their jobs on Tuesday.

"At this point, we don't know exactly what is going to happen," he said. "It would depend on their action. If Tesla chooses to be a good steward with Nevada taxpayer money going forward, we could probably come to terms with that. If they choose not to do that, I don't know."

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