

JOBS

Shame on Fortis? Or should it be 'Shame on Facebook?'

After lobbying for a state law to give Facebook server farms more favorable tax treatment, some local building trades union leaders are irked to find that work on an expansion of the Facebook data center in Prineville is going to nonunion subcontractors that pay below area-standard wages, use workers from out of state, and fail to take part in state-registered apprenticeship training programs.

Portland-based Fortis Construction, the general contractor on the job, is itself signatory with the Laborers and Carpenters, and it *has* hired union-signatory subcontractors on the job. But it also hired non-union Taylor Northwest of Bend, Oregon, to move earth and prepare the building foundation; nonunion Sure Steel of Utah to do structural steel erection; and nonunion Cobra BEC of Spokane to do roofing and metal wall panels.

"What it boils down to is that they're bringing folks in from out of state to do the work," said Operating Engineers Local 701 Business Manager Jim Anderson.

Facebook has been building



Photo by Jerry Casey, courtesy of IUOE Local 701

"Shame on Fortis" says a banner Operating Engineers Local 701 put up March 27 outside the Facebook construction site in Prineville, Oregon.

data centers in Central Oregon since 2010, drawn by the cheap land, cheap electricity, cool climate ... and the tax breaks. Oregon taxpayers are indirectly subsidizing the project, in that Facebook is receiving a state "Enterprise Zone" property tax abatement. From 2012 to 2017, the company saved \$71.5 million in Oregon taxes through the program, which gives companies a 15-year property tax holiday on

the value of new equipment and buildings they install. For years, the Oregon State Building and Construction Trades Council has tried but failed to get the Legislature to require that construction jobs on projects getting the Enterprise Zone abatement be paid the area prevailing wage.

Facebook has completed three buildings so far at its mammoth data center campus. Last December, it announced plans to add

two more buildings totaling 900,000 square feet. The work is forecast to keep construction crews busy for four years.

On its own Facebook page for the Prineville Data Center, Facebook says it's committed to use local workers: "From the start, we have been committed to hiring locally and using local contractors and suppliers where possible to construct, operate, supply and maintain the data center here in Oregon."

But when Iron Workers Local 29 President Shane Nels visited the work site in March, he found Sure Steel workers driving personal vehicles with license plates from Florida, Utah, and California. Asking around, he found ironworker wages were \$15 to \$18 an hour — less than half the union ironworker wage of \$36.23 an hour (not to mention \$26.89 an hour of union benefits.) [Non-union heavy machinery operators, meanwhile, are making about \$10 an hour less in wages, Anderson says.]

Nels found that multiple union-signatory contractors that were capable of doing the work

with local workers weren't invited to bid on the job.

"It doesn't take CSI to figure out when we're being excluded," Nels said.

Roofers Local 49 Business Manager Russ Garnett says Portland-based union-signatory contractor McDonald & Wetle bid on the job, but lost out to the nonunion firm. Last time around, McDonald & Wetle did the work at the Facebook data center.

All this stings a bit, considering that building trades union representatives advocated at the Oregon Legislature in favor of a tax change to benefit data center owners. The issue was whether companies would be taxed, like communication companies, based in part on the value of their brand and other "intangibles." Legislators voted to change the law so that they would not be.

Responding to emailed questions, a Facebook spokesperson declined to address wage or apprentice issues, but said 90 percent of the contracts awarded so far on the Prineville expansion have gone to Oregon contractors, and over 80 percent have gone to union subcontractors.

— Don McIntosh



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