

# **Good Jobs Everywhere:**

Why Manufacturing Jobs Should Advance  
Equity and Strengthen Communities

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**The Case of New Flyer of America**



Report by: Jobs to Move America, Southern Office

[ptodd@jobstomoveamerica.org](mailto:ptodd@jobstomoveamerica.org) or [acarodine@jobstomoveamerica.org](mailto:acarodine@jobstomoveamerica.org)

The Authors wish to thank and acknowledge the dozens of New Flyer workers and Anniston community members who volunteered to tell their stories, even as they feared potential retaliation. In particular, JMA would like to thank Virginia Crooms for the hundreds of hours of dedicated volunteer work toward the writing of this report.

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## Executive Summary

Over the past 20 years, global corporations have opened large-scale heavy transportation manufacturing facilities in the Southern U.S., bringing tens of thousands of jobs back to the U.S.<sup>1</sup> Many factors have led to this rapid growth of Southern transportation manufacturing, including Buy America rules governing public procurement of manufactured goods, the advertisement of “union-free” environments,<sup>2</sup> and rising transportation costs related to overseas production. While these factories and warehouses have created jobs throughout the South, growing evidence suggests that manufacturers have also exacerbated poverty with low wages and temporary jobs,<sup>3</sup> disregarded health and safety concerns,<sup>4</sup> contributed to environmental problems, and engaged in racial and gender discrimination. In addition, many of these Southern-based factories have received billions in public subsidies from state and local governments<sup>5</sup> in exchange for vague commitments to “create jobs” with few corresponding commitments to hire and invest in a manner that helps the large numbers of low-income families in states like Alabama.<sup>6</sup>

New Flyer of America is the nation’s leading bus manufacturer and has recently moved a significant portion of its U.S. manufacturing footprint to Alabama and Kentucky. New Flyer has received significant public subsidies to move to those states: \$1.4 million from Alabama and an \$8.5-million incentive package from Kentucky. New Flyer is dependent on the public for revenue, with more than 60 percent of the company’s business derived from public procurement contracts.<sup>7</sup>

Over the past year, the Southern office of Jobs to Move America (JMA) has worked with Alabama civil rights and community-based organizations to document conditions in and around New Flyer’s Anniston, Alabama plant. JMA has conducted interviews with New Flyer workers and is also a partial funder supporting Alabama A&M University’s (AAMU) academic study of manufacturing workers across Alabama and Mississippi. Researchers from AAMU have shared a progress report with JMA that includes preliminary survey results.<sup>8</sup>

JMA’s interviews and the preliminary findings from the AAMU research include:

- African American survey respondents were more than twice as likely to say that, as far as they knew, discrimination was a “big problem” in their workplace. Surveyed workers

reported being denied promotions, feeling isolated, receiving less support from management, and being treated as if they were incompetent because of their race.

- In interviews with JMA, workers stated that they had experienced race-based discrimination and sexual harassment and discrimination in New Flyer's Anniston facility.
- Anniston survey respondents reported retaliation for speaking up about problems at work, including being assigned too much work or hazardous work. Surveyed workers also reported that they did not feel that they could report issues with the assembly or manufacture of the product without retaliation.
- Workers interviewed by JMA reported working long hours, having little control over their schedules, and experiencing significant mandatory overtime.
- New Flyer workers also had concerns about the safety of their workplaces. Fifteen percent of the AAMU survey's respondents reported being seriously injured on the job and two reported filing complaints about dangerous working conditions.
- Additionally, in 2016, the Occupational Safety and Health Administration (OSHA) fined New Flyer for safety problems at its Anniston plant. <sup>9</sup>

New Flyer and other transit manufacturers moving production to the South have an opportunity to make real, enforceable commitments to create opportunity for workers and the communities where they operate facilities. Workers building complex, expensive buses purchased in large part with taxpayer dollars should benefit from equitable hiring practices, career path training, living wages, and good benefits. As described in this paper, other bus manufacturers have negotiated and committed to strong Community Benefits Agreements – enforceable private agreements typically entered into between a private company and community and labor groups to secure well-paying jobs, access to training programs, targeted hiring of minorities and women, and various other environmental or hiring standards – that have significantly improved workers' livelihoods and community standards around factories.<sup>10</sup>

Transit agencies also have a role to play in committing manufacturers to higher standards. Tax dollars should support high road companies that commit to creating high-quality, well-paying jobs and make meaningful efforts to build partnerships with the communities where their products are manufactured. Transit agencies should encourage their vendors to negotiate Community Benefits Agreements to ensure that agency purchases of transit equipment contribute to advancing equity and opportunity in manufacturing workplaces and communities across the country. Cities and states should also consider using other public purchasing policy

tools, like the U.S. Employment Plan,<sup>11</sup> to ensure that public contractors are incentivized to create good jobs and advance racial and gender equity in their work for public agencies.

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## Authors of this Report

### **Jobs to Move America, Southern Office**

Alyssa Carodine, Tamani Simmons, Patricia Todd

Jobs to Move America (JMA) is a strategic policy center with offices in Birmingham, Chicago, New York, and Los Angeles that uses a bold, comprehensive approach to build community power to reshape government spending and corporate labor standards resulting in good jobs, healthier communities, and a more inclusive and prosperous economy.

Our coalitions have worked with policymakers and communities across the country to ensure that our government's public investment in infrastructure creates good, clean jobs and contributes to building healthy communities for all.

JMA's Southern office is located in Birmingham, Alabama and is led by Patricia Todd, former Alabama State legislator and long-time civil and women's rights leader. In Alabama, JMA has joined together with workers, community members, and civil rights and labor organizations to create the Alabama Coalition for Community Benefits. The Alabama Coalition for Community Benefits advocates for worker and civil rights in the Southern manufacturing industry – an industry that has received billions of dollars in taxpayer funding. The Coalition is working with manufacturers based in the Southeastern U.S. to negotiate Community Benefits Agreements designed to create greater access to good jobs for people with barriers to employment and to reduce barriers to good jobs for marginalized people, such as people of color and women.

JMA's Southern office also includes a research department that examines public investment in the Southern manufacturing industry from cities and states and conducts worker and community surveys to better understand the employment practices of major companies operating in the South.

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## Methodology

This report is based on extensive interviews with workers and community members in Calhoun County, Alabama conducted in 2019. Many of these workers and community members are currently employed by New Flyer Industries and Carfair Composites, companies with factories in Anniston, Alabama. Other interviewees previously worked at New Flyer and/or have lived and worked in Calhoun County.

JMA is a partial funder of independent survey research conducted by Alabama A&M University (AAMU), a historically black college and university (HBCU). AAMU researchers are conducting a comprehensive survey of wages and working conditions of manufacturing workers in Alabama and Mississippi. The AAMU researchers shared a progress report including preliminary findings based on completed surveys by numerous current New Flyer employees.

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## Introduction

Over the past 20 years, global corporations have opened large-scale heavy manufacturing facilities in the Southern U.S.,<sup>12</sup> bringing tens of thousands of jobs back to the U.S. Many factors have led to this rapid growth of Southern transportation manufacturing, including Buy America rules governing public procurement of manufactured goods, the advertisement of “union-free” environments,<sup>13</sup> prolific tax incentive offerings,<sup>14</sup> and rising transportation costs related to overseas production. While this growing manufacturing industry has created hundreds of thousands of jobs throughout the South, growing evidence suggests that the manufacturers have also exacerbated poverty by paying low wages, hiring for temporary jobs,<sup>15</sup> disregarding health and safety concerns,<sup>16</sup> contributing to environmental problems, and engaging in racial and gender discrimination. In addition, many of these Southern-based factories have taken billions in public subsidies from state and local governments<sup>17</sup> in exchange for vague commitments to “create jobs” with few corresponding commitments to hire and invest in a manner that helps the large numbers of low-income families in states like Alabama.<sup>18</sup>

New Flyer of America (New Flyer) is the largest transit bus manufacturer in North America and has contributed to the growth of manufacturing in the South, as detailed in this report. New Flyer produces buses for transit agencies across the U.S. and Canada and supports bus production through a complex chain of parts, final assembly, full assembly, and aftermarket parts facilities. New Flyer has also positioned itself as an industry leader in the zero-emission bus market as more transit agencies take steps to decrease bus emissions.

As an industry leader, New Flyer has stated publicly that the company is committed to being a “good employer” in the transit industry.<sup>19</sup> In total, New Flyer employs 6,200 employees – 4,400 hourly workers and 1,800 salaried workers. This paper describes how many of these workers have faced discrimination, retaliation, inadequate benefits, overwork, and health and safety problems at New Flyer’s Southern factories.

As a large employer, an economic development grantee, and a recipient of billions of dollars in public contracts, New Flyer is in a position to be held accountable to its workers and the communities in which the company operates. By adopting high road practices, New Flyer could transform conditions for workers and local communities while balancing the interests of its customers and shareholders.<sup>20</sup>

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## **A Profitable Company That Depends on Taxpayer Support**

NFI Group (NFI), New Flyer’s parent company, employs more than 6,000 people working in 31 facilities across Canada and the United States, and manufactures a variety of transit buses, coaches, and parts in the mass transit industry under several brand names, including New Flyer, ARBOC, MCI, and NFI Parts. New Flyer supplies approximately 43 percent of the active heavy-duty, intra-city mass transit bus market in the U.S. and Canada – over 74,000 New Flyer buses and coaches are currently in service.<sup>21</sup>

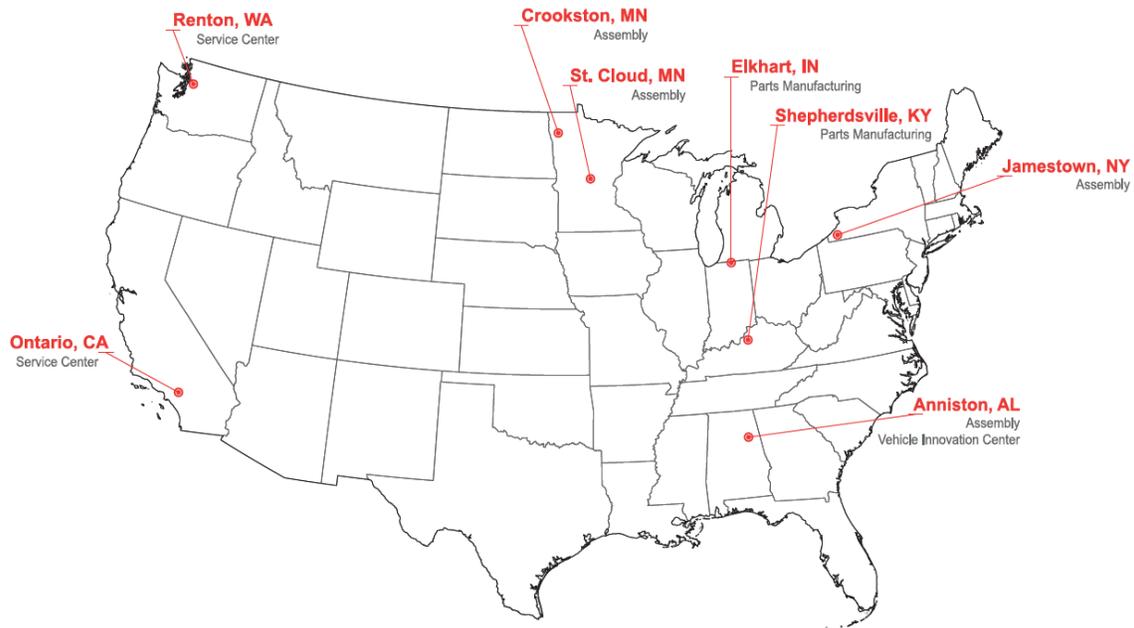
In recent years, NFI Group has sought growth opportunities in related segments of the transit industry as well as the bus and coach manufacturing supply chain. New Flyer's expansion has shown significant focus on moving production to small towns frequently located in the Southeastern U.S. In 2013, New Flyer purchased North American Bus Industries and absorbed its facility in Anniston, Alabama. In June 2017, New Flyer's footprint in Anniston increased with the acquisition of Carlson Composites, now known as Carfair Composites. Most recently, NFI Group opened KMG Fabrication in Shepherdsville, Kentucky, a factory that will supply parts for New Flyer, MCI, and Aftermarket Parts Company, LLC.

Bus manufacturing is a highly capital-intensive industry. Bus and coach production costs consist primarily of material inputs, which account for 69 percent of all costs. Labor cost, consisting of wages and benefits, accounts for only seven percent of the total cost. Payments to workers are thus a small portion of the total cost of manufacturing New Flyer buses.<sup>22</sup>

New Flyer's revenue was \$2,519,021,000 in 2018, an increase of almost six percent over the previous year. The company had a gross profit margin of 18 percent after direct production costs were paid. The company made a profit of 9.46 percent before taxes (\$238,345,000 US, EBIT).<sup>23</sup> New Flyer's debt is relatively low, even with the recent increase in borrowing to fund acquisitions. More than 60 percent of New Flyer's business comes from publicly funded contracts for the purchase of equipment, including transit buses, and component parts and supplies.<sup>24</sup>

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# Local Investment and Local Challenges



## Anniston, AL

New Flyer’s largest U.S. operation is located in Anniston, Alabama. In 2017, the company completed a \$15.1 million expansion to redesign its Anniston facility and build its Vehicle Innovation Center. The Anniston facility employed more than 750 workers by the end of 2018, according to the *Anniston Star*.<sup>25</sup> New Flyer received an incentive package of approximately \$1.4 million from Alabama city, county, and state funds.<sup>26</sup> The Anniston city incentive package includes 10-year abatements of the city’s non-educational property tax, sales, and use taxes. New Flyer also obtained county and state sales and use tax abatements.

Anniston is in Calhoun County, a rural county with a 17.5 percent poverty rate located halfway between Birmingham, Alabama and Atlanta, Georgia. Anniston is home to an estimated 21,569 people. As of 2018, the population was 48.19 percent African American and 45 percent white.<sup>27</sup>

Anniston has a long history of racial and environmental injustice. In 1961, a bus of Freedom Riders was targeted by a Ku Klux Klan bomb.<sup>28</sup> More recently, in 2003, Anniston successfully

won a \$700 million lawsuit against the Monsanto Company. The industrial chemical factory “routinely dumped Polychlorinated Biphenyls (PCBs) into a landfill or directly into the nearest stream [and] although the chemical was banned by the U.S. government in 1979 due to concerns over its toxicity, many parts of the town and surrounding area remains contaminated.”<sup>29</sup> The chemical exposure left many residents:

*“complain[ing] of headaches, nosebleeds, and Monsanto workers of Anniston would fall ill with strange cancers and illnesses of the liver and major organs. Before long, residents were complaining of the same kinds of conditions, and records kept by local residents indicate that people living near the factory in the predominantly black West Anniston neighborhood were routinely exposed to PCBs and frequently died from strange illnesses that no one could medically explain.”<sup>30</sup>*

Recently, the local President of the NAACP called Anniston a “town of walking zombies.”<sup>31</sup> Other community leaders have noted that residents must use gas masks to mow their lawns and routinely cut down trees because of the danger of PCB contamination of fruits and nuts.<sup>32</sup>

## **Shepherdsville, KY**

Recently, New Flyer opened a parts fabrication facility in Shepherdsville, Kentucky. The Kentucky facility will be New Flyer’s second largest in the U.S. with plans to employ 550 workers. To encourage job growth, the Kentucky Economic Development Finance Authority approved up to \$8.5 million in tax incentives through the Kentucky Business Investment program. The performance-based incentive provides corporate income tax credits and wage assessments in return for meeting job and investment targets. Under the package, New Flyer can also receive no-cost recruitment and job placement services, reduced-cost customized training, and job training incentives from the Kentucky Skills Network.<sup>33</sup>

## **Jamestown, NY**

New Flyer has also opened plants outside of the South recently, largely in response to transit agency policies. In 2016, after receiving a contract with the New York Metropolitan Transportation Authority, New Flyer opened a small facility in Jamestown, a city located in the economically-depressed western New York region that is slowly recovering from the 2008 recession.<sup>34</sup> New York State granted significant incentives to promote New Flyer moving to Jamestown.<sup>35</sup> One development corporation’s program allows New Flyer to operate completely

tax-free for 10 years in New York State by committing to local hiring and job training.<sup>36</sup> In addition, commercial leases often require the lessee to pay for renovations. In this case, the real estate lessor received generous low-interest-rate loans<sup>37</sup> and tax exemptions<sup>38</sup> amounting to \$2 million in order to renovate a former grocery store into light manufacturing facility suitable for New Flyer.

## **Ontario, CA**

In 2013, New Flyer opened a plant in Ontario, California after the Los Angeles Metropolitan Transportation Agency (LA Metro) awarded the company a \$500 million contract to manufacture 900 compressed natural gas (CNG) buses for the agency. LA Metro included the U.S. Employment Plan (USEP), a policy tool that enables cities and states to harness procurement dollars to support the creation of good jobs and community benefits, in its request for bids on the contract. In the USEP that New Flyer submitted in response to LA Metro's request for bids, New Flyer committed to creating 55 U.S. jobs and paying livable wages and benefits. New Flyer's job creation and quality commitments resulted in an \$7.3 million increase in the scoring difference between New Flyer and its closest competitor, which helped the company win the LA Metro contract.

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## **Treatment of Workers in the New Flyer Plant**

Interviews with New Flyer workers from plants in New York, Alabama, and Minnesota, as well as preliminary results from a worker survey conducted by Alabama A&M University (AAMU) about conditions at the company's Anniston facility reveal a number of challenges faced by workers in New Flyer plants across the country.<sup>39</sup>

### **Racial Discrimination**

"I just try to keep to myself and watch my back."

In one interview, a worker reported overhearing several examples of racially insensitive or targeted language. One coworker told him that he'd "shoot Obama dead in the face." Another

of his coworkers was seen wearing a Confederate flag bandana for several hours before being told to remove it.<sup>41</sup>

AAMU's preliminary report shows that surveyed African American workers were more than twice as likely [as non-African-Americans] to report discrimination as a "big problem" in their workplace. Forty-three percent of surveyed workers identifying themselves as black or African American reported being denied promotions, feeling isolated, receiving less support from management, and being treated as if they were incompetent because of their race.<sup>42</sup>

## **Gender Discrimination**

When interviewed, a former worker from Anniston reported issues with differential treatment based on gender: "If you're willing to flirt with a supervisor for certain things, you can accomplish a whole lot there. If you're working with all women and your supervisor is a woman, you're not gonna [sic] go anywhere."<sup>43</sup>

### **Jennifer**

Jennifer<sup>44</sup> worked at New Flyer, formerly North American Bus Industries, for 18 years. She worked in the same section for the majority of her time with the company. In 2015, she reported her immediate supervisor to New Flyer Human Resources for touching her inappropriately on multiple occasions. Jennifer's supervisor was ultimately fired. In the month following her complaint, Jennifer was moved to second shift after working first shift for the previous 15 years. When she complained, she was told that she could either quit or accept the shift change. For the next three weeks, she spent each eight-hour shift sitting cross-legged on the floors of buses removing Sikaflex, a sealant used in the manufacturing process. She was eventually moved to another section cleaning buses. In the last three years of her time with New Flyer, Jennifer applied for a total of four positions. She only received a response for one of her applications and was told that she would only be allowed to make a lateral move. Eventually, she decided to leave her job and seek employment elsewhere. When she was offered a job at a different company, she was scared to let anyone at New Flyer know where she was going because she was concerned that they would continue to try to retaliate by blackballing her with future or potential employers.<sup>45</sup>

AAMU’s preliminary survey results also show that 14 percent of female workers surveyed reported that gender discrimination is a “big problem” in their workplace. These workers reported one or more of the following: being treated as less competent, feeling isolated in the workplace, or being denied promotions because of their gender, and feeling uncomfortable due to sexual jokes in the workplace.<sup>46</sup>

## **Retaliation and Fear of Retaliation**

### **Charles**

Charles Crooms worked for New Flyer in Anniston from April 2015 to June 2017. He started working on the assembly line installing front and rear axles but was quickly moved to windshield installation. Shortly after this move, Charles noticed that there was an installation tool missing that resulted in him having to bypass blueprint instructions and incompletely install bus windshields. Charles talked to his supervisor about this and later was sent to Milwaukee, Wisconsin to fix 14 buses where the windshields had fallen out. Charles became a vocal member of the union organizing that was taking place in the plant at that time as a way to address the problems he saw with the production process.

Charles was later moved to a new section that required installation of a part that was too heavy and difficult for one person to install. Despite a doctor’s note submitted to New Flyer stating that Charles had a back injury and should not lift heavy parts, he was not assigned a partner. Parts shortages caused a slowdown in his section and resulted in unannounced overtime to catch up. Management scrutinized Charles’s work, forcing him to disassemble and reassemble the parts. Ultimately, this scrutiny and increasing back pain led Charles to resign. Charles believes that he was singled out because of his outspoken advocacy for greater worker voice on the shop floor.<sup>47</sup>

Four additional former and current New Flyer workers interviewed by JMA – including Jennifer – reported fearing retaliation for complaining to management about discrimination, health and safety and/or production problems. In addition, the AAMU survey asked Anniston workers whether they had faced retaliation for complaining about discrimination, health and safety problems, or other working conditions. Four of the twelve workers who reported filing

complaints claimed they faced retaliation, saying that they were given too much work or particularly hazardous work in response.<sup>48</sup>

Like Charles Crooms, 23 percent of New Flyer respondents reported that they witnessed issues in production that may have “implications for the end-user.” Of those respondents who identified production issues, 30 percent said that they did not feel safe reporting these issues without retaliation.

## **Wage and Scheduling Complaints**

In interviews with JMA, eleven workers at the Anniston plant complained that non-voluntary overtime has a negative impact on their health and well-being.

JMA’s interviews with Anniston workers and AAMU’s preliminary survey data both show that at least a dozen Anniston workers report working far beyond a standard work week, with three JMA interviewees reporting working 60 to 70 hours per week and 12 days in a row without a day off. Eleven AAMU survey respondents reported that they are only given a few hours’ notice before a schedule change. Four people reported getting anywhere from one to five days of advance notice. Six AAMU survey respondents reported that their workloads had recently increased, while eleven workers interviewed by JMA reported being forced to work overtime.

While Anniston workers struggle with mandatory overtime, members of the Communications Workers of America (CWA) have taken on the issue successfully at the company’s St. Cloud, MN plant. Non-voluntary overtime was the number one complaint from workers at New Flyer’s unionized St. Cloud, Minnesota plant leading up to the negotiation of a new collective bargaining agreement in 2017:

*"The excessive and often overwhelming amount of mandatory overtime was the number one issue [CWA's] St. Cloud membership wanted dealt with [in our 2017 negotiations with New Flyer]. Some employees worked more than 40 Saturdays in the year as well as 8+ hours of overtime during the week, for an average of about 55 hours a week all year. When we surveyed our members before and during bargaining, several told us their stories about how this overwork had a negative impact on their family lives and well-being. As a result of our bargaining efforts, mandatory overtime has been drastically reduced and voluntary overtime is up."<sup>49</sup>*

Anniston workers interviewed by JMA also reported concerns with the lack of affordable health benefits packages for employees and their families.

### **Underpayment of New Flyer Workers in Ontario, California**

In October 2017, LA Metro disclosed to the public detailed information about New Flyer's compliance with job creation and wages as part of its \$500 million contract with the agency, as described previously in this paper.<sup>50</sup>

After reviewing the disclosed information and conducting a follow-up investigation, Jobs to Move America came to the conclusion that New Flyer had been submitting false information about the benefits paid to employees in quarterly reports submitted to LA Metro. For example, New Flyer promised that the 24 Acceptance and Delivery Specialists hired under the contract would be paid an hourly rate of \$18.35 based on a certain number of hours per year, plus group health insurance and other benefits totaling \$920 per month. In fact, New Flyer reported to LA Metro paying these workers just \$16 and \$17 per hour and did not pay every worker the promised \$920/month in benefits. In one worker's case, the benefits paid out were typically worth less than \$500 a month.<sup>51</sup>

### **Health and Safety Issues**

New Flyer workers have also raised concerns about health and safety of their workplaces at facilities in several states.<sup>52</sup>

On June 9, 2016, the Occupational Safety and Health Administration (OSHA) inspected the New Flyer plant in Anniston in response to a complaint made by a group of workers organizing a union in the plant and the Communications Workers of America (CWA), which represents New Flyer workers at the company's Minnesota plants. The focus of the complaint was the workers' concerns about exposure to hexavalent chromium (chromium VI), which is a typical by-product of the welding and brazing processes.<sup>53</sup>

Though air monitoring revealed the chromium VI levels to be at a minimal level of exposure, many other safety violations were discovered as a result of the inspection. New Flyer was fined \$49,707 for eight serious violations and two less-than-serious violations.<sup>54</sup> New Flyer appealed and settled the matter before it was heard by an administrative law judge. The settlement

reduced four of the 'Serious' violations to 'Other-Than-Serious' status, withdrew one violation, and lowered the fine to \$25,000. Among the violations found in the Anniston plant were:

- Failure to maintain the plant in "a clean and sanitary condition." The citation noted the hazardous storage of electrical cords, tools, hoses, and cooling vests.
- Failure to keep passageways and exits open and accessible.
- Failure to install guardrails or fall protection for employees working at height.
- Failure to provide proper Personal Protective Equipment (PPE) or adequate respiratory equipment.

Sixty-three percent of workers responding to the AAMU survey reported coming into contact with toxic chemicals. Fifteen percent of the survey's respondents reported being seriously injured on the job, and two reported filing complaints about dangerous working conditions.<sup>55</sup>

A former worker at the Jamestown, NY facility reported that adhesive chemicals were used in the bus production process without disclosure to the workers using them of the serious risk of eye damage, central nervous system harm and possibly cancer or training on safe handling for the employees.<sup>56</sup> A worker at the Anniston, Alabama plant raised concerns about the filtration system in the weld department, saying that the filters were frequently too clogged to work appropriately, which caused a buildup of dust and fumes in the area.<sup>57</sup>

Although workers have observed hazards at New Flyer's St. Cloud, Minnesota plant, workers have been able to collectively address those issues through the union's safety committee, under the grievance procedure established by their collective bargaining agreement, and by participating in safety and health inspections. On March 30, 2017, the Minnesota Department of Labor and Industry's Occupational Safety and Health Division issued a \$4,200 fine to New Flyer for its failure to ensure employees were not over-exposed to hexavalent chromium based on a CWA complaint. One New Flyer employee was exposed to 44 percent more chromium VI than the Permissible Exposure Levels (7.2 micrograms per cubic meter versus five micrograms PEL).<sup>58</sup> Afterward, CWA pressed the company to agree to more extensive industrial hygiene monitoring and to adopt better engineering controls, which ultimately showed reduced exposure levels of Chromium VI and Magnesium.

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## Community Benefits Agreements: Part of the Solution

One of the most important ways that communities can work cooperatively with manufacturers is to join together and negotiate Community Benefits Agreements. A Community Benefits Agreement is an enforceable, private agreement typically entered into between a real estate development or manufacturing company and community groups to generate economic stimulus and advance equity for communities in need by providing well-paying jobs, access to training programs, targeted hiring of people of color and women, and various other environmental or hiring standards. Most Community Benefits Agreements are negotiated by coalitions to ensure workers, communities, and business benefit from strong and sustained partnerships that keep work flowing and the company healthy.

The Alabama Coalition for Community Benefits is asking New Flyer to negotiate and sign a national Community Benefits Agreement that will ensure workers, people of color, women, and people with barriers to employment receive opportunities for training and good jobs in manufacturing.<sup>59</sup> JMA has had great success working with other companies on Community Benefits Agreements. For example, when JMA had concerns with bus manufacturer BYD Co. Ltd. surrounding hiring and wage promises in 2017, JMA negotiated a Community Benefits Agreement with the company covering its Lancaster, California facility of nearly 800 workers. Under the agreement, the company committed to paying its workers a living wage, building a pre-apprenticeship pipeline with neighboring community-based organizations, and committing to hiring 40 percent of its workforce from systems impacted populations. The Lancaster facility is also covered under a collective bargaining agreement with the Sheet Metal Workers Local 105 and has become a responsible employer offering good, union jobs and corporate investment in a community that has struggled with unemployment. JMA is also currently in discussions with Proterra regarding a Community Benefits Agreement and has worked with other companies to create training programs, provide them with a pool of high-skilled workers, and help them build long-lasting relationships with the communities where they work.<sup>60</sup>

New Flyer is currently one of the largest employers in Calhoun County.<sup>61</sup> As such a large employer, New Flyer has a unique opportunity to make a difference in the community and

address ongoing issues around environmental justice and racial inequity. By negotiating a Community Benefits Agreement that prioritizes good jobs, equity, and public accountability, New Flyer can become a leader in Anniston community and the broader manufacturing industry.

Indeed, New Flyer already promotes itself as a leader in providing sustainable, safe, and reliable transportation; making the company “‘A Great Place to Work’ is also one of the Company’s core operating principles.”<sup>62</sup> Negotiating a Community Benefits Agreement with the Alabama Coalition for Community Benefits is a way for New Flyer to tangibly implement its stated principles.

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## Conclusion

Public transit is a major focus for cities and states working to build more livable cities and investing in transit is an important way to reduce carbon emissions. But when cities and states purchase transit equipment made in factories where workers report unfair and unhealthy conditions, the overall health and welfare of American communities suffer.

Companies that receive billions of public dollars in the form of subsidies, tax abatements, and procurement contracts, like New Flyer, must make deep and significant commitments to creating good jobs and community benefits wherever they manufacture their products.

New Flyer’s workers build complex, expensive transit equipment that government agencies purchase, in large part, using public dollars. These workers, their families, and their communities should benefit from equitable hiring practices, career pathways, living wages, and good benefits.

By negotiating Community Benefits Agreements to ensure equitable hiring practices, high road labor standards, and wider community benefits, New Flyer and other transit manufacturers moving production to Southern states can make meaningful, enforceable commitments to creating opportunity for workers and the communities in which they operate.

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## Endnotes

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