

ABC MEMBER RESPONSES TO JUNE 2009 SURVEY REGARDING PLAS ON FEDERAL CONSTRUCTION PROJECTS

ABC asked its members whether they had performed any construction projects for the U.S. government in which the total cost of the project (not just their portion) exceeded \$25 million. Out of 239 responses, 35% said that they had. Those affirmative responders were then asked to "help us explain to federal procurement officials why government mandated PLAs discriminate against merit shop workers and harm taxpayers." Narrative responses were received from 69 contractors and are set forth below:

1. (Respondent 80045, AR, Specialty Subcontractor) Our company relies on very talented labor that performs multiple tasks involving many trades such as concrete, carpenter, steel erection, welding, piping, etc. PLAs implement inefficient union work rules that prevent our workers from completing tasks in multiple trades.

- 2. (Respondent 80075, IN, Sprinkler Subcontractor) PLA supporters and union only contractors fail to recognize that the union business model is a failed model. Union construction has declined to less than 15 percent of the work force for a good reason. Merit shops perform work as good and in most cases better than union shops, and pay competitive wages that are determined by "MERIT" not entitlement or government intervention. Our fitters are crossed trained in fire alarm and fire sprinklers. We often perform both work elements on the same job with the same man and this economy reduces the cost of the project. PLA's would force a much higher cost because the union must enforce work rules preventing such economies.
- 3. (Respondent 80040, Owner, NJ, Specialty Subcontractor) 1. My employees will be unable to participate in a project that is financed with their tax dollars. 2. My employees are mostly Black or Hispanic. In this area of the country unions have historically discriminated against them. This pattern will not change in the future as the labor unions continue to operate as "an old boys club".

- 3. My employees prefer to manage their own fringe benefits, after all, it is their money. They prefer the freedom of choice. 4. Economic theory and common sense dictate that the restriction of supply always leads to higher prices. 5. A PLA is the closest thing to legalized racketeering we have ever seen in the history of our nation. It is akin to the protection rackets the Mafia was famous for. Really, use my people and follow my rules and we will ensure labor peace. If that is not racketeering, please tell me what is? 6. Some or all of my employees would not be able to work on the project. It is difficult to factor the loss of your productive workers and new unfamiliar workers that may not be trained in our construction sequencing (or have the proper skills to get the job done) into a bid.
- 4. (Respondent 79931 Owner, CA, Mechanical Subcontractor) When we work on federal projects covered by a PLA we have to pay benefits into a union fund which our workers will never receive. We will also have to use union workers that have never worked for us and have no loyalty to us and no incentive to do a good job. We will not be able to use ABC apprentices on these projects. because of these and many other reasons we will not bid on these project so this makes it a form of discrimination.
- 5. (Respondent 80205, FL, Mechanical Subcontractor) Adding PLAs will limit competition as unions represent a small portion of the employees within the construction industry. Our employees choose not to join the union and to make their own decisions and have their own opinion with regards to employment issues. In fact we have several employees who in years past were represented by unions and chose to leave the union as they felt the union was a hindrance to their opportunity for success. If PLAs are instituted, the merit shop firms and their employees will effectively be denied access on these projects.
- 6. (Respondent 80099, CA, Electrical Subcontractor). This has the potential to take away more than 75% of the competitive labor force on federal construction projects.
- 7. (Respondent 80016, GA, Owner, Specialty Subcontractor) Federally mandated PLAs would put my company at a disadvantage by restricting us from hiring the long-term, non-union employees whom we have trained to be successful in our business and forcing us to hire employees through Union hiring halls. In addition, we would be forced to pay Union benefits, even though none of our non-Union employees would receive those benefits.
- 8. (Respondent 80053, NY, Owner, Concrete Contractor) ON A PLA PROJECT WE CAN NOT EMPLOY OUR REGULAR EMPLOYEES.
- 9. (Respondent 80073, FL, General Contractor). In Florida only 3% of construction companies are union and a PLA would mean that we would have to bring 97% of the workforce from outside the state which harms local companies and imposes higher costs on projects.
- 10. (Respondent 80023, CA, Owner, Specialty Contractor, Small Business Owner) We all have a right to choose -- where we live, how we live, what we eat, with whom we associate. For whom we work is no different. Our employees have chosen to work for us. We have not hidden from them the fact that we are a merit shop and not a union signatory. They have made a choice and no government institution or promulgation should violate that choice. If our employees want to work for a union signatory contractor there is nothing that prevents them from exercising that choice to do so but the fact that they are with us indicates their vote. They have decided that they don't want

to pledge allegiance to their union hall and not their company. They want to work for a company that doesn't send them back to the hall when business is slow, that looks after them and their family and, in effect, becomes an extension of their family.

- 11. (Respondent 80078, NY, Owner, Specialty Contractor) As an open shop contractor, PLAs will prevent our company from bidding on public and federal construction projects because as a specialty contractor, we cannot afford to hire people out of a union hall with no experience in our trade. Most PLAs call for 75% union affiliation and 25% of your own people. Why would I want to hire three people to sit and watch my own people perform the work because they don't know how to do it? This is extremely expensive and is a waste of the taxpayer's money. In addition, PLAs allow labor to come from out of town rather than in your own neighborhoods. In Upstate New York, 80% of the construction workforce in open shop, so a PLA project means that the labor will come from out of town to do the work. How does this help the local people, who will be on the outside of the construction fence looking in and asking why they are laid off when workers 300 miles away are doing the work?
- 12. (Respondent 80068, NY, Owner, Specialty Subcontractor) As a pavement marking subcontractor on highway projects, our crews are on the project sporadically, not every day. As such, they would not work the total number of hours required by the PLA to take advantage of any of the benefits provided by the union. The dues they would pay, along with the fringe benefit portion of their hourly wage, would go to the union. The union in turn would receive these dollars and have no obligation to provide the employee with benefits. This would be a windfall for the union and a loss for the employee. The employee would still need to arrange health and other benefits outside of the union umbrella.
- 13. (Respondent 80092, NY, Owner, Specialty Subcontractor) 1) If Demco works under a PLA we cannot use our own people, obviously putting them out of work. This places union workers in a better position to get the work that they cannot win in the marketplace just because their leadership bought the President's allegiance with campaign financing. This is corrupt. 2) The IBEW has sworn to put us out of business in a letter to their membership. We would have to hire workers loyal to them and be subject to all of the costly tactics of salting. 3) Union workers' productivity is less than our workers and we have no way of knowing what productivity factors to apply to estimates if forced to use their workers. 4) Taking bidders out of the marketplace who have a history of competitive success obviously raises the cost to the taxpayer. You can't print money forever, so, eventually this means fewer projects and lower employment.
- 14. (Respondent 79967, NC, Owner, Specialty Subcontractor) As a firestop Contractor, we work for the drywall, hvac, plumbing, electrical, mechanical, masonry and telecommunication contractors. The unions do not have the trained firestop installers to perform the firestop correctly. If the firestop on the project is not claimed by a single union then a firestop specialty contractor would have to belong to all the unions that apply for the different trades, with separate foreman and installers and bookkeepers for each union. It would also significantly increase the cost of the project as much as four percent of the overall cost of the project. Seventy-five percent of our work is military or government work and I would have to lay off my employees and close our business if I had to deal with this.

- 15. (Respondent 7995, MD, Specialty Subcontractor) IF I HAVE TO PAY UNION DUES THE END RESULT IS I AM GOING TO PASS ON TO THE CUSTOMER WHATEVER THE ADDED COST IS. I AM SURE EVERY NON-UNION COMPANY WILL DO THE SAME.
- 16. (Respondent 80465, CO, worker, Specialty Subcontractor) The percentage of merit workers in the Rocky Mountain Region out-weighs the union worker. Federally mandated PLAs will lead to out-of-state union workers taking local jobs, and Colorado will lose tax revenue and will continue to have workers on their unemployment rolls in this slow economy. America is based on capitalism and if there is a mandate for union labor, then this is taking the very right to be an American away from us as merit shop workers.
- 17. (Respondent 79974, CA, Electrical subcontractor) PLAs require that merit shop contractors participate in union mandated retirement and benefit programs, which benefit only union members and contractors. This simply increases the overall cost of construction, thus wasting taxpayer money, as well as providing union contractors (who employ just 20% of the construction workforce in California) with an unfair bid advantage. Davis-Bacon laws already mandate that merit shop contractors pay their workers union wages on federally funded projects. Adding PLA requirements only inflates the overall construction costs that much more and it will discourage many merit contractors from bidding on this work.
- 18. (Respondent 79947, FL, Mechanical Contractor) We cannot agree to a labor agreement when we are an open shop merit based contractor. We employ upwards of 300 tradesmen that the labor agreement could potentially put out of work. The effect of this order on the income of tradesmen families would be catastrophic. Using a labor agreement does not allow us to reward personnel based on individual performance or provide the correct skill level of personnel based on the project's needs. Labor agreements are a potential disadvantage for merit shop contractors as we bid projects based on the history of our merit shop worker production rates, some of which have worked for our company upwards of 20 years, so we know what production rates that we can project at bid time. Having to use a labor agreement will not allow us to provide an accurate forecast of labor cost.
- 19. (Respondent 79957, CA, Electrical Contractor) Studies across the nation have demonstrated costs dramatically increase when a PLA is implemented. Furthermore, open shop employees do not want to pay union dues to work on a project or pay into a union pension plan because they will never see a dime of that money! "Open shop" contractors do not want to pay into a union Health & Welfare program or union trust fund because they have their own benefits program and would have to pay twice. Lastly, PLAs are exclusionary and discriminatory "union only" agreements in which 85% of the available labor is frozen out of publicly funded construction!
- 20. (Respondent 80061, MD, Employee, General Contractor) I know that by watching our costs, we are able to bid competitively. We make money and are able to hire people because everyone is accountable. A union environment would destroy any incentive to control costs and eventually cost the taxpayers even more money which I personally object to.
- 21. (Respondent 79989, MD, Manager, General Contractor) Our employees, if allowed to work on a union job, would be required to contribute to the union funds which would never benefit them. Unions will make us less efficient, less safe, & increase our costs, which will ultimately cost the taxpayers more money. I personally think it is discriminatory to require us as a successful, large,

- merit shop contractor to be a signatory to a PLA. I believe the main reason the unions & Obama & his Congressional cohorts are pushing for these PLAs is to help bail out the unions w/ new "blood" dues since their pension funds are in trouble & they can't properly fund their pensions, etc. w/out outside monies. This PLA arrangement is a terrible idea, like so many of this administration's.
- 22. (Respondent 8029, CA, Owner, Specialty Contractor, Small Business) If I have to sign one time agreements with the unions to do a job, my employees & myself as the employer have to pay twice for medical benefits none of which they will ever receive from the union, because they will never work enough hours to qualify. Second, it drives up the cost of the job significantly and at a time where we are hearing our President tell us how he is trying to keep jobs and save money, this is sending the wrong message. Small businesses like mine provide 60% of employment in this nation. By not allowing us to perform these jobs during this economic crisis, this order will surly put us all out of business. This would put 34 families out of work and 25 children at risk of losing homes and food if their parents are not able to work for me.
- 23. (Respondent 79938, MA, Owner, Specialty Contractor, Small Business) No one in the unions are trained in my specialty, therefore, journeyman's wages are paid to teach them the trade.
- 24. (Respondent 79953, OK, Large General Contractor) PLAs as well as Davis Bacon will require that all trades abide by the jurisdictional requirements established in the 1930's. As with any other business, the construction industry has changed since this time period. We no longer train personnel in just one trade, we cross train them to perform many tasks so we can keep them as employees for the duration of the project. Our employees perform general labor, carpentry work, cement finishing, iron work (tying rebar and miscellaneous steel), and operate small equipment such as bobcats and lulls. If they perform different types of work in one day, which is normal, we are required to report their hours worked in each established trade, and pay them differently for each task which is ridiculous and a waste of time, resources and money.
- 25. (Respondent 80338, CA) All PLA discriminate. First, If only unions can bid on a project the price of the project is inflated. The prevailing rates are artificially high in the first place. It does not mean the quality is any better in most circumstances. Everyone should have the chance to bid on projects unless they do not play by existing rules and regulations.
- 26. (Respondent 80059, UT, Owner, Specialty Contractor) We are a specialty subcontractor. No unions really cover the scope of our work. Therefore, we have to employ various trades that have no training for our jobs. This results in the necessity to utilize several different union workers to do the work of a single one of our workers. The inefficiency and added costs are tremendous. Obviously, we try to bid these higher costs into our proposals, but the end user (in this case the government and taxpayer) pays an extraordinary amount for basically the same product.
- 27. (Respondent 80054, MO, Owner, General Contractor) My company is open shop. We train our employees to be multi-craft professionals. We pay our employees the base wage plus fringes on their check. If we sign a PLA the empolyees' pay would be reduced between 20% to 30% and that money would go to the unions for which the employees would get no benefits. On top of that our company would be tied to pension plans with unfunded liabilities for which our company may have to pay at the conclusion of the agreement with the unions.

- 28. (Respondent 80179, TN, General Contractor) We have no problem finding qualified workers and the additional job rules via the PLA would create wasteful spending
- 29. (Respondent 80031, MS, Owner, Concrete Supplier) Limits the number of companies that can perform work on projects; adds higher costs due to control by labor; unfairly picks "selected companies" that meet union or labor requirements.
- 30. (Respondent 80019, KY, Specialty Subcontractor) Our company and workforce opposed government mandated PLAs for obvious reasons. PLAs put more burden on a job with union mandated excessive and inefficient rules and labor jurisdiction issues. Not to mention the added costs involved dealing with unions. Prevailing wage is bad enough but utilizing the labor unions to govern a job is just plain wasteful and not efficient. Non union workers, which comprise 85% of the U.S. construction workforce, remain non union for a reason. They enjoy less hassle, and are more productive and better employees, etc. Unions offer nothing except more costs.
- 31. (Respondent 80039, CA, General Contractor) PLAs reduce the number of contractors bidding a project and drive up costs. Costs are driven up in several ways: 1) By reducing the number of general contractors bidding the project supply and demand always shows the cost will go up. 2) As a general contractor, if my pool of subcontractors is restricted, those costs go up and I have to pass them on to the Owner [taxpayer]. 3) If I chose to have my employees work on the PLA job I now have to pay into the union for their benefits [that they will never see] plus maintain their existing benefits, raising my labor costs which will get passed on to the Owner. 4) By requiring me to use an unknown workforce (those from the union hall) I have to put more money in the job to account for unknown productivity, vs. known productivity of our existing crews.
- 32. (Respondent 80008, WA, Owner, Specialty Subcontractor) They add cost to the project with out adding value. As an employer we treat our people fairly, communicate directly and allow people to excel based upon their efforts and abilities. This ultimately leads to greater efficiencies and value to the taxpayer.
- 33. (Respondent 80395, TN, General Contractor) When required to utilize union labor, the total cost of the job increases; therefore increasing the cost to the taxpayer. In an economy such as ours, I consider this nothing short of stealing from our citizens.
- 34. (Respondent 80123, NY, General Contractor) PLA agreements discriminate against open shops by requiring them to hire union labor regardless of skill or qualification of that labor for the job.
- 35. (Respondent 80484, NY, Electrical Contractor) The government mandated project labor agreement will eliminate open and competitive bidding and will increase construction costs. The Government should not be in the business of dictating contracts that are directed to market specific groups or organizations.
- 36. (Respondent 80088, PA, Electrical Contractor) The PLA Executive Order will cut out a lot of the competition and provides only for organized labor. Additional costs to the taxpayer as a result of PLAs is not good government policy.
- 37. (Respondent 80080, PA, Specialty Contractor) We provide, install and start-up a specialty control system to a certain government agency that we would in turn have to subcontract to a union

installer to complete the installation portion under this Executive Order 13502. This in turn causes (we have had to hire a union sub on PLA projects before) the entire price to balloon way out of normal price range due to the fact that there are the following: Additional overhead of the union subcontractor, our project management time is greatly increased due to an installation crew that is not properly trained on the system as our in house non-union crews are (training is not a one or two day course, we continuously train our employees since the system changes regularly), our start-up time is greatly increased due to mistakes and not properly installing due to training as described above. We know this from experience not from a hunch or guesswork.

- 38. (Respondent 80017, PA, Employee, General Contractor) We can keep the bidding completive, by keeping cost down. Everyone has the right to work. Any other means of bidding is discrimination.
- 39. (Respondent 79984, KS, Electrical Contractor) PLAs discriminate against our employees by forcing them to join a labor union in order to work on those projects. They inflate the cost of these projects to the taxpayer by imposing these regulations, instead of letting the free market system work as it is intended. I liken it to placing a tariff on the majority of the construction workers in this country. How is it fair that we as taxpayers are excluded from working on the very projects that our tax money is paying for?
- 40. (Respondent 80052, MO, Specialty Contractor, Woman Business Enterprise) Our Company hires insulators. The DB wage on a current federal project over 25M we have is \$29.64 base +\$12.76 fringe. Our Company pays for health, life, dental, vacation, and training, but do not take a credit for these benefits as allowed by the law. We pay half of the fringe as gross wages and half into a retirement account which employees are vested in day one. So, on this job our employees receive \$36.02/hr gross pay + \$6.38/hr into their retirement accounts. Our portion of this project is 2176 man hours. If this job were subject to PLA, the employees would receive \$13,883 less in wages and \$13,883 less in retirement benefits, plus have to pay union dues of \$1.37/hr totaling \$2,981. The unions would receive \$27,766 + \$2981 = \$30,747 with no expenses, and the employee would get 33.3% LESS in wages and benefits.
- 41. (Respondent 79993, TX, General Contractor) PLAs exclude qualified workers and their employers from bidding on projects, which decreases competition and increases cost. This country is built and fosters free enterprise. PLAs prevent free enterprise, by excluding the individuals it is designed to protect.
- 42. (Respondent 80033, CO Industrial Contractor) Our employees work with our clients to build a better project and our clients have come to expect that of us. If we work Union, we are not the same company and our clients will not be able to rely on the same service they have come to expect. As a merit shop company working on a federal construction project, we have to pay the prevailing wages. Prevailing wages equalize merit shop company's wages and benefits with a union company as these rates are almost always set to union scale. On these same projects, the unions do not have to pay the same scale to apprentices as they do journeyman, a merit shop company does not get the whole benefit of this difference. So the reality is that the union companies already are getting a more competitive advantage on federal projects. Lastly, if any government agency selects one group over another and eliminates the opportunity for free enterprise and free choice, that agency goes completely against the constitution and basis for which this country was founded.

- 43. (Respondent 80095, IN, Owner, General Contractor, Small Business) With PLAs construction costs will balloon.. PLAs will virtually destroy the competitive advantage that local and state governments enjoy today. As a small business owner, I will not bid projects with PLAs simply because we believe in the free enterprise market and our employees believe in freedom of choice and the right to work and I will not betray them. Years ago we were a union shop and our employees carried union cards. As a union contractor we were held hostage and our workers were the ropes that tied us. Due to this "we control the worker by which we control you" mentality of the union bosses, we lost customers and our workforce. We made a decision not to sign a new contract with the union and our employees took withdrawal cards and stayed with us. Since that time our employees have been approached many times to rejoin the rank and file and on every occasion they have said no. It is because of this that I will not bid a project with a PLA.
- 44. (Respondent 79936, PA, Employee General Contractor) PLAs inflate the cost of the project thus costing tax payers more while at the same time forcing the contractor to staff and execute projects following union guidelines which ultimately makes the contractor less profitable and limited in his ability to perform.
- 45. (Respondent 79934, KY, Specialty Contractor) PLAs will effectively exclude the majority of construction companies and their employees in the area from working on the projects (In Kentucky, 90% of construction employees are open shop and only 10% are union). PLAs will drive up the cost of the project by effectively eliminating competition from open-shop contractors.
 PLAs will preclude many local contractors and their employees from working on the projects even though their tax dollars are paying for the project. PLAs will provide less access to skilled manpower on the projects. In 2006 Gov. Jerry Abramson and Gov. Ernie Fletcher agreed to veto a any attempt to implement a PLA for the New Downtown Arena in Louisville, KY. They both stated that wanted all workers in the metropolitan area to have an opportunity to work on the project. If PLA had been used, only union workers would have been working there. Which as you can see above is a small portion of the workforce in Kentucky's largest city.
- 46. (Respondent 80003, PA, General Contractor) PLAs have an inherent level of inefficiency due to mandated jurisdictional definitions which alters crew make-up or prohibits use of composite crews, often resulting in higher net crew rates. PLAs restrict the use or transfer of key personnel, and/or "name-hiring" resulting in inefficiencies because crews are not as familiar with work methods or procedures as are merit shop crews that have worked together for many years. PLAs negatively impact subcontracting opportunities, particularly DBE's are limited to union-shops, resulting in increased cost. - PLAs are inflexible with respect to times of work (split-shift, etc), shift hours (4x10's, etc), make-up days, travel time, etc. which require additional contingencies and inefficiency costs to be included in bids. - PLAs contain restrictions on allowing equipment operators to operate multiple pieces of equipment in a shift or allowing a "non-operator" to operate equipment on an as-needed basis ... results in additional cost etc.
- 47. (Respondent 80039, PA, Owner, Specialty Contractor) My company has a core group of 150 construction employees. If we were forced to use union employees, our own employees would be home on layoff.
- 48. (Respondent 80330, CO, General Contractor) It took years to get away from the corrupt thugs that run the unions. To go back to that would be six steps backwards. They have nothing to offer our employees that we don't already provide. Our employees would have less pay, benefits, and

stability with a union and would not want to be assigned to that project and forced to pay union dues. The union has robbed from their own pension fund to buy politicians and offers no security to their members for retirement. The retirement funds that our employees earn are part of a protected plan. Union work rules protect lazy under performing workers and inflate the cost of the project for the tax payer.

- 49. (Respondent 80021, TN, Specialty Contractor) PLAs prevent the large majority of workers merit shop workers from working on government projects that they fund as taxpayers. It's the worse kind of discrimination the Federally mandated kind.
- 50. (Respondent 80105, NY, General Contractor) PLAs restrict competition and take away an individuals' freedom of choice. PLAs harm the taxpayer by increasing construction costs due to the inefficient labor structure forced by the unions.
- 51. (Respondent 79939, WA, Electrical Contractor, Small Business, Woman Business Enterprise) We are frequently only a small subcontractor on a much larger project-way down the food chain. We are unable to afford to bid on PLA only projects-the costs are too high. We are an open shop and our employees have chosen not to join a union. But they should have the opportunity to work on projects that are funded with their tax dollars.
- 52. (Respondent 80064, MD, General Contractor) Mandated PLAs force merit shops to take on additional cost in the form of effort, time, and money spent on securing the PLAs as well as the need to maintain two sets of pricing data for bidding work with and without PLAs. Finally, there is the obvious corresponding rise in labor costs associated with a PLA. That's three ways in which a merit shop incurs additional cost when bidding work which requires a PLA. Those costs are reflected in our price to the owner (i.e. the government and therefore all tax payers). Rather than forcing additional time, effort, and expense (all of which eventually gets passed on to the taxpayers), why not let merit shops and union shops compete as they are without additional rules? If unions really add value to their companies, they need not fear direct competition with merit shop companies.
- 53. (Respondent 79952, NJ, Owner, Specialty Contractor, Women Business Owner) Merit shops are run by good, hard working people, and provide safe work areas, good pay and benefits. We and our employees are very capable of managing our own company, without paying an outside entity to disrupt our daily activities. The paperwork and other extra costs to implement a PLA is absurd. We would not have to have tax increase if we would just STOP the waste within government. There are many laws in place to protect everyone from everything. A PLA ends up providing money to a private organization who harasses merit shop businesses. Unfortunately, merit shops do NOT have any laws protecting them (without great cost to then merit company, and none to the Unions). I just can't believe this is legal and/or constitutional.
- 54. (Respondent 80070, NY, General Contractor) PLAs actually cost taxpayers more money and tend to bring in non-local labor to build major public work projects. With 85% of the construction industry merit based, a PLA completely restricts the majority from building the project. Unions would argue that quality suffers. Are Toyota vehicles built by non-union labor of less quality than GM or Ford vehicles. I'd say they are comparable.

- 55. (Respondent 80067, PA, Specialty Contractor, Small Business Owner) Besides being harassed by unions and threatened, we are forced to burden tax payers with the extra costs with union work rules and other requirements within typical PLAs. Our company pays very fair wages, has insurance and 401K plans. The government needs to be fair to all taxpayers as well as allowing the small businesses to survive in the never ending union favoritism the government is showing. Go after the small guys who don't have fair wages and plans for their employees not the upright small businesses who are fair and using their right to free enterprise.
- 56. (Respondent 80038, CA, Electrical Contractor) A properly administered certified payroll compliance process will confirm total compliance with Davis Bacon and make sure wages and benefits are equal between union and non-union workers. A Merit contractor would have to contribute to two separate employee benefit programs, such as pension and medical benefit plans. The Merit contractor would have to continue to offer the plan he has been offering to his employees and also make contributions to the Union sponsored benefit programs. Employees of the Merit contractor may never reach eligibility to receive benefits under the union's benefit plans and the contractor does not want to place his employees in this situation. A Federal PLA excludes its own taxpayers from working on a project that is using their tax dollars to build. The PLA prohibits a Merit shop federally approved apprentice from earning on-the-job hours of experience to company apprentices.
- 57. (Respondent 80316, CO, Specialty Contractor) PLAs increase the cost of construction, require contractors to adjust their benefit packages to conform to the PLA, and do not allow the contractors to utilize their existing workforce unless the workers join the union.
- 58. (Respondent 80316, NY, Specialty Contractor) PLAs would effectively force us to use union workers in lieu of our own workers. Some of our existing crews have worked together for years and have increased efficiency as a result. Using a large number of union employees who may not have our company's best interests as one of their goals may cause problems between work groups. Also, as a result of being forced to hire union workers we might be force to lay off existing workers. PLAs are the "poison pill" that we cannot accept which leaves union only firms with less competition which is exactly what PLAs are really all about.
- 59. (Respondent 80081, MD, Specialty Contractor) PLAs result in overinflated costs with less production. Union members have no motivation to put forth any more effort than the minimum required. I know many of them well, we are friends but our work ethics are complete opposites. Furthermore, our company has struggled with the same obstacles as any other company. Our employees taxes will go to fund projects that they will not even be permitted to work on unless we agree to a PLA. This sounds less like government and more like organized crime. This administration is hell bent on bankrupting the entire country.
- 60. (Respondent 80032, MS, Specialty Contractor) PLAs are a disgrace to American owned companies. They contradict the most basic rights as an American such as free enterprise. Why would you want to limit your choice of contractors to ones with additional burden? Open Shop contractors save taxpayer dollars.
- 61. (Respondent 80462, TN, General Contractor) PLAs drive up cost and reduce competition. Reputable contractors will use fair practices and obtain qualified and competitive market labor that provides the best value to the taxpayer they do not require government mandates. PLAs put the

- free market process at risk. Federal procurement officers should focus on qualifying the bidding contractors in lieu of taking bids from anyone and then saddling the project with unnecessary restrictions such as PLAs.
- 62. (Respondent 79961, NY, Mechanical Contractor) I would not be bidding on projects with a government mandated PLA. On projects where we would have been the theoretical low bidder, the federal and state taxpayers would therefore be paying MORE than needed to have the same work accomplished by a firm willing to sign a PLA. PLAs reduce competition.
- 63. (Respondent 80298, TN, Concrete Contractor) Unions cost the taxpayer more money. I see it firsthand on jobsites. And while everyone thinks the unions offer more benefits, they are dead wrong where our company is concerned. This discrimination should be against the law. The taxpayers are the ones taking it in the shorts when the government artificially limits its awards to union companies and the few open shop contractors who are willing to sign a discriminatory and costly PLA.
- 64. (Respondent 80015, NM, Specialty Contractor) Signing a PLA raises my costs and exposes my workforce to union organizing and intimidation. My company offers competitive wages and benefits. Our workers are more efficient because we are not subject to union work practices. Our trades people undergo apprenticeship training and are just as skilled as union workers, but have the flexibility to innovate execution methods to achieve shorter schedules and lower costs. They would not be allowed to work on typical PLA projects.
- 65. (Respondent 79990, TX, Mechanical Contractor) If a person tests out to be a journeyman then that is what I pay them. If they test out less than a journeyman then they get paid less because they are not as skilled and knowledgeable about the trade. If they are a Union members they get paid a fixed amount without any field qualification. PLAs implement the inefficient union business model.
- 66. (Respondent 79972, NJ, Specialty Contractor) The fact of the matter is our company is qualified to federal work now with our own manpower. My company is cross trained in the HVAC trade. Each installer is capable of fabricating ductwork, installing ductwork insulating ductwork installing pipe work and also insulating. Start up and testing is also done by our own workforce. This practice makes us more productive which allows more competitive pricing. We do not have restrictive work rules that cause several different trade unions to be involved in a project along with restrictive work rules.
- 67. (Respondent 80398, TN, Electrical Contractor) We recently completed a \$40million dollar project for the Oak Ridge National Labs that was awarded to myself and other merit shop contractors because of our low bid. We competed with union contractors who were not competitive in their pricing. The owner received his project on time, on budget and was happy with the end product. The government is presently constructing a \$60 million project adjacent to the project we just completed, but we cannot compete because it has a PLA agreement. We are not afraid of competition, and Davis-Bacon has worked in the past, why are we locked out in working in projects in our own back yard?
- 68. (Respondent 80048, NY, Specialty Contractor) 1. PLAs discriminate against our workers, who have decided that they do not want to belong to a labor organization. 2. PLAs increase the costs for

the projects which will thereby increase the costs to the taxpayer. 3. Fewer projects will be able to be constructed due to higher costs, therefore reducing the number of workers that will be employed in the construction industry, which already has a high unemployment rate. 4. Benefit money will be paid into the union pension funds for which our workers will not have the benefit of. Since PLAs are established for individual projects, normally one to two years in length, our workers would not be able to gain enough time to be vested in the union benefit plan. 5. Our company would find itself less competitive in competing for projects since we would be required to hire from a union's hiring hall and be forced to break up our existing team of experienced and loyal employees.

69. (Respondent 79958, TX, Specialty Contractor) PLAs are a crooked way of promoting unions in many open/merit shop states. Why should the worst worker get paid the same as the best hand, people should be compensated on their value, not an artificial benchmark.