



News Release

ABC MEMBERS VOICE OPPOSITION TO PRESIDENT'S PROJECT LABOR AGREEMENT EXECUTIVE ORDER

MORE THAN 900 COMMENTS SUBMITTED TO OBAMA ADMINISTRATION

Contact: Gail Raiman, (703) 812-2073
Gerry Fritz, (703) 812-2062

For Immediate Release
September 24, 2009

WASHINGTON, D.C. – Associated Builders and Contractors (ABC) today announced that 402 of its member companies and 504 company employees submitted a total of 906 individual comments to the administration in opposition to a proposed rule to implement President Obama's Feb. 6 Executive Order 13502. The proposed rule would, for the first time, establish a policy of "encouraging" federal agencies to consider imposing union-only project labor agreements (PLAs) on federal construction projects whose total costs exceed \$25 million dollars.

In comments filed with the Federal Acquisition Regulatory (FAR) Council, ABC members argued that their companies would be discouraged from bidding on projects because PLAs discriminate against their employees. Employees said that under PLAs, they would be forced to pay union dues; they would not benefit from employer contributions into union pension plans unless they were to join a union; and they may be denied employment altogether under union hall hiring requirements.

"There is no question that government-mandated project labor agreements hurt competition on construction contracts from nonunion contractors and their employees, which comprise 84 percent of the U.S. construction workforce," said 2009 ABC National Chairman Jerry Gorski, president of Gorski Engineering, Inc., Collegeville, Pa. "When the federal government sets aside work for a favored few, the result is that hardworking taxpayers pay the price. PLAs increase the cost of construction by mandating inefficient and archaic union work rules and limit the pool of potential quality bidders, all without any increased economy or efficiency to federal procurement."

In its own comments to the FAR Council, ABC stated that neither Executive Order 13502 nor the proposed rule provided support for the assertion that PLAs promote economy and efficiency in federal procurement. In addition, ABC's comments argued that PLAs will dramatically reduce competition and increase costs on federal construction projects, discouraging bids from small businesses, including minority firms.

A new study released Sept. 23 by the Beacon Hill Institute (BHI), titled "Project Labor Agreements on Federal Construction Projects: A Costly Solution in Search of a Problem," found that PLAs significantly increase construction costs on federal projects. The BHI review of federal construction projects from 2001-2008, the years under which government-mandated PLAs were prohibited, also revealed that there were no instances in which labor disruptions occurred that resulted in significant project delays or increased costs. The study concluded that "the justifications for PLAs provided by Executive Order 13502 are unproven." The full BHI report can be found at www.beaconhill.org.

####

Associated Builders and Contractors (ABC) is a national association with 79 chapters representing 25,000 merit shop construction and construction-related firms with two million employees. Visit us at www.abc.org. ABC's regulatory comments can be viewed at www.abc.org/plastudies.