



News Release

ABC SUPPORTS EFFORTS TO CURB WASTE IN CONSTRUCTION STIMULUS SPENDING

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WASHINGTON, D.C. – Associated Builders and Contractors (ABC) today voiced its strong support for the Government Neutrality in Contracting Act (H.R. 983), a measure that would prohibit federal agencies from requiring discriminatory and wasteful union-only project labor agreements (PLAs) on federal construction projects. Rep. John Sullivan (R-Okla.) introduced the legislation.

“All hardworking Americans in the construction industry need a fair shot at economic recovery,” said Jerry Gorski, 2009 ABC national chairman and president of Gorski Engineering, Inc., Collegeville, Pa. “The Government Neutrality in Contracting Act ensures that all contractors and all workers – both union and merit shop – have a fair and equal opportunity to participate on federally funded and federally assisted construction projects. Passage of this legislation is critical as the construction industry has lost more than 858,000 jobs since January 2008.

“When President Obama signed Executive Order 13502, encouraging federal agencies to award taxpayer-funded construction contracts under PLAs, he signaled that he cares more about politics than good policy,” Gorski said.

“Executive Order 13502 is a special interest handout to organized labor that will limit competition and raise construction costs by as much as 20 percent. This means that an estimated \$30 billion of the proposed \$150 billion in construction spending in the stimulus package before Congress will be wasted. Union-only PLAs drive up costs for American taxpayers while unfairly discriminating against the 84 percent of U.S. construction workers who choose not to join a labor union,” Gorski said.

A union-only PLA is a contract that requires a federal project to be awarded only to contractors that agree to recognize unions as the representatives of their employees on that job; use the union hiring hall to obtain workers; and obey the union’s restrictive work rules.

The Government Neutrality in Contracting Act is identical to legislation (S. 90) introduced Jan. 6 by Sen. David Vitter (R-La.) that now awaits action in the Senate Committee on Homeland Security and Governmental Affairs.

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Editor’s Note: ABC is a national trade association representing 25,000 merit shop construction and construction-related firms in 79 chapters across the United States. For more information, visit the ABC website at www.abc.org/pla.