Stalling Job Corps Center to benefit out-of-state unions

IT MAY BE beginning to look a lot like Christmas, but many New Hampshire construction workers and businesses are expecting a lump of coal in their stockings from the federal government.

In this case, the Grinch is the U.S. Department of Labor (DOL), which is planning to build a $35 million Job Corps Center in Manchester, with federal tax dollars. Unfortunately, the DOL is poised to assure the project is built by out-of-state union labor and union contractors, despite the fact that more than 91 percent of New Hampshire's construction workforce chooses not to belong to a construction labor union.

The DOL is mandating a union-favoring project labor agreement (PLA) on the Job Corps Center. Created by unions as a way to circumvent the free market and regain lost market share, a PLA typically requires contractors to replace nonunion labor with unfamiliar union labor; follow archaic and inefficient union work rules, and pay into underfunded union pension and benefit plans if they want to win contracts.

New Hampshire's skilled union workers are forced to accept unwanted union representation and pay union dues, yet they will forfeit benefits paid into union pension and benefit plans during the life of the project unless they form a union and become vested in these plans.

Reduced competition coupled with costly union red tape needlessly increases construction costs. Studies by the Beacon Hill Institute in Boston indicate projects subject to prevailing wage laws built with government mandated PLAs are 12 percent and 18 percent more expensive compared to similar non-PLA projects subject to government-determined wage and benefit rates. The research comes as no surprise to anyone familiar with Boston's Big Dig boondoggle, which was built with a PLA mandate.

In short, government-mandated PLAs are a gift to Big Labor at the expense of taxpayers and New Hampshire construction businesses and tradespeople.

If this controversy has the disappointing familiarity of a re-issued fruitcake, it is because the DOL tried to mandate a PLA on the Job Corps Center in 2009. In the face of such blatant discrimination, a brave contractor, North Branch Construction of Concord, filed a bid protest against the DOL's anti-competitive PLA. Instead of proceeding with PLA-free construction subject to fair and open competition — which would result in badly needed local job creation — the DOL canceled the project.

Not to be deterred, the DOL retained the services of a consultant, Hill International, to prepare a report justifying and defending a PLA requirement. The report cost taxpayers $130,000. It was the second report Hill International prepared for the DOL. The first report, which trumpeted the alleged benefits of PLAs on federal construction projects, cost taxpayers $600,000. The latest report is so shoddy and full of pro-PLA bias, taxpayers will wish it came with a gift receipt.

The DOL and the federal government's discriminatory policy is the product of an executive order signed by President Obama just a few days after moving into the White House in 2009. The measure encourages federal agencies to mandate PLAs on a case-by-case basis on large federal construction projects exceeding $25 million in total cost.

It is no coincidence it steers federal contracts to one of the White House's and Democratic Party's biggest political patrons: Big Labor.

So while the Grinch has come to town, stealing Christmas hopes and dreams away from the Granite State's workers and their families, will any of the GOP presidential candidates take a stand against deceptive payback to Big Labor prior to New Hampshire's Jan. 10 primary?

All nonunion contractors and their employees want this holiday season is the ability to fairly compete. Some members of Congress, such as New Hampshire Sens. Kelly Ayotte and Reps. Frank Guinta and Charlie Bass, have stood up for free enterprise and New Hampshire families in support of legislation (S. 119 and H.R. 735) to "preserve open competition and federal government neutrality toward the labor relations of federal government contractors on federal and federally funded construction projects."

That's exactly what should happen. The federal government should preserve the rig of everyone to fairly compete for jobs, not just a select few.

Congress should pass this legislation or a new president should undo President Obama's destructive policy catering to well-connected special interests. It's the only surefire way to keep the fed Grinch at bay.

Mark Holden is president of the New Hampshire/Vermon Chapter of the Associated Builders and Contractors.

Another View

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