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AGC of America
THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA
Quality People. Quality Projects.



May 16, 2012

The Honorable Harold Rogers
U.S. House of Representatives
Washington, DC 20515

Re: Support Flake Amendment on Project Labor Agreements

Dear Representative Rogers:

The Associated General Contractors of America (AGC) urges you to support an amendment offered by Rep. Jeff Flake. The Flake amendment to the Military Construction, Veterans Affairs (MilCon/VA) Appropriations Bill for Fiscal Year 2013 would ensure fair and open competition on federal construction contracts by preventing federal agencies from requiring contractors to sign a project labor agreement (PLA) as a condition of winning a federal construction contract or by implementing a preference policy for bids with a PLA.

AGC supports free, open, and competitive bidding for all federal and federally funded work – among all qualified firms, without regard to their lawful labor policies. Government-mandated PLAs – whether mandated in contract specifications or mandated by government rules, regulation or by Executive Order – effectively compel both union and open shop contractors to alter their hiring practices, work rules, job assignments, and benefits in order to compete for, or to perform work on, publicly funded projects. PLAs typically restrict the majority of employment to those workers whom unions are willing to refer to the project. For these reasons, PLA mandates – even when competition is facially neutral and open to all contractors – effectively discriminate against open-shop companies, small companies, and disadvantaged businesses, limiting the number of competitors on a project, increasing costs to the government and, ultimately, the taxpayers. They can also negatively impact union contractors because the PLA supersedes the hard-fought terms and conditions a union has negotiated to achieve in its collective bargaining agreement.

Project owners have many ways to ensure that their construction contractors complete their projects in a timely manner, and there is no reliable evidence that PLAs improve the performance an owner can expect in the absence of such an agreement. In addition, PLAs can give rise to jurisdictional disputes that would not otherwise occur.

The choice of whether to enter into a collective bargaining agreement should be left to the employers and employees who will be subject to the agreement; the choice should not be imposed as a condition to, or advantage in, competing for publicly funded work. In cases where the use of a PLA would benefit a particular project, the construction contractors otherwise qualified to perform the work would be the first to recognize that fact and would adopt a PLA without the mandate.

Please vote yes on the Flake amendment to keep in place the existing labor-management relations in the construction industry and ensure the flexibility that offers the most cost-effective construction of public works.

Sincerely,

Jeffrey D. Shoaf
Senior Executive Director
Government Affairs