

BEFORE THE
GOVERNMENT ACCOUNTABILITY OFFICE

Re: Protests of Eckman Construction, Turnstone Corporation and Wu & Associates, Inc.
No. B-406526.1; Solicitation No. DOL121RB20457

AFFIDAVIT OF PROF. DAVID G. TUERCK, PHD.

David G. Tuerck, being duly sworn, hereby deposes and states as follows:

1. I am Professor and Chairman of Economics and Executive Director of the Beacon Hill Institute at Suffolk University in Boston. In that capacity I have over the past decade directed and personally participated in the detailed study of the impact of government-mandated Project Labor Agreements (PLAs) on government construction projects. Of greatest relevance to this affidavit are my testimony of last year before Congress and the series of studies that I have directed and that my colleagues and I have published analyzing the impact of government-mandated PLAs on construction projects in New England, as well on federal construction:

- Tuerck, D.G. Hearing on H.R. 735 and Project Labor Agreements: Restoring Competition and Neutrality to Government Construction Projects The Subcommittee on Technology, Information Policy, Intergovernmental Relations and Procurement Reform, Committee on Oversight and Government Reform, U.S. House of Representatives June 3, 2011.
<http://www.beaconhill.org/Testimony/DC2011/Tuerck-Testimony-2011-0603.pdf>. See also Tuerck. Letter to the Honorable Elijah E. Cummings, U.S. House of Representatives. June 21, 2011.
<http://www.beaconhill.org/Testimony/DC2011/Letter-to-Rep-Cummings-on-Philips.pdf>.
- Tuerck, *Why Project Labor Agreements Are Not in the Public Interest*. (2010) Cato Journal 30 (1) <http://www.cato.org/pubs/journal/cj30n1/cj30n1-3.pdf>.

- Tuerck, Glassman and Bachman, *Project Labor Agreements on Federal Construction Projects: A Costly Solution In Search of A Problem* (2009), available at <http://www.beaconhill.org/BHISTudies/PLA2009/PLAFinal090923.pdf>.
- Bachman and Haughton, *Do Project Labor Agreements Raise Costs?* (2007) *Case Studies in Business, Industry and Government Statistics* 1(1): 71-79. <http://legacy.bentley.edu/csbiggs/documents/bachman.pdf>.
- Bachman and Tuerck, *Project Labor Agreements and Public Construction Costs in New York State* (2006), available at <http://www.beaconhill.org/BHISTudies/PLA2006/NYPLAReport0605.pdf>.
- Tuerck and Bachman, *Project Labor Agreements and Financing School Construction in Massachusetts* (2006), available at <http://www.beaconhill.org/BHISTudies/PLA2006/BHIMASSPLAUpdate061204FINAL.pdf>.
- Bachman, Haughton and Tuerck, *Project Labor Agreements and the Cost of Public School Construction in Connecticut* (2004), available at <http://www.beaconhill.org/BHISTudies/PLA2004/PLAinCT23Nov2004.pdf>.

2. In the above-referenced studies on Massachusetts, Connecticut and New York school construction projects, we found that government-mandated PLAs significantly restricted competition from the majority, non-union segment of the construction industry. As a consequence of their anti-competitive nature, these PLAs increased contractor bids by amounts ranging from 14 to 20 percent and increased final construction costs by amounts ranging from 12 to 18 percent. Our findings have been peer reviewed and have withstood numerous attacks by pro-union advocates who have a vested interest in PLAs. See the peer-reviewed Bachman and Haughton, *Do Project Labor Agreements Raise Construction Costs?* (2007), available at <http://legacy.bentley.edu/csbiggs/documents/bachman.pdf>; see also Tuerck, Glassman, Bachman, *Project Labor Agreements on Federal Construction Projects: A Costly Solution*

In Search of A Problem (2009), available at

<http://www.beaconhill.org/BHISTudies/PLA2009/PLAFinal090923.pdf> (rebutting

unfounded criticisms by Fred Kotler and Professors Belman and Phillips).

3. In our study of the impact of PLAs on federal construction projects, we further found that government-mandated PLAs did not meet any governmental need for labor stability or address any existing problem of labor disruptions such as strikes or labor-related delays. Specifically, we found that during the Bush presidency, when government-mandated PLAs were prohibited by executive order, there were no significant labor disruptions, strikes or labor-related delays on federal construction projects. At the same time, where some state governments mandated PLAs on their projects, we found significant examples of increased costs, reduced competition, labor-related delays and construction defects leading to catastrophic failures. See Tuerck, Glassman and Bachman, *Project Labor Agreements on Federal Construction Projects: A Costly Solution In Search of A Problem* (2009), available at <http://www.beaconhill.org/BHISTudies/PLA2009/PLAFinal090923.pdf>.

4. With specific regard to the present bid protest before the GAO, it is my understanding that the U.S. Department of Labor (DOL) has issued a Solicitation mandating a PLA on a proposed Job Corps Center in Manchester, New Hampshire. It is my further understanding that the DOL relied heavily on a report prepared by Hill International, a construction management consulting company that frequently provides reports for clients whose goal it is to obtain justification for a proposed PLA. I was asked by the Protesters to review a redacted version of the Hill International report entitled

Evaluation and Report on the Viability of a Project Labor Agreement (PLA) for the New Hampshire Job Corps Center Construction Project (hereafter, "Report"), which Hill submitted to the U.S. Department of Labor (DOL) on October 28, 2010. I have been asked to give my expert opinion as to whether the Report provides sufficient evidence to conclude that the PLA would "advance the Federal Government's interest in achieving economy and efficiency in Federal procurement," as required by President Obama's Executive Order No. 13502.

5. Let me first provide a brief description of a PLA and its usual purpose. A PLA is a "pre-hire" agreement between a contractor and one or more construction unions, under which the contractor agrees to follow specific work rules and to hire workers through the hiring halls of the unions that are party to the agreement. Both union and nonunion contractors may bid on a PLA project, but the successful contractor must pay wages and fringe benefits to the workers supplied thorough the union hiring halls even if the contractor is already paying fringe benefits to its own workers and even if its own workers are never sent on the job. Workers who are sent on the job must pay union dues whether they belong to the union or not.
6. Because nonunion contractors depend on the flexibility that comes with making their own work rules and on their ability to cultivate a loyal and dependable work force, along with other advantages of maintaining a nonunion shop, the need to adhere to a PLA puts them at a significant disadvantage when bidding on a project. If successful, a nonunion contractor must often hire workers with whom it has no experience, but then also pay those workers fringe benefits while continuing to pay similar benefits to its own

workers. In addition, the nonunion contractor must follow work rules that it may have already found to be obsolete and inefficient and that would hinder its ability to compete effectively for the work.

7. Though Hill holds itself out as an objective consultant, Hill's own website makes it clear that it approaches the task of evaluating a PLA with a distinct bias in favor of PLAs:

Hill helps both public and private organizations who have large, complex construction projects save time and money through a type of collective bargaining agreement called a Project Labor Agreement (PLA). PLAs create efficiencies through standardization of project participant contracts. They help avoid conflict issues between contractors who are working a large project and help protect against strike conditions. Hill will work with all parties on the project, including owners, contractors and unions to unify their contractual relationship. The end result is a tremendous savings in both time and money through standardization efficiency.

<http://www.hillintl.com/?fa=services&serviceid=6>

8. Gerald Murphy, former New Jersey Schools Development Authority Vice President and Chief Operating Officer, made clear Hill's pro-PLA bias in a comment he made about his experience with Hill when he was Deputy Mayor for Labor in Philadelphia:

We used Hill International for a project labor study over there that Mayor Rendell at the time had an Executive Order that he utilized and [sic] project labor agreements. So to do project labor agreements you usually need some authority to come – you know, a company that comes in that specializes in them that basically can set up the justification for it. So we used Hill.” New Jersey Office of Inspector General, available at http://slic.njstatelib.org/slic_files/digidocs/90/i622010c/i622010c.pdf, p.11.

9. There is a common theme that runs through the Hill studies and other studies commissioned to provide similar “justification” for PLAs. The studies begin with an assumption that that the successful bidders will hire the majority of their workers

through the designated unions, whether or not there is a PLA, and that mandating a PLA is preferable to allowing the same unions to operate under the terms of diverse Collective Bargaining Agreements (CBAs) that, barring modification and standardization, would raise costs and disrupt progress. But this logic makes sense only if the designated unions are presumed to do the work, with or without the PLA. There is no legitimate presumption of any such kind unless a PLA is mandated in the first place. It is the *act* of mandating a PLA between certain designated unions and the project contractors that makes it likely that those unions will end up doing the work. Correspondingly, the decision *not* to mandate a PLA leaves completely open the question whether the designated unions or *any* unions will do the work.

10. The authors of the Hill Report follow their own logic. They take it as a given that certain unions will do 50% of the work (apparently picking that number out of the blue), whether or not there is a PLA, and they assume that, since these unions will do at least this much of the work, the only question is whether they will do the work under the terms of the PLA or not.
11. The problem with this line of reasoning is that the assumptions on which it rests are presumptuous and wrong. First, as we show below, the assumption that 50% of the work would be done by unions bears no connection with reality. Second, even if 50% – or 100% – of the work were performed by the designated unions *with* a PLA, one cannot assume that a similar percentage of the work would be done by those unions or any unions *without* a PLA. Because nonunion contractors would be more likely to bid without a PLA, and because they might well outbid any union contractors that do bid,

the entire issue over diverse and worrisome CBAs might well be moot. Nonunion contractors are, by definition, contractors who do not negotiate CBAs with their workers. Hence, the imposition of a PLA offers no advantage to them or to the government. The Hill Report gives no attention to the nonunion alternative, which is surprising in light of the fact that the Report concedes that at least 50% of commercial construction work in New Hampshire is performed on a nonunion basis (a greatly understated figure, but still a very high one).

12. Hill therefore falsely implies that the DOL must either choose the "labor peace" that a PLA makes possible or suffer from the threat of labor disruption and delays in the absence of a PLA. What the Report ignores is the *real* choice, which is between (1) an open and competitive bidding process in which nonunion contractors have an unhindered incentive to bid and perform the work; and (2) a bidding process that rigs the game in favor of union contractors.
13. In short, Hill proceeds from assumptions that are in conflict with the purpose for which it was retained to do its study. The question is not what difference it makes if the unions get the work with or without a PLA. The question is what difference it makes if there is an open-bidding process, free of deterrents to the use of nonunion labor, as opposed to a bidding process that discriminates against contractors that use nonunion labor. DOL needs an honest answer to that question. It did not get that answer from the Hill Report.
14. Hill assembles a list of 15 hypothetical unions that would get the presupposed 50% of the work. This is to illustrate its claim that modifications in existing local CBAs, made

possible by a PLA, are needed to avoid the “disruptions” that might come from the expiration of existing collective bargaining agreements and conflicts over work hours, holidays, jurisdictional dispute and grievance arbitrations. Then Hill attempts to show how a PLA would avoid the disruptions and conflicts that would otherwise be incurred by the owner if these modifications were not made. It calls this exercise a “cost-benefit analysis.”

15. In fact, what Hill presents is a compilation of supposed benefits of a PLA that become benefits only if the bidding process is rigged, through the PLA, to guarantee that the unions considered in the analysis will get the work in the first place. We have already observed how any such analysis is pointless insofar as the decision *not* to impose a PLA may well result in a winning bid by contractors who use *none* of the unions selected for analysis, so that none of the contractual modifications promised by the PLA will be needed. Hill arbitrarily excludes that possibility from its analysis, and thus inherently biases the outcome.
16. It should be noted that the Hill Report is dated October 28, 2010 but that the actual PLA that became part of the Solicitation for the Job Corps construction project was not negotiated and signed until the period December 2011 to January 2012. This means that the Hill Report is about a hypothetical PLA, not the one that was actually negotiated and signed by DOL. The difference in timing matters because it produces the anomalous result that a PLA would be likely to increase unit labor costs for much of the work to be performed on the project. To see why, it is necessary to understand the difference between the mandated Davis-Bacon “prevailing wage” (actually prevailing wage plus

benefits) for New Hampshire trades and the compensation (wage plus benefits) provided for in the CBAs that would apply if the work were performed by union labor. If a union contractor gets the work, that contractor will have to pay the compensation specified in the existing CBAs, whether or not there is a PLA. If a nonunion contractor gets the work, which is more likely without a PLA, it need pay no more than the prevailing wage plus benefits. This is significant because the published Davis-Bacon prevailing wage figures are less than the CBA compensation figures for 11 of 20 New Hampshire trades.

17. The Davis-Bacon prevailing wage is the wage plus benefits that are determined by a survey of construction firms in the local area. When a majority of workers represented by the responding firms belong to unions, the prevailing wage is set equal to the union wage plus benefits. Otherwise, it is set equal to an average of the responses. As it happens, only six of the 20 trades surveyed by DOL in the building (commercial) segment of the construction industry in Hillsborough County, New Hampshire, which includes Manchester, have a majority union membership. The rest do not. As it turns out, the prevailing wages and benefits reported for the majority of the remaining 14 trades are *less* than the wages and benefits that Hill shows for the same trades in its study. For that majority of trades, adoption of a PLA would therefore be likely to cause unit labor costs to be higher than they would be without a PLA. See attached WD, available at <http://www.wdol.gov>.
18. DOL's published wage determination therefore undercuts the basic (and unsupported) premises underlying the Hill Report in two ways: First it undercuts the claim that the

commercial construction market in New Hampshire is split 50/50 between union and nonunion workers (pp. 1, 9). If the commercial market were truly split 50/50, then DOL's published wage determination should predominately reflect union scale rates as "prevailing." But that is emphatically not the case. Hill itself concedes that only 10% of the entire New Hampshire construction workforce is union. (*Id.*) The most authoritative source on union membership at the metropolitan level is unionstats.com, according to which only 17% of private construction workers in the "Boston-Worcester-Manchester, MS-NH-CT-ME" belonged to unions in 2011. See <http://www.unionstats.com/>. Mark Holden, who is the local president of the Associated Builders and Contractors of New Hampshire and who has expressed familiarity with the projects cited in the Hill Report, has offered corroboration that the union market share is significantly below 50% on commercial construction. Hill cites no authority for its claims regarding union coverage of any of the commercial projects cited in the Report. Second, DOL's wage determination undercuts Hill's claim (P. 2) that a PLA would meet the standards set forth in President Obama's executive order, whereby a PLA must work toward "economy and efficiency in Federal procurement." Unit labor costs would be likely to rise for a majority of the trades performing work on the project if a PLA were mandated.

19. The false 50/50 premise posited at the outset of the Hill Report sets off a chain reaction of speculative or completely unsupported assertions later in the Report. Thus, Hill leaps from the above assertion to the hypothesis that 15 different labor union agreements would be involved in this Project. (p. 17; see also App. B, in which all 15 agreements are analyzed). In reality, based upon the wage determination referenced above, it should be

expected that no more than six union agreements should be needed on the Project (though in reality, as we said above, Hill has no way of knowing which if any of these labor agreements would be invoked in the absence of a PLA). The unions that Hill has improperly assumed to be likely to work on the project include the Bricklayers, Cement Masons/Plasterers, Heat & Frost Insulators, Laborers, Operating Engineers, Painters/Glaziers, Plumbers & Steamfitters, Roofers, and Teamster Truck Drivers. (Compare trades listed at p. 17 with the trades listed under the nonunion "SU" Code in DOL's WD NH120012, available at <http://www.wdol.gov>). Hill analyzes all 15 of the CBAs in order to make the claim that they have different hours of work, holidays, jurisdictional dispute provisions, arbitration clauses, and management rights provisions. The picture looks quite different when the unions that are unlikely to be involved in the Job Corps project without a PLA are excluded from the analysis.

20. Hill also uses a set of false comparisons in its analysis of recently constructed "major" projects in New Hampshire. Hill first refers to certain "power/energy projects" (pp. 10-11), all of which clearly fall within an entirely different type of construction from the present project: Heavy/Industrial instead of Building/Commercial, according to the DOL's own Davis-Bacon definitions. Each of the "major" projects described in the Report is 10 times the size and cost of the Job Corps Center at issue here and is therefore irrelevant to any market analysis.

21. The next comparison cited by Hill, the Federal Correctional Institute in Berlin, New Hampshire, is conceded by Hill to have been built with no reports of significant delay or cost overruns, even though there was no PLA on the project. Hill claims that there have

been “continuous” worker misclassifications on the project, whereas in fact Hill identifies only *one* such case and whereas there has actually been no final determination of misclassification in that one case. (pp. 11-12).

22. The final comparisons cited by Hill fall under the category of “Manchester Region Commercial/Municipal Development.” (pp.12-13). Importantly, none of these projects required a PLA, and Hill concedes that they have all been built economically and efficiently, *i.e.*, on time and under budget. Hill also identifies no worker misclassification issues reported on any of these projects. Hill does not report the percentage of workers on any of the projects who belong to unions. The reference to a 50/50 split on the last project appears to be entirely speculative on Hill’s part. (p. 13).

23. At the conclusion of the discussion of “labor law abuse and violations,” Hill claims, in its “summary comments” and without reference to any specific authority, that “in the area of open shop contracting, there appears to be rampant misclassification of employees and worker’s compensation noncompliance on both public and private projects” (p.16). Yet Hill cites no specific findings of any New Hampshire or federal agency that open shop contractors are more likely than union contractors to misclassify workers. Indeed, according to the report of the Public Works Procurement Methods Study Committee, as restated by Hill, “It was learned that these problems affect both Union and nonunion contractors in basically the same way.” (p. 14). Hill identifies no specific projects other than the Berlin Prison referenced above on which contractors in New Hampshire have been found to have “rampantly misclassified workers” or violated any labor and employment laws.

24. Thus, Hill fails to connect worker misclassification to nonunion status or to the presence or absence of PLAs. There are many reported cases of union contractors in New England and around the country engaging in workplace law violations. The “Big Dig” in Boston, built under a PLA with catastrophic results, is a notorious example. See Tuerck, Glassman and Bachman, *Project Labor Agreements on Federal Construction Projects: A Costly Solution In Search of a Problem* (2009), available at <http://www.beaconhill.org/BHISTudies/PLA2009/PLAFinal090923.pdf>. Many other examples of union corruption in New England and elsewhere can be found on the DOL’s own Office of Labor Management Standard website or at private websites which track published accounts of criminal violations of law by unions and unionized contractors, such as <http://www.nlpc.org>. Hill ignores these accounts in making the assertion that a PLA will help in any way to reduce the number of law violations on the Project.
25. From the above set of false premises, and with no actual analysis, Hill reaches a set of clearly erroneous “Conclusions and Recommendations” that purport to show why a PLA is considered “viable and appropriate for the NH Job Corps Center Project, “subject to the removal of the small business set-aside procurement requirement.” Each of Hill’s conclusions is addressed below.
26. First, Hill asserts that the Project is a “large scale construction project” since the cost to the Government is in excess of \$25 million. The Hill Report contains no findings that the Project is larger or more complex than previous projects built by DOL, or by the federal government as a whole, none of which have suffered from any known loss of economy or efficiency due to the absence of a PLA. As noted in our above referenced study,

Project Labor Agreements on Federal Construction Projects: A Costly Solution in Search of a Problem, the evidence is to the contrary: many projects of large scale and complexity, including numerous Job Corps centers built by DOL in other parts of the country, have been built by the federal government with no loss of economy or efficiency due to the absence of PLAs.

27. Hill next claims that the PLA will advance the federal government's interest in achieving "economy and efficiency." However, the Report defines the terms "economy and efficiency" in a way that contains no consideration of *cost*. The Report thereby ignores the standard dictionary definitions of the words "economy" and "efficiency." (See <http://www.dictionary.reference.com>, "Economy: thrifty management; frugality in the expenditure or consumption of money, materials, etc." "Efficiency: accomplishment of or ability to accomplish a job with a minimum expenditure of time and effort.") Clearly, when cost is considered, the PLA on the Job Corps Center will achieve the *opposite* of economy and efficiency, because it will increase costs to taxpayers.
28. We have found that PLAs increase construction costs even when unit labor costs would be the same, under Davis-Bacon, whether the work was performed by a union or a nonunion contractor. As shown above, however, the Davis-Bacon wage is substantially below the union wage for several trades that would work on the New Hampshire project. Thus the PLA would be likely to raise costs, even apart from the factors considered in our studies.
29. Moreover, all of the CBAs analyzed by the Hill Report require that employees be paid overtime for work that exceeds 8 hours each day, as opposed to 40 hours per week as

required by Davis-Bacon and the Contract Work Hours and Safety Standards Act. Again, this will almost *guarantee* that the cost of construction will rise on this project, over and above the usual cost increases that have been observed as a result of PLAs in numerous studies around the country.

30. Hill is therefore unable to show that the PLA will achieve economy and efficiency as required by Executive Order 13502. Instead, it can only offer the unsupported claim that unverified and unverifiable economies will be achieved through “standardization of work rules; a guaranteed no-strike, lock-out, or work disruption provision; a guaranteed continuous supply of skilled, experienced labor; and a comprehensive management rights provision.” Each of these claims is addressed below.

31. As to “standardized work rules,” there is nothing in the Hill Report to support the claim that standardized union work rules are more efficient than open shop work rules. Indeed, it is commonly understood in the construction industry that open shop work rules are more flexible and efficient than union work rules. This factor greatly accounts for the reduced cost of open shop construction. Therefore, standardizing the rules according to union practices that do not actually prevail in the New Hampshire market will not make the project more economical and efficient, but *less* so. There is also no support for Hill’s claim that standardizing the work rules will give the contractor “unfettered control” of construction. Rather, by forcing the contractor to agree to union work rules throughout the project, the PLA will require the contractor to *give up* partial control to the unions and will subject numerous workplace decisions to the grievance and arbitration process. The Hill Report provides no justification for the claim that this

will increase efficiency over an open shop workplace that would otherwise prevail in the absence of the PLA.

32. The next item on Hill's list – that PLAs guarantee against strikes – will do nothing to achieve economy or efficiency on a federal project in New Hampshire, because there is absolutely no threat of a strike or other labor disruption on this Project. Hill is forced to concede that there has never been a significant labor disruption on a comparable local project. The federal government has also conceded that there has never been any delay or cost overrun on past DOL or federal projects in the 21st century. See our above-cited study, in which we showed, based on an extensive survey of federal contracting under President George W. Bush, that there had been no delays or cost overruns on major federal construction projects over the course of his administration even though a ban on PLAs was in effect. Since, based on this history, the probability of a strike on a non-PLA project in New Hampshire is at or near zero, the adoption of a PLA must be deemed to *increase* the probability of a labor disruption, as occurred on such notorious PLAs as the San Francisco Airport and others that witnessed strikes in violation of supposed no-strike "guarantees." And, of course, nonunion workers have no history of going on strike in New Hampshire or elsewhere.

33. Equally unsupported is Hill's claim that the PLA will increase economy or efficiency by guaranteeing a "continuous supply of skilled, experienced labor." Hill concedes that there is no labor shortage in New Hampshire, so that such a guarantee is completely unnecessary. But by deterring 83% of the workers in the industry (the nonunion sector) from participating in the Project, the PLA actually makes it more likely that a shortage of

labor on the Project will occur. Hill's proposed solution is to obtain workers from outside the state. This plan is inconsistent with DOL's apparent objective of creating jobs for New Hampshire residents.

34. Finally, there is no need for a PLA to achieve "comprehensive management rights." Management rights are *restricted* by the presence of unions on a construction project. A true desire to increase management rights would argue strongly in favor of a fully open shop project, not a PLA.

35. After failing to identify any respect in which a PLA on this project can possibly achieve greater economy and efficiency as required by President Obama's Executive Order, the Hill Report attempts to shift the focus to "ensuring compliance with laws and regulations." (p.20). As noted above, Hill condemns the open shop construction industry as serial violators of classification laws, but offers no proof that such is the case and ignores the many *union* contractor violations that have been reported elsewhere, including under PLAs. The Hill Report provides no proof that a PLA has any impact on contractor compliance with federal or local laws, simply because there is none.

36. Finally, after failing to show that a PLA will increase contractor compliance with any applicable laws, the Hill Report claims without any support that a PLA will "facilitate the training of a skilled workforce to meet the agency's future construction needs." In reality the vast majority of registered apprentices in New Hampshire are enrolled in "unilateral" programs, *i.e.*, programs that are not administered by the Building Trades Council's members. DOL's most recent statistics indicate that there are only six group joint apprenticeship programs offered by the building trades in New Hampshire. At the

same time, there are 553 unilateral apprenticeship programs. Thus the vast majority of apprentices in New Hampshire will be denied access to work on this project because they do not participate in any of the few union joint programs that are given exclusive control over the training process under the planned PLA. The Hill Report fails to acknowledge any of these facts.

37. Finally, the Hill Report fails to address or evaluate the likely *instability* to labor relations and inefficiency resulting from the increased likelihood that the winning bidder under a PLA requirement will be an out-of-state contractor who is unfamiliar with New Hampshire union work rules and other local practices. *None* of the three bidders on the project to date are local contractors, and the low bidder is a Florida contractor who has been in business for little over a year.

38. For the reasons set forth above, I conclude that the Hill Report does not provide any credible justification for mandating a PLA on the New Hampshire Job Corps Center. In particular, the Report fails in its attempt to find that the PLA will meet any of the objectives set forth in the President's Executive Order.

I hereby state under penalties of perjury that the foregoing affidavit is true to the best of my knowledge, information and belief.

David G. Tuerck

Prof. David G. Tuerck, PhD.

4/30/12

Date