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Union labor agreements drive up taxpayer costs

On Oct. 2, the Charles County commissioners invited representatives from construction trade unions and the local contracting community to a roundtable discussion exploring the use of union-favoring project labor agreements on publicly funded construction contracts procured by Charles County to evaluate if they would improve local economic development.

County taxpayers should be concerned because this is the first step in a well-orchestrated plan among commissioners' President Candice Quinn Kelly, some commissioners and construction union lobbyists to steer taxpayer-funded contracts to unionized contractors and create construction jobs almost exclusively for unionized construction workers, at the expense of everyone else.

Today, only 13.2 percent of the U.S. construction workforce belongs to a union, according to the Bureau of Labor Statistics. Membership is even lower in Maryland, where 89.2 percent of the construction workforce does not belong to a union.

As a result, construction trade unions have turned to their friends in government to mandate PLAs on public projects to help regain lost market share and increase union membership.

Union lobbyists contend PLAs — master collective bargaining agreements with multiple construction unions governing a construction project — are a tool to prevent union strikes, ensure the use of local labor and deliver Charles County projects on time and on budget.

But the truth is these goals already have been achieved without PLAs. PLAs contain anti-competitive and costly terms and conditions that favor union interests and hurt the county's construction industry and taxpayers.

While all contractors technically are free to bid on construction contracts subject to a government-mandated PLA, the terms of a PLA require contractors to replace most or all of their existing employees with union members dispatched from union hiring halls, use apprentices exclusively from union training programs, follow inefficient union work rules and pay into union benefits plans even if firms have existing benefits plans.

Additionally, nonunion tradespeople are forced to pay union dues, and they forfeit benefits earned during the life of the project unless they join a union and become vested in union benefit programs.

Qualified local businesses and construction professionals can't win a contract and work on a job site unless they agree to the union terms. It's no surprise such red tape and discrimination discourages competition from experienced merit shop firms and well-trained nonunion craft professionals in Maryland.

Fewer bidders, coupled with costly and restrictive provisions in PLAs, needlessly increase construction costs. Academic studies by the Beacon Hill Institute at Suffolk University found school projects subject to PLAs were 12 percent to 18 percent more expensive than projects not subject to PLAs, even when both sets of data were subject to prevailing wage requirements.

Can Charles County really afford four schools, roads and water projects for the price of five? Are the taxpayers willing to forego construction of another school, road improvement or infrastructure upgrade simply because of a PLA mandate?

Increasing costs, chilling competition, placing barriers to new jobs for qualified county residents and rewarding well-connected special interests with government contracts is no recipe for economic development in Charles County.

Concerned taxpayers should contact the commissioners and urge them to proceed with procuring construction contracts free from costly PLA mandates and in the spirit of fair and open competition.

Doing so will help county lawmakers keep jobs local and provide taxpayers with the best possible construction product at the best possible price.

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