

House

REPUBLICAN

Conference

TALKING POINTS

April 23, 1997

JOHN BOEHNER
Chairman
8th District, Ohio

Project Labor Agreements: Clinton's Big Payoff to the Union Bosses

Political Giveaway Could Cost American Taxpayers
Millions in Higher Construction Costs

The Clinton Administration announced recently a proposed Executive Order that in effect prohibits non-union businesses from participating in federal construction projects. Simply put, the Clinton proposal is bad policy based on bad politics.

The so-called "project labor agreement" Executive Order would require all contracts/subcontracts on federal construction project to be awarded only to contractors who agree to recognize designated unions as the representatives of their employees on that job. The Executive Order would also require that all contractors/subcontractors use the union hiring halls (union employment center) to obtain workers, pay union wages and benefits, and obey the restrictive union work rules, job classifications and arbitration procedures.

The President's proposed Executive Order is a direct assault on fair and open bidding requirements for federal government contracts. In his political payoff to the Washington Union Bosses, Clinton will unnecessarily increase the costs of federal construction projects, according to the General Accounting Office, by approximately 17 to 20 percent.

ASSAULT ON CONGRESSIONAL POWER:

- With the swift stroke of his pen, President Clinton will unilaterally undermine Congressional power to set and establish federal law. The proposed Executive Order attempts to change long-standing federal contracting and labor law by executive fiat, rather than through established constitutional contemplation by Congress. Under the President's scheme, Congress will not have the opportunity to review the Executive Order, consider its implications, or debate its merits.

HIGHER COSTS, LESS CONSTRUCTION FOR TAXPAYERS:

- The proposed Executive Order will dramatically increase the costs of federal government construction projects. A recent study by the General Accounting Office estimated that such union-only agreements increased the labor cost of construction project by 17 to 20 percent.
- Moreover, a recent analysis of the Clinton proposal, by the Employment Policy Foundation, determined that it would increase federal construction costs by nearly \$4.8 billion. This increase could result in a 30 percent reduction in needed federal construction projects.

SPECIAL INTEREST POLITICAL PAYOFF:

- During the 1996 election cycle it is estimated that Mr. Sweeney took between \$100 and \$300 million out of the paychecks of union workers to support the candidacies of President Clinton and other big government Democrats. Now it's Clinton's turn to return the favor. This proposal simply takes money out of the paychecks of millions of American workers and turns that money over to Mr. Sweeney.
- By Mr. Sweeney's own account, this will provide unions with a handy sum: "If properly implemented, these initiatives [Clinton's Executive Order] will affect the expenditure of hundreds of billions dollars every year. In any given year federal contracts total as much as \$200 billion. . ."
- The Executive Order also provides the "Solicitor-in-Chief" Vice President Al Gore with a big leg up in his effort to beat out his potential rivals for the 2000 Democratic nomination. In February, Gore met with the Executive Committee of the AFL-CIO to outline the Administration's proposed giveaway to organized labor. In a deal that smells like a political "quid-pro-quo," one Union Boss noted that organized labor's support for Gore in 2000 will depend on "what he can deliver between now and the end of the term."

FALSE PROMISES AND FALSE HOPES:

- Despite the rhetoric offered by the President, the proposed Executive Order does not offer any tangible benefits to the federal government, workers, or American taxpayers. Instead, it simply increases the costs of federal construction projects, and puts more money into the campaign coffers of organized labor. Just consider:
- The President offers no economic or other studies to support his claims that the union-only project agreement will reduce costs and waste. Instead, many studies show just the opposite -- union-only agreements inflate the costs of projects.

- Moreover, the Administration offers no proof that union workers have better skills or productivity rates than their non-union counterparts. In addition, OSHA has determined that non-union contractors have better safety rates than union shops.

DISCRIMINATES AGAINST NON-UNION, WOMEN AND MINORITY WORKERS:

- The Executive Order discriminates against the 89 percent of American workers who have decided against joining a union. Under this proposal, a worker ability to decide whether to join a union or not is undercut because of the Clinton/Gore payoff to the Union Bosses.
- Union-only project agreements also discriminate against women and minorities who have traditionally shut out of the construction trade unions. Small, non-union shop companies hire the majority of women and minority workers. By closing the door to these companies, Clinton/Gore also closes the door to employment opportunities for millions of women and minorities.

See attached copy of the draft Executive Order

Draft of Executive Order on Use of Project Labor Agreements

Executive Order No. ___ of April ___, 1997

Use of Project Labor Agreements for Federal and Federally Funded Construction Projects

Government investment in high-quality public infrastructure is necessary to the administration of military and civilian programs and services, and vital to sustained economic growth and the quality of life in our communities. The National Performance Review and other Executive Branch initiatives have sought to devise and modify government laws, regulations policies and practices in order to meet rigorous performance standards, minimize costs and eliminate waste and burdensome requirements. This executive order facilitating the use of project labor agreements is integral to the attainment of these objectives on federal and federally funded construction projects.

For decades project labor agreements have been used for public and private construction on projects that involve a large volume of work, extend over a substantial period of time, include a substantial number of contractors, subcontractors trades and craft workers, incur substantial costs or entail similar circumstances. These specially negotiated agreements between the project owner or construction manager and one or more labor organizations are reached at the outset of these projects in order to guarantee efficient, timely and quality work; establish fair and consistent labor standards and work rules; supply a skilled, experienced and highly competent workforce, establish set labor-related costs over the project's life; and assure stable labor-management relations legally binding dispute-resolution mechanisms and protection from strikes, lockouts and other such disruptions. Project labor agreements have been tailored to the particular circumstances of construction projects and have accurately determined their labor-related costs.

The Federal Government has a long and successful experience with project labor agreements, dating back to the construction of hydroelectric dams, atomic energy facilities and flood control projects in the 1930's and 1940's. States and municipalities likewise have undertaken major construction projects with project labor agreements. Most recently the Governors of Nevada, New Jersey and New York have issued executive orders recognizing the value of project labor agreements and setting forth criteria for their use in public works projects. In light of the continuing high demand for public capital investment, competing budgetary pressures and limited government resources, the Federal Government should reap the benefits of project labor agreements, where appropriate, on its own construction projects as a matter of consistent policy.

NOW, THEREFORE, to ensure the economical and efficient administration and completion of Federal Government construction contracts, and by the authority vested in me as President by the Constitution and the laws of the United States of America, including 40 U.S.C. § 486(a) and 3 U.S.C. § 301, it is hereby ordered:

Section 1. Executive departments or agencies authorized to implement or fund a project for the construction of a facility to be owned or used by a federal department, agency or other entitle shall determine on a

project-by-project basis (a) whether a project labor agreement will advance the government's procurement interest in economical, efficient, and timely high quality project performance by promoting labor-management stability and project compliance with application legal requirements governing safety and health equal employment opportunity, labor standards and other matters, and (b) whether laws applicable to the specific construction project preclude the use of the proposed project labor agreement.

Section 2. An executive department of agency that determines that the utilization of a project labor agreement will serve the goals set forth in section 1(a) of this order on a particular project may either (a) enter directly into such an agreement with one or more appropriate labor organization, or (b) require that every bidder on the project agree to negotiate or become a party to a project labor agreement for the project with one or more appropriate labor organizations.

Section 3. Any project labor agreement reached pursuant to this order:

(a) shall be made binding on all contractors and subcontractors on the construction project through the inclusion of appropriate bid specifications in all relevant bid documents;

(b) shall be available to all contractors and subcontractors wishing to compete for contracts and subcontracts on the project;

(c) shall be accessible to employees without discrimination on the basis of race, sex, religion, national origin, age, disability and union membership or non-membership;

(d) shall contain guarantees against strikes, lockout, and similar work disruptions;

(e) shall set forth effective, prompt and mutually binding procedures for resolving jurisdictional and labor disputes arising during the project;

(f) shall provide other mechanisms for labor-management cooperation on matters of mutual interest and concern, including productivity, quality of work and safety and health; and

(g) shall fully conform to all applicable statutes, regulations and executive orders.

Section 4. This order does not require the use of a project labor agreement on any project on the entry into a project labor agreement with any particular labor organization.

Section 5. The heads of executive departments or agencies covered by this order shall establish within 45 days of the dates of this order, appropriate procedure to render the determination set forth in Section 1 of this order.

Section 6. This order is not intended to create any right or benefit, substantive or procedure enforceable by a nonfederal party against the United States, its departments, agencies or instrumentalities, its officers or employees, or any other person.

Section 7. (a) "Construction" as used in this order means the construction, rehabilitation, alteration, conversion, extension or repair of buildings, highways, structures and other facilities or other improvements to real property.

E-8 (No. 70)

TEXT

(b) "Executive department or agency" as used in this order means any federal entry within the meaning of 40 U.S.C. § 472(a).

(c) "Labor organization" as used in this order shall have the same meaning it has in 42 U.S.C. § 2000e(d).

Section 8. This order shall be effective immediately, and shall govern all contracts awarded after the effec-

tive date of this order and all subcontracts awarded pursuant to such contracts.

William J. Clinton

White House

April __, 1997

JOHN BOEHNER
Chairman
8th District, Ohio

Contact : Terry Holt
(202) 225-5107
April 14, 1997

Boehner Blasts Clinton/Gore for Payback to Union Bosses

Today, John A. Boehner, Chairman of the House Republican Conference, accused Vice President Al Gore and the Clinton administration of "giving \$200 billion in federal contracts to the AFL-CIO in exchange for organized labor's \$100 million in Democrat campaign contribution -- both legal and illegal -- during the 1996 elections. If Wall Street produced this kind of return on an investment, we'd all be as rich as Bill Gates," Boehner said.

Chairman Boehner issued the statement in reaction to published reports that Vice President Gore will discuss a proposed Executive Order that President Clinton is expected to sign on Wednesday. Under the anticipated Executive Order, every federal agency would be required to implement union-only "project labor agreements." Project labor agreements require contractors and subcontractors working on federal construction contracts to adhere to wage, benefit and work rules of union-negotiated agreements. The proposed Executive Order may also force millions of workers who currently are not members of a union to join one.

"This blatant political payback cannot, and will not, be tolerated," Boehner said. "As with President Clinton's Executive Order banning the hiring of permanent replacement of strikers, we anticipate that the federal courts will strike down the Clinton/Gore payoff. We also anticipate that Congress will explore every legislative option to reverse the President's unprecedented usurpation of the legislative prerogative," Boehner concluded.

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Republican Policy Committee

Larry E. Craig, Chairman Jade West, Staff Director 347 Russell Senate Office Building (202)224-2946 <http://www.senate.gov/~rpc/>

April 15, 1997

Clinton Launches Congressional By-Pass For Union Pay-Back

New Clinton Labor Regs: Rigging The Federal Procurement Process In Big Labor's Favor

In addition to the executive order dealing with federal construction projects (the subject of an April 11 Republican Policy Committee paper), President Clinton is expected to issue new regulations that would make the “satisfactory record of labor relations and other employment practices” a new eligibility requirement in the granting of federal contracts.

As outlined in a March 25 memo to Union bosses by AFL-CIO President John Sweeney (and earlier the subject of Vice President Gore’s February 18 speech in Los Angeles), the proposed procurement regulations seek to accomplish three things:

- (1) Require federal departments and agencies to evaluate whether a bidder for a government contract has a satisfactory record of labor relations and other employment practices in determining whether or not the bidder is a “responsible contractor” eligible to receive a particular government contract;

This regulation would require that companies bidding for federal contracts have a spotless record of compliance throughout the federal regulatory spectrum, including: collective bargaining laws, wages and benefits, equal opportunity and health and safety. In an era of regulatory overkill — when OSHA can issue a \$13,200 fine to a roofing company for having a broken shovel in the back of a truck and the NLRB cites employee-employer discussions about coffee breaks as a violation of the National Labor Relations Act — the new Clinton regs are clearly a move in the wrong direction.

- (2) Prohibit government reimbursement of federal contractors for “the costs they incur in unsuccessfully defending against or settling unfair labor practice complaints” brought against them by the NLRB; and
- (3) Prohibit government reimbursement of contractors for the money they spend “to fight the unionization of their employees.”

TIM HUTCHINSON
3D DISTRICT, ARKANSAS

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**PLEASE JOIN US IN SUPPORT OF FAIRNESS
AND FREE ENTERPRISE**

Dear Colleague,

Knowing of your commitment to the principles of fair competition and free enterprise, we are asking for your support on the Open Competition Act of 1995.

The reason for this legislation is simple. Bids to perform government work should be based on sound, credible criteria such as quality of work, experience, and cost -- not the bidders' collective bargaining status.

This bill states that no person bidding on a government contract shall be discriminated against based on whether or not they have entered into a collective bargaining agreement. We believe that all American taxpayers should have the opportunity to compete fairly on any project funded by the federal government.

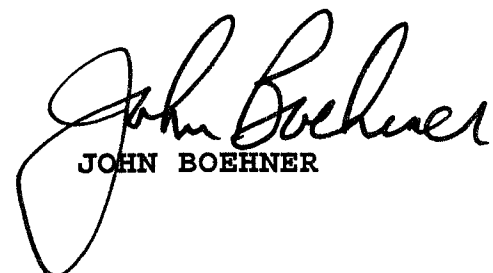
A number of organizations have already indicated their strong support for this legislation including the U.S. Chamber of Commerce, the National Federation of Independent Businesses, the National Association of Manufacturers, and the Associated Builders and Contractors.

Open competition and free enterprise are goals that are extremely important to us and we trust that you share this philosophy. Please join in support of these principles by becoming a cosponsor of the Open Competition Act of 1995.

To become an original cosponsor or for additional information, please contact Chuck Seyfarth in Congressman Hutchinson's office at 5-4301.


TIM HUTCHINSON


BILL PAXON


JOHN BOEHNER

Union Only Executive Order Target List

Alaska

Rep. Don Young

Alabama

Rep. Spencer Bachus

Rep. Bob Riley

Rep. Robert E. "Bud" Cramer

Arkansas

Rep. Marion Berry

California

Rep. Steve Horn

Rep. Gary Condit

Florida

Rep. Lincoln Diaz-Balart

Rep. Allen Boyd

Georgia

Rep. Sanford Bishop

Illinois

Rep. John M. Shimkus

Rep. Jerry Weller

Rep. Ray LaHood

Kentucky

Rep. Scotty Baesler

Louisiana

Rep. Chris John

Minnesota

Rep. Collin Peterson

Mississippi

Rep. Gene Taylor

New Jersey

Rep. Frank A. LoBiondo

Rep. Michael Pappas

Rep. Marge Roukema

Rep. Christopher H. Smith

New York

Rep. Sherwood Boehlert

Rep. Michael P. Forbes

Rep. Benjamin A. Gilman

Rep. Amo Houghton

Rep. Peter T. King

Rep. John M. McHugh

Rep. Jack Quinn

North Carolina

Rep. Mike McIntyre

Ohio

Rep. Bob Ney

Pennsylvania

Rep. Phil English

Rep. Joseph M. McDade

Rep. Curt Weldon

Rep. Jon Fox

Tennessee

Rep. Bill Jenkins

Rep. John Tanner

Texas

Rep. Ralph Hall

Rep. Charles Stenholm

Virginia

Rep. Virgil Goode

Rep. Owen Pickett

Rep. Norman Sisisky

Washington

Rep. Jack Metcalf

Wisconsin

Rep. Mark W. Neumann

Rep. Scott Klug

Congress of the United States
House of Representatives
Washington, DC 20515

April 17, 1997

The Honorable William Jefferson Clinton
The President of the United States of America
The White House
1600 Pennsylvania Avenue, N.W.
Washington, DC 20500

Dear Mr. President:

We are writing today to express our deep concern over the proposed issuance of an executive order which addresses the use of project labor agreements for all federal and federally-funded construction projects.

Our concerns over the proposed executive order are two-fold. First, the order appears to be yet another attempt by this administration to change or affect federal labor laws by executive fiat, rather than through the normal legislative process. Second, the order, by encouraging the use of union-negotiated project agreements on all federally-funded construction projects, appears likely to discourage open competition on those projects, thereby increasing their overall cost to the government and American taxpayers. Given scarce federal resources and in light of your oft-stated desire to balance the federal budget, we find this latter point most disturbing.

With respect to our first concern, Mr. President, we fail to understand why you insist on imposing changes on the American workplace with complete disregard for the Congress and the legislative process. Two years ago you took similar action when you issued an executive order prohibiting federal contractors from hiring permanent replacement workers; an order that was ultimately struck down by the courts. Just this past Saturday you announced another presidential directive that seeks to expand the Family and Medical Leave Act for all federal employees. Now, you are directing all federal agencies to consider using project labor agreements on all federally-funded construction projects. At no time was Congress given an opportunity to review these orders and directives, consider their implications, or debate their merits. Suffice to say that we find this continuing circumvention of the legislative process extremely troubling.

We are even more troubled by the likely effect of the proposed executive order on the integrity of the bidding process for federal construction projects and the extent to which it will

The Honorable William Jefferson Clinton
April 17, 1997
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increase costs on those projects. Indeed, a General Accounting Office report concluded one such union-only project agreement increased labor costs by 17 percent to 21 percent. The requirement that all contractors adhere to the wages, benefits and work rules of union-negotiated agreements often prevents open shop contractors from utilizing the lower cost methods of operation both in terms of staffing and compensation that otherwise might lead to significant taxpayer savings.

Further, as you know, project labor agreements often require all contracts on a particular job to be awarded only to contractors who agree to hire through union hiring halls. This feature of many project labor agreements is an unwarranted slap in the face of non-union construction workers who, as practical matter, are often distinctly disadvantaged by hiring hall referrals. We are strongly concerned about these anti-competitive and discriminatory effects of the proposed executive order which will surely drive up the costs of federal construction.

Mr. President, bids to perform government work should be based on sound, credible criteria such as quality of work, experience, and cost—not on union affiliation. Your proposed executive order goes in the opposite direction of fair, merit-based competition, and against Vice President Gore's supposed goal of creating a federal government that "works better and costs less" and will increase costs of contracts at the expense of the American taxpayer.

For these reasons, we strongly urge you to reconsider your decision to issue the proposed executive order on project labor agreements. While your Administration has not responded to previous inquiries (see enclosed letters) regarding your proposed changes to the Federal procurement process, we urge you to give serious consideration to the concerns we raise today. Should you decide to pursue this unwarranted and costly course of action, we will have no choice but to consider legislative alternatives for mitigating its effects.

Sincerely,

Newt Gingrich

Bill Goodling

Richard K. Armey

Thomas E. Petri

? _____
Tom DeLay

? _____
Marge Roukema

John A. Boehner

Harris W. Fawell

The Honorable William Jefferson Clinton

April 17, 1997

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Cass Ballenger
Cass Ballenger

Bill E. Barrett
Bill E. Barrett

Pete Hoekstra
Pete Hoekstra

Howard P. "Buck" McKeon
Howard P. "Buck" McKeon

Mike Castle
Michael N. Castle

Sam Johnson
Sam Johnson

James Talent
James M. Talent

James C. Greenwood
James C. Greenwood

Joe Knollenberg
Joseph K. Knollenberg

Frank D. Riggs
Frank D. Riggs

Lindsey O. Graham
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Mark E. Souder
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Charlie Norwood
Charlie Norwood

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Ron Paul

Bob Schaffer
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John E. Peterson
John E. Peterson

Fred Upton
Fred Upton

Nathan Deal
Nathan Deal

Van Hilleary
Van Hilleary

Joe Scarborough
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Randy "Duke" Cunningham
Randy "Duke" Cunningham

The Honorable William Jefferson Clinton

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Tillie K. Fowler

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