

United States Senate

WASHINGTON, DC 20510

May 14, 1998

Honorable Rodney Slater
Secretary
U. S. Department of Transportation
400 7th Street, NW
Washington, DC 20590

Dear Secretary Slater,

On April 22, 1998, you issued a memorandum, relating to the use of project labor agreements, ostensibly for the purpose of implementing President Clinton's June 5, 1997, memorandum on the same topic. Regrettably, your memorandum, by employing sweeping generalizations and assumptions, appears both to conflict with the President's approach and to adopt Vice President Gore's insinuation, at the April 22 AFL-CIO Building and Construction Trades Department conference, that union workers build "better and sooner with higher quality" than those construction workers who, like the vast majority of workers in this country, have chosen not to be represented by a labor organization.

We have grave concerns regarding the use of public sector project labor agreements as it relates to eradication of the federal government's position of neutrality in labor management relations; the anti-competitive consequences (including increased costs to taxpayers) arising from reduction of the number of qualified bidders on federal construction projects; and the potential of discrimination against non-union workers; as well as the many other serious issues involved when rewarding unionized contractors with an exclusive claim to government work.

Therefore, it is of the utmost importance that you provide us with the bases for the presumptions contained in your memorandum, in particular where that document conflicts with the June 5, 1997, directive of the President.

Specifically, your memorandum declares that "[p]roject labor agreements have a long and successful history in achieving economy and efficiency in public works projects". This is a vast departure from the statement contained in the President's memorandum, urging contracting agencies "to consider project labor agreements as another tool, one with a long history in governmental contracting, to achieve economy and efficiency in Federal constructions projects". Please provide all evidence, documentary and otherwise, to substantiate your claim that project labor agreements have a "successful history in achieving economy . . . in public works projects."

Further, your memorandum implies that the use of project labor agreements in DOT-funded projects "will promote cost savings". This is patently conclusive language, placing the cart well before the horse. We know of no study that shows a "cost savings" achieved through a union-only project labor agreement when compared to an openly competitive construction project. In fact, note that the President correctly restricted the use of these agreements to those situations where a contracting agency first determined, on a project-by-project basis, that such agreements "will advance the Government's procurement interest in cost". Please provide us with any studies and documentation underlying the "cost savings" assertions in your memorandum.

If you have any questions surrounding this request, please contact Robert Wilkie at the Senate Majority Leader's office (224-3135), Matthew Kirk at the Senate Assistant Majority Leader's Office (224-2708), or Arthur Rosenfeld at the Senate Labor Committee (224-5375). To insure a swift conclusion to this matter, please respond by the close of business on May 22, 1998. Thank you for your assistance.

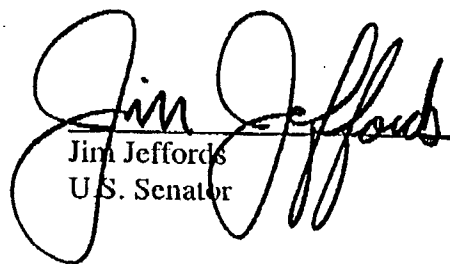
Sincerely,



Trent Lott
U.S. Senator



Don Nickles
U.S. Senator



Jim Jeffords
U.S. Senator

120 signatures

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

May 19, 1998

The Honorable Bud Shuster
Chairman
House Committee on Transportation
2165 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Shuster:

We are writing to express our support for open and fair competition in awarding federal construction projects to qualified bidders, regardless of whether they are closed (union) or open (non-union) shops. We respectfully request that you include language in the conference report to protect our nation's long-standing federal policy of awarding federal projects on the basis of the contractors' quality of work, experience, and cost, not the bidders' collective bargaining status.

As you know, Vice President Al Gore stated on April 23, 1998 that the Administration will "aggressively pursue" linking federal contracts in BESTEA to unionized companies. This is of grave concern to all of us because conservative estimates suggest that union-only agreements could cost the American taxpayers \$4.8 billion annually or reduce the amount of construction by 30 percent.

Polls overwhelmingly indicate that Americans reject the notion that only union companies should bid on federal contracts. In fact, a recent poll found that 72 percent of the public, and 64 percent of *union members*, oppose union-only agreements on federal construction projects. Even in the Northeast, the most pro-union region of the country, 70 percent oppose union-only agreements. Furthermore, 60 percent of Americans would be more inclined to vote **against** any candidate who supports union-only contracting. They rightly believe that bidding for contracts should be open and fair.

It is not only non-union contractors who oppose the monopolization of federal construction projects; union contractors are also united against union-only agreements. Union-only agreements deny union contractors the right to negotiate collective bargaining agreements and require wage rates or fringe benefits that exceed prevailing market rates. These agreements often establish damaging precedents because they typically prohibit lockouts, which may encourage unions to strike projects in the same area or otherwise disrupt collective bargaining agreements.

Chairman Shuster

May 19, 1998

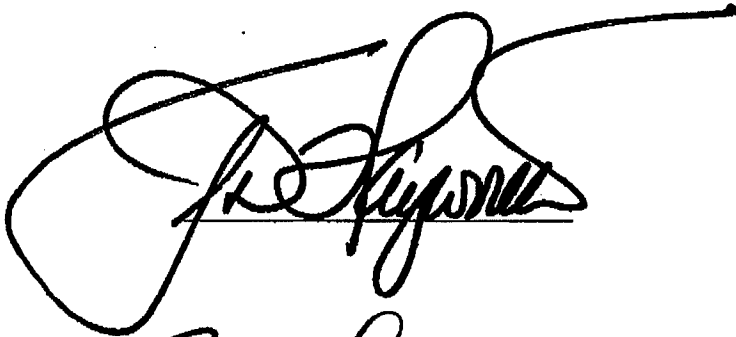
Page 2

As only 18.5 percent of construction workers are union members, only a small minority of American workers would benefit from union-only agreements, while more than four out of five would be adversely impacted as a consequence of such discrimination in the award of nearly \$40 billion in federal contracts.

America prides itself on competition; however, this attempt by the Administration thwarts competition in every way imaginable. We therefore urge you to protect union and non-union contractors, as well as the American taxpayers, by including language in the BESTEA conference report that will prohibit the Administration from awarding federal construction contracts solely based on the contractors' collective bargaining status.

Thank you for your consideration of this important matter.

Sincerely,



Don Miller

Bob Livingston

Walt Cunningham

Charlie Norwood

Van Hilleary

Vince Snowbarger

cc: Senate and House conferees

United States Senate

WASHINGTON, DC 20510

May 14, 1998

Honorable Rodney Slater
Secretary
U. S. Department of Transportation
400 7th Street, NW
Washington, DC 20590

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We have grave concerns regarding the use of public sector project labor agreements as it relates to eradication of the federal government's position of neutrality in labor management relations; the anti-competitive consequences (including increased costs to taxpayers) arising from reduction of the number of qualified bidders on federal construction projects; and the potential of discrimination against non-union workers; as well as the many other serious issues involved when rewarding unionized contractors with an exclusive claim to government work.

Therefore, it is of the utmost importance that you provide us with the bases for the presumptions contained in your memorandum, in particular where that document conflicts with the June 5, 1997, directive of the President.

Specifically, your memorandum declares that "[p]roject labor agreements have a long and successful history in achieving economy and efficiency in public works projects". This is a vast departure from the statement contained in the President's memorandum, urging contracting agencies "to consider project labor agreements as another tool, one with a long history in governmental contracting, to achieve economy and efficiency in Federal constructions projects". Please provide all evidence, documentary and otherwise, to substantiate your claim that project labor agreements have a "successful history in achieving economy . . . in public works projects."

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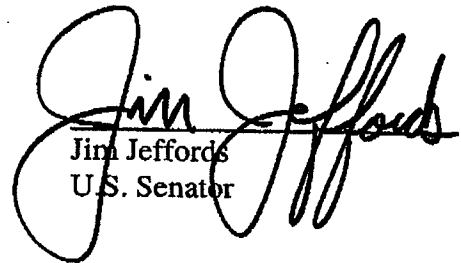
Sincerely,



Trent Lott
U.S. Senator



Don Nickles
U.S. Senator



Jim Jeffords
U.S. Senator

Congress of the United States

Washington, DC 20515

May 11, 1998

"OPEN SHOPS NEED NOT APPLY?"

Dear Republican Colleague:


I commend to your attention the article below. As the *Wall Street Journal* details, the Vice President has made good on his longstanding threat to reserve most transportation contracts for union companies. This signals a very troubling shift away from fair and open competition. Additionally, we are very concerned that this effort may have more to do with the 2000 Presidential race than with building quality roads at a reasonable cost.

For many years, Republicans have worked to make the federal procurement process fair, open and competitive. This new policy would destroy these efforts. Further, both union and open shop contractors oppose these coercive new rules. If you are concerned about this disturbing announcement, please join us in a letter to the Vice President. If you would like more information about mandatory Project Labor Agreements, please contact Danielle Doane 5-5015 (Miller) or Patrick Wilson 5-2865(Snowbarger).

Thank you for your attention.

Sincerely,


Vance Snowbarger
Member of Congress (KS-3)


Dan Miller
Member of Congress (FL-13)

Wall Street Journal 04/23/98

Clinton Revives Controversial Plan For Project Labor

By GLENN BURKINS

Staff Reporter of The Wall Street Journal.
WASHINGTON — Fulfilling a pledge to organized labor, the Clinton administration has revived a plan to encourage the use of project labor agreements on federal construction projects.

In a speech to the AFL-CIO's Building and Construction Trades Department, Vice President Al Gore said that Transportation Department agencies would be told to "aggressively pursue" opportunities to use the agreements, which generally reserve projects for employers that use union labor. The affected agencies include the Federal Highway Administration and the Federal Aviation Administration.

President Clinton last year proposed requiring federal agencies, whenever possible, to consider project labor pacts. But he withdrew the plan after Senate Republicans threatened to block Labor Secretary Alexis Herman's confirmation unless the administration backed down.

Yesterday's announcement could mean lucrative contracts for union workers. Each year, the Transportation Department spends about \$40 billion on highway, transit and airport construction projects. A department official said the directive also would apply to the six-year, \$219 billion highway bill now before Congress.

The U.S. Chamber of Commerce, which fought to kill the administration's proposal last year, vowed to battle this one. Thomas J. Donohue, president and chief executive, called it "a clear breach" of the agreement between Republicans and the administration.

"This is an affront to the nonunion workers in the construction, design and maintenance business in the country," he said. He added that it would "significantly increase the cost of building" roads and bridges.

But project labor agreements can save money because they spell out upfront such terms as wages, work rules and dispute resolution, said John Leiber, DOT's acting assistant secretary for policy.

Congress of the United States

Washington, DC 20515

June 3, 1998

Vice President Albert Gore, Jr.
Old Executive Office Building
Washington, DC 20501

Dear Mr. Vice President:

We are writing to express our strong support for fair and open competition in awarding federal construction projects to qualified bidders, and our tremendous alarm about the new "union-only" policy that you proposed at the recent annual meeting of the Union of Building and Construction Trades. This effort is deeply troubling for all Republicans and Democrats who have worked to ensure that the days of preferential federal contracting do not return.

By recommending Project Labor Agreements (PLAs) that limit competition, you are ignoring the public will. The American people overwhelmingly oppose union-only rules for federal projects. In the most recent poll, 72 percent of the American public and 62 percent of union households rejected union-only agreements on federal construction projects. The American people know that these new regulations will increase the cost of highway projects and delay badly needed road and transit improvements. These delays will invariably cost Americans their lives.

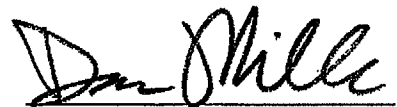
Both union and nonunion contractors oppose the monopolization of federal construction projects by any group. These agreements deny union contractors the right to negotiate collective bargaining agreements and require wage rates or fringe benefits that exceed prevailing market rates. In fact, many studies have shown that wages under PLAs could be more than 20% higher than the area's prevailing wage. The government should not further complicate these important private transactions.

America's dynamic economy is premised on robust competition with little government intervention. Your own effort to "reinvent government" was designed to force the government to serve constituents better. The Project Labor Agreement proposal at the Department of Transportation seems wholly inconsistent with these important principles. We therefore urge you to abandon this effort and preserve the fair and open competition that protects American taxpayers as well as union and nonunion contractors throughout the United States. We respectfully request that you respond to our concerns by Tuesday June 9, 1998.

Sincerely,



Vince Snowbarger [KS-3]
Member of Congress



Dan Miller [FL-13]
Member of Congress

May 28, 1998
Vice President Gore
Page 2

Jim Talar

Jim Blakey

Pete Hoekstra

Tom DeLay

John Boehner

Phil Sharp

Ernest Istook

John E. Peterson

Todd Tiahrt

Brad Pitt

Bon Paul

Charles H. Stenfelz

Jim Talar

Roy F. Wicker

May 28, 1998
Vice President Gore
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Wm Hillery

Ch. Ward

Jane A. Gibbons

William L. Jenkins

Vernon J. Ehlers

Deming Falshof

David McIntosh

Anne M. Northrup

Bob Lutz

Jill Gutrecht

Jim Ryan

Mr. Shindler

J. Kuller

Jerry Moran

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Vice President Gore
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Andy Stahl Cunningham

Steve Barrett

Paul Colucci

Howard Colucci

Congress of the United States

Washington, DC 20515

May 28, 1998

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Old Executive Office Building
Washington, DC 20501

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Both union and nonunion contractors oppose the monopolization of federal construction projects by any group. These agreements deny union contractors the right to negotiate collective bargaining agreements and require wage rates or fringe benefits that exceed prevailing market rates. The government should not interfere in these important private transactions.

America's dynamic economy is premised on robust competition with little government intervention. Your own effort to "reinvent government" was designed to force the government to serve constituents better. The Project Labor Agreement proposal at the Department of Transportation seems wholly inconsistent with these important principles. We therefore urge you to abandon this effort and preserve the fair and open competition that protects American taxpayers as well as union and nonunion contractors throughout the United States. We respectfully request that you respond to our concerns by Tuesday June 9, 1998.

Sincerely,

Vince Snowbarger [KS-3]

Dan Miller [FL-13]



THE VICE PRESIDENT
WASHINGTON

June 26, 1998

The Honorable Vince Snowbarger
U.S. House of Representatives
509 Cannon HOB
Washington, D.C. 20515

Dear Vince:

Thank you for your letter regarding the Administration's support for project labor agreements. I welcome this opportunity to respond.

For many years, federal agencies, private firms, and state and local governments successfully have used project labor agreements on large construction projects. By fixing labor costs, specifying a source of skilled workers, and eliminating the risk of work stoppages, project labor agreements can help ensure that construction projects are completed on time and on budget.

As you know, on June 5, 1997, President Clinton issued a memorandum to executive department and agency heads reaffirming the current authority of federal agencies and establishing a clear, uniform policy addressing the appropriate use of project labor agreements. This memorandum continues the efforts of the National Partnership for Reinventing Government (NPR) and other executive branch initiatives to implement rigorous performance standards, minimize costs, and eliminate wasteful and burdensome requirements. It encourages departments and agencies in the Administration to consider project labor agreements as another tool, one with a long history in governmental contracting, to achieve economy and efficiency in federal construction projects.

This memorandum does not require federal agencies to use project labor agreements, and it does not exclude potential contractors from bidding on construction project work. Agencies will remain free to determine, on a case-by-case basis, whether a project labor agreement would be fiscally prudent. Additionally, all contractors and subcontractors, whether or not they are unionized, will be eligible to bid on projects; and all qualified workers, whether or not they are union members, will be eligible to work on projects covered by project labor agreements.

As we move toward the 21st Century, America must face its economic future with honesty and responsibility. Please be assured that this Administration is committed to improving

June 26, 1998
Page Two

the dynamics of our nation's economic security and providing every American with an opportunity to reap the benefits of a changing economy.

Sincerely,

A handwritten signature in black ink, appearing to read 'Al Gore', written in a cursive style.

Al Gore

AG/rar

JAMES M. TALENT, MISSOURI
CHAIRMAN

NYDIA M. VELÁZQUEZ, NEW YORK

Congress of the United States

House of Representatives

105th Congress

Committee on Small Business

2301 Rayburn House Office Building

Washington, DC 20515-6515

September 28, 1998

The Honorable Bob Livingston
Chairman
House Committee on Appropriations
H-218 U.S. Capitol Building
Washington, D.C. 20515

Dear Chairman Livingston:

I am writing to express my concern about language in the Senate Department of Transportation Appropriations bill that might be interpreted as a Congressional endorsement of union-only project labor agreements, or PLAs. As highlighted at a recent House Committee on Small Business hearing, Clinton Administration-supported Federal PLAs are detrimental to small businesses across this country and have a particularly injurious impact on women and minority contractors, the overwhelming majority of which are open shop.

While the Senate bill includes a provision that attempts to prohibit PLAs on projects funded by the Act, the last phrase significantly weakens the provision's prohibition against Federally-funded PLAs and might be read to imply that Congress has in some way endorsed PLAs. The language is as follows:

"None of the funds in this or any other Act may be used to compel, direct or require agencies of the Department of Transportation in their own construction contract awards, or recipients of financial assistance for construction projects under this Act, to use a PLA on any project, nor to preclude use of a PLA in such circumstances."

Under a Federal PLA, unions—in tandem with the Federal government—establish the important criteria on Federal construction jobs, including pay and work rules, before the work is even put out to bid. At the Committee's hearing, women and minority contractors testified that PLAs force union representation on open shop contractors, require double payment for certain employee benefits, and mandate payment into the unions' pension and health plans. In the process, 80 percent of American contractors who are open shop, and 3 of 4 workers who have chosen to be non-union, are effectively barred from the Federal contracting process. This is why groups such as the National

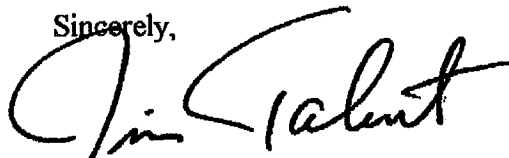
Black Chamber, the National Association of Women Business Owners, the Latin Builders Association, the American Asian Contractors Association, Women Construction Owners and Executives, and the United States Pan Asian American Chamber of Commerce, among others, have all gone on record as strongly opposing PLAs.

It is imperative that we protect our Nation's smallest businesses from being shut out by the Clinton Administration's push, as stated by Vice President Gore, to "aggressively pursue" PLAs to "make sure the men and women of organized labor participate fully in building the veins and arteries of our economy." And we must defend America's small businesses from an Administration that accuses America's non-union businesses of offering workers "meager pay," "skimpy benefits," and "phony job security," as Vice President Gore did at the AFL-CIO's Building and Construction Trades annual conference this year.

Women and minority-owned firms are experiencing a higher rate of growth than at any time in history. As Chairman of the Committee on Small Business, I have taken a special interest in making sure that the growth of these small businesses continues without interference by an Administration that has abandoned small businesses in favor of organized labor. Small businesses should not be chased off of Federal jobs simply because their employees have chosen to be non-union.

Congress must stand firm in ensuring that America's smallest businesses have an unimpeded right to compete and work on Federal contracts. I therefore respectfully urge you to protect these businesses by including language in the Department of Transportation appropriations conference report that will prohibit the Administration from awarding Federal construction projects based solely on union affiliation.

Sincerely,



Jim Talent
Chairman

F A C S I M I L E

To: Erika Baum
Of: ABC
Fax: 703-812-8202
Phone: 703-812-2044
Pages: 5, including this cover sheet.
Date: July 10, 1998

Erika-

Here is the VP's response and our original letter.

Let me know the plan.

-PW

From the desk of...

Patrick Wilson
Legislative Counsel
Congressman Vince Snowbarger
U.S. House of Representatives
CHOB 509
Washington, DC 20515
202-225-2865

Congress of the United States

Washington, DC 20515

June 3, 1998

Vice President Albert Gore, Jr.
Old Executive Office Building
Washington, DC 20501

Dear Mr. Vice President:

We are writing to express our strong support for fair and open competition in awarding federal construction projects to qualified bidders, and our tremendous alarm about the new "union-only" policy that you proposed at the recent annual meeting of the Union of Building and Construction Trades. This effort is deeply troubling for all Republicans and Democrats who have worked to ensure that the days of preferential federal contracting do not return.

By recommending Project Labor Agreements (PLAs) that limit competition, you are ignoring the public will. The American people overwhelmingly oppose union-only rules for federal projects. In the most recent poll, 72 percent of the American public and 62 percent of union households rejected union-only agreements on federal construction projects. The American people know that these new regulations will increase the cost of highway projects and delay badly needed road and transit improvements. These delays will invariably cost Americans their lives.

Both union and nonunion contractors oppose the monopolization of federal construction projects by any group. These agreements deny union contractors the right to negotiate collective bargaining agreements and require wage rates or fringe benefits that exceed prevailing market rates. In fact, many studies have shown that wages under PLAs could be more than 20% higher than the area's prevailing wage. The government should not further complicate these important private transactions.

America's dynamic economy is premised on robust competition with little government intervention. Your own effort to "reinvent government" was designed to force the government to serve constituents better. The Project Labor Agreement proposal at the Department of Transportation seems wholly inconsistent with these important principles. We therefore urge you to abandon this effort and preserve the fair and open competition that protects American taxpayers as well as union and nonunion contractors throughout the United States. We respectfully request that you respond to our concerns by Tuesday June 9, 1998.

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Member of Congress

May 28, 1998
Vice President Gore
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Howard Colucci



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WASHINGTON

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June 26, 1998
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Al Gore

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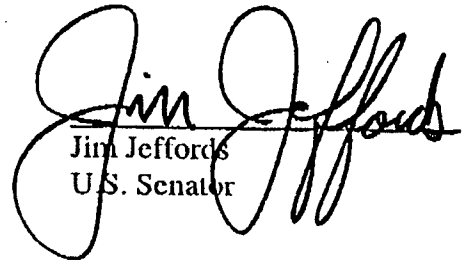
Sincerely,



Trent Lott
U.S. Senator



Don Nickles
U.S. Senator



Jim Jeffords
U.S. Senator