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Congress of the United States

House of Representatives

105th Congress

Committee on Small Business

2301 Rayburn House Office Building

Washington, DC 20515-6515

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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

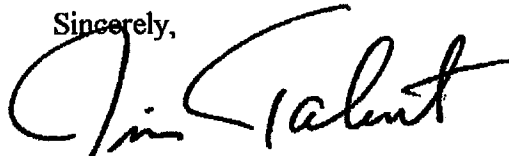
Black Chamber, the National Association of Women Business Owners, the Latin Builders Association, the American Asian Contractors Association, Women Construction Owners and Executives, and the United States Pan Asian American Chamber of Commerce, among others, have all gone on record as strongly opposing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