

# 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.

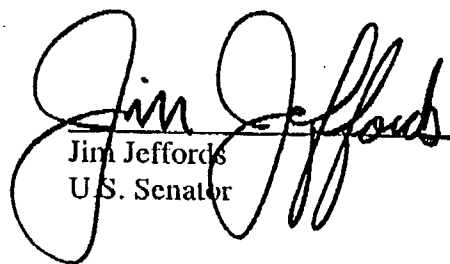
Sincerely,



Trent Lott  
U.S. Senator



Don Nickles  
U.S. Senator



Jim Jeffords  
U.S. Senator