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PLA reform is step toward equality, fiscal responsibility, says ABC

Michigan took a step toward cutting costs of publicly funded construction today when the state Senate's Committee on Reforms, Restructuring and Reinventing approved a bill that would prohibit union-only project labor agreements (PLAs).

Senate Bill 165, introduced by **Sen. John Moolenaar**, R-Midland, now goes before the entire Senate for consideration. The committee's 4 to 2 vote in favor of the bill came after **Associated Builders and Contractors of Michigan** members testified in hearings that the proposal will bring about greater competition and protect a huge majority of Michigan workers from being denied work opportunities based on their labor affiliation.

"I support this bill because it would change the current unfair and anticompetitive contracting process that some governmental bodies employ to a process where all contractors are able to compete freely and therefore increase competition and save tax dollars," testified **Michael Marks**, vice president of construction for **E.T. MacKenzie Company**, based in Grand Ledge. "Because the majority of the contractors in our state are merit shop and cannot compete for contracts requiring a PLA, projects that do require a PLA have a lower number of bidding companies. PLAs decrease competition and increase costs."

Senate Bill 165 would eliminate union-only PLAs, which force nonunion workers and firms to comply with collective bargaining agreements and thus discourage nonunion firms from bidding.

“Like other reform-oriented states, Michigan must pass legislation to create a level playing field for everybody,” explained **Chris Fisher**, ABC of Michigan president. “Such a law will ensure that the state does not discriminate against any business or worker on the basis of union affiliation. Michigan taxpayers will also benefit from having public construction that is completed by the lowest, most responsible and qualified bidder to ensure greater accountability of public funds.”

Fisher stressed that important construction industry issues such as training, safety and quality of work are not affected by the legislation, which is clear and limited in scope.

“The bill simply states that all Michigan construction workers and firms will be protected from being discriminated against and denied work opportunities based on whether or not they adhere to a collective bargaining agreement,” Fisher noted.

The bill pertains to state and local government construction projects and will affect all public education institutions – local schools, colleges and universities – as well as township, city, and county construction.

“Allowing the use of project labor agreements on projects funded, either in part or entirely, by state tax dollars is unfair to the vast majority of the construction companies and the taxpayers of the state of Michigan,” Marks stressed.

A companion bill in the state House, House Bill 4287, introduced by **Rep. Joe Haveman**, R-Holland, also aims to ban PLAs on publicly funded construction projects. Hearings on that bill were held earlier in March.

ABC of Michigan, a statewide trade association representing the commercial construction industry, is dedicated to open competition, equal opportunity and accountability in publicly funded construction projects.

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