



Eastern
Pennsylvania
Chapter

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Press Release – For Immediate Release

ABC Eastern PA Chapter Objects to Philadelphia PLA Ordinance

EAST NORRITON, PA (November 30, 2011) – Associated Builders and Contractors Eastern Pennsylvania Chapter, Inc. (ABC), opposes the executive order issued yesterday by Philadelphia Mayor Michael A. Nutter re-establishing the use of anti-competitive and costly union-favoring government-mandated project labor agreements (PLAs) on city projects in excess of \$5 million. ABC objects to the use of government-mandated PLAs on any taxpayer-funded construction project.

“Mayor Nutter’s executive order is discriminatory and costly. Government-mandated PLAs effectively preclude a majority of qualified contractors and their local employees from building construction projects funded by their tax dollars,” said Jeff Zeh, president and CEO of ABC. “PLAs are only promoted by construction trade unions and their allies in an effort to end open, fair and competitive bidding, thereby providing unions with a workforce monopoly on construction projects.”

“This is nothing more than play to pay politics at its best in Philadelphia,” said Zeh. “The public should hold the Mayor and new Advisory Committee on PLAs accountable for any PLA mandates as these schemes will undoubtedly restrict competition, increase costs and unfairly cater to narrow special interests.”

According to Bureau of Labor Statistics data, 80 percent of construction employees in Pennsylvania elect not to join a union while only 20 percent belong to a union. PLAs are pre-hire contracts that require projects be awarded only to contractors and subcontractors that agree to the following conditions, which effectively limits the pool of qualified bidders to only union contractors:

- Recognize unions as the representatives of their employees on a project.
- Use the union hiring hall exclusively to obtain workers.
- Obtain apprentices exclusively from union apprenticeship programs.
- Force merit shop employers to pay into underfunded union benefit plans without the opportunity for their employees to receive benefits from these plans unless they join a union and become vested.
- Follow costly, restrictive and inefficient union work rules.
- Force workers to pay union dues and fees.

The bottom line is that government-mandated PLAs reduce competition, are costly and prevent taxpayers from getting the best possible product at the best possible price, while discriminating against the majority of qualified area contractors and their skilled construction employees.

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ABC Eastern Pennsylvania Chapter represents more than 15,000 Merit construction employees who work for more than 500 member companies. ABC was founded on the belief that construction projects should be awarded on merit to the most qualified and lowest responsible bidder. Nationally, Associated Builders and Contractors is comprised of 75 chapters representing more than 23,000 merit shop construction and construction-related firms with nearly two million employees. Learn more about ABC Eastern Pennsylvania Chapter at abceastpa.org.