

Published: Friday, October 4, 2013

### **Unions, contractors at odds on project labor agreements** *by Jeff Newman Staff writer*

A debate between local union officials and business executives on the merits of project labor agreements dominated a 90-minute roundtable Wednesday afternoon at the Charles County government building.

While contractors decried PLAs — collective bargaining agreements that apply to individual construction projects — as job-killing arrangements that discriminate against the majority of construction workers who don't belong to a union, labor representatives hailed them for ensuring that projects are completed on time and on budget while guaranteeing workers fair wages and safe environments.

"We are all part of the labor market, regardless of affiliation," said Larry Greenhill, vice president and political director for the International Brotherhood of Electrical Workers Local 26. "We just happen to be union, and that's a choice."

A member of the Maryland State Pipe Trades Association, La Plata plumber and gas fitter Jeff Guido said PLAs "protect taxpayers and its constituents from the race-to-the-bottom practices of some unscrupulous contractors," making sure to note that he wasn't referring to any of those in the room.

PLAs give taxpayers assurance that public projects will be finished within their preset deadline and budget by highly skilled laborers earning a fair wage, Guido said.

"A government-funded project should provide local employment, fair wages and support the local economy," he said. "Cheap labor doesn't come skilled, and skilled labor doesn't come cheap."

Locked-in labor costs and project deadlines convinced Dominion, an energy company based in Richmond, Va., to attach a PLA to the expansion of its Cove Point LNG plant in Lusby, said Carolyn Moss, managing director of Dominion's state and local affairs for the mid-Atlantic region.

The project, estimated to cost between \$3.5 and \$3.8 billion, would make the plant, currently an import-only facility, the first natural-gas export terminal on the East Coast. The PLA, a company first, guarantees the largest project in Dominion's history will have the requisite skilled labor, Moss said.

As a "merit shop," or non-union contractor, La Plata-based Facchina Construction Co., generally doesn't bid on projects carrying a PLA, company director of business development George R. Nash Jr. said.

"We don't want to be discriminated against, so therefore we don't," he added.

Because the company was not required to sign the project's PLA, Nash said Facchina is working on the Silver Line extension bringing Washington Metro service to Dulles International Airport and Tysons Corner, Va.

Gambrills-based Reliable Contracting Co., which has an office in White Plains, does not bid on projects that carry a PLA because "We want our employees to work for us," company President Jay Baldwin said. "We want them to have the company's best interests in mind, and in return we've got their best interests in mind."

Baldwin said his company will bid on projects that require workers to be paid prevailing wages — which are set by government agencies for public projects — because his employees are already paid as much or more. In Maryland, prevailing wage rates are assigned to projects with a price tag of \$500,000 or more.

PLAs force contractors to hire primarily from union halls and nonunion workers to pay union dues, which discourages bidding on their projects and drives up costs, said Ben Brubeck, director of federal procurement and labor affairs for Associated Builders and Contractors, a national trade association based in Arlington, Va., with 22,000 members from merit-shop firms. Brubeck said ABC estimates that PLAs increase project costs between 12 and 18 percent.

Greenhill said that PLAs do not prohibit nonunion workers, but merely those who do not agree to its terms.

"There are nonunion contractors that do it the right way, and we love those folks," said Vance Ayers, executive secretary-

treasurer of the Washington, D.C., Building and Construction Trades Council. "We're not trying to make everyone union. We want everyone on a level playing field."

A former newspaper guild shop steward, Charles County Commissioner Ken Robinson (D) said that if all companies paid fair wages, "we would have no need for unions."

"But the reality is it's not across the board, and having unions keeping corporate America honest is important," he said.

Greenhill also said that industry concerns over labor strikes are overblown, particularly when it comes to the IBEW, which has a strict no-strike policy.

"We do not strike, at any cost," he said.

Human relations consultant and labor activist Susan Cooksey didn't see why there was such disagreement over PLAs.

"Both sides kind of stand for the same thing. You both claim to offer fair wages and benefits and things like that, so I'm really trying to hear what is the difference," she said. "I think that any employment that can offer people a fair wage and at the same time assure them that they're going to have the benefits that they deserve, I don't think that's too much to ask for working people to get that."

Del. Peter F. Murphy (D-Charles) agreed, and was able to call on his experiences as a former court mediator in urging labor and industry to work together to achieve their goals.

"If you really listen to all of the conversation today, there's much more in common than not," he said.

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### **Union labor agreements drive up taxpayer costs**

On Oct. 2, the Charles County commissioners invited representatives from construction trade unions and the local contracting community to a roundtable discussion exploring the use of union-favoring project labor agreements on publicly funded construction contracts procured by Charles County to evaluate if they would improve local economic development.

County taxpayers should be concerned because this is the first step in a well-orchestrated plan among commissioners' President Candice Quinn Kelly, some commissioners and construction union lobbyists to steer taxpayer-funded contracts to unionized contractors and create construction jobs almost exclusively for unionized construction workers, at the expense of everyone else.

Today, only 13.2 percent of the U.S. construction workforce belongs to a union, according to the Bureau of Labor Statistics. Membership is even lower in Maryland, where 89.2 percent of the construction workforce does not belong to a union.

As a result, construction trade unions have turned to their friends in government to mandate PLAs on public projects to help regain lost market share and increase union membership.

Union lobbyists contend PLAs — master collective bargaining agreements with multiple construction unions governing a construction project — are a tool to prevent union strikes, ensure the use of local labor and deliver Charles County projects on time and on budget.

But the truth is these goals already have been achieved without PLAs. PLAs contain anti-competitive and costly terms and conditions that favor union interests and hurt the county's construction industry and taxpayers.

While all contractors technically are free to bid on construction contracts subject to a government-mandated PLA, the terms of a PLA require contractors to replace most or all of their existing employees with union members dispatched from union hiring halls, use apprentices exclusively from union training programs, follow inefficient union work rules and pay into union benefits plans even if firms have existing benefits plans.

Additionally, nonunion tradespeople are forced to pay union dues, and they forfeit benefits earned during the life of the project unless they join a union and become vested in union benefit programs.

Qualified local businesses and construction professionals can't win a contract and work on a job site unless they agree to the union terms. It's no surprise such red tape and discrimination discourages competition from experienced merit shop firms and well-trained nonunion craft professionals in Maryland.

Fewer bidders, coupled with costly and restrictive provisions in PLAs, needlessly increase construction costs. Academic studies by the Beacon Hill Institute at Suffolk University found school projects subject to PLAs were 12 percent to 18 percent more expensive than projects not subject to PLAs, even when both sets of data were subject to prevailing wage requirements.

Can Charles County really afford four schools, roads and water projects for the price of five? Are the taxpayers willing to forego construction of another school, road improvement or infrastructure upgrade simply because of a PLA mandate?

Increasing costs, chilling competition, placing barriers to new jobs for qualified county residents and rewarding well-connected special interests with government contracts is no recipe for economic development in Charles County.

Concerned taxpayers should contact the commissioners and urge them to proceed with procuring construction contracts free from costly PLA mandates and in the spirit of fair and open competition.

Doing so will help county lawmakers keep jobs local and provide taxpayers with the best possible construction product at the best possible price.

Thomas Kingston, Chris Garvey, Debra Schoonmaker, Mike Henderson, Will Seilhamer, James A. Russ and Tom Evans, Annapolis

The writers are, respectively, a member of the Associated Builders and Contractors Maryland Joint Legislative Committee, chairman of ABC Chesapeake Shores chapter, president of ABC Metropolitan Washington chapter, president of ABC Baltimore chapter, president of ABC Cumberland Valley chapter, president of Maryland Transportation Builders and Materials Association and executive director of Maryland Ready Mix Concrete Association.

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## **PLAs save taxpayers money**

As construction workers, we live and breathe to be out there on the job working at the trade we love doing to support our families. It's easy to think politics are "not for me," or "politicians are all the same," but it's just not true on workplace and paycheck issues. We need to remember — without question — many of the jobs we are on directly are connected to politics.

Our government — whether it's federal, state or local — is the No. 1 construction consumer in the country. Most of these projects have either federal or state Davis–Bacon provisions providing protection for the prevailing wage, in many cases, your union wage.

Project labor agreements offer owners of projects economic stability during the many years complex projects take to complete, making a PLA a good financial decision for those owners. A recently announced project utilizing a PLA was the \$5.2 billion Tappan Zee Bridge project between 14 building trades' labor bodies and the New York State Thruway Authority. The PLA will save taxpayers an estimated \$452 million.

The newly publicized \$1.6 billion NBC/Universal Studios Expansion project is scheduled to start under a PLA reached between NBC/Universal and the Los Angeles/Orange County Building Trades. The 10-year project of movie and television studio upgrades and expansion of the Universal Theme Park will produce 13,000 construction jobs.

A PLA, simply put, is a set of rules agreed to by all parties involved with a project, rules by which a project will work by, nothing more and nothing less. These rules are agreed to by the owner of the facility, the construction firm building the project and the labor unions involved. Just as your local professional sport team would no sooner take the field without a set of rules everyone understands and agrees to play by, a PLA project ensures the same clarity and agreement. When we see project labor agreements used, the job gets done smart, on time, on budget and right the first time.

PLAs across North America have resulted in millions of man-hours for union trades from coast to coast, in rural and urban areas, on private, federal, state and locally funded projects. Since President Obama signed an executive order recommending PLAs for federal construction projects worth more than \$25 million, the Associated Builders and Contractors and others have been on the warpath because they know PLAs combine efficiency to the public and prosperity to the skilled trades at the expense of their cheap-labor, "race-to-the-bottom" philosophy.

The Hoover Dam in 1931 was one of the first projects ever done under a PLA. Even with the long, successful, proven history of PLAs, our elected officials still need to be educated on how a PLA is not a bad thing, as the ABC professes, but a win-win for workers, owners and the public. Major corporations agree: Disney, Gillette, Reebok, Toyota, Major League Baseball and the National Football League have used PLAs to complete their projects within the timeframe and project budgets. Many of our best jobs are the result of securing work for our members through these PLAs, something our opposition wants to ban. If our opponents succeed in banning PLAs, the effect will be felt throughout our entire membership, in an economy slowly recovering from the Great Recession.

Big businesses who oppose unions in any way would like nothing more than for unions to become extinct, are not surprisingly, against PLAs. They are threatened by unions and their signatory union contractors, who while under projects using PLAs, allow the owners to procure the best, most efficient use of labor.

Michael Marini, Issue

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## **Decline of unions reason for struggling economy**

It is not an accident that the years of the strongest economy in the United States were the 1950s when unions were strongest here.

Union jobs are middle-class jobs, and the middle class has been shrinking since then. Management has spent a lot of time and money to attack unions. That's understandable. Union workers getting paid well means less for management. And, the threat of unions makes management treat nonunion workers better.

Before unions, we had the company store, children working, 12-hour days, six-day work weeks, no workers' compensation for on-the-job injuries, no safety laws and much, much more.

If you think management just gave us that, you haven't been reading history.

Bill Wetmore, Waldorf

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## **Builders group has hidden agenda**

This is a letter to thank the members of the Associated Builders and Contractors for pointing out in their letter about union labor driving up the cost of jobs that have project labor agreements ["Union labor agreements drive up taxpayer costs," Maryland Independent, Nov. 1].

But what they forget to say is who the ABC is. They are a union of anti-union contractors whose main agenda is to attack unions and their members, and they try to secure more work for themselves.

The next time you read a letter about how a group such as this is trying to help the Charles County taxpayers, remember their hidden agenda: more money for them through your tax dollars.

Charles R. Robinson, La Plata

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## **Equal access for all workers**

How could the Charles County commissioners even consider giving preference to union labor on publicly funded construction contracts in Charles County? I am so disappointed in them. It makes no sense to pay extra for union labor and limit access to any part of the 89.2 percent of the construction force that does not belong to a union.

We need equal access for all workers.

The commissioners' Oct. 2 meeting suggests they are responding to union political campaign contributions.

Jean Tierney, Newburg

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## **Fighting for free enterprise**

In a recent letter, Charles R. Robinson contends that Associated Builders and Contractors is a “union of anti-union contractors whose main agenda is to attack unions and their members, and they try to secure more work for themselves” [“Group has hidden agenda,” Maryland Independent, Nov. 15].

ABC is not a union. It’s a trade association of construction industry companies that join to take advantage of services we provide, ranging from comprehensive apprenticeship training, to safety training that protects workers from harm, to industrywide networking and advocacy to promote best practices. ABC proudly represents the interests of all of its members, both union and nonsignatory, for purposes that include creating jobs and ensuring free and open competition.

Since its founding 63 years ago in Baltimore, ABC has fought for the right of every qualified contractor and their skilled employees to fairly compete to build a public project without being forced to sign a union agreement.

ABC will continue to oppose procurement through project labor agreements and will fight for free enterprise because we know defending open competition provides value to taxpayers and ensures employment opportunities for all of Maryland’s construction workforce. Rigorous competition among qualified parties is the only way to ensure that quality Maryland construction firms provide Charles County taxpayers with the best possible construction product at the best possible price.

Chris Garvey, Annapolis

The writer is the president of the Associated Builders & Contractors Chesapeake Shores chapter.

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