



New Hampshire/  
Vermont Chapter

# News Release

Contact: Mark Holden  
603.226-4789  
mholden@abcnhvt.org

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## **UNION ONLY ORDER SHUTS NEW HAMPSHIRE WORKERS OUT OF FEDERAL CONSTRUCTION PROJECTS**

The Obama administration is about to significantly drive up the costs of federal building construction. While waiting for final rules concerning Executive Order 13502, the Office of Management and Budget has directed that any federal construction over \$25 million benefit unions. This is an astonishing reach that will impact all taxpayers.

The order will make all federal construction projects 10-20% more expensive by requiring all contractors to either use union workers or apply union apprenticeship and work rules to their employees. Contractors who already provide benefits would also be required to make contributions to union pension funds and other union programs that non-union workers will never benefit from. This will hugely drive up the cost of construction of federal buildings and line the pockets of unions. This is appalling. Great news in the midst of a recession.

The Bureau of Labor Statistics shows that only 8.7% of private construction workers in New Hampshire belong to unions. In other words the majority of construction workers will be legally denied the right to work on federal building projects. In fact, this is what is happening on the New Job Corps Center project in Manchester (solicitation number DOL099R120791). As the awarding agency, the Federal Department of Labor draws prospective contractor's attention to Executive Order 13502 which directs federal agencies to consider using Project Labor Agreements (PLAs) on large scale construction projects. The agency has determined that it is "in their best interest" to require the use of a PLA for the Job Corps project.

Union only PLAs do nothing to guarantee better quality, skills, or productivity. Merely having a union status does not guarantee better performance as there is no evidence that union labor is more skilled than non-union labor. Most of the largest and most successful projects completed every year in New Hampshire are built 'on time and within budget' with non-union companies and without PLAs. The union label is not needed for construction to be of top quality. Project quality is governed by voluminous procurement laws and regulations, project specifications, and bonding requirements. Safeguards against shoddy work practices and stiff market competition also prevent unqualified companies from competing on public contracts. Quality lies with the workers' individual motivation and performance. Quality is not determined by race, creed, national origin, gender, or labor affiliation.

However, politicians indebted to the political power of Big Labor will not criticize PLAs. Or they just don't get it. They have been misled into thinking that a PLA will not cut competition and increase cost. PLA proponents argue that PLA projects are not closed to only union contractors and workers and that anyone can bid on these jobs. While it is technically true that bidding is open to every contractor, the fact remains that PLAs have a chilling impact on competition from non-union contractors. As stated, PLAs impose union work rules and conditions and force contractors to make additional contributions to union benefit plans. Non-union contractors will have to factor double benefit costs into their bids

to maintain existing benefits for their employees. All these factors deter competition and increase construction cost. It would be valuable for all politicians to read a PLA to understand how and why a PLA discourages non-union contractors and their skilled workforce from bidding on a PLA project.

In the meantime the vast majority of New Hampshire construction companies, construction workers and their families are being discriminated against working on the Job Corp Center project in Manchester. It is disturbing to note the fact that limited New Hampshire-based union contractors and workers will result in out-of-state companies and workers benefiting from the Job Corp project and any other projects that fall victim to the politically motivated union market recovery program referred to as a Project Labor Agreement.

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*Associated Builders and Contractors (ABC) is a national association that represents commercial and industrial construction professionals, including contractors, suppliers and associates to the construction industry. The NH/VT Chapter is located in Concord, NH and represents over 300 companies with over 15,000 employees performing over \$3 billion in annual construction volume.*