

PETITION URGING THE FEDERAL GOVERNMENT TO UTILIZE OPEN  
COMPETITION TO GUARANTEE TAXPAYER VALUE ON PUBLIC  
CONSTRUCTION

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**Background:**

On February 6, 2009, President Barack Obama issued Executive Order 13502, which encourages federal agencies to consider requiring the use of wasteful and discriminatory project labor agreements (PLAs) on federal construction projects costing more than \$25 million.

This executive order will deny taxpayers the accountability and value that they deserve on public construction. Numerous studies show that PLAs increase construction costs by as much as 18 percent and essentially block 85 percent of the U.S. construction workforce from competing for projects funded by their own tax dollars. In a time where the federal and state governments are struggling to contain historically large budget deficits and over 20 percent of the construction industry is unemployed now is the worst possible time to waste much needed construction dollars on handouts to special interests.

**Petition:**

We, the undersigned, call on the U.S. Congress to ensure that taxpayers get the best construction at the best price by enacting legislation to prohibit the use of PLAs on federal and federally funded construction projects.

We encourage the U.S. Congress to enact this legislation to guarantee that the federal government adheres to sound public policy that spends taxpayers' funds wisely and provides the opportunity for everyone in the construction industry to compete for federal projects.

**What is a Project Labor Agreement (PLA)?**

A project labor agreement (PLA) is a contract negotiated between a government entity, a project owner or a construction manager and labor unions. A typical PLA requires contractors to recognize the signatory unions as the sole representatives of workers on the covered project, to hire workers exclusively through union hiring halls; hire apprentices only through union apprenticeship programs; contribute into union pension and benefit plans; and obey the union's restrictive work rules in exchange for the promise of labor, peace and stability.

**Facts:**

1. The provisions included in PLAs essentially lock out nonunion contractors from competing for projects when PLAs are required. On government-funded or assisted projects, this means that the 85 percent of the U.S. private construction workforce that chooses not to join a labor union is prohibited from competing for projects funded by their own tax dollars.

2. On government-funded or assisted projects, taxpayers deserve the best product for the best price. Testimony, studies and real world examples show that PLAs can increase construction costs by nearly 20 percent. With government deficits ballooning nationwide, PLAs are a special interest handout that taxpayers simply can't afford. While PLA proponents often-claim that PLAs result in cost savings, avoidance of delays and/or improved performance, these claims have been repeatedly contradicted by the actual project performance under such union-only requirements.<sup>1</sup>

3. Workers who do not belong to the union do not benefit from PLAs. Unions usually make money or sustain struggling pension programs through employers and employees' payment of benefits into the union coffers. However, there is little to no direct benefit for workers on a PLA who have not joined the union, as they will never see the benefits of the contributions unless they join a union and become vested in these plans. Employers that offer their own benefits, including health and pension plans, have to continue to pay for existing programs as well as into union programs under a PLA, which makes them less competitive and leads to construction cost increases.

4. Union-only PLAs discriminate against open shop contractors and disadvantaged businesses, all of whom are creating jobs and supporting their local economies. This discrimination is particularly harmful to women-and minority-owned construction businesses and their workers that traditionally have been under-represented in unions, mainly due to artificial and societal barriers in union membership and union apprenticeship and training programs.

5. Merit shop firms promote the American spirit through rewarding employees for their efforts and talents, not based on time served as a member of a labor organization. PLAs are a disincentive for workers to strive to achieve their potential because they force employers to follow union employment practices for the life of the covered projects.

6. Government-mandated PLAs actually impede the Obama administration's goal of spurring job growth.

Please support this cause for the American worker and small business.

John R. Falk, Sr.  
Author of this Petition

Signature: \_\_\_\_\_

Date: 7/27/2010

This document will be hand delivered to Congress.

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<sup>1</sup> Union-only Project Labor Agreements: The Public Record of Poor Performance (2005 Edition) Maurice Baskin, Esq. Venable LLP

