

# Administration policy on labor agreements draws fire

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Construction firms are railing against a new Obama administration policy that encourages use of unionized construction workers for large federal projects.

President Barack Obama in February ordered agencies to consider requiring construction firms for large federal projects to enter into project labor agreements (PLAs) with their workers. The agreements establish work rights such as wages and benefits for all employees working on the projects, even if they don't belong to a union themselves, and also lay out labor dispute procedures that ensure problems are settled quickly without strikes.

Advocates say PLAs ensure big projects don't get bogged down by labor disputes, while opponents say they hurt competition and drive up costs.

The Associated Builders and Contractors, an advocacy group whose members employ 2 million construction tradesmen, says PLAs cut out nonunion companies from federal business because of the additional costs they impose. All workers must pay union dues whether they belong to a union or not, and the companies must contribute to union pension and benefit funds on behalf of their employ-

ees, who won't receive the benefits unless they join the union.

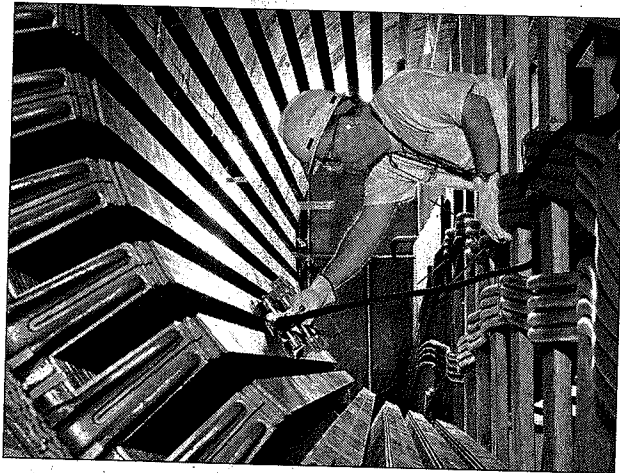
The agreements also require companies to adhere to union work rules that limit employees from performing multiple tasks, so companies must hire additional employees to handle individual tasks that could be handled by fewer employees with skills that cut across trades.

Ben Brubeck, director of labor, state and government affairs for the organization, cites various studies that indicate PLAs increase the cost of construction between 10 percent and 20 percent. However, other studies show there can be significant cost savings by consolidating multiple collective bargaining agreements into a single PLA.

Brubeck said requiring agencies to use PLAs is a blatant attempt by the unions to generate additional members. Less than 16 percent of the nation's private construction workforce belongs to a union, according to the Bureau of Labor Statistics.

"PLAs are used to discriminate against nonunion contractors," Brubeck said.

Brubeck's organization has developed a Web site, [www.thetruthaboutplas.com](http://www.thetruthaboutplas.com), that encourages visitors to file comments opposing PLAs with the Federal Acquisition Regulation Council, which is crafting changes to federal procurement rules that will uphold Obama's Feb-



TENNESSEE VALLEY AUTHORITY

**A contract employee at work on the Tennessee Valley Authority's first nuclear plant in Watts Bar, Tenn., in operation since 1996.**

highway or other construction projects totaling at least \$25 million.

The Building and Construction Trades Department, AFL-CIO, argues PLAs are "an effective tool to ensure a quality return on federal construction procurement investments" and a key component to providing secure careers and training opportunities to construction workers, spokesman Tom Owens said.

## A long history of using PLAs

One agency — the Tennessee Valley Authority, a small, independent public utility established in 1933 that has been exempt from past executive orders concerning PLAs — has been requiring PLAs of its contractors for nearly 20 years.

TVA began requiring PLAs as part of a cession to labor unions during a downsizing effort that resulted in TVA laying off about 5,000 unionized employees who were brought in, as needed to supplement the work of its 5,000 full-time employees, said Dave Becker, vice president of labor relations for TVA in Knoxville, Tenn.

TVA urged contractors to hire those hourly employees as they were let go, and they required the contractors to enter into project labor agreements so the employees could continue to be covered by their unions.

The union-led work crews are well trained and readily available to help meet TVA's fluctuating needs, Becker said. Currently, several hundred contract employees are building a second nuclear plant in Watts Bar, Tenn., and up to 800 employees soon will begin work on new power plants that will generate electricity from both gas and steam. ■

ruary order. Comments on the changes are due Sept. 23.

PLAs have been a political hot potato. President George H.W. Bush banned their use in 1992, but his executive order was overturned a year later by President Bill Clinton. President George W. Bush prohibited them again when he took office in 2001. Obama's order allows agencies to use PLAs once again, and he encouraged agencies to require PLAs for facility,