



For Immediate Release
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House Commerce Committee approves PLA reform

As did the state Senate committee's action on PLA reform last week, the House Commerce Committee's approval today of its own bill to end the practice of discriminatory union-only project labor agreements will help open up job opportunities for more Michigan construction workers and bring down the cost of public construction projects.

"Michigan workers shouldn't be denied the chance to work on taxpayer funded construction projects, simply because they choose not to belong to a union," **Chris Fisher**, president of Associated Builders & Contractors of Michigan commented in response to the House Committee action. "In this era of tight budgets and economic challenges, Michigan cannot afford costly project labor agreements that divert projects to a select group of workers and contractors, leaving 80 percent of qualified workers who are non-union shut out of the projects.

The committee approved HB 4287 on a 12 to 7 vote, with an amendment that clarified the bill's impact on prevailing wage, which would not be changed if the PLA reform bill is passed.

The bill, sponsored by **Rep. Joe Haveman** (R-Holland) and dozens of co-sponsors, would essentially eliminate union-only PLAs, a practice that forces non-union workers and firms to comply with collective bargaining agreements and thus discourages non-union firms from bidding.

"Most women and minorities are not in unions, so PLAs exclude them," testified **Renee Sanborn** of Sanborn Construction, a woman-owned company that does excavating work. " Since there are no unionized excavating companies in this area, when there is a union-only PLA, firms

have to be brought in from outside the region." Sanborn confirmed that under a PLA her firm would be required to pay twice for benefits such as health care, pensions and 401Ks.

An attorney who specializes in the construction industry testified that union-only PLAs "are an extreme example of union protection policies, that assist the unions at the public's expense."

"The primary reason contractors won't sign PLAs is the forced unionization," **David Masud**, of the Masud Labor Law Group, stressed, adding that a secondary concern is the frequent requirement to use laborers from the union hall rather than a company's own employees.

"Like other reform-oriented states, Michigan must pass legislation to create a level playing for everybody," explained **Chris Fisher**, ABC of Michigan president. "Such a law will ensure that the state does not discriminate against any business or worker on the basis of union affiliation. Michigan taxpayers will also benefit from having public construction that is completed by the lowest, most responsible and qualified bidder to ensure greater accountability of public funds."

The bill pertains to state and local government construction projects and will affect all public education institutions – local schools, colleges and universities – as well as township, city and county construction.

ABC of Michigan, a statewide trade association representing the commercial construction industry, is dedicated to open competition, equal opportunity and accountability in publicly funded construction projects.

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