

## **Testimony: Project Labor Agreements (PLAs)**

Good morning Mr. Chairman and members of the House Republican Policy Committee and other members and attendees. I really appreciate the opportunity to speak on this subject. I would also like to personally thank Representatives Saylor and Bear for introducing House Bill 2010. It's not easy to take a stand and do the right thing and I applaud you both and all of the co-sponsors for having the courage to support this bill.

My name is Jeff Lawrence and I'm the president of Forefront Construction. I'm also the former president of the Harrisburg African-American Chamber of Commerce, although I am not speaking to you in that capacity today.

I'm here today to tell you why Project Labor Agreements (PLAs) are a bad idea for the Commonwealth, a bad idea for taxpayers, and a very bad idea for minority owned businesses.

I know first hand the struggles of starting and growing a business. I also know the obstacles that minority and women owned businesses must deal with everyday.

What I want as a minority business owner and in fact what every business owner wants is simply this, a chance to fairly compete. May the best man or woman get the job based on their work. At worst, a PLA eliminates a large segment of the construction industry workforce. At best, PLAs require owners to use union workers only or force their non-union employees to pay union dues or other fees that they will never receive any benefits from. I've read the PLAs on several jobs including the recent prison jobs. I read them as part of the decision-making process I must go through when deciding whether to bid a job. A job with a PLA allows me to bid that job but it stops me from using my own employees if I am successful winning that job. A PLA requires me, if I bid the job and win it, to look my employees in the eye and tell them I can't use them on this particular job unless they become signatory to the union, meaning, pay union dues, etc. How is that fair? It simply is not fair.

The decision-making process usually ends right there for me because I'm not willing to turn my back on my employees in favor of any other workers.

However, there is another reason I am vehemently opposed to PLAs. PLAs discriminate against minority and woman owned businesses and workers.

Big labor will tell you they help minorities and woman but that is just not true. The union record speaks for itself. I would like to share with you some quotes from different business groups about PLAs.

The National Black Chamber of Commerce said this, "PLAs amount to *de facto* segregation . . . African-American workers are significantly underrepresented in all crafts of construction union shops . . . this problem has been persistent during past decades and there appears to be no type of improvement coming . . . PLAs are anti-free-market, non-competitive, and, most of all, discriminatory."

The National Association of Women Business Owners made the following statement about PLAs, "(PLAs) are not good business for small business in general, and particularly for women and minorities in business."

The Latin Builders Association, Inc. said, "We believe PLAs make it more difficult for minority-owned contractors to compete . . . they effectively work against the goals of increasing the number of projects awarded to minority-owned businesses by placing roadblocks in our way."

Philadelphia is constantly embroiled in battles over the woeful minority representation among skilled craftspeople. In fact, the only skilled trade in which minority representation rose above 50% was the laborer classification which is generally the lowest paying of the construction trades. The percentage of minorities among electricians was 25%, among carpenters it is 19%, among plumbers it is 12% and among insulators it is 0% in the Philadelphia area.

While I'm not sure of the numbers and percentages in and around Central Pennsylvania, I doubt it is much different.

The Commonwealth does a good job of promoting and helping minority and women owned businesses succeed. However, implementing PLAs automatically shuts out the vast majority of minority and women owned businesses because typically, these businesses start out as sub contractors, able to take on smaller projects and use them to develop and grow their business. PLAs often include provisions

that require union only worker participation in not only the general contractors but in their sub contractors as well.

I view PLAs as a direct and unjustified impediment to small business development and growth in Pennsylvania.

As a taxpayer, as a minority business owner, and as a voter, I urge you to do whatever you can to pass House Bill 2010 because it is the right thing to do. Allow non-union workers the opportunity to work on any job. I understand that PLAs are only implemented on a small number of jobs. It is unacceptable for a PLA to be used on any job using taxpayer money.

Remember, the Commonwealth can insist on and ensure a skilled workforce and a quality project done on time right in the contract it enters with the winning company. Taxpayer money can be safeguarded with contractual penalties. Companies not complying with the terms of a contract will not win future jobs. Discriminating against workers can not be fixed and should not be tolerated by the trustees of our tax dollars.

I leave you with this final thought:

**Allowing project labor agreements guarantees that open shop workers are shut out of potential jobs.**

**Passing House Bill 2010 guarantees that everyone, union and non-union alike, have an opportunity to work.**

Thank you.