

Testimony Submitted by Susan Staub, President and
Keith Charles, Executive Director of
Pennsylvanians for Right to Work, Inc.

to

PENNSYLVANIA STATE HOUSE POLICY COMMITTEE
Hearing on HB 2010, December 9, 2009

Mr. Chairman and members of the House Policy Committee;
Susan Staub, President and Keith Charles, Executive Director of Pennsylvanians
for Right to Work, Inc. submit our testimony in support of House Bill 2010, for
open contracting and to prohibit Project Labor Agreements (PLAs) with one or
more labor unions in organizations or government bodies receiving state funding
for projects.

Pennsylvanians for Right to Work, Inc. has been involved in labor issues
since our inception in 1962. Businesses and individuals who have experienced the
pressure and intimidation from union thugs have come to us for help in defending
their rights against forced and coercive unionism. Our members from across the
Commonwealth stand with us, Representative Bear, and the other legislators in
support of this bill.

What is a PLA?

Union-only PLAs on publicly funded projects would be discriminatory and
would effectively preclude Merit Contractors from competing for construction
work on that project. Construction contracts subject to PLAs are typically awarded
exclusively to union contractors and their all-union workforces. By limiting
bidders and forcing construction users to use union workers who represent 15.6%
of the workforce, pay into union coffers, and follow inefficient union work rules,

union-only PLAs drive up costs on construction projects. Far from their claim of eliminating waste, union-only contracts guarantee it, by forcing open shop contractors to adopt inefficient union work practices and use unfamiliar workers.

According to the most recent data from the U.S. Department of Labor's Bureau of Labor Statistics, only 15.6% of America's private construction workforce belongs to a union. This means union-only PLAs would discriminate against more than eight out of 10 construction workers who would otherwise be able to work on construction projects if not for a union-only PLA.

Pennsylvanians for Right to Work, Inc. opposes PLAs on publicly funded projects for the following reasons:

- A PLA will drive up the cost of the project by effectively eliminating competition from open-shop contractors.
- A PLA will hamper efforts to include more minority contractors on the project.
- A PLA will preclude many local contractors and their employees from working on the project even though their tax dollars are paying for the project.
- A PLA will provide less access to skilled manpower on the project.
- A PLA will not guarantee labor peace on the project.
- A PLA will not guarantee timely completion of the project.
- A PLA will not improve safety on the project.

The use of PLAs in government projects is discriminatory because contracts typically call for either "union-only" shops or nonunion contractors who agree to use a specified number of unionized workers on the job. These specifications which require union-only contractors, the hiring of workers from union hiring halls, or forcing nonunion construction workers to join or pay fees to unions they have chosen freely not to join, violate the open competition and government neutrality traditions of a nation built on individual freedoms.

Pennsylvania's construction companies, most of which are small or minority-owned, yet are very capable to perform high quality work delivered on time and provide job opportunities for hundreds of workers in the Commonwealth be possibly denied the opportunity to participate in the bidding process.

The workers employed by these firms have multiple skills and the freedom to perform a variety of on-the-job functions; unhampered by union rules, they are able to deliver services that are cost-effective, and efficient thus providing savings to taxpayers without overruns in time and money.

Project Labor Agreements by government entities, with their restrictive language, can prevent local and legitimate businesses from bidding on a public project paid for by taxpayers located within the area, thus driving up the costs. With the slumping economy and dwindling tax revenue in Pennsylvania, it becomes obvious that a state law is necessary to end the protected status of a small percentage of the workforce.

The latest Bureau of Labor Statistics findings show that heavily unionized states have been hit the hardest by the recent economic downturn. Four of the six states with the highest unemployment rates also lack Right to Work laws. While the six states with the lowest unemployment rates all have Right to Work, laws, which help improve a region's economic performance.

This reinforces what we already know: In addition to violating workers' rights, forced unionism also hurts their economic prospects.

By rejecting PLAs, officials make any and all qualified contractors eligible for the bidding, opening up job opportunities in Pennsylvania to construction

workers, of whom eight out of ten are nonunion workers, according to Associated Builders and Contractors.

We believe this is the way it should be for all government projects funded by taxpayers, whether federal, state, or local. This is not a union vs. nonunion issue. This is a freedom to work issue.

PLAs harm local workers. Proponents of PLAs claim that they ensure the use of local workers, but fail to mention that “local workers” does not include local open shop workers who constitute the majority of construction employees in the Commonwealth.

PLAs take away workers’ rights. Workers normally are permitted to choose whether to join a union through a card check process or a federally supervised private ballot election. PLAs require employees to join a union, pay dues, fees and assessments and to have the union act as their exclusive bargaining representative for the project. The decision to elect union representation is made by the employer when agreeing to participate in a PLA, rather than the employees themselves. PLAs are called pre-hire agreements because they can be negotiated before the contractor hires any workers or employees vote on union representation.

The members of Pennsylvanians for Right to Work, Inc. from across the Commonwealth are devoted to the concept of individual freedom of choice in the work place. We believe that just as everyone has a right in a free country to join a labor union, that right needs to be accompanied by the corollary right to refrain from joining or supporting a union as a condition of employment. To specify in government contracts that only union members are eligible to bid or work on a project violates the very essence of individual freedom.

We urge the members of this committee to move Representative Bear's open contracting proposal out of committee and send it to the House floor with its enthusiastic recommendation for passage. By doing so, you will demonstrate to the taxpayers and citizens of the Commonwealth that the seeds of freedom sown in Philadelphia more than two centuries ago have taken root and bear the fruit of jobs, opportunity, and prosperity for all those who want to work, without government discrimination, mandates, or restrictions.

Conclusion

Pennsylvanians for Right to Work, Inc. appreciates the opportunity to submit its views to the Chairman and to the Policy Committee and would be happy to provide any additional information you may need in order to make a fully informed, fair and impartial decision.
