



Northern California
Chapter

Union-Only Project Labor Agreements

Why is ABC opposed to union-only PLAs?

Project labor agreements (PLAs) discourage or prohibit merit shop contractors from competing for and winning construction project contracts. Construction contracts with PLAs are almost always awarded exclusively to unionized contractors and their all-union workforces. Less competition and inefficient union rules increase the cost of construction projects with PLAs.

Nearly 84% of the California construction workforce does not belong to a union

The most recent data from the U.S. Department of Labor's Bureau of Labor Statistics cites that only [14 percent](#) of the U.S. private construction workforce belongs to a union. This means PLAs discriminate against more than eight out of 10 construction workers who would otherwise work on these construction projects.

PLAs typically include the following provisions that discourage merit shop contractors from working on PLA projects:

- Merit shop contractors must pay their workers' health and retirement benefits to union trust funds even if they have their own benefit plans. They are in effect, paying twice – once to the union and once to the company plan. Unfortunately nonunion employees don't benefit from these contributions unless they join the union and remain until vested.
- Apprentices must come from union apprenticeship programs; participants in federal and state-approved nonunion programs cannot work on the job.
- Most or all workers have to come from union hiring halls. In effect, a merit shop company has to exclude its hardworking employees and use unfamiliar union workers instead.
- Nonunion employees may have to pay union dues or join a union in order to work on a PLA project.

PLAs restrict competition and therefore increase costs

By limiting bidders and applying restrictive work rules, PLAs unnecessarily drive up construction costs. Numerous [academic studies](#) of public construction projects subject to prevailing wage laws show that PLAs increase the construction costs between 12 percent and 18 percent when compared to similar projects without PLAs.

PLAs shut out local workers

PLAs [claim to ensure the use of local workers](#), but the term "local" does not apply to local nonunion workers. In construction markets where the demand for union labor is greater than the supply, union workers from outside the local area are given preference over qualified local nonunion workers on PLA projects.

[Women and minority-owned businesses](#) are also often excluded from PLAs simply because they are underrepresented in unions.

PLAs override employee rights

Normally, employees can choose to join or not join a union through a card check process or a federally-supervised private ballot election. But PLAs are pre-hire agreements that take place before employees can vote on union representation. A PLA project requires unions to be the exclusive bargaining representative for workers during the life of the project.

The [National Labor Relations Act \(NLRA\)](#) generally prohibits pre-hire agreements, but an exception in the law allows for these agreements only in the construction industry.

PLAs don't ensure jobsite safety or timely project delivery

The threat of labor strikes and unrest is a tactic often used to coerce construction users into requiring PLAs. But the fact remains that unions have [engaged in strikes and labor disputes on PLA projects](#). Maury Baskin, ABC's general council, documented numerous examples of government-mandated PLA construction projects riddled with dispute-related delays and labor compliance issues in his report "[Government Mandated Project Labor Agreements: The Public Record of Poor Performance.](#)"

For more information about PLAs, visit thetruthaboutplas.org.