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WHITE HOUSE EXECUTIVE ORDER AGAINST MERIT SHOP CONSTRUCTION WORKERS WON'T STIMULATE ECONOMY

Buffalo, NY, February 13, 2009 – The Empire State Chapter of Associated Builders and Contractors (ABC) today denounced an executive order issued by President Obama on Feb. 6, 2009, that encourages federal agencies to require wasteful and discriminatory union-only project labor agreements (PLAs) on all federally funded construction projects exceeding \$25 million. The move repeals a previous executive order prohibiting these agreements on federally funded construction projects.

“President Obama’s discriminatory executive order encourages waste and favoritism in federal contracting,” said Scott Zylka, Government Affairs Director. “Union-only project labor agreements are designed to make it difficult for the 84 percent of the construction workforce that do not belong to a union to work on federal and federally-funded construction projects in their own communities.

The economic stimulus package before Congress contains approximately \$150 billion in construction and infrastructure funding and \$50 billion in infrastructure bonds intended to put Americans back to work—especially the more than 1 million Americans who have lost jobs in the construction industry in the last 12 months. “As a result of this executive order, the number of American construction workers aided by this stimulus package likely will be limited to union contractors and their all-union workforces – only 16.4 percent of the total private construction workforce,” Zylka continued.

Studies show that PLAs unnecessarily increase construction costs by up to 20 percent per project. “This executive order ensures the waste of more than \$30 billion of the stimulus package’s construction spending that could otherwise be spent on job creation and rebuilding our nation’s crumbling infrastructure. This is the wrong kind of change for America,” added Zylka.

A union-only PLA is a contract that requires a construction project to be awarded only to contractors and subcontractors that agree to recognize unions as the representatives of their employees on that job; use the union hiring hall to obtain workers; pay union wages and benefits; and obey the union’s restrictive work rules, job classifications and arbitration procedures.

Associated Builders and Contractors (ABC) is a national association representing nearly 25,000 construction general contractors, specialty contractors, suppliers and construction-related firms across the U.S. ABC promotes open competition and free enterprise in the U.S. construction industry where more than 7 million people are employed and another 2 million are self-employed. Construction makes about a \$1 trillion contribution to the nation’s economy each year. The Empire State Chapter of ABC serves nearly 700 members throughout New York from its central office in East Syracuse, and from branch offices in Albany, Buffalo, and Long Island/Metro NYC. For more information visit, please visit www.abcnys.org.

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