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**BUSINESS COALITION URGES GOVERNOR AND LEGISLATURE TO FIX WICKS**

New law effective July 1, 2008 will drive up public construction costs

(Albany, NY) Changes in the Wicks Law that were called “reform” will actually drive up costs for public construction, a coalition of business groups warns. The change taking effect July 1, 2008 will effectively prevent non-union contractors from competing for much public work. The law will be especially burdensome for minority and women-owned construction firms, since these companies tend to be smaller, non-union firms. The coalition called on Gov. David Paterson and the legislature to take immediate action to repeal this costly legislation.

With unrealistically low dollar thresholds virtually all public construction is covered by the Wicks Law. The new law, adopted in April as part of the state budget, allows governments to avoid Wicks Law thresholds, by utilizing a union-only project labor agreement (PLA). A PLA provides that in exchange for dropping inefficient work rules and the right to strike, a contractor agrees to hire only from the union hall. (See details on the attached fact sheet). Another provision, allowing “prequalification” of firms by local governments will allow subjective decisions as to who is eligible to bid for public work. This will make doing business in New York even more difficult.

“In the name of reform, we’re raising costs, raising taxes, risking jobs, and working against the overriding effort to revitalize the upstate economy,” said State Senator George Winner (R-C-I, Elmira). “It was a bad business decision, and we need to fix it.”

“The Wicks reform changes that were embedded in the recently adopted state budget don’t accomplish the kind of reform we need, especially upstate, and in fact stand to inflict greater harm on taxpayers, workers and businesses,” said Assemblyman Robin Schimminger, (D-C-I-Kenmore), who chairs the Assembly Committee on Economic Development, Job Creation, Commerce and Industry. “We can and should do better.”

“The law, enacted under the guise of Wicks Law reform, is actually another giant insult to hardworking construction firms and taxpayers of New York”, said Rebecca Meinking, President of the Associated Builders and Contractors. “The PLA provisions of the law also contain requirements for apprenticeship training, but will prevent workers trained in non-union apprenticeship programs from working on public jobs. The law creates a series of hurdles which non-union and minority contractors will find almost impossible to surmount.”

“At a time when everyone is focused on the high cost of government, it is amazing that the State would add another burdensome set of requirements increasing costs for taxpayers”, said Kenneth Adams, President of The Business Council of New York State, Inc. “We call upon the legislature to repeal these new requirements before concluding the legislative session.”

Of nearly 700 minority and women-owned construction firms in New York State registered with the Labor Department (DOL), only 15 sponsor apprenticeship programs. Smaller firms are often unable to support such programs individually, especially since the DOL doesn't encourage non-union, multiple employer-sponsored apprenticeship programs.

"The apprenticeship requirements in the new law discriminate against minority firms like mine", said Mel Brooks of MGM Installation, a Rochester-based certified MBE contractor. "The mandate that an employer have an apprenticeship program in place for three years is virtually impossible to meet given the fact that DOL has had a moratorium on new apprenticeship programs since 2007", continued Brooks.

Otis Jennings, President of Jennings Construction, a newly formed minority contracting company based in Syracuse noted that "having just started my company I will now have the rug pulled right out from under me, as opportunities for my company to work will be eliminated under this new law. The government should be fostering opportunities for minority businesses to develop and grow, and taking away those opportunities with this new law is not right."

Duane Cuyler, President of Union City Contracting, a Rochester-based general contractor said "this new law seems almost specifically designed to make it next to impossible for minority contractors to compete for public work. We need the legislature and Governor Paterson to take a step back and either repeal or postpone these provisions so that we can compete for work."

"I earned my job by working as an apprentice for Gypsum Systems", said Benjamin Stubbs, a father of three who resides with his wife and family in Niagara Falls. "Now, the state has enacted a requirement that only apprentices from union-sponsored plans can work on the PLA projects which are encouraged by this law. I'm a taxpayer, trying to provide for my family. Why should I and my employer be shut out of competing for public construction work? Governor Paterson needs to lead the way in fixing this situation."

"The PLA requirement, apprenticeship provisions, and prequalification all spell higher costs for taxpayers, and fewer public contracting opportunities for hundreds of firms, both union and non-union", said Michael Misenhimer of the Northeastern Subcontractors Association. "What was labeled as 'reform' by the legislators when these provisions were added to the budget in April, was really just another in a series of measures which make our state a more difficult place in which to do business. These provisions need to be repealed."

"The prequalification rules are totally unnecessary. These requirements will mean contractors having to track local efforts to set up prequalification lists and we fear this process will become both subjective and political", said Jeffrey Zogg, President of the General Building Contractors Association of New York State. "The legislature needs to reduce, not increase the cost of doing business in New York State."

"Wick's Law reform was intended to provide relief to overburdened taxpayers by lessening the cost of public works projects. Instead, the 'reform' that was enacted not only fails to do that, but actually will make matters worse. On behalf of New York's small business community, we urge the Legislature to go back to the drawing board to do it right, reforming the

Wick's Law in a way that realizes savings for taxpayers while at the same time maintaining the ability of small and independent businesses to participate in public projects," said Mike Elmendorf, New York State Director of the National Federation of Independent Business, New York's leading small business advocacy organization.

The coalition is encouraged by the sponsorship of legislation A.11397/S.8321 by Assemblyman Schimminger and Senator Winner. The bill would repeal the PLA mandate. Another bill sponsored by Senator Winner, S.8262 would also make the prequalification provisions applicable only to New York City.

The coalition includes, the Empire State Chapter of the Associated Builders and Contractors (ABC), the Northeastern Subcontractors Association, the General Building Contractors of New York State, The Business Council of New York State, The National Federation of Independent Business, The Business Council of Westchester, the Buffalo- Niagara Partnership, the Rochester Business Alliance, the Otsego County Chamber, the Rockland Business Association, the Southern Saratoga County Chamber, the Greater Binghamton Chamber and numerous minority and women-owned contracting firms from throughout the state.

Fact Sheet Attached.

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