

# Power of unions costs taxpayers

**D**espite some howls of protest by assembled union members, a crowded U.S. Senate hearing in Irvine, CA Monday was a welcome event that spotlighted a costly and discriminatory practice that has occurred twice in recent months in Orange County.

The hearings, sponsored by U.S. Sen. Tim Hutchinson, R-Ark., focused on what are known as Project Labor Agreements. These are contracts negotiated by public officials and sometimes by private companies that, in essence, grant construction work exclusively to union contractors.

Sen. Hutchinson, who has introduced a bill forbidding the federal government from requiring such exclusionary contracts, came to Orange County because the county Board of Supervisors signed a PLA that gives unions a monopoly over about 85 percent of all public works contracts for the next five years. The Santa Ana Unified School District also passed a PLA that grants unions a similar monopoly over spending related to a recently passed school bond.

During the hearing, Richard Slawson, executive secretary of the Los Angeles/Orange Counties Building and Construction Trades Council handed us a statement calling the hearing a partisan affair.

He said it was "an example of anti-worker politicians and big business, monied interests ganging up against the little guy - the American worker who goes to work every day to try to earn a decent living for his family."

In one sense Mr. Slawson is correct. The PLA issue is about giving the little guy a chance to earn a living. But it is the building trades and their supporters in government who are using the law to keep open shop contractors and non-union workers out of the public works business.

Government officials and contractors during the hearing debated about how much PLAs add

to the cost of construction. Many observers say 10 percent to 20 percent - mainly because PLAs significantly limit the number of contractors eligible to compete for jobs, which limits competition and thus drives up the costs of the bids.

But as important as it is to stretch public dollars as far as they will go, the bigger issue centers around coercion. As U.S. Rep.

Gary Miller, R-Diamond Bar, said at the hearing, PLAs reduce freedom because the government tells companies they must change the entire way they do business to get a contract.

"In California, small businesses comprise 98 percent of total businesses in the state," Assemblyman Dick Ackerman, R-Fullerton, added. "It makes no sense to

keep them from benefiting from projects funded, in part, by their own tax dollars."

In response, Scott Wetch, the state Building and Construction Trades' legislative director, argued that non-union workers and open shop firms routinely get jobs under the conditions of PLAs.

They can alter their operations and pursue the business at hand, he said, or pursue non-PLA business.

This is troubling doublespeak. Yes, open-shop contractors can bid for PLA jobs - but only if they abide by the hiring terms set out by the unions. Yes, non-union workers can get work on PLA jobs - but only if they pay dues to the appropriate unions. This is the essence of coercion - forcing people to live how others would like them to live, not as the individuals so choose.

What came through loud and clear at the hearing: PLAs are simply a means that one special interest group uses to benefit its members by cutting out competition.

What's harder to understand is the rationale of public officials who eagerly grant the unions this unjustifiable favor.

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