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Mark Roberts - Chairman's message: Mass. construction employment improves

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After some of the toughest years anyone can remember, I'm happy to finally share some good news. Area construction employment is finally on the rise again according to a recent front-page headline story in the Boston Globe (http://www.boston.com/business/articles/2011/07/04/developers_move_forward_with_area_projects_after_slump/) and progress on the political front means open shop contractors are less likely to be excluded from competing for the new work.

Late last month, Maine and Michigan joined nine other states that have passed legislation banning the use of union-only project labor agreements on state-funded construction projects. House Bill 3034, sponsored by Rep. Ryan Fattman of Sutton, which would ban PLAs in Massachusetts, is currently pending.

Now more than ever, state and local taxpayers can't afford to pay more than necessary for their construction projects. But PLAs force them to do exactly that. A 2006 study by the Beacon Hill Institute at Suffolk University found that the cost of Mass. schools built using a PLA was at least 12% higher than those in which all qualified bidders were allowed to compete for the work.

According to unionstats.com, over 80% of Mass. construction workers don't belong to a union. By excluding the vast majority of the marketplace, PLAs increase costs by dramatically limiting competition.

Some respond that open shop companies cut costs on the back of their workers. But state and federal prevailing wage laws mean that open shop and union workers are guaranteed the same pay on public construction projects. The fact that non-union firms still routinely under-bid their union counterparts on public projects once again demonstrates that better efficiency, not lower wages, is what makes the open shop a better value.

With a number of newspapers, including the Globe, editorializing against PLAs, the issue is beginning to resonate with the public. Last year, 69% of Mass. residents surveyed in a Suffolk University/7 News poll opposed the union-only requirement that is at the heart of PLAs.

Passage of anti-PLA legislation in Maine proves that even historically pro-union New England isn't immune to the public's increasing demands for fiscal responsibility.

Hopefully your business is experiencing the revival written about in the Globe. But if the open shop is to enjoy the fruits of that revival, it is imperative that we take the time to let our legislators know that we support H 3034 and we'll be watching their vote.

You can bet they're hearing the opposite message loud and clear from construction unions.

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