

Obama Administration Issues Policy that Discriminates Against 85 Percent of the Construction Workforce

Final Rule Comes as Construction Industry Unemployment Rate Hits 25 Percent

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Washington, D.C. – Associated Builders and Contractors (ABC) 2010 National Chairman Jim Elmer, president of James W. Elmer Construction Co., Spokane, Wash., today issued the following statement in reaction to the final rule, to be issued April 13 by the Obama administration, that would establish a policy of encouraging federal agencies to impose government-mandated project labor agreements (PLAs) on federal construction projects exceeding \$25 million:

"Anti-competitive project labor agreements are special interest kickback schemes that end open, fair and competitive bidding on public projects," said Elmer. "Government-mandated PLAs are a handout to a politically connected special interest group and come at the taxpayers' expense. "

"PLAs can drive up the cost for public construction by nearly 20 percent, while unfairly discriminating against the more than 85 percent of the U.S. construction workforce that chooses not to join a union.

"With the construction industry facing a staggering unemployment rate of 25 percent, this is the worst possible time for politics to trump sound public policy. This final rule shows that the Obama administration is more concerned with paying back its political allies than putting America's entire construction workforce back to work.

"ABC believes this final rule implementing President Obama's Executive Order 13502, issued February 6 last year, exceeds his statutory authority and violates the Competition in Contracting Act, as well as other procurement laws and regulations. We will exhaust every opportunity to challenge this policy, which is effectively a federal government endorsement of union set-asides," Elmer said.