



MASSACHUSETTS BUILDING TRADES COUNCIL, AFL-CIO

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Testimony of the Massachusetts Building Trades Council, AFL-CIO

House Bill 3034 - An Act To Encourage Economic Competition

Joint Committee on State Administration & Regulatory Oversight

June 7, 2011

The Massachusetts Building Trades Council represents 75,000 men and women from 74 local unions and district councils who work for more than 3,500 contractors in the construction industry across the Commonwealth of Massachusetts. The Council is opposed to House Bill 3034 which would prohibit public authorities from opting to utilize Project Labor Agreements.

Project Labor Agreements are a time tested business model used widely in both the public and private sector construction markets to complete quality projects on-time and on-budget. Much has been written in an attempt to make them appear to be complicated and problematic when they are really quite simple. A Project Labor Agreement is a collective bargaining agreement negotiated between labor and management to determine the wages, hours and working conditions on a specific project or group of projects. This ensures that the workers on these

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projects will be paid fairly, work under safe working conditions and be represented on the job.

In return, the contractor and ultimately the owner are assured access to a workforce that is drug tested, reliable, flexible and the most highly skilled and best trained in the industry. Workers on the project also give up their legally protected right to strike and employers agree not to lock them out. This guarantees labor harmony on the project insulating the project from any disruptions relative to labor relations.

Project Labor Agreements have been used successfully for over 60 years. Some private sector projects to use Project Labor Agreements include: Gillette Stadium, The Boston Garden, Harvard University, Massachusetts General Hospital, Baystate Medical Center, The Museum of Fine Arts, Reebok and many others. In fact, the promise of Project Labor Agreement was one of the factors in attracting Bristol Myers Squibb to locate their \$750 million facility at Fort Devens. Massachusetts was the only state to include a Project Labor Agreement in its package of incentives. That project was completed on-time and on-budget.

The public sector has also recognized the value of Project Labor Agreements and used them with similar success. Some local examples include: the award winning Worcester Courthouse, Tsongas Arena, dozens of public schools, Logan Airport, Water treatments plants and more.

The Massachusetts Building Trades Council and its affiliated unions are proud of our commitment to training, safety, hard work, decent wages and benefits and dignity on the job for all workers. It is no surprise that 62% of the construction workforce in Massachusetts chooses to belong to a union. It is also no surprise that

this commitment translates into a better construction industry that delivers top quality projects on-time and on-budget.

Experience has proven that Project Labor Agreements deliver projects in a similar efficient and cost effective way. Even Toyota and Walmart, two of the most cost conscious corporations in the world, are using Project Labor Agreements across the country.

Both the United Supreme Court and the Massachusetts Supreme Judicial Court have ruled that public awarding authorities have the right to enter into Project Labor Agreements as market participants acting to "obtain the lowest price for its work that the competition among responsible contractors can secure." Not all public authorities will exercise this right to utilize Project Labor Agreements on every project. However, public authorities should not be denied the right to explore the option to use Project Labor Agreements when they deem it appropriate.

We urge the committee to recommend that House Bill 3034 ought not to pass.