

Friday, June 18, 2010

## **Politics at taxpayer expense**

**Boston Business Journal**

The \$750 million reconstruction project at UMass Boston will be union-only, a tribute to Gov. Deval Patrick's re-election bid. The flow of value goes like this: Union contractors get a lock on the jobs (effectively excluding the vast majority of nonunion shops), the governor gets their support, and the taxpayers pick up the tab for the extra cost.

The BBJ's editorial page has carried the debate about the union-inspired project labor agreements for years. Studies indicates that PLAs, in which government guarantees the job to the union shops (or those who abide by union rules) in exchange for unions guaranteeing not to strike, cost considerably more than non-PLA projects.

A study by the Beacon Hill Institute puts the premium at roughly 20 percent. The Big Dig was a PLA and it remains the national poster child for cost overruns. Unions argue PLAs save money in the long run, especially complex projects where a strike could case significant delays.

We believe the commonwealth has an obligation to allow capable contractors perform the work at the lowest possible price. To do otherwise is malfeasance.

Of course, nonunion contractors are not officially excluded from bidding on PLAs, but the requirement that their workers join the union and pay union dues and other cost factors often make it uneconomical to bid on PLA work.

Quasi-monopolies naturally raise prices, and Massachusetts government shouldn't endorse them. The taxpayers and the students at UMass will get the bill.