



P.O. Box 370 | Kingston, MA | 02364
781.585.5894
www.mca-ma.com

March 24, 2010

VIA FACSIMILE
617-727-9725

The Honorable Deval Patrick
Office of the Governor
State House, Room 360
Boston, MA 02133

Dear Governor Patrick,

On behalf of the Merit Construction Alliance, I write to object to your policy regarding the use of Project Labor Agreements on state building projects as outlined during your March 11 speech to the Massachusetts Building Trades Council in Plymouth. I invite you to now explain your policy to the men and women of the open shop construction industry who are negatively impacted.

As you well know, PLAs require the use of only union labor, and therefore amount to state-sponsored employment discrimination against the majority of the Massachusetts construction workforce which chooses the open shop system over organized labor. PLAs circumvent the intention of the public bidding laws by restricting competition and increasing costs, an especially foolhardy policy when the state faces a \$300 million budget deficit. Furthermore, PLAs are strongly opposed by minority-owned construction firms, which are largely open shop, and a majority of Massachusetts residents have the same opinion, according to a recent Suffolk University poll.

In Massachusetts, nearly 80% of the construction workforce is open shop, according to the latest statistics from the U.S. Bureau of Labor, as reported on www.unionstats.com. Your union-only policy will restrict access to publicly funded construction work to only 20.6% of the workforce.

Governor Patrick, please explain why nearly 80% of the construction workforce does not deserve at least the opportunity to bid and work on projects funded with their own tax dollars. You are willfully engaging in what is essentially employment discrimination against open shop construction workers. You would lock them out simply because they make a free and conscious decision not to join a labor union. With all due respect, this policy is wrong and it appears to be nothing less than political favoritism at the expense of beleaguered taxpayers.

The state's public bidding statutes were written to ensure the Commonwealth receives goods and services at the lowest possible price from responsible bidders. The statutes are intended to prevent public officials and employees from steering projects to friends and political supporters. Yet, this is exactly what you are doing when you state: "I have directed that, going forward, Project Labor Agreements be used when necessary."

You have even insisted on the use of union-only labor in private construction projects dependent on state licensing. Your failed 2008 casino legislation required state-licensed casino developers to use only union labor. While you boast about it now, you inexplicably denied it at the time. In a March 6, 2008, appearance on WTKK-FM, when questioned by a caller, you said:

"First of all, the bill does not require union labor. What it does require is prevailing wage which is the law here in Massachusetts, and I think that is the right approach...."

"Joe has a legitimate concern when he's talking about people having access to the opportunities that are created to build and to run these facilities. I have got that. I think what we have done is balance a lot of interests here, and I think by balancing prevailing wage, which has been the approach of this administration – I believe is the law – that its the right way to do this and to get the kind of quality we are looking for."

However, in your March 11 speech, you stated: "That's why we push so hard for destination resort casinos, with union jobs at union wages and benefits during construction and operation alike." While at the time I thought you were simply misinformed about your own legislation, it is now clear that you were deliberately attempting to mislead the public. Your on-air assertion about prevailing wage was a ruse, as the phrase never appeared in your legislation.

Time and again, studies have proven that PLAs increase the cost of construction by significantly decreasing competition. PLAs increase the cost of projects by at least 20 percent, as noted in reports on the subject by the Beacon Hill Institute at Suffolk University and the Worcester Municipal Research Bureau, just to name two.

Setting aside the financial argument, please consider the impact of these policies on thousands of working men and women in Massachusetts. You are telling them they cannot work because they do not carry a union card in their wallet. In other parts of the nation, leaders have stood up to PLAs because of their discriminatory nature. Philadelphia Mayor Michael Nutter rejected use of union-only policies on public construction, saying they create "an environment of economic apartheid." Many other's share his view. In 2008, a coalition of seven leading business organizations representing women and minorities sent a letter to Congress regarding laws intended to give unions an unfair competitive advantage on public construction projects, stating:

"This discrimination is particularly harmful to women- and minority-owned construction businesses whose workers have traditionally been under-represented in unions, mainly due to artificial and societal barriers to union apprenticeship and training programs."

The use of PLAs is also a policy rejected by a resounding majority of Massachusetts voters. A recent Suffolk University/7 News Poll asked likely voters: "In your opinion, should private contractors performing public construction projects be compelled to hire all of their workers through union hiring halls?" A large majority, 69%, answered no, while only 24% said yes.

By now Governor, it should be clear to you that open shop contractors, minority- and women-owned contractors and the people of Massachusetts oppose your misguided policy to steer work to your political allies in organized labor. I am, therefore, left puzzled as to why you continue to pursue this misguided policy that hurts so many people.

In the 2006 campaign, you famously asked your opponent to come down off her high horse. Governor, it is time for you to come down off your high horse, to visit with the hardworking men and women of the open shop construction industry, and to look them straight in the eye and explain why they are not good enough to work on the public projects they fund with their tax dollars.

I look forward to your response.

Sincerely,

Ronald N. Cogliano
President