



Labor agreements make no sense

By Jeff Jacoby, Globe Columnist | June 27, 2010

THIS IS the kind of thing, Charlie Baker was saying one day last week, that “makes people crazy about state government.”

The Republican gubernatorial candidate was standing near the site of the University of Massachusetts-Boston’s forthcoming expansion — a 10-year master plan for at least \$750 million in new construction and renovation projects. On June 14, the University of Massachusetts Building Authority had voted to proceed under a Project Labor Agreement, meaning that only workers who pay dues to a union will be hired for one of the largest building projects coming down the pike. Since roughly 80 percent of the construction workforce in Massachusetts is open-shop (non-union), the PLA amounts to naked political favoritism for organized labor — and a raw deal for everyone else. Baker condemns PLAs as unjust, and pledges to ban them in state contracts if elected.

Governor Patrick, on the other hand, openly touts his success in steering lucrative construction contracts to the politically-wired sliver of trade workers who choose to belong to a union. “Take our biggest construction project, the \$300 million undertaking at Worcester State Hospital,” he told the Building Trades Conference in Plymouth in March. “Ninety-six percent of the construction spending is being carried out by union workers.”

Something is plainly wrong when elected officials boast of excluding the vast majority of contractors and their employees from the chance to work on public projects. If the situation were reversed — if union members were the ones being blackballed by the administration — voters would be outraged. Is it any less outrageous when bids are rigged in favor of unions?

There is no economic rationale for these union-only deals. They are discriminatory and anticompetitive, and thus drive up costs significantly. When Suffolk University’s Beacon Hill Institute analyzed the costs of building 126 Boston-area schools, it found that PLAs inflated the winning bids for construction projects by almost 14 percent, and added an extra 12 percent to the actual construction costs. When it comes to public construction, PLAs all but guarantee that taxpayers will be overcharged. As *The Wall Street Journal* observed wryly in April: “Boston’s Big Dig, Seattle’s Safeco Field, Los Angeles’s Eastside Reservoir project, the San Francisco airport, Detroit’s Comerica Park — all were built under PLAs marked by embarrassing cost overruns.”

Baker describes the Patrick administration’s decision to require a PLA for the UMass-Boston overhaul as “arrogant.” But that doesn’t really go far enough.

The primary justification for PLAs is that they preserve “labor peace.” Union leaders promise not to strike or otherwise disrupt a construction project in exchange for the government’s guarantee that all contractors hired to do the work will operate as union shops and that all workers will pay union dues. PLAs, in other words, amount to a protection racket. To put it in Hollywood terms, unions tell government officials: “Nice construction project ya got here. Be a shame if somethin’ was to . . . happen to it.”

Not surprisingly, taxpayers resent such extortion. Earlier this month, voters in the southern California municipalities of Oceanside and Chula Vista handily enacted ballot initiatives prohibiting PLAs on city-funded construction. A similar measure goes on the ballot in San Diego in November.

According to a statewide Suffolk University-7 News survey taken in March, Massachusetts residents have no use for PLAs either. Asked whether private contractors working on public projects should be compelled to hire exclusively through union hiring halls, 69 percent said no. Opposition to excluding non-union laborers from work that their taxes help fund was expressed by clear majorities of both men (77 percent) and women (61 percent); of Democrats (52 percent), Republicans (88 percent), and independents (76 percent); of whites (69 percent) and minorities (67 percent). The same was true when respondents were sorted by age or geography — strong majorities were against union-only mandates. Even among union households, 59 percent were opposed.

If support for open competition on public projects is so unambiguous, why doesn’t Patrick join Baker in renouncing deals like the one effectively shutting out open-shop contractors from UMass-Boston? With voters so opposed to PLAs, what does the governor gain — or think he gains — from embracing them? It’s that kind of thing that “makes people crazy about state government,” Baker says. It’s a message he should keep repeating.