

Project Labor Agreements

Construction Employers of America (CEA) Position:

The CEA urges Congress to support Project Labor Agreements (PLAs) between the owner/developer of a construction project and the signatory contractors that will be performing the work. PLAs are valuable tools for the construction industry because they can be used to create the conditions needed for a superior construction project; thereby, CEA opposes the “Fair and Open Competition Act (FOCA)” (H.R. 1552 and S. 622).

The improvement of America’s infrastructure demands the highest quality and safest work product. To ensure this high-quality construction and jobsite safety, and to encourage apprenticeship and training, Davis-Bacon prevailing wages, along with project labor agreements, should be applied to these projects.

The Issue:

A Project Labor Agreement (PLA) is a prehire collective bargaining agreement that establishes the terms and conditions of employment on one or more construction projects. PLAs are typically the product of negotiations between groups of unions and the representative(s) of a construction user – most often, a construction manager or general contractor.

Key Points:

- PLAs were first used on the big public works projects of the 1930s. Grand Coulee Dam, Hoover Dam, and Shasta Dam all were built using PLAs. Project managers foresaw a potentially endless series of labor negotiations as one contract after another came up for renewal, causing expensive delays and generating a steady threat of strikes or other labor actions. The elegantly simple solution to the problem was to put all workers under a single, umbrella contract that applied only to the specific project.
- Since then, scores of large projects, public and private, have been built across the nation using PLAs. The efficient management of these projects has saved taxpayers and investors billions of dollars.
- Despite the claims of detractors, there is no substantial evidence that PLAs decrease the number of bidders on a project, or increase the costs of construction projects.
- Construction users increasingly favor PLAs because they reduce some of the uncertainty inherent in large-scale construction projects.

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- PLAs ensure a steady flow of highly trained construction workers who are guaranteed by a nationwide referral system maintained by some building trades unions and the national networks maintained by others; and this flow is buttressed by no-strike agreements – which is a universal component of PLAs.
- PLAs are desirable because they can be used to harmonize work hours and holidays across the trades and to modify shifts and work schedules to meet the needs of construction users.
- Recent data show that safety input is greater on PLA projects. Often, PLAs include language establishing labor/management committees that deal specifically with safety and health issues.
- PLAs can also be used to meet various social needs, such as increasing minority employment and participation on projects by minority business enterprises. They are also used to create highly developed structures for training and recruiting young workers into the building trades - a critical need in light of looming projected skilled manpower shortages.
- The most sophisticated PLAs are crafted to address not only specific project issues – such as local hiring, scheduling, work rules, and the employment of minority workers and contractors, but also to enhance and supplement community standards...such as the development of sustainable career opportunities within the skilled trades workforce.

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Status:

H.R. 1552 – Fair and Open Competition Act (FOCA) was introduced on March 15, 2017 by Representative Dennis Ross (R-FL-15) and was referred to the House Oversight and Government Reform Committee. On March 28, 2017, H.R. 1552 by voice vote was voted out of the committee.

Co-Sponsors (As of 4/21/2017)

Massie, Thomas (R-KY-4)	Walker, Mark (R-NC-6)	Hice, Jody B. (R-GA-10)
Abraham, Ralph Lee (R-LA-5)	Harper, Greg (R-MS-3)	Franks, Trent (R-AZ-8)
Brooks, Mo (R-AL-5)	Grothman, Glenn (R-WI-6)	Calvert, Ken (R-CA-42)
Farenthold, Blake (R-TX-27)	Chabot, Steve (R-OH-1)	Carter, John R. (R-TX-31)
Rohrabacher, Dana (R-CA-48)	Arrington, Jodey C. (R-TX-19)	Hollingsworth, Trey (R-IN-9)
Allen, Rick W. (R-GA-12)	Gosar, Paul (R-AZ-4)	Kelly, Trent (R-MS-1)
Walters, Mimi (R-CA-45)	Issa, Darrell (R-CA-49)	Messer, Luke (R-IN-6)
Cole, Tom (R-OK-4)	Rooney, Francis (R-FL-19)	Wagner, Ann (R-MO-2)
Hunter, Duncan (R-CA-50)	Long, Billy (R-MO-7)	Smith, Jason (R-MO-7)
Luetkemeyer, Blaine (R-MO-3)	Moolenaar, John (R-MI-4)	Smucker, Lloyd (R-PA-16)
Hartzler, Vicky (R-MO-4)	Rouzer, David (R-NC-7)	Hudson, Richard (R-NC-8)
Royce, Edward (R-CA-39)	Wilson, Joe (R-SC-2)	

Status:

S. 622 – Fair and Open Competition Act (FOCA) was introduced on March 14, 2017 by Senator Jeff Flake (R-AZ) and was referred to the Senate Committee on Homeland Security and Governmental Affairs.

Co-Sponsors (As of 4/21/2017)

Risch, James (R-ID)	Purdue, David (R-GA)
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