



April 15, 2021

The Honorable Ronald Mariano
Speaker
The Massachusetts House of Representatives
State House, Room 356
Boston, MA 02133

Dear Speaker Mariano:

On behalf of Associated Builders and Contractors of Massachusetts (ABC MA), which represents 475 contractors and construction-related businesses in Massachusetts that employ over 20,000 men and women, I write to respectfully ask that you pass House Bill 3701, An Act Financing the Reconstruction of the Soldiers' Home in Holyoke without a project labor agreement (PLA) that requires all labor to come solely from construction unions.

ABC MA supports the construction of a new Soldiers' Home in Holyoke as an important undertaking to better care for veterans in Western Massachusetts. However, the inclusion of a PLA will effectively exclude the majority of construction workers and contractors in Massachusetts who are not affiliated with the construction unions.

While union members should have every fair opportunity to participate in Commonwealth of Massachusetts construction projects, so too should individuals who have not chosen to join unions. According to unionstats.com's analysis of U.S. Bureau of Labor Statistics data, in 2020, 16.5 percent of Massachusetts construction workers were union members, while 83.5 percent were not. So the impact of a PLA's requirement that labor come solely through unions is indeed significant.

There has been considerable discussion about participation of minority firms and workers in the reconstruction of the Holyoke Soldiers' Home. The PLA will hurt rather than help these efforts due to the number of minority contractors that are not unionized. Please see the attached letter from John Cruz of Cruz Construction.

Under a PLA, non-union workers would have to affiliate with construction unions to have a chance to work on this project. The non-union contractors would not be able to use their own workers as they normally do; instead they would have to agree to use workers referred by the construction unions. With labor being the most important part of a construction project, it is simply not reasonable for non-union contractors to go into a major project with a new group of workers whose capabilities and output are not known to the contractors, rather than their own employees.

For these reasons, non-union contractors rarely bid on PLA projects. This reduces the number of bidders. Less competition invariably translates to higher costs, meaning the Commonwealth's construction dollars will not go as far.

Allowing only workers referred by unions to work on the new Soldiers' Home would also mean a narrower pool of talent. At a time when there is a national conversation on inclusion, PLAs are exclusionary to those who choose not to affiliate with unions. The same holds true for local workforce

participation; a PLA's restrictions will limit the number of local workers who could take part in building the new Holyoke Soldiers' Home.

In Massachusetts, we are fortunate to have a broad and talented construction industry with strong union and open shop sectors. Allowing full participation of all qualified contractors and all workers is in the best interest of the Commonwealth in terms of both economics and fairness. An open pipeline for all construction workers, whether they affiliate with unions or not, and maximum participation among bidding contractors, will yield the best results for the reconstruction of the Holyoke Soldiers' Home.

For these reasons, ABC MA opposes the addition of a project labor agreement to the legislation. To address minority participation, we suggest replacing the PLA with language on M/WBE participation that does not include any labor restrictions.

We thank you very much for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Gregory F. Beeman".

Gregory F. Beeman
President

Dear Legislators:

I am writing to express our strong concerns about the impact of project labor agreements (PLAs) on the ability of minority-owned businesses to participate in public construction. We understand this topic is under consideration as it relates to legislation for financing the construction of a new Soldiers Home in Holyoke.

As an owner of a third-generation minority construction firm, founded by my father 71 years ago, we know by experience a PLA will limit the ability of minority firms and our workers/employees to take part in either public or private construction contracts. This is because PLAs require that only workers who are affiliated with unions work on the projects. In 2020, more than 80 percent of the Massachusetts construction workforce chose not to join a union. Since minority-owned firms in particular tend to be smaller and open shop, to suggest that a union requirement will increase minority participation is simply illogical and a ruse. It will have exactly the opposite effect. More than 95% of minority contractors choose to be open shop.

Witness Polar Park in Worcester, which is about to open as the new home of the Red Sox top farm team. It was built under a union agreement and WGBH recently reported that of more than \$100 million in construction contracts awarded for the project, less than 1 percent went to a certified minority-owned business. Whether it's in Holyoke, Worcester or Boston, the results will be the same. If you make construction projects union-only, open shop non-union minority contractors and workers are effectively shut out.

PLA supporters contend that the agreements don't prohibit non-union contractors, but in practice, they do. PLAs prohibits open-shop contractors from using their own workers, requiring them to instead use workers referred by the construction unions. Unlike their union counterparts, open-shop contractors have their employees who they hire, train and develop. With labor being the most important part of a construction project, it is simply not reasonable for non-union contractors to go into a major project with a new group of workers whose capabilities and skills are not known to the contractors.

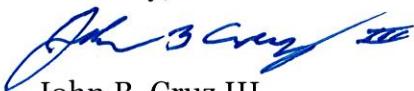
Cruz Cares!

To see a PLA used as a means to achieve diversity in this or any legislation is extremely disappointing, since PLAs by their very nature discriminate against the majority of minority businesses and workers, who have made a decision not to affiliate with a union.

If the Commonwealth of Massachusetts wants to grow the number of minority firms and workers that perform public construction, they should not put in place requirements that say you must be from one group—and one group only – to participate. How can we say we are ENCOURAGING minority participation when putting a mandatory condition of union participation will so obviously DISCOURAGE and lock out open shop/ non-union minority contractors and their workers?

It is public knowledge that the commonwealth along with the city of Boston has had a dismal track record on providing construction opportunity to the minority contractors! PLA's will only exacerbate the disparity that exists presently. We hope you will remove the project labor agreement from legislation to finance construction of a new Holyoke Soldiers Home so minority contractors have a fair opportunity to participate.

Sincerely,



John B. Cruz III
President, John B Cruz Construction Co.