



Oppose Limitations on the Use of Project Labor Agreements

Background:

A Project Labor Agreement (PLA) is a pre-hire agreement designed to facilitate complex construction projects and ensure that projects are completed on time and under budget. Each PLA is privately negotiated and functions to establish work rules, pay rates, and dispute resolution processes for every worker on the project. In doing so, PLAs maximize project stability, efficiency and productivity thereby minimizing the risks and inconvenience to the public that accompanies public work projects.

Key Points:

- *Project Labor Agreements Are Regularly Utilized to Ensure That Projects Are Completed on Time.* PLAs increase the efficiency and quality of construction projects for the private sector as well as local, state, and federal government(s). PLAs have been used by Fortune 500 companies, including Walmart, Toyota, and Boeing.
- *Project Labor Agreements Are Negotiated to Cover All Crafts on a Single Project.* The term of a PLA coincides with the duration of the project. This provides certainty and supersedes expiration dates of existing labor agreements. They prevent work delays that might result from individual contract negotiations that ordinarily occur during the life of a project. Because a PLA applies to all the crafts on its covered project, it standardizes otherwise incompatible work schedules, apprentice-journeyman level ratios, hours, and payment arrangements, providing greater cost efficiencies and stability.
- *Project Labor Agreements Ensure a Steady Flow of a Highly Skilled and Properly Trained Construction Labor Workforce.* A PLA guarantees an available supply of knowledgeable, well-trained labor. PLAs often include additional provisions such as: no-strike clauses, provisions for grievances and arbitration of disputes, trade jurisdictional issues, and constructive vehicles such as safety and labor management committees. Other features include, the regular scheduling of second shifts with caps on premium rates, common starting times, lunches for all trades, and hiring preferences for workers based on residency.

NECA Asks:

- NECA supports the use of PLAs on Federal and Federally-assisted construction and urges Congress to reject all bills or amendments to budget, appropriations, and authorization bills that would limit the ability of a Federal agency to utilize a PLA on a Federal construction project.
- Oppose the "*Fair and Open Competition Act*" (S.907/H.R.1858)
 - Sponsors: Senator Todd Young (R-IN) and Rep. Ted Budd (R-NC)