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Police/Fire Union Scheme Prepped For Floor Vote *Bill Would Herd Now-Independent 'First Responders' Into Unions*

U.S. Senate Majority Leader Harry Reid (D-Nev.) has sent out an unmistakable signal that he is dead set on pushing through a bill that would undermine state Right to Work laws and soak state and local taxpayers for billions of dollars in additional government costs.

On April 12, Mr. Reid reintroduced as S.3194 the Police/Fire Monopoly-Bargaining Bill, which was already pending in the Senate Health, Education, Labor and Pensions (HELP) Committee as S.1611.

Mr. Reid's clear purpose in carrying out this tactical maneuver was to make it possible for him to bring up this federal government union power grab for a Senate floor vote at any time, with as little as 48 hours public notice and with no HELP Committee action whatsoever in advance.

Harry Reid and his cohorts cynically mislabel their legislation, also introduced in the U.S. House as H.R.413 by union-label Congressman Dale Kildee (D-Mich.), as the "Public Safety Employer-Employee Cooperation Act."

States' Bitter Experiences Illustrate Dangers of Harry Reid's Scheme

But that moniker has nothing to do with reality. S.3194/H.R.413 would institute a federal mandate foisting union "exclusive representation" (monopoly bargaining) on state and local police, firefighters, and other public-safety employees nationwide.

Reid-Kildee would force countless policemen, firefighters and EMT's to accept as their monopoly-bargaining agent a union they never asked for or voted for, and want nothing to do with.



CREDIT: MESSENGER/ADVOCATE.WORDPRESS.COM

The police/fire union-monopoly bill would corral now-independent "first responders" into unions, and siphon even

more forced-dues money into Big Labor politics. No wonder politicians like Harry Reid (pictured) are determined to pass it.

It would also constitute a major step towards Big Labor's decades-old goal of enacting a federal law that foists union monopoly bargaining on front-line state and local employees of all types across America.

"In recent years, the expansion of public-sector union bosses' monopoly-bargaining empire has become the top challenge to the prosperity of America's private sector," said National Right to Work Committee President Mark Mix.

"Consequently, the states in which government union bosses are relatively less powerful are our nation's growth engine."

According to labor economists Barry Hirsch and David Macpherson, as of 2004 fewer than one in four public-sector workers were unionized in 16 states. That same year, more than half of public-sector employees were unionized in 15 states.

From 2004 through 2009, the aggregate real personal income for the 16 states where government union bosses wielded the least power grew by 11.0%, an increase nearly two-and-a-half times as great as the total real income growth for the 15 states with the most public-sector monopoly bargaining.

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Power Grab Imperils Recovery

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And real income growth for the lowest union-monopoly states was greater by two-thirds than the national average.

Reid-Kildee Would 'Replicate California's Disaster Nationally'

Mr. Mix commented:

"This spring, incredibly, the U.S. Congress is poised to pass, and President Barack Obama is vowing to sign, legislation designed to help government union bigwigs seize monopoly-bargaining control over majorities of public employees in all 50 states.

"To get an idea of where Reid-Kildee could take America, you need only look

at California, where nearly 60% of public employees are unionized (compared to 41% nationwide) and government union bosses have for years gotten practically everything they wanted.

"Today, Californians fork over a higher share of their incomes in state and local taxes than residents of all but five other states, but still face unfunded public-employee pension liabilities of as much as \$500 billion. Meanwhile, overall income growth in the once-Golden State has fallen well below the national average in recent years.

"Does Congress really want to replicate California's disaster nationally?"

Reid-Kildee would rewrite the public-sector labor laws of the vast

majority of the 50 states to make them more pro-forced unionism.

In states that haven't caved in to Big Labor demands for monopoly bargaining, Reid-Kildee would federally impose it, denying localities the option to refuse to grant a single union the power to speak for all front-line employees, including those who don't want to join.

And in most states that already authorize public-safety union monopoly bargaining, S.3194/H.R.413 would widen its scope.

Right to Work States Would Likely Lose Key Edge They've Had Up to Now

"Employees and businesses in the 22 states with Right to Work laws, which prohibit the firing of employees for refusal to join or pay dues to an unwanted union, would lose a key advantage they've had up to now," noted Mr. Mix.


"As Ohio University's Richard Vedder, a widely recognized expert in labor economics, pointed out in a recent scholarly article, one important reason Right to Work states typically enjoy superior job and income growth is that a far smaller share of their employees are under union monopoly-bargaining control.

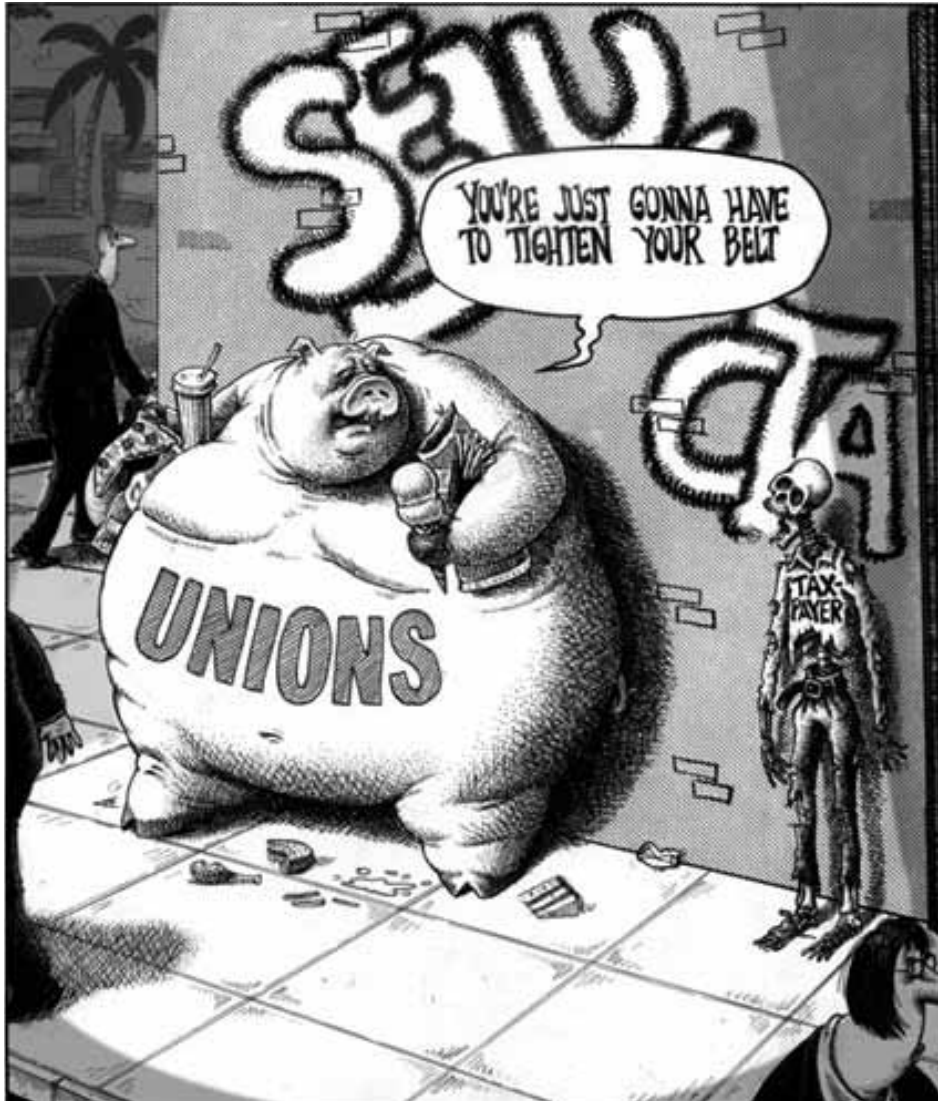
"But Reid-Kildee would facilitate the rapid spread of government union monopoly bargaining in states, overwhelmingly Right to Work states, where it has up to now been rare.

"While this federal scheme does not directly authorize forced dues in states where they are now prohibited, it obviously would reduce the relative attractiveness of the business climates of Right to Work states like Virginia, North Carolina, and Texas.

"Politicians who claim otherwise are either misinformed, or simply lying."

"Right to Work supporters face an uphill battle against S.3194/H.R.413," Mr. Mix acknowledged. "In the Big Labor-dominated House, the most we can do is slow the legislation down to buy time. And President Obama has publicly promised Big Labor he will sign the bill into law if he gets a chance.

"Our only chance of victory is in the Senate. That's why, right now, Right to Work members and supporters are doing everything they can to mobilize 41 senators to sustain an extended debate and keep S.3194 from coming up for a final vote for as long as necessary." 



State laws mandating government union monopolies are already pushing up taxpayer costs for vital public services at a rate far

faster than taxpayers' income growth. But a federally mandated public-safety union monopoly would be far worse.

Iowans Again Defeat Forced-Union-Fee Scheme

But Hawkeye State's Popular Right to Work Law Still Under Fire

Over the past four years, union lobbyists in Des Moines employed every conceivable tactic to ram through the Hawkeye State Legislature legislation gutting Iowa's popular, six-decade-old Right to Work law.

Again and again, union officials have threatened to recruit and bankroll primary challengers to run against Democratic legislators who refused to back forced union fees.

This March, one union lobbyist is even alleged to have told a state lawmaker, "You could have \$100,000 in your account to fight off any challenger," if he switched his position and voted for the forced-union-fee bill then pending in the Legislature.

However, the National Right to Work Committee and its grass-roots ally, the Des Moines-based Iowans for Right to Work Committee, energized freedom-loving Iowans to fight back every step of the way.

And this spring, the Big Labor politicians who run the Iowa House and Senate finally backed down and adjourned the 2010 session without ever bringing up for a vote H.F.2420, the Right to Work-gutting measure introduced in the 2009-10 Legislature.

Union Bosses Remain Determined To Destroy Right to Work Law

Not taking anything for granted, the National Committee legislative department kept the heat on until the Iowa Legislature called it quits after an unusually short 2010 session on Tuesday, March 30.

And the battle to save Iowa's Right to Work law is far from over even now.

"Top union bosses in Des Moines and international union politicians in Washington, D.C., remain grimly determined to destroy Iowa's Right to Work law," explained National Committee Vice President Matthew Leen.

"Although, thanks to Right to Work supporters' dedication, the union bosses failed to realize their long-sought objective in 2007, 2008, 2009 or 2010, they hope that, by intimidating the legislators who have stood in their way up to now, they will be able to muster the votes they need in 2011.

"In this year's June 8 primaries, union strategists are targeting for



CREDIT: JIM WATSON/AFP/GETTY IMAGES

For years, Gov. Chet Culver (second from the left) has tried to help Iowa union bosses extract forced fees from

workers who choose not to join their unions. But freedom-loving Iowans haven't let it happen.

defeat Coralville state Rep. David Jacoby, one of just a handful of Democrat legislators who refused to pledge to vote for H.F.2420.

"Ironically, Rep. Jacoby is actually a forced-unionism advocate. But the scope of forced union fees authorized by H.F.2420 was wider than even he could swallow.

"Because of that minor deviation, Iowa union bigwigs are now pouring resources into the campaign of Mr. Jacoby's 100% pro-forced unionism primary challenger, John Stellmach.

"But earlier, according to Mr. Jacoby, when Big Labor was still hoping to get his vote, union lobbyist Marcia Nichols promised his campaign \$100,000 in exchange for backing H.F.2420."

Ms. Nichols denies the charge. But she also refuses to disclose exactly what she did say to Mr. Jacoby. "I have a lot of conversations with legislators," she told the Des Moines *Register* last month. "They're just personal conversations. I don't feel comfortable discussing them in the newspaper."

Forced Union Fees Would Hurt Iowa's Economy

Mr. Leen predicted that voters' passionate opposition to any scheme to

weaken Iowa's Right to Work law would be a key factor in this fall's statewide and state legislative elections.

"Gutting Iowa's Right to Work law would harm the state's economy as well as its independent-minded employees," he added.

"From 2004 through 2009, real personal income grew by 4.4% in Iowa and 6.4% in Midwestern Right to Work states as a group, but just 0.4% in Midwestern forced-unionism states as a group.

"Over the same period, private-sector employment grew by 0.9% in Iowa and 2.2% in Midwestern Right to Work states overall, but fell by 5.6% in Midwestern forced-unionism states."

To help ensure Iowans retain their vital Right to Work protections, the National Committee and its allies will be reminding freedom-loving Iowans this fall where their candidates stand on the forced-unionism issue, and mobilizing them to contact their candidates, again and again.

"Informed, well-mobilized citizens can unshackle the Iowa Legislature from Big Labor control this fall, and ensure the state's Right to Work law remains in full force in 2011 and beyond," Mr. Leen concluded. 📌

New Jersey's 'Day of Reckoning Has Arrived'

Government Union Monopolists Have Brought State to Brink of Ruin

From 1999 to 2009, according to the U.S. Labor Department, New Jersey's private-sector employment fell by 2.4%, a percentage decline seven times worse than the national average.

Over the same period, New Jersey's state and local public employment jumped by a whopping 15.2%, substantially more than the hefty-enough nationwide increase of 12.5%.

For most hard-working Garden State workers and employers, these statistics sum up why New Jersey is in even worse shape, economically, than the nation as a whole.

For years, the state's heavily unionized public sector has been sucking resources and vitality out of beleaguered private-sector employees and businesses.

But for government union officials, the relentless expansion of the Garden State's public-sector employment from 1999 to 2009, even as the state's private-sector employment alternately stagnated or shriveled, is a magnificent achievement that must be preserved and built upon, whatever the cost.

During his successful campaign for the state's highest executive office and since he was inaugurated in January, GOP Gov. Chris Christie has sided with the vast majority of New Jerseyans who appreciate that state and local government must now be rolled back to give the private sector room to grow.



CREDIT: NORTH SHORE EXPONENT

So far, Gov. Chris Christie has taken only modest steps to rein in New Jersey's gargantuan unionized government

payrolls. However, significantly rolling back government payrolls in New Jersey will be an extraordinarily difficult task because of the special monopoly-bargaining and forced-dues privileges government union bosses enjoy under state law.

New Jersey's State and Local Tax Burden Ranks Highest in the Nation

According to labor economists Barry Hirsch and David Macpherson, last year New Jersey had roughly 606,000 public employees, of whom 404,000, or two-thirds, were forced to accept a single union as their "exclusive" (monopoly) bargaining agent in their dealings with their employer.

That's a higher share of public employees under union monopoly-bargaining control than in all but two other states. And the vast majority of unionized public employees are forced to fork over union dues or fees as a condition of employment, even if they choose not to join the union or quit it.

New Jersey government union bosses enjoy enormous power primarily because state law actively promotes the corralling of public employees into unions.

"All by itself, one Garden State public-sector union, the New Jersey Education Association [NJEA/NEA], rakes in roughly \$80,000,000 a year in union dues



CREDIT: THE DIM-POST

payrolls. For that, a teacher union militant has likened him to genocidal Communist dictator Pol Pot!

and fees, overwhelmingly compulsory," noted Mark Mix, president of the National Right to Work Committee.

"And government union bosses divert a huge share of the conscripted revenue they rake in into efforts to elect and reelect politicians who will help them keep increasing the number of forced dues-paying public employees and retirees.

"No wonder New Jersey government has expanded and expanded, and, as the nonpartisan, D.C.-based Tax Foundation reports, New Jerseyans have to fork over a higher share of their incomes in state and local taxes than the residents of any other state."

Facing Ferocious Big Labor Barrage, Governor Might as Well Be Bold

"Given that New Jersey's projected deficit for just the upcoming fiscal year is a daunting \$11 billion, the reforms Gov. Christie has so far sought, such as pressuring localities to freeze pay for some government employees for a year, are quite modest," Mr. Mix continued.


"For this and other small steps such as promoting legislation that requires unionized public employees to contribute 1.5% of their salaries annually to help taxpayers cover government pension costs, Mr. Christie has incurred teacher union bigwigs' wrath.

"One union official recently posted a prayer for Mr. Christie's death on the NJEA's Facebook page. And an NJEA union militant in Camden County actually likened Mr. Christie to genocidal Cambodian Communist dictator Pol Pot!

"However, as Mr. Christie said in his state budget address in March, New Jersey's 'day of reckoning has arrived.'

"The state's situation is very dire. And the governor has already come under a furious Big Labor barrage simply for trimming at the edges of the public-sector union empire's special privileges.

"Given the circumstances, Mr. Christie's best option is to be bold and strike at the heart of the problem by proposing elimination, or minimally a sharp reduction in the scope, of New Jersey government union bosses' monopoly-bargaining privileges.

"If you're already in the fight of your life, why not seek a policy objective that would be truly transformative?" 

Why Is Big Labor 'Out of Touch' With Workers?

Forced-Unionism Privileges, Not Fat Paychecks, Are the Root Cause

Just between 2000 and 2008 (the last year with complete data), the number of union officials and union staff members "earning more than \$100,000 a year" tripled.

Over the same period, the number of officers and staff "earning more than \$150,000 also tripled."

The review of federal union disclosure forms to derive these data, which pointedly challenge the conventional wisdom about union finances today, was performed not by the National Right to Work Committee or by an anti-union pundit, but rather by New York City-based union activist Mark Brenner.

Mr. Brenner published his findings in an article appearing in the March issue of *Labor Notes*, a publication that strongly supports forced unionism, but is independent of the union hierarchy.

Data Indicate Unionized Workers' Job Losses Don't Deplete Union Treasuries

The fact that the number of union officials and staff earning high salaries "has exploded in recent years," as Mr. Brenner has demonstrated, might surprise people who get their information on labor unions from major media.

Many commentators on American labor unions have spun together a myth about declining union finances from what is truly bad news only for union-"represented" workers, who are typically forced to pay union dues or "agency" fees as a condition of employment.

Although at first it may seem paradoxical, the fact is that union bosses' revenue stream of forced dues and fees has gotten larger over the past four decades, even as union-boss featherbedding and wasteful work rules have destroyed good private-sector jobs, or forced them overseas.

Consequently, as Mr. Brenner's article noted, in 2008, "nearly 10,000 union officials or staff brought home salaries greater than \$100,000, costing a total of \$1.2 billion."

If you look at total compensation, which includes "meal and housing allowances and other expense reimbursements," you see the number of union bosses and staff in the "\$100,000 club" is actually far higher.



CREDIT: GETTY IMAGES

If federal law didn't promote the firing of employees for refusal to bankroll a union, it's highly unlikely

In 2008, "[o]fficers and staff collecting more than \$100,000 in union funds numbered 13,688; their tab climbed to a combined total of more than \$1.9 billion."

If Union Affiliation Were Truly Voluntary, High Salaries Wouldn't Be Objectionable

"Mark Brenner and *Labor Notes* have uncovered a real problem, but the problem isn't exactly what they seem to think it is," commented Mark Mix, president of the National Right to Work Committee.

"As forced-unionism proponents, Mr. Brenner and *Labor Notes* charge that 'bloated' union-boss salaries are to blame for Big Labor being 'out of touch' with workers.

"But I doubt workers' opinion of unions would be affected much by the size of union officials' salaries, if each worker had the individual freedom to choose whether or not to be represented by and bankroll a union.

"In that case, workers who thought the union was doing a good job negotiating their pay and benefits and defending their job security almost certainly wouldn't begrudge their union

construction union bigwig Ed Sullivan (now retired) would have raked in nearly \$619,000 in 2008.

officials salaries of \$100,000 or even, in some cases, much more.


"On the other hand, workers who thought the union was doing a lousy job wouldn't care about union officials' salaries at all, because they would avoid having anything to do with the union.

"The problem is that, under current federal law, the individual American worker who wants to keep his job is forced to accept a particular union as his monopoly-bargaining agent, even if he thinks that union harms him."

Right to Work = Accountability

"And in the 28 non-Right to Work states, the individual worker can also be forced to join or pay fees to an unwanted union," Mr. Mix continued.

"Government-authorized forced unionism is why union bosses have felt free to jack up their salaries sharply in recent years, even as millions of union-'represented' workers have lost their jobs.

"But a national Right to Work law barring all private-sector forced union dues and fees would go a long way toward restoring accountability for union officials, so that their salaries would jibe with their job performance." 

Forced-Unionism Expansion, by Hook or Crook

Big Labor 'Organizing' Strategy Reliant on Washington, D.C.

Nationwide unemployment hovers near 10%. Across America today, there is widespread hardship resulting from most businesses' lingering inability to hire more workers profitably even as the country emerges from the 2008-2009 recession.

What is the response of Big Labor politicians in Washington, D.C.? Sadly, they appear determined to make matters worse.

Last month, union-label U.S. Sen. Claire McCaskill (Mo.) admitted to the *Hill*, a D.C. Beltway publication, that she and other members of her chamber's Democratic majority were working behind the scenes to concoct an "alternative" version of the mislabeled "Employee Free Choice Act" for floor action this year.

In its current form, this legislation (S.560/H.R.1409) is designed to help union bosses sharply increase the share of all private-sector workers who are under union monopoly control by effectively ending secret-ballot elections in union organizing campaigns.

However, the National Right to Work Committee and its allies have mobilized massive public opposition to the measure, greatly lowering its prospects for passage in its current form.

Monopoly Unionism Negatively Correlated With Private-Sector Job Growth

In response, as Ms. McCaskill recently acknowledged, Big Labor politicians and union lobbyists are now



CREDIT: WWW.SEIU.ORG

Union bigwigs like the SEIU's Mary Kay Henry are maneuvering to pass forced-unionism expansion legislation.

concocting new legislation designed to accomplish the same objective through somewhat different means.

"The Committee and its 2.5 million members have led the opposition to S.560/H.R.1409, because this scheme would greatly exacerbate the harm caused by the current forced-unionism provisions in federal labor law," commented Right to Work Vice President Doug Stafford.

"The 'Plan B' forced-unionism expansion legislation now being hammered out by Big Labor Sen. Tom Harkin [D-Iowa] and cohorts like Claire McCaskill would greatly intensify workplace elections' bias in favor of union organizers. In the end, it could

prove even more harmful than 'Plan A.'

"And experience indicates enactment of either 'Plan A' or 'Plan B' would drastically reduce employment opportunities in addition to taking away the freedom of now-independent workers.

"For example, as a group, the 10 states with the highest shares of their private-sector employees under union monopoly-bargaining in 2004 suffered a private-sector job decline of 2.5% over the following five years.

"Meanwhile, the 10 states with the lowest private-sector unionization experienced an aggregate private-sector job *gain* of 1.9%.

"Incredibly, the avowed goal of S.560 lead sponsor Harkin and other Big Labor politicians in Congress is to 'level the playing field' by bringing all states down to the level of forced-unionism strongholds like Illinois, Michigan, and New Jersey."

Union Bigwigs Calculate 'Plan B' Can Muster Necessary 60 Senate Votes

Mr. Stafford continued: "Rewriting federal labor law to make Texas's private-sector unionization rate as high as California's is today would certainly be a radical move.

"But union bigwigs like incoming Service Employees International Union [SEIU] chief Mary Kay Henry believe that, by dropping S.560's 'card check' provision and modifying others, they can muster the 60 votes they need to bring up this power grab for a final Senate roll call.

"If that happens, it will be virtually impossible to stop the bill from being passed and sent to the White House.

"That's why Right to Work supporters must not let their guard down.

"However, as long as Committee members and supporters keep turning up the heat on Congress with their postcards, phone calls, signed letters and petitions, I'm confident 'Plan B' as well as 'Plan A' can be defeated."

Mr. Stafford urged Right to Work members to continue contacting their senators and congressmen through the Congressional Switchboard, 202-224-3121 and 202-225-3121, asking them to oppose S.560/H.R.1409 and all similar legislation on all votes. 📞

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Resistance Rises to PLA Edict

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predict a net reduction in construction costs in any of the markets it examined, even heavily unionized New York City and San Francisco.

Overall, the study found "strong evidence to suggest that the result of a PLA that dictates work rules, double benefits, team structure and activities on non-union type contractors will be that production costs will increase -- given these union-related requirements."

"Even the Obama Administration's handpicked researchers couldn't avoid concluding that E.O.13502 will sock it to federal taxpayers, though the VA-commissioned estimate of the damage done is far lower than that of most independent researchers," commented Mr. Mix.

"If the President's PLA policy had anything to do with taxpayers' interests, the Administration would have revoked E.O.13502 in light of the VA findings, instead of proceeding full speed ahead with the edict's implementation."

Worker Safety a Common Problem in Union-Only Projects

In addition to costing taxpayers more money than projects in which unionized and union-free firms are free to bid on

equal terms, PLA projects often suffer from serious safety problems.

For example, the union-only Iowa Events Center suffered nearly 50 accidents in the first six months after construction began in 2002, including four linked directly to substance abuse by unionized workers.

One construction worker was killed when he was struck by a steel beam. Ironworkers had been working late shifts to catch up with previous delays on the project.

On the union-only Boston Harbor clean-up project, OSHA proposed fines totaling nearly \$411,000 against four contractors in connection with fatalities of two workers who succumbed due to lack of oxygen.

"No legitimate public policy interest is served by union-only PLAs," said Mr. Mix. "They are unfair to construction employees and construction firms as well as taxpayers. They undermine efficiency, quality and safety in public works.

"Yet President Obama seems determined to foist PLAs on the American public in order to advance his own narrow political agenda.

"Fortunately, Right to Work supporters and our allies still have a chance to stop him.

"First of all, there is a very strong case



Mark Mix is ready to attack the pernicious "project labor agreement" edict on every possible front.

that FAR's final rule implementing E.O.13502 exceeds the President's statutory authority and violates the Competition in Contracting Act, as well as other procurement laws and regulations."

Right to Work Leader Ready to Do Everything He Can to Block E.O.13502

Attorneys for the Committee's sister organization, the National Right to Work Legal Defense Foundation, are now assessing how they can most effectively challenge the rule in federal court. (Mr. Mix is president of the Foundation as well as of the Committee.)

Last July, the Foundation filed a brief supporting union-free construction apprentices now effectively blacklisted from over 50 taxpayer-funded PLA projects in California.

"If the Foundation's arguments prevail in the *Rancho Santiago* case, it will heighten the serious legal questions about the implementation of E.O.13502," noted Mr. Mix.

"Meanwhile, the Committee is also supporting legislative efforts to roll back the PLA edict on Capitol Hill, even though, in the current Big Labor-controlled Congress, pushing for enactment of any such measure will be a steeply uphill fight.

"On the positive side, public opposition to union-only PLAs is already intense, and growing more so.

"If federal courts shirk their responsibility to overturn the White House's policy of favoritism in federal contracts, there is real hope that the public can prevail upon a future Congress and/or President to do the job." 📢



CREDIT: FOX NEWS/YOUTUBE

In recent years, union bosses have typically had to resort to harassment and intimidation to pressure firms to

acquiesce to PLAs on taxpayer-funded construction. But now presidential power is backing Big Labor demands.

Fewer Bidders = Higher Costs For Taxpayers

White House Federal-Contract Policy Rewards Big Labor Patrons

Union-free construction workers, their employers, and taxpayers were all dealt fresh blows last month as President Barack Obama's Administration implemented an executive order promoting union-only "project labor agreements" (PLAs) on federally funded public works.

On April 13, the Federal Acquisition Regulation (FAR) Council published a "final rule" implementing Executive Order 13502, issued by the President in February 2009.

"E.O.13502 itself and the final rule both pressure federal agencies to acquiesce to PLAs on all large public works," said National Right to Work Committee President Mark Mix. "Experience indicates federal bureaucrats will not resist."

"That means, until further notice, to participate in public works using \$25 million or more in federal funds, nonunion companies will have to consent to impose union monopoly bargaining on their employees and hire

new workers through discriminatory union hiring halls.

"Independent workers who already have their own retirement funds will nevertheless be forced to contribute to Big Labor-manipulated pension funds.

"Rather than compromise the freedom of their employees and the efficiency of their operations, most independent construction firms will, in all probability, simply refuse to submit bids on federal projects.

"And sharply reducing the number of bidders will surely jack up taxpayers' bills. The nonpartisan, Boston-based Beacon Hill Institute estimates that construction costs will be inflated by at least 12% to 18% on every project that uses a PLA as a result of E.O.13502."

Administration Knows PLAs Will Surely Reduce Number Of Bidders on Public Works

"The Obama Administration knows full well that its pro-PLA policy is

extremely likely to reduce the number of bidders on public works," Mr. Mix continued.

Well before issuing the final rule implementing E.O.13502, FAR Council bureaucrats admitted to having received hundreds of comments from construction industry employees and businesses opposing the Obama edict.

A significant number of these comments came from union-free firms, and employees of such firms, that had each already performed hundreds of millions of dollars worth of construction work on large government projects.

And the overwhelming majority of the many union-free construction firms that submitted comments vowed that neither they nor their subcontractors would be willing to bid on or perform construction work under government-imposed PLAs.

"According to the U.S. Labor Department's latest estimate, just 15% of construction employees nationwide are unionized. That means 85% are union-free," said Mr. Mix.

"In practice, PLAs rig the bidding process against union-free employees and employers to such an extent that they are all but excluded from the competition. There's absolutely no plausible way you could drive out such a huge share of potential bidders and not drive up taxpayer costs.

"And, in fact, the Obama Administration clearly knows that, by slashing the number of bidders, its pro-PLA policy will force taxpayers to pay more for public works."

Department of Veterans Affairs Expects Higher Costs

Last year, the Department of Veterans Affairs (VA), already headed by Obama appointees, commissioned an independent study of the potential impact of Obama PLAs on its own construction costs. As a Wall Street Journal editorial last month pointed out, the study found that PLAs "would likely raise the VA's construction costs for hospitals by as much as 9%" in the Denver, New Orleans and Orlando markets.

The VA-commissioned study did not

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CREDIT: GLENN FODEV/BUSINESSANDMEDIA.ORG

President Obama is well aware that union-only PLAs sharply reduce competition in the bidding for federal

contracts and thus hurt taxpayers. But he nevertheless favors PLAs, because they make union bigwigs happy.