

PLA Rocked Plymouth Studio

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It's tough to finance any project in this economy. Financing one that costs tens of millions of dollars more than necessary is nearly impossible. There's a message there for the developers of Plymouth Rock Studios, whose bid to turn a golf course into Hollywood East recently suffered what might be a fatal setback when funding for the deal fell through.

The Plymouth project was to be built using a project labor agreement. PLAs require that all labor for a project come from union hiring halls, effectively locking out the open shop workers who make up 80 percent of the Massachusetts construction work force, according to unionstats.com.

Even more relevant to the Plymouth Rock case is how much PLAs drive up costs. Suffolk University's Beacon Hill Institute found that they increase construction costs by 12 percent to 18 percent, as was illustrated a few years ago in Fall River.

In 2006, that city decided to build several schools using a PLA. After bidding and rebidding the projects, prices were so far above budget that then-Mayor Edward Lambert decided to put the schools back out to bid without the PLA.

The difference was like night and day. Despite rampant oil price-driven construction inflation during the months between the receipt of bids under a PLA and the start of the open bidding process, subcontractor bid prices fell by 13 percent for one school and 15 percent for another. The number of subcontractor bids nearly doubled for one of the projects. None of the savings came from paying workers less, since public construction in Massachusetts is subject to prevailing wage laws.

Prohibiting the vast majority of the area's hard-hit construction work force from participating in the project is now particularly indefensible. Massachusetts lost a stunning 18 percent of its construction jobs in the last year, compared to the national average of 13 percent, according to Associated General Contractors of America.

Supporters argue that PLAs guarantee labor peace. But a new Beacon Hill Institute study finds that taxpayers get nothing in return for the premium they pay for union-only construction.

The institute studied U.S. government projects initiated between 2001 and 2008, when PLAs were prohibited on federal construction. They didn't find a single job that was beset by the labor disputes PLAs supposedly preclude, but they did estimate that taxpayers would have paid between \$1.6 billion and \$2.6 billion more for construction in 2008 alone without the ban.

The open shop only wants a level playing field. We are pleased to work side-by-side with our union colleagues, which happens routinely when bidding is open to all qualified contractors.

A project labor agreement would add tens of millions of dollars to the cost of building Plymouth Rock Studios by limiting competition and would lock out most of the area's already beleaguered construction work force. As developers seek alternate financing, dropping the PLA is one sure way to make the project more appealing to prospective funders.

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