



- **Oppose SB 999: AAC A Just Transition to Climate-Protective Energy Production and Community Investment**
- **Oppose SB 1002: An Act Concerning Labor Issues Related to Covid-19, Personal Protective Equipment and Other Staffing Matters**
- **Oppose HB 6595: An Act Concerning Labor Matters Related to Covid-19, Personal Protective Equipment and Other Staffing Issues**

**Labor and Public Employees Committee  
March 10, 2021**

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Chairwoman Kushner, Chairwoman Porter, Ranking Member Sampson, Ranking Member Arora and Members of the Labor and Public Employees Committee, thank you for the opportunity to testify today. My name is Christopher Fryxell and I am the President of the Associated Builders and Contractors of Connecticut (CT ABC). CT ABC is a statewide trade association with a membership of over 200 businesses, large and small, that represent merit shop contractors.

We stand today in strong opposition of **SB 999: An Act Concerning A Just Transition to Climate-Protective Energy Production and Community Investment**.

Our members are, as always, firmly planted in support of the progress of our great state. For generations our member companies and their employees have worked to build our state's schools, hospitals, roads, bridges and energy infrastructure. Our members support investments in construction of renewable sources and actively work on building renewable energy sources; unfortunately, this bill seeks to rob them of a fair opportunity to compete for work encouraged in this bill.

Section 1(d)(1) of the proposal mandates that any party receiving direct or indirect assistance must ensure a Project Labor Agreement (PLA) is executed. Mandating a PLA in this statute is wrong for several significant reasons.

First, this section violates existing statute. Sec. 31-56b of the CT General Statutes permits the limited use of PLAs but only on a project-by-project basis when the granting authority has determined it is in the public's best interest to use a PLA. This bill seeks to strip those protections and choices away, instead, mandating PLAs broadly on construction projects which have yet to be imagined and may be years from the design phase. It cannot possibly be in the public's best interest to tie the hands of future investment in such a way.

Second, such broad mandating of PLAs discriminates against so many of Connecticut's businesses and workers. Roughly 86% of the construction industry in Connecticut is not affiliated with a union. That's a business choice for contractors but also a personal choice for workers. We are proud of our member companies and the work that they have done to build up Connecticut, provide thousands of good-paying jobs and make our communities better. Our members employ and train Connecticut workers. These workers can develop meaningful and lucrative careers. Many of our members have a longstanding track record of excellence in construction and support for our communities. Mandating PLAs severely restricts the fair opportunity for open shop contractors to compete for work. It is unclear how preventing reputable Connecticut companies and their employees from a fair opportunity to compete is just or right for Connecticut.

Third, the PLA mandate in this bill will negatively affect the cost of completing these projects and quite possibly results in fewer projects. PLAs reduce competition and they mandate hyper-jurisdictional trade-specific work rules not found on most jobsites. Depending on the type of job, a PLA can increase costs by as much as 20%. In this case the increased costs aren't just a drain on the agency, town or organization considering investment, it could mean fewer renewable energy projects are completed. If a project budget is built with a PLA in mind the project originally conceptualized may need to be value-engineered to account for the higher costs resulting in a lesser final product. If an entity plans on completing 4 or 5 projects, perhaps one project may need to be cut in order to account for the higher costs associated with the PLA. A bill intended to encourage investment in renewable energy sources should not arbitrarily hamper the amount of investment that can be made.

An example of this concept was recently spelled out by Alan Calandro, former Chief of Staff for administration and finance at UConn and the former Director of the General Assembly's nonpartisan Office of Fiscal Analysis, in an opinion piece in the CT Mirror. Calandro lamented that the higher costs of burdensome PLA mandates "are simply a fact" and they are preventing UConn from competing with other universities in an increasingly resource constrained environment. The burden that PLAs are putting on the advancement of our flagship university would be extended to renewable energy infrastructure under this bill.

Fourth, the public does not benefit from PLAs; the only beneficiaries are the labor unions which are guaranteed work without concern for competition. Proponents of PLAs often tout the guarantees contained in the agreements. They often claim a PLA ensures a project is completed on-time and on-budget. They may claim that a PLA guarantees jobs for local workers or minority workers. When it comes to the signed legal document, however, those guarantees turn in to "goals" and "good faith efforts" and failure to meet those spoken guarantees result in no consequences for anyone but the public.

There are many instances in Connecticut and across the country of PLAs failing to deliver on false promises. Dunkin Donuts Park was constructed with a PLA and

construction was a disaster. Not only was the project over budget but the Yard Goats lost an entire season in the ballpark due to delays. The Big Dig, which has become synonymous with a construction boondoggle due to incomprehensible construction delays and cost overruns, was a PLA. Meriden and Waterbury both experienced PLAs that failed to meet the hiring goals promised. Just recently reports surfaced regarding the serious problems with New York's Tappan Zee Bridge Replacement, constructed under a PLA. That bridge was completed 3 months late, \$840 million over budget and now has structural concerns due to improperly installed bolts that are snapping. A PLA is not a magic contract that eliminates inherent risk in construction and history proves it.

Further evidence of PLAs failure to deliver on false promises is the Federal Government's aversion to using them despite a standing executive order encouraging their use. From 2009-2020 has only .64% of federal construction projects over \$25 million accounting for just 1.07% of the more than \$117 billion in contract value have included mandated PLAs.

While 25 states have banned PLAs, Connecticut is just one of seven states which expressly permits them. So there is a mechanism in statute that allows for the use of Project Labor Agreements by government agencies; but, it requires the decision be made on a project-by-project basis. Likewise, private entities do, while very rarely, use PLAs. Since they are currently permitted, it is particularly curious that proponents are seeking to reduce and eliminate transparency and oversight when it comes to mandating PLAs. If PLAs are the magic construction contract guaranteeing the perfect construction project they ought to hold up well to sunlight. Yet, at every turn, the push is to bake these mandates in as early in the process as possible so as to cut out input from the public or from stakeholders.

Lastly, though it shouldn't need stating, a position against PLAs is certainly not a position against unions or their workforce as skilled and well-trained as it sometimes is. In fact, the majority of non-PLA public construction projects utilize a workforce that is a mix of union and non-union workers. Without a PLA mandate the freedom exists to hire a well-trained, responsible workforce at the best value to the end user regardless of labor-affiliation. Competition is good. It is good for the taxpayer, it is good for the state and it is good for the construction industry.

**Oppose SB 1002 & 6595.** On similar grounds we strongly oppose both SB 1002 and HB 6595. Section 30 of both bills states that contracting authorities "shall" consider the use of a project labor agreement. This is a departure from current practice and current statute which, in Sec. 31-56b, states that a public entity "may" require a project labor agreement and spells out a number of items that ought to be considered prior to doing so.

This is an attempt to circumvent current statute and require agencies to consider a PLA, whether or not they want to. Again, we find attempts at removing transparency and oversight from the state contracting process very troubling. If anything, this committee

and the legislature should be interested in more transparency and oversight when it comes to directing state construction dollars to special interest.

We strongly urge you to remove Section 30 from both SB 1002 and HB 6595.

Instead, seeing that these bills address statute related to Project Labor Agreements, we encourage you to add necessary transparency and amend current statute Sec. 31-56b to read as follows:

*(a) Notwithstanding the provisions of any general statute, regulation or requirement regarding procurement of goods or services, a public entity may require a project labor agreement for any public works project when such public entity has, held a public hearing, analyzed, evaluated and determined in writing, on a project-by-project basis and acting within its discretion, that it is in the public's interest to require such an agreement. In making such determination, the public entity shall, in writing, consider, evaluate and determine the effects a project labor agreement may have on (1) the efficiency, cost and direct and indirect economic benefits to the public entity and the public; (2) the availability of a skilled workforce to complete the public works project; (3) the prevention of construction delays; (4) the safety and quality of the public works project; (5) the advancement of minority and women-owned businesses; and (6) employment opportunities for the community. In the event the public entity elects to utilize a project labor agreement for the public works project, the written analysis, evaluation, and determination supporting such use performed by the public entity shall be made available to the public on demand.*

Transparency and public input are important aspects of government business and should be an important component of public contracting. Don't erode those principles by mandating such unfair and discriminatory practices in a broad and arbitrary way.

Thank you for your time and consideration and I am happy to answer any questions. For follow up I can be reached at 860-838-6226 or [chrisf@ctabc.org](mailto:chrisf@ctabc.org).

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