

Statement in Opposition to HB 2098
Before the Joint Committee on Transportation
April 27, 2023

Prof. Gordon Lafer, University of Oregon

Co-Chairs McClain and Frederick, Vice Chairs Boquist and Boshart Davis, and Members of the Committee:

Thank you for the opportunity to be here today. My name is Gordon Lafer. I am a professor at the University of Oregon and a Research Associate with the Economic Policy Institute in Washington, DC.

I am testifying today in opposition to the current text of HB 2098, and to support amending the language in Section 7 to support use of a project labor agreement or community benefits agreement for this project.

A project labor agreement is a prehire agreement that established the terms and conditions of employment for large construction projects. Such agreements were first used on the big public works projects of the 1930s -- including Hoover Dam and Shasta Dam. Project managers foresaw a potentially endless series of labor negotiations as one contract after another came up for renewal, causing expensive delays and generating a steady threat of strikes or other labor actions. The solution to this problem was to put all workers under a single, umbrella contract that applied only to the specific project. It worked beautifully.

Since then, scores of large projects, public and private, have been built across the nation using PLAs. Intel, Boeing, Disney, Inland Steel and Pfizer are among the large number of private corporations that use PLAs. Toyota has used a PLA on every plant it has constructed in the U.S. The efficient management of these projects has saved both taxpayers and shareholders billions of dollars.

Both union and non-union contractors can and do participate in project labor agreements. This is not about politics – it's about efficiency. As one university study found, PLA's save taxpayer dollars by providing high-quality labor while delivering "far greater likelihood of on-time, on-budget performance."¹

¹ Fred Kotler, *Project Labor Agreements in New York State II: In the Public Interest and Of Proven Value*, Cornell University, May 2011.

In recent years, PLAs have been expanded to include broader requirements for community benefits. Most importantly, many PLA's now serve to guarantee work opportunities for women, people of color, veterans and others. A review of PLA's in 70 different cities found that they "have expanded opportunities for returning veterans, women and minorities."²

Examples of effective CBAs include:

- Sports & Exhibition Authority of Pittsburgh, Pennsylvania. This CBA created a requirement for targeted outreach to local, minority and disadvantaged contractors, including pre-bid meetings and workshops for potential contractors.³
- Knightsbridge Armory (New York) CBA included a requirement to maximize local contractors and utilize Women and Minority-Owned Businesses, with 25% of construction jobs set aside for targeted communities.⁴
- The Oakland (CA) Army Base. An \$800 million project through which the base was converted into a high-tech trade and logistics center. The CBA mandated that at least 50% of jobs – both in the center's construction and its subsequent operation – be reserved for Oakland residents, and that ex-offenders be eligible for employment.⁵

https://ecommons.cornell.edu/bitstream/handle/1813/74333/LaborAgreementsinNYS_II.pdf?sequence=1&isAllowed=y.

² Mary Catt, "Study: community workforce agreements expand economic opportunity," Cornell University, October 10, 2011. <https://news.cornell.edu/stories/2011/10/ilr-study-finds-workforce-agreements-effective>.

³ *National Examples of Community Benefits Agreements*, The Partnership for Working Families. http://somervillecdc.org/sites/default/files/scc-minimal/files/national_examples_of_community_benefits_agreements_cbas.pdf.

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⁵ LaRisa Lynch, "Five community benefits agreements that worked," *Chicago Reporter*, May 24, 2016. <https://www.chicagoreporter.com/how-neighborhoods-have-held-developers-accountable-to-their-needs>.

In brief, PLA's are an invaluable tool through which public officials can ensure that big complicated projects not only come in on time and on budget, but that public dollars are used to the greatest extent possible to make sure that opportunities for well-paying construction jobs are targeted for local residents and for women, workers of color, veterans and others who might otherwise not have access to these jobs.

Thank you again for the opportunity to be here.

Gordon Lafer