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The Union Job Security Act Equals Endless Road Construction

By Rachel Alexander

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Have you noticed how there is more road construction than usual lately, which never seems to end? In some states it has gotten so bad their departments of transportation have set up road closure email alerts on each highway. This is a direct result of President Obama's stimulus spending. Last summer, Obama proposed spending \$50 billion on highways, bridges, transit, high-speed rail and airports. During his State of the Union speech in January, he declared, "we will aim to put more Americans to work repairing crumbling roads and bridges."

The federal stimulus bill, known as the American Recovery and Reinvestment Act, included nearly \$50 billion extra in 2009-2010 for transportation projects. U.S. Transportation Secretary Ray LaHood [said](#) the states have used the money to create 15,000 projects. The stimulus also included a \$2.1 billion discretionary grant [program](#) called Transportation Investment Generating Economic Recovery (TIGER), which provides funding for transportation projects that create jobs, provide assistance for those affected by the economic downturn, show "environmental stewardship," and other objectives that are not reflective of actual transportation needs and so are not held to the same level of financial accountability. Representative John Mica (R-FL), chairman of the House Transportation and Infrastructure Committee, has criticized the federal Department of Transportation for picking and choosing "executive earmarks" behind closed doors instead of sending the money to areas in real need of roadwork.

Obama is providing people with jobs, but it is union members and at an enormous cost to everyone else. Soon after Obama took office, he signed Executive Order 13502, which essentially forces contractors who bid on contracts worth \$25 million or more to submit to union representation for their employees, [known as](#) project labor agreements (PLAs). He rescinded a Bush executive order from 2001 that prohibited PLAs on federal projects.

This is [unfair](#) considering 85% of the workers in the construction industry are not union members, and union representation increases project costs by up to 20 percent. According to the Cato Institute, union membership has been declining over the years. In 1983, 27.5 percent of construction workers were in a union. By 2008, that had decreased to 15.6 percent.

More money for road construction sounds good superficially, since road expansion is necessary to keep up with the growing population, and no one likes driving in increasingly congested traffic. But it is not as simple as that. There must be accountability to keep costs from escalating irresponsibly. All too often when politicians recognize a problem, they have an instinct to throw money at it. Who can forget Massachusetts' mismanaged "Big Dig" from the 1990's, the most expensive road construction project in the country that ended up 600% over cost and six years behind schedule.

The states are undergoing high deficits, requiring deep cuts in spending. Yet total spending on transportation [increased](#) between 2009 and 2010. At the same time, spending decreased in every other area of states' general fund spending. Total transportation spending by states increased 4.3 percent in 2009 and 8.9 percent in 2010, due to the 22.4 percent increase in federal stimulus funds. Only 21 states made any cuts to transportation in 2010, and only 11 states proposed making transportation cuts in 2011. In 2009, transportation accounted for the second largest expenditure of state funds after education, and the largest category of state capital expenditures.

States that [mandate](#) union wages on all public construction add 10 to 15 percent to the costs. The federal Davis-Bacon Act requires prevailing wages on projects where the federal government provides more than \$2,000. This has been interpreted to mean union wages. It affects large numbers of transportation construction projects, since one-third of funding for state infrastructure now comes from federal funds.

In states like Illinois, contractors [aware](#) the gravy train may end when the state runs out of money are starting construction everywhere instead of starting one project first then completing it. That way, the state cannot cancel their projects. This results in excessive freeway and highway closures, exasperating commuters.

The U.S. Chamber of Commerce is now siding with the unions' recommendations for spending on transportation construction. The Chamber doesn't think the Republicans' proposal for \$230 billion in spending in the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) spends enough money to create jobs. According to Jacksonville.com, the bill, sponsored by Rep. Mica, would spend 20 percent less than the last transportation bill signed by President Bush in 2005, and less than half of what Obama is requesting.

A Pew Center on the States report found that only 13 states have goals, performance measures and data to track accountability on transportation projects. The National Surface Transportation Infrastructure Financing Commission claims that the states have a long-term national shortfall of \$46 billion annually just to keep surface transportation at status quo. But how much of that huge cost is due to actual expenses, versus the kind of mismanagement that took place with the Big Dig?

A poll in 2010 commissioned by the Rockefeller Foundation found that nearly two-thirds of voters find current federal investments "inefficient and unwise," and 90 percent support greater accountability for transportation spending. A poll conducted last year by the Suffolk University Political Research Center for the Beacon Hill Institute found that 69 percent of Massachusetts voters – not known for being conservative - oppose requiring private contractors to hire workers through union halls.

Spending on transportation infrastructure will continue increasing if something is not done about it. According to the federal Bureau of Labor Statistics, the number of jobs in the construction industry is expected to [grow](#) 19 percent through 2018, compared with 11 percent growth for all industries. Considering how many construction jobs are required to be union, these are not the kind of jobs that will help bring our economy out of the current financial crisis.

There are small indications that things may be turning around. Massachusetts Governor Deval Patrick, a liberal Democrat, finally [ended](#) that state's wasteful requirement that only police officers could direct traffic near construction projects. This union-backed regulation kept costs high needlessly. Massachusetts was the only state in the country that prohibited civilians from directing traffic, and there was no evidence that the regulation reduced accidents.

House Republicans have shown leadership on this issue by daring to present a bill that significantly cuts transportation spending, instead forcing states to find ways to cut costs and complete construction projects more efficiently and with more accountability. But it will be difficult to get it passed into law. Obama has championed increased transportation spending, and the Senate is controlled by Democrats who receive large campaign contributions from unions. The states cannot resolve this on their own, because the federal government ties federal funding to union labor, getting around the Tenth Amendment. The most realistic solution lies in either electing a Republican president and Senate, or undergoing another "Big Dig" on a national scale that shocks the country into action.

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