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**AGC of America**  
THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA  
**Quality People. Quality Projects.**



January 21, 2013

Ms. Danielle Dinger and Mr. Jere F. West  
U.S. Army Corps of Engineers Wilmington District  
Attn: CESAM-CT  
69 Darlington Ave  
Wilmington, NC, 28403  
*Sent via e-mail to [danielle.dinger@usace.army.mil](mailto:danielle.dinger@usace.army.mil)*

**RE: Project Labor Agreement Market Research, Project Number 76376, Regional Studies & Education Center, Solicitation Number: W9127811X2904; Project Labor Agreement Market Research, Project Number 76375, SOF Civil Affairs Battalion Annex, Solicitation Number: W9127811X2903**

Dear Ms. Dinger and Mr. West,

On behalf of The Associated General Contractors of America (AGC), I thank the U.S. Army Corps of Engineers, Wilmington District (USACE) for soliciting input from the construction community regarding the potential use of project labor agreements (PLAs) for Project Number 76376, Regional Studies & Education Center and Project Number 76375, Civil Affairs Battalion Annex, both at Fort Bragg, Cumberland County, NC (Fort Bragg Projects). While AGC is not an interested source, as the largest trade association representing potential offerors on your projects, we are an interested party and wish to offer our input.

AGC responded to the identical market survey questions in a letter to you on December 17, 2013, herein enclosed. As such, AGC's responses remain generally unchanged. However, we provide the information below as an update to questions concerning the market statistics for skilled labor and union.

The economic crisis of the past several years continues to have a substantial impact on the U.S. construction industry. According to the U.S. Bureau of Labor Statistics (BLS), the industry's unemployment rate in December 2013 was 11.4 percent, among the highest of all industry-wide averages. Furthermore, U.S. construction employment stands at 5.833 million, a dramatic decline of approximately two million workers from the industry's peak employment in April 2006. With construction beginning to rebound across the country, concerns about the possibility of worker departure from the construction employment market for jobs in other industries and about potential skilled labor shortages have begun to surface. Industry unemployment remains high, yet a recent survey of AGC members across the country indicates that many construction contractors have concerns about the availability of skilled labor to handle the increase in construction activity expected during the coming year. Accordingly, AGC believes that the availability of skilled construction labor for the Fort Bragg Projects is difficult to predict without conducting a thorough, quantitative analysis of the local skilled labor supply. We suggest that perhaps Alpha Resources (<http://www.alpharesources.net/>) or Industrial Info Resources ([www.industrialinfo.com](http://www.industrialinfo.com)) may be useful resources in conducting such a study.

But even if the USACE conducts such a local analysis and finds that the area lacks a sufficient supply of skilled labor for this project, AGC questions how a PLA mandate would remedy the problem. Is there objective evidence that the local union hiring halls for the specific trades needed for the Fort Bragg Projects will be able to supply the number of workers needed? Is there evidence that they can supply such labor more efficiently or effectively than other labor and recruitment resources that may be

available? If there is such evidence, AGC believes that the general contractor on each project would be in the best position to assess that information in light of all other considerations and to determine, on a voluntary basis, whether a PLA would be appropriate for these projects. For more information about the local projects and local labor supply and demand, AGC defers to the local knowledge of its Chapter in the area: the Carolinas AGC (<https://www.cagc.org/>).

As for union membership information, data from the Bureau of Labor Statistics (BLS), derived from the Current Population Survey (CPS), evidence that most construction work in the U.S. in general, and in the Fayetteville, North Carolina Metropolitan Statistical Area, in particular, is performed on an open-shop basis. According to BLS, union representation in the U.S. construction industry was just 13.7 percent in 2012. The Union Membership and Coverage Database – which provides estimates of labor data based on CPS statistics – reports that in the Fayetteville, North Carolina, only 2.2 percent of workers in the private construction industry were covered by a collective bargaining agreement (CBA) and the same minuscule percent were members of a union (Barry T. Hirsch and David A. Macpherson. 2013. Union Membership and Coverage Database from the CPS. In Unionstats.com. Retrieved January 7, 2013, from <http://unionstats.gsu.edu/>.) Consequently, AGC believes that PLA mandates in the area would likely harm economy and efficiency in federal procurement by both hindering competition and raising project costs.

In summary, AGC opposes government mandates for PLAs on federal construction projects and urges USACE to refrain from imposing such a mandate on the Fort Bragg Projects. For the reasons discussed above and in our letter of December 17, 2013, USACE should allow its contractors – the parties that have experience in construction labor relations and that would be directly governed by a PLA – to decide whether a PLA is appropriate for a particular project and to execute one voluntarily should they deem it appropriate.

We appreciate the opportunity to share our insights with you and to help advance our common goals of fair competition and of economic and efficient performance of publicly funded construction projects. If you would like to discuss this matter with us further, please do not hesitate to contact me.

Sincerely,



Stephen E. Sandherr  
Chief Executive Officer

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