

## TALKING POINTS FOR OPEN SHOP CONTRACTORS

The following highlights some of the critical concerns in which open shop contractors have identified with the proposed PLA submitted by the Building Trades Council for project work at the Iowa Events Center:

1. Such a PLA would force a union contract upon open-shop contractors and employees who have chosen to work without a union relationship.
2. A PLA would eliminate the cost effective methods of doing business utilized by open shop contractors.
3. A PLA would eliminate an open shop contractor's free use of multi-skilled employees as well as the freedom of the contractor to deploy those employees as needed.
4. Such a PLA would limit the opportunities of non-union employees to get work due to the necessity for their involvement in the union referral process. The referral process would undoubtedly have a "chilling" impact on open shop employees' willingness to work on the project. In the worst-case scenario, the referral process might provide a priority to union employees over open-shop employees.
5. A PLA would force an open shop contractor to deal with unfamiliar rules and procedures contained in a union contract thereby limiting the efficiency of the non-union contractor and increasing its administrative costs.
6. A PLA would require open shop contractors to pay "wasted" union fringe benefits, as it is unlikely that open shop employees would ever meet the **vesting and eligibility requirements** to receive those benefits. In turn, the open shop contractors would be required to "double pay" by keeping its own health and welfare benefits available to its employees while also paying the union benefits on the PLA job.
7. Such a PLA would increase the potential for unions to engage in "salting" of open shop contractors.
8. Under a PLA, there is a great likelihood that employees with long employment tenures with the open shop contractors might, as a result of the union referral process, not be able to continue to work for that contractor.
9. This PLA would add substantial additional costs to the open shop contractors bid:
  - a. Overtime over eight hours a day
  - b. Regulated crew size and crew ratios
  - c. Mandatory payment of union fringe benefits
  - d. Performance of work under craft jurisdictional restrictions
  - e. Call in and call out pay
  - f. Substantial additional administrative costs, etc.
10. As a result of all of these concerns, it is highly unlikely that open shop contractors would choose to bid on the Iowa Events Center project thereby artificially elevating low bids by eliminating open market competition. **Either way, the taxpayers are denied the lowest responsible bid in violation of Iowa law.**