

WE S S O I

PASS
COMPREHENSIVE
IMMIGRATION
REFORM

REPEAL THE 3 PERCENT
WITHHOLDING TAX

END UNION -ONLY
PROJECT LABOR
AGREEMENTS (PLAs)

STOP UNION SALTING
ABUSE

PREVENT THE
EXPANSION OF THE
DAVIS-BACON ACT

PASS COMPREHENSIVE IMMIGRATION REFORM

ABC strongly supports passing comprehensive immigration reform. ABC believes that any successful reform measure must be comprehensive in nature and provide for the enforcement of our laws, the security of our border and the prosperity of our economy. The construction industry faces an ever growing shortage of vital workers and we need comprehensive immigration reform now in order to effectively address these concerns.

In order to truly repair the current broken immigration system, ABC believes reform must:

- Secure our nation's borders;
- Create a workable system that can be used by big and small employers alike to determine an employee's legal status;
- Create a usable temporary worker program that will help the construction industry meet the increasing labor demands our industry faces;
- Allow well meaning undocumented immigrants a means to earn lawful work status.

REPEAL THE 3 PERCENT WITHHOLDING TAX

ABC supports simplified tax laws and minimizing the tax burden on American citizens. However, a new law, Section 511 of the Tax Increase Prevention and Reconciliation Act of 2005 (P.L. 109-222), requires federal, state, and local governments to withhold 3 percent from all payments on goods and services as a precaution against possible business tax evasion. The law:

- Requires withholding of 3 percent on all government payments for products and services made by the federal, state, and local governments with total expenditures of \$100 million or more;
- Affects payments for goods and services under government contracts as well as payments to any person for a service or product to a government entity (e.g. Medicare, certain grants);
- Applies to all payments starting in 2011.

The 3 percent withholding significantly affects company cash flow, especially in construction where the pre-tax profit margins rarely meet or exceed 3 percent. This new withholding requirement is based on revenues from government payments, not on a company's taxable income.

Construction companies will lose vital funds needed to operate day-to-day activities and finance new jobs.

- ✓ **SUPPORT/ COSPONSOR** the "Withholding Tax Relief Act of 2007" (H.R. 1023), sponsored by Reps. Kendrick Meek (D-FL) and Wally Herger (R-CA), which would repeal Section 511.

END UNION-ONLY PROJECT LABOR AGREEMENTS (PLAs)

Imposing a union-only PLA on bid specifications limits the number of bidders to only union contractors or those who are willing to become signatory to a union. PLAs discriminate against the vast majority (87 percent) of the construction workforce that choose not to join a union, denying them an opportunity to work on projects being

paid for by their own tax dollars. In 2001 President Bush issued Executive Order 13202 prohibiting mandatory PLAs on federally funded and federally assisted construction projects.

- ✓ **SUPPORT/COSPONSOR** the "Government Neutrality in Contracting Act," soon to be reintroduced by Representative John Sullivan (R-OK). This legislation would codify the language of the Bush Executive Order into law.

STOP UNION SALTING ABUSE

"Salting" abuse is the intentional placing of trained union professional organizers and agents in a merit shop facility to harass or disrupt company operations, apply economic pressure, increase operating and legal costs, and ultimately put the company out of business. The objectives of the union agents are accomplished by filing frivolous and unfair labor practice complaints with the National Labor Relations Board (NLRB), the Occupational Safety and Health Administration (OSHA), and the Equal Employment Opportunity Commission (EEOC).

- ✓ **SUPPORT/COSPONSOR** the "Truth in Employment Act of 2007," soon to be reintroduced by Representative Steve King (R-IA). This bill would amend the National Labor Relations Act (NLRA) to make clear that an employer is not required to hire any person who seeks a job in order to promote interests unrelated to the employer. The bill in no way infringes upon any rights or protections otherwise accorded applicants and employees under the NLRA.

PREVENT THE EXPANSION OF THE DAVIS-BACON ACT

The Davis-Bacon Act (DBA) is a 1931 federal law that establishes wage rates and other conditions on construction projects involving more than \$2,000 in federal funds. According to various studies, the Davis-Bacon Act increases construction costs by an average of 5 percent to 15 percent and by as much as 38 percent in non-urban areas.

Several studies have called into question the credibility of DBA wage determinations. In fact, a series of audits by outside agencies, as well as the Department of Labor's Office of Inspector General (OIG), have revealed substantial inaccuracies in DBA wage determinations and suggested that they are vulnerable to fraud. The most recent OIG report in 2004 stated that the \$22 million the Wage and Hour Division spent to modify the program had yielded limited improvement and that the problems with inaccuracies identified in past reports remained. In addition, the report found one or more errors in 100 percent of the wage surveys they reviewed.

In addition, the Davis Bacon Act:

- Inflates the costs of construction for the taxpayers;
 - Disadvantages small, emerging and minority own businesses;
 - Does not improve project safety or quality or improve employee's training; and
 - Infringes on state's rights
- ✗ **OPPOSE** any effort in the 110th Congress to expand the wasteful and fraudulent Davis Bacon Act.



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STATE

PROTECT THE RIGHTS OF EMPLOYEES

REPEAL THE 3 PERCENT WITHHOLDING TAX

END UNION-ONLY PROJECT LABOR AGREEMENTS (PLAS)

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PREVENT THE EXPANSION OF THE DAVIS-BACON ACT

PROTECT THE RIGHTS OF EMPLOYEES

Currently the preferred method for determining whether or not employees want union representation is a secret ballot election overseen by the National Labor Relations Board (NLRB). The NLRB provides detailed procedures that ensure a fair election, free of fraud or coercion, where employees may cast their vote confidentially or without peer pressure from union organizers or their employers.

Yet union leadership now claims to find secret ballots an impediment to unionization, preferring a "card-check" system where employees are forced to cast their votes in front of union organizers and fellow employees. As a result Senator Ted Kennedy (D-MA) has introduced the erroneously named Employee Free Choice Act (S.1041) which robs workers of their rights to a secret ballot election. The legislation also contains an unprecedented requirement that would mandate the federal government impose contract terms on private employers through a process of mandatory, binding interest arbitration. The arbitration requirement not only disrupts the careful balance established by our nation's labor laws, but also denies workers the ability to vote on their contract, creates disincentives to compromise, and is likely unconstitutional.

ABC strongly opposes and any effort to overturn established NLRB procedures that protect their rights of employees to fair union elections through secret ballot voting.

- ✗ **OPPOSE** the "Employee Free Choice Act" (S. 1041). By supporting this ill-conceived legislation, Senators are robbing millions of Americans of their right to a fair election in the workplace.
- ✓ **SUPPORT** the "Secret Ballot Protection Act" (S. 1312). Sponsored by Senator Jim DeMint (R-SC) which would ensure that employees have the right to make their decision regarding unionization utilizing private, confidential secret ballot votes.

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