**ABC**

Associated Builders
and Contractors, Inc.

**Empire State
Chapter**

January 20, 2016

**Associated Builders & Contractors, Empire State Chapter Testimony for the Joint Legislative
Public Hearing on 2016-2017 Executive Budget Proposal: Topic "Transportation"**

Presented by: Brian P. Noonan

Good morning, thank you for allowing me the time to speak with you today.

My name is Brian Noonan. I am here speaking on behalf of Associated Builders & Contractors,
Empire State Chapter. Our organization represents nearly 400 merit shop contractors
throughout New York State.

I am here to express our support for the Governor's ambitious plan to fix our crumbling
infrastructure. These improvements include critical upgrades to everything from roads, bridges
and sewers to utilities and waste water systems. Simply put, they add to the quality of life to
New Yorker's on a daily basis.

Few here would disagree in saying that these upgrades are badly needed, and have been for a
number of years.

The Governor's proposal is pegged at roughly $100B over five years. Given that New York is
close to its debt cap, estimates are we are within $800M, it's clear that agencies and authorities
will be issuing bonds to cover the cost of construction. While not ideal, infrastructure
improvements are a good use of bonds.

So if we are going to bond this work, then you have an obligation to ensure that the taxpayers
of this great state get the maximum value for their investment. That means putting these
projects out to bid without costly gimmicks like Project Labor Agreements, or PLAs.

I will assume that most of you are familiar with PLA's. For those who are not, these costly
provisions are agreements made between the owner of a project and the building trades
unions. They mandate that the vast majority of workers on a job site are from the union halls.

Typically, this means 3 out of every 4 workers. This excludes workers who choose not to join a union from working on the project.

They have also been proven to drive up costs on a project upwards of 30%. This comes from the diminished competition that they create along with antiquated jurisdictional work rules that accompany PLA's.

You don't need to look far to see the failure of a PLA on a publicly funded infrastructure project.

The Exit 122 Rehabilitation project along Route 17 had issued its bid when the NYS Department of Transportation rescinded it and issued a new one with a mandated PLA attached. The project was delayed more than a year. While New York received an initial low bid of approximately $65 Million Dollars, this bid was put aside in favor of one with the inclusion of a PLA. When all was said and done, the total project cost approached $100 million dollars, over $30 Million Dollars higher than the bid without the attachment of a PLA.

This is just one example. There are in fact dozens more just like it.

With the numbers being discussed, this amount being wasted would skyrocket from tens of millions to hundreds of millions.

The taxpayers of New York State deserve the best value at the best price. While we desperately need these investments, we also need them done the right way. To attach PLA's simply to appease certain groups while excluding others is not good for anyone.

By allowing for a free, open, transparent bidding process, everyone has a chance at work. This does not hurt anyone the way that PLA's do, and everyone has the same fair chance. Most importantly, taxpayers will see their money go further and more of these crucial upgrades can take place.

While I am here, I would be remiss if I did not also speak briefly on Wick's Law and Scaffold Law. These regulations drive up the costs of construction to the detriment of taxpayers and customers across the State, and have made New York one of the most costly states in which to build.

Serious reform needs to be looked at in both cases, and our organization would always be willing to sit down with you and discuss real, practical common sense solutions to resolving some of the issues most prevalent and problematic to the contractors of NY.

Thank you once again for your time.