



Southern California  
Chapter

2-2-10  
Public Comment

Additional Fees to be Paid by Taxpayers Under a PLA via Incorporated Collective Bargaining Agreements	Where Tax Dollars Really Go	Name of Big Labor Fund that will Receive Tax Dollars	Evidence
<p>.2 – 1 % of gross payroll</p> <p>25% of all payroll in excess of 75,000 man hours and 100% of payroll in excess of 150,000 man hours</p>	<p>Tax Dollars to Contractor to Big Labor</p>	<p>National Electrical Industry Fund</p>	<p>According to District Judge Herbert F. Murray, the purpose of the National Electrical Industry Fund requirement in the national bargaining agreement between NECA and IBEW was to “eliminate competition between NECA members and non-NECA members in bidding for projects” in the construction industry. . . the industry fund was created to be used primarily to cover NECA’s “costs of administration of labor agreements, industry advancement and services rendered to the electrical contracting industry.” NEIF became effective on July 1, 1977. (Construction Dimensions April 1981)</p>
<p>.5% of Payroll</p>	<p>Tax Dollars to Contractor to Big Labor</p>	<p>Contract Compliance Fund</p>	<p>Labor Compliance Program (PLA lobbyists insist that a PLA saves tax dollars because there is no need for a Labor Compliance Program but the cost is built into the PLA with this fee mandate.)</p>
<p>.05 per hour worked by each employee</p>	<p>Tax Dollars to Contractor to Big Labor</p>	<p>Labor Management Cooperation “Trust”</p>	<p>This is not a Trust. It is a 501.C6 organization. In its IRS filing for 2007 its primary expenditure was \$250,000 contributed to a single ballot initiative.</p>
<p>Variable (Mandatory) Payroll Deduction</p>	<p>Tax Dollars to Contractor to Employee to Big Labor</p>	<p>IBEW Political Education Fund</p>	<p>The stated purpose of the IBEW Political Education Fund according to IBEW Local 701 is “To support, through voluntary contributions from our membership, those</p>

			seeking office who share our beliefs..."
\$250,000 (Long Beach Port estimate)	Tax Dollars to Port Staff	None	Long Beach Port staff sent a memo to the Engineering and Environmental Committee on 12/21/09 stating "Port staff and consultant assistance in the estimated amount of \$250,000 will be necessary to implement, manage and monitor the PLA."
3.30 Per Hour worked by each employee	Tax Dollars to Contractor to Big Labor	Southern California IBEW NECA Defined Contribution Plan	Southern California Board of Trustees Administration for IBEW/NECA Pension Trust Fund
\$100 per month (estimated dues and fees deducted from prevailing wage) paid by each employee	Tax Dollars to Contractor to Employee to Big Labor	IBEW AFL-CIO	These dues are deducted from the prevailing wage being paid to the employee under a PLA whether or not they choose to belong to the union. It does not increase the cost to the taxpayer however it reduces the amount of the employees take home pay. In 2007 a portion of these dues were used to buy \$450,000 in new automobiles.
3% of all payroll	Total Wages	National Employee Benefit Fund	Funded at 69% as of 2007. This is an added cost to the taxpayer as open shop contractors are forced to pay into union pension funds even though non union employees will never vest. This forces the taxpayer to pay retirement benefits twice.
<b><i>For further information and documentation contact Jackie Nutting at Associated Builders and Contractors Southern California Chapter.</i></b>			<b><i>Referenced deductions are agreed upon in the current IBEW Local 11 and LA NECA Collective Bargaining Agreement enacted 2/17/05</i></b>

One argument in favor of a project labor agreements made by PLA lobbyists is that Open and Free Enterprise shop employees and employers are not mandated to join the union but to only pay the fees and the dues required. For the employee this is like paying for an insurance policy which will never benefit them. They get to pay for the opportunity to be on the job but receive no representation while working.

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