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## **African American Chamber of Commerce of New Jersey and Associated Builders and Contractors New Jersey Chapter Issue Joint Opposition Statement on Bill S-3414/A-5378**

**Trenton, NJ – March 22, 2021** – Later this week, the New Jersey Assembly will vote on bill S-3414/A-5378, which revises the “public work projects” definition to permit government-mandated project labor agreements on additional categories of jobs. Under the existing *Project Labor Agreement Act*, if a public works contract is for the construction, reconstruction, demolition, or renovation of buildings over \$5 million, it is subject to a government-mandated Project Labor Agreement (PLA). S-3414/A-5378 will extend the PLA requirement to **any** public works contract exceeding \$5 million.

A Project Labor Agreement is between an owner of a specific construction project and applicable labor unions. It is an agreement that union rules must be followed throughout the course of the project, making it very difficult for non-union contractors to participate. Union wages, union-level medical benefits, union dues, and pension contributions must all be paid, even by a non-union contractor, though that money will not be credited to the non-union employees. Typically, PLAs are only used on local, state, and federal projects as private corporations find them wasteful and too expensive. According to the U.S. Bureau of Labor Statistics (2019), only 17.8 % of New Jersey’s private construction workforce is represented by a union.

“98% of Black and Hispanic construction companies are non-union shops. Thus, a Project Labor Agreement greatly limits the opportunities for Black and Hispanic firms,” said John Harmon, Sr., IOM, Founder, President & CEO of the African American Chamber of Commerce of New Jersey. “The possibility of Black and Hispanic labor is greatly suppressed. It is beyond disappointing when we see diversity clauses added to legislation that is fundamentally harmful to minority communities” Harmon continued. “The diversity language within this bill is a guise of permissive language that has absolutely no benefit to the African American community within the state.”

“It is beyond disappointing that our legislators continue to support this exclusionary legislation that shuts out 80% of the construction workforce in New Jersey, many of which are minority and female-owned businesses,” said Samantha DeAlmeida, Second Vice President and Government Affairs Liaison. “The *Project Labor Agreement Act* mandated the creation of a yearly report analyzing the effectiveness of project labor agreements and a comparison of the performance of public works projects with PLA’s to those public works projects without PLA’s. New Jersey has been non-compliant for 13 years, only having followed their law once.”

On July 25th, 2002, The *Project Labor Agreement Act* was signed into law. Section C:52:38 of the *Act* required an annual report be provided to the Governor and Legislature detailing the effectiveness of all PLAs entered pursuant to the act. Parameters of the required report were outlined including a requirement that the first report is prepared and submitted on December 31, 2003, and each year thereafter. Additionally, the *Act* requires that in the 2006 report an analysis should be included detailing the overall effectiveness of the *Act*. To date, the only study that has been conducted took place in 2010, based on data from 2008.

“This is simply unacceptable. Until the State complies with its own law, it should not be creating additional laws to expand PLAs, without understanding the impact on the State. Our organization which represents over 450,000 workers in the State vehemently opposes this action. We are asking on behalf of our members, taxpayers in the State of New Jersey, and the entire construction workforce that the majority of the construction industry have an equitable opportunity to work on these public projects,” DeAlmeida continued.

**About the African American Chamber of Commerce of New Jersey:** AACCNJ performs an essential role in the economic viability of New Jersey. While providing a platform for New Jersey’s African American business leaders, to speak with a collective voice, the AACCNJ advocates and promotes economic diversity fostering a climate of business growth through major initiatives centering on education and public policy. The Chamber serves as a proactive advocacy group with a 501(c) 3 tax exemption, which is shared by the National Black Chamber of Commerce. For more information, visit <https://www.aaccnj.com/>.

**About Associated Builders and Contractors:** ABC is a national association representing 21,000 merit shop construction and construction-related firms in 69 Chapters across the United States. Our membership represents all specialties within the U.S. construction industry and is comprised primarily of firms that perform work in the industrial and commercial sectors of the industry. ABC NJ is the industry's liaison to federal, state, and local governments and the public at large. For more information, please visit our website at [www.abcnjc.org](http://www.abcnjc.org).