



February 22nd, 2023

Chair Taylor, Vice-Chair Bonham, Senator Hansell, Senator Jama, and Senator Patterson,

The Oregon Chapter of the National Association of Minority Contractors ("NAMC") is our State's largest organization representing contractors of color. NAMC is an industry leader who supports and advocates for our over 140 Members, allowing them to focus on the hard work of growing their businesses. NAMC and our Members have forged and maintained strong relationships with our community partners, such as the Associated General Contractors (AGC) and the Black Business Association of Oregon, as well as our public and private partners, such as Raimore Construction, the City, and Port of Portland and many others to ensure that the needs and priorities of contractors of color are not just heard but met and addressed.

It has been our Member's experience that project labor agreements (PLAs) do not work for them. Despite being one tool that, in some instances, can help increase the workforce's diversity, PLAs are not the only mechanism, nor the best mechanism, to ensure that people of color and women get to work on a project. Contractors of color, whether Union or open shop, have far more success ensuring that their workforce is diverse because they actively recruit from their own communities of color. They provide an environment that supports and validates their workers' experiences as people of color. On the contrary, while PLAs focus on workforce, they are not required, nor does the statutory language mandate, that the PLA's terms focus on providing opportunities for people of color and women. How will diversity be effectuated without being intentional and overt around whom the project seeks to employ? Furthermore, PLAs ignore the real and substantial impacts on companies owned by people of color who, for various legitimate business reasons, have elected not to sign collective bargaining agreements with the unions. Instead of an environment where a business owner's choice is honored and where anyone can participate, Union and open shop alike, a mandatory PLA provides only a single path to project participation which dismisses, ignores and marginalizes contractors of color who have not chosen that same path.

NAMC's mission is to support and advocate for businesses owned by People of Color in the design and construction industries by empowering them in ways that uplift their businesses. NAMC does not supplant its own determination of what is in the best interest of a business, but rather it walks alongside our members to intimately learn about their journey, their challenges, and their successes. This model of empowerment and self-determination extends to education, training, technical assistance, business supports, and relationship building. That is why, at its core, NAMC believes that each business owner has carved their own path to ownership and that there are multiple ways for businesses to be successful- there is no single right path.

If our experiences had been sought, we would have explained how PLAs forcefully remove the ability of a small business owner to choose what is right for their business. How imposing a PLA requirement would be disastrous for small businesses because the PLAs exclusively require

union labor on the job site. This means that non-union contractors, ***which the vast majority of our members are***, will not be able to use their workforce to complete jobs. Instead, they will be forced to hire from the union hiring hall. As a person of color, building a successful business in a state like Oregon is extremely difficult in the best of times; to force small businesses to use whatever unknown employee shows up at the union hall that day is unconscionable and unnecessarily burdensome. Furthermore, by imposing such a requirement, the State is putting the finger on the scale in favor of union contractors and discriminating against open shop contractors and contractors of color purely because of their choice of business model.

Whatever the choice and whatever the reasons, all companies should be supported and empowered to choose what business model is right for them. With respect to unionization and signing on to a union's collective bargaining agreement, we support our companies that benefit from the workforce that a union can provide, and the costs associated with being a union contractor fit within their business model. We also support companies that do not benefit from being signatory to a union's collective bargaining agreement, who access their workforce through various methods that work better for them and those who are simply too small to bear the costs.

In addition to the business impacts described above, some Black and Brown business owners do not wish to enter into union agreements because of the treatment they experienced when they were part of the workforce in those trades. Many of these company owners describe ongoing and blatant racism day in and day out on the jobsite, with no avenues for recourse or accountability without themselves facing backlash and retaliation. This is not a new issue, nor is it unknown. One simply needs to look at the number of nooses that have shown up on public projects in the Portland area to see that racism continues to thrive. The industry has responded by imposing jobsite culture standards and workforce trainings but widespread culture change takes time and ongoing efforts. Black and Brown contractors who have specifically chosen to distance themselves from unions because of the racism that runs rampant through their halls should be supported in doing so.

One of our members describes "daily hate crimes" as part of his experience as one of the few Native Americans within the union. Once becoming a business owner, he made the choice to remain open shop and has recruited and trained his workforce in ways that have been true to his culture and to the mission of his company—uplifting his community and ensuring its well-being through economic prosperity. With an entirely Native crew on several large public projects, his efforts have been successful.

Despite the persistent failing of our construction unions to ensuring the wellbeing of People of Color, **we do not believe that this is a binary union vs. non-union issue.** The issue is the development of a contractual specification that imposes a mandate that will affect *all* contractors because it will force the implementation of unachievable policies around project apprenticeship and participation requirements. It will impact *all* contractors, with even harsher impacts on contractors of color who are predominately small, newer businesses.

NAMC's members (including union contractor members) believe that a contractual specification mandating PLAs is not the answer to diversifying and growing the construction workforce needed to build the projects before us. We would very much appreciate the opportunity to work with the Legislature to develop impactful, meaningful, and lasting methods to grow Oregon's workforce and to increase the participation of women and men of color in our workforce; however, we can confidently state that PLAs are not the answer to the issue.

Respectfully,

A handwritten signature in black ink that reads "Nate McCoy". The signature is written in a cursive, slightly slanted style.

Nate McCoy,

President & CEO, NAMC-Oregon