

January 4, 2024

Dear U.S. Senator/Representative:

On Dec. 22, 2023, the Biden administration published a final rule, Federal Acquisition Regulation: Use of Project Labor Agreements for Federal Construction Projects,¹ implementing President Joe Biden's Executive Order 14063,² which requires federal construction contracts of \$35 million or more to be subjected to anti-competitive and inflationary project labor agreements.³

The undersigned diverse group of construction and business associations—whose membership employs millions of construction industry professionals who successfully build America—write to ask for your leadership opposing the new rule and other policies pushing controversial PLAs on federal and federally assisted construction projects funded by taxpayers.

As discussed thoroughly in coalition and lawmaker comments⁴ filed in opposition to the Federal Acquisition Regulatory Council's proposed rule,⁵ PLA mandates artificially exacerbate a shortage of construction industry skilled labor; discourage competition from quality large, small and disadvantaged construction businesses; and needlessly increase construction costs at the expense of significant recent taxpayer investments in infrastructure, clean energy and domestic manufacturing construction.

A PLA is a jobsite-specific collective bargaining agreement unique to the construction industry that typically requires companies to agree to recognize unions as the representatives of their employees on that job, use the union hiring hall to obtain most or all construction labor, hire apprentices from union-affiliated apprenticeship programs, follow union work rules and pay into union benefit and multiemployer pension plans that nonunion employees cannot access. This forces employers to pay "double benefits" into their existing plans and union plans, puts them at a significant competitive disadvantage and exposes them to unfunded multiemployer pension plan liabilities. In addition, PLAs typically require construction workers to pay union dues and/or join a union if they want to receive union benefits and work on a PLA project. If they do not satisfy these stipulations, nonunion workers lose an estimated 34% of their wages and benefits to union coffers and benefits plans—making them the victims of wage theft.⁶

When mandated by government agencies and lawmakers, PLAs exacerbate the construction industry's estimated skilled labor shortage⁷ of more than half a million workers⁸ by unfairly

¹ See [FAC 2024-02, FAR Case 2022-003](#) published in the Federal Register on Dec. 22, 2023, and related [Dec. 18, 2023, Office of Management and Budget memo M-24-06, Use of Project Labor Agreements on Federal Construction Projects](#).

² Executive Order 14063, [Executive Order on Use of Project Labor Agreements For Federal Construction Projects](#), signed Feb. 4, 2022.

³ Access studies, coalition letters, media coverage, talking points and social media kits on PLAs and the Biden administration's misguided pro-PLA policies at the [BuildAmericaLocal.com](#) coalition website.

⁴ In October 2022, [19 governors](#) joined [59 U.S. House members](#), [43 U.S. senators](#), and dozens of [construction industry, employer](#) and [taxpayer advocacy groups](#) in opposing the Biden administration's pro-PLA policies. Comment letters are available at <https://buildamericalocal.com/learn-more/#letters>.

⁵ See FAR Council proposed rule, [Federal Acquisition Regulation: Use of Project Labor Agreements for Federal Construction Projects](#), 9000-AO40, Aug. 19, 2022.

⁶ McGowan, John R., Ph.D., CPA, [Government-Mandated Project Labor Agreements Result in Lost and Stolen Wages for Employees and Excessive Costs and Liability Exposure for Employers](#), October 2021.

⁷ TheTruthAboutPLAs.com, [Biden's Project Labor Agreement Schemes Aggravate Construction Industry's Skilled Labor Shortage](#), June 30, 2023.

⁸ See www.abc.org/wfshortage.

discouraging competition from quality nonunion contractors and their employees, who comprise 88.3% of the private U.S. construction industry workforce.⁹

In addition, government-mandated PLAs can interfere with existing union collective bargaining agreements negotiated between employers and unions. Likewise, some union organizations and contracting groups oppose government-mandated PLAs¹⁰ because unionized contractors signatory to unions excluded from a specific PLA are prohibited from hiring union members from other unions and can't bid on PLA projects.

This coalition objects to the Biden administration's false assertion¹¹ that businesses unaffiliated with construction trade unions are unable to deliver safe, on-time and on-budget government construction projects while obeying federal labor laws and paying competitive wages to employees.¹² Experienced and quality union-free contractors and their skilled employees who choose not to join a union have delivered exceptional federal and federally assisted projects for decades.

For example, President Barack Obama's Feb. 6, 2009, Executive Order 13502 encourages federal agencies, on a case-by-case basis, to require PLAs on federal construction projects exceeding \$25 million in total value in order to "promote the economy and efficiency in federal procurement."¹³ However, federal government data indicate that, of the 2,499 large-scale federal construction contracts valued at \$165.63 billion procured from FY 2009 to FY 2023 subject to President Obama's pro-PLA policy, at least 53% of the total value of contracts was awarded to prime contractors not signatory to unions.¹⁴ In addition, when given the option, federal agency contracting officers chose to require PLAs on just 12 large-scale federal construction contracts out of nearly 2,500 opportunities.¹⁵ There were no reports of widespread cost overruns, delays, labor unrest or poor-quality construction on \$164.4 billion worth of non-PLA federal projects during this time period, indicating that PLA mandates are not needed to ensure economy and efficiency in government contracting.¹⁶

In contrast, government-mandated PLAs on federal and federally assisted projects¹⁷ during this time period resulted in reduced competition, increased costs, delays, poor local hiring outcomes

⁹ U.S. Bureau of Labor Statistics [Union Members Summary](https://www.bls.gov/news.release/union2.t03.htm), Jan. 19, 2023, data <https://www.bls.gov/news.release/union2.t03.htm>.

¹⁰ TheTruthAboutPLAs.com, [Union Leaders and Contractors Oppose Government-Mandated Project Labor Agreements Too](#), March 1, 2021.

¹¹ See [White House Fact Sheet: President Biden Signs Executive Order to Boost Quality of Federal Construction Projects](#), Feb. 3, 2022, and [Remarks by President Biden at Signing of an Executive Order on Project Labor Agreements](#), Feb. 4, 2022.

¹² With or without a PLA, all federal and federally assisted projects are subject to federal labor and employment laws, including federal Davis-Bacon prevailing wage regulations, which typically require union-scale wages and benefits for building, heavy and highway projects where PLAs are normally considered.

¹³ See [FAR Case 2009-005, Use of Project Labor Agreements for Federal Construction Projects, published April 13, 2010](#), effective May 13, 2010, and Executive Order 13502, Use of Project Labor Agreements for Federal Construction Projects, signed Feb. 6, 2009, (<https://www.govinfo.gov/content/pkg/FR-2009-02-11/pdf/E9-3113.pdf>).

¹⁴ Federal contract award data downloaded from [usaspending.gov](https://www.usaspending.gov) compared to list of nonunion prime contractors, [results tabulated December 2023](#). The share of federal contracts won by nonunion federal contractors is likely to be even greater (via total value and number of contracts won) but cannot be confirmed due to data limitations.

¹⁵ See [chart of total usage of PLAs on federal construction projects](#).

¹⁶ In addition, from 2001 until their repeal by the Obama policy in 2009, President George W. Bush's Executive Orders [13202](#) and [13208](#) prohibited government-mandated PLAs on [\\$147 billion worth of federal construction projects](#) and [there were also no reports of problems attributable to the lack of government-mandated PLAs](#).

¹⁷ TheTruthAboutPLAs.com, [Government-Mandated Project Labor Agreement Failures on Federal and Federally Assisted Construction Projects](#), March 10, 2021.

and litigation. In addition, multiple studies of hundreds of taxpayer-funded affordable housing¹⁸ and school construction¹⁹ projects found that government PLA mandates increase the cost of construction by 12% to 20% compared to similar non-PLA projects already subjected to prevailing wage regulations.

Simply put, hardworking taxpayers are getting less and paying more when PLAs are encouraged or mandated during the procurement of federal and federally assisted construction projects.

All Americans deserve more efficient and effective policies that will encourage all qualified contractors and their skilled workforces to compete to build long-lasting, quality projects at the best price.

Congress can help achieve these objectives by championing and co-sponsoring the Fair and Open Competition Act (H.R. 1209/S. 537)²⁰—introduced by House Oversight and Accountability Committee Chairman James Comer, R-Ky., and Sen. Todd Young, R-Ind. FOCA seeks to counteract special-interest favoritism by prohibiting federal agencies and recipients of federal assistance from mandating PLAs and implementing PLA preferences. However, this legislation would allow federal agencies to award contracts to businesses that voluntarily utilize PLAs before or after a fair and open competitive bidding process—a common industry practice permitted by the National Labor Relations Act.

Likewise, 25 states have laws like FOCA, which curb waste and favoritism during the state and local government procurement of construction contracts and ensure taxpayer dollars are spent responsibly by letting the market determine if a PLA is appropriate.

Supporting FOCA is critical in light of President Biden’s new policy mandating PLAs on an estimated 120 construction projects valued at \$10 billion to \$14 billion in direct federal agency construction contracts annually. Furthermore, FOCA will end other divisive Biden administration executive actions that coerce state and local governments—as well as private entities—to mandate PLAs on infrastructure projects, all to improve the likelihood of receiving hundreds of billions of dollars of federal grants from the Infrastructure Investment and Jobs Act and existing federal government funding streams.²¹ In addition, the Biden administration is pushing private developers to mandate PLAs on clean energy construction projects supported by more than \$270 billion in Inflation Reduction Act tax incentives²² and domestic microchip

¹⁸ Ward, Jason M., [The Effects of Project Labor Agreements on the Production of Affordable Housing: Evidence from Proposition HHH](#), Santa Monica, California: RAND Corp., 2021.

¹⁹ See five studies, available at <https://buildamericalocal.com/learn-more/#gmpla-studies>, measuring the impact of PLA mandates on public school construction already subject to state prevailing wage laws in Connecticut (2020), Massachusetts (2006), New Jersey (2019), New York (2006) and Ohio (2017) by the [Beacon Hill Institute](#); an October 2010 report by the New Jersey Department of Labor and Workforce Development, [Annual Report to the Governor and Legislature: Use of Project Labor Agreements in Public Works Building Projects in Fiscal Year 2008](#); and a 2011 study by the National University System Institute for Policy Research, [Measuring the Cost of Project Labor Agreements on School Construction in California](#).

²⁰ In the 118th Congress, FOCA ([H.R. 1209/S. 537](#)) has 114 co-sponsors in the House and 27 in the Senate.

²¹ Examples of more than \$250 billion in federal dollars available to state and local governments via multiple grant programs administered by the departments of Agriculture, Commerce, Energy, Environmental Protection Agency, Interior, Transportation, Treasury and other federal agencies with pro-PLA language can be found at www.abc.org/plagrants.

²² See Oct. 30, 2023, [coalition comment letter](#) on IRS Reg-100908-23, Increased Credit or Deduction Amounts for Satisfying Certain Prevailing Wage and Registered Apprenticeship Requirements.

manufacturing facilities receiving as much as \$50 billion in CHIPS and Science Act funding.²³ Such schemes undermine congressional authority as all of these taxpayer investments were authorized and funded through legislation that explicitly do not require or encourage the use of discriminatory PLAs on taxpayer-funded construction projects.

If you would like to promote fairness, efficiency and transparency in government contracting, please support FOCA and co-sponsor the bill by contacting Sarah Coffman (sarah.coffman@mail.house.gov) in Rep. James Comer's office and Nancy Martinez (nancy_martinez@young.senate.gov) in Sen. Todd Young's office. Get the facts about the Biden administration's needless promotion of inflationary and anti-competitive government-mandated PLAs via our coalition website at BuildAmericaLocal.com.

Sincerely,

American Concrete Pumping Association
American Fire Sprinkler Association
American Pipeline Contractors Association
American Road & Transportation Builders Association
Associated Builders and Contractors
Business Coalition for Fair Competition
Construction Leadership Council
Construction Industry Round Table
Electronic Security Association
HR Policy Association
Independent Electrical Contractors
National Black Chamber of Commerce
National Center for Construction Education & Research
National Federation of Independent Business
National Precast Concrete Association
National Ready Mixed Concrete Association
National Stone, Sand & Gravel Association
National Utility Contractors Association
Plastics Pipe Institute
Power and Communication Contractors Association
Precast/Prestressed Concrete Institute
Security Industry Association
Small Business and Entrepreneurship Council

²³ See [March 9, 2023, coalition letter to Secretary Gina Raimondo](#) opposing the U.S. Commerce Department's pro-PLA language in its semiconductor manufacturing notice of funding opportunity.