



NEW LEGISLATION WILL GUARANTEE FAIR AND OPEN COMPETITION ON FEDERAL CONSTRUCTION PROJECTS

Contact: Gail Raiman, (703) 812-2073
Gerry Fritz, (703) 812-2062

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WASHINGTON, D.C. – Associated Builders and Contractors (ABC) today voiced its strong support for the Government Neutrality in Contracting Act (H.R. 735), a measure introduced by Rep. John Sullivan (R-Okla.) that will “promote and ensure open competition on federal and federally funded construction projects.”

“It’s a matter of fairness,” said 2011 ABC National Chairman Michael J. Uremovich, president of Great Lakes Energy Consultants, LLC, Manhattan, Ill. “This legislation will guarantee that all qualified contractors and skilled workers, regardless of labor affiliation, have an equal opportunity to bid on and construct federal and federally assisted construction projects. In the end, this bill will help taxpayers get the best possible construction project at the best possible price by increasing competition, reducing waste and eliminating favoritism in federal contracting.”

“Almost two years ago, President Obama signed Executive Order 13502 which encourages federal agencies to require PLAs on federal construction projects exceeding \$25 million,” said Uremovich. “The executive order was designed to steer lucrative federal contracts to union construction contractors that employ only 13 percent of the construction workforce.”

A government-mandated PLA is a contract that requires construction projects to be awarded only to companies that agree to recognize unions as the representatives of their employees on that job; use the union hiring hall to obtain workers; obtain apprentices through union apprenticeship programs; follow archaic and inefficient union work rules; and pay into union benefit and multi-employer pension plans.

Studies indicate that government-mandated PLAs increase the cost of construction projects in numerous markets up to 18 percent compared to similar non-PLA projects.

“Government-mandated PLAs unfairly discourage competition from merit shop contractors and their employees. Today, 87 percent of the U.S. private construction workforce chooses not to belong to a labor union,” Uremovich said. “This legislation puts

an end to these special interest handouts and will result in more federal contracting opportunities for small businesses and more construction jobs for an industry suffering from an unemployment rate of 22.5 percent – more than twice the national average.”

The Government Neutrality in Contracting Act is identical to legislation (S. 119) introduced Jan. 25 by Sen. David Vitter (R-La.) that now awaits action in the Senate Committee on Homeland Security and Governmental Affairs.

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Associated Builders and Contractors (ABC) is a national association with 75 chapters representing more than 23,000 merit shop construction and construction-related firms with nearly two million employees. Visit us at www.abc.org.