

Congress of the United States
Washington, DC 20515

May 15, 2012

U.S. House of Representatives
Washington, D.C. 20515

Dear Representative:

I am writing in support of Representative Roscoe Bartlett's amendment number 182 to the National Defense Authorization Act (NDAA) for FY 2013 (H.R. 4310), which will ensure fair and open competition on federal construction contracts for projects authorized by the NDAA.

I urge you to support the Bartlett amendment, which will prevent federal agencies from requiring contractors to sign union-favoring project labor agreements (PLAs) as a condition of winning federal construction contracts.

As a cosponsor of Rep. John Sullivan's Government Neutrality in Contracting Act (H.R. 735), which also seeks to curtail these wasteful and anti-competitive crony contracting schemes, I thought you would be especially supportive of creating jobs for all qualified businesses and protecting taxpayers from special interest favoritism that has corrupted the integrity of federal construction procurement.

In 2009, President Obama signed Executive Order 13502, which strongly encourages federal agencies to consider mandating union-favoring PLAs on federal construction projects exceeding \$25 million. President Obama's pro-PLA executive order has led to waste, discrimination, favoritism and delays on federal construction projects.

When a government agency mandates a PLA, it typically forces federal contractors and subcontractors to recognize unions as the representatives of their employees on that jobsite; use the union hiring hall to obtain workers; pay into union pension and benefit plans even if businesses have their own plans; obtain apprentices exclusively through union apprentice programs; and obey restrictive and inefficient union work rules in order to win a federal construction contract. During the life of a PLA project, construction workers are forced to pay union dues and, even worse, must forfeit contributions to union benefit plans unless they join a union.

According to the U.S. Department of Labor's Bureau of Labor Statistics, only 14 percent of America's construction workforce belongs to a union. This means government-mandated PLAs and preferences discourage competition from the employers of more than eight out of 10 construction workers who would work on taxpayer-funded construction projects if not for government-mandated PLAs and PLA preferences.

In short, PLA mandates and PLA preferences are designed to discourage competition from qualified contractors that have been providing the federal government with quality, cost-competitive construction projects for decades without PLA mandates. The construction industry is already facing an unemployment rate of 14.5 percent; everyone deserves a level playing field to compete for this work.

The damage caused by federal PLA mandates is not limited to the construction industry. Taxpayers lose too. Several independent and academic studies indicate government-mandated PLAs increase the cost of construction projects in numerous markets between 12 percent and 18 percent compared to similar non-

PLA construction projects. Why should Americans be forced to pay for four military housing projects, VA hospitals and base infrastructure improvements for the price of five?

The Bartlett amendment is not anti-union; it is pro-fairness and pro-competition and respects protections guaranteed by the National Labor Relations Act. There is nothing in current law, Rep. Bartlett's amendment or H.R. 4310 that would prevent a federal contractor from voluntarily entering into a PLA on a federal construction project authorized by the NDAA.

Union-scale wages and benefits already are mandated on federal projects authorized by the NDAA via the Davis-Bacon Act with or without a PLA, so this effort is not about driving down construction industry wages. This amendment will deliver cost savings as a result of increased competition and reduced waste and inefficiency.

This amendment attempts to limit cronyism in federal contracting and lets the free market—rather than powerful special interests—pick winners and losers. Rep. Bartlett's amendment will eliminate inefficiencies in the federal contracting procurement process, increase competition, reduce costs and create construction jobs while protecting the public interest.

It is supported by the following construction industry and employer groups:

American Council of Engineering Companies (ACEC)
Associated Builders and Contractors (ABC)
Associated General Contractors (AGC)
Business Coalition for Fair Competition (BCFC)
Construction Industry Round Table (CIRT)
Independent Electrical Contractors (IEC)
Merit Elevator Contractors Association of America (MECAA)
National Association of Women in Construction (NAWIC)
National Black Chamber of Commerce (NBCC)
National Federation of Independent Business (NFIB)
Small Business & Entrepreneurship Council (SBEC)
U.S. Chamber of Commerce
Women Construction Owners & Executives, USA (WCOE, USA)

I urge you to vote YES when the Bartlett amendment is considered during the NDAA.

Sincerely,



Frank Guinta
Member of Congress