Talking Points OPPOSING Grimm Amendment to H.R. 5854
Promoting Government-Mandated PLAs on MilCon/VA Appropriations for FY 2013 (H.R. 5854)
May 30, 2012

- As reported by the Appropriations Committee, H.R. 5854 ensures fair, open and competitive bidding by all qualified businesses for federal construction contracts funded by MilCon/VA Appropriations FY 2013 legislation.
- As early as Thursday afternoon, proponents of government-mandated project labor agreements (PLAs) are expected to offer an amendment striking PLA neutrality language (Section 517) from H.R. 5854. A diverse coalition of construction industry trade associations and employer groups OPPOSE such an amendment, likely to be offered by Rep. Michael Grimm (R-NY), including ABC, AGC, NFIB, U.S. Chamber, National Black Chamber of Commerce and others.
- In February 2009, President Obama signed Executive Order 13502, which encourages federal agencies to require PLAs on federal projects exceeding $25 million in total cost.
- A government-mandated PLA is a requirement that qualified contractors preemptively submit to a union collective bargaining agreement as a condition of winning government construction contracts. PLA mandates typically restrict jobs to construction workers referred from union hiring halls, effectively shutting out 86 percent of the nation’s construction workforce.
- Studies have found that PLA mandates increase the cost of construction between 12 percent and 18 percent compared to similar non-PLA projects subject to prevailing wage laws.
- The Obama executive order and related regulations have exposed agency procurement officials to intense political pressure from special interest groups, the Obama administration, agency political appointees and members of Congress to mandate PLAs on MilCon and VA projects even when they are not appropriate.
- Government-mandated PLAs and PLA preferences increase costs to taxpayers, reduce construction job creation and inject favoritism into the federal procurement process.
- PLA neutrality language will revert to the policy of the Bush administration, under which $147 billion worth of federal construction projects were built without PLA mandates and without incident.

Contrary to Union Talking Points...
- Section 517 DOES NOT prohibit the use of a PLA on any project funded by MilCon/VA, according to a May 25, 2012, Congressional Research Service memo.
- If a federal contractor wants to enter into a PLA on a construction project, there is nothing in current law, Section 517 or H.R. 5854 that would prevent it from doing so voluntarily.
- Agencies are still free to award contracts to businesses that voluntarily use PLAs.
- Section 517 DOES NOT affect funding for previously awarded and ongoing construction projects.
- PLA mandates effectively require a union-only workforce. Workers must pay union dues, pay into union pension schemes and be referred from union hiring halls to be eligible to work on a PLA project.
- All federal projects require payment of prevailing wages via the Davis-Bacon Act, regardless of PLA status.
- All federal projects require the use of E-verify, regardless of PLA status.
- Large corporations may elect to use PLAs voluntarily in areas with high union density, typically to avoid bannering and other harassing corporate campaign tactics from unions. As private entities, this is their prerogative; they are responsible to shareholders, not citizens, and their projects are financed by private capital, not taxpayer funds.