



March 24, 2017

The Honorable Jason Chaffetz
Chairman
Committee on Oversight and Government Reform
United States House of Representatives

The Honorable Elijah Cummings
Ranking Member
Committee on Oversight and Government Reform
United States House of Representatives

Dear Chairman Chaffetz and Ranking Member Cummings:

On behalf of Associated Builders and Contractors (ABC), a national construction industry trade association with 70 chapters representing nearly 21,000 chapter members, I am writing in regard to the March 28 Oversight and Government Reform Committee business meeting to markup H.R. 1552, the Fair and Open Competition Act. ABC strongly supports H.R. 1552 and encourages all members to vote to report this bill out of committee.

H.R. 1552, introduced by Representative Dennis Ross (R-Fla.), would prevent federal agencies and recipients of federal assistance from requiring contractors to sign an anti-competitive and costly project labor agreement (PLA) as a condition of winning a federal or federally assisted construction contract. It also would eliminate discriminatory PLA preference policies that discourage competition and result in potential delays, waste and favoritism during the procurement of taxpayer-funded construction projects. This good-government proposal would help to increase competition and curb waste and favoritism in the procurement of construction contracts.

PLAs act as special interest kickbacks that typically require companies that have been awarded government contracts to recognize unions as the representatives of their employees on that job, use the union hiring hall to obtain workers and follow notoriously inefficient union work rules. Most importantly, PLAs discourage the 86.1 percent of the private construction workforce that chooses not to join a union from working on those projects. This legislation will lead to increased competition, less litigation and more accountability.

On Feb. 6, 2009, President Obama issued Executive Order 13502, which strongly encourages federal agencies to require PLAs on a case-by-case basis on federal construction projects exceeding \$25 million in total cost. In response, 20 states have enacted legislation or executive orders restricting PLA requirements and preferences on state and local projects since 2011. To date, a total of 22 states have measures that guarantee fair and open competition on taxpayer-funded construction projects. As of today, President Trump has not issued an executive order rescinding President Obama's pro-PLA order or replaced it with a new executive order restricting government-mandated PLAs on federal and federally assisted projects, as has been issued by past Republican Presidents.

Rep. Ross' bill does nothing to prevent a contractor from voluntarily entering into a PLA—it solely prevents the government from mandating the use of a PLA as a condition of winning the contract.

ABC commends the Committee for its swift attention to this matter, and urges the immediate passage of this much-needed legislation.

Sincerely,

Kristen Swearingen
Vice President of Legislative & Political Affairs