



February 17, 2011

United States House of Representatives
Washington, D.C. 20515

Dear Representative:

On behalf of Associated Builders and Contractors (ABC), a national association with 75 chapters representing more than 23,000 merit shop construction and construction-related firms with nearly two million employees, I would like to voice our strong support for Representative Frank Guinta's Amendment (#166) to H.R. 1, the Full-Year Continuing Appropriations Act for Fiscal Year 2011. **ABC strongly urges House Members to support Representative Guinta's Amendment (#166) and will consider the vote on the Guinta Amendment as a "KEY VOTE" for our 112th Congressional Scorecard.**

With Congress currently considering legislation aimed at slashing out-of-control federal spending, this amendment has never been more timely or crucial. Representative Guinta's Amendment protects taxpayers and ensures fair and open competition on government construction contracts. The Guinta Amendment would block any funding for federal construction projects subject to a government-mandated project labor agreement (PLA), essentially prohibiting the federal government from requiring anti-competitive and costly PLAs on projects funded by the Continuing Resolution.

Contracts for construction projects subject to PLAs typically discourage competition from qualified contractors that employ 87 percent of the U.S. private construction workforce. A PLA is a contract that requires a construction project to be awarded to contractors and subcontractors that agree to: recognize unions as the representatives of their employees on that jobsite; use the union hiring hall to obtain workers; obtain apprentices through union apprenticeship programs; and obey the union's restrictive work rules.

In 2009, President Obama signed Executive Order 13502 which encourages federal agencies to mandate PLAs on federal construction projects exceeding \$25 million total cost. The order also repealed President Bush's Executive Orders 13202 and 13208, which had protected hundreds of billions of dollars' worth of federal and federally assisted construction projects from government PLA requirements since 2001. An April 14, 2010 *Wall Street Journal* editorial referred to the Obama order as "a raw display of political favoritism" and "a rotten deal for taxpayers."

Executive Order 13502 has resulted in increased costs to taxpayers. In December, an investigation by *The Washington Examiner* revealed that a recent PLA on a federal building in Washington, D.C., procured by the United States General Services Administration, cost taxpayers an additional \$3.3 million on a \$52.3 million contract. The added cost of the PLA was not surprising, as several independent and academic studies indicate government-mandated PLAs increase the price of construction projects in numerous markets between 12 percent and 18 percent compared to similar non-PLA projects.

Representative Guinta's Amendment would protect taxpayers from costly and discriminatory government-mandated PLA requirements on federal construction contracts. We strongly urge you to eliminate discrimination and guarantee equal opportunity and open competition in the procurement of federal construction contracts. **ABC urges all House Members to vote in support of the Amendment (#166) offered by Representative Guinta and will consider this vote as a "KEY VOTE" for our 112th Congressional Scorecard.**

Sincerely,

Geoffrey G. Burr
Vice President, Associated Builders and Contractors