

June 10, 2011

United States House of Representatives
Washington, D.C. 20510

Dear Representative:

The diverse group of undersigned construction and business associations writes in strong support of Section 415 of the Military Construction, Veterans Affairs, and Related Agencies Appropriations Act for Fiscal Year 2012 (H.R. 2055), and **urge you to oppose any amendment offered next week that would strike Section 415 from the bill.**

Section 415 of H.R. 2055 ensures fair and open competition on federal construction contracts funded by this legislation. Specifically, it will prevent federal agencies from *requiring* contractors to sign an anti-competitive and costly project labor agreement (PLA) *as a condition of winning a federal construction contract*. It also will prevent federal agencies from implementing a discriminatory PLA preference policy that discourages competition and results in needless waste and favoritism in the federal procurement process.

A *government-mandated PLA* is a contract that typically 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; follow archaic and inefficient work rules; and pay into union benefit and multi-employer pension plans that nonunion employees will never be able to access—forcing non-signatory employers to pay twice for retirement and health care benefits, placing them at a significant competitive disadvantage.

As a result of these terms and conditions, government-mandated PLAs can unfairly *discourage competition* from nonunion contractors and their employees who comprise almost 87 percent of the U.S. private 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.

Section 415 of H.R. 2055 counteracts Executive Order 13502 and FAR Rule 2009-005 and will prohibit federal agencies building projects funded by this bill from *mandating* PLAs and implementing PLA preferences.

President's Obama's Feb. 6, 2009, Executive Order 13502 encourages federal agencies to require PLAs on federal construction projects exceeding \$25 million in total cost on a case-by-case basis in order to "advance the economy and efficiency in federal contracting."

The executive order and related FAR 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 military and Veterans Affairs projects even when they are not appropriate.

Section 415 of H.R. 2055 will curb waste and favoritism in the procurement of federal construction projects and ensure taxpayer dollars are spent responsibly. It also permits federal agencies to award contracts to businesses that *voluntarily* enter into PLAs, in accordance with the National Labor Relations Act.

We ask that you take a stand against discrimination and special interest set-asides in government contracting and **OPPOSE** any amendments that attempt to strike Section 415 from H.R. 2055.

Section 415 will create a level playing field in the procurement of government construction contracts, increase competition, help small businesses grow, curb increased construction costs and create jobs for the construction industry, which suffers from a 16.3 percent unemployment rate.

Sincerely,

American Council of Engineering Companies (ACEC)

Associated Builders and Contractors (ABC)

Construction Industry Round Table (CIRT)

Independent Electrical Contractors (IEC)

Merit Elevator Contractors Association of America (MECAA)

National Association of Minority Contractors (NAMC) Philadelphia Chapter

National Association of Women in Construction (NAWIC)

National Black Chamber of Commerce (NBCC)

National Federation of Independent Business (NFIB)

National Ready Mixed Concrete Association (NRMCA)

NUCA Representing Utility and Excavation Contractors

Small Business & Entrepreneurship Council (SBEC)

U.S. Chamber of Commerce

Women Construction Owners & Executives, USA (WCOE, USA)