

Support Fair and Open Competition in Federal Contracting
Cosponsor H.R. 436, the *Government Neutrality in Contracting Act*

March 20, 2013

Dear Colleague:

Almost four years ago, President Obama signed Executive Order 13502, an anti-competitive and costly measure encouraging federal agencies to mandate union-favoring project labor agreements (PLAs) on federal construction projects exceeding \$25 million in total cost.

A PLA is a contract that requires construction projects to be awarded only to companies that agree to recognize unions as the representatives of their employees on that job. PLAs use the union hiring hall to obtain workers, pay fringe benefits into union-managed benefit and pension programs, and obey the unions' restrictive and inefficient work rules and job classifications. Government-mandated PLAs also unfairly discourage competition from nonunion contractors and their employees—who compose almost 87 percent of the U.S. private construction workforce.

Studies indicate that in numerous markets, government-mandated PLAs increase the price of construction projects between 12 and 18 percent compared to similar non-PLA projects. During tough economic times when the construction industry unemployment rate is above 15 percent, we simply cannot afford these special interest deals. Congress should be doing all it can to ensure fair and open competition on federal construction contracts, and help deliver to taxpayers the best possible construction product at the best possible price.

For these reasons, I have introduced H.R. 436, the *Government Neutrality in Contracting Act*, which prohibits executive agencies and recipients of federal funds from requiring contractors to agree to PLAs as a condition of winning a federal or federally-assisted construction contract. H.R. 436 will increase competition, reduce costs, create construction jobs, and restore a level playing field for all qualified contractors to compete for public construction contracts.

H.R. 436 has support from the following organizations:

Associated Builders and Contractors (ABC)
Associated General Contractors (AGC)
Business Coalition for Fair Competition (BCFC)
Construction Industry Round Table (CIRT)
Independent Electric Contractors (IEC)
National Association of Home Builders (NAHB)
National Association of Women in Construction (NAWIC)
National Black Chamber of Commerce (NBCC)
National Federation of Independent Business (NFIB)
National Ready Mixed Concrete Association (NRMA)
Small Business & Entrepreneurship Council (SBEC)
U.S. Chamber of Commerce

Please join me and over 80 cosponsors in helping to restore fair and open competition in federal contracting. To learn more about government-mandated PLAs or become a cosponsor of H.R. 436, please contact Julie Goldfarb in my office at 5-5311, or Julie.goldfarb@mail.house.gov.

Sincerely,

Andy Harris, M.D.
Member of Congress