October 17, 2022

Re: FAR Case 2022-003
        OMB Control No. 9000-0066

The undersigned organizations, representing a diverse coalition of taxpayer, free market, and consumer groups, write to express our opposition to the proposed anti-competitive rule regarding the use of Project Labor Agreements (PLAs) for federal construction projects published in the Federal Register on August 19, 2022.

Specifically, the Department of Defense (DoD), General Services Administration (GSA), and National Aeronautics and Space Administration (NASA) are proposing to amend the Federal Acquisition Regulation (FAR) to implement an Executive Order requiring costly PLAs on federal construction projects where the total estimated cost to the federal government is $35 million or more, unless an exception applies.

PLAs require contractors to sign a collective bargaining agreement with various construction trade unions as a requirement to win contracts to build applicable government construction projects. These agreements typically force contractors to adhere to union wage scales, hire union labor, follow union work rules, and pay into union benefit plans that other nonunion employees will be unlikely to tap into. As a result, contractors who use nonunion workers -- and often make lower-cost bids -- are effectively locked out of the process.

Reducing competition will result in greater costs to taxpayers and undermine investments in infrastructure. For example, a 2021 RAND Corporation study found that PLAs raised the construction cost of Los Angeles affordable housing projects by 14.5 percent.

As President Biden noted in his Executive Order on Promoting Competition in the American Economy, the American promise of a broad and sustained prosperity depends on an open and competitive economy. The rules for federal acquisition projects should also be open and competitive. This is especially true at a time when America is facing the highest inflation levels in decades. We urge the administration to rescind the PLA rule.

Sincerely,

National Taxpayers Union

60 Plus Association

American Commitment

American Consumer Institute

Americans for Prosperity

Americans for Tax Reform

Business Coalition for Fair Competition

Consumer Action for a Strong Economy

Center for Freedom and Prosperity

Citizens Against Government Waste

FreedomWorks

Less Government

Open Competition Center

Taxpayers Protection Alliance