

June 27, 2024

The Honorable Nancy Mace
Chairwoman
Subcommittee on Cybersecurity,
Information Technology and Government
Innovation
Committee on Oversight and Accountability
U.S. House of Representatives
Washington, DC 20515

The Honorable Gerald E. Connolly
Ranking Member
Subcommittee on Cybersecurity,
Information Technology, and Government
Innovation
Committee on Oversight and Accountability
U.S. House of Representatives
Washington, DC 20515

Dear Madam Chairwoman:

The undersigned organizations, representing a diverse coalition of taxpayer, free market, and consumer groups, write to express our gratitude for holding this hearing examining President Biden's troubling policies promoting project labor agreement (PLAs) mandates and preferences on federal and federally assisted construction projects funded by taxpayers.

The Biden administration's new rule requiring discriminatory PLAs on federal construction projects of \$35 million or more effectively steers taxpayer-funded construction contracts to unionized contractors and labor, and limits competition from experienced nonunion contractors and almost 90% of the construction industry that is not a member of a union.

In addition to the Biden administration's policy mandating PLAs on federal contracts, more than \$270 billion worth of federal assistance to state and local government infrastructure projects have been subjected to pro-PLA language embedded in federal agency grant programs.

These anti-competitive and inflationary policies were not enacted in law by Congress, but rather through regulatory schemes that undermine the rule of law. In addition, the Biden administration's union-favoring policies threaten to slow project timelines and will cost taxpayers billions of dollars in additional construction costs.

PLAs require contractors to sign a collective bargaining agreement with workers in order to work on some taxpayer-funded 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, experienced contractors who use nonunion workers and often make lower-cost bids are effectively locked out of the process.

Remarkably, the Biden administration claims PLA mandates will save taxpayers money, despite significant evidence that it won't. For example, a 2021 RAND Corporation [study](#) found that government PLA mandates raised the construction cost of Los Angeles affordable housing projects by 14.5% and resulted in 800 fewer affordable housing units, meaning that the government could have built 11% more affordable housing for those in need without costly PLA schemes.

For many projects, especially those in low-union population states or in rural areas, acquiring union labor could be either impossible or prohibitively expensive. Given that many of these federal PLA-required grant programs are intended to reach rural communities, such as broadband grants, it's clear that this will hamper progress on top of exceeding congressional intent.

The undersigned organizations support government efficiency and oppose putting a thumb on the scale in federal contracting. There are also legislative proposals with merit, such as the Fair and Open Competition Act ([H.R. 1209](#) / [S. 537](#)), introduced by Rep. James Comer, R-Ky., and Sen. Todd Young, R-Ind; and the resolution of disapproval ([H.J. Res. 132](#)) under the Congressional Review Act, introduced by Rep. Clay Higgins, R-La., nullifying the Biden administration's PLA final rule on federal construction projects. With the Biden administration's reckless PLA policies in full effect, Congress would be wise to preserve the efficient deployment of taxpayer funding.

This legislation would disallow federal agencies and grantees from creating requirements for contractors to sign PLAs as a condition of winning construction contracts with federal taxpayer funds attached.

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 procurement of federal and federally assisted infrastructure projects should also be open and competitive, as required by law. This is especially true at a time when America is facing the highest inflation levels in decades.

We again thank you for examining this controversial Biden administration policy and urge you to support crucial legislative solutions that will protect taxpayer funds.

Sincerely,

F. Vincent Vernuccio
President
Institute for the American Worker

Nicholas Johns
Senior Policy and Government Affairs Manager
National Taxpayers Union

Akash Chougule
Vice President
Americans for Prosperity

Grover Norquist
President
Americans for Tax Reform

Tom Hebert
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