



January 13, 2025

President-elect Donald J. Trump
The Mar-a-Lago Club
1100 South Ocean Blvd
Palm Beach, FL 33480

Dear President Trump:

The Construction Employers of America (CEA) congratulate you on your re-election and your impending Inauguration. We write to urge you to continue the wise and prudent policy decision made during your first term regarding project labor agreements (PLAs), when you rejected hyperbolic, misguided calls to prohibit the use of PLAs by the federal government. Today, the same people are again using the same discredited arguments to urge you to repeal Executive Order 14063 on The Use of Project Labor Agreements for Federal Construction Projects (February 4, 2022) and the federal acquisition rules implementing it. CEA asks that you decline this renewed invitation to ban PLAs on federal construction projects.

The CEA is a coalition of seven leading, national construction employer associations representing over 15,000 construction industry employers that collectively employ more than 1.4 million skilled construction industry craft workers. The CEA works to strengthen the construction industry and advocates for the interests of construction employers that provide the best value to project owners through a highly productive, highly skilled workforce that earns fair wages and benefits.

The Truth About Project Labor Agreements and Their Enduring Value

As you know well, large-scale construction projects pose special challenges that PLAs help to address regarding the nature of the construction workforce and the fact that large projects involve multiple employers at a single location that must coordinate and are dependent on one another to ensure a project progresses in a rational, cost-effective manner that meets developers' deadlines and budgets. Several of your projects in New York and New Jersey have used PLAs, including the Trump National Club House in Briarcliff, NY, Trump Plaza in New Rochelle, NY, and the Trump Taj Mahal in Atlantic City, NJ. In doing so, you mirrored leading private companies.

Disney used a PLA in the late 1960s to build Disney World¹ and uses PLAs on an ongoing basis for “continued construction” of the Disney World Resort.² Building trades employees have worked tens of millions of hours on Toyota PLAs, including manufacturing plants in San Antonio, TX and Blue Springs, Mississippi.^{3,4} A study on PLAs in New York, notes that “[m]ajor corporations, such as Walmart and Delta Airlines now use, and others, such as Toyota, continue to use PLAs for their large manufacturing and commercial projects.”⁵ The use of PLAs in the United States dates back to the 1930s, and they have been used to build dams, nuclear power plants, the Trans-Alaska Pipeline, and Cape Canaveral.⁶

PLAs and EO 14063 Do Not Prohibit Non-Union Contractors from Bidding on Large-Scale Construction Projects

Some groups falsely claim that requiring PLAs for large construction projects precludes non-union contractors from bidding on such a project. This argument is simply false for several reasons. First, nothing in EO 14063 or the Federal Acquisition Regulatory (FAR) Council rules implementing it prevents any contractor from submitting a bid on a large-scale federal construction project.

Executive Order (EO) 14063 guides a contracting officer’s discretion to use PLAs on federal government “large-scale construction projects” expected to cost \$35 million or more. Contrary to the rhetoric of those advocating for the repeal of the EO, it is not a blanket mandate to use PLAs or a ban on non-union contractors. Under EO 14063, contracting officers retain the discretion to forgo a PLA whenever:

- (1) Requiring a PLA would not advance the federal government’s interest in achieving economy and efficiency in federal procurement;
- (2) Market analysis confirms that requiring a PLA on a project would substantially reduce the number of potential bidders so as to frustrate full and open competition; or
- (3) Requiring a PLA on a project would otherwise be inconsistent with statutes, regulations, Executive Order, or Presidential Memoranda.

¹ LiUNA, “Project Labor Agreements,” available at <https://www.liuna.org/project-labor-agreements> (accessed Jan. 10, 2025).

² See, e.g., Buena Vista Construction Co. Project Labor Agreement dated Jan. 4, 2015-Jan. 4, 2020, available at <https://nabtu.org/wp-content/uploads/2019/08/2015-Project-Labor-Agreement-061615.pdf> (accessed Jan. 10, 2025).

³ Electronic Library of Construction Occupational Safety and Health, “Productivity Enhancement: Project Labor Agreements,” available at <https://www.elcosh.org/document/168/121/d000977/5.html#2> (accessed Jan. 10, 2025).

⁴ Dennis Seid, “Toyota uses project labor agreements,” *Daily Journal* (May 26, 2007), available at https://www.djournal.com/news/toyota-uses-project-labor-agreements/article_d59f63c1-d9eb-5e90-9bc7-38800cbdf001.html (accessed Jan. 10, 2025).

⁵ Fred B. Kotler, J.D., *Project Labor Agreements in New York State II: In the Public Interest and of Proven Value* (May 2011) at 28, available at https://ecommons.cornell.edu/bitstream/handle/1813/74333/LaborAgreementsinNYS_II.pdf?sequence=1&isAllowed=y (accessed Jan. 10, 2025).

⁶ Congressional Research Service, *Project Labor Agreements* (June 28, 2012) at 2, available at https://www.everycrsreport.com/files/20120628_R41310_731846eb1c5bc373a7ea40ebd566f72ded8a8771.pdf (accessed Jan. 10, 2025).

These exceptions written into EO 14063 give the lie to wild rhetoric about EO 14063 foreclosing non-union contractors from bidding on PLAs.

Additionally, claims that PLAs preclude non-union contractors from bidding ignore the fact that PLAs do not require contractors to become signatory with a union. While PLAs are negotiated with the relevant union(s), they allow for non-union companies and workers on the jobsite. A non-union contractor has the exact same opportunity as a union contractor to bid on a project subject to a PLA. Indeed, EO 14063 *requires* that any PLA entered into “allow all contractors and subcontractors on the construction project to compete for contracts and subcontracts *without regard to whether they are otherwise parties to collective bargaining agreements.*”⁷

The truth is that a PLA is a single-project agreement between (1) a project owner or prime contractor and (2) the unions that are to provide workers for the project. The agreement, which is entered into prior to the start of work at the jobsite (*i.e.*, “pre-hire”) and typically ends upon substantial completion of the work, governs the terms and conditions of employment for all construction workers—whether union or non-union—on the jobsite (including but not limited to working conditions, wages, benefits, and grievances).

To the extent that PLAs facilitate employment of union craft workers, they do promote economy and efficiency. This is confirmed by recent, groundbreaking research from Independent Project Analysis (IPA), the world’s preeminent consultancy in construction project evaluation and the construction industry leader in quantitative analysis of the practices and systems that generate effective use of capital for construction. IPA’s report entitled “Quantifying the Value of Union Labor in Construction Projects”⁸ incontrovertibly establishes, based on data from actual analysis of over 20,000 construction projects with more than 21 million data points, that construction workers subject to a collective bargaining agreement are substantially more productive and cost-effective than their open shop peers. Specifically, the IPA analysis found a 14% work output productivity advantage for all union projects over non-union projects, and a 15% advantage for all union mechanical work as compared with non-union mechanical work. Moreover, the IPA study data reveals that even when the all-in compensation cost differential between union and open shop workers are factored in, union construction is still 4% more cost effective overall when compared to the open shop.

IPA’s analysis also confirms the productivity advantages union craft workers have over their open shop peers. This allows union jobs to have lower staffing levels (10% below the open shop). The overall cost savings are reinforced by IPA data confirming that union construction relative to open shop construction poses less risk of substantial delays and cost overruns relating

⁷ Exec. Order No. 14063, *supra* n. 1, at sec. 4(b) (emphasis added). See also, e.g., Zachary Phillips, “Despite Biden PLA order, non-union contractors can win federal projects,” *Construction Dive* (Feb. 24, 2022), available at <https://www.constructiondive.com/news/project-labor-agreement-pla-union-iiija-bidens-executive-order/619320/> (accessed Jan. 10 2025).

⁸ Independent Project Analysis, *Quantifying the Value of Union Labor in Construction Projects* (December 2022), last accessed Jan. 10, 2025 at <https://www.mcaa.org/wp-content/uploads/2023/01/IPA-Study-Quantifying-the-Value-of-Union-Labor-in-Construction-Projects-FINAL.pdf>

to staffing problems. It is simply beyond dispute that union construction craft labor gives taxpayers more “bang for the buck” than open shop workers.

There is No Reason to Now Accept Discredited Arguments to Curtail PLAs That You Rejected During Your First Term

EO 14063 is just the latest instance of a President making a reasoned determination as a matter of Administration policy that PLAs promote “economy and efficiency” and address “special challenges” on large and complex construction projects. This same policy animated EO 13502, which you left in place throughout your first term despite the same misguided, discredited arguments⁹ that rabidly anti-union groups are now regurgitating in hopes of getting a different result to no effect. These same flawed assertions are being presented in the hope that through repetition they will somehow become credible and persuasive.

You were not alone in rejecting the discredited arguments that are being recycled to argue that you should prohibit PLAs. In the last Congress, while a small, anti-union minority of members introduced a Congressional Review Act resolution to disapprove of the final FAR Council regulations implementing EO 14063,¹⁰ the resolution never garnered enough support to advance out of committee, much less to a vote in the Republican-controlled House. And it only garnered two co-sponsors.¹¹

It is well established that PLAs and the collective bargaining arrangements generally associated with them improve productivity, provide structure, and ensure stability on large-scale construction projects. They protect employers, workers, and contracting agencies. And PLAs also protect American taxpayers.

CEA and its members appreciate your discernment and understanding of issues related to construction contracting, as evidenced by the continuity you provided regarding PLAs during your first term. We hope you will continue these policies and look forward to working with you to ensure that the American construction industry and U.S. workers can continue to meet the needs of the nation.

⁹ Compare: January 24, 2018 Letter to President Donald J. Trump from Associated Builders and Contractors *et. al.* (urging repeal of EO 13502 because they allegedly increase costs, reduce competition, exacerbate labor shortages, and create issues with existing collective bargaining agreements), *available at* <https://www.abc.org/Portals/1/aaaaaaaa.pdf>; with August 18, 2022 Associated Builders and Contractors News Release (making same arguments as January 24, 2018 letter to President Trump), *available at* <https://www.abc.org/News-Media/News-Releases/entryid/19556/president-bidens-inflationary-pla-schemes-hurt-taxpayers-and-construction-job-creators>; with January 9, 2025 Letter to President Donald J. Trump from Associated Builders and Contractors, *et. al.*, (urging repeal of EO 14063 based on the same arguments put forward in the January 24, 2018 Letter to President Trump that PLAs allegedly increase costs, reduce competition, exacerbate labor shortages, and create issues with existing collective bargaining agreements), *available at* <https://www.abc.org/Portals/1/PLA/Build%20America%20Local%20Coalition%20Letter%20to%20Trump%20Team%20Opposing%20Biden%20Project%20Labor%20Agreement%20Policies%20010925%2024.pdf?ver=RRd1v12YJfNkkVRhtNopHg%3d%3d>.

¹⁰ H. J. Res. 132, a Congressional Review Act resolution to nullify the Federal Acquisition Regulatory (FAR) Council’s final rule regarding the “Use of Project Labor Agreements for Federal Construction Projects” *available at* <https://www.congress.gov/bill/118th-congress/house-joint-resolution/132>.

¹¹ *Ibid*

Sincerely,

The Association of Union Constructors (TAUC)

FCA International (FCA)

International Council of Employers of Bricklayers and Allied Craftworkers (ICEBAC)

The Mechanical Contractors Association of America (MCAA)

The National Electrical Contractors Association (NECA)

The Sheet Metal & Air Conditioning Contractors' National Association (SMACNA)

The Signatory Wall and Ceiling Contractors Alliance (SWACCA)