



June 12, 2024

To the Members of the United States Congress:

The U.S. Chamber of Commerce supports H.R. 1209/S. 537, the Fair and Open Competition Act, which would prohibit federal agencies and recipients of federal assistance from mandating project labor agreements (PLA) and implementing PLA preferences. This legislation would undo the December 2023 Biden administration final rule mandating project labor agreements for federal construction contracts of \$35 million or more.¹

PLAs are jobsite-specific collective bargaining agreements unique to the construction industry that typically require companies to agree to recognize unions as the representatives of their employees on that job, use the union hiring hall to obtain most or all construction labor, hire apprentices from union-affiliated apprenticeship programs, follow union work rules, and pay into union benefit and multiemployer pension plans that nonunion employees cannot access. PLAs have been proven to increase the costs of projects, reduce the number of firms interested in bidding on work, and force workers to join unions or contribute to union benefit plans.

President Biden's assertion² that businesses unaffiliated with construction trade unions are unable to deliver safe, on-time, on-budget government construction projects while complying with federal labor laws and paying competitive wages to employees³ is unsupported by data. Experienced nonunion contractors and their skilled employees have delivered exceptional value on federally funded projects.

During the Obama administration – when PLAs were encouraged, but not required – federal agency contracting officers chose to require PLAs on just 12 large-scale federal construction contracts out of 3,222 opportunities.⁴ There were no reports of widespread cost overruns, delays, labor unrest or poor-quality construction on \$237.2 billion worth of non-PLA federal projects during this time period, indicating that PLA mandates are not needed to ensure economy and efficiency in government contracting.

¹ Access studies, coalition letters, media coverage, talking points and social media kits on PLAs and the Biden administration's misguided pro-PLA policies at the [BuildAmericaLocal.com](https://www.buildamericalocal.com) coalition website.

² See [White House Fact Sheet: President Biden Signs Executive Order to Boost Quality of Federal Construction Projects](#), Feb. 3, 2022, and [Remarks by President Biden at Signing of an Executive Order on Project Labor Agreements](#), Feb. 4, 2022.

³ With or without a PLA, all federal and federally assisted projects are subject to federal labor and employment laws, including federal Davis-Bacon prevailing wage regulations, which typically require union-scale wages and benefits for building, heavy and highway projects where PLAs are normally considered.

⁴ See [chart of total usage of PLAs on federal construction projects](#).

Moreover, 25 states have laws similar to FOCA, which curb waste and favoritism during the state and local government procurement of construction contracts and ensure taxpayer dollars are spent responsibly by letting the market determine if a PLA is appropriate.

The Chamber urges you to support H.R. 1209/S. 537, the Fair and Open Competition Act.

Sincerely,

A handwritten signature in blue ink, appearing to read "Neil L. Bradley". The signature is fluid and cursive, with a large, stylized flourish at the end.

Neil L. Bradley
Executive Vice President, Chief Policy Officer,
and Head of Strategic Advocacy
U.S. Chamber of Commerce