



**INDEPENDENT ELECTRICAL
CONTRACTORS**

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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 Chairwoman Mace, Ranking Member Connolly and Members of the Subcommittee:

Thank you for holding today's hearing, "Cutting Competition in Contracting: The Administration's Pricey Project Labor Agreement Mandate," which addresses the final rule by the Federal Acquisition Regulation: Use of Project Labor Agreements for Federal Construction Projects, implementing President Biden's Executive Order 14063, requiring federal construction contracts of \$35 million or more be subjected to project labor agreements. IEC expresses its opposition to this anti-competitive and inflationary policy.

Established in 1957, Independent Electrical Contractors is a trade association representing 3,600 members with more than 50 chapters and training centers nationwide. Headquartered in Arlington, Va., IEC is the nation's premier trade association representing America's independent electrical and systems contractors. IEC National aggressively works with the industry to establish a competitive environment for the merit shop—a philosophy that promotes the concept of free enterprise, open competition, and economic opportunity for all.

A PLA is a jobsite-specific collective bargaining agreement unique to the construction industry that typically requires 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. This forces employers to pay "double benefits" into their existing plans and union plans, puts them at a significant competitive disadvantage and exposes them to unfunded multiemployer pension plan liabilities. In addition, PLAs typically require construction workers to pay union dues and/or join a union if they want to receive union benefits and work on a PLA project. If they do not satisfy these stipulations, nonunion workers lose an estimated 34% of their wages and benefits to union coffers and benefits plans—making them the victims of wage theft.

In addition, government-mandated PLAs exacerbate the construction industry's estimated skilled labor shortage of more than half a million workers by unfairly discouraging competition from quality nonunion contractors and their employees, who comprise 89.3% of the private U.S. construction industry workforce. They also discourage competition from small-, women-, minority-, and veteran-owned businesses and needlessly increase construction costs to the American taxpayer on infrastructure projects, like those funded by the Infrastructure Investment and Jobs Act.

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Multiple studies of hundreds of taxpayer-funded affordable housing and school construction projects found that government PLA mandates increase the cost of construction by 12% to 20% compared to similar non-PLA projects already subjected to prevailing wage regulations.

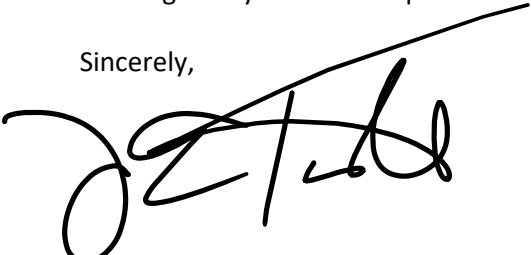
IEC must also object to the Biden administration's false rationale that merit shop electrical contractors are unable to deliver safe, on-time and on-budget government construction projects while obeying federal labor laws and paying competitive wages to employees. Electrical contractors and their skilled electricians who are not affiliated with a union have delivered quality projects for the federal government for decades without government PLA requirements. Of the 3,222 large-scale federal construction contracts issued under President Obama's Executive Order 13502, which encourages federal agencies to require PLAs on federal construction projects exceeding \$25 million in total value as a way to "promote the economy and efficiency in federal procurement," PLAs were required just 12 times.

Congress can promote fair competition in federal contracting by passing the Fair and Open Competition Act (H.R. 1209/S. 537), which passed out of the full Oversight Committee on July 12, 2023. Introduced by House Oversight and Accountability Committee Chairman James Comer (R-KY) and Sen. Todd Young (R-IN), FOCA prohibits federal agencies and recipients of federal assistance from mandating PLAs and implementing PLA preferences. Federal agencies would still be permitted to award contracts to construction firms that voluntarily utilize PLAs before or after a fair and open competitive bidding process—a common industry practice permitted by the National Labor Relations Act.

Additionally, IEC supports the supports the resolution of disapproval (H.J. Res. 132) under the Congressional Review Act, introduced by Rep. Clay Higgins (R-LA), which would nullify the Biden administration's PLA policy.

IEC appreciates the Subcommittee shedding light on this anti-competitive and inflationary policy and looks forward to working with you on this topic of critical importance to its merit shop electrical contractor members.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Todd', with a long horizontal line extending from the top of the signature across the page.

Jason E. Todd
Vice President, Government Affairs
Independent Electrical Contractors