

**CUTTING COMPETITION IN CONTRACTING:
THE ADMINISTRATION'S PRICEY PROJECT
LABOR AGREEMENT MANDATE**

HEARING

BEFORE THE
SUBCOMMITTEE ON CYBERSECURITY, INFORMATION
TECHNOLOGY, AND GOVERNMENT INNOVATION
OF THE

**COMMITTEE ON OVERSIGHT
AND ACCOUNTABILITY**

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**CUTTING COMPETITION IN CONTRACTING:
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LABOR AGREEMENT MANDATE**

Thursday, June 27, 2024

HOUSE OF REPRESENTATIVES
COMMITTEE ON OVERSIGHT AND ACCOUNTABILITY
SUBCOMMITTEE ON CYBERSECURITY, INFORMATION TECHNOLOGY,
AND GOVERNMENT INNOVATION
Washington, D.C.

The Subcommittee met, pursuant to notice, at 2:55 p.m., in room 2154, Rayburn House Office Building, Hon. Nancy Mace [Chairwoman of the Subcommittee] presiding.

Present: Representatives Mace, Comer, Burlison, Connolly, and Pressley.

Also present: Representatives Gosar, Foxx, Grothman, Higgins, Perry, Fitzgerald, and Allen.

Ms. MACE. The Subcommittee on Cybersecurity Information, Technology, and Government Innovation will come to order. Welcome everyone.

Without objection, the Chair may declare a recess at any time.

I recognize myself for the purpose of making an opening statement.

Good afternoon and welcome to this hearing. We are here today to expose the Biden Administration's Project Labor Agreement rule that took effect in January. This rule is nothing more than a scheme to funnel billions of dollars in Federal construction contracts to political allies. It is about ditching full and open competition. It is about ditching the free market and overriding the expertise of government acquisition professionals, wasting taxpayer dollars, delaying crucial projects, and discriminating against nearly 9 in 10 construction workers who are not part of a union.

Let us look at the facts. The rule mandates all contractors and subcontractors on large-scale Federal construction projects work under a single project labor agreement. Project labor agreements, or PLAs for short, are a type of pre-hire collective bargaining agreement with one or more unions that governs employer-employee relations on a construction project. But why insist that construction firms arrange project work through unions? After all, only 11 percent of the Nation's construction workforce is actually unionized. Marginalizing the other 89 percent undermines the pursuit of full and open competition. It undermines the free market, a core

tenet of Federal procurement codified 40 years ago in the Competition and Contracting Act.

Now, President Obama put a thumb on the scale back in 2009 by encouraging agencies to require PLAs on large-scale Federal construction projects, but it was not a mandate. If agencies did not think requiring a PLA was in the best interest of taxpayers, they could opt not to use one, and guess what? They almost always opted not to. Contracting officers chose to require PLAs on only 1 out of every 167 large construction projects during the duration of the Obama and Trump Administrations, and it is no wonder. PLAs had their heyday before and during World War II when the Nation's construction workforce was mostly unionized. Today, it is overwhelmingly not. So, to impose PLAs today by fiat is intrusive and inefficient.

That explains why research has shown that where politicians have required PLAs for state and locally funded public construction projects, they actually raise the cost of such projects by 12 to 20 percent by discouraging merit shop bidders and imposing inefficient union work rules. That means fewer public schools are renovated, and fewer public housing units are built. Even the Boston Globe Editorial Board last month concluded that project labor agreements are bad policy, and half of all states, including my home state of South Carolina, do not even permit PLA mandates on state-funded projects. Thank God we are a right-to-work state, but we are not here to second guess how states and localities spend their public funds. We are here to talk about a nationwide PLA mandate for big Federal construction projects and why.

Since Federal procurement officers have not mandated PLAs, the Biden Administration decided to make that choice for them, favoring political expediency over professional judgment. This rule forces agencies to require PLAs unless they can jump through vague high bar hoops. Even showing that fewer contractors will bid on a PLA required project is not enough, according to OMB's memo.

Let us be clear. I have no issues with the contractor working with unions or under PLAs. That is why I support the Fair and Open Competition Act, or FOCA, a bill that Chairman Comer introduced and that we voted out of the full Oversight Committee. FOCA says you cannot discriminate for or against contractors or grantees based on their use of PLAs, but the Biden Administration is not interested in a level playing field. They want this mandate to funnel taxpayer dollars and non-union construction workers earnings into union coffers, into the back pockets of union bosses. I worry that in states like mine, the local construction workforce, which is overwhelmingly non-union, is going to find it hard to get work on Federal projects right in their own backyard. That is because PLA hiring is typically done through union hiring halls, and even if non-union workers do get hired, they often suffer wage theft because they are forced to pay into union pension funds they do not actually benefit from.

The President is in the pocket of labor unions, plain and simple. The PLA rule is a blatant move to repay his union buddies by funneling billions of dollars in Federal contracts their way. This Administration is not interested in fair competition or relying on professional judgment. It is about political favoritism and keeping

President Biden's union bosses happy—fat and happy, by the way. The American people deserve better than a President who prioritizes union coffers over the livelihoods of hardworking non-union construction workers across the country. I look forward to hearing from our witnesses today who will testify to the damage of this PLA mandate and the kind of damage it will inflict, but before I introduce them, I will first yield to Ranking Member Connolly for his opening statement.

Mr. CONNOLLY. Thank you, Madam Chair. I am here because somebody had active COVID, and I am not willing to expose myself or my spouse to it.

I have seen firsthand in my district what happens when project labor agreements are excluded from construction projects because of unfounded scare tactics and attacks on labor unions. For more than 2 decades, I supported and helped advance the Silver Line extension of Metro to Dulles Airport here in the Nation's Capital. This construction project was vital to regional mobility and our local economy. Phase 2 of the Silver Line's construction, unlike Phase 1, was performed without a PLA because of the partisan anti-labor actions of Republicans in my state, and it suffered quality and safety setbacks that led to litigation, delays, and cost increases.

There were scheduling problems from the start. More than 400 concrete rail ties had flaws that could cause tracks to tilt outwards. More than 1,700 defective concrete panels were installed and accompanied falsified records after skirting quality control requirements, which resulted in the company being barred from working on Federal construction projects for 3 years. None of those problems occurred in Phase 1, which had a PLA.

The project directors blamed the contractors, the contractors blamed the subcontractors, but who should really be blamed were the Republican leaders in Virginia who prevented—actively prevented—state agencies from requiring a PLA agreement on Phase 2. If a PLA had been in place for Phase 2 as it was for Phase 1, I do not think we would have had anywhere near the magnitude of problems we encountered and the huge delays that ensued.

That is why I applaud the pro-work policies of the Biden Administration. Last week, the Administration issued a final rule to address the workforce skill shortages within the construction industry. The final rule requires that infrastructure projects funded to the Inflation Reduction Act pay prevailing wages to the workers on the projects. That means good-paying, high-quality jobs for local workers and communities across the Nation. President Biden's infrastructure investments are revitalizing and creating local jobs in every congressional district. Our Chairwoman, for example, praised the \$26 million Federal grant her district received for public transportation investments from the Inflation Reduction Act, despite voting against that very bill.

In December 2023, the Biden Administration finalized a rule to ensure that large-scale Federal construction projects have PLAs in place to make sure they are completed on time and on budget. That is because PLAs have a proven track record of success, which is why they were created during World War II. PLAs promote worker safety and guarantee a well-trained, highly-skilled workforce. PLAs

can help prevent the kind of setbacks we incurred in Phase 2 of the Silver Line construction.

Using PLAs can also attract new private sector businesses. Just ask Micron. Micron is using a PLA to construct a \$15 billion semiconductor manufacturing plant in Boise, Idaho, a right-to-work state, I believe, but had Idaho not built up its local construction workforce through decades of Federal investments from the Department of Energy in PLA constraining projects, Micron might not have been ready and had a ready-made workforce in which to invest, and the good-paying local jobs that come with Micron's construction project would not have materialized. These investments are how we rebuild communities and the middle class.

I look forward to hearing from our witnesses today, including Mr. Jacob Snyder, Chief Operating Officer of Enerfab. Enerfab is a construction company that knows PLAs offer real investments into workers and communities while completing construction jobs to the highest quality. Enerfab uses PLAs on 90 percent of its projects, both government and private sector contracts, and Mr. Snyder has the unique qualification of being the only witness here today who negotiates and uses PLAs. I look forward to hearing his insights.

And, Madam Chairman, before I finish, I ask unanimous consent to enter into the record a statement from SMACNA and from the Construction Employers of America, supporting PLAs.

Ms. MACE. Without objection.

Mr. CONNOLLY. I thank the Chair, and I yield back.

Ms. MACE. I ask unanimous consent for the following members to be waived onto the Subcommittee for today's hearing for the purpose of asking questions: Representative Gosar from Arizona, Representative Foxx from North Carolina, Representative Grothman from Wisconsin, Representative Higgins from Louisiana, Representative Perry from Pennsylvania, Representative Casar from Texas, Representative Allen from Georgia, Representative Fitzgerald from Wisconsin.

Without objection, so ordered.

I am pleased to introduce our witnesses for today's hearing. Our first witness is Mr. Ben Brubeck, Vice President of Regulatory, Labor, and State Affairs with the Associated Builders and Contractors. Is Mr. Higgins here? He is not. OK. Our second witness is Mr. Glenn Ledet, Executive Director of the Louisiana Coastal Protection and Restoration Authority. Our third witness is Mr. Aric Dreher, Vice President and General Manager of Cianbro, and our fourth witness today is Mr. Jacob Snyder, Chief Operating Officer at Enerfab. We welcome everyone, and we are pleased to have you this afternoon.

Pursuant to the Committee Rule 9(g), the witnesses will please stand and raise their right hands.

Do you solemnly swear or affirm that the testimony that you are about to give is the truth, the whole truth, and nothing but the truth, so help you God?

[A chorus of ayes.]

Ms. MACE. Let the record show that the witnesses all answered in the affirmative. We appreciate all of you being here today and look forward to your testimony. You can sit back down.

I will remind the witnesses that we have read your written statements, and they will appear in full in the hearing record. Please limit your oral statements to 5 minutes today. As a reminder, please press the button on the microphone in front of you so that we can hear you, and when you begin to speak, the light in front of you will turn green. After 4 minutes, the light turns yellow. At 5, it turns red, and your time has expired and we would ask that you please wrap it up.

I will first recognize Mr. Brubeck to please begin your opening statement.

**STATEMENT OF BEN BRUBECK
VICE PRESIDENT
REGULATORY LABOR AND STATE AFFAIRS
ASSOCIATED BUILDERS AND CONTRACTORS, INC**

Mr. BRUBECK. Chairwoman Mace, Ranking Member Connolly, members of the Subcommittee, thank you for holding this hearing.

The American public deserves to know how the Biden Administration's policies requiring and promoting project labor agreements are undermining taxpayer investments in the construction of infrastructure, clean energy, and manufacturing facilities. They deserve to know that President Biden's pro-PLA policies will result in needless delays, project cancellations, and are likely to increase construction costs 12 percent to 20 percent.

They deserve to know that PLA mandates exacerbate the construction industry's skilled labor shortage of more than half a million people by locking out 90 percent of the U.S. construction workforce, those who are not members of labor unions, because their employers are unable to compete for contracts subject to PLA mandates. They deserve to know that the Biden Administration's pro-PLA schemes benefit special interests by steering taxpayer-funded construction contracts to unionized contractors and unionized labor, key political donors in a Presidential election year.

My name is Ben Brubeck, and I am the Vice President of Regulatory Labor and State Affairs with Associated Builders and Contractors. ABC is a trade association whose 23,000-member companies and their millions of employees in the commercial/industrial segments of the U.S. construction industry want nothing more than to compete on a level playing field to deliver to taxpayers the best possible construction product at the best possible price. For more than 20 years, I have fought for free enterprise and fair and open competition so ABC members, and the entire construction industry, have a real opportunity to build America. This Administration's new rule mandating PLAs on Federal construction projects of \$35 million or more is devastating to the hardworking men and women who earn a living building their communities and are the backbone of America's economy.

I have talked with many ABC members, small and minority-owned businesses, who are worried they will have to lay off workers because they can no longer build projects at their local military bases unless they execute a PLA with unions. To ABC members, a PLA means they would not be able to use all or even most of their own employees on the job. Instead, these companies must hire unfamiliar workers from union halls and follow inefficient union

work rules, and if any of their own employees are even allowed to work on the job, the employees must join a union or pay union dues or agency shop fees as a condition of working. Astonishingly, employee contributions made to union benefits plans will be forfeited, which subjects workers to wage staff of almost 34 percent of their total compensation unless they join a union and meet vesting requirements.

In addition, I have received inquiries from Federal agency contracting officers and professional procurement folks in each agency about the status of the lawsuit ABC filed in March in a Federal court in Florida against the PLA rule. They are frustrated that the new policies reducing competition from qualified Federal contractors, like ABC members who have built more than half of the Federal Government's large-scale construction projects during the last 15 years, projects worth \$240 billion in total. Contracting officers are concerned that because there is less competition under PLA mandates, bid prices will be higher, and that will force agency projects to be delayed, rescope, or canceled until agencies can get more money from Congress or the PLA policy is defeated in Congress. They know firsthand that PLA mandates injure the economy and efficiency in government contracting.

They had a chance to require PLAs on 3,200 projects built between fiscal years 2009 and 2024 under an Obama Administration policy that encouraged PLA use on an optional case-by-case basis. They did so just 12 times. Contracting officers say their hands are tied by this new rule's dysfunctional PLA exception process. They say this rule is actually an across-the-board PLA mandate right now. They hope ABC's lawsuit is successful.

Everyone in the construction industry who is not compromised knows government-mandated PLAs are a political solution in search of a problem, yet the White House continues to expand their use. Just last week, they weaponized the IRS to coerce private developers to mandate PLAs on clean energy construction projects receiving Inflation Reduction Act tax credits. Independent of this rule, the Biden Administration is pushing, but not requiring, PLAs on billions of dollars' worth of federally assisted projects via Federal agency grant programs, which incentivize PLAs on infrastructure and microchip manufacturing facilities. So, why is this Administration pushing these anticompetitive, inflationary, union-only PLA policies? Perhaps it is because President Biden has repeatedly said that he wants to be the most pro-union President in history, and it is a shame this ambition comes at the expense of taxpayers, safe and experienced contractors, and the livelihoods of 9 out of 10 construction industry workers shut out from rebuilding America because they do not want to affiliate with unions.

In closing, I have detailed concerns with the Biden Administration's PLA policies on Federal and federally assisted construction projects in my written testimony, in comments ABC submitted to the FAR Council during the rulemaking process, and in media coverage posted on the construction industry's coalition website, [BuildAmericaLocal.com](https://www.BuildAmericaLocal.com).

Ms. MACE. Thank you. I recognize Mr. Ledet to begin his opening statement.

STATEMENT OF GLENN P. LEDET, JR.
EXECUTIVE DIRECTOR
LOUISIANA COASTAL PROTECTION AND RESTORATION
AUTHORITY

Mr. LEDET. Thank you. Chairwoman Mace, Ranking Member Connolly, and members of this Committee, thank you for the invitation to testify on Executive Order 14063 and the potential impacts to Louisiana's Coastal Program. My name is Glenn Ledet, and I am the Executive Director for the Coastal Protection and Restoration Authority of Louisiana, known as CPRA.

Louisiana is in the midst of a land loss crisis that has claimed nearly 2,000 square miles of land since the 1930's. This is equivalent to the state of Delaware. We are responding to this coastal crisis by implementing a bold 50-year, \$50 billion coastal master plan to achieve a more sustainable coast. Since the founding of our agency in 2005, CPRA has overseen the investment of over \$20 billion of coastal protection and restoration projects, including the construction improvement of hundreds of miles of levee systems, rebuilding of barrier islands, and restoring thousands of acres of coastal marsh and wetlands.

To achieve this, we rely on our great partnership with the Federal Government through the United States Army Corps of Engineers. CPRA is proud to be one of the Corp's largest non-Federal sponsors in the country with over \$39 billion in authorized civil works projects in our coastal portfolio. As the non-Federal sponsor for these projects, we are typically committed to providing 35 percent of the total construction cost, with the Corps covering the remaining 65 percent.

We are here today to discuss the Executive Order 14063 and the requirement of the signing of a PLA with at least one labor organization before starting a Federal construction contract of at least \$35 million. This policy brings great uncertainty to the cost, schedule, and labor availability of Louisiana's Federal coastal projects. As the non-Federal sponsor of these projects, if the Federal cost increases, then our expenditures on these projects will increase as well. Our concerns are founded on the basis that Louisiana is a right-to-work state, and only three percent of our construction workforce is unionized. This means that this PLA mandate has the potential to discourage the participation of local businesses that employ the remaining 97 percent of our construction workforce.

The stated benefits of this EO provide that PLAs can help in avoiding labor disruption and secure skilled labor. These are not problems for CPRA. To our knowledge, the Coastal Program has never had issues with lockouts or strikes on our projects. Additionally, counter to this goal, this EO will instead likely limit our contractor and labor options in Louisiana. We do not believe that this mandate is needed for our state.

CPRA's top concern of this EO is the potential for cost increases on our large-scale Federal projects. As stated, any additional project cost affects our state's bottom line as we would have to increase our cost share. Studies on government-mandated PLAs have found that costs can go up by 12 to 20 percent. We simply cannot afford that.

Take, for example, one of our ongoing hurricane protection projects known as West Shore Lake Pontchartrain. The project cost of this project is \$3.7 billion. Using those estimates, PLAs could raise the cost of our project by \$400 to \$700 million with CPRA having to contribute 35 percent of that increase. As you can imagine, we would rather put those dollars to use on implementation of other critical coastal projects.

Additionally, we are concerned that this EO will reduce competition for construction contracts in our state. While non-union firms can still participate, this PLA requirement will likely discourage local Louisiana companies from bidding. Any opt-outs make bidding less competitive leading to higher cost. As an example, on our first Federal contract with the PLA rule, the project only received a single bid. CPRA shares the goal of creating good jobs through infrastructure for our local workers. Our coastal program does just that. This year, CPRA's annual plan could result in over 10,000 construction jobs and \$580 million in labor income. We can do this without PLA's mandates, utilizing our skilled local workforce that knows coastal Louisiana best.

We have advocated for decades about Louisiana's coastal crisis, gaining buy-in for this mission from the Corps, Congress, and the Administration, and we are grateful for this support. So, it is concerning to see any policy changes like this PLA rule that slow down our shared momentum. Given this, CPRA supports repealing this policy such as through Chairman Comer or Chairman Higgins' legislation, or by exempting civil works projects that relate to reducing life and safety risks. Otherwise, our partnership with the Corps to protect our communities and restore coastal ecosystems could become more costly, slower to act, and, ultimately, less impactful. Thank you.

Ms. MACE. Thank you. Mr. Dreher, you may begin your opening statement.

**STATEMENT OF ARIC DREHER
VICE PRESIDENT AND GENERAL MANAGER
CIANBRO**

Mr. DREHER. Chairwoman Mace, Ranking Member Connolly, and members of the Subcommittee on Cybersecurity, Information Technology, and Government Innovation, thank you for the invitation to testify this afternoon and for the opportunity to discuss the impact of the Biden Administration's policies promoting project labor agreements on Federal and federally assisted construction projects. My name is Aric Dreher, and I am Vice President and General Manager of Cianbro, a full-service contractor that delivers industry-leading construction services for complex civil infrastructure projects throughout the country.

Founded in 1949, Cianbro is one of America's largest 100 percent employee-owned open shop construction and construction services companies, operating in more than 40 states and employing over 4,000 team members. Since Cianbro's humble beginnings, when four brothers returned home after serving our country in World War II to start what is today Cianbro, we have believed in and con-

tinue to fight for open, fair, and competitive bidding on public works projects.

Our teams have completed some of the company's most innovative and challenging infrastructure projects, including the phase development of the District Wharf in Washington, DC, construction of the 175-foot-tall Capital Wheel at National Harbor, and the U.S. Air Force Memorial overlooking the Pentagon. We are proud to have projects underway right now supporting our national security with the construction of two new submarine dry docks at Portsmouth Naval Shipyard and a new submarine refueling station at Norfolk Naval Shipyard. Here in Washington, we are preparing to revitalize the National Mall with reconstruction of the sea walls at West Potomac Park and in the Tidal Basin.

Cianbro employs multiskilled tradespeople that can perform work across many craft disciplines. The employment of versatile tradespeople is a win-win for Cianbro, our clients, and the taxpayers as it allows for enhanced labor productivity, continued skills development, and increased workforce retention. Cianbro hires and develops its own employees using government-registered apprenticeship programs as well as in-house workforce development programs to meet the industry's ever-changing needs. In addition, Cianbro, like many other well-respected American open shop contractors, provides competitive compensation and benefits packages to its team members.

As a merit shop contractor, Cianbro is genuinely concerned about President Joe Biden's rule directing Federal agencies to mandate PLAs on Federal construction projects that are \$35 million or more in total value. This mandate is overreaching and unfair. Provisions in PLA mandates are not in alignment with Cianbro's values, infringe our team members' freedom of association, and do not make sense for our efficient company operations. President Biden's PLA policies are already having a negative effect on our company. Due to the new rule, we have been unable to pursue opportunities to secure work on Federal projects, such as the recently advertised U.S. Navy Pier 31 extension project at Naval Submarine Base New London in Groton, Connecticut. Unfortunately, we expect this trend to continue due to the current PLA requirements.

The U.S. construction industry needs policies that are inclusive and offer all qualified contractors and their skilled workforces the opportunity to pursue projects without dictating how the company must be run. Union and open shop contractors should have equal right to pursue these opportunities and perform the work the way that best suits their organizations. In the past, PLA mandate advocates have alleged that PLAs ensure safe workplaces, insinuating that open shop construction companies have less safe workplaces. This is not true. The truth is it takes leadership commitment and cultural transformation to achieve industry-leading safety results, not PLAs.

The construction industry is faced with a massive skilled labor shortage of nearly a half a million people in 2024 alone. There is no need to mandate PLAs given that nearly 90 percent of the construction workforce does not belong to a union. The PLA mandate only exasperates this industry-wide workforce challenge, resulting in less competition on project bids and increased cost to taxpayers.

We need Congress and the Biden Administration to champion policies that are inclusive and encourage all qualified contractors and their skilled workforces to compete to build long-lasting, quality projects throughout America.

In closing, I ask all of you to consider the negative effects of the Biden Administration's PLA policies on our firm, our industry partners, and our skilled and qualified craft professionals.

Ms. MACE. Thank you. I now recognize Mr. Snyder for 5 minutes.

**STATEMENT OF JACOB SNYDER
CHIEF OPERATING OFFICER
ENERFAB**

Mr. SNYDER. Thank you. Chairwoman Mace, Ranking Member Connolly, and distinguished members of the Committee, I appreciate the opportunity to be here. I am really here to share a little bit about my experience and our organization's experience with project labor agreements, project labor agreements that we use on a daily basis for the vast majority of our work.

Enerfab has been around since 1901, headquartered in Cincinnati, Ohio. We work in most of the country, predominantly covering about the Eastern two-thirds of the U.S. with some density level there. We do work that is usually of pretty high complexity, more in the private industry than in public. We use project labor agreements on close to 90 percent of our work, whether that is a private industry or with the government.

Some of our government contracting experience over the years includes at Johnson Space Center, the Piketon Department of Energy facility, the Oak Ridge National Laboratory, the Lake City Ammunition Plant, Arnold Air Force Base, and the Tennessee Valley Authority, all of which are projects, whether they have been mandated or not, that Enerfab has performed under project labor agreements. So, we do do Federal work on some basis with project labor agreements, and we use those all across the country. One of the things that I think is important to note, too, as we go across the country, it does not matter to us which state the work occurs in. It does not matter if it is right to work or if it is not. We use project labor agreements on nearly all of our work with great success.

One of the things that we think is important as we evaluate the policy is giving the Federal Government the tools that are available to private industry to allow and go make those smart purchasing decisions on all of our behalves in how we spend our money, and so we will talk a little bit about that as we go today. One of the things that I think we all agree on is there is a major shortage in the construction industry in skilled, qualified people, and as we continue to grow that, we agree the number is somewhere between 500,000 and 700,000 people short to fill the needs of the construction industry as it exists today.

But I am happy to say that Enerfab on none of its projects, which we typically run between 50 and a hundred job sites on any given day, we have zero labor shortages on our projects at Enerfab. In fact, Independent Project Analysis did a study in 2022, which we will talk more about in a minute, that says projects are 40 percent less likely to experience a shortage of skilled labor when union

labor was sourced versus open shop labor. It is one of the most important things we do as we evaluate the projects we are taking on. We are going to have the skilled people to do it. We are not talking about small projects, and this executive order is not talking about small projects. We are talking about large, complex projects, and how we staff those and where we get the people to do them is paramount to how we complete those projects on time and on budget.

Speaking of IPA, if you are not familiar, they have 23,000 benchmark projects in their data base used by private industry and Fortune 500 companies every day. They do 600 projects a year. Seven hundred and fifty large companies subscribed to their services and they are used in more than a hundred countries, and all they do is study capital construction projects. I want to read an excerpt from their study that they completed in 2022. It says, "This study expands on an earlier study that found that union labor is more productive than open shop labor, and projects that employed union labor cost less despite the higher average all-in wage rate paid to union labor."

Other studies have found that higher craft labor costs for union labor on prevailing wage projects do not result in higher project costs than non-union prevailing wage projects. The current study confirmed the findings from the earlier IPA study and examined some of the underlying differences in union labor versus open shop labor that may explain the differences in productivity as well as the overall effect on project outcomes. And it concludes with, "The overall findings indicate the combination of better skills, more reliable sourcing of sufficient skilled labor, and better labor stability all contribute to better productivity and better project outcomes."

The study also goes on to find that, on average, union labor projects come in at four percent less cost than ones that are completed merit shop. I have looked at the studies that say 12 to 20 percent. I think if you spend some time, you will find some significant bias there. As a businessperson, I am spending my time with IPA who uses industry-wide data all over the world, and we have found that to be the case. We have certainly found in our work that it is successful.

And I think as we continue to talk today, it is important to know PLAs are a very flexible vehicle that can be tailored to the individual project needs and the individual contractor that is going to use them. And so, as we go to think about how we are doing that, they have the ability to go and look at local workforce, inclusivity, cost, all of those things that go into making a project. Thank you very much.

Ms. MACE. And thank you. I now recognize myself for 5 minutes of questioning. All right.

I would like to start with you, Mr. Brubeck, today, this afternoon. Non-union construction workers who managed to get on a PLA project can lose one-third of their total compensation to wage theft. According to one study, it found the rule could result in a half billion dollars being stolen from non-union workers employed on Federal construction projects. Is it fair for non-union workers to be forced to pay union dues and contribute to union pension plans for which they do not benefit?

Mr. BRUBECK. Thank you for the question. I will say that it is rare for non-union construction workers to be allowed on PLA projects.

Ms. MACE. Mm-hmm.

Mr. BRUBECK. They can be allowed on PLA projects, but typically what happens is that they have to pay fringe benefits into the union pension and benefits plans, and those are confiscated by the union unless they join a union and become vested in those programs. So, the net effect of that is that non-union contractors who want to use their own employees do not bid on PLA projects.

Ms. MACE. Gotcha. Most of your members are small businesses. Under the PLA mandate, all subcontractors on a project must abide by the terms of the PLA, even if they had no role in negotiating the terms. How do small businesses feel about the PLA mandate?

Mr. BRUBECK. They are devastated by it.

Ms. MACE. Mm-hmm.

Mr. BRUBECK. I have been getting calls every day from small businesses who are saying I cannot build Federal contracts in my own backyard. I get 80 percent of my revenue from these types of contracts. Once I work through my backlog, I do not know what I am going to do. I am going to have to lay off workers. There is no exemption in the rule for small businesses at all. The PLAs are very complicated to negotiate for small business direct contractors. A lot of the construction trade unions are going to have a hard time negotiating these contracts with small businesses because they have no familiarity with doing so.

So, is a killer for small businesses, especially in a time when the Federal Government is begging for Federal contractors, especially small businesses, to compete for this work. We have seen a massive decline in small business participation in the construction industry for Federal contracts by more than 60 percent. So, this is going to make it worse on top of all these other regulations that the industries are facing.

Ms. MACE. A heck of a lot worse. Mr. Dreher, in the past, agency contracting officers, nonpartisan civil servants, entrusted to get the best value for the government, have chosen not to mandate PLAs even when encouraged to do so. Why do you think that is?

Mr. DREHER. Fair and open competition, right? Getting more contractors, whether they are union or open shop, giving them the opportunity to bid the work and let the client decide what the best value is for the American taxpayer and not mandate that only union companies can bid the work, so.

Ms. MACE. The Biden Administration says PLAs are necessary to ensure major projects are finished on time and without stoppages. Is that actually true?

Mr. DREHER. No, absolutely not.

Ms. MACE. The Administration says that merit shop companies and their employees can participate in PLA projects. However, these typically require union work rules be followed and that contributions to union pension plans be paid. Why is it a problem for your workforce to be restricted to operating under union work rules?

Mr. DREHER. We are 100-percent employee owned. Every one of our team members, 4,000 strong, is an owner of a company, and to take union workforce, right, then we have to pay into their benefits and everything, that results in my team members not having a job, right? So, that is a major issue for us and certainly a challenge.

Ms. MACE. They are going to employ a lot of people with this policy, are they not?

Mr. DREHER. Yes.

Ms. MACE. Yes. Mr. Ledet, since 97 percent of construction workers in Louisiana are non-union, could this mandate result in fewer state residents getting work on projects that the state itself is helping to finance?

Mr. LEDET. Yes, we believe so, that it discourages local businesses from competing in these large-scale projects.

Ms. MACE. How has your agency been able to successfully contract out construction work without mandating PLAs?

Mr. LEDET. Well, since 2005, working with the Corps of Engineers, we have built the largest hurricane protection system in the Nation without PLA mandates. That is the Greater New Orleans Hurricane Risk Storm Damage Reduction System. And so, we believe there is precedent there, and that was done on time and under budget.

Ms. MACE. Are you concerned about the additional costs and budgetary risks the PLA mandate will create?

Mr. LEDET. Yes, our state is concerned.

Ms. MACE. Are you concerned that you will not be able to work with some of the contractors you have worked with in the past due to this mandate?

Mr. LEDET. Yes. Our concern is that for those Federal projects, those contractors will be discouraged from competition there.

Ms. MACE. This is a question for everyone on the panel. Mr. Brubeck, is this mandate going to cost American companies, private companies jobs? Are they going to have to lay people off?

Mr. BRUBECK. Yes, absolutely. We have been talking to our membership about this, and they are very concerned once they burn through their backlog that they currently have. Normally they are earning work and winning work competitively in this timeframe, and once that is over, they are not sure what they are going to do. They got to make revenue somewhere else, and this may result in them having to lay off people or find other work elsewhere.

Ms. MACE. Thank you, and I have just run out of time, so I will yield back. OK. We have not called votes yet, so, Mr. Connolly, I would like to recognize you for 5 minutes.

Mr. CONNOLLY. Thank you, Madam Chair. I just want to point out that Mr. Dreher and his company, Cianbro, belong to the Associated General Contractors of America, which actually filed a lawsuit to try to prevent this new rule from coming into effect. The judge presiding dismissed the case. He was appointed by none other than Donald J. Trump, and let me read what he said: "None of the individual plaintiffs can specify what those projects are that might be harmed, where they would take place, or the basis for their certainty," which we have heard here today, "that such projects will require PLA. Furthermore, the individual plaintiffs'

declarations are belied by their histories of actual Federal contracting practices. And without such a showing," he said, "there is no basis to believe the PLA rule would impact their businesses." That is the ruling of the judge under a lawsuit brought by that group. Well, your company, Mr. Dreher, is a member of that group.

Mr. Snyder, you heard the gentleman next to you say with this rule in place, we are going to be prevented from actually bidding on Federal work, and we have got a long history of doing just that. Then I heard your testimony and you gave a long list of Federal work you have done, and you have done it with PLAs. How come you can make it work and others apparently speculate they cannot?

Mr. SNYDER. I certainly cannot speak for any other business, but we have found through the process of doing this that there is a step that goes into this collective process of finding out what works best for the project and working with partners that are going to be representing employees in the workforce to come in and weigh in on what those issues are that are going to make that successful. I am not sure why it would be more difficult for someone else to go and do the exact same thing. There are thousands of other employers that do what we do. I just happen to be the one sitting here talking with you today, and so I think the numbers of cost and scheduling and the ability to staff projects speak for itself.

Mr. CONNOLLY. And just to be clear about your testimony here today, it is your testimony that your company, going back to 1901, has, in fact, used PLAs as an effective tool successfully, and you have found it to be a felicitous relationship facilitating business. Is that accurate?

Mr. SNYDER. Sure. We compete on a daily basis with open shop contractors. That does not prevent us from bidding. We compete in right-to-work states and work in them every day. It is our preferred method of performing work. We have found it to be the most efficient and cost-effective way to do work.

Mr. CONNOLLY. And are you aware of the OMB letter for the record with respect to the implementation of this, that makes clear that union and non-union workers will be considered for and work on Federal PLA projects?

Mr. SNYDER. That is correct. Our understanding is that the Federal Government cannot exclude non-union workers from participation in the process. In fact, they are prohibited from doing so.

Mr. CONNOLLY. I ask unanimous consent to enter that letter into the record.

Ms. MACE. Without objection.

Mr. CONNOLLY. And is it further your testimony, if I heard you correctly, independent of your own company, though your experience would mirror this, that there is actually compiled data empirically demonstrating that PLA projects actually tend to come in lower in the cost estimate than non-PLA projects in terms of labor especially. Is that correct?

Mr. SNYDER. There are studies that indicate that in the broadest, most widely recognized study was not specific to project labor agreements, but collective bargaining agreements in general. And that was commissioned by the Mechanical Contractors Association through IPA.

Mr. CONNOLLY. So, not just your company, but industry-wide, that is what they found.

Mr. SNYDER. That is correct.

Mr. CONNOLLY. And would you say that PLAs, in your experience, tend to smooth out both labor contracts and costs and come in a better timeframe? Certainly that was my experience. I mean, I literally had the experience of the Silver Line. It was bifurcated. We had Phase 1. We had Phase 2. Phase 1 was a PLA project, and it came in pretty much on budget and on time. Phase 2 was horribly delayed by years with lots of cost overruns, and it was a deliberate political decision, not an economic decision, to do that in Phase 2 because we had a change in the

Governorship in Richmond, Virginia. Your comment.

Mr. SNYDER. That is our experience, and from the IPA study, projects that are short on skilled labor are twice as likely to have 10 percent or higher cost overrun and more likely to have schedule slip of 25 percent or more.

Mr. CONNOLLY. Thank you. Madam Chair, I would ask in unanimous consent to enter into the record the U.S. District Court ruling from the Western District of Louisiana, to which I made reference earlier.

Ms. MACE. Without objection.

Mr. CONNOLLY. I thank the chair. And finally, I would ask unanimous consent to enter into the record the letter from the Association of Union Constructors and more than 1,700 members in support of project labor agreements.

Ms. MACE. Without objection.

Ms. CONNOLLY. I thank the chair, and I yield back.

Ms. MACE. Votes have been called, and the Chair declares the Committee in recess, subject to the call of the Chair. We will plan to reconvene about 10 minutes after votes.

The Committee stands in recess.

[Recess.]

Ms. MACE. Good afternoon, and we are going to reconvene our hearing this afternoon.

Before I recognize the Chairman of the Full Committee, I want to submit into the hearing record several coalition letters we have received that oppose the PLA rule, support FOCA, and express appreciation for the hearing we are holding here today. This includes a letter from 21 business groups, including the Associated Builders and Contractors, the National Federation of Independent Businesses, and the National Black Chamber of Commerce; and a letter from a series of taxpayer protection groups, including, among others, Americans for Prosperity, Americans for Tax Reform, and the National Taxpayers Union.

Finally, I want to submit a letter from the Independent Electrical Contractors that opposes the PLA rule, supports FOCA, and expresses appreciation for the hearing we are holding today.

Without objection.

Ms. MACE. And then I did want to make one comment before I recognize you, Mr. Chairman. I learned from multiple members of this Committee today that we had one of our colleagues show up with COVID this afternoon. In fact, staff was bleaching the chair he was sitting in after he departed. He was on the floor today vot-

ing. We do not want super spreaders in this hearing. I would ask the Ranking Member, Mr. Raskin, not to spread COVID in this hearing room, not to spread COVID on the floor of the U.S. House of Representatives.

There are members of this Committee and members of this body who are immunocompromised, who have spouses who are immunocompromised. People like myself, have had long COVID and have had devastating health consequences to getting COVID, and I would ask our colleagues not to spread COVID.

So, with that, Mr. Chairman, I would like to recognize you for 5 minutes.

Chairman COMER. Well, thank you, Madam Chairman, and thank you for holding this very important hearing.

Mr. Dreher, your testimony states at your firm, which is employee owned, and I might add that is my favorite kind of ownership of any private business, just wants a fair opportunity to compete and win Federal awards. But you say the Administration's PLA mandates denies you and your employees that fair opportunity, and you are right. Even the Boston Globe Editorial Board last month wrote that, "Although they do not say so explicitly, PLAs, in effect, limit public work only to firms whose workers belong to trade unions."

If your firm wants to continue to perform Federal awards, you need to convince a union, to which your employees do not belong, to agree to work with you. Your testimony says this gives the union maximum leverage to dictate the terms to you. Is it accurate to say the PLA rule makes your firm hostage to outside labor union since you cannot perform Federal projects unless you agree to cater to their terms?

Mr. DREHER. Absolutely.

Chairman COMER. So, what sort of provisions, harmful to non-union contractors and their workforce, might a PLA include?

Mr. DREHER. So, just taking a step back, looking at the whole picture here, all right, I think we can all agree that the industry is short over a half a million workers right now.

Chairman COMER. Mm-hmm.

Mr. DREHER. And from 2009 to 2023, 12 out of 3,210 contracts had a PLA. We are not against PLAs. We do not want PLAs mandated. This industry needs fair and open competition. We have a lot of work to do rebuilding our bridges, our highways, our naval infrastructure, and adding another roadblock in like this mandating these requirements, it does not make sense. It does not help this country achieve its mission to improve our infrastructure.

Chairman COMER. I agree completely. Mr. Brubeck, Federal contracting professionals seem to think the project labor agreement mandate is unwise since they choose to use them on only 12 out of more than 3,000 construction solicitations since 2009, even when encouraged to use them by President Obama. So, do you think these contracting officers will try to obtain case-by-case waivers from the PLA rule?

Mr. BRUBECK. Yes, they are going to try to do that, but the waiver process that has been constructed by the rule is actually a bad-faith waiver process. I was talking to an Army Corps of Engineers Executive Procurement Officer. They have to get a waiver by going

all the way up to the Senior Procurement Officer of the Army Corps of Engineers. This is a gentleman who oversees all procurement of missiles, weapons, tanks, all that stuff. It is not even the head of the construction side of the Army Corps of Engineers. By the time that goes all the way up the chain of command and back down, that project solicitation is going to be delayed immensely. It is designed to make sure there are no exceptions. We have not heard of any exceptions to this policy despite the contracting officers asking for those or asking us to see if our litigation would be able to provide an exception to this.

Chairman COMER. Mr. Dreher testified that his firm, which has won many Federal construction awards, will not be able to bid on many projects due to the PLA mandate. If an agency can show a solicitation will get a lot fewer bids due to a PLA mandate, does that qualify them for a waiver?

Mr. BRUBECK. Apparently, the OMB memo says that if they get three or fewer bids, then they could qualify for a PLA exemption, but they have to go up to the Senior Contracting Procurement Officer and ask for that, and then they have to justify that in a written report. The Senior Procurement Officer's decision is going to be published on a public website for further scrutiny and perhaps intimidation.

Chairman COMER. Have any waivers been issued since January?

Mr. BRUBECK. I am not aware of it. I am aware of about 50 solicitations in the pre-solicitation or solicitation phase that have PLA language. I am not aware of one waiver being offered so far.

Chairman COMER. OK. That is what we thought. Mr. Ledet, your testimony states that the Coastal Protection and Restoration Authority received only a single bid on the first Federal contract issued under the PLA rule. How many bids do you typically receive on projects?

Mr. LEDET. Yes, that is correct. We received a single bid on the West Shore project that had the PLA. We typically receive anywhere from four to five to even 10 bids on large infrastructure projects.

Chairman COMER. That does not sound like a very good deal for the taxpayers.

Mr. LEDET. That is right.

Chairman COMER. Will you have to re-bid the project?

Mr. LEDET. At this time, we do not believe that the Corps will rebid the project, no.

Chairman COMER. So, will the fact that you just got one bid, will that delay the timeline or any—

Mr. LEDET. Right now, we are working through that process with the Corps, so there is uncertainty as to how it will move forward. They are trying to award that project, but as soon as we get more information—

Chairman COMER. Well, the Corps works so quickly, I did not know if—

Mr. LEDET. Yes.

Chairman COMER. OK.

Mr. LEDET. Yes.

Chairman COMER. Well, I really, Madam Chair, appreciate you holding this hearing. This is a serious issue, and hopefully we can

figure a better way out. So, with that, my time has expired. I yield back.

Ms. MACE. Thank you, Mr. Chairman. I would now like to recognize Congresswoman Pressley for 5 minutes.

Ms. PRESSLEY. Thank you and thank you to our witnesses for being here today. I represent the Massachusetts 7th congressional District. It is a district that is vibrant, diverse, and also deeply inequitable. As we leverage Federal funding flowing from the Biden Harris Administration's historic investment in our Nation's infrastructure, we must do so in a way that addresses longstanding inequities. In my district, from Cambridge to Roxbury, household median income drops by \$50,000. Project labor agreements, or PLAs, will help us to address these longstanding inequities, opening the doors for women, people of color, and veterans to enter the trades.

Mr. Snyder, can you discuss how PLAs have been used successfully to increase the participation of women and workers of color in large-scale construction projects specifically?

Mr. SNYDER. Sure. So, again, the uniqueness of a PLA is it gives the ability to tailor that agreement for the community and area that is going to be entertaining that project and that investment, and so you will see lots of different vehicles to do that. Some of them may be around how subcontracts get let to different types of underrepresented businesses.

One of the things that every PLA does is it sets a standard for classifications, whether that is a journey person, an apprentice, a foreman, et cetera. Whether they are a woman, a minority, any underrepresented population, if they are a journeyman, they make the same as every other journeyman on that job site makes. And so, from a pay equity standpoint, it is almost a perfect mechanism to address those issues.

Ms. PRESSLEY. Thank you. These opportunities hit close to home. Massachusetts is really leading the way in opening career paths for women in the trades with the Commonwealth achieving greater gender diversity and inclusion in the construction industry than anywhere else in the Nation. At the International Brotherhood of Electrical Workers Local 103 in Dorchester, for example, 51 percent of apprentices are women and people of color. These achievements are no accident. They are the results of state and company officials, union leaders, contractors, and community organizers coming together to actively recruit women, veterans, and people of color.

I ask unanimous consent to enter into the record this report titled, "Building Strong Careers and Lasting Infrastructure," from Community Labor United and the Green Justice Coalition in Massachusetts.

Ms. MACE. Without objection.

Ms. PRESSLEY. This report clearly outlines the transformative impact of essential community benefits, like childcare and training, in PLAs, and they have enabled Massachusetts to make strides in its equity goals. At the heart of this data, however, are people, lives that have been changed and families with a chance to finally build generational wealth.

Mr. Snyder, how have PLAs helped ensure that your workers feel valued and productive?

Mr. SNYDER. So, workforce development is part of almost every PLA I have ever seen. A lot of times that includes things that are apprenticeship programs to bring folks in, but they also set the standards for wages that help build the middle class but also benefit packages that help to do that as well. Those are retirement vehicles, health and welfare contributions, that allow people to take care of their families and grow that wealth.

There are also a number of vehicles that occur through that process that help those people get the skills necessary to advance through the classification system and the growth in the industry. We see many, many small businesses that are grown out of the trades that develop, as a result of PLAs, that bring underrepresented populations into the workforce, teach them how to do it, and then there are additional vehicles that help them even start businesses. And so, those opportunities are pretty significant in the workforce development front.

Ms. PRESSLEY. Thank you. Valuing and affirming workers does not have to come at the expense of profits. In fact, a study found that projects with PLAs reduce costs compared to projects without such agreements. At the same time, these agreements can serve as economic justice documents, as gender equity documents, and racial equity documents by investing in our most valuable infrastructure, which is our people. Massachusetts is making it plain. PLAs are the mechanism for finishing projects on time and on budget while increasing diversity in the trades, and I look forward to continuing this progress. Thank you, and I yield back.

Ms. MACE. Thank you. I would now like to recognize Congressman Burlison for 5 minutes.

Mr. BURLISON. Thank you, Madam Chair. Thank you for hosting this wonderful, very important Committee meeting. Mr. Brubeck, most construction workers do not belong to the union. I think the statistics are something in the area of only close to 11 percent are members of a labor union.

Mr. BRUBECK. Right.

Mr. BURLISON. In fact, and it is only getting smaller. Fewer and fewer people are choosing to be members of a labor union. Could you expand on the requirement will pressure contractors to reverse course and then unionize despite the fact that their employees may not want to be a member of a union?

Mr. BRUBECK. Yes. So, typical PLAs say that you have to get most or all of your employees from a union hiring hall, and follow union work rules, and paying into union pension and benefit programs. And so, what that does is that forces contractors to be unable to use their existing employees. Any of their own employees they are able to use, they have to send to the union hiring hall or if there is some sort of arrangement where they are allowed work on. In our industry, if you want to join a union, you can just go down to the local union hiring hall and join. The barriers to unionization are very low.

What we have here is the government forcing this on contractors in order to get taxpayer-funded construction contracts, and that is a problem. We heard earlier about voluntary PLAs, contractors entering into them voluntarily without undue course of pressure, but we are talking about government-mandated PLAs. That is the

issue here. That is what this executive order does. That is what all the Biden Administration policies do. They try to force contractors to bargain with unions and sign a union agreement as a condition of winning a taxpayer-funded construction contract that increases costs, that reduces competition, and that reduces the number of workers that are able to bid on these projects. We have a skilled labor shortage of half a million people.

Mr. BURLISON. And I am glad you said that it increases costs and it reduces competition. I cannot see how anyone with a straight face can say that requiring a project labor agreement is somehow going to reduce costs and give more options.

Mr. BRUBECK. Well, in theory, it might reduce costs when your only option is a unionized contractor base, but that is not the case anywhere in this country. There is plenty of competition from non-union contractors. In my experience, PLAs are voluntarily entered into by contractors without government coercion because it provides them some sort of exemptions from problematic terms and collective bargaining agreements that make them less efficient and more expensive. So, we are talking about government-mandated PLAs, not voluntary PLAs.

Mr. BURLISON. Let us also talk about the supposed exemptions to the PLA requirements. The OMB memo implementing the new rule mentions a process for Federal agencies to follow in order to secure an exemption or exception to the Biden Administration's new blanket PLA policy. Are you aware of any Federal agencies who have successfully sought an exemption or an exception?

Mr. BRUBECK. No, sir, I am not.

Mr. BURLISON. There are no reports. In fact, and I think you have from your own personal observation, and also when you go to the Federal Government's own website, it does not list any agencies receiving an exception, so clearly the exception policy is a joke. Would it be safe to say that the new rule is reducing competition, that it is reducing the number of applicants for these jobs?

Mr. BRUBECK. Yes, absolutely. I hear both from contracting officers and Federal agencies and our own members who say they would want to pursue these contracts, but they cannot because of the PLA requirement on there. I am aware of a number of projects where they have already had a reduction in bidders who are prequalified for Phase 1 of the solicitation, and they dropped out the minute the PLA was added during Phase 2 of the solicitation. So, there are going to be real-world examples coming out, and projects are going to have to be re-bid and that is going to delay more construction projects that we all need.

Mr. BURLISON. I also think that there is another aspect to it. Just this week in a hearing, we learned that the United Auto Workers Union was protesting on a college campus to make sure that they had the rights to be basically antisemitic in their protests. I cannot imagine how someone who just wants to work, just wants to be employed is now going to have to pay dues to something that is getting politically involved in something they may totally disagree with.

Mr. BRUBECK. Yes. That is certainly one of the reasons why a lot of construction workers and contractors decide not to affiliate with

unions, and that is their choice. They want to make sure that they can deliver projects on time and on budget.

Mr. BRUBECK. And before my time expires, I just want to ask what can Congress do? I know that we have Resolution 132 sponsored by Higgins from Louisiana. What bills are on your radar that would help remedy this?

Mr. BRUBECK. Chairman Comer has got an excellent bill called the Fair and Open Competition Act that restricts government-mandated PLAs on Federal and federally assisted projects, and Congressman Higgins has a CRA resolution striking down the Biden Administration policy.

Mr. BURLISON. Thank you.

Ms. MACE. All right. I would like to recognize Mr. Gosar for 5 minutes.

Mr. GOSAR. Thank you, Madam Chair. Since January 2021, the Biden Administration has implemented an executive order that works to pay special interest at the cost of the American taxpayer. The FAR Council rule mandating PLAs, which is the subject of today's hearing, is another example of the Biden's prioritizing special interests. This inflationary policy will increase costs for all Americans, providing them less in return. Mr. Brubeck, can you tell me what this could cost the American taxpayer if it was enforced for every project over \$35 million?

Mr. BRUBECK. The FAR Council final rule suggests it could be \$14 to \$16 billion worth of construction contracts subject to this rule. We think it is probably going to be a little bit more than that. The question then becomes how many of these projects have PLAs required on them. It seems like all of them will, unless the exception process changes. And then the next question is, what is the cost increase as a result of the project labor agreement reducing competition. Research suggests it is 12 percent to 18 percent, but it might be much greater or much less depending on the marketplace and a variety of factors. So, we do not really know yet, but it is going to be a lot.

Mr. GOSAR. Now, ABC members have built 50 percent of the value of large-scale Federal construction contracts over the last 15 years. Will Federal agencies be able to rely on ABC members to support the warfighter to defend our borders and improve our infrastructure if this costly rule remains in effect?

Mr. BRUBECK. I do not believe so. I have been hearing from both procurement officers and our own members saying they are going to not work on Federal contracts anymore. I do not know where those Federal contractors or the labor is going to come from to be able to deliver those services that our government and our warfighters need.

Mr. GOSAR. Now, are the manufacturers of the fab chips—this is really important to Arizona and other states

—but funded by the \$50 billion in CHIPS and Science Act, required to mandate PLAs, or are they being strongly pushed to require them?

Mr. BRUBECK. They are not being required to do so, but our understanding after talking to a number of the CHIPS manufacturers, construction folks, is that the Biden Administration is really doing some arm twisting behind the scenes to push them to sign

PLAs. So far, some of the awardees of the CHIPS money have signed PLAs. Some have resisted, and some who have resisted have been the subject of pretty intense campaigns from union organizers trying to make sure that they sign a PLA on future of work.

Mr. GOSAR. So, how is that going to affect the semiconductor business?

Mr. BRUBECK. Well, the good news is that it is not a requirement. The bad news is that there is a lot of coercion behind the scenes, and if you look at foreign investment in this country related to CHIPS fabs, I think they are having a hard time understanding how to operate under these types of environments.

Mr. GOSAR. Now, the Obama Administration did not mandate these, right?

Mr. BRUBECK. They had an executive order in place that strongly encouraged on a case-by-case project labor agreements, but they were not mandatory across the board like this policy. There is a big distinction between the two.

Mr. GOSAR. So, let us walk back through this. I thought I heard the comment that some of these PLAs are actually more cost effective, so being in the construction industry prior to this, I do not see how that works. Can you walk me through it where a PLA will actually be more cost effective than what you do?

Mr. BRUBECK. So, we have seen examples of projects bid with and without PLAs, Federal contracts under the Obama Administration. There was a great example in New Hampshire where a project was initially bid with a PLA requirement and then it was bid without, and we saw the bid numbers, and what we found was that there were nine bidders instead of three when the PLA was removed, and the costs were 16 percent less. And so, what you got there was less competition in that situation, and that is because contractors are limited on the number of bids that they can submit on this issue. They have fewer subcontractors that can participate that might be willing to sign the PLA. They have got union work rules that increase the cost of construction, make them less efficient. They got to pay in the pension of union benefit plans, a lot of reasons why these increase the cost of construction, especially when they are mandated.

In a voluntary nature where you might enter into one because it might streamline your collective bargaining agreements, there may be some cost savings related to overtime or holidays, but that is not what we are talking about today. We are talking about when the government is requiring project labor agreements in that case.

Mr. GOSAR. So, let me ask you another question. Do you coerce your employees as to who to vote for in an election?

Mr. BRUBECK. No.

Mr. GOSAR. Hmm. Would you see that as a complication of this PLA?

Mr. BRUBECK. I am not sure.

Mr. GOSAR. Could it be?

Mr. BRUBECK. It could be.

Mr. GOSAR. When you join a union, do you turn over your rights in many cases? I will retract that because there is a better way to ask that. Are there other influencing factors in regard to joining a union and involving a PLA?

Mr. BRUBECK. Well, there are a number of situations where private developers cannot get permits. Like, for example, in California there is something called green mail where the construction trade unions are seeking a PLA on a project. They will file a number of frivolous environmental complaints to stop a project from moving forward without a project labor agreement. There are a number of tactics that are used to extract PLAs from the private sector, and then, of course, we are seeing the government side as well.

Mr. GOSAR. Thank you very much. I yield back.

Ms. MACE. Thank you. I would now like to recognize Mr. Grothman for 5 minutes.

Mr. GROTHMAN. Sure. Thank you. I would like to apologize. Sometimes members of the other party, they get so used to talking about union jobs, it implies nobody in Congress cares about non-union jobs. I have a lot of good friends in the unions, but I think it is embarrassing that we are getting to the point. The hatred of diversity is so intense that they cannot say we want to expand the government by all jobs. They just, you are not a union, you do not count, but I got a question here for you.

A new Biden Administration—and this is for Mr. Brubeck—a new Biden Administration rule mandates that contractors and subcontractors sign onto a project labor agreement to be eligible to perform work on large-scale Federal projects \$35 million and up. This discriminates against merit shop contractors. In what ways do PLAs potentially infringe on the freedom of choice for workers who may prefer not to join a union?

Mr. BRUBECK. Yes. Like I mentioned before, typical PLAs will force contractors to hire most or all of their labor from union hiring halls and leave their own employees, who are non-union workers, on the sidelines and they cannot work on those projects. They have to follow union work rules, and they have to pay into union pension and benefits programs. So, it is effectively telling non-union workers you cannot participate on the projects, and if there is an exception that allows them to participate, the non-union workers have to pay into these pension and benefit plans, and they will never receive the benefits that they pay into those plans unless they join a union and become vested in those programs. Some of these PLAs are in non-right-to-work states. They may require union membership, but ones in right-to-work states typically do not require union membership, but they do require the payment of agency shop fees and other support of the union programs that they may disagree with as a condition of working on a taxpayer-funded project.

Mr. GROTHMAN. You talk about work rules. This is kind of going off script here a little, but you talk about work rules, and I think there is a perception that the only difference between union and non-union is maybe how much people are paid. Could you elaborate on how work rules may raise the cost of a project or make it more inefficient?

Mr. BRUBECK. Sure. A number of contractors that are union are a signatory to their collective bargaining agreements with specific unions. What that means is that they have to follow the work rules outlined in those collective bargaining agreements for any of the work they perform. For example, if they are building a sidewalk, they have to hire a carpenter to do the carpentry forms around the

sidewalk. They will have to bring in someone from a different trade to do other aspects of that sidewalk. On the non-union side, a lot of contractors are able to do something called multiskilling where they are able to bring in one or two people who can do the job tasks across multiple trades, and that will allow them to be more efficient and have more skills overall in the life of the project and for the careers of the actual construction workers, too.

Mr. GROTHMAN. OK. Mr. Dreher, since 2009, under a policy initiated by the Obama Administration, Federal agencies have been encouraged to consider mandating PLAs on Federal construction projects, but they have rarely done it. Why do you think that is so?

Mr. DREHER. Because it was the contractor's choice, right? Twelve out of 3,210 contracts had PLAs, so I think that that tells us that there was not a lot of interest during that—

Mr. GROTHMAN. Left to their own devices—

Mr. DREHER. Correct.

Mr. GROTHMAN [continuing]. People would not do them.

Mr. DREHER. Let the people decide. Let the contractor decide. Create fair and open competition.

Mr. GROTHMAN. Any studies indicating PLAs increase the overall cost of public construction projects?

Mr. DREHER. Yes. Yes. The overall costs increase 12 to 20 percent, I think the statistics say.

Mr. GROTHMAN. And the result then, of course, is more infrastructure undone, not as good infrastructure.

Mr. DREHER. Yes. Yes, we are we are slowing up projects, and right now the industry is so saturated. We are short workers, there are a lot of projects to do, and this is just adding, again, another hurdle that is going to prevent us from achieving that mission.

Mr. GROTHMAN. OK. Final question for Mr. Brubeck. The IRS and Treasury Department have finalized prevailing wage and apprenticeship requirements for certain incentives contained in the Inflation Reduction Act, which is a big climate bill that President Biden signed into law in 2022. While the Administration characterizes the rule as a win for labor unions, for blue-collar workers, they will most likely give a significant advantage to labor unions. Can you explain to me this weaponization of the IRS to push labor policies and project labor agreements on the Inflation Reduction Act clean energy tax credits? Is this in the statute?

Mr. BRUBECK. The prevailing wage and registered apprenticeship requirements on these clean energy projects seeking enhanced tax credits, that is in the statute. What is not in the statute is a new provision by the IRS that says developers would be exempt or get-out-free jail card for the willful and extreme penalties in the new statute if they sign a project labor agreement, if they require all the contractors to sign a PLA. So, they are getting an exemption through regulation to the actual statute if they sign a PLA, and this is going to create a lot of problems.

A lot of developers and a lot of people seeking these tax credits are trying to understand the confusing rules behind prevailing wage and registered apprenticeship requirements, and so they are going to be basically pushed and coerced into requiring project labor agreements. So, they are weaponizing the IRS and the tax

system to develop more union jobs and unionized contractors getting—

Mr. GROTHMAN. Hatred of non-union jobs. Maybe “hatred” is too strong, but they do not want people having non-union jobs.

Mr. BRUBECK. We are not welcome.

Mr. GROTHMAN. Yep. OK. Thank you.

Ms. MACE. All right. I would now like to recognize Mr. Fitzgerald for 5 minutes.

Mr. FITZGERALD. I want to thank the Chairwoman for allowing me to waive on to the Committee. It is an important topic, and when I saw it was coming up in the Subcommittee, definitely wanted to participate. As my many years in the Wisconsin State Senate, along with Congressman Grothman, by the way, we did do some PLA reforms. And I think one of the things that was always missed, and I am glad you are reiterating again and again, that what you are talking about is if two organizations want to get involved in a PLA, that is not what we are worried about. We are worried about the mandate part. And there were significant buildings. There is Lambeau Field in Wisconsin that was part of a PLA agreement. We had the Fiserv Forum, which we are holding the Republican National Committee Convention at, which there was a PLA in place. That was fine. That is not what we are talking about. We are talking about mandating it.

So, Mr. Brubeck, I wanted to just get your take on the higher costs because that is what we saw. Even on those where there was agreement, if you match that up with what the construction costs might be on the front end compared to where you end up, it is still a significant increase in the costs of a project, right?

Mr. BRUBECK. Yes. Typically, the costs are between 12 percent and 20 percent. At least that is what the research has said on a number of school construction projects. There was an independent study done out in California on a number of Los Angeles affordable housing projects. What that study found was that the PLA mandate actually added 14 percent of the cost of affordable housing projects that resulted in 800 fewer affordable housing units being built out there. They could have had 11 percent more, 800 more units for affordable housing if not for this requirement. So, it is certainly there. There is a lot of research on this topic. I know there is other research saying the opposite, but it is just basic common sense. You reduce competition, you put new rules, you cannot use your own employees, of course costs are going to go up for these contractors.

Mr. FITZGERALD. Right, and I think that is something that is being missed on it is because I am also a member of Financial Services right now, so we will have the Fed in and they will tell us, we will have the FDIC in, and we will grill them about where we are in some of this financing stuff. And right now it means that there is less projects being built, right? I mean, we know there is a labor shortage, but along with that, if there are less projects, if there is less work, that is not good for anybody, right?

Mr. BRUBECK. Yes. Stakeholders are worried that if their costs go over their allotted budget, they are going to have to find money elsewhere. They are going to have to get money from Congress, or they are going to have to re-scope their existing budgets or other

projects, and that creates a lot of delays and that adds more cost, too. So, yes, that means fewer construction jobs created, fewer improvements to our roads, bridges, and other types of infrastructure, and fewer clean energy projects. I mean, the list goes on. This is a serious issue.

Mr. FITZGERALD. And it is because federally assisted construction is a much larger market of construction spending than direct Federal contracts. I mean, that is the way it works.

Mr. FITZGERALD. Yes. I do not know if I clarified. So, we have got the Biden executive order on direct Federal contracts of \$35 million or more, but outside of that, we actually have other policies independent of the executive order that push PLA requirements on federally assisted projects. And that is being done through Federal agency grant programs that Federal agencies are asking state and local governments to compete for, and what they are saying is, you are more likely to get this funding if you require PLA. It is coercion. They are trying to get them to require PLAs.

And fortunately, in states like yours, Mr. Fitzgerald, there has been legislation passed that restricts government-mandated PLAs on federally assisted projects. That is not helpful on direct Federal contracts like at Fort McCoy—

Mr. FITZGERALD. Right.

Mr. BRUBECK [continuing]. Where I got a call the other day from a small contractor saying, I do 90 percent of my revenue at Fort McCoy. Once I am done with this project, I have no other work. I have got to fire my people or close my business or find another work. This was all sprung on me so fast, so yes.

Mr. FITZGERALD. Yes. This all adds insult to injury—

Mr. BRUBECK. Exactly.

Mr. FITZGERALD [continuing]. Because on top of that, now you have the interest issue that is starting to creep up on the financing of many of these projects as well, so very good. Thank you very much.

Mr. BRUBECK. Thank you.

Mr. FITZGERALD. I yield back.

Ms. MACE. All right. I would now like to recognize Mr. Higgins for 5 minutes.

Mr. HIGGINS. Thank you, Madam Chair, and thank you for holding this hearing. Gentlemen, I appreciate you being here. Just to clarify for the American people, what we are dealing with is an executive order from the President, which has resulted in rules being written and mandated through government projects, major government projects that impact every state, and have forced contractors to submit bids with union workforce as their primary workforce. And many states do not have that workforce infrastructure, including the state of Louisiana that I represent. So, according to the January 2024 Bureau of Labor statistics, only about 10 percent of the workforce is unionized, so it is quite an unrighteous move by the executive of our country.

The President of the United States issued an executive order saying 90 percent of the workforce of American people does not qualify for these government bids. It is quite unrighteous. Twenty-four sovereign states have right-to-work laws, including Louisiana. We offer fair and open competition for all companies, including union

labor, to bid on contracts, but it should not be mandated either way. I am quite sure that my colleagues that represent union districts, which I respect. I do not have a problem with that. I do not oppose unions. I support freedom. I do not oppose our President. I oppose oppressive actions out of our executive branch. And I am quite certain that my colleagues that represent union districts would have an issue with the President reversing an order saying you cannot allow union workforce to bid on these projects.

Mr. Ledet, congratulations. We have arrived at the point where someone can pronounce your name.

(Laughter.)

Mr. HIGGINS. Mr. Ledet, would this violate Louisiana law, in your assessment, and disadvantage Louisiana-owned and operated non-union companies that you have historically partnered with to rebuild Louisiana coasts and protect Louisiana communities from flooding?

Mr. LEDET. Thank you, Congressman. As you indicated, we think it violates the spirit of the law. As you said, we have a right-to-work state. Only three percent of Louisiana workforce is union labor. The other 97 percent is non-union labor, and so this mandate discourages them from being able to work on these major infrastructure projects to protect our citizens.

Mr. HIGGINS. In your experience, Mr. Ledet, again, to clarify for Americans witnessing this hearing, is there any law in Louisiana that denies unionization?

Mr. LEDET. No, there is not.

Mr. HIGGINS. Thank you very much. So, our free citizens, by a ratio of 97 percent, choose to work for companies that are not involved with union labor. They have the right to unionize. We certainly would not stop that. Go ahead. That is called freedom. Once again, we do not oppose unions. We support freedom. We oppose oppression of rights and individual liberties. Mr. Ledet, again, what would be the real-world implications of this rule on CPRA and the Army Corps projects in South Louisiana? Would you address that? Please bring it home.

Mr. LEDET. Yes.

Mr. HIGGINS. In my remaining minute here—

Mr. LEDET. Yes, it is—

Mr. HIGGINS [continuing]. What is the real-world impact of projects that we have ongoing in Louisiana with CPRA through the Corps of Engineers for coastal reconstruction and flood mitigation?

Mr. LEDET. Yes. As a great example, if we are talking about cost increases, we have the \$3.7 billion ongoing West Shore Lake Pontchartrain project that could result in cost increases of anywhere from \$400 to \$700 million, if those statistics are correct, and then the state of Louisiana has to pay 35 percent of that cost share.

Mr. HIGGINS. Could you even bid it out? I mean, can you get a workforce? Is there a Louisiana workforce, a contractor that could even effectively respond to that bid, the contractors that you have historically successfully done business with?

Mr. LEDET. Yes, there is uncertainty there. The first project that we have encountered, which after this mandate has been put in place, is we only received one bid.

Mr. HIGGINS. One bid. Well, gentlemen, and Mr. Snyder, this includes you, good, sir. I thank you for being here. I respect your representation. We just disagree in principle on government mandates that oppress the freedoms of Americans' right to work, so I do appreciate you being here. We have some questions to submit to you in writing, good sir, and the other panelists as well. Madam Speaker—Madam Chair—I apologize—thank you for holding this hearing. It is very important.

Ms. MACE. I spoke Louisiana good today. I said "Ledet." I did a good job. I think I got it mostly right. I would like to recognize Ms. Foxx, the queen, for 5 minutes.

Ms. FOXX. And you do not have to stay, but I know how to pronounce it, too.

(Laughter.)

Ms. FOXX. But I will start with Mr. Brubeck, and I thank the Chairwoman for holding this hearing today, also, and thank our witnesses for being here. Mr. Brubeck, your written testimony mentioned that the limited number of non-union contractor employees who are possibly allowed to work on a PLA project would be subjected to wage theft. Can you explain how that works in practice?

Mr. BRUBECK. Yes. So, typical PLAs, and they can vary from job to job, but what I have seen typically is they force contractors to pay their fringe benefits into the union pension and benefits plans as a condition of winning the contract. And if you are a non-union worker, you are allowed to work on a PLA project, which may be in limited numbers. Let us say you can. You would have all that money paid into those plans on your behalf, but you would forfeit that unless you joined the union and became vested in those plans. Where I come from and what I hear from our contractors, that is wage theft.

A lot of contractors will actually make sure that those employees come back and work with them after the project is done. And what they will do is they will actually pay for those additional benefit costs that they are going to lose, gets stolen from them. They will pay into their existing plans the company has, but what happens is that puts that contractor to a severe competitive disadvantage. They have to have double benefit payment costs, which is yet another reason why these contractors will not pursue these PLA projects.

Ms. FOXX. And so, what you are describing is that the employer then is also exposed to multi-employer pension plans, correct?

Mr. BRUBECK. That is right. So, the employer is making the contributions to the union pension plans as required by the PLA as a condition of performing the project, and a number of these multi-employer pension plans are extremely underfunded. And what happens for the contractors that pay into these plans is they can become liable for future liabilities of the pension plans when they can no longer make the promises that they have made to the union workers that deserve benefits from these plans. And so, when that happens, they get a bill for their liability and that can be extreme. That can prevent them from getting bonding. That can prevent them from qualifying from future contracts. So, they do not want to be on the hook just for one project.

Ms. FOXX. Right.

Mr. BRUBECK. And PLA advocates will say, well, you can be exempt from that type of pension withdrawal liability. There have actually been legal cases where they have signed the exemption, and the judges come back and said, no, it still applies to you, sorry, and these companies either go bankrupt or have to completely reduce their operation as a result of this.

Ms. FOXX. Right. As I have railed against many times, the American Rescue Plan contained a provision providing over \$90 billion for the PBGC bailing out these poorly performing multi-employer pension plans that were unable to pay the defined benefit pension promises that were made to worker beneficiaries, many of which were plans in the construction industry. Why would anyone think that forcing workers to pay into these poorly performing plans is a good idea and in the best interest of the construction workers? Mr. Brubeck? Sorry.

Mr. BRUBECK. No, it is a great question. I know a number of our employees are taken care of by 401(k) or profit sharing or all kinds of great programs that transfer with them, and they have certainty in that. And a lot of the folks getting into the industry are not sure about whether the pensions will be available. I understand that is why the bailout was made for some of these programs and plans, but it is certainly something that we are concerned about, and workers are concerned about their future retirements—

Ms. FOXX. Sure.

Mr. BRUBECK [continuing]. And not knowing if it is there or not and not knowing if the government is going to have to bail them out another time.

Ms. FOXX. Right. I think, Mr. Ledet, that I walked in as Mr. Brubeck was talking about how much PLAs increase costs for Federal construction projects. So, I will not ask you that question, but how does this increase in cost impact your ability to budget and your ability to use the limited resources available to complete much-needed construction projects?

Mr. LEDET. Yes, thank you. CPRA is the non-Federal sponsor on major infrastructure in our state to protect our citizens from flooding. And so, any time the cost goes up for the Federal Government, it also goes up for us, the non-Federal. And so, those cost increases that we referenced, if it is \$400 million, we pay 35 percent of that, and then if there are schedule delays, that is just prolonged time that our citizens are at risk.

Ms. FOXX. Right, and I think you all have alluded, you particularly, I think, earlier to PLA mandates creating new workforce shortages if contractors refuse to bid for work under a PLA. I think all of you have probably talked about that. So, we all know that there is a huge worker shortage. I am the Chairwoman of the Education and Workforce Committee. We are dealing with this every day. I meet with employers every day who tell me they cannot find skilled workers, and construction is one of the main areas.

And so, I just want to thank you all for what you are doing and for the work that you are doing to try to protect workers in this country. As my colleague Mr. Higgins said, people who choose not to join unions, he is right, this is about freedom. This is all about freedom in our country. If they want to join the union, they can,

but nobody is holding a gun to their head to do it, and nobody should be holding a gun to the heads of contractors to have a PLA, and what this is all about is freedom in our country. Thank you, Madam Chair. I yield back.

Ms. MACE. Thank you.

Ms. MACE. To recognize Mr. Allen for 5 minutes.

Mr. ALLEN. Thank you, Chairwoman, for allowing me to waive on to your Committee.

Ms. MACE. Saved the best for last.

Mr. ALLEN. Well, you are also my neighbor, so, but anyway, my home state is Georgia, and I can pronounce your name, Mr. Ledet. And what is unique about Georgia is we have a right-to-work law, which many states have across the country, and all that simply means is that you do not have to pay union dues to keep your job. And Georgia has been the best state to do business, been named the best state to do business in over 10 years in a row, and we have great leadership, and our economy is growing. We just recently finished two nuclear power plants, which now is the largest clean energy power plant structure with four units in the country, and it was union. But the problem is we could not get the workers, and when I talked to the head of the Building and Trades Union, he said that they are having a hard time recruiting people to join the union.

And I have had 40 years of experience starting and operating a construction business. The workforce is a new modern workforce, very entrepreneurial. When I started out, we would call the union hall. We self-performed a lot of our work. But now these union members all own the concrete companies, the roofing companies, the framing companies, and the steel erection companies, and we are subcontracting almost 90 percent of our work. And I am all too familiar with the heavy-handed, top-down regulations that this government is imposing on us, which is why we never did any Federal Government work. It was a different animal altogether.

And this rule is another example of the Biden Administration using taxpayer dollars to push their pro-union agenda. It bestows favors on political allies and intervene in employee relations at private firms, and I have heard the frustration of other construction companies in our district. ACC Construction Company is a locally owned and operated company out of Augusta, Georgia, and it has a stellar reputation working on many federally contracted construction projects, and I share their concern. This rule will drive up cost, reduce competition, and result in jobs taking much longer than they should.

Mr. Brubeck, my understanding is to be a signatory to a project labor agreement, a contractor must negotiate with the union. Is that correct?

Mr. BRUBECK. Yes. Under the FAR Council rule, you have to have one labor union or more to execute the project labor agreement. And what is happening is that our understanding is contractors are going to unions and saying would you be willing to negotiate a PLA with me. They have to meet these terms that are outlined in the PLA rule but also other terms that the unions suggest. And they are having either a hard time finding agreement with the

unions, or the unions are slow walking that negotiation, or giving better terms to other contractors.

Mr. ALLEN. Right.

Mr. BRUBECK. So, they are preselecting who can win the contract or not, and that is really problematic.

Mr. ALLEN. There has got to be case law somewhere because this is—

Mr. BRUBECK. We filed a lawsuit—

Mr. ALLEN. Yes.

Mr. BRUBECK [continuing]. Which we have not really talked much about today.

Mr. ALLEN. Right.

Mr. BRUBECK. But it is in Florida.

Mr. ALLEN. Yes.

Mr. BRUBECK. It is before the judge, and we are hoping for an outcome that is good on the merits of the case, unlike the case earlier discussed, the AGC case, which was dismissed on basically technicalities.

Mr. ALLEN. Right. Tell me what you have heard about how unions are negotiating in circumstances where their participation is required for a contractor to complete the project.

Mr. BRUBECK. We have heard varying stories. Some have been attempting to cooperate and trying to understand the needs of the contractor. Other unions have not been participating in good faith at all, and they have been slowing down negotiations. They have been effectively making sure that that contractor who is not already signatory to the union cannot proceed with the contract award or even a contract bid, which is required to have an executed PLA submitted with it. So, effectively, they are acting as a prequalifier for the Federal Government. This is not how the Competition in Contracting Act works. We need full and open competition. We do not need middlemen in this, and that is what our litigation is all about.

Mr. ALLEN. Yes, and what I recommended to the head of the Building and Trades Union is they need to work on recruitment and provide a product, and then figure out how to sell that product rather than these heavy-handed techniques that they are using. And it is very concerning that the Biden Administration provided unions all of this leverage at the negotiating table and left contractors no choices but to cave to union demands. It is directly contrary to America's free market. And of course, we have seen that in every area of the country. We have a huge workforce problem.

I have a contractor friend who does work all over the world, and he says the only place he has a problem getting labor working on Federal projects is in the United States. He said, everywhere else in the world because I asked him where do you get these people. He says, it is no problem. Everywhere else in the world, the Nation will allow me to use people to bring workmen in to get the job done.

But anyway, thank you. Thank you, Madam Chair, and I yield back.

Ms. MACE. Thank you. In closing today, I want to thank our panelists once again for their testimony.

With that and without objection, all members will have 5 legislative days within which to submit materials and to submit additional written questions for the witnesses, which will be forwarded to the witnesses for their response.

Ms. MACE. So, if there is no further business, without objection, the subcommittee stands adjourned.

[Whereupon, at 5:39 p.m., the Subcommittee was adjourned.]

