



September 10, 2025

The Honorable Nick LaLota
Chair
House Committee on Small Business
Subcommittee on Contracting and
Infrastructure
U.S. House of Representatives
Washington, DC 20515

The Honorable Gil Cisneros
Ranking Member
House Committee on Small Business
Subcommittee on Contracting and
Infrastructure
U.S. House of Representatives
Washington, DC 20515

Dear Chairman LaLota, Ranking Member Cisneros and Members of the House Committee on Small Business Subcommittee on Contracting and Infrastructure:

On behalf of Associated Builders and Contractors, a national construction industry trade association with 67 chapters representing more than 23,000 members, I appreciate the opportunity to comment on the committee's hearing, "[Leveling the Playing Field: Fostering Opportunities for Small Business Contractors](#)." The majority of ABC's general contractor and subcontractor members qualify as small businesses as defined by the Small Business Administration. The industry consistently has one of the highest concentrations of small business participation, and its members play an integral role in building America's infrastructure.

Small businesses are the backbone of the construction industry. In fact, 81% of all construction firms have fewer than 10 employees while 99% have fewer than 100, underscoring the dominance of small operations across the sector. These firms don't just exist in large numbers—they also drive job creation. Currently, 69% of the construction workforce is employed by companies with fewer than 100 employees, illustrating the central role that small and mid-sized businesses play in sustaining the industry's labor force.

Despite these statistics, the Biden administration introduced a series of regulations that placed heavy burdens on Main Street contractors. Even more concerning, the Trump administration has doubled down on a Biden-era policy that is driving up costs for taxpayers and restricting the overwhelming majority of the construction industry from competing to win work.

On June 12, the White House Office of Management and Budget announced that it will continue to enforce former President Joe Biden's Executive Order 14063 and final rule mandating project labor agreements on federal construction projects valued at \$35 million or more. This mandate discourages competition from potential bidders by forcing contractors to sign union collective bargaining agreements, hire workers from union halls and apprenticeship programs and accept compulsory union representation on behalf of any members of their existing workforces.

With a record-high 89.7% of the construction industry workforce choosing not to belong to a union, the Trump administration is promoting a policy that restricts qualified contractors around the country from competing on federal and federally assisted work while increasing the cost of taxpayer-funded projects by 12% to 20%. Merit shop contractors have the skills and success record to build and repair America's infrastructure without the restrictions of a PLA, and the American people deserve the most responsible investment of their tax dollars.

The continuation of this failed policy presents a significant barrier to entry for small businesses. Up to 90% of the work on a typical federal construction project is performed by subcontractors and second-tier contractors, many of which are small businesses. With as many as 50 different small subcontractors involved on a single project, such mandates unfairly limit opportunities for small firms that may be unable or unwilling to operate under the terms of a PLA.

The PLA mandate represents a significant escalation of an ongoing trend of federal regulations and policies that have reduced small business participation in federal construction contracting. Small businesses have suffered a 60% decline in the number of construction firms awarded federal contracts from 2010-2020, according to SBA data. The PLA mandate will continue to exacerbate this issue if it is left in place.

This mandate also effectively prevents many small, women-, veteran- and minority-owned construction businesses and their workforce from participating on federal projects. Importantly, we believe that any federal investment in construction, including our nation's infrastructure, must ensure opportunity to all Americans, regardless of labor affiliation.

It is crucial that we take the necessary steps to ensure that small businesses are no longer burdened by excessive red tape and restrictive mandates. For this reason, ABC calls on President Donald Trump to reverse course, end government-mandated PLAs and implement a policy that supports fair and open competition in the federal procurement process.

By addressing harmful policies, we can help level the playing field for Main Street America. ABC remains committed to supporting the growth and success of small business contractors, and we look forward to working with the committee to put small businesses first.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kristen Swearingen', written in a cursive style.

Kristen Swearingen
Vice President, Government Affairs