

February 13, 2009

United States House of Representatives
Washington, D.C. 20510

Dear Representative:

The diverse group of undersigned construction and business associations urges you to support the "Government Neutrality in Contracting Act," (H.R. 983) introduced by Congressman John Sullivan (R-OK). This legislation will curb waste and favoritism in federal construction procurement and ensure taxpayer dollars are used responsibly, especially the more than \$150 billion in construction spending and \$50 billion in infrastructure bonds contained in the stimulus bill before Congress. We ask that you take a stand against discrimination and special interest set-asides in government contracting and cosponsor this important piece of legislation.

The "Government Neutrality in Contracting Act" protects taxpayers and ensures fair and open competition on government construction contracts by prohibiting government mandated union-only project labor agreements (PLAs) on federal and federally funded construction projects.

Construction projects subject to union-only PLAs stifle competition from non-union contractors and take away opportunity from their non-union employees unless they agree to the "union friendly" and inefficient terms and conditions of a typical PLA. A union-only PLA is a contract that requires a construction project to be awarded to contractors and subcontractors that agree to: recognize unions as the representatives of their employees on that jobsite; use the union hiring hall to obtain workers; obtain apprentices through union apprenticeship programs; and obey the union's restrictive work rules. While non-union contractors are permitted to bid on PLA projects, the reality is the contracts subject to PLAs end up being awarded almost exclusively to unionized contractors and their all-union workforces.

President's Obama's Executive Order 13502, signed Feb. 6, encourages federal agencies and recipients of federal assistance to attach union-only requirements to all construction projects exceeding \$25 million. The order also repealed Executive Order 13202, which protected hundreds of billions of federal and federally funded construction projects from being subject to government mandated union-only PLA requirements since 2001. The Obama order is essentially a government handout to organized labor. This quid pro quo relationship should come as no surprise considering organized labor reportedly contributed more than \$200 million to the election of President Obama.

Congress must ensure taxpayer funded infrastructure projects are cost-effective and administered without favoritism or discrimination. These interests will not be served under the new Obama order. According to the most recent data from the U.S. Department of Labor's Bureau of Labor Statistics, only 15.6 percent of America's construction workforce belongs to a union. This means union-only PLAs would discriminate against more than eight out of 10 construction workers who otherwise would be eligible to work on construction projects if not for a union-only PLA.

In addition, several academic studies by the Beacon Hill Institute indicate PLAs increase the cost of school construction between 10 percent and 20 percent when compared to similar school construction projects not subject to a PLA. America can't afford to waste in excess of \$30 billion in construction spending contained in the stimulus bill to reward special interests. Why should we build four schools, bridges, hospitals and wind farms for the price of five? That money is better served rebuilding America's crumbling infrastructure and putting all construction workers, not just union workers, back to work.

Congressman Sullivan's legislation puts good policy over politics and protects taxpayers from costly and special interest union-only PLA requirements on federal construction contracts. We strongly urge you to eliminate discrimination and guarantee equal opportunity and open competition in federal construction procurement by cosponsoring Congressman Sullivan's "Government Neutrality in Contracting Act" (H.R. 983) in the 111th Congress.

To learn more about union-only PLAs, please visit www.abc.org/pla. If you need more information about this issue or legislation, please contact Patrick Large at Patrick.Large@mail.house.gov or (202) 225-2211.

Sincerely,

Associated Builders and Contractors (ABC)
National Association of Small Disadvantaged Businesses
National Federation of Independent Business (NFIB)
Women Construction Owners and Executives, USA (WCOE)

Independent Electrical Contractors (IEC)
National Black Chamber of Commerce
U.S. Chamber of Commerce