



March 30, 2022

The Honorable Jason Crow
Chairman
House Committee on Small Business
Subcommittee on Innovation, Entrepreneurship,
and Workforce Development
Washington, DC 20515

The Honorable Young Kim
Ranking Member
House Committee on Small Business
Subcommittee on Innovation, Entrepreneurship,
and Workforce Development
Washington, DC 20515

Dear Chairman Crow and Ranking Member Kim:

On behalf of Associated Builders and Contractors, a national construction industry trade association with 69 chapters representing more than 21,000 members, I write to comment on the U.S. House Committee on Small Business Subcommittee on Innovation, Entrepreneurship, and Workforce Development hearing titled "Skill, Upskill, and Reskill: Analyzing New Investments in Workforce Development."

According to the subcommittee's description, "This hearing will examine the factors contributing to the workforce shortage and discuss potential solutions, including changes to the workforce development system, the bipartisan Infrastructure Investment and Jobs Act, and other proposals." ABC is happy to offer feedback to the subcommittee on how members can help recover the jobs lost during the pandemic and create new opportunities for all Americans to have the ability to become construction craft professionals.

Construction is poised to power America's recovery and economic engine, as the industry offers competitive wages and many [opportunities](#) to both begin and advance in an industry that builds the places where we work, play, worship, learn and heal.

The construction industry added 60,000 jobs on net in February, according to [ABC analysis of data](#) released by the U.S. Bureau of Labor Statistics. Overall, the industry has recovered virtually all (99.0%) of the jobs lost during earlier stages of the pandemic. Additionally, the construction unemployment rate fell to 6.7% in February. However, the construction industry continues to face many workforce development challenges going forward, particularly the need for qualified, skilled craft professionals, as the [industry faces a shortage of 650,000 workers in 2022](#), according to [ABC's methodology](#) in creating the workforce shortage model.

An added concern is the decline in the number of younger construction workers ages 25-54, which fell 8% over the past decade as the share of older workers exiting the workforce soared. According to the Centers for Disease Control and Prevention, the industry's average age of retirement is 61, and more than 1 in 5 construction workers are currently over the age of 55.

With the implementation of the Infrastructure Investment and Jobs Act and the American Rescue Plan, the federal government will pump hundreds of billions in new spending into our nation's most critical infrastructure, and qualified craft professionals are essential to efficiently modernize roads, bridges, energy production and other projects across the country. However, to fully take advantage of the investments in infrastructure, Congress should note that more regulations and less worker freedom will make it harder to fill any potential job creation.

To help meet this demand, ABC member contractors use flexible, competency-based and market-driven education methodologies to build a construction workforce that is safe, skilled and productive. This all-of-the-above approach to workforce development has produced a network of ABC chapters and affiliates across the country that offer more than 800 apprenticeship, craft, safety and management education programs—including more than 300 government-registered apprenticeship programs across 20 different occupations—to build the people who build America.

ABC urges the subcommittee to consider ways in which they can promote an all-of-the-above workforce development strategy—and not limit the benefits of federal legislation from reaching the vast majority of construction workers due to their labor affiliation.

Apprenticeships and Pre-Apprenticeships:

The subcommittee's majority continues to focus on union-only approach to workforce development, failing to recognize that the majority of workers in the construction industry (87.4%) of the construction industry does not belong to a union.

The majority supported National Apprenticeship Act (H.R. 447) would needlessly impose labor requirements where none exists under current law and would discourage even registered apprenticeship programs, such as the one conducted by ABC's Southern California Chapter, from participating in the bill's 21st Century grant program, as they do not partner with a labor organization. This ABC program was the highlight of ABC member Sunwest Electric's Frank Boecker, who offered testimony to this committee last year, urging the federal government's support for all effective programs and pathways that lead to a fulfilling job in the construction industry.

Project Labor Agreements:

Of interest to the subcommittee, ABC believes that several discriminatory policies being pursued by the Biden administration in the implementation of the will prevent many opportunities for the entire construction industry, particularly small businesses, to benefit from infrastructure investments.

On Feb. 4, President Biden signed [Executive Order 14063](#) requiring federal construction contracts greater than \$35 million to be subjected to [project labor agreements](#). In a [statement](#), ABC noted that this executive order will exacerbate the construction industry's skilled workforce shortage and needlessly increase construction costs and reduce opportunities for local contractors and skilled tradespeople. Government-mandated PLAs increase the cost of construction by [12% to 20%](#), reduce competition by excluding [87.4% of the construction industry workforce](#) and [steal up to 34% of wages from the few nonunion workers allowed to work on a PLA jobsite](#).

By tying federal infrastructure investments to government-mandated project labor agreements, the Biden administration will discriminate against the majority of our nation's small, women-, veteran- and minority-owned businesses and workers that choose to operate on a merit shop basis. In an industry of over 7 million, a way to ensure that is through the subcommittee's intention of helping small businesses.

ABC urges the committee to consider ways to ensure that construction firms of all labor affiliation can compete for taxpayer-funded construction projects to rebuild their own communities. All contracts funded by the federal government should be awarded through a fair and competitive bidding process that allows all qualified contractors to compete on a level playing field based on merit, experience, quality and safety. To deliver the highest quality projects at the best cost to taxpayers, a critical part of any federal investment in infrastructure should include the entire construction industry.

In a pair of recent letters sent to the White House by [House](#) and [Senate](#) lawmakers, many in Congress believe that the most cost-effective way to rebuild infrastructure is to promote open competition.

Further, ABC urges members of the subcommittee to support the Fair and Open Competition Act, [H.R. 1284](#), which would prevent federal agencies and recipients of federal assistance from requiring contractors to sign controversial project labor agreements as a condition of winning a federal or federally assisted construction contract. This bill would ensure that taxpayer-funded construction contracts are awarded through fair and open competition—guaranteeing the best value for hardworking taxpayers while prohibiting a rigged federal procurement process.

Conclusion:

The construction industry is fueled by small businesses; the construction industry has one of the highest concentrations of small business participation. Some of ABC's large member companies not only contract directly with the federal government to successfully build large-scale projects that are subject to federal acquisition regulations but also subcontract work to qualified small businesses to meet federal agency small business goals.

ABC encourages the committee to promote inclusive, win-win policies that welcome all of America's construction industry to compete to rebuild our nation's crumbling infrastructure, increase accountability and competition and reduce waste and favoritism in the procurement of public works projects.

ABC and our members are committed to building taxpayer-funded projects with the highest standards of safety and quality. ABC members stand ready for the opportunity to build and maintain America's infrastructure to the benefit of the communities that it will serve. ABC appreciates the opportunity to comment on the committee's important work to improve our nation's infrastructure.

Sincerely,

A handwritten signature in black ink, appearing to read "Kristen Swearingen". The signature is fluid and cursive, with a large initial "K" and a long, sweeping underline.

Kristen Swearingen
Vice President, Legislative & Political Affairs