



Congress of the United States
House of Representatives
Washington, DC 20515-3605

June 28, 2021

The Honorable Janet Yellen
Secretary of the Treasury
U.S. Department of the Treasury
1500 Pennsylvania Ave., N.W.
Washington, DC 20220

Dear Secretary Yellen:

As you seek comments on an interim final rule providing guidance on \$350 billion worth of federal funding for state and local fiscal recovery allocated in the American Rescue Plan Act of 2021, we write to express our strong opposition to the rule's encouragement of project labor agreements (PLAs). PLAs pose a serious threat to our nation's workers and the small construction businesses that are recovering from economic upheaval due to the COVID-19 pandemic.

As currently written, the interim final rule and fact sheet detail how this money can be used to offset state and local budget shortfalls, support COVID-19 response efforts, and address economic stabilization for households and businesses. Included in the guidance is language promoting certain controversial labor provisions on eligible construction projects, including anticompetitive project labor agreements, which have a history of needlessly increasing taxpayer funded construction costs by 12% to 20% and discouraging competition from many of our nation's small and large nonunion construction businesses.

While the language used in the interim final rule cannot be considered a PLA mandate, the Treasury Department's encouragement of project labor agreements represents a preference to discriminate against 87.3% of the U.S. construction workforce that does not belong to a union. PLAs prevent qualified contractors from fairly competing for contracts on taxpayer-funded projects. PLAs also deny critical construction jobs to local workers and small businesses.

The Fair and Open Competition Act (FOCA, H.R. 1284) would guarantee the best value for hardworking taxpayers through a fair and open bidding process for federal construction projects. Notably, FOCA prevents federal mandates for PLAs, but also ensures federal agencies can still award contracts to businesses that voluntarily enter into a PLA.

More than 25 states have enacted measures that ensure accountability, oversight, and a fact-based decision making process that will lead to better investment in local infrastructure and the creation of

more construction industry jobs, a vital part of economic recovery. These state laws curb waste and favoritism in construction project procurement and ensure responsible management of taxpayer dollars. Further, they allow markets to determine the appropriateness of a PLA—not the federal government.

At a time when the global pandemic has upended our workforce, disrupted our businesses, and created economic turmoil, this Administration should not be promoting project labor agreements on public works construction projects that will institute arbitrary, discriminatory barriers to recovery at the expense of taxpayers.

We appreciate your thoughtful consideration of our request to protect all American workers.

Sincerely,



Ted Budd
Member of Congress



Ann Wagner
Member of Congress



Alex X. Mooney
Member of Congress



William Timmons
Member of Congress



Trey Hollingsworth
Member of Congress



Andy Barr
Member of Congress



Warren Davidson
Member of Congress



French Hill
Member of Congress