



November 19, 2025

The Honorable Joni Ernst
Chair
Senate Committee on Small Business
and Entrepreneurship
U.S. Senate
Washington, DC 20510

The Honorable Ed Markey
Ranking Member
Senate Committee on Small Business
and Entrepreneurship
U.S. Senate
Washington, DC 20510

Dear Chair Ernst, Ranking Member Markey and Members of the Senate Committee on Small Business and Entrepreneurship:

On behalf of Associated Builders and Contractors, a national construction industry trade association with 67 chapters and more than 23,000 members, I appreciate the opportunity to comment on the committee's hearing, "Trump's Regulatory Rollback: Saving Americans \$907 Billion and Counting."

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.

Under the Biden administration, small business contractors around the country faced severe economic uncertainty and copious regulations that imposed substantial burdens on Main Street. What's worse, federal agencies utilized loopholes in the Regulatory Flexibility Act to implement these regulations at the expense of America's small business community.

ABC has been encouraged by the Trump administration's efforts to reel in government overreach and remove hurdles for small businesses operating in the construction industry. Specifically, ABC appreciates the U.S. Department of Labor's [decision](#) to rescind and pause enforcement of the Biden administration's confusing and unworkable [2024 independent contractor rule](#). This action provides much-needed relief to construction employers who rely on legitimate independent contractors for specialized skills and industry stability.

In addition, ABC welcomes the U.S. Department of the Treasury's Financial Crimes Enforcement Network's [interim final rule](#) that exempts U.S.-created entities from burdensome beneficial ownership information reporting under the Corporate Transparency Act. The original rule imposed unnecessary, duplicative and costly reporting requirements that disproportionately harmed small businesses by forcing them to submit sensitive personal information into a database that posed significant privacy and security risks. ABC continues to support efforts that protect small business owners from needless compliance burdens while ensuring a more reasonable, risk-based framework moving forward.

While the administration has worked to eliminate Biden-era barriers, there is still work to be done to ensure small business contractors can compete on a level playing field. Unfortunately, the White House Office of Management and Budget announced on June 12 that it will continue to enforce 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 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.

ABC remains committed to ensuring that America's small business contractors can grow, compete and contribute to rebuilding our nation's infrastructure without unnecessary federal barriers. We appreciate the committee's leadership in holding this hearing and examining the regulatory challenges facing Main Street contractors. While we welcome the administration's steps to reduce harmful burdens, ongoing mandates continue to undermine fair and open competition. We urge Congress and the administration to advance policies that prioritize fair and open competition so that small businesses can fully participate in federal construction opportunities and deliver the best value for taxpayers.

Sincerely,



Kristen Swearingen
Vice President, Government Affairs