

January 9, 2025

President-Elect Donald J. Trump
The Mar-a-Lago Club
1100 South Ocean Blvd
Palm Beach, FL 33480

Dear President Trump:

The undersigned diverse group of construction and business associations—whose membership employs millions of construction industry professionals who successfully build and rebuild America—write to ask you to eliminate President Biden’s Executive Order 14063¹ and related final rule² requiring federal construction contracts of \$35 million or more to be subjected to divisive project labor agreements.³ In addition, the elimination of other costly Biden administration policies⁴ encouraging PLAs on federally assisted projects via federal agency grant programs and tax credits for private, state and local government applicants is a top priority of our coalition.

In place of these failed Biden administration policies, we request a new executive order⁵ that restricts government-mandated PLAs and restores robust fair and open competition on federal and federally assisted construction projects. This will save taxpayers an estimated \$10 billion per year on public works projects annually and restore opportunities for all of the construction industry to rebuild America.

Critics of the Biden administration’s anti-competitive and inflationary pro-PLA policies assert⁶ that PLA mandates artificially exacerbate a shortage of construction industry skilled labor; discourage competition from quality large, small and disadvantaged construction businesses; and needlessly increase construction costs at the expense of significant recent taxpayer investments in infrastructure, clean energy and domestic manufacturing construction.

A PLA is a jobsite-specific collective bargaining agreement unique to the construction industry that typically requires companies to agree to recognize unions as the representatives of their employees on that job, use the union hiring hall to obtain most or all construction labor, hire apprentices from union-affiliated apprenticeship programs, follow union work rules and pay into union benefit and multiemployer pension plans that nonunion employees cannot access. This forces employers to pay “double benefits” into their existing plans and union plans, puts them at a significant competitive disadvantage and exposes them to unfunded multiemployer pension plan liabilities.⁷ In addition, PLAs typically require construction workers to pay union dues and/or join a union if they want to

¹ Executive Order 14063, [Executive Order on Use of Project Labor Agreements For Federal Construction Projects](#), signed Feb. 4, 2022.

² Federal Acquisition Regulation: Use of Project Labor Agreements for Federal Construction Projects, [FAC 2024-02, FAR Case 2022-003](#) published in the Federal Register, Dec. 22, 2023, effective Jan. 22, 2024, and related [Dec. 18, 2023, Office of Management and Budget memo M-24-06, Use of Project Labor Agreements on Federal Construction Projects](#).

³ Access studies, coalition letters, media coverage, messaging and social media kits on government-mandated PLAs and the Biden administration’s misguided pro-PLA policies at the [BuildAmericaLocal.com](#) coalition website.

⁴ Examples of more than \$271 billion in federal dollars available to state and local governments and private developers via multiple grant programs administered by the departments of Agriculture, Commerce, Energy, Environmental Protection Agency, Interior, Transportation, Treasury and other federal agencies with pro-PLA language can be found at [www.abc.org/plagrants](#).

⁵ See prior fair and open competition/government neutrality policies, Executive Orders 13202, [https://www.gpo.gov/fdsys/pkg/FR-2001-02-22/pdf/01-4622.pdf](#) and Executive Order 13208, [https://www.govinfo.gov/content/pkg/WCPD-2001-04-09/pdf/WCPD-2001-04-09-Pg584-2.pdf](#), affirmed July 12, 2002, by the U.S. Court of Appeals for the District of Columbia Circuit in the *Allbaugh* case.

⁶ In October 2022, [19 governors](#) joined [59 U.S. House members](#), [43 U.S. senators](#), and dozens of [construction industry, small business employer](#) and [taxpayer advocacy groups](#) in opposing the Biden administration’s pro-PLA policies. These comment letters on the FAR Council proposed rule, [Federal Acquisition Regulation: Use of Project Labor Agreements for Federal Construction Projects](#), 9000-AO40, Aug. 19, 2022, are available at [https://buildamericalocal.com/learn-more/#letters](#).

⁷ See analysis of *J. Supor & Son Trucking v. Trucking Employees of North Jersey Pension Fund*, No. 20-3286, 2022 U.S. App. LEXIS 9070, April 5, 2022, at [https://www.jacksonlewis.com/insights/third-circuit-joins-sister-circuits-employer-definition-under-multiemployer-pension-plan-amendments-act](#).

receive union benefits and work on a PLA project. If they do not satisfy these stipulations, any token nonunion workers permitted on a PLA project lose an estimated 34% of their wages and benefits to union coffers and benefits plans—making them the victims of wage theft.⁸

When mandated by government agencies and lawmakers, PLAs exacerbate the construction industry’s estimated skilled labor shortage⁹ of more than half a million workers¹⁰ by unfairly discouraging competition from quality nonunion contractors and their employees, who comprise 89.3% of the private U.S. construction industry workforce.¹¹

In addition, government-mandated PLAs can interfere with existing union collective bargaining agreements negotiated between employers and unions without government interference. Likewise, some union organizations and union contracting groups oppose government-mandated PLAs¹² because contractors signatory to certain unions excluded from a specific PLA are prohibited from hiring workers from other unions and cannot bid on PLA projects.

This coalition objects to the Biden administration’s false rationale¹³ that businesses unaffiliated with construction trade unions are unable to deliver safe, on-time and on-budget government construction projects while obeying federal labor laws and paying competitive wages to employees.¹⁴ Experienced and quality, union-free contractors and their skilled employees who choose not to join a union have delivered exceptional federal and federally assisted projects for decades without government PLA requirements.

For example, until it was repealed by Biden, President Barack Obama’s Feb. 6, 2009, Executive Order 13502 encouraged federal agencies—on a case-by-case basis—to require PLAs on federal construction projects exceeding \$25 million in total value in order to “promote the economy and efficiency in federal procurement.”¹⁵ However, federal government data indicate that, of the 3,222 large-scale federal construction contracts valued at \$238.45 billion procured from FY 2009 to FY 2023 subject to President Obama’s pro-PLA policy, at least 52% of the total value of contracts was awarded to prime contractors not signatory to unions.¹⁶ In addition, when given the option, federal agency contracting officers chose to require PLAs on just 12 large-scale federal construction contracts out of 3,222 opportunities.¹⁷ There were no reports of widespread cost overruns, delays, labor unrest or poor-quality construction on \$237.2 billion worth of non-PLA federal projects during this time period, indicating that PLA mandates are not needed to ensure economy and efficiency in government contracting.¹⁸

⁸ McGowan, John R., Ph.D., CPA, [Government-Mandated Project Labor Agreements Result in Lost and Stolen Wages for Employees and Excessive Costs and Liability Exposure for Employers](#), October 2021.

⁹ TheTruthAboutPLAs.com, [Biden Policies on Project Labor Agreements and Apprenticeship Exacerbate Construction Industry Skilled Labor Shortage](#), May 14, 2024.

¹⁰ See www.abc.org/wfshortage.

¹¹ U.S. Bureau of Labor Statistics Union Members Summary, Jan. 23, 2024, data <https://www.bls.gov/news.release/union2.t03.htm>.

¹² TheTruthAboutPLAs.com, [Union Leaders and Contractors Oppose Government-Mandated Project Labor Agreements Too](#), March 1, 2021.

¹³ See [White House Fact Sheet: President Biden Signs Executive Order to Boost Quality of Federal Construction Projects](#), Feb. 3, 2022, and [Remarks by President Biden at Signing of an Executive Order on Project Labor Agreements](#), Feb. 4, 2022.

¹⁴ With or without a PLA, all federal and federally assisted projects are subject to federal labor and employment laws, including federal Davis-Bacon prevailing wage regulations, which typically require union-scale wages and benefits for building, heavy and highway projects where PLAs are normally considered.

¹⁵ See [FAR Case 2009-005, Use of Project Labor Agreements for Federal Construction Projects, published April 13, 2010](#), effective May 13, 2010, and Executive Order 13502, Use of Project Labor Agreements for Federal Construction Projects, signed Feb. 6, 2009, (<https://www.govinfo.gov/content/pkg/FR-2009-02-11/pdf/E9-3113.pdf>).

¹⁶ Federal contract award data downloaded from usaspending.gov compared to list of nonunion prime contractors, [results tabulated December 2023](#). The share of federal contracts won by nonunion federal contractors is likely to be even greater (via total value and number of contracts won) but cannot be confirmed due to data limitations.

¹⁷ See [chart of total usage of PLA mandates on federal construction projects of \\$25 million or more FY 2009 to FY 2023](#).

¹⁸ In addition, from 2001 until their repeal by the Obama policy in 2009, President George W. Bush’s Executive Orders [13202](#) and [13208](#) prohibited government-mandated PLAs on [\\$147 billion worth of federal construction projects](#) and [there were also no reports of problems attributable to the lack of government-mandated PLAs](#).

In contrast, government-mandated PLAs on federal¹⁹ and federally assisted projects have resulted in reduced competition, increased costs, delays, poor local hiring outcomes and litigation.²⁰ In addition, multiple studies of hundreds of taxpayer-funded affordable housing²¹ and school construction²² projects found that government PLA mandates increase the cost of construction by 12% to 20% compared to similar non-PLA projects already subjected to prevailing wage regulations.

Simply put, hardworking taxpayers are getting less and paying more when PLAs are encouraged or mandated during the procurement of federal and federally assisted construction projects. All Americans deserve more efficient and effective policies that will encourage all qualified contractors and their skilled workforces to compete to build long-lasting, quality projects at the best price.

Your incoming administration can help achieve these objectives and counteract the previous administration's rampant special-interest favoritism by championing and delivering a new fair and open competition policy prohibiting federal agencies and recipients of federal assistance from mandating PLAs and implementing PLA preferences. However, this policy would allow federal agencies to award contracts to businesses that voluntarily utilize PLAs before or after a fair and open competitive bidding process—a common industry practice permitted by the National Labor Relations Act. This commonsense, court-tested policy was in place from 2001 until it was repealed by President Obama in 2009, protecting \$147 billion worth of federal construction projects²³ and hundreds of billions of dollars' worth of federally assisted projects from discriminatory and costly PLA mandates and preferences.

Likewise, 25 states currently have court-affirmed Fair and Open Competition laws,²⁴ which curb waste and favoritism during the state and local government procurement of construction contracts and ensure local taxpayer dollars are spent responsibly by letting the market determine if a PLA is appropriate.

The majority of the construction industry seeks immediate relief from the Biden administration's harmful pro-PLA policies on federal and federally assisted projects. Effective Jan. 22, 2024, the Biden administration's final rule has subjected solicitations for dozens of large-scale federal construction projects to PLA requirements,²⁵ undermining the economy and efficiency in federal contracting. A federal lawsuit filed in March seeks to end the unlawful and costly Biden policy and restore fair and open competition in federal contracting for construction projects.²⁶

Furthermore, a new pro-taxpayer policy²⁷ will end other divisive Biden administration executive actions that coerce state and local governments—as well as private entities—to mandate PLAs on

¹⁹ See [witness testimony](#) at U.S. House Oversight and Accountability Subcommittee Hearing, "Cutting Competition in Contracting: The Administration's Pricey Project Labor Agreement Mandate," June 27, 2024.

²⁰ TheTruthAboutPLAs.com, [Government-Mandated Project Labor Agreement Failures on Federal and Federally Assisted Construction Projects](#), March 10, 2021.

²¹ Ward, Jason M., [Project Labor Agreements and Affordable Housing Production Costs in Los Angeles](#), Aug. 13, 2024, and [The Effects of Project Labor Agreements on the Production of Affordable Housing: Evidence from Proposition HHH](#), Santa Monica, California: RAND Corp., 2021.

²² See studies, available at <https://buildamericainlocal.com/learn-more/#gmpla-studies>, measuring the impact of PLA mandates on public school construction already subject to state prevailing wage laws in Connecticut (2020), Massachusetts (2006), New Jersey (2019), New York (2006) and Ohio (2017) by the [Beacon Hill Institute](#); an October 2010 report by the New Jersey Department of Labor and Workforce Development, [Annual Report to the Governor and Legislature: Use of Project Labor Agreements in Public Works Building Projects in Fiscal Year 2008](#); and a 2011 study by the National University System Institute for Policy Research, [Measuring the Cost of Project Labor Agreements on School Construction in California](#).

²³ U.S. Census Bureau, Construction Spending Historical Value Put in Place, Federal 2002-2001, https://www.census.gov/construction/c30/historical_data.html

²⁴ See map: <https://thetruthaboutplas.com/wp-content/uploads/2023/04/25-FOCA-States-Following-Wyoming.png>

²⁵ The Biden final rule is expected to cover approximately 180 construction projects valued at \$16 billion in direct federal agency construction contracts annually, according to FAR Council rule estimates and [usaspending.gov](https://www.usaspending.gov) contract award data.

²⁶ [ABC Files Lawsuit Against President Biden's Anti-Competitive Project Labor Agreement Rule for Federal Contractors](#), March 28, 2024. Learn more about the Biden EO and other policies at www.abc.org/bidenplafags.

²⁷ See footnote 4.

infrastructure projects, all to improve the likelihood of receiving hundreds of billions of dollars of federal grants from the Infrastructure Investment and Jobs Act and other federal government funding programs. In addition, the Biden administration is pushing private developers to mandate PLAs on clean energy construction projects supported by more than \$270 billion in Inflation Reduction Act tax incentives²⁸ and domestic microchip manufacturing facilities receiving as much as \$52.7 billion in CHIPS and Science Act funding.²⁹ Such schemes undermine congressional authority as all of these taxpayer investments were authorized and funded through legislation that do not require or encourage the use of discriminatory PLAs on taxpayer-funded construction projects.

The Build America Local coalition congratulates you on your election and looks forward to rebuilding America's infrastructure with commonsense policies championed by the Trump administration benefitting all Americans. Thank you for considering this solution to a serious problem hurting federal agency contracting officers, state and local government infrastructure partners, construction industry stakeholders and taxpayers.

Sincerely,

American Concrete Pumping Association
American Fire Sprinkler Association
American Pipeline Contractors Association
Associated Builders and Contractors
Business Coalition for Fair Competition
Construction Industry Round Table
Construction Leadership Council
Electronic Security Association
HR Policy Association
Independent Electrical Contractors
National Black Chamber of Commerce
National Center for Construction Education & Research
National Federation of Independent Business
National Precast Concrete Association
National Ready Mixed Concrete Association
National Stone, Sand & Gravel Association
National Utility Contractors Association
Native American Contractors Association
Plastics Pipe Institute
Power and Communication Contractors Association
Precast/Prestressed Concrete Institute
Small Business and Entrepreneurship Council
U.S. Chamber of Commerce
U.S. Pan Asian American Chamber of Commerce

²⁸ See Oct. 30, 2023, Build America Local [coalition comment letter](#) on IRS Reg-100908-23, Increased Credit or Deduction Amounts for Satisfying Certain Prevailing Wage and Registered Apprenticeship Requirements.

²⁹ See [March 9, 2023, Build America Local coalition letter to Sec. Raimondo](#) opposing the U.S. Commerce Department's pro-PLA language in its semiconductor manufacturing notice of funding opportunity.