

March 7, 2022

The Honorable Joseph R. Biden President of the United States The White House 1600 Pennsylvania Avenue, N.W. Washington, D.C. 20500

Dear President Biden:

We write to express our strong opposition to your administration's efforts to encourage and require project labor agreements (PLAs) on federal and federally assisted construction contracts funded by taxpaying citizens in our states. Executive Order 14063, which requires PLAs on federal construction contracts exceeding \$35 million, will undermine taxpayer investment in public works projects financed by the American Rescue Plan Act, the Infrastructure Investments and Jobs Act, and additional legislation passed by Congress and signed into law free from language requiring or encouraging the use of PLAs.

Currently, 87.4% of the U.S. construction workforce does not belong to a union. Mandating PLAs will prevent qualified contractors from fairly competing for contracts on taxpayer-funded projects. These mandates will also deny critical construction jobs to local workers and small businesses and increase construction costs. A fair and open bidding process for federal construction projects would guarantee the best value for hardworking taxpayers located in all geographies and regions across the United States.

In addition, a variety of federal laws already promote the economy, efficiency, high wages, and safety standards in federal contracting without forcing bidders to sign an anti-competitive union agreement. For these reasons, when given the option, federal agencies mandated PLAs on only 12 of nearly 2,075 large-scale federal construction projects built since President Obama signed an executive order in 2009 to encourage the use of PLAs on federal projects of \$25 million or more on a case-by-case basis. There have been no reports of widespread delays, increased costs, low wages or other problems – as cited by the administration's rationale for E.O. 14063 – attributable to a lack of government-mandated PLAs. However, while we oppose federal mandates for PLAs, we believe that federal agencies should still have the ability to award contracts to businesses that choose to voluntarily enter into a PLA.

Twenty-four 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 the procurement of construction projects and ensure responsible management of taxpayer dollars. Further, they allow markets to determine the appropriateness of a PLA — not the federal government. We are also concerned that your administration is promoting PLAs on federally assisted projects that are procured by state and local governments competing for federal dollars authorized by legislation that does not reference PLAs.

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Your administration should be designing policies that support job growth for all qualified contractors, not placing discriminatory barriers to recovery by attaching strings to infrastructure funding. We appreciate your thoughtful consideration of our request to protect all American workers.

Sincerely, United States Senator pited States Senator United States Senator The Honorable Joseph R. Biden March 7, 2022 Page Three

United States Senator

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United States Senator

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