



February 21, 2019

President Donald J. Trump
The White House
1600 Pennsylvania Ave., NW
Washington, DC 20500

Dear President Trump:

On behalf of Associated Builders and Contractors, a national trade association representing more than 21,000 construction and industry-related firms across America, we thank you for the policies you and your administration have championed to create American jobs, cut taxes, reduce burdensome regulations and restore confidence in the U.S. economy.

We thank you for your leadership in developing a national strategy to address the construction industry's skilled workforce shortage. ABC was honored to serve on the Task Force on Apprenticeship Expansion and to sign the "Pledge to American Workers," through which we committed to educating and developing 500,000 construction workers during the next five years.

ABC member companies annually invest an estimated \$1.1 billion¹ to build a construction workforce that is safe, skilled and productive using flexible, competency-based and market-driven education methodologies. This all-of-the-above approach to workforce development has produced a network of ABC chapter and affiliated training centers in 1,400 locations across the country that offer more than 800 apprenticeship, craft, safety and management education programs—including more than 300 U.S. Department of Labor Registered Apprenticeship programs for 20 different occupations—to build the people who build America.

We believe the apprenticeship executive order and task force have the potential to unlock the unlimited potential of ABC's vast workforce development infrastructure to attract and retain a highly skilled workforce. However, an Obama-era executive order² encouraging the use of government-mandated project labor agreements on federal and federally assisted construction projects stands in the way of creating career paths into the construction industry for many merit shop craft professionals.

Government-mandated PLAs deny opportunities to the 87.2 percent of the U.S. construction industry workforce that chooses not to join a union³ and prevents participants in merit shop workforce development programs from obtaining high-paying jobs on taxpayer-funded projects. In addition, when the government mandates PLAs on publicly funded projects, it effectively stifles fair and open competition, chills job creation and prevents taxpayers from getting more roads, bridges, schools and hospitals at the best possible price.

¹ See <https://workforce.abc.org/>.

² See Executive Order 13502, <https://www.gpo.gov/fdsys/pkg/FR-2009-02-11/pdf/E9-3113.pdf>.

³ See bls.gov [Union Members Summary](https://www.bls.gov/news.release/union2.nr0.htm). Jan. 18, 2019, <https://www.bls.gov/news.release/union2.nr0.htm>.

Multiple studies of hundreds of taxpayer-funded school construction projects found that government-mandated PLAs increase the cost of school construction between 12 and 18 percent compared to similar projects completed in a fair and open competitive marketplace.⁴ For example, a May 2017 study released by the Beacon Hill Institute found that Ohio schools built with government-mandated PLAs cost 13 percent (\$23.12 per square foot) more than schools that were bid and constructed through fair and open competition.⁵

Rescinding Executive Order 13502 and implementing a new PLA policy⁶ would ensure that qualified ABC member contractors and their skilled employees could fairly compete for contracts to build federal and federally assisted construction projects, allowing all Americans to work on construction projects in their own communities built with their own tax dollars. This remains one of ABC's top priorities, especially as previous and new Democrat governors and legislatures promote PLA mandates on federally assisted and state public works projects.

Cutting this costly regulation and creating a new win-win policy will protect taxpayers, spur economic growth, maintain robust construction industry career pipelines and allow all Americans to compete to rebuild America. ABC looks forward to continuing its work with your administration to build a stronger America together.

Sincerely,



Michael D. Bellaman
President and Chief Executive Officer
Associated Builders and Contractors

⁴ See research on government-mandated project labor agreements, <http://thetruthaboutplas.com/2012/12/28/plastudies/>.

⁵ <http://www.beaconhill.org/BHISudies/PLA2017/OHIO-PLA-FINAL2017-0524.pdf>

⁶ See Executive Order 13202, <https://www.gpo.gov/fdsys/pkg/FR-2001-02-22/pdf/01-4622.pdf> and Executive Order 13208, <https://www.gpo.gov/fdsys/pkg/WCPD-2001-04-09/pdf/WCPD-2001-04-09-Pg584-2.pdf>.