

July 22, 2024

U.S. House of Representatives Washington, DC 20515

Dear Representative:

On behalf of Associated Builders and Contractors, a national construction industry trade association with 67 chapters representing more than 23,000 members, I write in support of <u>H.R.8812</u>, the Water Resources Development Act of 2024. This bipartisan legislation reauthorizes WRDA and makes significant investments in America's infrastructure. It also provides opportunities for contractors nationwide to participate.

ABC applauds the U.S. House Committee on Transportation and Infrastructure for advancing legislation that recognizes the importance of our nation's water infrastructure and continues the congressional history of advancing bipartisan WRDA bills that allow all Americans to compete to build America's infrastructure. The infrastructure projects authorized by WRDA 2024 create an opportunity to effectively modernize our nation's most critical infrastructure. ABC supports this vital legislation and encourages Congress to continue to advance bipartisan appropriations bills to ensure America maintains its leadership in the world.

While ABC supports WRDA 2024, ABC strongly opposes the distribution of WRDA funds guided by the Biden-Harris administration's Federal Acquisition Council Use of Project Labor Agreements for Federal Construction Projects final rule. This rulemaking mandates the use of project labor agreements on federal and federally assisted projects of \$35 million or more. As a result, companies seeking to perform work on large-scale WRDA projects would be required 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 unless they join a union. These requirements unfairly discourage competition from quality nonunion contractors and their employees, who comprise 89.3% of the private U.S. construction industry workforce.

Prior to the Biden-Harris administration's PLA mandate taking effect in January 2024, ABC prime contractors played a significant role in enhancing America's infrastructure. Specifically, between fiscal years 2009-2023, ABC prime contractors won more than 46% of the 3,222 federal contracts of \$25 million or more, representing 52% of their value. These contracts were awarded while President Barack Obama's Executive Order 13502 encouraging PLAs on projects of \$25 million or more remained effective. However, the Obama administration policy significantly differed from the Biden-Harris administration's policy because it allowed federal contracting officers and agencies to determine whether to mandate PLAs, and they did so on only 12 of nearly 3,200 projects.

Now the Biden-Harris administration is intentionally tying the hands of federal agency contracting officers by mandating the use of PLAs through its FAR Council rule. This policy prevents some of the best and most experienced federal contractors from pursuing federal construction contracts funded by taxpayers for no other reason than because these large and small businesses are not willing and able to sign a union agreement. By mandating PLAs, the Biden administration is steering work toward its special interests, which comprise 10% of the industry at the expense of taxpayers and free enterprise.

While the pro-PLA FAR rule unfairly discourages competition on WRDA projects, ABC encourages you to support H.R.8812 to improve our nation's water infrastructure. Meanwhile, ABC urges you to cosponsor H.R.1209, the Fair and Open Competition Act, to ensure federal and federally assisted contract awards occur through a fair and competitive bidding process that allows all qualified contractors to compete on a level playing field based on merit, experience, quality and safety to deliver the highest-quality projects at the best cost.

ABC stands ready to do the important work to bring America's infrastructure into the 21st century.

Sincerely,

Kristen Swearingen

Kneamph

Vice President, Legislative & Political Affairs