

February 24, 2021

The Honorable Tom Carper Chairman U.S. Senate Committee on Environment & Public Works Washington, D.C. 20515 The Honorable Shelley Moore Capito Ranking Member U.S. Senate Committee on Environment & Public Works Washington, D.C. 20510

Dear Chairman Carper and Ranking Member Capito:

On behalf of Associated Builders and Contractors, a national construction industry trade association with 69 chapters representing more than 21,000 members, I write to comment on today's U.S. Senate Committee on Environment & Public Works' hearing "Building Back Better: Investing in Transportation while Addressing Climate Change, Improving Equity, and Fostering Economic Growth and Innovation."

ABC would like to express our continued commitment to building taxpayer-funded projects with the highest standards of safety and quality, and we stand ready for the opportunity to build and maintain America's infrastructure for the benefit of the communities that it will serve.

ABC believes that surface transportation reauthorization is essential and will provide a path forward on the infrastructure investment that is needed to aid the recovering economy. While ABC supports increased funding for critical infrastructure programs, as the committee considers an infrastructure investment, ABC strongly urges that you include several policies that will increase competition, reduce costly and ineffective regulations and address the construction industry's skilled worker shortage. As the American economy continues to recover from the COVID-19 pandemic, ABC believes that these priorities can help modernize and repair infrastructure across the country while improving equity, fostering economic growth and innovation and reducing costs for hardworking taxpayers.

ABC believes that additional investment in residential and commercial infrastructure will accelerate the long-term recovery of the U.S. economy, as every dollar invested in infrastructure creates \$3.70 in economic growth over 20 years. This could have a profound economic impact on the communities in which these projects would take place, as it is estimated that every \$1 billion in extra overall construction spending generates an average of at least 6,300 well-paying construction jobs.

To create opportunities for all small businesses, skilled construction workers and qualified companies to compete, we must ensure a level playing field for taxpayer-funded contracts financed by any federally funded infrastructure investment.

ABC believes that any potential infrastructure package must not discriminate against our nation's small, minority-, women-, and veteran-owned construction businesses, and instead allow all qualified contractors to compete on a level playing field based on merit, experience, quality and safety. When governments mandate project labor agreements on a federal or federally assisted taxpayer-funded project, these small businesses are disproportionately harmed, as PLAs drive up the cost of construction projects by 12% to 20% and discriminate against the 87.3% of U.S. construction workers who choose not to join a union. To deliver the highest quality projects at the best cost to taxpayers, a critical part of any federal investment in infrastructure should include the entire construction industry.

Over the past year, significant federal funds have been allocated to the COVID-19 pandemic response and recovery, and discussions continue around significant federal investment in our transportation infrastructure to continue to aid in our nation's economic recovery. Many of our nation's small, women-, minority- and veteran-owned businesses are still trying to fully recover from the devastating impact of the pandemic, and

PLAs would exclude these construction businesses from the opportunity to participate in taxpayer-funded projects at a time when we need to invest in these businesses.

Today, the Fair and Open Competition Act was introduced by Sen. Todd Young (R-Ind.) and Rep. Ted Budd (R-N.C.). FOCA encourages more qualified construction companies to compete for federal and federally funded construction projects, providing value for hardworking taxpayers while benefiting the entire construction industry. At a time when the Biden administration is signaling its support for more government-mandated PLAs on our nation's construction projects, this bill prevents federal agencies and recipients of federal funding from requiring contractors to sign controversial PLAs as a condition of winning federal or federally assisted construction contracts. ABC urges Congress to immediately pass this common-sense legislation.

To ensure our infrastructure projects are built on time and on budget, ABC also urges Congress to enhance construction workforce development opportunities. ABC and its members are committed to providing apprenticeship programs for the construction industry that uphold the highest standards of safety and quality. An increase in construction demand generated by significant infrastructure investments would further exacerbate the need for skilled workers in the construction industry. The federal government should commit to supporting and defending an all- of-the-above strategy for skill development and apprenticeships in which workers and employers have the freedom to choose the best way to educate construction employees that maximizes innovation to achieve world-class safety and productivity. ABC is concerned by language in the ABC-opposed National Apprenticeship Act (H.R. 447), passed by the House on Feb. 5, that fails to expand apprenticeship opportunities for millions of Americans and substantially restricts the apprenticeship opportunities currently available.

Additionally, ABC is concerned that legislation like Protecting the Right to Organize Act (H.R. 842) would limit the opportunities for construction industry small businesses to compete and recover from the COVID-19 pandemic. The PRO Act would enact harmful <u>policy changes</u> that would eliminate right-to-work protections in 27 states, violate employees' privacy, upend the business community and devastate the economy at a time when small businesses and the economy are struggling to recover. ABC members urge Congress to reject this bill and its untimely and harmful policies.

We thank you for your leadership and look forward to working with you to address the critical infrastructure needs of our nation during this difficult time.

Sincerely,

Kristen Swearingen

Kneamph

Vice President, Legislative & Political Affairs