

May 11, 2021

The Honorable Joe Biden President of the United States The White House 1600 Pennsylvania Avenue, NW Washington DC 20500 The Honorable Kamala Harris Vice President of the United States The White House 1600 Pennsylvania Avenue, NW Washington DC 20500

Dear Mr. President and Madam Vice President:

Associated Builders and Contractors and our members are committed to building taxpayer-funded construction projects with the highest standards of safety and quality and stand ready for the chance to build and maintain America's infrastructure. Addressing our nation's infrastructure needs is a top priority for ABC members and has the potential to provide significant assistance to the nation's recovery from the COVID-19 pandemic.

We appreciate the Biden-Harris administration's focus on this important issue through the introduction of the American Jobs Plan, and we urge you to work with Congress and other stakeholders to pursue a bipartisan agreement on the federal investment needed to effectively and efficiently replace and repair the nation's critical infrastructure. Critically, we believe that any federal investment in our nation's infrastructure must ensure opportunity to all Americans, regardless of labor affiliation.

While the American Jobs Plan seeks to inject more than \$2 trillion of federal spending into the economy and our nation's crumbling infrastructure, ABC is concerned that the proposed spending on what is traditionally considered infrastructure will not meet the needs of the nation. Specifically, only a portion of this funding is dedicated to roads and bridges—\$115 billion—which is a fraction of what is needed to truly modernize America's most critical transportation infrastructure. According to the <u>American Society of Civil Engineers</u>, the United States has a \$786 billion backlog of road and bridge capital needs, including \$435 billion for existing roads, \$125 billion for bridges, \$120 billion for targeted system expansion and \$105 billion for safety enhancements, operational improvements and environmental projects.

While it appears that this \$115 billion is meant as an additional investment to increase in spending over current levels of funding, ABC and our members are concerned that a one-time spending increase is no substitute for sound, sustainable policies that should support the country's needs well into the future. The budget issues facing our nation's transportation infrastructure will likely continue without a multi-year reauthorization of the expiring surface transportation legislation (FAST Act) and shoring up the Highway Trust Fund—both of which would require bipartisan support and thoughtful proposals from both sides of the aisle.

We are also concerned that the American Jobs Plan calls for passage of the Protecting the Right to Organize Act, supports inaccurate prevailing wage rates for construction projects and urges Congress to tie infrastructure investments to government-mandated project labor agreements and community workforce agreements that often discriminate against our nation's small, women-, veteran- and minority owned businesses.

ABC members, along with many other construction employers, provide well-paying jobs and benefits for their employees. While we must ensure that our nation's labor laws support the rights of workers to join unions if they so choose, construction contractors should not be excluded from participating in the rebuilding of our nation's infrastructure solely because their employees have made the choice not to join a union. More than 87% of the construction industry does not belong to a union, and placing stringent requirements that allow only union jobs and union employers to participate in rebuilding America's infrastructure is an ineffective strategy that is likely to increase costs, reduce job creation, decrease the number of infrastructure projects and discourage many qualified contractors and their skilled local workforce from competing for taxpayer-funded construction projects to rebuild their own communities.

We also believe that several steps can be taken to reduce costs and ensure that hardworking taxpayers' dollars are spent wisely, and all of America's qualified workers are afforded the opportunity to build and repair infrastructure across the country. These include reducing costly and ineffective regulations, streamlining the permitting process, increasing competition, addressing the construction industry's skilled worker shortage, embracing new technology and pursuing value-enhancing, public-private partnerships that can help bring critical construction projects to market in a more economical and efficient manner.

Finally, ABC appreciates the American Jobs Plan's support for workforce development through an investment of \$100 billion; however, the administration has so far focused on promoting registered apprenticeship programs through union employers only, and we believe that this funding should support an all-of-the-above approach for skill development where construction workers and employers have the freedom to select workforce development strategies that maximize innovation and achieve world-class safety and productivity gains.

ABC also believes that expanding access to all post-secondary credentials as defined by the Workforce Innovation and Opportunity Act is critical to ensuring that we can fill the critical jobs gap facing construction and a host of other industries throughout the country. The passage of the <u>Workforce Innovation and Opportunity Act (PL 113-128)</u>, signed into law on July 22, 2014, created a new statutory definition for "recognized postsecondary credentials" that encompasses the full spectrum of degrees, certifications and credentials available to students beyond a high school diploma—all currently recognized by the employer community. However, the federal government has failed to expand these critical funding pathways for all recognized postsecondary credentials, despite bipartisan support to do so by Congress.

In the 117<sup>th</sup> Congress, a bipartisan and bicameral group of lawmakers, led by Sens. Amy Klobuchar, D-Minn. and Mike Braun, R-Ind., and Reps. Abigail Spanberger, D-Va., Fred Upton, R-Mich., Dean Philips, D-Minn. and Rob Wittman, R-Va., introduced the Freedom to Invest in Tomorrow's Workforce Act to expand 529 plans for all recognized postsecondary credentials as defined by the Workforce Innovation and Opportunity Act. Additionally, Sens. Rob Portman, R-Ohio, and Tim Kaine, D-Va. introduced the Jumpstarting Our Businesses by Supporting Students Act, which would expand Pell Grant eligibility to cover high-quality and rigorous short-term job training programs.

We believe that the administration has a unique opportunity to work with Congress and stakeholders to pursue a bipartisan path forward that would efficiently and effectively modernize our infrastructure, drive economic growth and welcome every construction professional to public works projects and career development opportunities, all while delivering value to taxpayers. ABC is proud to be joined by more than 900 of our member companies and chapters across the country in support of this letter, and we look forward to working with the Biden-Harris administration to accomplish these goals.

Sincerely,

Associated Builders and Contractors, ABC Chapters, and ABC Members