



February 26, 2020

The Honorable Jared Golden
Chairman
House Committee on Small Business
Subcommittee on Contracting, and Infrastructure
Washington, D.C. 20515

The Honorable Pete Stauber
Ranking Member
House Committee on Small Business
Subcommittee on Contracting, and Infrastructure
Washington, D.C. 20515

Dear Chairman Golden and Ranking Member Stauber:

On behalf of Associated Builders and Contractors, a national construction industry trade association with 69 chapters representing more than 21,000 members, we appreciate the opportunity to comment on the Committee on Small Business' Contracting and Infrastructure Subcommittee hearing, "Moving America's Infrastructure Forward." ABC and our members are committed 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.

It is critical for Congress' agenda on investment in infrastructure to consider how these policies could impact the small business community. This is an important issue for ABC and our members, as the U.S. construction industry is fueled by small businesses. The majority of ABC's general contractor and subcontractor members qualify as small businesses as defined by the Small Business Administration.^[1] This is consistent with the SBA's findings that the construction industry has one of the highest concentrations of small business participation (more than 86%).^[2]

As the House continues its work towards a fully developed infrastructure plan, ABC urges Congress to find appropriate funding and financing for the plan, thoughtfully improve the permitting process to enable timely execution on infrastructure projects maintain and enhance the construction workforce and safeguard a diverse supply chain.

ABC believes that several steps can be taken to ensure financing for critical projects, including public-private partnerships, that can be useful for project finance and delivery methods under certain circumstances. Congress should look to expand these valuable, cost-saving programs already authorized under law to lower the cost of federally funded projects and leverage private dollars for critical infrastructure projects.

In addition, ABC believes all contracts in an infrastructure package should be awarded through a fair and competitive bidding process that allows qualified union and nonunion contractors to compete on a level playing field based on merit, experience, quality and safety.

The vast majority of small businesses in the construction industry are not signatory to a construction union. When governments mandate Project Labor Agreements on a federal or federally assisted taxpayer-funded project, small businesses are disproportionately harmed. Restricting government-mandated PLAs on federal and federally assisted projects is a top priority for ABC as fair and open competition provides better value to taxpayers, protects existing investments in the construction industry's workforce development programs and provides opportunities for all Americans.

ABC has long opposed wasteful and discriminatory PLA mandates, which past academic studies have shown drive up the cost of construction projects by 12% to 20% and which discriminate against the 87.4% of U.S. construction workers who choose not to join a union.

^[1] For SBA's construction industry size standards, see NAICS Sector 23 table: https://www.sba.gov/sites/default/files/files/Size_Standards_Table.pdf.

^[2] *The Small Business Economy: A Report to the President*, U.S. Small Business Administration, Office of Advocacy (2009), at page 8.

Further, we can reduce costs through modernizing and streamlining the permitting process for transportation and infrastructure projects across the country. Creating a coordinated, predictable and transparent process to streamline permitting will enable the industry to plan and execute even the most complex projects while safeguarding our communities, maintaining a healthy environment and being good stewards of public funds.

Given the workforce shortage impacting the U.S. construction sector, any comprehensive infrastructure package must also include investment in building a safe, skilled, and productive workforce. ABC estimated [440,000 jobs needed to be filled](#) today just to meet [construction backlog](#) – a shortfall that will only be exacerbated by an infrastructure package. This is a critical issue for ABC and our members. ABC member contractors [invested an estimated \\$1.6 billion per year in workforce development](#) in 2018 to educate and upskill nearly 1 million course attendees annually, up from \$1.1 billion in 2013.

Still, more needs to be done to recruit and upskill U.S. workers into skilled construction careers and to help companies find the workers they desperately need, which must include an “all-of-the-above” approach to expanding market-driven and government-registered apprenticeship and career and technical education programs.

ABC appreciates the committee’s continued efforts to address our infrastructure needs, and we look forward to continuing to work with you towards a much-needed solution to restore and modernize our nation’s infrastructure.

Sincerely,



Kristen Swearingen
Vice President, Legislative & Political Affairs