



June 24, 2020

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, DC 20515

Dear Speaker Pelosi, Minority Leader McCarthy and Members of the U.S. House of Representatives:

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 express our strong opposition to H.R. 2, the Moving Forward Act. ABC appreciates the opportunity to provide additional insight into issues facing the construction industry and policies that can further ensure the best use of taxpayer dollars to support our nation's critical infrastructure. However, we believe that this legislation, as it stands now, represents a step in the wrong direction and urge the House of Representatives to consider several changes to the legislation outlined below.

ABC believes that an investment in America's infrastructure will be an essential part of the economic recovery of the country, but the path forward on infrastructure should be rooted in fair and open competition and equal opportunity - not anti-competitive mandates that would exclude U.S. workers from rebuilding their communities.

While ABC supports increased financing for infrastructure programs, we ask that essential priorities of ABC members are addressed as the House of Representatives considers H.R. 2. These priorities include reducing costly and ineffective regulations, increasing competition and addressing the construction industry's skilled worker shortage, all of which can help bring critical construction projects to market in a more economical and efficient manner.

ABC and our members are disappointed that the legislation, as written, includes several harmful provisions that would expand discriminatory government mandated Project Labor Agreements and apply flawed and inflationary Davis-Bacon prevailing wage requirements. Considering the current economic crisis, Congress should be considering an approach that increases value to taxpayers and ensures a fair and competitive bidding process allowing all qualified contractors to compete on a level playing field based on merit, experience, quality and safety.

ABC vehemently opposes the government-mandated PLA language included in this bill. We urge congress to adopt H.R. 1858, the Fair and Open Competition Act, which would encourage neutrality on PLAs, while preventing the government from mandating the use of a PLA as a condition of winning a taxpayer-funded contract. This legislation would not prohibit a contractor from voluntarily entering into a PLA.

Contractors cannot fairly compete to build and work on these taxpayer-funded jobs with government-mandated PLAs on federal and federally assisted projects. These mandates drive up the cost of construction projects by between [12% and 18%](#) while discouraging employers of more than [87%](#) of the construction workforce who choose not to belong to a union from bidding on taxpayer-funded projects. Moreover, PLAs primarily affect small businesses, which make up the majority of ABC members and the construction industry.

ABC is also opposed to the application of federal Davis-Bacon Act requirements on federally assisted projects procured by state and local governments, which could have a chilling impact on competition, particularly for small businesses throughout the country. At a time when small construction businesses are struggling to maintain operations during the ongoing COVID-19 health crisis, additional costs and burdensome paperwork requirements would limit their ability to benefit from critical federal investment in state and local projects.

Congress must also recognize that the construction industry is largely fueled by an “all-of-the-above” strategy for skill development where workers and employers have the freedom to choose the best way to educate construction employees. As it currently stands, H.R. 2 has discriminatory and anti-competitive language that would allow the government to give preference to bidders that use Department of Labor-registered apprenticeships to “maximum extent practicable.” ABC urges Congress to recognize the widespread success of [industry-recognized apprenticeship programs](#) and not exclude the overwhelming majority of America’s construction industry professionals who are not educated in federal registered apprenticeship programs, but are instead developed through industry-recognized and market-driven apprenticeships sponsored by companies large and small.

Further, based on ABC’s [Construction Backlog Indicator](#), although the construction industry will continue to see relatively consistent construction activity, the industry still needs additional construction workers going forward. Before the impact of the COVID-19 pandemic, the construction industry [needed to hire](#) an additional 550,000 workers in 2020 alone. In order to meet the welcomed construction demand that any potential investment would create, policymakers must provide an all-of-the-above strategy for workforce development. Apprenticeships, both industry-recognized and government-defined, should be treated equally by the federal government’s procurement process. This will encourage more U.S. workers to explore skilled construction careers that maximize innovation to achieve world-class safety and productivity and ensure enough skilled labor is developed to rebuild America.

ABC also urges the committee to consider supporting important tenets of the STARTER Act, which was offered as an amendment to the partisan transportation aspects of H.R. 2. Most notably, this alternative bill would reduce costly and overly burdensome regulations through improvements to the federal permitting and environmental review process, making it more efficient for major infrastructure projects by enacting sensible reforms such as the codification of the president’s One Federal Decision Executive Order 13807 and modernizing the federal environmental review and permitting process under the National Environmental Policy Act.

ABC members stand ready for the opportunity to build and maintain America’s infrastructure to the benefit of the communities that it will serve. If made strategically and responsibly, a significant investment in federal and federally assisted construction accounts and programs will not only sustain economic activity during this public health crisis, but also accelerate the economic recovery efforts after the immediate effects of the coronavirus pandemic have passed. An increase in construction demand generated by a significant infrastructure investment would have [exponential job creation](#) effects in the construction industry, which [shed](#) nearly one million jobs in April, before [adding](#) back more than 460,000 in May.

We thank you for considering the legislative changes referenced in this letter and would like to express our continued commitment to building taxpayer-funded projects with the highest standards of safety and quality.

Sincerely,



Kristen Swearingen
Vice President, Legislative & Political Affairs

CC:

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