



January 4, 2017

Presidential Transition Headquarters
1800 F Street, NW G117
Washington, DC 20270-0117

Dear President-Elect Donald Trump:

On behalf of Associated Builders and Contractors (ABC), a national trade association representing nearly 21,000 members from construction and industry-related firms, we want to congratulate you on being elected the 45th president of the United States. We look forward to working with you and your administration to advance policies that create economic growth and jobs for all Americans.

Founded on the merit shop philosophy, ABC and its 70 chapters help members develop people, win work and deliver that work safely, ethically and profitably for the betterment of the communities in which ABC and its members work. ABC members build our communities—from schools and hospitals, to highways, military installations, industrial facilities, skyscrapers, professional sporting venues and the playground down the street. They build the structures we use to work, play, heal and learn.

Our diverse membership is bound by a shared commitment to the merit shop philosophy in the construction industry, which is based on the principles of nondiscrimination due to labor affiliation and the awarding of construction contracts through open, competitive bidding based on safety, quality and value. The number one priority of ABC members is government neutrality in contracting by ending anti-competitive and costly government-mandated project labor agreements (PLAs) on federal and federally assisted contracts. Providing taxpayers with the highest quality construction projects at the best possible price is a bedrock principle of ABC. However, when the government requires a PLA on federal or federally assisted projects, the American people suffer from inefficient, anti-competitive and discriminatory procurement policies that raise the cost of public projects between 12 percent and 18 percent, which results in fewer infrastructure improvements and reduced construction industry job creation.

Contracts subject to government-mandated PLAs are special interest carve-outs designed to funnel work to favored unionized contractors and their unionized workforces, which represent just 13.2 percent of the U.S. private construction workforce, according to 2016 Bureau of Labor Statistics data. In other words, PLA requirements discriminate against more than eight out of 10 private construction workers. By mandating PLA requirements on publicly funded projects, the government effectively tilts the playing field, stifles competition and prevents taxpayers from receiving the best possible construction product at the best possible price.

We encourage you to immediately rescind President Obama's Executive Order 13502, *Use of Project Labor Agreements for Federal Construction Projects*, which strongly encourages federal agencies to require PLAs on a case-by-case basis on federal construction projects exceeding \$25 million in total cost and replace it with a new order identical to the 2001 Executive Orders 13202 and 13208, which maintained government neutrality in federal contracting and were upheld by the U.S. Court of Appeals

for the District of Columbia Circuit in the *Building and Construction Trades Department, AFL-CIO et al., v. Joe M. Allbaugh, Director, Federal Emergency Management Agency, et al* case.

In response to the threat of Obama administration PLA requirements, 20 states have enacted legislation or executive orders restricting PLA requirements and preferences on state and local projects since 2011. To date, a total of 22 states have measures that guarantee fair and open competition on taxpayer-funded construction projects and have withstood court challenges from special interests supporting PLA schemes.

Federal construction contracts should be awarded based on sound and credible criteria, such as quality of work, experience and cost—not a company's union affiliation and willingness to execute a PLA. ABC looks forward to working with you to restore fairness and neutrality in government contracting.

Again, congratulations on your victory, and we look forward to working with your administration on opportunities to put all Americans to work and unify our great country.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael D. Bellaman", with a long horizontal flourish extending to the right.

Michael D. Bellaman
President and Chief Executive Officer