



October 17, 2022

U.S. House of Representatives
Washington, DC 20515

Re: **SMACNA Opposes H.R. 1284**, sponsored by Rep. Budd (R-NC-13), Legislation to Limit the Consideration and Appropriate Use of Project Labor Agreements (PLAs) on Federal Construction Projects

Dear Representative:

The Sheet Metal and Air Conditioning Contractors' National Association (SMACNA) is supported by more than 3,500 construction firms engaged in industrial, commercial, public, residential, architectural and specialty sheet metal construction throughout the United States. SMACNA supports the appropriate use of construction project labor agreements (PLAs) on public construction and strongly supports their federal construction contract use. **The Biden Administration EO 14063** gives government project owners the same flexibility and authority private owners have to utilize PLAs when appropriate for federal construction projects exceeding \$35 million, with selective exemptions. The proposed Executive Order would also boost incentives to expand the skilled labor workforce and direct the Labor and Defense departments and OMB to train federal contract officers on how to implement the order.

Key facts behind our opposition to H.R. 1284 and for our endorsement of the President's Executive Order 14063:

1. **PLAs are most often used in the private sector where corporate budget and scheduling decisions are most highly scrutinized:** PLAs are valued by experienced and cost-conscious investors, owners, and construction contractors in the private sector large and small, pro-union and anti-union. This has been true in the private sector for over 100 years. Private and public-sector PLAs offer a valued and systematic process for methodical planning and scheduling to ensure cost-effective construction projects, allowing more accurate bidding and lower costs. Simply put, they work for project owners.
2. **Public sector PLAs cannot discriminate against nonunion construction contractors or workers:** In the private sector, owners are free to select union-only PLAs to build their projects taking advantage of far more skilled workers and registered apprentices as an economic benefit. However, on public projects, once a PLA has been negotiated, **both union and nonunion contractors are free to bid** on the work as they do on any other construction projects. Negotiated government PLAs allow nonunion firms to bring their own top employees without discrimination. Federal PLAs are open to all bidders, as PLA opponents know. **To claim that federal PLAs are anti-competitive or union-only are simply and knowingly false.**
3. **PLAs help local communities boost registered apprenticeship programs and the skilled labor workforce at a time of historic shortages and allow for workforce screening and background credentialing for added project security:** PLAs benefit the local community by guaranteeing skill training and work opportunities to the local workforce on each complex public construction project. The hiring hall process, which **cannot** discriminate against the nonunion worker, creates the benefit of project security screening, an important government priority for all federal government projects, especially defense, homeland security and other federal infrastructure facilities.



CAPITOL HILL OFFICE: 305 4TH STREET NE • WASHINGTON DC 20002
PHONE: 202 547 8202 • FAX: 202 547 8810 • WEB: www.smacna.org/advocacy

HEADQUARTERS: 4201 LAFAYETTE CENTER DRIVE • CHANTILLY VA 20151-1209
MAIL ADDRESS: P.O. BOX 221230 • CHANTILLY VA 20153-1230
PHONE: 703 803 2980 • FAX: 703 803 3732 • WEB: www.smacna.org

SMACNA's position supports the option of considering and utilizing public sector PLA's where deemed in the best economic interest of the project owner on behalf of the taxpayer. **Economics, not ideology, should drive PLA decisions.** Therefore, **we OPPOSE H.R. 1284 and support the President's recent Executive Order 14063.** We ask Congress to preserve the appropriate use of PLAs on federal construction and provide greater support for expanding the skilled labor force as well as registered apprenticeship programs.

Sincerely,

A handwritten signature in black ink, reading "Stanley E. Kolbe, Jr." in a cursive script.

Stanley E. Kolbe, Jr.
Executive Director, Government and Political Affairs
SMACNA