



June 26, 2024

U.S. House of Representatives
Washington, DC 20515

Re: SMACNA Support for President Biden's Final Rule / Executive Order (E.O. 14063) for the Use of Project Labor Agreements (PLAs) on Federal Construction Projects Open to Non-Union and Union Contractors

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 recently issued final rule to the Biden Administration EO 14063** gives government owners the flexible authority to use PLAs when appropriate for federal construction projects exceeding \$35 million with certain exemptions. It would also boost the skilled labor workforce and direct the Labor and Defense departments and OMB to create a strategy to train federal contract officers on how to implement the order.

Key facts behind our endorsement of the President's Executive Order:

- 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 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 countless major private project owners and should be used where appropriate in the federal infrastructure sector.
- 2. Public sector PLAs do not 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 more skilled workers 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 union-only is 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.



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SMACNA's position supports 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 support the President's recent final rule implementing the Executive Order and ask Congress to adopt their use in construction legislation to expand the appropriate use of PLAs on federal construction and the skilled labor force as well as registered apprenticeship programs.

Sincerely,

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

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