

OPPOSE GOVERNMENT-MANDATED PROJECT LABOR AGREEMENTS

Politicians use Government-mandated project labor agreements to steer taxpayer-funded construction contracts to special interests. By limiting the bidding pool, PLA mandates needlessly increase construction costs by **12% to 20%** and deny jobs to local construction industry workers and businesses due to anti-competitive language common in PLAs.

With nearly 90% of the U.S. construction workforce choosing not to belong to a union, PLA mandates prevent the majority of the industry from rebuilding their own communities.

PLA mandates create a procurement system that counters competition and efficiency, robbing hardworking taxpayers of the value they deserve. In fact, their inflationary effect results in fewer construction projects and less job creation.



POLICY BACKGROUND

What Americans Need to Know

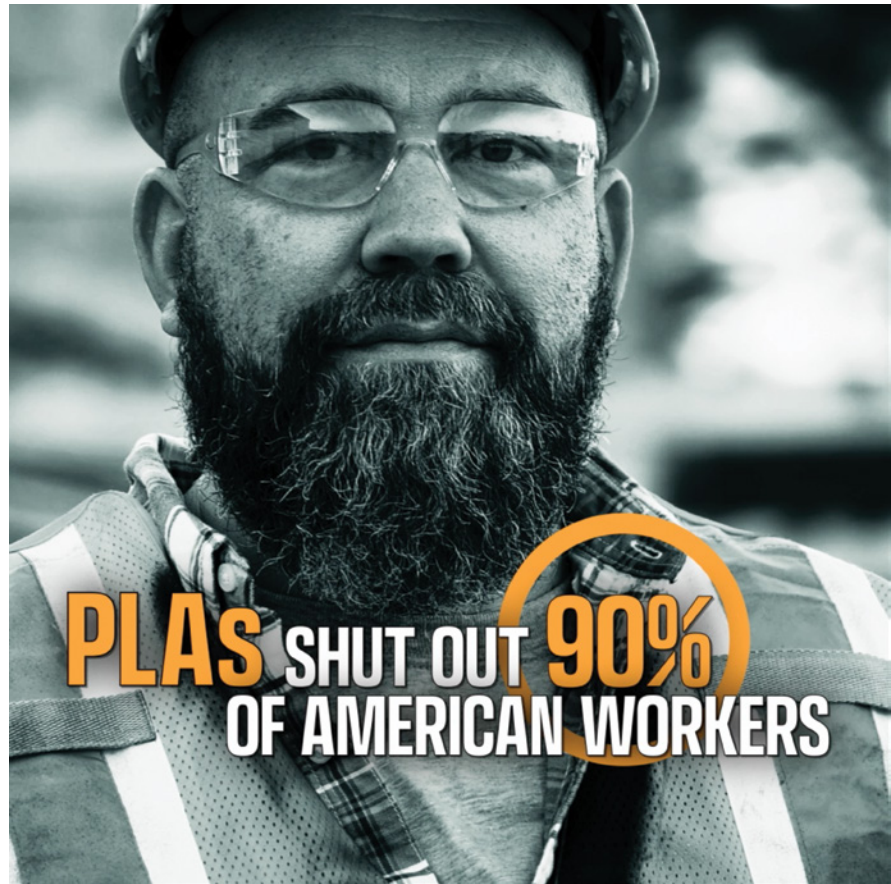
- President Donald J. Trump continued Former President Joe Biden's Feb. 4, 2022, **Executive Order 14063**. This executive order requires the use of PLAs on federal construction contracts of \$35 million or more in total value.
- Further, President Trump's Office of Management and Budget issued **M-25-29**, stating the administration "supports the use of PLAs when those agreements are practicable and cost-effective." However, executive agencies consistently fail to conduct market analysis of the cost increase created by PLA requirements. For this reason, the U.S. Court of Federal Claims time and time again directs federal agencies to remove PLA requirements from solicitations for violating the Competition in Contracting Act.
- The Trump administration also chose to continue the Biden policy of providing grant applicants with a PLA favorable consideration. At the same time, the administration continues to provide favorable consideration, upending fair and open competition for federally assisted water, sewer, broadband, energy and other infrastructure projects **via grant programs** administered by federal agencies for state and local government and private sector applicants.
- The Trump administration's decision to maintain the Biden policy steers taxpayer-funded construction projects to unionized contractors and labor, in defiance of bipartisan legislation passed by Congress that specifically does not contain these provisions. Further, the White House continues to disregard Congressional Republican requests to rescind the PLA mandate.
- **A coalition of construction industry and business associations** oppose **EO 14063 and other regulations** pushing government-mandated PLAs on federal and federally assisted construction projects and have called on President Trump to overturn these harmful policies with a fair and open competition executive order.
- The coalition **supports** the Fair and Open Competition Act (**S. 1064/H.R. 2126**), introduced by Sen. Todd Young, R-Ind., and Rep. Clay Higgins, R-La in the 119th Congress. The legislation restricts government-mandated PLAs and PLA preferences and supports fair and open competition on federal and federally assisted construction projects.
- **Governors**, Representatives, and Senators have urged the President to rescind the PLA mandate.
- Rescinded by the Biden policy, **President Barack Obama's pro-PLA EO 13502** encouraged federal agencies to mandate PLAs on large-scale federal construction projects exceeding \$25 million in total costs on a case-by-case basis. Government-mandated PLAs were rarely used on federal projects from FY 2009 to FY 2023—just 12 contracts valued at \$1.26 billion out of 3,222 opportunities worth a total of \$238.5 billion. While egregious, this encouragement pales in comparison to the Trump administration's wide scale PLA mandate.
- Unless hardworking taxpayers take action and voice their opposition by visiting **BuildAmericaLocal.com** and telling elected officials their concerns, Americans should expect national security, affordable housing, water, and flood mitigation projects to continue be subjected to anticompetitive and inflationary PLAs.

TAXPAYERS BEWARE:

Government-mandated project labor agreements will needlessly:

- Increase taxpayer-funded construction costs by 12% to 20%.
- Result in less school, road, transportation, utility, clean energy and affordable housing construction.
- Steer contracts to contractors employing 10% of the U.S. construction industry and sideline local construction workers and businesses in exchange for imported union contractors and workers.
- Discourage competition from construction contractors not affiliated with unions, who employ almost 90% of America's construction workforce.
- Exacerbate the labor shortage of 349,000 in 2026 facing America's construction industry.
- Harm America's small, minority and women contractors, as well as the overall construction industry, because almost all are not affiliated with specific unions designated in a PLA.
- Undermine existing collective bargaining agreements with union-signatory contractors.
- Increase federal, state and local taxes.
- Cut new construction projects, infrastructure maintenance and important government services.

Visit BuildAmericaLocal.com and tell President Trump and Congress to rescind costly government-mandated project labor agreements on federal and federally assisted construction projects and support fair and open competition policies.



GOVERNMENT-MANDATED PLAs EXCLUDE 9 OUT OF 10 WORKERS IN THE U.S. CONSTRUCTION INDUSTRY FROM REBUILDING AMERICA AND THEIR OWN COMMUNITIES BECAUSE THEY DO NOT BELONG TO A UNION.



THE TRUTH ABOUT GOVERNMENT-MANDATED PROJECT LABOR AGREEMENTS

Anti-Competitive

Government-mandated PLAs require contractors to follow union work rules and hire most or all workers on a jobsite from specified union halls and union apprenticeship programs instead of journey-level workers and apprentices already employed by their company. That limits the pool of bidders since nonunion contractors and even some union contractors do not want to abandon their existing employees and quality control practices—key components of a safe and productive workplace—for strangers from union halls governed by unfamiliar rules.

Increase Costs and Decreases Infrastructure Investment

Studies on the effect of government-mandated PLAs in California, Connecticut, Massachusetts, New Jersey, New York and Ohio found PLAs increase the cost of school construction by 12% to 20%. Likewise, a 2024 RAND Corp. study found that PLA mandates increased the cost of Los Angeles affordable housing construction projects by 21%, and PLA projects took 27% longer to complete compared to similar non-PLA projects. PLA mandates resulted in the construction of 20% fewer units than could have been produced with the same amount of funding without PLA mandates. America simply cannot afford such waste with distressed federal, state and local budgets and so many infrastructure, school, affordable housing and renewable energy construction needs.

Harm America's Small Businesses and Employees

When federal, state and local governments mandate PLAs, large companies and their unionized workforce have an unfair advantage and disrupt the local market at the expense of the local small businesses and their skilled construction workforce. In addition, local small businesses will be harmed because they are predominantly nonunion and will be discouraged from competing for projects subject to special-interest PLA schemes.



Hurt Local Workers and Businesses

It is no surprise that construction unions and their members—who make up just **11.1% of the U.S. private construction workforce**—spend millions lobbying for government-mandated PLAs on taxpayer-funded construction contracts. It means less competition for union-signatory contractors and increased control over the labor supply—at the expense of hardworking taxpayers, fair and open competition, and local workers and businesses.

Create Wage and Benefits Theft

Workers employed in the construction industry could experience wage theft due to government-mandated PLAs, as **nonunion workers (and some union workers) lose an estimated 34% of wages and benefits** earned on a PLA project unless they accept union representation, join a specific union, pay membership dues and meet the union benefits plan's vesting requirements. In addition, under PLA mandates, construction workers are typically forced to pay into **union-affiliated multiemployer pension programs**. Unfortunately, the U.S. Department of Labor classifies many of these plans as being in critical condition and ultimately cost taxpayers more money in plan bailouts and public assistance to participants.

States Support Fair and Open Competition

A **total of 25 states** have outlawed government-mandated PLAs on public works projects, thereby ensuring fair and open competition on taxpayer-funded construction projects so the public can get the best possible construction project at the best possible price. The federal government and taxpayers would benefit from fair and open competition on federal and federally assisted construction projects via fair and open Competition policies.



Visit BuildAmericaLocal.com and tell President Trump and Congress you oppose government-mandated project labor agreements on federal and federally assisted construction projects and support the Fair and Open Competition Act and a new executive order ensuring merit-based competition for taxpayer-funded construction projects.

TAKE ACTION AND BUILD AMERICA LOCAL

- Visit BuildAmericaLocal.com/Take-Action to write to President Trump and Congress to tell them you oppose government-mandated PLAs.
- Educate your lawmakers about the negative impact of government-mandated PLAs in your community and the positive benefits of fair and open competition on taxpayer-funded construction projects.
- Ask President Trump and Congress to support fair and open competition legislation ([S.1064/H.R. 2126 in the 119th Congress](#)).