



October 26, 2021

The Honorable Nancy Pelosi
Speaker
United States House of Representatives
Washington, DC 20515

The Honorable Kevin McCarthy
Minority Leader
United States House of Representatives
Washington, DC 20515

Dear Speaker Pelosi and Leader McCarthy:

The Power & Communication Contractors (PCCA) represents contractors, manufacturers, and suppliers who build and repair America's power and communications infrastructure, including electric transmission, distribution, and substation facilities and broadband, telephone, and cable television systems. PCCA believes passage of the Infrastructure Investment and Jobs Act (IIJA) as soon as possible is critical to deploying the broadband infrastructure needed to meet the skyrocketing demand for highspeed internet service as well as hardening the electric power grid. Both of these infrastructure sectors have been highlighted during the Covid-19 pandemic, and the IIJA must be considered a national priority. However, PCCA strongly objects to many of the provisions in the framework of the "Build Back Better" budget reconciliation package, which would marginalize most of the positive impacts of the IIJA if passed as currently proposed.

Time for Significant Infrastructure Investment is Now

PCCA strongly supports the \$65 billion for broadband deployment included in IIJA, more than \$40 billion of which would be authorized for construction of broadband systems. PCCA will continue to advocate for higher speed thresholds required to win federal dollars for broadband deployment, but IIJA reflects a needed commitment to keeping America connected and to ensure for a dependable electric power grid. Broadband is an essential service that was underscored by the coronavirus pandemic, which has demonstrated the fundamental role broadband service provides in ensuring telemedicine, virtual and hybrid classrooms, and virtual meetings.

The need to harden America's power grid is unchallenged, and the infrastructure meltdown in Texas earlier this year clearly demonstrated that. The electric grid needs significant investments in hardening, and the IIJA would take needed steps to address both of these critical infrastructure markets.

Budget Reconciliation a Recipe for Disaster

While PCCA believes that Congress has the opportunity to take big steps to filling the gap between what is invested and what is needed in American infrastructure, passage of the "Build Back Better" legislation, as written, has little to do with building and will only set America back by picking favorites when it comes to the workforce needed to meet this unprecedented construction challenge.

While the president's Build Back Better framework does not currently include language that directly imposes government-mandated project labor agreements (PLAs) that would unnecessarily cut out merit-shop construction entities, it does include provisions that favor union labor and would exacerbate the already formidable workforce capacity challenges facing the construction industry. Despite the president's promises to provide hundreds of thousands of union jobs, more than 85 percent of construction workers across the country come from merit-shop entities.

Collective bargaining agreements between construction employers and unions are the result of negotiations between entities with competing interests but reflect local market conditions and practices. PLAs mandated by the government interfere with that balance and often impose questionable terms and conditions, inefficient work rules and staffing requirements, and other inefficiencies.

Although specific PLA requirements are not included, piecemeal requirements that favor union labor are certainly under consideration. For example, because funds for electric transmission lines are disbursed through the U.S. Dept. of Energy, the agency would have discretion to award grants to union-friendly projects that include labor requirements that could encourage government-mandated project labor agreements, local hire goals, or other targeted preferential hiring requirements.

PCCA, which represents the vast majority of workers building and repairing the broadband systems to keep America connected and the electric power infrastructure needed to keep the lights on, strongly opposes language expected in budget reconciliation legislation that would include provisions included in the Protecting the Right to Organize Act (PRO Act), which has been opposed to by most construction entities since it was cobbled together. This shortsighted legislation, and all of the provisions included in it, will only obstruct getting projects off the ground if included in any budget reconciliation legislation.

PCCA is opposed to unnecessary new liability for employers found to have committed unfair labor practices currently under consideration, including:

- Civil penalties up to \$50,000 per violation of federal labor law;
- Civil penalties up to \$100,000 per violation within the previous five years that resulted in discharge of or “serious economic harm to an employee”; and
- Personal liability for directors and officers for unfair labor practices based on the particular circumstances.

In addition, the budget reconciliation measure would drastically eliminate a number of tools currently available to employers during labor disputes. Specifically, if passed, it would be an unfair labor practice for employers to take or even suggest the following actions:

- Permanently replace strikers;
- Lock out employees prior to a strike;
- Classify certain employees as independent contractors;
- Require employees to attend so-called “captive audience” meetings during a union-organizing campaign; and
- Retaliate against class/collective-action waiver agreements.

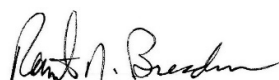
Tax Implications

The Build Back Better framework also includes tax increases that will only hamper already disrupted labor markets. Most of the tax increases in the president’s agenda disincentivize investment and reduce capital, wages, and employment in the construction market. Tax increases on both corporate and pass-through business income will reduce wage growth by shifting investment out of the business sector, reduce competition and overall investment, and make it harder to put people to work. Tax increases on capital gains as well as increased corporate taxes would also exacerbate an already challenging workplace dynamic.

America’s infrastructure clearly needs to be refurbished, repaired, and in many cases rebuilt. The IIJA would take needed steps toward that goal, and PCCA fully supports that legislation. However, if the Build Back Better framework was passed as currently proposed, all of the goals of the IIJA will be unquestionably compromised, and the impacts will devastate an already challenged construction industry. PCCA strongly encourages the House to pass IIJA as soon as possible, and to reconsider the harmful provisions of the Build Back Better legislation before voting on the overzealous provisions included in that legislation that have little to do with American infrastructure.

We thank you for your consideration and stand ready to answer any questions you may have.

Best Regards,



Robert Breeden
Chairman