



To: Biden Administration – www.regulations.gov
From: Power and Communication Contractors Association
Re: FAR Case 2022-003 -- PCCA Comments in Opposition to NOPR on Project Labor Agreements

FAR Case 2022-003; Docket No. FAR-2022-0003, Sequence No. 1] RIN 9000-AO40 Federal Acquisition Regulation: Use of Project Labor Agreements for Federal Construction Projects
Date: October 18, 2022

PCCA Opposes Federally Mandated Project Labor Agreement Rule

Inflationary PLA Burdens Will:

- 1. Slow Broadband and Energy Infrastructure Projects*
- 2. Increase Costs to Taxpayers*
- 3. Shrink an Already Too Small Labor Pool, and*
- 4. Result in Fewer Buildouts of Broadband and Energy Projects*

The Power and Communication Contractors Association (PCCA) strongly objects to government-mandated Project Labor Agreements (PLAs) as proposed in [Federal Acquisition Regulation: Use of Project Labor Agreements for Federal Construction Projects](#), which would implement President Biden's Executive Order requiring federal construction contracts of \$35 million or more to be subjected to PLAs.

PCCA represents contractors, manufacturers, and suppliers who build and repair America's power and communication infrastructure, including broadband and electric transmission, distribution, and substation facilities. PCCA members represent more than 87 percent of the construction entities performing broadband deployment and the majority of electric power infrastructure projects across the United States.

Simply stated: mandating PLAs on broadband and electric system contracts involving federal dollars will slow projects and drive up costs. These industries are already facing monumental worker shortages, and adding on PLA requirements will further shrink the pool of available workers, resulting in much slower deployment of broadband buildouts and energy system upgrades. Added costs will also significantly reduce the number of projects ultimately put into service.

Government-mandated PLAs are jobsite-specific collective bargaining agreements unique to the construction industry that needlessly increase costs and unfairly discourage competition from quality merit-shop contractors and their employees, who comprise 87.4 percent of the private

U.S. construction industry workforce, according to the most recent U.S. Bureau of Labor Statistics data.

For example, a PLA typically requires companies to agree to recognize unions as the representatives of their employees on that job, use the union hiring hall to obtain most or all construction labor, exclusively hire apprentices from union programs, follow union work rules, and pay into union benefit and multi-employer pension plans. This forces employers whose workers have freely made the choice not to join a union to pay “double benefits” into their existing employee benefit plans and union plans and places these qualified firms at a significant competitive disadvantage. In addition, research suggests that the few nonunion employees permitted to work on a PLA jobsite lose 34 percent of wages and benefits unless they pay union dues and/or join a union and meet benefits plan vesting schedules. In short, these anti-competitive provisions in typical PLAs promote wage theft, eliminate employee choice for union representation, and make it extremely difficult for many merit-shop, and typically small, minority- or women-owned firms, to win public works contracts subject to anti-competitive PLAs.

When mandated by government agencies, PLAs can also supersede and interfere with existing collective bargaining agreements that contractors have already negotiated with various unions and prevent firms from using labor from certain unions. When mandated by governments, PLAs increase construction costs to taxpayers by 12 to 20 percent, reduce opportunities for qualified contractors and their skilled craft professionals, and exacerbate the construction industry’s worker shortage of about 650,000. Industry estimates say that this proposal, once finalized, could impact about 120 federal contracts valued at \$10 billion, which is roughly 40 percent of the value of federal construction projects put in place on an annual basis.

The proposed PLA rule on federal contracts over \$35 million will reduce competition, shrink the already too small labor pool, and drive up costs for the American taxpayer, resulting in a far slower rate of both high-speed broadband buildouts and electric facility upgrades. For these reasons, the hard-working men and women who build these projects strongly oppose the proposed PLA rule.

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