



March 17, 2020

The Honorable Ted Budd
United States House of Representatives
118 Cannon House Office Building
Washington, D.C. 20515

The Honorable Todd Young
United States Senate
185 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Representative Budd and Senator Young:

On behalf of National Taxpayers Union (NTU), the nation's oldest taxpayer advocacy organization, I write to express our support for your legislation, H.R. 1858/S. 907, the "Fair and Open Competition Act." This commonsense legislation prevents federal agencies and recipients of taxpayer funding from requiring contractors to sign Project Labor Agreements (PLAs) as a condition of winning federal or federally assisted construction contracts. We are pleased to endorse the Fair and Open Competition Act and urge all members of Congress to cosponsor this proposal.

PLAs mandate that contractors sign a collective bargaining agreement with workers as a condition to work on a government-funded construction project. For example, these agreements require contractors adhere to union wage scales, hire union labor, follow union work rules, and pay into union benefit plans that other non-union employees will be unlikely to tap into. As a result, contractors who use non-union workers and often make lower-cost bids are effectively locked out of the process.

Consequently, these agreements artificially increase the construction costs of public infrastructure projects, wasting billions in taxpayer dollars. An array of academic studies indicate that these economically flawed agreements produce construction projects that are 12 to 18 percent more expensive than comparable non-PLA projects. At a time of record debts and rising deficits, maximizing every dollar spent by Washington should be paramount.

Thankfully your legislation is a win-win for taxpayers and businesses who choose to do business with the federal government. If enacted, H.R. 1858/S. 907 would end this onerous policy and bring market principles back to the federal bidding process for infrastructure projects. While more work remains ahead to lower burdens on American contractors and businesses, this legislation makes unmistakable progress to lower costs, increase competition, and advance new opportunities for all workers.

NTU is pleased to endorse the "Fair and Open Competition Act." We encourage all members of Congress to support this legislation and work towards its swift enactment.

Sincerely,

Thomas Aiello
Policy and Government Affairs Manager