



May 2, 2024

The Honorable James Comer
Chairman, Committee on
Oversight & Accountability
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Jamie Raskin
Ranking Member, Committee on
Oversight & Accountability
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairman Comer and Representative Raskin:

I am writing on behalf of the 2,600 specialty construction contracting employer members of the Mechanical Contractors Association of America (MCAA) to advise you of our strong opposition to H. J. Res. 132, a Congressional Review Act resolution to nullify the Federal Acquisition Regulatory (FAR) Council's final rule regarding the "Use of Project Labor Agreements for Federal Construction Projects." This resolution would undermine the structure and stability project labor agreements (PLAs) provide to large-scale federal construction projects, which have been valued over time by Administrations of both political parties.¹ We write today to specifically highlight the overall cost, quality, and efficiency benefits of PLAs of which H.J. Res 132 would deprive the U.S. government and American taxpayers.

It is well established that PLAs and the collective bargaining arrangements associated with them improve productivity, provide structure, and ensure stability on large-scale construction projects. They protect employers, workers, and contracting agencies. And PLAs also protect American taxpayers.

This is evident from the groundbreaking research the Mechanical Contractors Association Fund commissioned from Independent Project Analysis (IPA), the world's preeminent consultancy in construction project evaluation and the construction industry leader in quantitative analysis of the practices and systems that generate effective use of capital for construction. IPA's report entitled "Quantifying the Value of Union Labor in Construction Projects"² incontrovertibly establishes based on data from actual analysis of over 20,000 construction projects with more than 21 million data points that construction workers subject to a collective bargaining agreement are substantially more productive and cost-effective than their open shop peers. Specifically, the IPA analysis reveals a 14% work output productivity advantage for all union projects over non-union projects, and a 15% advantage for all union mechanical work as compared with non-union mechanical work.

¹ President Obama's February 6, 2009 EO 13502 recognized that as a matter of Administration policy PLAs promote "economy and efficiency" and address "special challenges" on large and complex federal construction projects. Notably, President Trump left EO 13502 in place throughout his Presidency, declining to revisit it despite strident calls to rescind it by organizations urging passage of H.J. Res. 132. See January 24, 2018 Letter to President Donald J. Trump from Associated Builders and Contractors *et. al.* (urging repeal of EO 13502 encouraging the use of PLAs), available at <https://www.abc.org/Portals/1/aaaaaaaa.pdf>.

² Independent Project Analysis, Quantifying the Value of Union Labor in Construction Projects (December 2022), last accessed May 1, 2024 at <https://www.mcaa.org/wp-content/uploads/2023/01/IPA-Study-Quantifying-the-Value-of-Union-Labor-in-Construction-Projects-FINAL.pdf>.



Moreover, the IPA study data shows that while open shop wages come in on average some 9.7% below the all-in union rates, it also confirms that union construction is still 4% more cost effective overall when compared to the open shop. IPA's analysis shows this is due to union sector work productivity advantages and lower union craft staffing levels (10% below the open shop) that ensure a construction workforce operating under a collective bargaining agreement will be deployed more reliably and with less turnover over the course of a project than an open shop workforce. The overall cost savings are reinforced by IPA data confirming that union construction relative to open shop construction poses less risk of substantial delays and cost overruns relating to staffing problems.

The IPA study validates the preference across Administrations of both parties for PLAs on large-scale federal government construction projects by proving the relative benefits of using a construction workforce operating under a collective bargaining agreement versus open shop crews. PLAs and the FAR Council Final Rule encouraging their use ensure the federal government and American taxpayers realize the cost savings and the project quality, stability, and continuity benefits of PLAs. This is especially critical as Congress considers ways to reduce the national debt. It is for these reasons that we urge the Committee to reject H.J. Res. 132 and allow the government and American taxpayers to benefit from the long-term savings and other benefits of PLAs on large-scale federal construction projects.

Sincerely,

A handwritten signature in black ink, which appears to read "James B. Gaffney". The signature is written in a cursive style with a prominent initial "J".

Jim Gaffney
Chairman
MCAA Government Affairs Committee