

February 24, 2021

The Honorable Todd Young  
United States Senate  
Washington, DC 20510

The Honorable Ted Budd  
United States House of Representatives  
Washington, DC 20515

Dear Senator Young and Representative Budd,

On behalf of the undersigned organizations, representing a diverse coalition of taxpayer, free market, and consumer advocates, we write to express our strong support for your legislation, the “Fair and Open Competition Act” or FOCA. This important legislation would prevent federal agencies from requiring costly Project Labor Agreements (PLAs) as a condition of winning federally assisted construction contracts. We are proud to endorse the Fair and Open Competition Act and we urge all lawmakers to cosponsor this legislation.

As you know, government-mandated PLAs require contractors to sign a collective bargaining agreement with workers as a requirement to work on some federally assisted construction projects. These agreements typically require contractors to 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.

In their current form, these rules curb fair competition in America’s labor market and result in more expensive government projects for which taxpayers must foot the bill. 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 up to 18 percent more expensive than comparable non-PLA projects. Taxpayers deserve to have their tax dollars spent in a cost-effective way to ensure each dollar’s value is maximized, not wasted or used to bankroll union political activities.

Thankfully your legislation is a win-win for taxpayers and businesses who choose to do business with the federal government. If enacted, the FOCA 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.

In our view, the FOCA is a prudent way to maximize every taxpayer dollar spent on infrastructure projects while also leveling the playing field for workers and builders. We look forward to helping you enact this legislation.

Sincerely,



National Taxpayers Union



60 Plus



American Consumer Institute



Americans for Prosperity



Americans for Tax Reform



Consumer Action for a Strong Economy



Council for Citizens Against Government Waste



Center for Individual Freedom



FreedomWorks



Heritage Action



Less Government



Open Competition Center