



# WISCONSIN LEGISLATURE

P. O. Box 7882 Madison, WI 53707-7882

September 5, 2019

Mr. Doug Hoelscher  
White House Director of Intergovernmental Affairs  
Eisenhower Executive Office Building  
1650 Pennsylvania Avenue NW  
Washington, DC 20501

Sent via email to [douglas.l.hoelscher@who.eop.gov](mailto:douglas.l.hoelscher@who.eop.gov)

Dear Mr. Hoelscher:

We are writing today to urge the Trump administration to restore fair and open competition for construction contracts funded by federal tax dollars by repealing President Obama's Executive Order 13502<sup>1</sup> and reinstating President George W. Bush's Executive Orders 13202<sup>2</sup> and 13208.<sup>3</sup> As the Trump administration considers its plan to help rebuild America's infrastructure, reversing President Obama's pro-project labor agreement policy will increase competition for taxpayer-funded construction contracts, reduce construction costs, create more construction industry jobs and result in more infrastructure improvements benefitting all Americans.

Currently, many qualified contractors and their skilled employees in Wisconsin are strongly discouraged from competing for contracts to build federal and federally assisted construction projects when they are subject to government-mandated PLAs.<sup>4</sup>

Although a PLA is a contract with varying terms and conditions, most contain provisions that ensure construction contracts are awarded only to companies that agree to recognize unions as the exclusive representatives of their employees on that job; use the union hiring hall to obtain workers at the expense of their existing qualified, skilled and safe employees; follow union work rules that slow productivity; abandon innovative workforce development programs and registered apprenticeship programs they use to create a safe and productive workforce; pay into union benefits and multiemployer pension plans that the company's existing employees will never benefit from unless they join a union and meet vesting requirements; and force their existing employees to pay union dues and/or join a union as a condition of employment.

Government-mandated PLAs discourage competition from qualified contractors and the over 80% of the construction workforce that chooses not to join a labor union in Wisconsin.<sup>5</sup> This makes

<sup>1</sup> Executive Order 13502, *Use of Project Labor Agreements for Federal Construction Projects*, signed Feb. 6, 2009 (<https://www.gpo.gov/fdsys/pkg/FR-2009-02-11/pdf/E9-3113.pdf>) and related FAR Case 2009-005, effective May 13, 2010 (<https://www.regulations.gov/docket?D=FAR-2009-0024>), encourages federal agencies, on a case-by-case basis, to mandate PLAs on federal contracts exceeding \$25 million and permits state and local governments to mandate PLAs on federally assisted construction projects.

<sup>2</sup> <https://www.gpo.gov/fdsys/pkg/FR-2001-02-22/pdf/01-4622.pdf>

<sup>3</sup> <https://www.gpo.gov/fdsys/pkg/WCPD-2001-04-09/pdf/WCPD-2001-04-09-Pg584-2.pdf>

<sup>4</sup> See *Survey: ABC Members Strongly Oppose Government Mandated PLAs*, ABC Newsline, Jan. 30, 2019. Survey results: <https://tinyurl.com/yy5v3y4c>.

<sup>5</sup> See [unionstats.com](http://unionstats.com).



little sense considering the construction industry needs to fill more than 440,000 construction industry jobs in 2019 to meet current demand.<sup>6</sup>

In addition, when governments mandate PLAs on federal and federally assisted projects, they often needlessly increase the cost of construction, resulting in fewer infrastructure improvements and reduced construction industry job creation. Multiple studies of hundreds of taxpayer-funded school construction projects found that government-mandated PLAs increase the cost of construction by 12% to 18% compared to similar projects completed in a fair and open competitive marketplace that rewards innovation and productivity.<sup>7</sup> For example, a 2017 study by the Beacon Hill Institute found school construction in Ohio subject to government-mandated PLAs increased construction costs by 13% on average.<sup>8</sup> For these reasons, 25 states have passed laws restricting government-mandated PLAs on state, state-assisted and local construction projects, to some degree, including Wisconsin.<sup>9</sup>

President Obama's executive order has permitted government-mandated PLAs on billions of dollars of federally assisted projects procured by state and local governments. For example, according to a February 2019 Federal Highway Administration report, since May 2010, PLAs have been mandated by state and local governments on 418 construction projects (totaling an estimated \$10.12 billion) that received formal approval and federal assistance from the FHWA.<sup>10</sup>

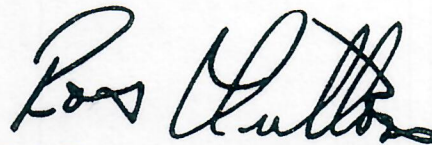
If President Trump ends government-mandated PLAs on federal and federally assisted construction projects, he can drastically reduce the obstacles in procurement and construction by promoting open competition and rewarding efficiency and innovation. Restoring government neutrality in contracting will allow the employers of all Americans working in the construction industry today to fairly compete to build federal and federally assisted construction projects in their own communities funded with their own tax dollars at a price that is right for the taxpayer.

We look forward to working with you and the Trump administration on this matter. Together we continue to make progress improving America's infrastructure.

Sincerely,



**Chris Kapenga**  
State Senator  
33<sup>rd</sup> Senate District



**Rob Hutton**  
State Representative  
13<sup>th</sup> Assembly District

<sup>6</sup> *The Construction Industry Needs to Hire an Additional 440,000 Workers in 2019*, ABC Newsline, May 2, 2019, <https://www.abc.org/News-Media/Newsline/entryid/16185>.

<sup>7</sup> See multiple studies measuring the impact of PLAs on school construction in Connecticut, Massachusetts, New York and Ohio by the Beacon Hill Institute at Suffolk University (<http://beaconhill.org/labor-economics/>); an October 2010 report by the New Jersey Department of Labor and Workforce Development, *Annual Report to the Governor and Legislature: Use of Project Labor Agreements in Public Works Building Projects in Fiscal Year 2008* ([https://www.nj.gov/labor/forms\\_pdfs/legal/2010/PLAReportOct2010.pdf](https://www.nj.gov/labor/forms_pdfs/legal/2010/PLAReportOct2010.pdf)); and a 2011 study by the National University System Institute for Policy Research, *Measuring the Cost of Project Labor Agreements on School Construction in California*.

<sup>8</sup> *Project Labor Agreements and the Cost of School Construction in Ohio*, the Beacon Hill Institute for Public Policy Research, May 2017, <http://www.beaconhill.org/BHISStudies/PLA2017/OHIO-PLA-FINAL2017-0524.pdf>.

<sup>9</sup> *Trump Can Still Score and Infrastructure Win*, The Hill, June 24, 2019, <https://thehill.com/blogs/congress-blog/labor/449955-trump-can-still-score-an-infrastructure-win>.

<sup>10</sup> *Project Labor Agreements – May 2019*, Federal Highway Administration, February 2019, <https://thetruthaboutplas.com/wp-content/uploads/2019/04/FHWA-PLA-Summary-Tables-original-20190226.pdf>.





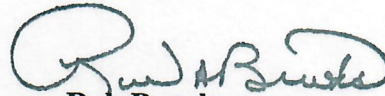
**David Craig**  
State Senator  
28<sup>th</sup> Senate District



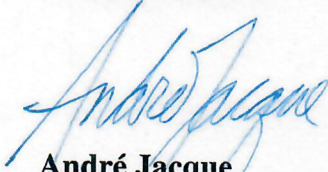
**Janel Brandtjen**  
State Representative  
22<sup>nd</sup> Assembly District



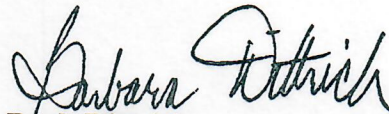
**Alberta Darling**  
State Senator  
8<sup>th</sup> Senate District



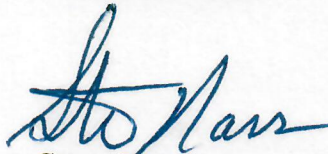
**Rob Brooks**  
State Representative  
60<sup>th</sup> Assembly District



**André Jacque**  
State Senator  
1<sup>st</sup> Senate District



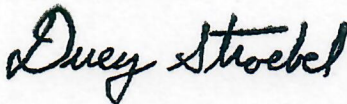
**Barb Dittrich**  
State Representative  
38<sup>th</sup> Assembly District



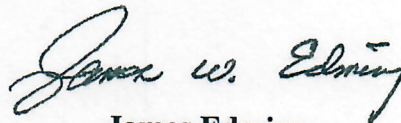
**Steve Nass**  
State Senator  
11<sup>th</sup> Senate District



**Cindi Duchow**  
State Representative  
99<sup>th</sup> Assembly District



**Duey Stroebel**  
State Senator  
20<sup>th</sup> Senate District



**James Edming**  
State Representative  
87<sup>th</sup> Assembly District



**Scott Allen**  
State Representative  
97<sup>th</sup> Assembly District



**Mary Felzkowski**  
State Representative  
35<sup>th</sup> Assembly District



**Tyler August**  
State Representative  
32<sup>nd</sup> Assembly District



**Rick Gundrum**  
State Representative  
58<sup>th</sup> Assembly District

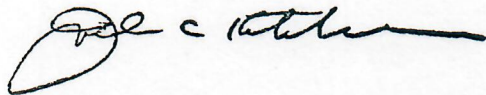




**Terry Katsma**  
State Representative  
26<sup>th</sup> Assembly District



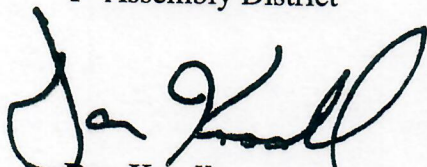
**Jon Plumer**  
State Representative  
42<sup>nd</sup> Assembly District



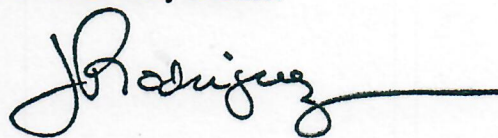
**Joel Kitchens**  
State Representative  
1<sup>st</sup> Assembly District



**Tim Ramthun**  
State Representative  
59<sup>th</sup> Assembly District



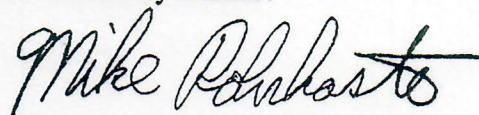
**Dan Knodl**  
State Representative  
24<sup>th</sup> Assembly District



**Jessie Rodriguez**  
State Representative  
21<sup>st</sup> Assembly District



**Mike Kuglitsch**  
State Representative  
84<sup>th</sup> Assembly District



**Mike Rohrkaste**  
State Representative  
55<sup>th</sup> Assembly District



**Bob Kulp**  
State Representative  
69<sup>th</sup> Assembly District



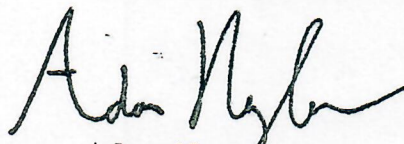
**Joe Sanfelippo**  
State Representative  
15<sup>th</sup> Assembly District



**Dave Murphy**  
State Representative  
56<sup>th</sup> Assembly District



**Michael Schraa**  
State Representative  
53<sup>rd</sup> Assembly District



**Adam Neylon**  
State Representative  
98<sup>th</sup> Assembly District



**Ken Skowronski**  
State Representative  
82<sup>nd</sup> Assembly

**Shae Sortwell**  
State Representative  
2<sup>nd</sup> Assembly District

**Chuck Wichgers**  
State Representative  
83<sup>rd</sup> Assembly District

**Jeremy Thiesfeldt**  
State Representative  
52<sup>nd</sup> Assembly District

**Shannon Zimmerman**  
State Representative  
30<sup>th</sup> Assembly District

**Ron Tusler**  
State Representative  
3<sup>rd</sup> Assembly District