

JOHN SULLIVAN
1ST DISTRICT, OKLAHOMA

434 CANNON HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-2211
(202) 225-9187 (FAX)

5727 SOUTH LEWIS, SUITE 520
TULSA, OK 74105
(918) 749-0014
(918) 749-0781 (FAX)

401 SOUTH JOHNSTONE AVENUE, SUITE 348
BARTLESVILLE, OK 74003-6619
(918) 336-6500

Congress of the United States
House of Representatives
Washington, DC 20515

sullivan.house.gov

**Support Fair and Open Competition
In Federal Contracting**

Cosponsor the Government Neutrality in Contracting Act

February 14, 2011

Dear Colleague:

Almost two years ago, President Obama signed Executive Order 13502, an anti-competitive and costly measure encouraging federal agencies to mandate union-favoring project labor agreements (PLAs) on federal construction projects exceeding \$25 million in total cost.

A government-mandated PLA is a contract that requires construction projects to be awarded only to companies that agree to recognize unions as the representatives of their employees on that job; use the union hiring hall to obtain workers; obtain apprentices through union apprenticeship programs; follow archaic and inefficient union work rules; and pay into union benefit and multi-employer pension plans. Government-mandated PLAs unfairly discourage competition from nonunion contractors and their employees—who compose almost 87 percent of the U.S. private construction workforce.ⁱ

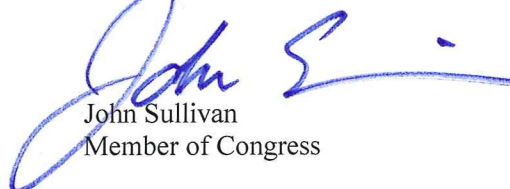
Studies indicate that in numerous markets, government-mandated PLAs increase the price of construction projects between 12 percent and 18 percent compared to similar non-PLA projects. We cannot afford the consequences of these special interest deals at a time when the nation is experiencing record deficits, crumbling infrastructure and a construction industry unemployment rate above 22 percent.ⁱⁱ

In short, government-mandated PLAs are nothing more than schemes to repay Big Labor bosses for political support by steering lucrative federal construction contracts to unionized companies and their unionized workforces.

Instead of pandering to special interests, Congress should be doing all it can to ensure fair and open competition on federal construction contracts, and help deliver to taxpayers the best possible construction product at the best possible price.

I will soon introduce this legislation that prohibits executive agencies and recipients of federal funds from requiring contractors to agree to PLAs as a condition of winning a federal or federally assisted construction contract. The Government Neutrality in Contracting Act will increase competition, reduce costs, create construction jobs and restore a level playing field for all qualified contractors to compete for public construction contracts. Please act today to restore fair and open competition in federal contracting. To learn more or to become an original cosponsor, contact Victoria Palmer in my office at 5-2211, or victoria.palmer@mail.house.gov

Sincerely,



John Sullivan
Member of Congress

ⁱ Union Members Summary. Bureau of Labor Statistics. Jan. 21, 2011. <http://www.bls.gov/news.release/union2.nr0.htm>

ⁱⁱ Industries at a Glance: Construction NAICS 23. Bureau of Labor Statistics. Feb. 2, 2011. <http://www.bls.gov/iag/tgs/iag23.htm>

COMMITTEE ON
ENERGY AND COMMERCE

SUBCOMMITTEE ON ENERGY AND ENVIRONMENT

SUBCOMMITTEE ON
OVERSIGHT AND INVESTIGATIONS

SUBCOMMITTEE ON COMMERCE, TRADE, AND
CONSUMER PROTECTION

SELECT COMMITTEE ON ENERGY
INDEPENDENCE AND GLOBAL
WARMING