

Fair and Open Competition for Taxpayer-Funded Construction Contracts

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IEC's Position

- IEC opposes the continued use of mandatory Project Labor Agreements (PLAs) and PLA preferences on federal and federally assisted projects.
- IEC seeks to end the Trump administration's continued use of Biden-era regulations and inflationary policies mandating and encouraging PLAs on taxpayer-funded construction projects.
- IEC supports legislation, the Fair and Open Competition Act (FOCA) ([H.R.2126/S.1064](#)), to prohibit PLA mandates and preferences on federal and federally assisted construction projects.
- The FOCA would:
 - Prohibit PLA mandates and preferences on federal and federally assisted construction projects
 - Save taxpayers an estimated \$10 billion annually

IEC's Ask

- **Ask:** Co-sponsor the Fair and Open Competition Act ([H.R.2126/S.1064](#)) to ensure taxpayer-funded construction projects remain open to all qualified contractors.
- **Ask:** Oppose government-mandated project labor agreements (PLAs) on federal and federally assisted construction projects.
- **Ask:** Support fair and open competition policies that promote equal access and maximize taxpayer value.

Background

Government-mandated project labor agreements (PLAs) typically require contractors on a specific jobsite to sign a union collective bargaining agreement as a condition of winning and performing work on a taxpayer-funded construction project.

These mandates often require contractors to hire union labor, follow restrictive union work rules, and contribute to union pension and benefit plans—even when their employees are not union members and will not benefit from these contributions.

Government PLA mandates and preferences increase construction costs by an estimated 12% to 20%, reduce competition from qualified contractors, and steer contracts toward firms affiliated with specific labor unions. They also worsen the construction industry's skilled labor shortage by effectively excluding the nearly nine out of ten U.S. construction workers who are not union members from working on projects funded by their own tax dollars in their local communities.

U.S. courts have issued decisions striking down specific PLA mandates on federal projects, but litigation striking down Biden/Trump policies encouraging their use is still making its way through the courts.