October 6, 2016

President John D. Podesta
Clinton Transition Team
1 Pierrepont Plaza
Brooklyn, NY 11201

Re: Infrastructure Investments and Labor Needs

Dear President Podesta:

The Construction Employers of America and our six specialty construction associations look forward to working with the Clinton Administration to address important infrastructure and labor policy issues that will help America’s small businesses prosper. From investing in the country’s transportation and energy infrastructure to ensuring we are training and preparing the next generation of craftsmen through innovative and proven apprenticeship programs, we stand ready to work with your Administration and keep America moving forward.

Our member associations are proud of the strong relationship we’ve built with our labor partners over the years. The public policy initiatives outlined below will support strong union contractors that create high-paying union jobs which will strengthen and expand our middle class.

Below are a number of labor and infrastructure policies that Construction Employers of America support. We look forward to working with the Clinton Administration to enact these common sense policies that will strengthen our industry and create high-wage, skilled jobs.

Promote Sound Infrastructure Policies - Providing sufficient federal funds to invest in our nation’s aging infrastructure is vital to the country, the economy, and the construction industry. In addition, federal procurement policy should continue to allow federal agencies to utilize project labor agreements (PLAs) in projects where they determine a PLA would provide the best value and highest quality for federal and federally assisted projects. CEA also supports effective enforcement of prevailing wage and other current laws.

Modernize Retirement Plan Options - The multiemployer pension system needs to be modernized through federal authorization of composite plans, which would provide employees lifetime annuity benefits while ensuring predictability for employer contributions. Composite plans would revitalize the multiemployer pension system by creating a third pension plan that combines the best attributes of defined benefit plans that employees favor and defined contribution plans that employers prefer. Once authorized by Congress and signed by the President, employers and employees would have the voluntary option of selecting composite plans that would provide
employees lifetime annuity retirement benefits while providing long-term certainty for employers who contribute to the plans.

**Prepare the Next Generation of Skilled Workers** - Skilled labor is vital to the success of our industry, and we invest heavily in apprenticeship training programs. Our employers and their labor partners operate over 1,100 apprenticeship training centers nationally and invest over $1.3 billion annually in workforce training and apprenticeship programs. Continued and expanded federal support for apprenticeship and training programs will yield long-term benefits to the construction industry and the millions of customers we serve.

**Invest in Energy Efficient Buildings** - Buildings are the single largest energy users in the country, consuming 40% of our energy demand. Building more efficient buildings and retrofitting existing building stock will save consumers money, reduce energy-related pollution, and improve our quality of life. Energy efficient buildings demand highly-qualified construction workers and engineers. The federal government must invest in building efficiency research and development, set and enforce strong and attainable building codes, and promote innovation.

**Enhance Manufacturing Efficiency** - Combined heat and power (CHP) and waste heat to power (WHP) are proven and effective energy resources that can help address current and future energy needs and enhance manufacturing competitiveness while reducing environmental impacts. CHP and WHP projects create direct jobs in manufacturing, engineering, installation, operations, and maintenance, which increase the competitiveness of companies that install the systems and receive the energy savings benefits. The federal government must support policies that advance the deployment of these important clean-energy technologies.

**Support Responsible Employers Through Bid Listing** - The federal government should prohibit the practice of post-award bid shopping on low-bid federal construction projects in order to restore equitable safeguards for subcontractors who submit their bids to prime contractors in good faith. Procurement policy should require prime contractors on low-bid solicitations over $1 million to list all subcontractors with work over $100,000 and require prime contractor project winners to use the listed subcontractor at the price listed.

**Close Employee Misclassification Loophole** - Misclassification occurs when an employer improperly classifies and employee as an independent contractor to gain a competitive advantage at the expense of responsible, lawful companies and depriving employees of benefits they deserve. The federal government should reform existing tax law to identify bad actors so the government can recoup lost tax revenue and ensure all businesses compete under the same rules.

The charter members of the Construction Employers of America include the International Council of Employers of Bricklayers and Allied Craftworkers, the Mechanical Contractors Association of America, the National Electrical Contractors Association, the Sheet Metal & Air Conditioning Contractors’ National Association, the Signatory Wall and Ceiling Contractors Alliance, and The Association of Union Constructors. CEA firms and workers are best qualified to handle high-skilled projects in a cost-effective manner and are the predominant force in the high end sector of the construction industry.
Should you be interested in any additional information or to speak with Construction Employers of America or one of our small business owners, please contact me at jack.jacobson@constructionemployersofamerica.com or at 202-637-6820.

Sincerely,

Jack Jacobson

CC: Kenneth Lee Salazar
    Thomas E. Donilon
    Jennifer M. Granholm
    Neera Tanden
    Margaret A. Williams