

The Honorable Senator
U.S. Senate
Washington, DC 20510

Dear Senator:

The Sheet Metal and Air Conditioning Contractors' National Association (SMACNA), is supported by more than 3,500 construction firms engaged in industrial, commercial, residential, architectural and specialty sheet metal construction throughout the United States. On behalf of SMACNA, I want to express our support for the appropriate use of construction project labor agreements (PLA's) on public construction. Therefore, **we strongly oppose S. 622, the so-called "Fair and Open Contracting Act of 2017"** as introduced by Senator Flake (R-AZ) and cosponsored by Senators Perdue (R-GA) and Risch (R-ID).

Under government financed PLA's, competing construction contractors and prospective workers are solicited for PLA projects regardless of their union or nonunion status as required by law. In comparison, private sector owners are free to select union-only PLA's to build their projects. Private owners frequently take advantage of a skilled and formally trained workforce employed by highly regarded contractors as an economic decision. Simply put, Federal PLA's are determined through an open bidding process for all contractors and workers, contrary to the myth some have advanced in legislation, such as **S. 622**. Those seeking to ban PLA's are attacking a proven private sector practice enhancing management discretion.

SMACNA's position supports the option of considering and utilizing PLA's where deemed in the best economic interest of the project owner on behalf of the taxpayer on public work. **Therefore, we stand in opposition to S. 622 or ANY legislation banning the use of project labor agreements on federal construction.** Further, we joined other business and contracting organizations that supported Executive Order 13502 encouraging executive agencies to consider the use of Project Labor Agreements (PLA's) on all federal-funded construction projects. The Executive Order simply reversed past hostility toward using any PLA-managed projects and allowed a fair consideration of PLA's. The Executive Order was a great source of optimism to our leadership and the thousands of contractors we represent. Those decrying the consideration of PLA's today had no objection to a ban on PLA's in past administrations. That speaks volumes to their objectivity and sense of fair play on the PLA policy issue.

From decades of real life experience on projects where PLA's have been used, our firms know that project agreements are a voluntary, legal and most often highly efficient means of meeting construction quality standards, owner deadlines and unique project demands. For this reason, most PLA's are found on private projects where corporate budget and scheduling decisions are highly scrutinized. SMACNA believes that utilizing project agreements on federal construction when and where appropriate expands the proprietary responsibility the President is charged with under the Federal Property and Administrative Services Act and offers the likely result of decreased costs, higher quality

and expedited project completions. **Smart construction management calls for the federal government, like the private sector, to have the option to consider and establish project agreements where necessary and appropriate.** While banning the use of PLA's on large federal projects may have found favor in certain ideological circles, unfortunately it has not served sound construction management in all cases. Economics, not ideology, should drive PLA debates and votes in Congress.

We oppose **S. 622** and ask for your support and endorsement of the federal government's long established right to consider the use of PLA's on federal construction where deemed most appropriate for project management success.

It is our hope that you will speak out against S. 622 and oppose its consideration.

Sincerely,
Stanley E. Kolbe, Jr.
Director, Governmental Affairs