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AGC of America
THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA
Quality People. Quality Projects.



February 11, 2009

The Honorable John Sullivan
U.S. House of Representatives
434 Cannon House Office Building
Washington, D.C. 20515

Re: Cosponsor the Government Neutrality in Contracting Act

Dear Representative Sullivan:

The Associated General Contractors of America (AGC) urges you to support efforts to maintain full and open competition in the bidding process for federal and federally funded construction projects and to oppose efforts to impose or favor the use of project labor agreements on such projects. AGC strongly supports full and open competition for all such work – among all qualified firms, and without regard to their labor policy. On behalf of its members, AGC supports the legislation sponsored by Congressman Sullivan that ensures fairness in the federal procurement process on federal and federally funded construction projects. AGC opposes efforts that would mandate government-mandated labor agreements (GMLAs) and believes government should not force contractors to hire a certain group of workers to the exclusion of another group of contractors from bidding on public projects.

AGC is among the largest and oldest of the nationwide trade associations in the construction industry. AGC represents 32,000 firms throughout the United States, including 7,000 of America's leading general contractors, 12,000 specialty contractors and over 13,000 suppliers and service providers to the construction industry. AGC represents both union and open shop contractors working in the building, highway, heavy industrial, municipal utility, and virtually all other sectors of the construction industry.

AGC strongly supports free, open, and competitive bidding for all federally and federally funded work – among all qualified firms, without regard to their lawful labor policies. Government-mandated labor agreements (GMLAs) effectively compel both union and open shop contractors to alter their hiring practices, work rules, job assignments, and benefits in order to compete for or to perform work on publicly funded projects. This not only constitutes inappropriate government interference with private labor relations, it amounts to an unfair government preference that can significantly impact the cost of public works.


Furthermore, mandating project labor agreements for the maintenance or construction of public projects would disrupt labor-management relations in the construction industry and run afoul of the National Labor Relations Act. It would tread upon a union contractor's statutory right to work under the terms and conditions of collective bargaining agreements that have already been negotiated on an area-wide basis. It would equally tread upon an open shop contractor's statutory right not to engage in collective bargaining in the absence of any showing that a union enjoys the support of a majority of the employees in an appropriate bargaining unit.

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Project owners have many ways to ensure that their construction contractors complete their projects in a timely manner, and there is no reliable evidence that project labor agreements improve the performance that an owner can expect in the absence of such an agreement. Quite to the contrary, project labor agreements can give rise to jurisdictional disputes that would not otherwise occur.

Please support and co-sponsor Congressman Sullivan's efforts to keep in place the well-settled patterns of labor-management relations in the construction industry and the cost-effectiveness of public works.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeffrey D. Shoaf". The signature is fluid and cursive, with the first name "Jeffrey" being the most prominent.

Jeffrey D. Shoaf
Senior Executive Director
Government and Public Affairs