



# IBEW POLICY BRIEF

## Chapter 1: Significant Legislative Activity Under the Biden Administration

### The American Rescue Plan Act (ARPA) of 2021

ARPA was signed into law by President Biden on March 11, 2021. It provided crisis support for unemployed workers and extended several federally funded jobless benefit programs, such as Pandemic Unemployment Assistance and the Pandemic Emergency Unemployment Compensation program. These programs offered additional weeks of unemployment aid for those who no longer qualify for state benefits. It also provided the third round of stimulus checks worth \$1,400.

The American Rescue Plan included the Butch Lewis Emergency Pension Plan Relief Act (the "Butch Lewis Act"). The Butch Lewis act was a major legislative priority for the IBEW that shores up troubled multiemployer pension plans and the Pension Benefit Guaranty Corporation at no cost to participants.

During the pandemic, the passenger transportation system in America was hit hard by a steep ridership decline. The IBEW represents thousands of permanent employees and construction and maintenance workers in this sector. These workers depend on the work hours generated by capital improvements.

The American Rescue Plan (ARPA) provided \$30.5 billion for Federal Transit Administration grants and \$1.7 billion for grants to Amtrak. ARPA funding also included a set aside to resume service on long-distance routes and recall furloughed employees.

### The Infrastructure Investment and Jobs Act of 2021 (The Bipartisan Infrastructure Law)

The IBEW supported the historic \$1.2 trillion Infrastructure Investment and Jobs Act (also known as the Bipartisan Infrastructure Law or "BIL"). President Biden signed the BIL into law on November 15, 2021. It is the most significant investment in American infrastructure since World War II.



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President Joe Biden invited International President Lonnie R. Stephenson and IBEW members from across the United States to the White House signing ceremony for President Biden's landmark legislative achievement.

Members of the IBEW and the Government Affairs Department urged members of Congress for years to pass an infrastructure package. Finally, with its passage, the law provides substantial funding to modernize nearly every aspect of our nation's infrastructure.

This Bipartisan Infrastructure Law (BIL) will rebuild America's roads, bridges and rail lines. The BIL will also expand access to clean drinking water and high-speed internet. It tackles the climate crisis, advances environmental justice, and invests in communities left behind. The legislation will help ease inflationary pressures and strengthen supply chains by making long overdue improvements for our nation's ports, airports, rail, and roads. The investments provided in the BIL will create good-paying union jobs and grow the economy sustainably and equitably. Combined with President Biden's other legislative achievements, analysts expects that the BIL will add, on average, 1.5 million jobs per year for the next ten years.

About half of the BIL's spending reauthorizes existing programs, while the other half represents spending on new programs. More than half of its investments will improve and modernize transportation infrastructure, with \$284 billion going directly toward infrastructure reserves for highways, roads and bridges, highway safety, ports and waterways, airports, rail, transit, and electric vehicle charging infrastructure. In addition, the law invests \$266 billion in other infrastructure sectors, including water, broadband, energy and power, environmental remediation, and climate resiliency projects.

### **The CHIPS and Science Act of 2022 "CHIPS"**

Congress and President Biden enacted CHIPS on August 9, 2022. "CHIPS" provides \$52 billion to incentivize the production of critical semiconductor chips in the United States.

Semiconductors are a crucial component of smartphones, automobiles, advanced medical equipment, and other electronic consumer products. These historic investments will strengthen American manufacturing and supply chains and help to grow the workforce of the future.

CHIPS included Davis-Bacon prevailing wage protections for the construction and modification of semiconductor manufacturing facilities.

Semiconductors are critical to the operation of nearly every electronic device. With a sufficient supply of domestic semiconductors, the U.S. can make its essential decarbonization initiatives possible. This includes policy efforts in electric vehicle expansion and electricity generation modernization. With the signing of CHIPS, the U.S. can reverse the trend of offshoring jobs, bolster domestic supply chains, and strengthen American security and competitiveness. CHIPS will create jobs for the IBEW members who work in the construction and manufacturing sectors.

**The Inflation Reduction Act of 2022 - "IRA "**

The IRA is a significant policy win for the IBEW with the potential to create work opportunities for tens of thousands of IBEW members and expand IBEW membership in traditional power generation, renewable generation, construction and manufacturing. The IRA is the most aggressive action in tackling the climate crisis in American history. The law’s provisions lift American workers and create good-paying union jobs across the country.

The IRA will lower the deficit and ensure that the ultra-wealthy and corporations pay their fair share in taxes. The law guarantees that no one making under \$400,000 yearly will pay a penny more in taxes due to its signing.






The legislation includes critical strong labor protections and domestic content requirements tied to the over \$300 billion in tax credits for renewable and traditional energy infrastructure projects. Such protections will guarantee that these projects will create middle-class, family-sustaining career opportunities for IBEW members and other working people across the country.

It also makes historic investments in domestic energy production and manufacturing, creating opportunities for working people and lifting a financial weight off their shoulders.

The law will ensure access to critical technologies, increase national security, and remove impediments and roadblocks to the domestic production of future technologies. The CHIPS and Science Act will also strengthen U.S. technology and innovation infrastructure by providing resources to the National Science Foundation (NSF), the Department of Energy, and other federal technology and science efforts.

**Chapter Resources**

Hyperlink	URL	QR
American Rescue Plan Act Resources:		
<a href="#"><u>FACT SHEET: One Year</u></a>	<a href="https://home.treasury.gov/news/press-releases/jy0645"><u>https://home.treasury.gov/news/press-releases/jy0645</u></a>	
<a href="#"><u>American Rescue Plan Impact: Awardee Map</u></a>	<a href="https://www.eda.gov/funding/programs/American-rescue-plan"><u>https://www.eda.gov/funding/programs/American-rescue-plan</u></a>	
Bipartisan Infrastructure Law Resources:		
<a href="#"><u>Build.gov</u></a>	<a href="https://www.whitehouse.gov/build/?utm_source=build.gov"><u>https://www.whitehouse.gov/build/?utm_source=build.gov</u></a>	

<a href="https://www.whitehouse.gov/build/nofos-to-know/">Open Funding Opportunities</a>	<a href="https://www.whitehouse.gov/build/nofos-to-know/">https://www.whitehouse.gov/build/nofos-to-know/</a>	
<a href="https://www.whitehouse.gov/build/maps-of-progress/">Maps of Funding</a>	<a href="https://www.whitehouse.gov/build/maps-of-progress/">https://www.whitehouse.gov/build/maps-of-progress/</a>	
<a href="https://www.whitehouse.gov/build/technical-assistance-guide/">Tech. Assist. Guide</a>	<a href="https://www.whitehouse.gov/build/technical-assistance-guide/">https://www.whitehouse.gov/build/technical-assistance-guide/</a>	
<a href="https://www.whitehouse.gov/wp-content/uploads/2022/05/BUILDING-A-BETTER-AMERICA-V2.pdf">BIL Guidebook</a>	<a href="https://www.whitehouse.gov/wp-content/uploads/2022/05/BUILDING-A-BETTER-AMERICA-V2.pdf">https://www.whitehouse.gov/wp-content/uploads/2022/05/BUILDING-A-BETTER-AMERICA-V2.pdf</a>	
<a href="https://www.whitehouse.gov/briefing-room/statements-releases/2021/08/04/white-house-releases-state-fact-sheets-highlighting-the-impact-of-the-infrastructure-investment-and-jobs-act-nationwide/">State Fact Sheets</a>	<a href="https://www.whitehouse.gov/briefing-room/statements-releases/2021/08/04/white-house-releases-state-fact-sheets-highlighting-the-impact-of-the-infrastructure-investment-and-jobs-act-nationwide/">https://www.whitehouse.gov/briefing-room/statements-releases/2021/08/04/white-house-releases-state-fact-sheets-highlighting-the-impact-of-the-infrastructure-investment-and-jobs-act-nationwide/</a>	

**Inflation Reduction Act Resources:**

<a href="https://www.whitehouse.gov/briefing-room/statements-releases/2022/08/19/fact-sheet-the-inflation-reduction-act-supports-workers-and-families/">FACT SHEET: Workers and Families</a>	<a href="https://www.whitehouse.gov/briefing-room/statements-releases/2022/08/19/fact-sheet-the-inflation-reduction-act-supports-workers-and-families/">https://www.whitehouse.gov/briefing-room/statements-releases/2022/08/19/fact-sheet-the-inflation-reduction-act-supports-workers-and-families/</a>	
<a href="https://www.whitehouse.gov/briefing-room/statements-releases/2022/08/17/fact-sheet-inflation-reduction-act-advances-environmental-justice/">FACT SHEET: Advances Environmental Justice</a>	<a href="https://www.whitehouse.gov/briefing-room/statements-releases/2022/08/17/fact-sheet-inflation-reduction-act-advances-environmental-justice/">https://www.whitehouse.gov/briefing-room/statements-releases/2022/08/17/fact-sheet-inflation-reduction-act-advances-environmental-justice/</a>	
<a href="https://www.whitehouse.gov/briefing-room/statements-releases/2022/08/17/fact-sheet-how-the-inflation-reduction-act-helps-rural-communities/">FACT SHEET: Helps Rural Communities</a>	<a href="https://www.whitehouse.gov/briefing-room/statements-releases/2022/08/17/fact-sheet-how-the-inflation-reduction-act-helps-rural-communities/">https://www.whitehouse.gov/briefing-room/statements-releases/2022/08/17/fact-sheet-how-the-inflation-reduction-act-helps-rural-communities/</a>	
<a href="https://www.whitehouse.gov/briefing-room/statements-releases/2022/08/17/state-fact-sheets-how-the-inflation-reduction-act-lowers-energy-costs-create-jobs-and-tackles-climate-change-across-america/">State Fact Sheets</a>	<a href="https://www.whitehouse.gov/briefing-room/statements-releases/2022/08/17/state-fact-sheets-how-the-inflation-reduction-act-lowers-energy-costs-create-jobs-and-tackles-climate-change-across-america/">https://www.whitehouse.gov/briefing-room/statements-releases/2022/08/17/state-fact-sheets-how-the-inflation-reduction-act-lowers-energy-costs-create-jobs-and-tackles-climate-change-across-america/</a>	

**CHIPS and Science Act Resources:**

<a href="https://www.nist.gov/chips">CHIPS.gov</a>	<a href="https://www.nist.gov/chips">https://www.nist.gov/chips</a>	
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[FACT SHEET: Will Lower Costs, Create Jobs](#)

<https://www.whitehouse.gov/briefing-room/statements-releases/2022/08/09/fact-sheet-chips-and-science-act-will-lower-costs-create-jobs-strengthen-supply-chains-and-counter-china/>



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# IBEW POLICY BRIEF

## Chapter 4: Protecting Labor Standards and the Rights of Working People

As a labor union, the IBEW is a leading voice for working families. The IBEW focuses on improving the lives of IBEW members and powering an economy that works for everyone. The IBEW advocates for high-road labor standards policies that include, for example:

- Prevailing wage requirements
- Project labor agreements (PLAs)
- Apprenticeship utilization requirements
- Local hire provisions
- Labor Peace Agreements
- Worker misclassification

The IBEW applauds the numerous steps taken by the Biden administration to improve and protect unions and the rights of working people.<sup>3</sup> We will continue working with the Administration and Congress to advocate for policies safeguarding organizing and collective bargaining rights. We will also continue to ensure that federal investments in infrastructure include requirements to utilize registered apprenticeships and other high-road labor standards policies. Policies in federal legislation that protect workers create high-quality union jobs and helps to advance equity and justice.

### Pending Priorities

#### The Protecting the Right to Organize (PRO) Act

Support for unions has grown recently, especially after the COVID-19 pandemic. The August 1, 2022, Gallup poll showed approval for labor unions at its highest point since 1975, with 71 percent of those polled voicing their approval.<sup>4</sup> Yet, despite this robust and growing support, the share of workers represented by a union is only around 10 percent.<sup>5</sup>

<sup>3</sup> *President Biden's First 18 Months: Assessing the Biden Administration's Record for Workers*, Economic Policy Institute Report (Aug. 25, 2022),

<sup>4</sup> Although statistically similar to last year's 68%, it is up from 64% before the pandemic and is the highest Gallup has recorded on this measure since 1965. <https://news.gallup.com/poll/398303/approval-labor-unions-highest-point-1965.aspx>

<sup>5</sup> The 2022 unionization rate (10.1 percent) is the lowest on record, according to the Bureau of Labor Statistics. <https://www.bls.gov/news.release/pdf/union2.pdf>



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In recent decades, anti-union interests have eroded federal labor laws. This deterioration has made it increasingly difficult for workers to win union representation and have their voices heard.

In 2021, lawmakers introduced the Protecting the Right to Organize (PRO) Act, legislation that would bolster workers' rights to organize and make classification rules for independent contractors more stringent. In addition, the PRO Act would impose harsher punishments for employers violating workers' rights. For example, the bill would allow workers to override right-to-work laws, protect the right to strike, and prevent employer interference in elections. The bill also includes civil penalties of up to \$50,000 per violation of the National Labor Relations Act (NLRA), double civil penalties of up to \$100,000 for repeat NLRA violations and civil penalties against directors and officers.

The PRO Act passed in the U.S. House of Representatives on March 9, 2021, but failed to pass in the Senate. However, President Biden has been a vocal supporter of unions and the right to organize. The Biden administration issued a policy statement supporting the bill the day before it passed in the House.<sup>6</sup>

The IBEW continues to advocate for the passage of the PRO Act and any opportunities to include similar provisions in new legislation.

### **Reauthorization of the National Apprenticeship Act**

The IBEW is actively pushing Congress to reauthorize the National Apprenticeship Act. Advocacy efforts include any opportunities for similar provisions in any new legislation. Over five years, the National Apprenticeship Act would create nearly one million new openings for:

- Registered Apprenticeship Programs
- Youth Apprenticeship Programs
- Pre-apprenticeship Programs

The National Apprenticeship Act would provide jobs through a \$3.5 billion investment to registered apprenticeships to scale-up apprenticeship opportunities. In addition, the legislation would streamline access to apprenticeships for workers and employers. It will also expand apprenticeships into new in-demand industry sectors and occupations.

The Registered Apprenticeship system is America's most successful federally authorized workforce development program. According to the Department of Labor, 94 percent of people who complete registered apprenticeships are employed upon completion, earning an average starting wage of above \$70,000 annually.

Investments in apprenticeships not only pay off for workers and employers, but they also benefit taxpayers and construction project owners. Increased spending on apprenticeship programs is

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<sup>6</sup> Office of Management and Budget, Statement of Administration Policy: H.R. 842 – Protecting the Right to Organize Act of 2021 (March 8, 2021), <https://www.whitehouse.gov/wp-content/uploads/2021/03/SAP-HR842.pdf>.

more than offset by several factors. These factors include higher tax revenues, reduced spending on public-assistance programs, increased worker productivity and reduced safety incidents.


Apprentices from registered apprenticeships are adequately trained and always work under the supervision of journey-level workers. Apprenticeship requirements mitigate safety risks and improve project quality. In addition, research has shown that these requirements generally increase the number of project bidders and reduce bid costs.<sup>7</sup> Numerous studies have shown that these programs improve diversity and equity within the construction workforce.<sup>8</sup>

Apprenticeships are vital to creating a strong economy and rebuilding the middle class and are the most effective, time-tested method of training electrical workers in an industry replete with physical hazards.

Utilizing Registered Apprenticeship Programs (RAPs) ensures that trained, highly skilled professionals perform work. RAPS provides a reliable supply of workers that can complete construction projects, thereby ensuring a return on public investment.

The National Apprenticeship Act was written closely with the IBEW and North America's Building Trades Unions (NABTU).

### Chapter Resources

Hyperlink	URL	QR
Registered Apprenticeship System Resources:		
<a href="#">Press Release: As Nation Faces Record Unemployment, Bipartisan Group Unveils Legislation to Expand Apprenticeships, Invest in Workforce Training</a>	<a href="https://edlabor.house.gov/media/press-releases/as-nation-faces-record-unemployment-bipartisan-group-unveils-legislation-to-expand-apprenticeships-invest-in-workforce-training">https://edlabor.house.gov/media/press-releases/as-nation-faces-record-unemployment-bipartisan-group-unveils-legislation-to-expand-apprenticeships-invest-in-workforce-training</a>	

<sup>7</sup> See, e.g., U.S. Office of Management and Budget, *Task Force on Apprenticeship Expansion: Final Report to the President of the United States* (2018), <https://omb.report/icr/201812-1205-001/doc/88448201> (apprenticeship programs increase productivity and are a “key tool for addressing America’s skills gap.”); U.S. Department of Commerce and Case Western Reserve University, *The Benefits and Costs of Apprenticeship: A Business Perspective* (2016), <https://files.eric.ed.gov/fulltext/ED572260.pdf> (apprenticeship programs are cost-effective due to higher worker productivity, improved safety and project quality, reliable project staffing, and reduction in employee turnover).

<sup>8</sup> See, e.g., Frank Manzo and Robert Bruno, *The Apprenticeship Alternative: Enrollment, Completion Rates, and Earnings in Registered Apprenticeship Programs in Illinois*, Illinois Economic Policy Institute (Jan. 2020), <https://illinoisepi.files.wordpress.com/2020/01/ilepi-pmcr-the-apprenticeship-alternative-final.pdf>; Larissa Petrucci, PhD, *Constructing a Diverse Workforce: Examining Union and Non-Union Construction Apprenticeship Programs and their Outcomes for Women and Workers of Color*, University of Oregon, Labor Education and Research Center (2021), [https://cpb-us-e1.wpmucdn.com/blogs.uoregon.edu/dist/a/13513/files/2021/11/Constructing\\_A\\_Diverse\\_Workforce.pdf](https://cpb-us-e1.wpmucdn.com/blogs.uoregon.edu/dist/a/13513/files/2021/11/Constructing_A_Diverse_Workforce.pdf).



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# IBEW POLICY BRIEF

## Chapter 6: Prevailing Wage Requirements

The IBEW supports prevailing federal, state, and local wage laws. Prevailing wage laws benefit workers, employers, communities and taxpayers by fostering an environment where skilled craftsmen and women complete projects safely and efficiently.

The Davis-Bacon Act covers contracts with the federal government or the District of Columbia over \$2,000 for construction, alteration, and repair, including painting or decorating, of public buildings or public works. Davis-Bacon requirements also extend to numerous “related Acts” that provide federal assistance through grants, loans, loan guarantees, or insurance.

The U.S. Department of Labor is responsible for determining local prevailing wage rates. The Wage and Hour Division issues two types of wage determinations: general determinations, also known as area determinations, and project determinations. A project wage determination is issued at the specific request of a contracting agency for a specific project. Usually, it expires in 180 days.

Although opponents of a prevailing wage claim that prevailing wage requirements increase project costs, harm the economy, and squeeze small businesses out of significant opportunities, the opposite is true. Davis-Bacon laws ensure that public construction jobs go to local residents, increasing state and local tax revenue. These laws also stabilize project costs and improve productivity and safety on the job site.

First, by establishing local wage rates as the prevailing wage rates on public works projects, Davis-Bacon laws encourage contractors to hire locally. Davis-Bacon also helps local contractors compete for local projects by protecting against under-bidding. Low-road contractors often underbid these projects by bringing in workers from other areas for less pay.



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Research shows that prevailing wage laws do not increase the overall cost of public construction projects. Construction labor costs constitute a comparatively low share of total project costs. Contractors who pay the prevailing wage can offset these costs because prevailing wage laws promote better training, greater skill levels, and higher productivity.

Furthermore, research shows that prevailing wage laws increase tax revenue to states and localities by ensuring that contractors hire locally and workers pay local taxes.

With prevailing wage requirements, large and small contractors can attract highly-skilled and trained workers. Prevailing wage rates within a locality ensure the quality of the craftsmanship on a project and that the workers can do the job right the first time. In addition, having the proper workforce prevents costly and time-consuming delays further down the road. When a contractor procures a highly skilled, extensively trained, safety-conscious workforce, their projects are completed safely, on time and within or under budget.<sup>9</sup> As a result, taxpayers get a fair return on investment for public projects funded by federal tax dollars.

Prevailing wage requirements bring stability to the inherently volatile construction labor market. These requirements benefit the industry in recruiting and training workers and maintaining the long-term supply of skilled labor.

## Recent Developments

### Davis-Bacon in the Bipartisan Infrastructure Law

Congress included Davis-Bacon protections in many programs under the Bipartisan Infrastructure Law (BIL).

The BIL applies Davis-Bacon labor standards to federally funded or assisted construction projects in three ways:

1. Adding funding to programs previously authorized by an existing Davis-Bacon Related Act
2. Adding new programs under the umbrella of an existing Davis-Bacon Related Act
3. Including provisions that expressly provide that Davis-Bacon labor standards apply to all construction projects receiving funding under particular programs created by or funded through BIL

### Proposed Updates to Davis-Bacon Regulations

On March 11, 2022, the DOL announced the publication of the proposed rule, "Updating the Davis-Bacon and Related Acts Regulations." The DOL proposed amending regulations that set forth rules for the pre-determination of Davis-Bacon wage rates. It also proposed amending the administration and enforcement of Davis-Bacon labor standards that apply to federal and federally-assisted construction projects.

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<sup>9</sup> See, e.g., Nooshin Mahalia, *Prevailing wages and government contracting costs* (2008), <http://www.epi.org/publication/bp215/>.

The Davis-Bacon Act was first signed into law by President Herbert Hoover in 1931. However, a Reagan-era overhaul substantially weakened the law. The Regan administration changed the calculation of local prevailing wage laws, which reduced the rate paid to workers on federally funded construction projects. The DOL's proposed regulations will restore the original formula and review it more frequently so that rates set for federal contractors continue to align with local construction wages. In addition, the update includes anti-retaliation language to protect workers who raise concerns about payment practices from being fired or discriminated against by their employer. There are also new strategies for recovering back pay.

The new regulations will deliver changes promised by President Biden to rebuild our nation's infrastructure and revitalize the economy through infrastructure investments that create good, union jobs.

The primary purpose of the proposed rule is to return to the 1935-1983 era three-step method of determining "prevailing wage" rates:

1. Any wage rate paid to a majority of workers
2. Suppose there is no wage rate paid to a majority of workers. In that case, the wage rate is paid to the greatest number of workers, provided it is paid to at least 30 percent of workers (i.e., the so-called "30-percent rule")
3. If the 30 percent rule is not met, DOL will use the weighted average rate

This reform will ensure that prevailing wages reflect the wages paid to local community workers. The proposed rule will also mean higher worker wages through faster prevailing wage updates. The updated regulation will provide internal safeguards to ensure that prevailing wages keep up with actual wages. The rule will also include more efficient enforcement of the act's standards. In addition, the proposed rule will enhance worker protection and enforcement, including debarment and anti-retaliation provisions.

The proposed rule is poised to have a substantial impact. Davis-Bacon laws cover roughly \$217 billion in annual federal construction contracts. As a result, the administration and Congress expect the Bipartisan Infrastructure Law to lead to the most significant surge in federal construction spending in modern history.

Due to the partisan environment in which President Biden and Congressional leaders negotiated, efforts to secure prevailing wage policies on all BIL programs were complicated by opposition from Republican-supported industry and corporate interests. Senate Republicans refused to support the law's inclusion of Davis-Bacon prevailing wage protections for new programs within the BIL. As a result, Davis-Bacon protections will apply to some – but not all – BIL-funded projects.

The Government Affairs Department continues to work closely with the Biden Administration, federal agencies and Congress to ensure that prevailing wage requirements and other meaningful labor standards are incorporated into federally funded and assisted projects to the greatest extent possible under the law.

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# IBEW POLICY BRIEF

## Chapter 8: Project Labor Agreements

A project labor agreement (PLA) is a pre-hire collective bargaining agreement that establishes the terms and conditions of employment for all construction crafts on a project.

PLAs increase the efficiency and quality of major construction projects for the private sector and local, state, and federal governments.

PLAs save taxpayers and investors billions of dollars, reduce the uncertainty inherent in large-scale construction projects, increase on-time, on-budget completion and guarantee a highly-trained and skilled project workforce.

### What are Project Labor Agreements?

#### A Cost-Effective and Efficient Tool

PLAs help government and private sector owners ensure efficiency and quality on large, complex construction projects by coordinating all the construction trades on the project and protect against costly work stoppages and delays with no-strike, no-lockout, and speedy dispute resolution provisions.

The workforce training requirements associated with PLAs also prevent costly delays and safety issues that result from unskilled workers' lack of knowledge and training. Projects are completed promptly, on budget and are done right the first time, because using a highly skilled and trained workforce with the highest project standards minimizes the need for work to be redone and results in fewer and less expensive repairs and maintenance in the future.

#### Flexibility, Financial Certainty, Communication

One of the primary reasons businesses and labor utilize PLAs is that each agreement is customized to meet the requirements of the type of project, including needs for:

- The project owners and contractors
- The skilled workforce necessary to complete the project
- The community hosting the project and many other factors that impact a construction job site



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The customization of PLAs is one of the most significant advantages of their use. It is also why businesses use them to complete complex construction projects.

PLAs facilitate more accurate budgeting and cost forecasting for project owners and contractors by establishing a set wage and benefits package for all craft workers and apprentices. PLAs also guarantee constant communication between contractors and their workforce throughout a project. The agreements coordinate each craft's work schedules and scope, resulting in the efficient use of materials, jobsite equipment, workers, and contractors.

### **Safety, Security, and No Skills Shortage**

PLAs ensure a project is safer by guaranteeing that all workers are well-trained. Worker training is critical since construction is one of the most dangerous industries. Using a highly skilled workforce protects project owners, contractors, and workers by reducing jobsite accidents. Contractors also pay less for workers' compensation due to employing a safer workforce. Importantly, PLAs provide guaranteed access to a steady pipeline of well-trained and highly skilled individuals. This pipeline ensures that there are enough craft workers throughout all project phases.

### **Communities and Careers for Local Residents and Veterans**

PLAs encourage veteran, local hire, and employment of women and people from communities of color, providing a pathway to a career in the skilled construction trades. In addition, PLAs help local businesses and communities by promoting the hiring of local workers. As a result, local workers spend their paychecks in the same cities and towns of the project.

### **Addressing the Federal PLA "Mandate Myth"**

The idea that the federal government can mandate union hire on their PLA projects is false. The fact is that the law prohibits the federal government from mandating that workers on PLA projects be members of a union. The PLA business model does not require or pre-determine that a workforce be union or nonunion. It allows the project owner, such as the government or private sector entity, to ensure successful project delivery. Efficiency is established by having uniform workforce standards that union and nonunion contractors and their workforce must meet as a condition of participating in the project. The type of project defines workforce standards needed for construction or maintenance and has nothing to do with union membership.



## **Recent Developments**

### **President Biden's PLA Executive Order**

President Biden signed an executive order on February 4, 2022, announcing that it is the policy of the federal government to use PLAs for its large-scale construction projects. It applies to all solicitations for contracts worth \$35 million or more for construction projects built by the federal government and its agencies. Based on FY2021 figures, this Order is expected to affect \$262 billion in federal government construction contracts.

The Executive Order does not apply where the federal government provides financial assistance to state or local governments for their projects. Due to this factor, many projects funded by the Bipartisan Infrastructure Law will not be subject to the Order.

## Chapter Resources

Hyperlink	URL	QR
PLA Resources:		
<a href="#">PLA Executive Order</a>	<a href="https://www.whitehouse.gov/briefing-room/presidential-actions/2022/02/04/executive-order-on-use-of-project-labor-agreements-for-federal-construction-projects/">https://www.whitehouse.gov/briefing-room/presidential-actions/2022/02/04/executive-order-on-use-of-project-labor-agreements-for-federal-construction-projects/</a>	
<a href="#">Fact Sheet</a>	<a href="https://www.whitehouse.gov/briefing-room/statements-releases/2022/02/03/fact-sheet-president-biden-signs-executive-order-to-boost-quality-of-federal-construction-projects/">https://www.whitehouse.gov/briefing-room/statements-releases/2022/02/03/fact-sheet-president-biden-signs-executive-order-to-boost-quality-of-federal-construction-projects/</a>	

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