

July 26, 2018

President Donald J. Trump
1600 Pennsylvania Ave. NW
Washington, DC 20500

Dear Mr. President,

On behalf of our free market organizations and the millions of Americans we represent, we urge you to rescind a failed Obama administration policy, [Executive Order 13502](#). This uncompetitive and costly policy encourages federal agencies to require project labor agreements (PLAs) on construction projects that cost more than \$25 million. In its current form, the system curbs fair competition and results in more expensive government projects for which taxpayers must foot the bill.

Government-mandated PLAs require contractors to subject themselves and their employees to union dictates should they work on a government-funded construction project. This is done by having contractors adhere to union wage scales, hire union labor, follow union work rules, and pay into union benefit plans that other non-union employees will be unlikely to tap into. As a result, similarly qualified contractors who use non-union workers and often make lower-cost bids are effectively locked out of the process.

Consequently, these agreements frequently produce higher construction costs than under open and fair competition for contracts. An array of academic studies indicate that these economically flawed agreements produce construction projects that are [12 to 18 percent](#) more expensive than comparable non-PLA projects. Taxpayers deserve to have their taxes spent in a cost-effective way to ensure each dollar's value is maximized, not wasted or used to fund organizations which engage in political and lobbying activity.

Because we applaud your dedication to fostering economic growth, we believe that keeping in place Executive Order 13502 runs counter to your economic message. We strongly support your deregulatory agenda and praise the recent passage of pro-growth tax reform, which continues to unleash unprecedented job growth. But to better serve workers, small businesses, and taxpayers, you should thoroughly examine nullifying the Obama-era Executive Order. Already, 24 states have passed laws or executive orders that restrict PLAs and prioritize open competition for government-funded projects.

For far too long Washington has placed a thumb on the scale when doling out taxpayer-funded federal construction projects. The out-of-date and economically perverse order signed by President Obama must be replaced with a true free-market alternative. We urge you to continue your efforts to reduce harmful and costly government interference by repealing Executive Order 13502.

Sincerely,

Pete Sepp, President
National Taxpayers Union

Tom Schatz, President
Council for Citizens Against Government Waste



Akash Chougule, Senior Policy Fellow
Americans for Prosperity

Grover Norquist, President
Americans for Tax Reform

Olivia Grady, Senior Fellow
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