



## Fact Sheet: President Biden's Pro-Project Labor Agreement Executive Order

On Friday, Feb. 4, President Joe Biden signed the [Executive Order on Use of Project Labor Agreements for Federal Construction Projects](#) at an event at the Iron Workers Local 5 union hall in Upper Marlboro, Maryland.

Government-mandated PLAs increase the cost of construction 12% to 20%, reduce competition from 87.4% of the construction industry workforce and steal up to 34% of wages from the token few nonunion workers allowed to work on a PLA jobsite.

Here is what you need to know about the PLA EO:

- The EO directs federal agencies to require PLAs on federal construction projects of \$35 million or more in value.
- Contracting officers can opt out of requiring a PLA only under a very narrow set of circumstances.
- The order directs the departments of Defense and Labor, along with the Office of Management Budget, to “lead a training strategy for the nearly 40,000-person strong contracting workforce on the implementation of this Order’s policy.” We anticipate federal contracting officers to be under tremendous pressure to mandate PLAs.
- The EO will trigger a Federal Acquisition Regulatory Council rulemaking. A proposed rule must be issued within 120 days of publication of the EO in the Federal Register. ABC will comment on the proposed rule and help ABC members do the same. A final rule will be issued after the FAR Council evaluates proposed rule comments from stakeholders and finalizes an effective date.
- The final rule will rescind and replace President Obama’s [pro-PLA EO 13502](#) and related FAR Council regulations.
- The EO does not affect federally assisted projects, although federal agencies have been pushing PLAs on federally assisted construction projects through grant applications and other tactics independent of this EO, [drawing the ire of GOP governors](#).
- The EO goes into effect immediately and strongly encourages federal agencies to mandate PLAs in advance of the final rule.

ABC anticipates the Biden EO, at least on paper, to make it much more difficult for federal contracting officers to rightfully decline to use government-mandated PLAs. ABC is evaluating legal options to challenge the EO policy and individual PLAs on federal construction contracts.

Following President Biden’s pro-PLA executive order, ABC activated a grassroots campaign urging U.S. House and Senate lawmakers to co-sponsor the Fair and Open Competition Act ([H.R. 1284/S. 403](#)), which would prevent the federal government from mandating PLAs as a condition of winning federal or federally assisted construction contracts. ABC members are encouraged to visit the [ABC Action Center](#) and urge their members of Congress to support FOCA. ABC also issued a [statement](#) opposing the EO, highlighting why government-mandated PLAs are bad public policy.

ABC will continue to invest in a variety of legal, public relations, legislative, political and other tactics to generate industry and public awareness about this issue in order to defeat federal PLAs and help elect merit shop majorities in the U.S. House, Senate and White House.