

CIANBRO



Testimony of:

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**U.S. House Transportation and Infrastructure Subcommittee on
Highways and Transit:**

“Reviewing the Implementation of the
Infrastructure Investment and Jobs Act”

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Chairman Crawford, Ranking Member Norton and Members of the Subcommittee on Highways and Transit:

Thank you for the invitation to testify this morning and for the opportunity to discuss the Infrastructure Investment and Jobs Act and efforts to modernize our nation's most critical infrastructure.

My name is Aric Dreher, and I am an assistant general manager for Cianbro, a full-service contractor that delivers world-class construction services for complex civil infrastructure projects throughout the country. Founded in 1949, Cianbro is one of America's largest, 100% employee-owned, open shop construction and construction services companies, operating in more than 40 states and employing more than 4,000 team members. Today, I am testifying on behalf of the Associated Builders and Contractors, a national construction trade association with 68 chapters representing more than 22,000 members.

In my role, I oversee all operations in Cianbro's infrastructure market. With more than 20 years of construction experience, I have led teams on some of the company's most innovative and challenging infrastructure projects, including the phased development of the District Wharf in Washington, D.C.; construction of the 175-foot-tall Capital Wheel at National Harbor overlooking the Potomac River; the U.S. Naval Academy's McNair Road Bridge replacement; and replacement of the I-295 Bridge over Veranda Street in Portland, Maine, in 60 hours using accelerated bridge construction methods.

The bipartisan Infrastructure Investment and Jobs Act has been hailed as a once-in-a-generation opportunity to build and repair our nation's most critical infrastructure, including the highways and bridges that have been in need of investment for decades.

During the debate over the IIA, ABC and its members expressed concerns regarding some of the bill's provisions, including the expansion of prevailing wage requirements, so-called "local hire" preferences, the extension of Buy America requirements and the significant authority granted to federal agencies through discretionary grant programs that could be subject to additional requirements under executive orders or agency directives.

At the time, ABC urged the Biden-Harris administration and our federal agencies to not

operate outside the scope of the bipartisan bill and implement the law in the same spirit of bipartisanship.

Since the bill was signed into law in 2021, the administration has taken executive regulatory action, departing from the congressional intent of the bill and showing clear and unnecessary favoritism toward unionized contractors and labor on taxpayer-funded infrastructure projects receiving federal funds. We have also seen significant changes in our economy that I believe will affect the overall success of this bipartisan effort, including record inflation, supply chain delays and workforce shortages.

Inflation's impact on construction cannot be understated. Since November 2021, when President Joe Biden signed the IIJA into law, input prices for construction projects have increased on average by 11.1%, and nonresidential construction materials prices are up more than 39% since February 2020. Combined with our current labor shortage and supply chain pressures, it is becoming increasingly difficult for construction projects to continue as originally planned.

ABC anticipates the construction industry will need to attract half a million additional workers on top of the normal pace of hiring in 2023 to meet the demand for labor. ABC has attributed a portion of this demand to a growing number of megaprojects associated with chip manufacturing plants, clean energy facilities and infrastructure, as well as too few younger workers entering the skilled trades.

Cianbro is doing our part to meet this demand. Cianbro's Pre-Apprenticeship Program supports those who are interested in the trades but have little to no experience get into the industry. Cianbro offers apprenticeship opportunities in several trades, including electrical, millwright, pipefitter, ironworker, carpenter, substation technician and power line worker. Our apprenticeship program is registered through the Maine Apprenticeship Program, which is federally recognized, and in each of these programs we utilize the nationally recognized National Center for Construction Education and Research's Core Curriculum. The apprenticeships provide team members with periodic classroom/hands-on instruction and continuous on-the-job learning where they can apply their education. Upon completion, team members become NCCER-certified, journey-level tradespeople, making journey-level wages with zero debt.

The construction industry is also facing significant supply chain challenges, with many in the industry finding it difficult to source consistently available building materials, such as lumber, steel and concrete. This has led to delays in construction as projects wait for materials to arrive or for new material sources to be found.

Additionally, we have seen delays in the delivery of components and parts required for specialized equipment for construction, such as cranes and excavators. The increased demand for construction equipment, driven in part by the new federal investment in infrastructure and other critical construction, has led to further delays and put pressure on suppliers to increase production.

The IJA Buy America provisions and the cumbersome waiver process that has been implemented will exacerbate these delays and added costs. While strategies to expand domestic jobs and manufacturing to avoid global supply chain disruptions and capture economic benefits within America must be supported, Buy America requirements must also be balanced with safeguards against drastic cost increases and excessive delays to infrastructure projects funded by taxpayers. Without these considerations, Buy America requirements could have a severe impact on the ability of contractors to complete jobs on time and on budget.

Finally, the after-the-fact regulations and strings attached to federal infrastructure grant programs will severely impact the allocation of IJA funds, restricting competition for taxpayer-funded construction projects to union contractors and workers at the expense of fair and open competition that provides opportunities for all qualified workers while offering the best value for taxpayers.

President Biden's Executive Order 14063 directs all federal agencies to require PLAs on federal construction projects exceeding \$35 million. ABC has also identified a significant number of Biden administration federal agency infrastructure grant programs—totaling more than \$250 billion for infrastructure projects procured by state and local governments—subject to language and policies promoting PLA mandates and preferences that will increase costs and reduce competition on federally assisted construction projects.

Multiple studies of hundreds of taxpayer-funded school construction projects found that

PLA mandates increase the cost of construction by 12% to 20% compared to similar non-PLA projects. PLAs also unfairly discourage competition from quality, qualified nonunion contractors and their employees, which make up 88.3% of the private U.S. construction industry workforce, effectively preventing many small, women-, veteran- and minority-owned construction businesses, which skew heavily nonunion, and their workforces from participating in federally funded construction projects.

Americans deserve more efficient and effective policies that will encourage all qualified contractors and their skilled workforces to compete to build long-lasting projects at the best price. Upholding the bipartisan principles included in the Infrastructure Investment and Jobs Act will be key to the enduring success of this legislation and the effective modernization of our country's infrastructure.