A Governor's Bridge to Unions

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BY PUTTING Maryland money on the table for a start on the new Wilson Bridge this fall, Gov. Glendening showed his determination to get the project moving. Now he is raising ire in neighboring Virginia by negotiating with unions to set work rules for the state's part of the project. The approach, hailed by unions and denounced by representatives of nonunion contractors, is known as a "project labor agreement," or PLA. Maryland Transportation Secretary John Porcari says the arrangement, which would include a no-strike clause, should ensure labor peace and the availability of skilled workers. Opponents argue that it will jack up costs, squeeze out nonunion contractors and impose onerous work rules. In fact, neither side knows for sure, because the terms of the agreement have yet to be negotiated.

Mr. Porcari says the state will seek an agreement to promote "fair and open competition"; prohibit strikes; protect small contractors and minority businesses; and promote worker training that can increase the availability of skilled workers. All of that sounds reasonable. But it's also fair for taxpayers to ask what effect the agreement may have on cost. Wages aren't the biggest issue, at least for now; in today's market most contractors are having to pay prevailing wages to get workers. But union work rules--which trades have jurisdiction over what work, holidays, the number of journeymen and apprentices required for different jobs--are all, at least in part, money issues. Gov. Glendening should guarantee openness as the agreement is negotiated so that Marylanders can judge whatever benefits and costs it may entail.

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Bridge Poker

In seeking a union-only Project Labor Agreement (PLA) for the Woodrow Wilson Bridge, Maryland Governor Parris Glendening is cashing in his chips with Big Labor and ignoring a labor contract's flaws.

A PLA stipulates union-only labor in return for a no-strike contract clause.

Engineers and transportation officials estimate the $1.9-billion project - only one-third of which is on Virginia property - will conclude in seven years (although some have predicted additional years and costs of $600 million). The federal government will pick up $1.5 billion of the tab; Maryland and Virginia have agreed to finance the remaining $400 million.

But Glendening’s chips are down. According to an October 18, 1998, Washington Post story, he had received "at least $127,750" from labor unions during his razor-thin gubernatorial victory (at the time, still weeks from Election Day). Also, the AFL-CIO spent more than a half-million on TV ads to help the Free State Democrat's cause. (Labor cronies chipped in thousands more in '94.)

Political payback can be the only logical explanation of Glendening's support of a PLA.

Consider:

-University of Baltimore economist Armand Thielbot released a study concluding that a Wilson Bridge PLA would fail the five criteria set forth by the U.S. Department of Transportation regarding PLAs. Specifically, union-only labor would increase bridge costs by $150 million and reduce "suitable personnel." In addition, strikes still might occur and no labor problems currently exist in the D.C. area that would require a PLA remedy.

-Because of Virginia's right-to-work status, the Commonwealth opposes a PLA, as does House D.C. Subcommittee Chairman Tom Davis of Virginia's Eleventh District and Maryland Congressman Robert Ehrlich, Jr.

-A PLA stifles competition by reducing the number of contractors eligible to bid on the bridge contract: Not all contractors enjoy using union-only labor.

Virginia transportation secretary Shirley Ybarra has it right when she says, Virginia continues to believe the best way to replace the Woodrow Wilson Bridge on schedule and within the project budget is through an open, competitive process that encourages participation by all qualified contractors . . . Virginia has no Intention of paying, directly or indirectly, for Maryland's decision to inflate labor costs through a [PLA].

Build the bridge quickly and efficiently - without the cost overruns union labor often causes. And if Maryland transportation bureaucrats do ink a union deal, then Virginia should maintain its poker face, call the bluff, and balk at anteing up additional cash.
GOV. PARRIS N. Glendening could be jeopardizing a new Woodrow Wilson Bridge over the Potomac River by seeking pro-union work rules on this $2 billion project.

The Glendening proposal has enflamed passions in Virginia, a right-to-work state that is splitting $400 million in bridge-replacement costs with Maryland. Virginia Gov. James S. Gilmore III has criticized Mr. Glendening and warned that his state won’t pay added expenses that could come with the work rules.

There’s a bigger concern, though. Funding for a new Wilson Bridge is at least $700 million short. Maryland and Virginia want Congress to come up with the extra cash, on top of the $900 million already appropriated.

But if Maryland imposes a Project Labor Agreement, requiring the use of union labor on its part of the bridge, a skeptical Republican Congress would have a ready excuse for a "no" vote.

Should Maryland be alienating both Virginia and Congress? Will Maryland taxpayers have to fork over the remaining $700 million?

Few federal projects have included Project Labor Agreements to avoid strikes. But now the Clinton administration has "strongly encouraged" agencies to implement them.

That wouldn’t make sense in Maryland, where 85 percent of highway work is already handled by non-union companies. A PLA could effectively exclude those companies from winning Wilson Bridge contracts, giving out-of-state contractors a bonanza.

A few big Maryland projects -- the Fort McHenry Tunnel and Ravens Stadium -- were built with dispute resolution clauses, known as labor stabilization agreements, to minimize work stoppages. But that’s a far cry from a union-only mandate.

Mr. Glendening might win kudos from labor unions for taking this stance, and from a future Gore administration in Washington.

But he may be creating new barriers for Maryland in Congress, and in dealing with Governor Gilmore. That’s too hefty a price for buying labor peace.

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No “union only” Wilson Bridge

It's not enough, apparently, that government officials are trying to replace one interstate drawbridge over the Potomac with another one. Now some are trying to increase the roughly $2 billion cost of a new Wilson Bridge to taxpayers in Virginia, Maryland and the United States by reducing the amount of competition available to do the job.

The Maryland Department of Transportation is studying, with the blessing of Gov. Parris Glendening, a plan to implement a so-called project labor agreement for bridge construction. In effect, such an agreement would guarantee the bulk of the work to organized labor in exchange for union promises not to strike or otherwise disrupt the project.

"God forbid that we have a union contractor working on this [bridge], and somebody strikes the project," Parker F. Williams, head of the State Highway Administration, told the Baltimore Sun. "If there's a way to make sure that doesn't happen, we're ... interested in pursuing it." The way Mr. Williams wants to pursue it is to lock out of the project non-union contractors who could do the work at least as well as their union counterparts and, in all likelihood, at a lower price.

From the perspective of taxpayers, this is less a "labor agreement" than a political shakedown. Why sign a deal that pays a premium to union workers just to get them to abide by a construction contract to which, presumably, they have already agreed? Because of the implicit union threat to disrupt the work — through stoppages or even violence — if they don't get the money or work they want. In any other circumstance, one might call such a threat "extortion." In construction work, one calls it merely a project labor agreement.

The Glendening administration's plans to give in to organized labor's demands come at an awkward time for bridge proponents. Already there is a funding shortfall facing the project of its $2 billion estimated cost, the feds have agreed to pick up about $900 million, with Virginia and Maryland picking up $200 million each. State officials hope federal, not state, taxpayers will pick up the rest of the tab, including overruns that might result from union-only contracts.

Maryland "may be prepared to make some kind of deal with labor unions that will blow up the cost of this bridge," Virginia Gov. Jim Gilmore said in an interview with WTOP radio. "You have to be very serious about a $2 billion project, so that the people of Virginia aren't left holding the bag."

One would like to think that government officials in Maryland and in the nation's capital would be similarly concerned. Why leave taxpayers anywhere "holding the bag"? The best way to ensure they aren't is to allow all companies — union and nonunion alike — to compete for work on the Wilson Bridge.
Non-Union Bridge

The Woodrow Wilson Bridge project ranks as one of the most worthy transportation projects in recent history. Everyone — excepting the anti-growth greenies and NIMBYists in the northern part of Virginia and in the Maryland 'burbs — realizes a new bridge over the Potomac remains vital for the nation's capital, as it accommodates (and would continue to accommodate) hundreds of thousands of motorists each day. The 5-mile segment in Virginia, Maryland, and D.C. associated with the bridge represents a critical link along the I-95 corridor stretching from Miami to Maine.

But rumblings from Beltway insiders indicate the federal government might push for a union-only Project Labor Agreement (PLA) on the $1.9 billion project, of which Virginia and Maryland together would contribute at least $400 million in financing. A union-only PLA would limit bidding to only those contractors agreeing to use all-union labor. In return, unionistas would promise not to strike, but:

— Virginia is a right-to-work state. If a Virginian wants to work as a welder or an electrician, then he does not have to join a union and pay union dues. Virginia companies cannot be forced into hiring only those with union cards.

— Union-only contracts reduce competition, thereby increasing costs. It's simple math: If 50 firms can do the job but only 10 will use union-only labor, then fewer firms will bid on a project. And fewer bids mean higher project costs. For example, 80 percent of all construction nationwide (excluding housing) is attributable to open-shop contractors; 75 percent of all construction workers have not joined unions. (A union-only project at San Francisco International Airport received just four bids, all higher than the pre-construction estimated labor costs.) And reduced competition simply is un-American: In a capitalist system, all firms with the means to handle a job should be allowed an equal opportunity to bid — union or non-

— Cost-overruns are typical of PLAs. Experts estimated that the Big Dig -- an underground highway in Boston -- would cost $2.5 billion. Now the project will cost $13.1 billion, due partly to labor cost-overruns. Recently a congressional subcommittee voted to block additional federal funds for the project. And,

— Just because unions sign a contract agreeing not to strike doesn't mean they won't. When they do, delays and additional costs result. (In 1988 union carpenters -- who agreed not to strike -- working at the San Francisco airport decided to strike for higher wages. The electricians, plumbers, and painters joined the strike in support of the carpenters, delaying the project and increasing its pricetag by $1 million.)

The Wilson Bridge construction project is far too important to entrust to union-only labor — at least on the bridge and the two Virginia interchanges. Build the bridge as quickly as possible, and without stifling competition and increasing the price.