



Commonwealth of Virginia
GENERAL ASSEMBLY
RICHMOND

Mr. Charles D. Snelling, Chairman
Metropolitan Washington Airports Authority
1 Aviation Circle
Washington, DC 20001

Dear Mr. Snelling:

We are writing you and the Metropolitan Washington Airports Authority (MWAA) Board Members today to express our opposition to two resolutions passed on April 6, 2011, concerning the costly tunnel alignment through the Dulles International Airport and the anti-competitive and wasteful project labor agreement (PLA) mandated on Phase 2 of the Dulles Corridor Metrorail project. These actions threaten the viability of the project altogether as well as threaten the well-being of our constituents who live and work in this area.

Quite simply, these resolutions taken together ask our Virginia constituents to take on huge added costs at the same time that the quality of life in their neighborhoods and communities will be negatively impacted. And who benefits from the financial harm to our communities? Parties with interests outside our area with no apparent regard for our constituents or those that will have to live with these poor decisions for decades to come benefit from these fiscally irresponsible decisions.

In the face of a revised \$3.5 billion to \$3.7 billion Phase 2 budget, both of these decisions are symptoms of a dysfunctional board that continues to disregard a commitment to advance Phase 2 of the project with a cost estimate as close to the original estimate of \$2.5 billion as possible. Neither local funding partners, nor our constituents who would be Dulles Toll Road users, nor the Commonwealth, can afford the results of these fiscally reckless decisions. These decisions were made with little consideration for the financial well-being of local funding partners or the well-being of the communities impacted by these unworkable plans. Increases in local taxes and Dulles Toll Road tolls needed to cover the escalating Phase 2 costs not only have the potential to cripple the Dulles Corridor's vibrant economy and quality of life, they threaten the viability of the project altogether and cause the support for the project to decrease daily.

As Secretary Connaughton pointed out recently, if these tolls were to be increased to the degree anticipated because of these higher costs, it is estimated that 30 percent of traffic would avoid the toll road. "If 30 percent of traffic avoids the toll road because of higher

tolls, where are they going to go?" the Secretary asked, to which he answered, "to the already overburdened and congested roads in Northern Virginia," which will then lead to increased wear and tear on those roadways as well as unacceptable harm to the quality of life of our local communities. This will also end up costing the state billions in additional costs to these harmed communities.

Given the current financial circumstances and the unsustainable costs associated with MWAA's current Phase 2 plan, it is essential that you reverse the decision to build the underground metro station at Dulles International Airport. The estimated \$330 million additional funds necessary to build the expensive aerial option offers little value to taxpayers and metro riders for such a hefty price tag. This decision will not be politically sustainable and unless reversed, the legacy of this Board could very well be "Rail to Wiehle."

We also find it fiscally reckless for MWAA to adopt the unnecessary resolution directing MWAA staff to include a PLA in the procurement documents for Phase 2 of the project. As you know, we raised the issue of PLAs in a hearing of the House Transportation Committee, held by Chairman May, in March. We never received satisfactory answers about the added costs from PLAs. Instead, this decision was made hastily with little discussion. If MWAA mandates a PLA in the specifications of Phase 2 bidding documents, it will harm local and Commonwealth taxpayers, increase costs for Dulles Toll Road users, and discourage competition from Virginia's qualified construction firms. It will also put the funding path for this project on an unsustainable path that our constituents simply will not accept.

Further, the logic MWAA board members used to mandate a PLA on Phase 2 is based on misinformation provided by special interests serving on the MWAA board. MWAA member Dennis Martire is the Vice-President of The Laborers International Union of North America (LiUNA). A Phase 2 PLA mandate will result in LiUNA, the labor organization employing Mr. Martire, receiving a financial windfall worth tens of millions of dollars resulting from an estimated 10 million man hours of labor supplied by LiUNA members. What are the potential conflicts of interest here? The public needs to know more about this situation. MWAA board members and staff cannot ignore such an appearance of conflict.

What's worse, is the potential economic consequences for Commonwealth taxpayers. Studies estimate PLA mandates increase the cost of construction by 12 percent and 18 percent compared to similar non-PLA projects, and these could very well be low estimates. MWAA's financial stakeholders can't afford the \$300 million to \$450 million in crony contracting costs added to the \$2.5 billion construction budget.

In addition, this is unfair to Virginia workers. Virginia can't afford the job losses resulting from this PLA, as 96 percent of Virginia's private construction workforce does not belong to a union, and they deserve a fair shot at these high paying jobs. Pro-PLA Board Members claimed that a PLA provides a steady workforce, implying that there was some type of worker shortages in today's economy. This has no basis in fact. A PLA

mandate will ensure that the majority of construction jobs created by Phase 2 will go to out-of-state businesses and union members, yet Virginia stakeholders are picking up the tab. Of course it is no small irony that the majority of those voting for this option that puts the tab on Virginia taxpayers don't live in the area that will be impacted. Such an outcome simply will not stand.

Perhaps MWAA board members have been misled into believing a PLA mandate is needed for Phase 2, as the Phase 1 PLA is credited for positive Phase 1 construction performance. But the fact remains that the PLA on Phase 1 was a voluntary PLA entered into by Dulles Transit Partners after they were awarded the Phase 1 contract, and it specifically exempted merit shop (nonunion) subcontractors. In short, it is fallacious reasoning to assume that the Phase 1 agreement and a PLA mandated on Phase 2 will produce the same results.

An independent entity is needed to conduct an investigation into how MWAA Board Members came to push such a proposal with so little review and discussion. There is much more transparency needed in this entire process that has far too frequently been conducted through executive sessions of the Board. The discriminatory and anti-competitive Phase 2 PLA mandate and underground tunnel at Dulles Airport are nothing more than a burden on taxpayers and Dulles Toll Road Users with no added benefit. It is time for MWAA to work with local finance partners to build Phase 2 in the most efficient, safe, and cost effective manner with the highest level of integrity to taxpayers and with a renewed reflection on the impact that such decisions have on those who live and work in the area.

Sincerely,



Delegate Tim Hugo



Delegate Barbara Comstock



Delegate Jim Lemunyon