



NEWS RELEASE  
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## VIRGINIA CONTRACTORS DENOUNCE MWAA PLA ON DULLES PHASE 2

DULLES, VA - On behalf of its 660 Virginia merit shop employers, Associated Builders and Contractors (ABC-VA) is deeply concerned by the resolution passed by the Metropolitan Washington Airports Authority (MWAA) on April 6 mandating a project labor agreement (PLA) in procurement documents for Phase 2 of the Dulles Corridor Metrorail Project.

### Phase 2 Mandated PLA Significantly Different from Voluntary Phase 1 PLA

The PLA resolution passed quickly, without an opportunity for public comment. Consequently, subtle yet critical nuances have gone unnoticed. Dulles Transit Partners voluntarily entered into the PLA on Phase 1 *after* they were awarded the contract and *merit shop subcontractors were exempted* from signing the agreement.

### Specific Areas of Concern

After reviewing the National Heavy & Highway Coalition's Heavy and Highway Construction Project Agreement recently circulated to MWAA board members, we are concerned that this Phase 2 anti-competitive PLA will harm taxpayers, increase costs for Dulles Toll Road users, and discourage Virginia's qualified construction firms and their skilled employees from bidding on the job.

- Because **96 percent** of Virginia's private construction workforce does *not* belong to a union, mandating a PLA will ensure that the *majority of construction jobs created by Phase 2 will go to out-of-state union members.*
- Merit shop companies will be prevented from using their own workforce and/or be limited on the number of existing employees they can use.
- Participants in federal and state-approved merit shop apprenticeship programs will be disqualified from working on the job because these programs are not union apprenticeship programs.
- Merit shop companies will be required to pay into a union benefits trust; however, because their employees will never see those benefits unless they decide to join a union and stay until vested, employers will also have to continue paying into their own existing company plans to ensure that their employees have health and retirement benefits.
- Depending on the health of the union-managed multi-employer pension plan affiliated with the

local trade unions dispatching labor to Phase 2 of the project, signing a PLA could prevent companies from qualifying for construction bonds needed to build future projects for MWAA or other customers.

- This specific PLA requires contractors to pay a Construction Industry Labor-Management Trust (CILM) \$375 for every \$1 million of the projects' award amount, with a contribution cap of \$50,000 per project. *This PLA specifies the payments made to the CILM must be sent to an address that also is the address of MWAA board member Dennis Martire's employer, Laborer's International Union of North America (LiUNA).*

### **Added Burden to Taxpayers and Toll Road Users with No Added Benefit**

Provisions in this PLA related to safety, drug testing, scheduling, strike prohibitions, and wage and benefit rates are already standard practice in most construction contracts. MWAA can require all of these provisions and federal Davis-Bacon prevailing wage and benefit rates without the anti-competitive and costly provisions of a PLA.

Studies of public works projects (in prevailing wage states where wage and benefit rates are uniform) indicate PLAs increase the cost of construction between 12 percent and 18 percent compared to similar non-PLA projects. Can MWAA and the local financial stakeholders really afford to risk adding an additional \$250 million to \$500 million in unplanned construction costs because of a special-interest PLA mandate?

### **Discrimination Has No Place in a Virginia Public Works Project**

Merit shop and union workers should have a chance to build this important project free of a discriminatory PLA mandate. The rights of employees to work regardless of race, color, creed, age, gender, national origin, *or membership in a labor organization* must be protected in Virginia.

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**About ABC-VA** — *The Virginia Chapter of Associated Builders and Contractors is a statewide, pro-business association representing construction and construction-related firms, with offices in Chantilly, Richmond, and Hampton Roads.*

*Founded in 1972, ABC-VA is the only association in Virginia that is dedicated to representing the interests of merit shop contractors. The Virginia Chapter is the leading provider of networking, education, political advocacy, and service to the commercial construction industry.*

*ABC-VA represents all firms in the commercial construction industry equally. Our membership represents the full range of contractors from the hometown local contractor to the large, global construction firm. ABC-VA equally represents the general contractor, subcontractor, materials supplier, and industry professional. Each member has an equal voice and an equal vote.*

*ABC-VA is an association that was created by contractors and is driven by its members. The playing field is level and the emphasis is on helping every contractor grow and succeed.*