**Reject Bills Harmful to State Taxpayers and Construction Industry (SB 182/HB 358, SB 995/HB1635 and SB 8/HB 833)**

As a member of Associated Builders and Contractors of Virginia and Virginia's construction industry, I am writing to tell you how proposed anti-competitive and costly legislation will harm Virginia's small businesses, kill jobs for Virginia's skilled construction workforce and needlessly force taxpayers to pay more for fewer construction projects.

Legislation introduced by Sen. Richard L. Saslaw (SB 182) and Del. Alfonso Lopez (HB 358) will eliminate Virginia's Fair and Open Competition statute restricting government-mandated project labor agreements—or PLAs—and allow state and local governments to mandate anti-competitive and costly PLAs on public works construction projects procured by state and local governments. Other bills by Sen. Scott A. Surovell (SB 995) and Del. Lopez (HB 1635) eliminate fair and open competition protections on Metrorail construction projects procured by the Washington Metropolitan Area Transit Authority, which would permit future PLA mandates on Metrorail construction projects similar to the controversial failed attempt to mandate a PLA on Phase 2 of the Silver Line.

When mandated by governments, PLAs prevent nonunion contractors and subcontractors—which employ 97.8% of Virginia's construction workforce—from building and working on projects funded by taxpayer dollars.

Government-mandated PLAs force contractors to follow union work rules and hire most or all workers on a jobsite from specified union hiring halls and union apprenticeship programs instead of journeyman and apprentices already employed by their company. That limits the pool of bidders, since nonunion contractors and even some union contractors don't want to abandon their existing employees and quality-control practices—key components of a safe and productive workplace—for strangers from union halls governed by unfamiliar rules.

Government-mandated PLAs also cause nonunion workers (and some union workers) to lose an estimated 20% in wages and benefits unless they join a specific union, pay membership dues and meet the union benefits plan's vesting requirements. It's a form of wage theft that will harm working families employed in Virginia's construction industry, as well as Virginia taxpayers.

For these reasons, a total of 25 states—including Virginia in 2012 (HB 33)—have passed measures prohibiting government-mandated PLAs on public works projects, thereby ensuring fair and open competition on taxpayer-funded construction projects so the public can get the best possible construction project at the best possible price.

In short, the proposed legislation will allow state and local governments to harm Virginia's small businesses, kill jobs for Virginia's skilled construction workforce and needlessly force taxpayers to pay 12% to 18% more for construction projects likes schools, affordable housing, roads, bridges and other infrastructure needs when PLAs are mandated. Virginia lawmakers should be creating opportunities for all Virginians to rebuild their communities instead of only well-connected special interests.

In addition, legislation introduced by Sen. Saslaw (SB 8) and Del. Jennifer Carroll Foy (HB 833) would result in prevailing wage requirements on public works construction projects at rates set by the U.S. Department of Labor, via the 1931 Davis-Bacon Act.

As amended, Sen. Saslaw's bill requires the payment of prevailing wages on all state construction projects greater than $250,000. And as amended, Del. Carrol Foy's bill requires payment of prevailing wages on all state construction projects and permits localities to adopt ordinances requiring prevailing wages on local projects.

Unfortunately, the U.S. Government Accountability Office has concluded DOL's wage determination process is unscientific and fundamentally flawed, because it typically sets rates that are anything but local, prevailing, timely or accurate.

Coupled with reducing competition and increasing compliance and regulatory burdens on businesses, it is no surprise the track record of prevailing wage laws in other states suggests it will result in increasing construction costs by 10% to 25%, which Virginia simply cannot afford.

The net impact of both of these proposals is that it will lead to tax hikes or fewer public works construction projects in Virginia, needlessly increase construction costs and steer contracts to out-of-state unionized businesses and unionized workers at the expense of 97.8% of Virginia's construction workforce.

I'd welcome the opportunity to discuss these important issues with you further as you evaluate this proposed legislation and urge you to oppose these measures. Thank you for your consideration.