

# SENATE BILL REPORT

## SB 5167

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As of January 23, 2017

**Title:** An act relating to prohibiting the use of mandatory project labor agreements by regional transit authorities.

**Brief Description:** Prohibiting the use of mandatory project labor agreements by regional transit authorities.

**Sponsors:** Senator Ericksen.

**Brief History:**

**Committee Activity:** Transportation: 1/23/17.

**Brief Summary of Bill**

- A Regional Transit Authority (RTA) may not use mandatory Project Labor Agreements (PLA).

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### SENATE COMMITTEE ON TRANSPORTATION

**Staff:** Hayley Gamble (786-7452)

**Background:** Project Labor Agreements. A PLA is a contract sometimes used in the construction industry to set labor-related terms and conditions including wages, benefits, and hours for a particular project or defined set of projects. A PLA is negotiated pre-bid between the project sponsor and local and/or national labor organizations and is typically used on projects that are large and complex. A requirement of bidders on a project with a PLA is to agree to abide by the terms of the PLA.

Sound Transit. An RTA is authorized to use its tax revenues to plan, construct, and operate high-capacity transportation, such as express bus service and light rail. There is currently one RTA, Sound Transit, which operates light rail, commuter rail, and express bus service in Puget Sound.

Sound Transit has been using PLAs since 1999 for construction of Sounder commuter rail stations and the light rail system. A master PLA was negotiated in 1999 with national and local building and construction trades and various local and international unions, and has

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been updated periodically since then. Organizations representing contractors and communities were also included in negotiations.

**Summary of Bill:** Legislative intent is stated to be to promote fair, open competition on regional transit authority projects and prevent discrimination against bidders based upon labor affiliation or lack thereof. The Legislature declares that PLAs may not be part of the competitive bid process.

An RTA may not require or prohibit a bidder on a project to adhere to a project labor agreement. A project bidder may still voluntarily enter into a project labor agreement. An RTA may exempt a project from these requirements relating to PLAs if, after public notice and a hearing, such an exemption would avert an imminent threat to public health or safety.

A PLA is defined as any pre-hire collective bargaining agreement with one or more labor organizations that establishes the terms and conditions of employment for a specific public works project.

**Appropriation:** None.

**Fiscal Note:** Requested on January 16, 2017.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:** PRO: We are against the use of mandatory PLAs. The use of PLAs should be left to the choice of the contractor. They disrupt local bargaining processes. If they were beneficial on a specific project, then contractors would choose to use them. PLAs require contractors to do business differently than they may want to, for example by hiring from union halls and paying into union-only pensions. There are no documented benefits to PLAs. PLAs are exclusive not inclusive and exclude non-union workers. They discriminate against small and women-owned businesses that are usually not union.

CON: We strongly oppose this bill. PLAs are not union contracts they are worker contracts. A PLA is a market based project efficiency tool and provides minorities access to the job market. Sound Transit has used PLAs since 1999 and contains social equity goals. PLAs have kept the projects proceeding efficiently. PLAs prevent project delays dues to strikes and slowdowns. PLAs have insulated Sound Transit from strikes. A strike could cost up to \$750K per day. PLAs standardizes work rules and conditions which is helpful in an area with many labor organizations. PLAs includes high apprenticeships requirements.

**Persons Testifying:** PRO: Frank Imhof, IMCO General Construction; Jerry VanderWood, Associated General Contractors of WA.

CON: Leslie Jones, Sound Transit; Lee Newgent, Washington State Building & Construction Trades Council/Executive Secretary.

**Persons Signed In To Testify But Not Testifying:** No one.