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Congress of the United States
House of Representatives

April 18, 2011

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Mr. Charles D. Snelling
Chairman
MWAA Board of Directors
1280 Church St
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Dear Mr. Snelling:

I write today to share my deep disappointment and concern with the Metropolitan Washington Airports Authority (MWAA) board's decisions regarding the selection of an underground station at Washington Dulles International Airport and the use of a Project Labor Agreement (PLA) for Phase 2 of Dulles Rail. These decisions will add significantly to the overall cost of Phase 2 and increase the financial burden on the residents of northern Virginia. In an editorial published on April 8, *The Washington Post* called the underground station, "hugely expensive, financially reckless and utterly unneeded." I could not agree more. Forcing northern Virginia residents to pay the tolls necessary to cover the extra cost of the underground station is irresponsible. Therefore, I ask that the board reverse the decision on the underground station and forego the use of a PLA.

You know from my previous letters of my support for the successful completion of Dulles Rail and that position has not changed. My overriding concern, however, is for the residents of Fairfax, Loudoun, Clarke and Frederick counties that use the Dulles Toll Road (DTR). It will be the parents taking their children to school and soccer practice in Ashburn, the business owner that uses the Toll Road on a daily basis to make deliveries or pick up freight at Dulles Airport, the realtor who will see home sales decrease in Leesburg due to the higher transportation costs, and the resident commuting from Berryville to Tysons Corner who will shoulder the heavy burden of the board's recent decision.

I share the concerns stated in the recent letter signed by Fairfax County Board Chairman Sharon Bulova, Loudoun County Board Chairman Scott York and Virginia Secretary of Transportation Sean Connaughton stating that the additional costs represent a direct levy on the residents of northern Virginia. Their letter lays out specific steps to be taken that will directly involve the funding partners in Phase 2 decisions. The MWAA Board should heed these recommendations. If Fairfax or Loudoun exercise their option to withdraw from participation in Phase 2, the costs they were scheduled to pay will have to be drawn from other sources. Has the board considered how it will cover the extra costs should the local governments decide the project is unaffordable due to the increased cost of the

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underground station? Considering the board had letters from Fairfax and Loudoun counties stating their opposition to the underground station, was the board's decision made without having contingency plans in place?

Consider how higher tolls will affect area businesses. Any business that operates a fleet of vehicles, such as plumbing and home repair companies, freight carriers, or general contractors that use the DTR daily will see their cost of business increase dramatically if the underground station is built. This will leave these companies with two choices: they will either charge customers a higher price or be forced to cut their payroll. These are the real and demonstrable consequences of the board's decision. Northern Virginia is currently the economic engine of the Commonwealth and Dulles Rail can make the region even stronger and more dynamic. But the decision to add the cost of an underground station to the Dulles Rail project will actually hurt the project and the region. Was the impact on residents and businesses not considered? Your decisions simply cannot be examined in a vacuum. It is clear that the MWAA Board ignored the consequences for individuals and businesses in northern Virginia. It is my understanding that the Washington Airports Task Force shares my views and stated last fall that it "strongly supports the aboveground solution, as it will eliminate significant costs, would be quicker to build, involves less risk, promises significant service improvements, and would provide a visual sense of destination for visitors."

The placement of the Dulles station has been one of the key Phase 2 decisions the board has had to make. The original estimate issued by MWAA put the cost of Phase 2 at \$2.5 billion, with a toll schedule predicting \$11.25 for a complete, one-way trip on the DTR by 2047. The board projects the underground location will add more than \$300 million to the cost of Phase 2, but that figure will go up when long-term financing costs are taken into account. I am dismayed that board members still chose an underground station, knowing that the added expenditure will directly impact the toll structure. With current DTR revenue, it will take four or more years just to pay for the underground station. Did the board ask for an estimate of what future tolls will have to be to cover the extra cost before making the final decision?

In addition to the decision to build an underground station, the board also adopted a resolution stating that the contract for Phase 2 should be subject to a PLA. While the contract for Phase 1 carried such an agreement, it was entered into voluntarily by Dulles Transit Partners and Bechtel after the contract was signed, and expressly exempted merit shop contractors from agreeing to the PLA. Requiring firms to agree to the use of a PLA before contracts are awarded would be a significant departure from the Phase 1 agreement.

It is my understanding that several large construction firms have indicated that they will not even submit a bid for Phase 2 if they are required to agree to a PLA. Fewer bids will decrease competition and drive up costs. In addition, the firms that may decline to offer a bid on a PLA contract are merit-based companies. Discouraging their bids will make Phase 2 subject to more costly union hiring, work and pension regulations. A study conducted by

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the Beacon Hill Institute examined a large sample of construction projects and determined that the use of restrictive PLAs increased overall costs by 12 to 18 percent. Once again, the board appears to have made a decision that ignores the increased tolls facing DTR users. In order to prevent these predictable cost increases, the board should abandon a PLA for Phase 2.

I have heard from many constituents from Ashburn, Leesburg, Herndon, and other parts of my district who are already feeling the impacts of the January toll increase on the DTR. These residents, and many others, will soon be forced to pay even higher transportation costs to finance the underground station. The board should reverse its recent decision before a request for proposals is solicited and contracts for Phase 2 are let. There is still an opportunity to shield northern Virginia residents from these additional costs.

I want to reiterate my support for the successful completion of Dulles Rail. It is because I want to see the project completed on time and at or under original cost estimates that I asked the U.S. Department of Transportation inspector general to conduct an ongoing audit of the entire rail project and the MWAA Board's operations. Dulles Rail can spur continued economic growth in northern Virginia. I urge the board to be faithful stewards of the public trust.

Best wishes.

Sincerely,

Frank R. Wolf
Member of Congress

FRW:cw