"Breaking news - in an effort to stop further extortion attempts against the San Diego Airport Authority, the Airport Authority Board has agreed to pay the local Building Trades Council a $100 million "one time" protection fee. According to Airport Authority officials, who spoke on condition of anonymity, prorated payments will be made over the course of the project for "strategic labor consulting" similar to the type of consulting Michael Avenatti offered to Nike.

Airport Authority Board Members, many of whom have a private sector background, justified the gift of public funds as a shrewd business decision. "Listen, the mark-up for a union-only Project Labor Agreement has been estimated internally to be at least 20 percent - that's $600 million on the $3 billion Terminal 1 upgrade. Negotiating down to $100 million is pennies on the dollar, and a good investment of Airport Authority dollars" said one board member.

Another Airport Authority Board Member pointed to theoretical state legislation threatening to remove the Board’s authority over the regions’ Airports, unless demands are met. "Well, if we don’t do everything that they say immediately, then we could possibly, maybe, sometime in the future, lose our ability to make decisions for ourselves."

When critics of the $100 million protection fee asked how
the authority could be sure it is a "one time" expense, they were met with blank stares and stunned silence."

Eddie Sprecco, CEO

Well, you probably realized while reading this that today is April Fools' Day! However, most of the satirical article above is actually true. Since the Airport Authority Board is much too ethical to pay a bribe, they are caught between giving in to a PLA that would cost an extra $600 million, and facing a distant threat to remove their decision-making authority.

The threat to the Airport Authority is "distant" because it would take a decade of legislation, litigation, and federal preemption to overhaul the board, with an uncertain outcome. This isn't as simple as past legislative attempts to "reform" local agencies - the Airport Authority would be a tough nut to crack.

The satirical $100 million protection fee, if legal or ethical, would actually be a great savings over a PLA due to "deadweight loss" known in economics as a cost to society created by market inefficiency. Since most PLAs are on public works, they are already covered by prevailing wage, so the craft workers aren't seeing more of that $600 million, but instead it is burned up by lack of competition, out of town contractors, double payment of fringe benefits, yadda yadda yadda.....

We can go through the bad economics of a PLA until we are blue in the face, but it always comes down to a political decision. Thursday's decision for the Airport Authority Board is simple:

1. Give in to the PLA demands at the costs of $600 million and throwing away local decision-making authority.

2. Say "NO" to the PLA.

Stop the Coercion to Put PLA on Airport Terminal 1 Rebuild - Call to Action!
Brad Barnum, Executive Vice President

It's time to stop the coercion that is occurring from Sacramento, specifically the threat by Assemblywoman Gonzalez to legislatively put the Airport Authority back under the control of the Port Authority unless the nine-member Airport Board agrees to a Project Labor Agreement (PLA) on the $3 billion Airport Development Plan (ADP). Just take a look at this recent tweet for her true intentions!
This Thursday morning, we will see if the threat works, as the Airport Board Authority considers a staff recommendation to "require contractors to enter into PLAs for the ADP projects."

AGC and its 1,100+ union and non-union member firms are opposed to government mandated, or coerced, PLAs. They limit competition, drive up costs, deny work to non-union apprentices, increase out of town contractors, and eliminate good paying health and welfare benefits. That wasn't the case ten years ago when the Airport Board rejected a PLA and approved the $2 billion Terminal 2 Green Build Project, which was built on-time, under budget, and with 85% small and local business participation. The projects were built by a local workforce, all receiving the health and welfare benefits owed to them!

Call to Action

Certain members of the Airport Board, the CEO of the Airport Authority, and the Vice President of Development, need to hear from the construction industry about the impacts to the ADP.

We have prepared a letter for you to email them...simply CLICK HERE and follow the instructions. It only takes one minute to send a clear message...Oppose a PLA, and don't give in to Assemblywoman Gonzalez!

Congress Takes Up Project Labor Agreements
Mike McManus, Director of Engineering Construction & Industry Relations

President George H.W. Bush's 1992 Executive Order "Open
"Bidding on Federally Funded Construction Projects" was the first serve in a PLA Ping-Pong match that has ensued ever since. The Executive Order prohibited federal agencies from requiring PLAs on federal construction projects, but did not prohibit contractors from voluntarily using PLAs where it improved the contractor's ability to manage the project.

President Clinton issued Executive Order 12836, which rescinded President Bush's previous Executive Order. Clinton then toyed with an Executive Order to encourage the use of PLAs when it "advanced the government's interest" on a project-by-project basis, but never signed it, probably due to pressure coming from the Republican-controlled Congress. Instead, he issued a memorandum encouraging the use of PLAs on federal projects over $5 million. A subsequent General Accounting Office Report, "Project Labor Agreements: The Extent of their Use," found that it's nearly impossible to show any savings, or increased quality, derived from the use of government-mandated PLAs.

In 2001, under Executive Order 13202, President George W. Bush canceled the Clinton order by effectively prohibiting government-mandated PLAs on federal and federally assisted construction projects. The Executive Order declared that neither the federal government, nor any agency acting with federal assistance, may require or prohibit construction contractors to sign union agreements as a condition of awarding the contract. The Building and Construction Trades (AFL-CIO) filed suit in federal court. They initially got an injunction stopping the Executive Order, but later lost on appeal and the Executive Order remained in place until....

In 2009, President Obama issued Executive Order 13502, which changed government policy, once again, to encourage the use of PLAs on construction projects where the federal cost exceeded $25 million. The Executive Order claimed that without a PLA, "large scale construction projects are likely to experience (1) labor disputes (2) interruptions in labor supply (3) a lack of project coordination and (4) uncertainty about the terms and conditions of employment of workers, all of which will lead to cost overruns and project delays."

So we looked for any studies of all construction during the Bush Presidency, expecting to find widespread labor disputes on federal and federally-funded projects leading to vast cost overruns and delays. In summary, a 2009 study by the Beacon Hill Institute found no evidence of any labor disputes, cost overruns, or delays due to the factors listed in the Obama Executive Order. That finding was related to over $57 billion in federally-funded construction during the Bush Presidency.

Last week, U.S. Senators Todd Young (R-Ind.) and David Perdue (R-Ga.), and in the House Representatives, Ted Budd (R-N.C.) and Francis Rooney (R-Fla.), introduced Legislation (S.
AGC Communications

EDUCATION CATALOG
JAN - JUNE 2019

AGC Constructor

CONSTRUCTION EDUCATION & SAFETY TRAINING CATALOG
January to June 2019

Ronald McDonald House Charities® San Diego

BUILD & SERVE CHARITABLE ALLIANCE

Volunteers needed for AGC’s Repair Day at Ronald McDonald House - Saturday, April 27

The AGC’s Build & Serve Charitable Alliance is calling for volunteers to help with some minor repairs at Ronald McDonald House (RMH) on Saturday, April 27.

The Build & Serve Committee provides a venue for AGC members to "give back" to the community. The committee selects charitable projects, organizations, and programs throughout San Diego County that provide AGC and its members an opportunity to help build or serve those in need.

Ronald McDonald House is in need of minor repairs in many of its rooms occupied by families. Families staying at RMH are experiencing a medical crisis for their critically ill or injured child, and RMH provides the comfort of home during a child's medical treatments.

AGC wants to help... so an "AGC REPAIR DAY" is scheduled for volunteers to do some caulking, painting, sealing grout,
Interested in advertising in AGC's "Good Faith Report"?
Contact:
Lisa Lovelace
Director of Plan Room Services

2019 MEMBERSHIP LISTINGS
Online Form

Please notify AGC if your company has relocated, or if there are any updates to your company's listing i.e. contacts, phone/fax, job titles, CSI codes, & certified business listings).

Email Marcy Knopman

253x713 spackling, touching up furniture, etc. So, round up your co-workers, friends, and family (17 and older) for a couple of hours of volunteer work on a Saturday. It's a great opportunity to meet like-minded individuals who enjoy giving back to our community.

Logistics:

RMH House Operations team will put together a list of repairs for each room.
Volunteers can sign up for a 2-hour time slot. For each time slot, RMH staff will group volunteers together into teams of four or five, and each team will have a designated captain. The team captain would be responsible for overseeing that work is completed. Tools and materials will be provided, however if you are able to donate any items on the list (see sign-up form), RMH would be very appreciative.

We need about 20 volunteers per time slot.
9:00 a.m. - 11:00 a.m.
11:00 a.m. - 1:00 p.m.
1:00 p.m. - 3:00 p.m.

LET's GIVE A HAND WHILE GIVING BACK!

Any questions, please contact Marcy Knopman (858) 731-8162.

EVENTS

AGC/EGCC Golf Classic - SOLD OUT
- Sponsorships still Available

A waiting list has now been started! CLICK HERE for the wait list registration form and tournament details.

Sponsorships still available, including the opportunity to set up as an ON-COURSE EXHIBITOR. (Exhibitors can bring their own non-alcoholic beverages, snacks, prizes and giveaways.) Sign up now to become a sponsor! CLICK HERE for Sponsor Form with more information on contest sponsors, beverage
If you have any questions regarding the tournament, please contact Rae Krushensky at raek@agcsd.org.

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May Classes

- May 1: Project Engineers Boot Camp
- May 2: Construction Law: Resolving Construction Disputes
- May 2: Fall Protection 8-Hour Competent Person Training
- May 2: Beginning Microsoft PowerPoint 2016 (Offsite)
- May 6: Advanced Microsoft PowerPoint 2016 (Offsite)
- May 6: Beginning Microsoft Excel 2016 (Offsite)
- May 6-10: EM 385-1-1 40 Hour with OSHA 30 Hour
- May 7: Stormwater Monthly Breakfast Forum
- May 8-9: CQM
- May 15: Intermediate Microsoft Excel 2016 (Offsite)
- May 15: Prevailing Wage: Certified Payroll & Compliance Training
- May 15: Respiratory Protection Training & Fit Training
- May 16: Traffic Control Technician (TCT)
- May 21: OSHA 10-Hour for Construction
- May 21: Construction BMP Training
- May 23: Primavera P6 Workshop
- May 29: Advanced Microsoft Excel 2016 (Offsite)
- May 29: CPR, First Aid & AED Training
- May 29: The Effective Project Engineer

For more information on classes, contact: Becca Schaffer at (858) 731-8155.

January - June 2019 Register Online

COMMITTEE MEETINGS

Meetings are held at the AGC office (6212 Ferris Square, San Diego, CA 92121) unless otherwise noted in red.

April Meetings

- Apr. 3: Safety Meeting
- Apr. 8: San Diego Port @ Port Offices
- Apr. 16: Water Authority Meeting
- Apr. 16: Meetings & Events
- Apr. 17: Government Relations
- Apr. 18: Specialty Contractors' Council
- Apr. 26: Technology Committee
- Apr. 30: City of San Diego
May Meetings

May 1       7:00 a.m.       Safety Meeting
May 8       7:30 a.m.       Build & Service Charitable Alliance
May 15      7:00 a.m.       Public Building
May 15      11:30 a.m.      Education Committee
May 23      1:30 p.m.       County of San Diego @ County Office

About Monday Morning Quarterback
AGC San Diego Chapter's Monday Morning Quarterback is a "hot off the press" and to the point Monday morning briefing on the important issues facing San Diego's construction industry. It is prepared by AGC Chief Executive Officer, Eddie Sprecco, and Executive Vice President, Brad Barnum.

Please contact Eddie Sprecco or Brad Barnum with your comments, or with information that should be conveyed to the industry through this service. Well over 3,000 individuals employed by AGC member firms are part of this system.

ARCHIVE
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