



A bold voice for transportation workers

August 17, 2018

Dating back to the Urban Mass Transportation Act of 1964, Congress has recognized the important role of the federal government in ensuring the development of efficient and coordinated mass transportation systems, and FTA has followed that precedent for more than 50 years.

The federal government ensures the connectivity and continuity of the network by setting requirements which attach in the presence of federal funds. These standards guarantee that anywhere the government is supporting the development of transit projects, they are built and operated to high standards, provide critical protections to workers, and address the needs of the American public.

The definition of a federal project which permits for “segmenting” of the project to avoid compliance with these requirements is simply inconsistent with decades of intent from Congress and regulators. These requirements are not an arbitrary checklist that can be manipulated to better suit the interests of a hypothetical private entity. Instead, they speak to the minimum protections and provisions that the federal government mandates in return for tax payer dollars.

It would be a serious mistake to weaken or eliminate the application of federal standards to transit projects funded in any way by the FTA. These federal rules, taken together, have helped transit investments create and sustain good jobs in construction, transit operations and transportation manufacturing. Further, they are a key component in the enforcement of rigorous safety standards and the continual push towards bringing the transportation network into a state of good repair.

In particular, we note that any proposal of this nature is one which seeks to ensure that workers and American manufacturing are put in harm’s way. These critical requirements include protections like Davis-Bacon, which provides a living wage for construction workers while ensuring that projects are completed safely by trained personnel. This could also include the denial of Section 13(c) transit labor protections, which safeguard the rights and jobs of transit workers across the country. Finally, despite the Administration’s pledge on supporting American manufacturing and products, any definition created to evade federal requirements guarantees that Buy America provisions will be skirted in favor of importing steel and iron from foreign countries.

Transportation Trades Department, AFL-CIO

815 16th Street NW / 4th Floor / Washington DC 20006

Tel: 202.628.9262 / Fax: 202.628.0391 / www.ttd.org

Larry I. Willis, President / Greg Regan, Secretary-Treasurer



Congress has already, repeatedly, rejected similar efforts to undermine existing law. MAP-21 contains language which was specifically crafted to ensure that sponsors receiving FHWA funds could not segment projects to avoid their Buy America responsibilities, by requiring that Buy America apply to all contracts eligible for assistance in a particular project. Similarly, the law also applies procurement standards to utility relocation work done as part of a federally funded highway project, even if the contract for the utility work itself is not done with federal money. In both cases, Congress took a hard stance against the notion that sponsors could simply avoid requirements by cleverly restructuring their planning process.

We further note that Congress's position was born out of the real life consequences of fracturing transportation projects. Between 2006 and 2013, California embarked on a massive effort to rebuild the San Francisco-Oakland Bay Bridge. California segmented the project, allowing the state to avoid federal procurement requirements in order to use foreign steel for large portions of the construction. The Chinese-made steel ultimately turned out to be deeply substandard, causing catastrophic structural issues for the bridge. Because of this, and other issues, what started as a \$1.4B project ended up costing well over \$6B. Failures like these demonstrate the need for cohesive transportation development under federal requirements, as opposed to the piecemeal strategy adopted by California and discussed here by FTA.

Finally, any answer on FTA's question on whether these requirements disincentivize private participation is a moot point. The standards and protections are critical tenets in our national belief that when American tax payer dollars are expended, they are spent in way that promotes a comprehensive and cohesive transportation system, supports American industry, ensures fair pay, and protects employees. A strong, well-funded and enforced federal program is the most powerful tool available for the development of transportation systems. While TTD does not wholly reject the concept of private participation in the transportation sector, this participation must not be predicated on schemes which undermine the transportation network or harm the American worker. We strenuously object to any proposal that seeks to do so.



Larry Willis
President, Transportation Trades Department, AFL-CIO