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BUILDING TRADES BULLETIN

August 6, 2014

Republicans Launch Latest Attack On Prevailing Wage and Skilled Workers

The never-ending attack on working families by Republican politicians has gathered new steam recently, with a block of 10 Republican U.S. Senators from the South and Midwest introducing new legislation to repeal the Davis-Bacon Act, the 1931 law requiring that wages paid on federal public works projects are at levels prevailing in the locality of the project for similar crafts and skills on comparable construction work.

The repeal measure would have the direct effect of cutting construction workers' pay. What makes this effort particularly interesting is that the Republican authors are being unusually blunt about their motives, flatly admitting that their goal is to push out highly skilled union workers and replace them with lower paid, unskilled workers.

In an opinion column in the conservative magazine *National Review*, Senator Lamar Alexander, R-Tennessee, actually wrote: **“If employers know they must pay a predetermined wage, there is no incentive for them to hire inexperienced workers over experienced, unionized workers.”** He further emphasized that Davis-Bacon **“robs unskilled workers of a fair shot at getting hired,”** and in a statement, called the decent wages earned by skilled union workers a **“handout.”** Co-author Mike Lee, R-Utah, was quoted in another article saying Davis-Bacon **“removes the incentive for federal contractors to hire unskilled, nonunionized workers.”**

It can't be much clearer than that; the race to the bottom – lowering workers' skills, wages and standard of living, and sacrificing the quality of public works construction – is their only priority. Fortunately, as long as Democrats have a majority in the Senate, together with a small but solid group of Republicans who still support American workers, and with President Obama in office, this repeal attempt has no realistic chance of advancing. But it clearly illustrates the nightmarish future most Republicans have in mind for working families should they ever regain the White House and control of both houses of Congress.

Here is Alexander's entire National *Review* column, with the cited sections emphasized.

NATIONAL REVIEW

July 30, 2014 4:00 AM

Repeal Davis-Bacon

Give taxpayers — and non-union construction workers — a break.

By Lamar Alexander

This month, I joined Senator Mike Lee of Utah in calling for repeal of a law governing federal construction projects that is giving unions the upper hand and costing taxpayers billions.

The Davis-Bacon Act, which became law in 1931, requires all contractors and subcontractors working on federal construction projects worth more than \$2,000 to pay their workers the local “prevailing wage,” as determined by the Department of Labor.

This Depression-era law means that instead of getting the job done for the lowest possible cost, contractors are forced to pay artificially inflated wages on everything from building bridges to repairing roofs to painting line dividers on our roads.

In 1995, when I was a candidate for president of the United States, I urged the repeal of legislation that extended Davis-Bacon provisions to school construction and renovation, saying: “That means a principal in Moline who wants to hire a contractor to rewire his school for new computers must pay the prevailing union wage rather than getting the job done for the lowest cost. It’s a big favor for the unions, but no favor at all for schools, efficiency, or economy.”

I said this nearly 20 years ago, but these words remain just as true today. Davis-Bacon is a disservice to workers in the construction industry, and a burden to taxpayers, who ultimately foot the bill for this wage subsidy.

First, Davis-Bacon ***robs unskilled workers of a fair shot at getting hired***, instead tilting the scales in favor of big labor unions. ***If employers know they must pay a predetermined wage, there is no incentive for them to hire inexperienced workers over experienced, unionized workers***, even for a job that would require minimal training. Because only 13.2 percent of the private construction workforce is unionized nationally, Davis-Bacon has the effect of discriminating against 86.8 percent of construction workers.

Second, in addition to harming non-unionized workers, the Davis-Bacon Act sends an annual bill to taxpayers to the tune of \$8.6 billion, according to a 2008 Suffolk University study.

The nonpartisan Congressional Budget Office (CBO) reports that Davis-Bacon requirements increase construction costs not only by raising wages on federal projects and requiring labor to be used inefficiently, but also by imposing reporting and paperwork requirements on contractors. The CBO estimates that repeal would save \$12.7 billion over ten years.

In 1979, our congressional watchdog, the General Accounting Office (now renamed the Government Accountability Office), issued a report titled “The Davis-Bacon Act Should Be Repealed.” This report called the law “unnecessary” and pointed out that the Department of Labor had yet to conceive of a program to issue accurate wage determinations.

Still, today, data on prevailing wages are expensive to collect and subject to error, bias, and fraud. Even after millions of dollars have been spent in an attempt to improve data collection, the department's inspector general has found that these problems are still prevalent.

Senator Lee's bill to repeal this law, the Davis-Bacon Repeal Act, is co-sponsored by Senators Ted Cruz (R., Texas), Tim Scott (R., S.C.), Jeff Sessions (R., Ala.), Tom Coburn (R., Okla.), Ron Johnson (R., Wis.), John Cornyn (R., Texas), Marco Rubio (R., Fla.), and David Vitter (R., La.).

There is overwhelming evidence to support eliminating this law, and I hope our colleagues will join us in calling for its repeal. Let's move away from bureaucracy and union favoritism and toward fairness for American construction workers and taxpayers alike.

— *Lamar Alexander represents Tennessee in the U.S. Senate, where he is the ranking Republican on the Senate labor committee.*