



SHEET METAL AND AIR CONDITIONING CONTRACTORS' NATIONAL ASSOCIATION

March 18, 2011

United States Senate
Washington, DC 20510

Dear Senator:

The Sheet Metal and Air Conditioning Contractors' National Association (SMACNA) is supported by more than 5,000 construction firms engaged in industrial, commercial, residential, architectural and specialty sheet metal and air conditioning construction in public and private markets throughout the United States. SMACNA members can be found on a wide variety of projects across the nation in urban and suburban areas. We specialize in heating, ventilating and air conditioning; architectural sheet metal; industrial sheet metal; kitchen equipment; specialty stainless steel work; manufacturing; siding and decking; testing and balancing; service; and energy management and maintenance. **On behalf of SMACNA, I want to express our strong opposition to the DeMint Amendment to repeal The Davis-Bacon Act (S.A. 167) to S. 493, The SBIR/STTR Reauthorization Act of 2011.** We ask that the Senate reject this misguided amendment as it did the amendment offered by Senator Paul (R-KY) recently. By rejecting these misdirected and largely political attacks on Davis-Bacon the Senate sends a strong bipartisan message supporting common sense economics as well as construction quality and productivity. **It is important to our firms and employees across the United States that locally prevailing wage, benefit, construction quality and employment standards be maintained and vigorously enforced.**

SMACNA and our thousands of highly skilled infrastructure contractors urge that **S. 493** not become a pawn in the efforts by Senator DeMint and others to undermine the importance and merit of prevailing wages as part of any quality based public procurement policy. Federal, state and local prevailing wage laws encourage employers to:

- Pay a locally prevailing wage
- Offer health care coverage to their employees and their families
- Provide for the future retirement of their employees and
- Make a significant investment in the future by training a skilled and safety conscious workforce.

Support of prevailing wages on public infrastructure represents a commitment to construction quality and the future. Without prevailing wage statutes, many contractors will simply shift the cost of employee health, training, retirement and welfare benefits to localities across the nation. Support of a prevailing wage policy fosters practices and programs directly reducing today and tomorrow's burden on the public sector. **Members of Congress should understand that cost shifting by firms opposing prevailing wage coverage often offer unskilled, low wages / no benefits workforces without real savings for communities on public construction.**

From decades of experience SMACNA member firms understand the merit in a quality driven public procurement policy that encourages employers to provide quality wages, benefits and training. Further, we know that continuing federal commitment to reflecting the locally prevailing wages and benefits should not be



CAPITOL HILL OFFICE: 305 4TH STREET NE • WASHINGTON DC 20002
PHONE: 202 547 8202 • FAX: 202 547 8810

HEADQUARTERS: 4201 LAFAYETTE CENTER DRIVE • CHANTILLY VA 20151-1209
MAIL ADDRESS: P.O. BOX 221230 • CHANTILLY VA 20153-1230
PHONE: 703 803 2980 • FAX: 703 803 3732
WEB: www.smacna.org

cast as a union versus nonunion issue. According to Department of Labor reports, nearly 75% of Davis-Bacon decisions for federal projects pay less than the union wage. In fact, most prevailing wage rates are far below union scale, some at or nearer the minimum wage than a union rate, almost all without fringe benefits of any kind. Prevailing wage laws seek to prevent the federal government from undermining local economies and prevailing local employment and training practices by reflecting local conditions.

We also ask that you carefully reconsider the critical role the Davis-Bacon Act plays in maintaining a well-trained, highly productive construction workforce. To date this important impact has been almost entirely overlooked. When productivity, quality of workmanship and life cycles costs of complex construction are taken into consideration, it becomes apparent that prevailing wage law is not only **NOT** costing the government money, but is most likely saving it money. More than half of major private construction is awarded based upon a negotiated rather than a low-bid basis for this very reason -first costs are not a true indication of the overall cost or quality of construction projects. Numerous studies in recent years have used actual Dodge Reports for thousands of construction project to document lower costs for certain building types in prevailing wage states as compared to non-prevailing wage states due to the greater productivity of trained, skilled workforce.

While Congress has received largely misleading, exaggerated and inaccurate information from anti prevailing wage forces on both the estimated savings and the policy consequences of using locally prevailing wages, we applaud recent Senate and House votes providing clear indications of bipartisan support for the Davis Bacon Act in the 112th Congress. It is important that first - quality construction corporations not be disadvantaged when bidding federal projects because they offer their employees locally prevailing wages, health care, pensions and skill training. This would be the impact if the prevailing wages were excluded from major federal infrastructure spending programs.

We ask for your support of the Davis-Bacon Act and **urge defeat of the DeMint Amendment (S.A. 167)** as part of the debate surrounding **S. 493**. We offer to meet with you and your staff to explain how enforcing local prevailing wage and benefit standards best serve the taxpayer, construction quality, productivity and safety for all public projects.

Sincerely,



Stanley E. Kolbe, Jr.
Director, Governmental Affairs
SMACNA, Inc.
Capitol Hill Office