



DAVIS-BACON PREVAILING WAGE LAWS

POSITION:

SMACNA opposes repeal of the Davis-Bacon Act, in whole or part; SMACNA supports prevailing wage provisions in innovative financing, believing that Congress needs to actively work to increase funding for infrastructure improvements. America's infrastructure will continue to deteriorate until Congress begins to fund the projects. The improvement of the country's infrastructure demands the highest quality and safest work product. To ensure this highest quality construction, job-site safety, and to encourage apprenticeship and training, Davis-Bacon prevailing wages should be applied to these projects.

ISSUE:

The Davis-Bacon Act requires that the local prevailing wage rate be paid to various classes of laborers and mechanics working under federally financed or federally assisted contracts for construction, alteration, and repair of public buildings or public works.

In September 2005, President George W Bush suspended Davis-Bacon prevailing wage rates in the Gulf State areas affected by Hurricane Katrina/Rita. Major movement was made by members of both House to get the president to reverse his decision.

KEY POINTS:

- Davis-Bacon is as valid today as it was when it was enacted 74 years ago. It still protects local economies and the interest of the government in job quality, cost-effective construction and safety.
- Some legislators attempt to repeal the Davis-Bacon Act piecemeal by exempting more and more construction from its provisions. This is a back door attempt to achieve what Congress does not allow through the front door.
- Objective studies show that the Davis-Bacon Act and its implementation at the state level protect builders, workers, and local economies alike, while maintaining competitive prices, job quality, and job-site safety- all of which suffer where Davis-Bacon requirements are removed.
- Davis-Bacon's detractors suggest that coverage for so-called "innovative" financing is expansion of the Act. In fact, Davis-Bacon coverage has been applied to a variety of federal programs that provide financial assistance other than, or in addition to, the traditional method of financing construction with direct federal grants.
- Given the downturn in the construction industry, needed infrastructure authorizations need to pass and need to provide full Davis-Bacon coverage. Every billion dollars in infrastructure funding that the government puts into the economy creates 47,000 jobs.
- The highly technical mechanical and HVAC systems required for infrastructure repair and new technology systems will require highly skilled labor for installation. Application of the Davis-Bacon Act facilitates the bona fide apprenticeship programs that produce these skilled workers.
- Dr. Peter Phillips of the University of Utah found that when Kansas repealed its state prevailing wage laws, there were no significant savings in school construction costs. Apprenticeship training fell 38 percent, employer contributions to pension and health funds decline 17 percent and worker injuries rose 19 percent

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