



Thursday, April 14, 2011
Press Office, 202-226-0853

Rep. Lynn Woolsey (D-Calif.) Opening Statement

WASHINGTON, D.C. – Below are the prepared remarks of U.S. Rep. Lynn Woolsey (D-Calif.), senior Democrat on the Workforce Protections Subcommittee of the House Committee on Education and the Workforce hearing on “Examining the Department of Labor’s Implementation of the Davis-Bacon Act”.

I appreciate the Chairman holding this hearing to examine the Department of Labor’s implementation of the Davis-Bacon Act because it provides us a forum to highlight how it has helped maintain decent wages for workers and supported local communities that are vulnerable to changes in the economy.

Of course, we’re also here because the Government Accountability Office (GAO) has determined that there are issues with the survey process used by the Department of Labor to determine local prevailing wages. GAO found that at times surveys use outdated wage data and had low response rates. It is my understanding that the Department has instituted policies to address some of these issues.

Let’s be clear: we all agree that the Department must work to see that its survey process is effective and the wage rates it publishes for federal projects are accurate. Making sure federal policies work as intended is not a partisan issue.

We should be careful, though, not to read into the GAO report and draw conclusions that it doesn’t make. The GAO’s report does not conclude that Davis-Bacon drives up the costs of construction projects or inhibits job growth. These are discredited theories that don’t hold up to scrutiny.

The Davis-Bacon Act requires contractors on federal construction projects to pay their employees no less than the locally prevailing wage. This is important because it ensures that the federal government does not use its bargaining power to drive down wages which would hurt local economies. Instead, the Act makes certain that federally financed projects encourage competition, contribute to the development of a skilled workforce for the future, and pay decent wages. This is sound and proven public policy.

Without prevailing wage laws, like Davis-Bacon, contractors would be encouraged to assemble the cheapest and most exploitable workforce rather than best trained, equipped, and managed workers. It would be a race to the bottom, subsidized by the federal government.

Much of the opposition to prevailing wage protections is grounded in decades of false rhetoric and misinformation. Studies consistently show that Davis-Bacon prevailing wage requirements DO NOT increase the cost of federal construction. In addition, several reports on prevailing wage requirements have found that prevailing wages provide numerous benefits including: higher wages, better workplace safety, increased government revenues, and they elevate worker skills and standards in the construction industry.

Likewise, a 2006 study determined that states with prevailing wage laws had higher rates of construction training programs, and trainees were more likely to complete their programs compared to states without prevailing wage laws.

We have seen the effects when prevailing wage laws have been repealed at the state level – competitive pressures in the industry lead to lower wages for workers. There is also an increase in work-related injuries and illnesses.

The last thing construction workers need in this economy is to have their wages cut. At the end of the day, that is just what any argument against Davis-Bacon prevailing wage protections would amount to – a reduction in wages and the elimination of a standard of living for workers where they can raise and educate their families, while ultimately ensuring their own retirement. Mr. Chairman, I have confidence that we can use this hearing constructively to discuss the legitimate issues raised by the GAO and not as a policy debate regarding the merits of Davis-Bacon.

<http://democrats.edworkforce.house.gov>