



Alaska State Legislature

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MAR 7 1

Please enter into the record my testimony to the Labor & Commerce
committee name

committee on HB 155 dated 03-07-2011
bill/subject

I am here to urge the members of the Committee to Not modify, change or adjust any thresholds, definitions or language to Title 36 Davis Bacon. We all have felt the effects of the most severe economic set back since the Great Depression and now to bring forward Legislation suggested in HB 155 that would have already struggling Alaskan workers, working for even less. How can undercutting a workers wage while more than likely promoting substandard work practices at the same time. HB 155 has negative effects on both Non-union & union workers. The lowering or removal of Title 36 Davis Bacon standards lowers the standards of all workers leaving them less able to afford medical insurance or maintain their Trust Funds. Save or set aside something for future or fund Pension plans. Ultimately these ~~costs~~ costs and expense will fall on the State and community.

Signed: Gregory B. Kucera
Testifier

Representing (Optional)

13511 Venus Way Anchorage Alaska 99515
Address

907-223-6024
Phone No.



Alaska State Legislature

Please enter into the record my testimony to the House Labor & Commerce
committee name
committee on 155 dated MARCH 7th 2011
bill/subject

THIS IS TO TESTIFY I AM AGAINST THIS
CHANGE BECAUSE ITS ONE STEP TO LOWER ALL
AROUND WAGES AND OPENS THE DOOR FOR EVERY
SKILLED LABOR IN THE PEOPLE WE NEED TO
KEEP DAVID BARTON ON EVERYTHING OVER 2600
TO KEEP THE WAGE STABLE ON GUN JOBS AND
KEEP SKILLED LABOR ON THEM. NOT FLY BY NIGHT
OPERATIONS TO BE THE ONES BUILDING OUR
PUBLIC STRUCTURES AND KEEP OUR ECONOMY
GOING IN THE SKILLED LABOR SECTOR IN OUR
MIDDLE CLASS WORKERS.

Signed: Pat M. Walker
Testifier

Representing (Optional)

WASILLA AK

Address

907 521-1487

Phone No.



Alaska State Legislature

Please enter into the record my testimony to the House Labor & Commerce
committee name

committee on HB-155 , dated 3-7-11
bill/subject

① I Harry Leffler oppose HB155! It is unnecessary.
It threatens an established standard of living, & has the
potential to compromise safety on our public infrastructure.
This is neither a union or non-union issue, in fact
it will definitely hurt non-union workers more
than union workers.

Signed: _____

Testifier

piledriver & Diver local 2520
Representing (Optional)

1600 Betula cir. Anchorage, AK 99507
Address

907. 513-4777
Phone No.



Alaska State Legislature

Please enter into the record my testimony to the House Labor & Commerce
committee name
committee on House Bill 155 , dated 3/7/11
bill/subject

I want to leave it alone. I don't want outsiders coming & taking jobs away from me and my family. The cost of living is substantial here in Alaska, and by passing this law your stealing money & food from my family's mouth.

Signed: _____

Tennace Jordan

Testifier

Representing (Optional)

10076 Klingler St. Anchorage AK 99587

Address

907 522-5065

Phone No.

465-3835

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MAR 07 2011

4:25pm



ALASKA STATE LEGISLATURE

Please enter into the record my testimony to the House Resources

Committee on

HB 155

Committee Name

Dated

3/7/11

Bill / Subject

I oppose House Bill 155

SIGNED:

Testifier

local 942

Representing

2288 Keeney Rd

Address / Phone Number

(907) 488-0928

House Resource
HB155 3/7/11

Please leave the law alone with a 12 billion state surplus there is no reason to ask workers to take a pay cut, as good jobs tend to improve a stagnate economy. By raising the amount from \$2000 to \$75,000 this will promote diminished wages and drive down the standard of living across the state. This will not lower the contractors bid, they will simply pocket more money at the expense of the workers. There was also a lot of talk on how the paper work for the Dept. of Labor was too much work for the contractor to do so if we take money out of the workers pocket it will make life better for the contractor. Please do not lower wages for working Alaskans.

Ray Powell
1945 William Douglas Ct
North Pole, AK 99705.

House
Resources
HB155 3/7/11

I oppose house bill 155, this bill as proposed exempt's school districts across the state. Schools are some of the most complex buildings in the state by eliminating the prevailing wage laws on these potential multi-million dollar projects you will invite low ball contractors who hire under skilled workers with little or no training to install the life safety systems in our schools needlessly endangering all our children. With the pay set for workers gives a level playing field to all bidding contractors insuring a quality wage, not a race to the bottom by contractors who are willing pay workers less.

Please leave this law alone. With a \$12 billion state surplus there is no reason to be pushing this, as good paying jobs serve to improve a stagnant economy. This is just an unnecessary bill that helps employers at the expense of workers union or not.

Danny Ruernp
1526 Fools Gold Rd.
Fbx, Ak 99712
(907) 322-4019

House Resources

HB155 3/7/11

I am writing in opposition of house bill 155. Removing Davis-Bacon laws from these projects will drive down wages which diminishes the standard of living in communities across Alaska. The Davis-Bacon laws also help local contractors by requiring contractors to pay per-diem to out of town workers giving the advantage to local hire. Modifying the Davis Bacon threshold invites low ball low quality construction on our public infrastructure. Raising the thresh hold for prevailed wages will not reduce costs of the bid, rather contractors will pocket more money, while workers will be paid less. This bill aims to take dollars away from the worker. No one suggested taking a dime from the contractor or limiting the rental rates on equipment or limit the profit on the sale of the materials.

Shannallee Walker

Sean Schutte

PMB 112 3875 Giest Rd STE E

(907) 799-0341

House Resources
HB 155 3/7/11

I am Alex Marchuk I was born and raised in Alaska. I am 26 years old and a third generation construction worker. Today I am testifying against house bill 155. Removing Davis-Bacon laws from these projects will drive down wages which diminishes the standard of living in communities across Alaska. The Davis-Bacon laws also help local contractors by requiring contractors to pay per-diem to out of town workers giving the advantage to local hire. This bill would change the cost of labor from a fixed cost to an adjustable cost. So if there is a problem on the job the workers will end up paying for it because adjusting workers wages is the easiest way to protect their profit margin. Modifying the Davis Bacon threshold invites low ball low quality construction on our public infrastructure.

Sincerely

Alex Marchuk

Alex Marchuk

102 State Street Unit #1
Fairbanks AK 99707
907 9780522



Alaska State Legislature

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MAR 07 2011

3:00PM

Please enter into the record my testimony to the HOUSE LABOR & COMMER
committee name

committee on HB 155 dated 3/7/2011
bill/subject

I regret my schedule did not allow time for my personal testimony. Title 36 has served our State successfully and requires no adjustment. It's purpose has been well defined and comports with Federal DB.

As a 40+ year resident, I object to this Bill and respectfully request your Committee does not PASS it.

Signed:

David Rep. L.
Testifier

Representing (Optional)

2807 W 34th Ave

99517

Address

(907) 243-8358

Phone No.



Alaska State Legislature

Please enter into the record my testimony to the House Labor
committee name

committee on HB 155, dated _____
bill/subject

HB 155 will not reduce any cost of construction on alaska projects. Any cost savings will not be passed on to the state but will be absorbed by employers.

This bill is targeted towards working alaskans with its provisions to eliminate local hire preferences.

Signed: [Signature] Andrew Warner
Testifier

Representing (Optional)

7521 Sunset Circle

Address

(907) 244-8128

Phone No.



Alaska State Legislature

Please enter into the record my testimony to the House Labor Commerce
committee name
committee on 155 House Labor Comm, dated 7/March/11
bill/subject

I am NOT For House Bill 155

Signed: Dale W. Johnson
Testifier
The People
Representing (Optional)
2510 ARTIE BLVD 99503
Address
907 276-7211
Phone No.



Alaska State Legislature

Please enter into the record my testimony to the House Labor and Commerce
committee name

committee on HB 155, dated 3/7/11
bill/subject

I am not in favor of HB 155.

Signed: William Meers
Testifier
the People
Representing (Optional)
2510 Arctic Blvd 99503
Address
907-276-7211
Phone No.



LABORERS' INTERNATIONAL UNION OF NORTH AMERICA LOCAL 341

2501 Commercial Drive, Anchorage, AK 99501
Phone (907) 272-4571 Fax (907) 274-0570
www.local341.com



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MAR 07 2011

1:15pm

FACSIMILE TRANSMITTAL SHEET

TO:	FROM:
Representative Kurt Olson	Joey Merrick
COMPANY:	DATE:
Labor & Commerce Committee	3/7/2011
FAX NUMBER:	TOTAL NO. OF PAGES INCLUDING COVER:
907-465-3835	
PHONE NUMBER:	SENDER'S REFERENCE NUMBER:
RE:	YOUR REFERENCE NUMBER:
HB155	
Second letter of Opposition	

☐ URGENT ☐ FOR REVIEW ☐ PLEASE COMMENT ☐ PLEASE REPLY ☐ PLEASE RECYCLE

NOTES/COMMENTS

Please consider the working men and women in Alaska when making your decision. Thank you for your attention to this urgent matter.

Laborers Local 341

JOEY MERRICK
BUSINESS MANAGER
SECRETARY-TREASURER

RON MCPHETERS
PRESIDENT

RON AXTELL
VICE-PRESIDENT

RICK BRINK
BUSINESS REPRESENTATIVE

STACY ALLEN
HEALTHCARE UNIT
REPRESENTATIVE



LABORERS' INTERNATIONAL UNION OF NORTH AMERICA LOCAL 341

2501 Commercial Drive, Anchorage, AK 99501
Phone (907) 272-4571 Fax (907) 274-0570
www.local341.com



Representative Kurt Olson
Chairman House Labor and Commerce Committee
Alaska State House of Representatives

RE: Second Letter of Opposition to HB 155 for use in the legislative committee process

March 7, 2011

Dear Rep. Olson:

I wish to again express Laborers' Local 341's sincere and total opposition to HB 155, which would raise the threshold for applicability of Alaska's "Little Davis-Bacon" or "prevailing wage" law. We continue to believe that the existing law is good public policy in the best interest of all the people of Alaska and that no modification of this fundamental protection for working Alaskans is needed.

In addition to the reasons explained in my previous letter, we wish to make several additional points. First, Davis-Bacon prevailing wage requirements do not raise the cost of public works construction projects. Opponents of Davis-Bacon sometimes allege that the costs of public works construction could be reduced if relieved of compliance with Davis-Bacon prevailing wage requirements. These allegations are not adequately supported by empirical evidence.

Some critics maintain that the impact of prevailing wages on construction costs is attributable to the difference between the "prevailing wage rate" that is mandated by Davis-Bacon requirements and the "market wage rate," which they claim is the "real" wage rate paid on local construction projects that are not subject to Davis-Bacon requirements. Yet wage differences have, at best, a moderate effect on total construction costs. Labor costs are generally less than 1/3 of total construction costs and actually may be falling. Consequently, a drop in wages of 50%, with no change in productivity or the type of equipment used or the amount of training provided would yield no more than a 15% savings in the cost of construction. If wages fell 25%, the cost of construction would fall by 7.5%. These calculations are based on the implicit assumption that when wages and fringe benefits fall, labor productivity remains the same.

However, several recent studies indicate that prevailing wages may attract workers with more experience and training who are more productive than less experienced, less skilled lower paid workers, and that this increased productivity may result in

JOEY MERRICK
BUSINESS MANAGER
SECRETARY-TREASURER

RON MCPHETERS
PRESIDENT

RON AXTELL
VICE-PRESIDENT

LARRY MOONEY
BUSINESS REPRESENTATIVE

STACY ALLEN
HEALTHCARE UNIT
REPRESENTATIVE



completion of construction projects in fewer hours thereby offsetting their higher hourly wage rates. Additionally, higher wage rates may lead contractors to substitute capital or other devices for labor, thereby mitigating the impact of higher wages on total construction costs. Moreover, the hypothetical cost savings from lower wages and benefits would be undermined if productivity fell off and/or the cost of maintaining poorly constructed facilities increased on account of the work performed by less experienced, less skilled, less trained employees.

These factors, alone or in combination, make the assumptions underlying the analysis of construction cost savings based on wage differences inappropriate and cast doubt on estimates of cost savings from non-application of Davis-Bacon prevailing wage requirements. An alternative approach is simply to examine total construction costs directly and compare costs in the presence and absence of prevailing wage requirements controlling for project differences.

Few studies have attempted to estimate the impact of prevailing wage requirements on the actual total construction costs of projects. However, Professor Mark J. Prus of the State University of New York in Cortland, N.Y. prepared a paper for the County Council of Prince George's County, Maryland that used a regression model to analyze total construction costs and prevailing wage requirements in the United States and in British Columbia, Canada.¹ Professor Prus found that while public projects were significantly more expensive than similar private projects, this was true in both States that have prevailing wage laws and in States that do not. Consequently, he concluded that the higher costs of public projects could not be attributed to application of prevailing wage requirements. In fact, Professor Prus concluded that the estimated effect of prevailing wage requirements, controlling for other factors including differences in the type of ownership, was not statistically different from zero.

Hence, claims that Davis-Bacon prevailing wage requirements cause higher construction costs are based on hypothetical assumptions that lack much, if any, basis in fact, and have been substantially rebutted by more recent scholarly analysis.

Second, Davis-Bacon prevailing wage requirements do not discourage participation of minority contractors in publicly funded construction work. Davis-Bacon opponents often assert that "Davis-Bacon disadvantages small, emerging, and minority businesses." On the contrary, **smaller minority contractors have been found to benefit from the Davis-Bacon Act.**

Smaller public construction projects, because of the level playing field created by the wage floor produced by Davis-Bacon prevailing wage requirements applicable to such jobs, provide a point of entry into the industry for small contractors. By creating this level playing field, Davis-

¹ "The Effect of State Prevailing Wage Laws on Total Construction Costs," Prus, Mark J., State University of New York, Cortland, N.Y. (January, 1996).

Bacon prevailing wage requirements enable smaller contractors to compete effectively with larger contractors, especially for smaller publicly funded jobs.

Consequently, entry of minority contractors, most of which are smaller businesses with limited capital, into the construction industry will be severely disadvantaged if smaller publicly funded jobs are exempted from application of Davis-Bacon prevailing wage requirements. **Therefore, sustained application of Davis-Bacon prevailing wage requirements will not only continue to provide labor standards protection to construction workers, both minority and non-minority, but will also ensure that smaller contractors, and particularly small, minority owned construction businesses, will be able successfully to compete for federal construction contracts.**

We wish to again emphasize that such drastic and potentially dangerous changes in statutory protections for workers should be carefully and thoughtfully examined by representatives of both labor and management before being acted on by the Legislature. Proposals for such dangerous changes are best developed by the co-operation and with the agreement of both labor and management working together with a comprehensive review process.

In conclusion, modifying the "Little Davis-Bacon" threshold may reduce the viability of minority contractors and will not reduce the cost of public works construction. **We again respectfully request the House Labor and Commerce Committee not move HB 155 from committee.**

Sincerely,



Joey Merrick
Business Manager/Secretary Treasurer
Laborers' Local 341