



## ASSOCIATED GENERAL CONTRACTORS of ALASKA

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March 18, 2011

Representative Kurt Olson  
State Capitol Building, Room 110  
Juneau, AK 99801-1182

Re: HB 155

Dear Representative Olson:

*Kurt*

On behalf of the Associated General Contractors of Alaska, a construction trade association of 675 business members, I offer support for CSHB 155, raising the prevailing wage requirements from \$2,000 to \$25,000. This will result in a significant reduction in paperwork for contractors and a corresponding reduction in processing effort by the state and political subdivisions.

The paperwork requirements for compliance for large contracts and contractors are incidental in the normal course of business – they do it for almost all their work. It is small businesses that bid and get these smaller contracts, and the proportionate burden on them is significant.

Over 1000 State construction contracts annually fall under this threshold. Anecdotally, I've had contractors tell me they put over \$2,000 on every prevailing wage contract just for the paperwork. If this is the case for all contractors, this bill may save over \$2 million.

Having said this, I also believe there is an important purpose and place for prevailing wages, and they need to be maintained. They provide a decent wage for the workers, they are a leveling field for all contractors when bidding and they keep cheap imported labor out of the market, thus keeping fair construction wages in the hands and pockets of Alaskans.

I applaud your efforts to reduce the paperwork burden on the small contractor in Alaska. Raising the prevailing wage requirement from \$2,000 (contract size) to \$25,000 will be a relief from those requirements and a help for small business.

Sincerely,

John MacKinnon  
Executive Director  
Associated General Contractors of Alaska