

March 18, 2011

Dear Representative Olson and Labor and Commerce committee members,

I strongly oppose HB 155 for the following reasons:

- This bill would take away the fair bidding practices on public works projects by not setting a floor on wages. The contractor who wants to pay his workers a living wage (prevailing wage or union wage) would not be able to compete. Under the proposed changes to the law, a contractor bidding on a public works job could pay the minimum wage of \$7.75/hr to a 17 year old worker that has little experience, training or skill. This would essentially exclude union contractors from bidding on jobs that don't include the LDBA language. Currently the law allows opportunity for smaller contractors and minority contractors to equally compete with larger construction firms.
- This bill would also take away the protection of the 90% Alaska resident hire requirement for publicly funded jobs. The current statute, implemented by the Legislature, has been the only successful mechanism in assuring that Alaskans have first chance at jobs in the state and also that they will be laid off last on publicly funded jobs.
- This bill would drive down wages, drive down the standard of living for workers and their families and circulate less money throughout the economy.

The purposes and goals of the (Little) Davis Bacon Wage Act: (References from [www.justice.gov](http://www.justice.gov))

- Its purpose then, as now, was to prevent unscrupulous contractors from unfairly underbidding public projects, thereby doing violence to the wages prevailing in a geographical area.
- Although the public generally has an undeniable interest in paying as little as possible for the construction of public works, the purpose of the Davis-Bacon Act was precisely to subordinate that interest to the extent necessary to set minimum wage standards for such construction work.
- The Davis-Bacon Act was passed during the Depression, when federal construction accounted for a large portion of construction overall and workers desperate to take any job could be hired at wages far below those available in the past. The result was a concern that the federal public works program would not achieve its desired effect of assisting local communities in regaining prosperity, but instead would allow contractors --and indeed the government itself -- to exploit desperate laborers, in some cases imported from other parts of the country.
- The law actually protects whatever is the prevailing rate of wages, whether union or non-union. The law also encourages apprentice training and minority hiring which strengthens the workforce.

Finally, as a resource wealthy state, Alaska should have an obligation to adequately pay its workers in order to keep a highly skilled and trained workforce available to build and maintain its infrastructure.

I respectfully request you do not move this bill out of committee.  
Thank you for your time and consideration of my testimony.

Tim O'Donnell  
General Contractor and 35 year union member

