

SB

244



**STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE**

Bill Version : SB 214  
Publish Date : \_\_\_\_\_

**REQUEST:** \_\_\_\_\_  
Revision Date: \_\_\_\_\_  
Title: "An Act relating to prevailing rate of wages. . ."  
Sponsor: Hensley, Faiks and Binkley  
Requestor: Senate Labor & Commerce

Agency Affected: Labor  
BRU: Labor Standards & Safety  
Components: Wage & Hour

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0	0	0	0	0	0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

**FUNDING: (Thousands of Dollars)**

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	0	0	0	0	0	0

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS :** (Attach a separate page if necessary)

Prepared by: MS Tom Stuart, Director *Stuart* Phone: 465-4870  
Division: Labor Standards & Safety Date: 4/15/87

Approved by Commissioner: Jim Sampson *J. Sampson* Date: 4/15/87  
Agency: Labor

- Distribution (by preparer):
- Legislative Finance
  - Legislative Sponsor
  - Requestor
  - Office of Management and Budget
  - Impacted Agency(ies)
  - Senate Secretary



ASSOCIATED PROFESSIONAL ENTERPRISES' INC.

1813 EAST FIRST AVE. SUITE 203  
ANCHORAGE, ALASKA, 99501

TELEPHONE (907) 276-6165

*Maric  
Include  
Bill file.*

APRIL 09, 1987

SENATOR TIM KELLY  
P.O. BOX V  
JUNEAU, ALASKA 99811

RE: SCR 24

DEAR SENATOR KELLY,

ASSOCIATED PROFESSIONAL ENTERPRISES, INC. WAS ONCE SENT A VOLUNTARY SURVEY FORM REQUESTING INFORMATION ON PREVAILING WAGES IN OUR INDUSTRY. I FOUND THAT THE INFORMATION REQUESTED OF ME, THEY ALREADY HAD. WHAT I'M TRYING TO SAY IS THAT THE SURVEY REQUESTED THAT I SUPPLY IT WITH INFORMATION REGARDING PAY SCALES ON TWO PROJECTS ON WHICH MY COMPANY WAS WORKING ON. BOTH PROJECTS WERE PUBLIC PROJECTS WHICH REQUIRED THAT I PAY PREVAILING WAGES AS LISTED IN THE WAGE & HOUR ADMIN. PAMPHLET NO. 600. I THREW THE FIRST REQUEST AWAY. A FOLLOW UP FORM CAME SHORTLY THERE AFTER TO WHICH I RESPONDED.

THE RESPONSE I SENT WAS THAT I WOULD BE MORE THAN HAPPY TO PARTICIPATE IN A SURVEY ON PREVAILING WAGES PROVIDED THAT I WAS ALLOWED TO SUPPLY INFORMATION ON CONTRACTS WHERE THE MINIMUM WAGE WAS SET BY THE LABOR MARKET OF PRIVATE INDUSTRY.

IT IS MY FEELING THAT THE SURVEY INFORMATION THAT HAS BEEN COLLECTED ON PREVAILING WAGE RATES DOES NOT REPRESENT THE TRUE WAGES THAT ARE PAID IN THE PRIVATE SECTOR. THE CURRENT FORMS ARE DIRECTED TOWARD MUNICIPAL, STATE, AND FEDERAL PROJECTS WHERE THE MINIMUM WAGES ARE SET ARTIFICIALLY HIGH BY CONTRACTS THAT REQUIRE YOU TO USE PAY SCALES THAT ARE UNREALISTICLY HIGH. FOR EXAMPLE; IN THE PRIVATE SECTOR, A HEAVY EQUIPMENT OPERATOR IS WILLING TO WORK FOR \$12.00 TO \$15.00 A HOUR IN THE ANCHORAGE AREA. HOWEVER, FOR THE SAME WORK ON A PUBLIC PROJECT THE MINIMUM WAGE THAT I CAN PAY A HEAVY EQUIPMENT OPERATOR IS \$30.97 A HOUR. REFERENCE WAGE & HOUR PAMPHLET NO. 600 DATED NOV. 2, 1986, POWER EQUIPMENT OPERATORS, GROUP I.

IF I MAY OFFER YOU ANY FURTHER INPUT ON THIS SUBJECT, PLEASE FEEL FREE TO CONTACT ME ANYTIME. IF THERE ARE ANY HEARINGS OR ANY NEED FOR PRIVATE SECTOR PARTICIPATION ON A COMMITTEE, I AM AVAILABLE.

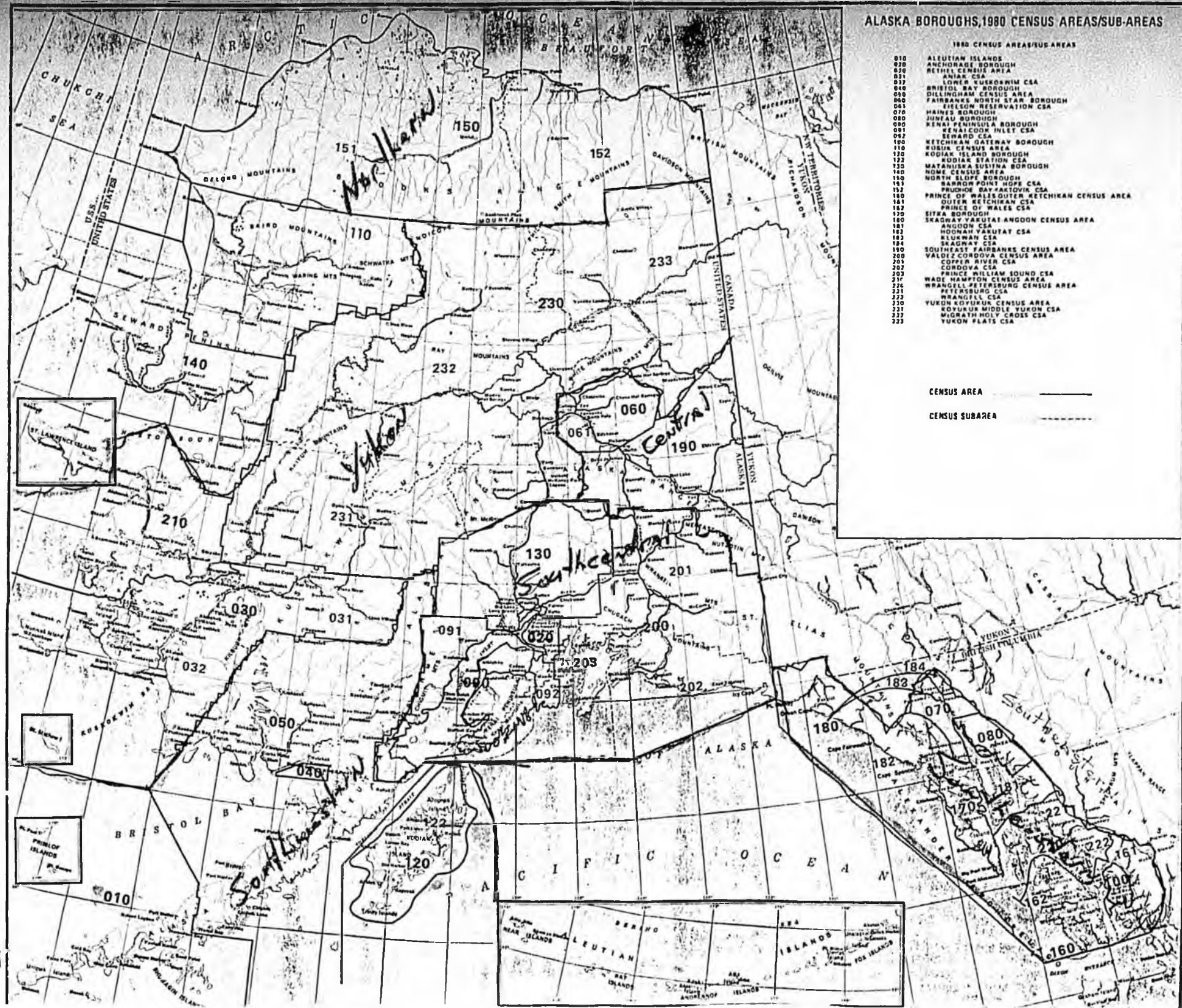
INCARELY,  
*John Repasky*  
JOHN REPASKY, JR.  
VICE PRESIDENT

ALASKA BOROUGH, 1980 CENSUS AREAS/SUB-AREAS

- 1980 CENSUS AREAS/SUB-AREAS
- 010 ALEUTIAN ISLANDS
  - 020 ANCHORAGE BOROUGH
  - 030 BETHEL CENSUS AREA
  - 031 ANIAK CSA
  - 032 LOWER YUKON RIVER CSA
  - 040 BRISTOL BAY BOROUGH
  - 050 DILLINGHAM CENSUS AREA
  - 060 FAIRBANKS NORTH STAR BOROUGH
  - 061 FLEISCHER RESERVATION CSA
  - 070 HAINES BOROUGH
  - 080 JUNEAU BOROUGH
  - 090 KENAI PENINSULA BOROUGH
  - 091 KENAI COOK INLET CSA
  - 092 EDWARD CSA
  - 100 KETCHIKAN GATEWAY BOROUGH
  - 110 KODIAK CENSUS AREA
  - 120 KODIAK ISLAND BOROUGH
  - 122 KODIAK STATION CSA
  - 130 MATANUSA SUTINA BOROUGH
  - 140 NOME CENSUS AREA
  - 150 NORTH SLOPE BOROUGH
  - 151 BARROW POINT HOPE CSA
  - 152 PRUDHOE BAY FAKTOVIA CSA
  - 160 PRINCE OF WALES OUTER KETCHIKAN CENSUS AREA
  - 181 OUTER KETCHIKAN CSA
  - 182 PRINCE OF WALES CSA
  - 183 SITKA BOROUGH
  - 184 SKAGWAY YAKUTAI ANGOON CENSUS AREA
  - 181 ANGOON CSA
  - 182 HOONAH YAKUTAI CSA
  - 192 KLUKWAN CSA
  - 194 SKAGWAY CSA
  - 190 SOUTHEAST FAIRBANKS CENSUS AREA
  - 200 VALDIZ CORDOVA CENSUS AREA
  - 201 COPPER RIVER CSA
  - 202 CORDOVA CSA
  - 203 PRINCE WILLIAM SOUND CSA
  - 207 WADE HAMPTON CENSUS AREA
  - 216 WRANGELL PETERSBURG CENSUS AREA
  - 211 PETERSBURG CSA
  - 222 WRANGELL CSA
  - 230 YUKON-KOYUK CENSUS AREA
  - 231 KOYUK MIDDLE YUKON CSA
  - 232 WIGORTH HOLY CROSS CSA
  - 233 YUKON FLATS CSA

CENSUS AREA —————

CENSUS SUBAREA - - - - -



MEMORANDUM OF AGREEMENT  
BETWEEN  
U.S. DEPARTMENT OF LABOR  
EMPLOYMENT STANDARDS ADMINISTRATION  
AND  
ALASKA STATE DEPARTMENT OF LABOR

1. PARTIES TO AGREEMENT: Deputy Under Secretary, Employment Standards Administration, U. S. Department of Labor, Washington, D. C., and the Commissioner, Alaska State Department of Labor, Juneau, Alaska.
  
2. SUBJECT OF AGREEMENT: The Davis-Bacon Act, 40 U.S.C. 276a-276a7, and Related Acts listed in 29 CFR Part 1, Appendix A, which require payment of prevailing wages and fringe benefits to employees of contractors and sub-contractors engaged in Federal or Federally-assisted construction projects, and Alaska Statutes, A.S. 36 et seq., which requires payment of the current prevailing wage rates to construction workers and field surveyors employed on public construction projects.
  
3. PURPOSE OF AGREEMENT: To initiate a joint cooperative effort between the Employment Standards Administration, U.S. Department of Labor, and the Wage and Hour Administration, Alaska Department of Labor, to provide mutual assistance in acquiring data to be used in determining prevailing wage rates for the construction projects subject to the above statutes in Alaska.
  
4. OBJECTIVE OF THE AGREEMENT: To conduct surveys of wage rates paid on construction projects in the State of Alaska in such a manner that the data gathered will be useful to both parties. To this end, the Alaska Department of Labor agrees that:
  - A. Whenever it conducts a survey it will perform the following:
    - (1) the notification of interested parties;
    - (2) the solicitation of payment evidence; and
    - (3) the collection of such evidence.

- B. It will conduct surveys in accordance with the procedures and instructions contained in the WH "Construction Wage Determinations Manual of Operations" and 29 CFR Part 1. To this end, the State will confer regularly with the U.S. Department of Labor, Wage and Hour Division, Region X.
  
- C. It will make available to the U. S. Department of Labor copies of all payment evidence submitted in connection with the surveys, together with such other information relating to the conduct of the surveys as may be required by the U. S. Department of Labor to evaluate the scope and thoroughness of the surveys.
  
- D. It will regularly inform the U.S. Department of Labor as to the progress of the surveys and will notify the U.S. Department of Labor when issues and events arise which impact the conduct of the surveys or have implications for its conclusions.
  
- E. It will treat all payment evidence gathered in conduct of these surveys as confidential.

Similarly, the U.S. Department of Labor agrees that:

- A. It will provide guidance and assistance in the conduct of the surveys, including, but not limited to:
  - (1) Examples of forms and form letters;
  - (2) Advice on methods of survey administration and data organization;
  - (3) In identifying areas where surveys are needed; and
  - (4) In any other aspects of the survey deemed necessary.

B. It will inform the Alaska Department of Labor of regulatory, administrative or other events or actions which have implications for the conduct of the surveys, analysis of the data, or use of the conclusions of the surveys.

C. It may use the information submitted by the Alaska Department of Labor at its own discretion for any purpose including the determination of prevailing wage rates.

5. PERIOD OF PERFORMANCE: This agreement shall remain in effect until it is terminated by either party. Inasmuch as both parties to this agreement recognize the need for current, up-to-date information regarding the prevailing wages in the construction industry in the State of Alaska, both parties agree that it is desirable to conduct comprehensive prevailing wage surveys in the State on an annual basis.

6. Nothing in this agreement shall preclude either party from conducting its own survey anywhere within the State of Alaska.

7. TERMINATION: Either party may terminate this agreement on 30 days written notice to the other party.

8. This agreement may be modified by mutual consent when specific changes are deemed to be in the best interest of either party.

AGREED TO:  
FOR THE STATE

Jim Robinson (Signature)  
Jim Robinson (Print Name)

COMMISSIONER  
(Title of Official)

JUNE 20, 1985 (Date)

FOR EMPLOYMENT STANDARDS ADMINISTRATION,  
U.S. DEPARTMENT OF LABOR

Susan R. Meisinger (Signature)  
Susan R. Meisinger (Print Name)  
(Title of Official)

JUL 11 1985  
Deputy Under Secretary for (Date)  
Employment Standards, U.S. Department of Labor

either grant or deny the request for an extension after consideration of all the circumstances.

(v) A modification to a general wage determination is "published" within the meaning of this section on the date of publication of notice of such modification in the FEDERAL REGISTER, or on the date the agency receives actual written notice of the modification from the Department of Labor, whichever occurs first.

(vi) A supersedeas wage determination or a modification to an applicable general wage determination, notice of which is published after contract award (or after the beginning of construction where there is no contract award) shall not be effective.

(d) Upon his/her own initiative or at the request of an agency, the Administrator may correct any wage determination, without regard to paragraph (c) of this section, whenever the Administrator finds such a wage determination contains clerical errors. Such corrections shall be included in any bid specifications containing the wage determination, or in any on-going contract containing the wage determination in question, retroactively to the start of construction.

(e) Written notification by the Department of Labor prior to the award of a contract (or the start of construction under the National Housing Act, under section 8 of the U.S. Housing Act of 1937, or where there is no contract award) that (1) there is included in the bidding documents or solicitation the wrong wage determination or the wrong schedule or that (2) a wage determination is withdrawn by the Department of Labor as a result of a decision by the Wage Appeals Board, shall be effective immediately without regard to paragraph (c) of this section.

(f) The Administrator may issue a wage determination after contract award or after the beginning of construction if the agency has failed to incorporate a wage determination in a contract required to contain prevailing wage rates determined in accordance with the Davis-Bacon Act, or has used a wage determination which by its terms or the provisions of this part clearly does not apply to the contract. Further, the Administrator may issue

a wage determination which shall be applicable to a contract after contract award or after the beginning of construction when it is found that the wrong wage determination has been incorporated in the contract because of an inaccurate description of the project or its location in the agency's request for the wage determination. Under any of the above circumstances, the agency shall either terminate and resolicit the contract with the valid wage determination, or incorporate the valid wage determination retroactively to the beginning of construction through supplemental agreement or through change order, provided that the contractor is compensated for any increases in wages resulting from such change. The method of incorporation of the valid wage determination, and adjustment in contract price, where appropriate, should be in accordance with applicable procurement law.

(g) If Federal funding or assistance under a statute requiring payment of wages determined in accordance with the Davis-Bacon Act is not approved prior to contract award (or the beginning of construction where there is no contract award), the agency shall request a wage determination prior to approval of such funds. Such a wage determination shall be issued based upon the wages and fringe benefits found to be prevailing on the date of award or the beginning of construction (under the National Housing Act, under section 8 of the U.S. Housing Act of 1937 or where there is no contract award), as appropriate, and shall be incorporated in the contract specifications retroactively to that date, provided, that upon the request of the head of the agency in individual cases the Administrator may issue such a wage determination to be effective on the date of approval of Federal funds or assistance whenever the Administrator finds that it is necessary and proper in the public interest to prevent injustice or undue hardship, provided further that the Administrator finds no evidence of intent to apply for Federal funding or assistance prior to contract award or the start of construction, as appropriate.

## Office of the Secretary of Labor

[48 FR 19533, Apr. 28, 1983, as amended at 50 FR 49823, Dec. 4, 1985]

## § 1.7 Scope of consideration.

(a) In making a wage determination, the "area" will normally be the county unless sufficient current wage data (data on wages paid on current projects or, where necessary, projects under construction no more than one year prior to the beginning of the survey or the request for a wage determination, as appropriate) is unavailable to make a wage determination.

(b) If there has not been sufficient similar construction within the area in the past year to make a wage determination, wages paid on similar construction in surrounding counties may be considered, provided that projects in metropolitan counties may not be used as a source of data for a wage determination in a rural county, and projects in rural counties may not be used as a source of data for a wage determination for a metropolitan county.

(c) If there has not been sufficient similar construction in surrounding counties or in the State in the past year, wages paid on projects completed more than one year prior to the beginning of the survey or the request for a wage determination, as appropriate, may be considered.

[48 FR 19533, Apr. 29, 1983, as amended at 50 FR 4507, Jan. 31, 1985]

**EFFECTIVE DATE NOTE:** On December 23, 1982, the District Court for the District of Columbia issued a permanent injunction with respect to certain provisions of 29 CFR Parts 1, 3, and 5, as published at 47 FR 23644, 23658, 23678, May 28, 1982. Parts 1 and 5 were republished at 48 FR 19532, 19540, Apr. 29, 1983, effective June 28, 1983, implementing only those provisions not enjoined by the court. The provisions of § 1.7 (d) was further deferred at 48 FR 19368, Apr. 29, 1983, pending resolution of a Departmental appeal of the District Court ruling. For the convenience of the user, the deferred text of paragraph (d) is set forth below.

## § 1.7 Scope of consideration.

(d) Classifications and wage rates will be issued for identifiable "classes of laborers and mechanics." Semi-skilled classifications of helpers will be issued when the classifications are identifiable in the area. The use of

helpers, apprentices and trainees is permitted in accordance with Part 5 of this subtitle.

## § 1.8 Reconsideration by the Administrator.

Any interested person may seek reconsideration of a wage determination issued under this part or of a decision of the Administrator regarding application of a wage determination. Such a request for reconsideration shall be in writing accompanied by a full statement of the interested person's views and any supporting wage data or other pertinent information. The Administrator will respond within 30 days of receipt thereof, or will notify the requestor within the 30 day period that additional time is necessary.

## § 1.9 Review by Wage Appeals Board.

Any interested person may appeal to the Wage Appeals Board for a review of a wage determination or its application made under this part, after reconsideration by the Administrator has been sought pursuant to § 1.8 and denied. Any such appeal may, in the discretion of the Wage Appeals Board, be received, accepted, and decided in accordance with the provisions of 29 CFR Part 7 and such other procedures as the Board may establish.

## APPENDIX A

*Statutes Related to the Davis-Bacon Act Requiring Payment of Wages at Rates Predetermined by the Secretary of Labor*

1. The Davis-Bacon Act (secs. 1-7, 46 Stat. 1494, as amended; Pub. L. 74-403, 40 U.S.C. 276a-276a-7).
2. National Housing Act (sec. 212 added to c. 847, 48 Stat. 1246, by sec. 14, 53 Stat. 807; 12 U.S.C. 1715c and repeatedly amended).
3. Housing Act of 1950 (college housing) (amended by Housing Act of 1959 to add labor provisions, 73 Stat. 681; 12 U.S.C. 1749a(f)).
4. Housing Act of 1959 (sec. 401(f) of the Housing Act of 1950 as amended by Pub. L. 86-372, 73 Stat. 681; 12 U.S.C. 1701q(c)(3)).
5. Commercial Fisheries Research and Development Act of 1964 (sec. 7, 78 Stat. 199; 16 U.S.C. 779e(b)).
6. Library Services and Construction Act (sec. 7(a), 78 Stat. 13; 20 U.S.C. 355c(a)(4), as amended).
7. National Technical Institute for the Deaf Act (sec. 5(b)(5), 79 Stat. 126; 20 U.S.C. 684(b)(5)).

8 AAC 30.050. WAGE SCALE. (a) The department will determine the prevailing wage rate to be paid laborers, mechanics and field surveyors. This determination will be published by the department in the pamphlet "Laborers and Mechanics Minimum Rates of Pay." Prevailing wage rates will be periodically revised by the department, on a regional basis, to correspond with the prevailing wage rate for similar work.

(b) The prevailing wage will be determined on a regional basis for two geographic regions of the state, North of North 63 degrees Latitude and South of North 63 degrees Latitude. A region may be subdivided into zones when the commissioner determines that the prevailing wage rate has local variations within the region. In determining the prevailing wage rate for a region or zone, the department will consider the prevailing wage that represents majority penetration for each work classification. In the event that there is no majority penetration the department will set the prevailing wage rate in the following manner:

(1) If less than a majority of the persons employed at a particular skill level in a particular job class receive the same wage, the prevailing wage rate will be determined by taking the arithmetic mean (average) of the wages in the survey for the job class being considered.

(2) Prior to the calculating the arithmetic mean, the survey will be adjusted by eliminating five percent of the extreme wage rates.

(3) For example, in a survey consisting of 75 different pay rates the rates will be arrayed in order of size. Five percent at both ends of the scale, the four highest and four lowest, will be eliminated. The remaining 67 rates will be the final survey from which the arithmetic mean will be determined to be the prevailing rate of pay.

(4) In determining the prevailing wage rate for a region or zone, the department will consider the prevailing union wage local practice and any other standard considered by the department to be appropriate.

(c) Special prevailing wage rate terminations may be requested for special projects or special

AS 36.05.030  
AS 36.05.070

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AS 36.05.030  
AS 36.05.080

worker classifications, if the work to be performed does not conform to traditional public construction for which a prevailing wage rate has been established under (a) of this section. Requests for special wage rate determinations must be in writing and filed with the commissioner at least 30 days before the award of the contract. An applicant for a special wage rate determination shall have the responsibility to support the necessity for the special rate. An application for a special wage rate determination filed under this section must contain

8. LABOR

(1) a specification the contract or project on which the special rates will apply and a description of the work to be performed;

(2) a brief narrative explaining why special wage rates are necessary;

(3) the job class or classes involved;

(4) the special wage rates the applicant is requesting, including survey or other relevant wage data to support the requested rates;

(5) the approximate number of employees who will be affected; and

(6) any other information which might be helpful in determining if special wage rates are appropriate.

(d) The prevailing wage rate established in (a) of this section shall be considered the minimum wage rate that shall be paid to various classes of laborers, mechanics, and field surveyors.

(e) This section shall be made part of every contract that falls within the scope of AS 36.05.010 and 36.05.070(a). (Eff. 7/8/73, Reg. 47; am 7/30/82, Reg. 83)

Authority: AS 36.05.010  
AS 36.05.030  
AS 36.05.070

EMPLOY

Section

- 60. Residential
- 70. Annual rate subdivisions
- 80. (Repealed)

8 AAC 30.060. receiving a public the state or a poll the contractor shall satisfy the resident 36.10.010.

(b) Nothing in th as to prohibit empl from hiring Alask sources. However, to supply qualifi employer must the Alaska residents thr

(c) If an employer through private through its state em available its file of who are seeking emj contractor's emj contractor who has in good faith exlu demonstrated a good resident hiring requir

(d) A request for employment centers that the request is to AS 36.10.010 and Reg. 47)

8 AAC 30.070. AGENCY OR POLI THE STATE. (a) Eac subdivision of the stat notify the commiss works. The notificati commissioner before .

(1) name and addr subdivision of the st contract;

FRINGE BENEFITS PAYMENTS

<u>CLASSIFICATION OF LABORERS &amp; MECHANICS</u>	<u>BASIC HOURLY RATE</u>	<u>HEALTH &amp; WELFARE</u>	<u>PENSION</u>	<u>LS</u>	<u>APP TR</u>	<u>SUI</u>	<u>TOTAL</u>
<u>POWER EQUIPMENT OPERATORS</u>							
Group I, including:	24.47	2.35	4.00		.15		30.97
Bending Machine, Bulldozers, Cableways and highlines, 3 yards and under							
Cleaning Machine, Coating Machine, Cranes: Shovels, Backhoes, Dragline, Clam Shells (a) Crawler, Truck Type, rubber-tired, creter, floating (locomotive, whirley, either 3 yards or under 150' boom, including jibs and under, or 45 tons and under)							
(b) Hydralifts or transporters, all track or truck type.							
(c) Hyster Cat cranes and attachments sidebooms under 45 tons.							
Crushers, Derricks, Ditching or Trenching Machine (16" or over)							
Drilling Machines, core, cable rotary and exploration.							
Finishing Machine operator, concrete paving, sidewalk, curb and gutter machine							
Hydro Ax and similar							
Loaders; elevating belt type, Euclid and similar types							
Loaders:							
(a) Forklifts with power boom and swing attachment							
(b) Overhead and front end, 2 1/2 yards through 4 yards							
(c) Loaders with forks or pipe clamps							
Mechanics, Welders, bodyman							
Mixers: Mobile type with hoist combination							
Motor Patrol Grader							
Mucking Machines: Mole, Tunnel Drill and/or Shield							
Modwell Sno Cat							

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FRINGE BENEFITS PAYMENTS

<u>CLASSIFICATION OF LABORERS &amp; MECHANICS</u>	<u>BASIC RATE</u>	<u>WELFARE</u>	<u>PENSION</u>	<u>LS</u>	<u>APP TR</u>	<u>SUI</u>	<u>TOTAL</u>
<u>PAINTERS, REGION II (South of N63° Latitude)</u>							
Specialty Painter, including paper, vinyl, swing stage, drywall taper and structural steel	25.20	2.00	2.00	.10	.35		29.65
Steeplejack & Tower	26.05	1.70	2.00	.10	.25	VAC	30.10
Floorcoverers, including: carpet installers	23.80	2.00	2.45	.10	.35	1.00	29.70
linoleum installers							
soft tile installers							
seamless floor applicators							
Glaziers	23.62	2.00	1.25	VAC 1.09	.25		28.21
<u>PILEDRIEVERS</u>							
Piledriver, Skiff Operator	23.03	1.90	4.50		.40		29.88
Piledriver-Welders	24.69	1.90	4.50		.40		31.49
Divers (working)	53.94	1.90	4.50		.40		60.74
Divers (standby)	26.87	1.90	4.50		.40		33.77
Dive Tender	25.97	1.90	4.50		.40		32.77
Assistant Dive Tender	23.03	1.90	4.50		.40		29.88
<u>PLUMBERS, REGION I (North of N63° Latitude)</u>							
Plumber, Journeyman	26.17	1.25	3.90	.25	.35	.25	32.17
<u>PLUMBERS, REGION II (South of N63° Latitude)</u>							
Plumber, Journeyman	25.30	1.40	3.90		.30		30.80
<u>PLUMBERS, REGION III (1st Judicial District)</u>							
Plumber, Journeyman	23.75	1.75	5.25	.39	.20		30.64
<u>POWER EQUIPMENT OPERATORS</u>							
Group I, including:	24.47	2.35	4.00		.15		30.97
Asphalt Roller, "A" Frame Trucks, Transporters, Deck Winches: double power drum.							
Back Filler, Batch Plant Operator: batch and mixer over 200 yds. per hour							
Belt-cone with power Pack and similar conveyors							

ALASKA ADMINISTRATIVE CODE  
TITLE 8. LABOR  
PART 2. RESIDENT EMPLOYMENT  
CHAPTER 30. PUBLIC CONTRACTS

Article

1. Wages and Hours (8 AAC 30.010--8 AAC 30.040)
2. Wage Scale (8 AAC 30.050--8 AAC 30.058)
3. Employment Preference (8 AAC 30.060--8 AAC 30.080)
4. Investigations and Hearings (8 AAC 30.090--8 AAC 30.110)
5. General Provisions (8 AAC 30.900--8 AAC 30.920)

ARTICLE 1..

WAGES AND HOURS

Section

10. Notification of contract awards
20. Certified payroll
35. Fringe benefits
38. Independent subcontractors

\*Section 1. 8 AAC 30.010 is repealed and readopted to read:

NOTIFICATION OF CONTRACT AWARDS. (a) Within 20 days of awarding a public construction contract, the contracting agency shall notify the commissioner in writing that the contract has been awarded. The notice must conform to the requirements of AS 36.05.035. The notice must specify the percentage of the total funding from federal sources, if any, and must identify the sources.

(b) Within three days of awarding a subcontract on a public construction project, the prime contractor or subcontractor who awards a subcontract shall notify the commissioner in writing of the name and address of each company awarded a subcontract and the dates on which the work will begin.

(c) Verification of a prime contractor's bonding as required by AS 36.25.010 and AS 08.18.071 must be by certified statement furnished to the commissioner by the contracting agency which awarded the contract.

(d) Verification of a subcontractor's bonding as required by AS 08.18.071 must be by certified statement furnished to the commissioner by the prime contractor which awarded the subcontract. (Eff. 7/8/73, Register 47; am 7/30/82, Register 83; am / / , Register )

Authority: AS 36.05.030  
AS 36.05.035

\*Section 2. 8 AAC 30.020(c) is amended to read:

(c) In lieu of submitting ADL 334, a contractor may submit the company's [HIS] payroll form. However, the [HIS] payroll form must [SHALL] contain the information required by AS 36.05.040 [AND A STATEMENT THAT THE CONTRACTOR IS COMPLYING WITH AS 36.10.010]. (Eff. 7/8/73, Register 47; am 7/30/82, Register 83; am / / , Register )

Authority: AS 36.05.030  
AS 36.05.040

\*Section 3. 8 AAC 30.020(d) is amended to read:

(d) Owner/operators of equipment such as bulldozers, scrapers, backhoes, cranes, drilling rigs, welding machines, and the like on public construction contracts shall be included on their certified payrolls in the same manner as any other laborer, mechanic or field surveyor. [WHO PERFORM DUTIES AS LABORERS, MECHANICS, OR FIELD SURVEYORS WHILE WORKING AS CONTRACTORS OR SUBCONTRACTORS ON A PUBLIC WORK PROJECTS] (Eff. 7/8/73, Register 47; am 7/30/82, Register 83; am / / , Register )

Authority: AS 36.05.030  
AS 36.05.040

\*Section 4. 8 AAC 30.020 is amended by including a new subsection to read:

(e) A contractor awarding a subcontract to an owner/operator of trucks or other hauling equipment shall include the owner/operator in its certified payrolls. These certified payrolls may contain the notation "owner/operator" in place of the hours worked and wages paid. (Eff. 7/8/73, Register 47; am 7/30/82, Register 83; am / / , Register )

Authority: AS 36.05.030  
AS 36.05.040

\*Section 5. 8 AAC 30. is amended by adding a new section .035 to read:

8 AAC 30.035. FRINGE BENEFITS. The department will, in its discretion, defer recovery of fringe benefits due employees of a union signatory contractor for work performed on a public construction project to the union trust unless the union trust states to the department, in writing, all the steps it has taken to recover the fringe benefits and why it cannot proceed further. All monies recovered by the department for union fringe benefits will be paid to the union trust on behalf of the employees affected. (Eff. / / , Register )

Authority: AS 36.05.010  
AS 36.05.030

\*Section 6. 8 AAC 30. is amended by adding a new section .038 to read:

8 AAC 30.038. INDEPENDENT SUBCONTRACTORS. (a) A subcontractor who performs duties as a laborer, mechanic, or field surveyor while working as a contractor or subcontractor on a public works project is a laborer, mechanic, or field surveyor under AS 36.05.050. In an action to collect prevailing wages owed a contractor or subcontractor, the department will credit all payments by the prime contractor under the subcontract to or on behalf of the subcontractor against the wages and fringe benefits due.

(b) A contractor may offset against prevailing wages owed those payments made to employee fringe benefit trust plans approved under ERISA 19 U.S.C. § 1001, *et seq.*, which do not exceed the amount the department determines as prevailing and publishes in wage and hour administration pamphlet #600. (Eff. / / , Register )

Authority: AS 36.05.010  
AS 36.05.030

## ARTICLE 2.

### WAGE SCALE

#### Section

- 50. Wage surveys
- 55. Special wage rates
- 58. Job class

\*Section 7. 8 AAC 30.050 is repealed and readopted to read:

8 AAC 30.050. WAGE SURVEYS. (a) The department will determine the prevailing wage rates to be paid laborers, mechanics and field surveyors and will publish this determination in the wage and hour administration pamphlet #600, "Laborers and Mechanics Minimum Rates of Pay." Prevailing rates will be revised at least annually. Prevailing rates of pay will be established for commercial and residential construction projects.

(b) To give consideration to local wage variations in setting the prevailing wage rates within the state, the department will divide the state into Alaskan urban statistical areas and Alaska rural statistical areas.

(1) An urban statistical area is a city, city and borough combination, or organized borough with a population of at least 25,000 persons based on the most current census figures produced by the research and analysis section of the department.

(2) A rural statistical area is an area with a population of less than 25,000 persons based on the current census produced by the research and analysis section of the department and with boundaries established by the United States Bureau of Census for its census areas.

(c) In determining the prevailing wage rate for a statistical area, the department will consider the prevailing wage that represents the majority penetration for each work classification. There is majority penetration if over 50 percent of the workers in a work classification receive the same wage. If there is no majority penetration, the department will set the prevailing wage rate in the following manner:

(1) If less than a majority of the persons employed at a particular skill level in a particular job class receive the same wage, the prevailing wage rate will be determined by taking the arithmetic mean (average) of the wages in the survey for the job class being considered.

(2) Prior to calculating the arithmetic mean, the survey will be adjusted by eliminating five percent of the extreme wage rates. For example, in a survey consisting of 75 different pay rates, the rates will be arrayed in order of size. Five percent at both ends of the scale, the four highest and four lowest, will be eliminated. The remaining 67 rates will be the final survey from which the arithmetic mean will be determined to be the prevailing rate of pay.

(3) In a survey to determine the prevailing wage rate in a given statistical area, for commercial construction, all projects of commercial standards, for which the cost is more than \$2000, will be surveyed. Where adequate data is available through survey of private sector projects in an area, only private sector projects will be used to determine the prevailing wage. If sufficient data upon which to make a wage determination is not available through private sector projects the following types of projects in their respective order will be surveyed for the wage determination:

(A) Public funded state projects;

(B) public funded federal projects; and

(C) comparable projects in regions with similar demographic properties. Under no circumstances will wage rates for urban statistical areas be imposed upon rural statistical areas.

(4) Heavy and highway construction projects will be surveyed using any and all projects available since such projects are traditionally funded from public sources, state and federal.

(5) In a survey to determine the prevailing rate for job classes in a statistical area, a minimum of six (6) employees in an individual job class on a specific project is required before a wage determination can be made for the job class.

(d) The department will establish prevailing wage rates for the following classes of construction:

(1) highway construction;

- (2) heavy construction;
- (3) commercial construction; and
- (4) residential construction.

(e) The prevailing wage established under this section shall be considered the minimum prevailing wage rate that must be paid to various classes of laborers, mechanics and field surveyors.

(f) This section shall be made a part of every contract within the scope of AS 36.05.010 and AS 36.05.070(a). (Eff 7/8/73, Register 47; am 7/3/83, Register 83; am / / , Register )

Authority: AS 36.05.010  
AS 36.05.030  
AS 36.05.070

\*Section 8. 8 AAC 30. is amended by adding a new section .055 to read:

8 AAC 30.055. SPECIAL WAGE RATES. Special prevailing wage rate determinations may be requested for special projects or special worker classifications, if the work to be performed does not conform to traditional public construction for which a prevailing wage rate has been established under 8 AAC 30.050. Requests for special wage rate determinations must be in writing and filed with the commissioner at least 30 days before the award of the contract. An applicant for a special wage rate determination shall justify the necessity for the special rate. An application for a special wage rate determination filed under this section must contain

- (a) the specifications of the contract or project on which the special rates will apply and a description of the work to be performed;
- (b) a brief narrative explaining why special wage rates are necessary;
- (c) the job class or classes involved;
- (d) the special wage rates the applicant is requesting, including survey or other relevant wage data to support the requested rates;
- (e) the approximate number of employees who will be affected; and
- (f) any other information which might be helpful in determining if special wage rates are appropriate. (Eff. / / , Register )

Authority: AS 36.05.010  
AS 36.05.030  
AS 36.05.070

\*Section 9. 8 AAC 30. is amended by adding a new section .058 to read:

8 AAC 30.058. JOB CLASS. (a) In determining the job classes for which the department will establish a prevailing wage rate, the department may consider the traditional trades and crafts, the description of the work in contract documents, the skills required to perform the work, the dictionary of occupational titles, and whether the work is performed at a remote site.

(1) A remote site is isolated and relatively distant from the normal amenities of civilization and requires workers, out of practicality, to eat, sleep and socialize there as a condition of employment. A remote site is usually far from employees' homes and requires that employees remain at the work site for extended periods.

(2) Examples of job classes necessary to complete a contract at a remote job site would be cooks, bakers and camp maintenance persons.

(b) In determining the job class of a particular worker, the department will depend primarily on area practice surveys. In an area practice survey, the department will determine how contractors performing similar work in the statistical area classify their workers. If, in the discretion of the department, there is not enough similar work to provide a representative sample, the department may expand the survey to include other statistical areas. If an area practice survey is not feasible, the department will, in its discretion, rely on factors listed in (a) of this section. (Eff. / / , Register )

Authority: AS 36.05.010  
AS 36.05.030  
AS 36.05.070

#### ARTICLE 4.

#### INVESTIGATIONS AND HEARINGS

Section  
90. Investigation and procedures  
100. Hearings  
110. Decisions

\*Section 10. 8 AAC 30.090 is repealed and readopted to read:

8 AAC 30.090. INVESTIGATION AND PROCEDURES.. (a) The division will investigate potential violations of AS 36.05 on its own initiative or on the complaint of any person.

(b) If the division finds after investigation that a violation of AS 36.05 has occurred, it will provide the contractor who has violated AS 36.05 with a notice of violation describing the violation. This notice must inform the contractor of the results of the investigation, must require that the

contractor correct the violation within 20 days after receipt of the notice, and must notify the contractor that failure to correct the violation may result in placement of the contractor on a list of violators barred from bidding or performing public contracts under AS 36.05.090. The division will send the notice certified mail or personal service to the contractor in violation, the prime contractor if a subcontractor is in violation, and the contracting agency.

(c) A notice issued under (b) of this section is final unless the contractor, prime contractor, or contracting agency affected files an appeal with the division within 20 days after receipt of the notice.

(1) The appeal must be in writing and must:

(A) state objections to the division's findings and a summary of facts in support of each objection;

(B) state reasons, if any, why the contractor should not be barred from performing public contracts under AS 36.05.090; and

(C) describe the relief sought.

(2) The division's decision will be based upon the division's record including the written appeal and will state the facts relied upon in deciding the appeal.

(3) At the director's discretion a hearing will be held on the appeal to supplement the record where clarification or additional facts are necessary for proper resolution of the appeal.

(4) A hearing held under this section will be conducted in accordance with 8 AAC 30.100.

(d) If satisfactory evidence of compliance with AS 36 under (b) of this section is not received by the division within the time set forth in the notice, the division will issue a decision on the prevailing wages due. Copies of the decision will be sent to the contractor, the prime contractor if the contractor is a subcontractor, and the contracting agency.

(e) Upon issuing a decision under (c) or (d) of this section that prevailing wages are due, the division will serve the contracting agency with a demand to withhold contract payments due the prime contractor.

(f) If it appears that the delay in following the procedures in (b), (c) and (d) of this section will jeopardize payment to the workers of wages owed from accrued payments under the contract, the director may direct the contracting agency to withhold funds pending the division's investigation and the exhaustion of these procedures. In no case may workers be paid until these procedures are exhausted.

(g) Upon receipt from the division of a demand to withhold contract payments, the contracting agency shall immediately withhold the amount stated from the prime contractor. Withholding must continue until the division directs otherwise. Contract payments withheld under this section must be withheld from the contractor in addition to any other amounts retained by the contracting agency.

(h) upon debarment of a construction contractor from a public works project, the commissioner will notify the state disbursing officer or local fiscal officer and all political subdivisions of the state of the name and address of the contractor debarred. (Eff. 12/4/76, Register 60; am 7/30/82, Register 83; am / / , Register )

Authority: AS 23.05.060  
(1)(5)  
AS 36.05.030  
AS 36.05.090

\*Section 11. 8 AAC 30.100(b) is amended to read:

(b) The division will give notice to the respondent and to the complainant, if any, of the time and place of the hearing on an alleged violation of AS 36.05 [OR AS 36.10] by certified mail, [RETURN RECEIPT REQUESTED] or by personal service at least 20 [15] days before the hearing. The notice will contain a copy of the complaint, if any, and a description of the alleged violation which will be considered at the hearing. (Eff. 12/4/76, Register 60; am / / , Register )

Authority: AS 23.05.060  
(1)(5)  
AS 36.05.030

\*Section 12. 8 AAC 30.100(d) is amended to read:

(d) The commissioner [DIRECTOR] will appoint a [WAGE AND HOUR INVESTIGATOR AS] hearing officer to preside over the hearing and to make findings of fact and conclusions of law to be used as a basis for the director's decision. A person [AN INVESTIGATOR] who has investigated the alleged violations [OR TAKEN PART IN THE INFORMAL CONFERENCE UNDER 8 AAC 30.090] will not be appointed hearing officer. (Eff. 12/4/76, Register 60; am / / , Register .)

Authority: AS 23.05.060  
AS 36.05.030

\*Section 13. 8 AAC 30.110(b) is amended to read:

(b) Upon making a [HIS] decision, the director will serve it upon the respondent and the complainant, if any, by personal service or certified mail. [, RETURN RECEIPT REQUESTED] If the director determines that the respondent has violated AS 36.05 [OR AS 36.10], the [HIS] decision may contain

cease and desist orders and other orders and relief. When the violations of a contract are determined to be willful the decision may include an order placing [INCLUDING A RECOMMENDATION THAT] the respondent [BE PLACED] on a list of violators who are barred from performing public contracts as provided under AS 36.05.090 [AND AS 36.10.090, AS HE CONSIDERS APPROPRIATE TO CORRECT THE UNLAWFUL CONDUCT]. (Eff. 12/4/76, Register 60; am / / , Register )

Authority: AS 23.05.060  
AS 36.05.030

\*Section 14. 8 AAC 30.110(c) is amended to read:

(c) The director's decision becomes final 30 days after it is issued unless an interested party files a notice of appeal in the Superior Court under the rules of appellate procedure. IF, AFTER THE DIRECTOR'S DECISION FINDING THE RESPONDENT IN VIOLATION OF AS 36.05 OR AS 36.10 IS SERVED ON HIM; THE DIRECTOR DETERMINES THAT THE RESPONDENT HAS NOT CEASED OR HAS FAILED TO CORRECT THE UNLAWFUL CONDUCT, HE WILL REFER THE MATTER TO THE ATTORNEY GENERAL FOR ENFORCEMENT.] (Eff. 12/4/76, Register 60; am / / , Register )

Authority: AS 23.05.060  
AS 36.05.030

## ARTICLE 5.

### GENERAL PROVISIONS

#### Section

900. Definitions

920. Scope of "public construction"

\*Section 15. 8 AAC 30.900 is amended by adding new paragraphs to read

(8) "apprentice" means a worker in an apprentice program which has been registered and approved by the commissioner of labor in writing or in an apprenticeship program registered with the Bureau of Apprenticeship and Training, United States Department of Labor;

(9) "division" means the Division of Labor Standards and Safety;

(10) "working days" means Monday through Friday excluding state holidays.

(11) "commercial construction" means one of three categories as follows:

(A) "commercial building construction" is the construction of sheltered enclosures with walk-in access for the purpose of housing persons, machinery, equipment, or supplies. It includes all construction of such structures, the installation of utilities and the installation of equipment,

both above and below grade level, as well as incidental grading, utilities and paving. Additionally, such structures need not be "habitable" to be building construction. The installation of heavy machinery and/or equipment does not generally change the project's character as a building. Examples: apartment building (5 stories and more), arenas (enclosed), automobile parking garages, banks and financial buildings, commercial buildings, detention facilities, dormitories, fire stations, hotels, libraries, museums, office buildings, power plants, restaurants, schools, shopping centers, and warehouses. The examples set forth are illustrative of the comparable projects to be surveyed. They are not indicative of actual public construction projects;

(B) "heavy construction" are those projects that are not properly classified as either "building," "highway," or "residential." Unlike these classifications, heavy construction is not a homogeneous classification. Because of this catch-all nature, projects within the heavy classification may sometimes be distinguished on the basis of their particular project characteristics. Examples: antenna towers, bridges, breakwaters, dams, dikes, drainage projects, electrification projects (outdoor), land reclamation, pipe lines, reservoirs, sewage collection and disposal lines, sewers (sanitary, storm, etc.), tunnels, water mains, and water and sewage treatment plants (other than buildings);

(C) "highway construction" is the construction, alteration or repair of roads, streets, highways, runways, taxiways, alleys, trails, paths, parking areas, rest areas, waysides, and other similar projects not incidental to building or heavy construction. Examples: concrete pavement, curbs, excavation and embankment (for road construction), fencing (highway), guard rails on highway, highway signs, highway bridges (overpasses, underpasses, grade separation), medians, parking lots, resurfacing streets and highways, runways, shoulders, storm sewers incidental to road construction, and street paving;

(12) "residential construction" means those projects involving the construction, alteration, or repair of single family houses or apartment buildings of no more than four (4) stories in height. This includes all incidental items such as site-work, parking areas, utilities, streets and sidewalks. Examples: apartment buildings (4 stories or less), single family houses, mobile home developments, multi-family houses, married student housing, and town houses.

(13) The term "contractor" as used in AS 36.95.010(1) and in this chapter includes a person, a nonprofit corporation, a public or private unincorporated community and any other entity receiving public funds through the bid process, or through the grant process, which undertakes, or offers to perform, or submits a bid to construct, alter, repair, move or demolish a building, highway, road, railroad, or any type of fixed construction, including excavation and site development and erection of scaffolding which is intended for use as a traditional government facility in providing services or activities under contract for the state or a political subdivision.

(A) Factors to be considered in determining if a project performs a traditional governmental function are (1) degree of public use of the project; (2) percentage of public funding; (3) source of other funds; (4) whether the state or political subdivision of the state has any responsibility to maintain and/or operate the facility after completion; and (5) whether government has historically provided this service.

(14) The term "other state subdivision" as used in AS 36.95.010(6) includes any state board, commission, regional school board with respect to an educational facility under AS 14.11.020, public corporation or other organizational unit created under the executive, legislative, or judicial branch of state government. (Eff. 7/8/73, Register 47; am 12/4/76, Register 60; am 7/30/83, Register 83; am / / , Register )

Authority: AS 23.05.060  
AS 36.05.030

\*Section 16. 8 AAC 30 is amended by adding a new section to read

8 AAC 30.920. SCOPE OF PUBLIC CONSTRUCTION. (a) The terms "public works project," "construction project," and "construction contract" as used in AS 36 mean public construction as term is defined in AS 36.95.010(3).

(b) "Public construction" or "public works" as used in AS 36.95 does not include

(1) maintenance or service contracts to prevent a decline, lapse, or cessation from the existing state or condition, as opposed to contracts for repair which contemplate restoration to soundness of an existing structure or thing which has become imperfect. Examples of such contracts are contracts for removal of snow from roads, highways and airports; contracts for janitorial services in public buildings; and contracts for weed trimming along roads and highways. Examples of contracts for repair, which are covered under AS 36 are contracts for repairing or redecorating public buildings; contracts for filling potholes in roads and highways; and contracts for recaulking windows in public buildings;

(2) force account work performed by employees of a political subdivision, or employees of a public nonprofit entity receiving a grant under AS 37.05.315, AS 37.05.316 or AS 37.05.317; and

(3) design or preconstruction survey work before the formulation of the construction project. However, design or preconstruction survey work which is undertaken immediately before or during construction and involves laying off distances and angles to locate construction lines and other layout measurements including the setting of stakes, the determination of grades and levels and other work which is performed as an aid to the crafts which are engaged in the actual physical construction of the project, is covered by AS 36. (Eff. / / , Register )

Authority: AS 36.05.030  
AS 36.95.010  
(3)

POSITION PAPER AGAINST LEGISLATIVE

ACTS TO WEAKEN WAGE

PROTECTION FOR ALASKAN WORKERS

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SB 244

SR 24

To: Our Honorable Senators:

The Senate today has scheduled a hearing on severe amendments to our Alaska Title 36 wage law. We are uncertain why such important bills as SB 244 and SR 24 have been moved so quickly by this Senate. Due to this speed, I am having my concerns express mailed to you today since these bills are serious threats to working people throughout Alaska and should be considered by our Legislature before action is taken.

Throughout the past years, Alaskans throughout our state have testified before you, written to you, signed petitions sent to you, and sent public opinion messages to you asking that our Legislature in Juneau not weaken our Alaskan Title 36 (Davis-Bacon) wage protection law. Perhaps these people cannot afford to travel to Juneau, but we believe their message has been sent--and hopefully heard.

These people not only live in Anchorage and Fairbanks, but, just in the past months, we have spoken with construction workers in Kodiak, Kenai, Homer, Copper Center, Talkeetna, Palmer, Delta, Nome, Valdez, Sitka, Ketchikan, Nenana, Unalaska, Yakutat, and elsewhere in the Bush who support Alaska Title 36 and the liveable wage it protects. And they understand such efforts to weaken their wage law.

The proponents of SB 244 and SR 24 have claimed that these bills will not weaken the Title 36 wage law but merely "administratively adjust" the wages. We ask our representatives, however, to consider one question. Will these bills result in lower wages for Alaskan workers? They will. And they may also result in lower wages for rural people than other Alaskans. We believe this is the primary "intent" of the proponents.

We hope our Legislature will consider the facts on what impact this will have on Alaskan workers and the reason Alaskans working in the private sector are entitled to a fair Title 36 wage law.

#### Title 36 History in Alaska

Alaska Title 36 requires that the prevailing wage be paid on public construction, whether in the Bush or not. Alaskans in the Bush are fully entitled to this wage protection, as are other Alaskans. In fact, the original sponsor of Title 36 was Senator Lomen (R) from Nome in 1931. And it has been supported by our Alaskan leaders, such as Bill Egan, since statehood for the benefit of Alaskan workers in the private sector.

This is the first effort to fragment the state's wage law so that lower wages will be provided outside Anchorage and Fairbanks. As a practical matter, there is insufficient construction activity in the Bush to regionalize the wage process without unfairly lowering the wage rates. We have seen no movement by Alaskan voters in support of the proponents' bill.

### Local Hire and Title 36

It is a known fact in the construction industry that the primary policy of Title 36 (Davis-Bacon) is to prevent the importation of cheaper workers into our state and to protect our state's wage standards. This policy was spelled out in the legislative history of federal Davis-Bacon law (testimony of Senators Bacon (R), Davis (R)), the model for our Alaska Title 36 ("little Davis-Bacon"), and was directly stated by our Alaska Supreme Court in 1982. Sitka v. Construction Laborers, 583 P.2d 227 (Alaska 1982). As it is designed, it protects local hire!

The proponents of SB 244 claim that their bill is necessary to prevent Alaskans in Fairbanks and Anchorage from working in the Bush. We challenge these proponents to directly establish regional hire through "local hire ordinances" if that is the real intent. Otherwise, the only practical impact of this bill will be to lower wages for rural Alaskans.

### The Private Sector Employees in Alaska

Alaskans in our private sector are seriously struggling with their livelihoods right now and do not need further injury. We believe it is an obligation of our Legislature to be concerned for people in the private sector and be supportive.

SB 244 would do "double damage" to Alaskan construction workers. It is obvious that most Alaskan construction workers have had severe income problems due to the lack of work in the construction industry. I can tell you that in our Local alone, our members have worked an average of only 760 hours for the

entire year of 1986. And I am also certain that it is just as sad a picture for all construction workers. With the current loss of work, these people do not need "double damage" by then cutting their wages.

Few state dollars are spent in the private sector, and we believe that these Alaskans deserve a livable standard of living and the support of our Legislature.

#### Rural Alaskans Also Deserve Title 36 Wages

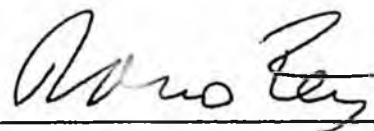
Rural Alaskans want and deserve full Title 36 wages equal to other Alaskans. We also hope our Legislature supports them. As a practical matter, SB 244 would not support these people since its affect and obvious intent is to weaken Davis-Bacon wage for rural and Native Alaskan residents.

The absolute benefits that the Davis-Bacon Act provides for Native Americans has been documented. In 1979, proponents attempted federal support to repeal wage protection laws for Native American HUD housing projects. In response, Native leaders testified that Davis-Bacon strongly protects the Native workers from wage exploitation. They pointed out that standard Davis-Bacon wages assure that Native workers do not work "side by side" with non-Natives at lower wages. (Peter McDonald, Chairman, Navajo Tribal Council (largest in U.S.)) Other Native leaders supported Davis-Bacon for assuring their people a livable wage when the minimal work occurs in their area. They also pointed out that this encourages training of their people, who deserve this opportunity. In Alaska, several AFL-CIO locals have offered such

training to Alaskan Natives. But, obviously, those with more resources (i.e., State of Alaska, Native Corporations) can be effective with such vocational training.

Finally, it has been proven untrue that full wages for rural residents unreasonably inflate public project costs. While it can be argued that the State should not "chisel" Alaskan workers for this purpose, the wages earned by Alaskans are a minor cost of such projects. Unfortunately, the cost of most projects is primarily spent on supplies and equipment imported from the Lower 48.

And, more importantly, it has been proven that the cost of rural projects is not inflated by Davis-Bacon wages which people earn on these projects in their own community. See Evaluation of the High Cost of Indian Housing (HUD Region IX, June 1979). After study of this issue, the HUD Report stated that Davis-Bacon wage protections did not result in significant costs to the projects. We believe our Alaskan residents--rural or otherwise--are also entitled to this protection of our Davis-Bacon wage law and ask your support by withdrawing and opposing SB 244.



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Mano Frey  
Executive President, AFL-CIO  
Business Manager, Laborers  
Local 341