



SHEET METAL AND AIR CONDITIONING CONTRACTORS' NATIONAL ASSOCIATION

March 15, 2024

U.S. Senate
Washington, DC 20510

RE: Oppose S. 3941, The Davis-Bacon Repeal Act

Dear Senator:

The Sheet Metal and Air Conditioning Contractors' National Association (SMACNA) is supported by more than 3,500 construction firms specializing in industrial, commercial, residential, architectural and specialty sheet metal and air conditioning construction in public and private markets throughout the United States. **On behalf of SMACNA, I want to express our strong opposition to S. 3941, legislation that would repeal the Davis-Bacon Act.** S. 3941 was introduced by Senator Lee (R-UT) and cosponsored by Senators Cruz (R-TX), Scott (R-SC) and Budd (R-NC). By opposing this misguided legislative effort, you are supporting construction workforce training quality, public project safety and productivity. Prevailing wage laws and registered apprenticeship standards are important to our thousands of firms and their hundreds of thousands of highly skilled construction trades employees.

SMACNA members and allied quality driven contractors understand that any major investment in public infrastructure should recognize the extreme importance and merit in prevailing wages as part of any quality based public procurement policy. As you may know, enforcing Federal, state, and local prevailing wage laws encourage employers to:

- Pay a locally prevailing wage.
- Offer health care coverage to their employees and their families.
- Provide for the future retirement of their employees and
- Make a significant investment in the registered apprenticeship training and safety programs producing an unmatched productive and safety conscious workforce.

From decades of experience SMACNA member firms understand the merit in a public procurement policy that encourages employers to provide a skilled workforce quality wages, benefits, and training. Further, we know that continuing federal commitment to the payment of prevailing wages and benefits should not be cast as a union versus nonunion issue. **According to many Department of Labor reports, most Davis-Bacon wage decisions for federal projects are a blended rate of pay and offer less than the union wage.** In fact, most all prevailing wage rates are far below union scale, some nearer the minimum wage than a union rate, almost all without fringe benefits of any kind. Prevailing wage laws seek to prevent the federal government from undermining local economies and prevailing local employment and training practices by reflecting local conditions.



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We ask Davis-Bacon opponents in Congress to carefully reconsider the critical role prevailing wage standards play in maintaining a well-trained, highly productive construction workforce. To date this important impact has been almost entirely overlooked by many in Congress. When productivity, quality of workmanship and life cycles costs of complex construction are taken into consideration, it becomes apparent that prevailing wage laws are not only **NOT** costing the government money but are saving it money. More than half of major private construction is awarded based upon a negotiated rather than a low-bid basis for this very reason: first costs are not a true indication of the overall cost or quality of construction projects. Numerous studies in recent years have used actual Dodge Reports for thousands of construction project to document lower costs for certain building types in prevailing wage states as compared to non-prevailing wage states. The savings are due to the far greater productivity of a trained, skilled workforce completing highly complex construction projects faster and better.

Many in Congress have been misled by largely exaggerated and inaccurate information from often overzealous anti prevailing wage forces on both the estimated savings and the policy consequences of using locally prevailing wages. Nevertheless, we applaud the strong bipartisan support for the Davis Bacon Act in the 118th Congress. Majorities in both Houses of Congress recognize that first-rate construction industry firms should not be disadvantaged when bidding federal projects because they offer their employees locally prevailing wages, health care, pensions and invest in registered apprenticeship training programs. This would be the impact if the prevailing wages were excluded from major federal infrastructure investment efforts.

Again, we strongly oppose S. 3941 and other legislative efforts to undermine the Davis-Bacon Act or state and local prevailing wage standards and offer to provide you additional background information should you have questions on why enforcing prevailing wage standards better serves construction quality, productivity, as well as boosts skilled workforce training and safety on public projects.

Sincerely,



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