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## Building and Construction Trades Department

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April 2, 2009

All Members  
United States Senate  
Washington, DC 20510

Dear Senator:

Today, the U.S. Senate will continue its deliberations over S. Con. Res. 13, the FY 2010 Budget Resolution. It is expected that Senator Jim DeMint (R-SC) will offer an amendment (# 850) to prevent application of federal prevailing wage protections under the Davis-Bacon Act to any projects funded by the "American Recovery and Reinvestment Act" (ARRA). On behalf of the Building and Construction Trades Department, AFL-CIO, comprised of 13 national and international unions which collectively represent 2.5 million skilled craft workers, I urge you to reject the DeMint Amendment, which would do nothing more than further erode community and workforce development and wage standards in a time of severe economic distress.

Subverting or eliminating prevailing wage laws often leads to shoddy construction and substantial cost overruns. With Davis-Bacon Act application, contractors compete on the basis of who can best train, best equip and best manage a construction crew...not on the basis of who can assemble the cheapest, most exploitable workforce—either locally or through importing labor from elsewhere.

Further, higher wages and skills result in greater productivity and lower cost. Productivity is so much greater among high-wage, high-skill workers that projects using such workers often cost *less* than those using low-wage, low-skill workers due to repairs, revisions and lengthy delays. Opponents who claim that the government could save billions by eliminating Davis-Bacon protections ignore productivity, safety, community development and other economic benefits which contribute to the real cost-effectiveness of Davis-Bacon. Furthermore, a study of 10 states where nearly half of all highway and bridge work in the U.S. is done (*Wages, Productivity and Highway Construction Costs*; Construction Labor Research Council; 2004) showed that when high-wage workers were paid *double* the wage of low-wage workers, they built *74.4 more miles of roadbed* and *32.8 more miles of bridges* for *\$557 million less*.

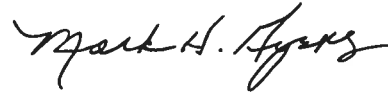
In closing, I would encourage each member of the United States Senate to examine the attached document that shows what the current federal wage determinations for the two most populous counties in Senator DeMint's home state of South Carolina. I could not imagine any reasonable person concluding that these wages rates are inflationary and would contribute to escalating costs.

Don't let taxpayer money be used to drive down community standards even further than they already have. The men and women who build America day in and day out deserve the respect and dignity that comes with a decent paycheck.

Please vote "No" on the DeMint anti-Davis-Bacon Amendment.

With kind regards, I am,

Sincerely,

A handwritten signature in black ink that reads "Mark H. Ayers". The signature is written in a cursive style with a large, sweeping initial "M".

Mark H. Ayers  
President

## Davis-Bacon Act Wage Determinations & Annual Salary Computations

### ***Greenville County, South Carolina***

The current prevailing wage rates for "Building Construction" in **Greenville County, SC** are identified below:

	<u>Wages</u>	<u>Fringe Benefits</u>
Carpenter	\$7.96	
Electrician	\$8.71	\$1.21
Laborer	\$6.55	
Plumber	\$8.50	
Power Equipment Operator (Bulldozer)	\$6.55	

The current prevailing wage rates for "Highway Construction" are identified below:

	<u>Wages</u>	<u>Fringe Benefits</u>
Carpenter	\$7.23	
Electrician	\$10.36	
Laborer	\$6.55	
Welder	\$7.63	

### ***Richland County, South Carolina***

The prevailing wage rates for "Building Construction" in Richland County, as determined on January 9, 2009, are identified below:

	<u>Wages</u>	<u>Fringe Benefits</u>
Carpenter	10.94	0
Electrician	11.81	.96
Laborer	7.49	0
Plumber	12.59	.04
Power Equipment Operator (Bulldozer)	9.75	0

The prevailing wage rates for "Highway Construction" in Richland County, as determined on July 25, 2008, are identified below:

	<u>Wages</u>	<u>Fringe Benefits</u>
Carpenter	7.23	0
Electrician	10.36	0
Laborer	7.49	0
Welder	7.63	0
Power Equipment Operator (Bulldozer)	6.97	0

On the surface, opponents of the Davis-Bacon Act consistently argue that construction costs are artificially inflated because of wage rates such as these...which they view as being exorbitantly high.

It is always helpful to analyze construction wages in the context of the day-to-day realities of employment in the construction industry.

Because of weather issues, a decent year for many craft professionals in the construction industry would be 1,500 hours worked. An exceedingly good year would be in the neighborhood of 2,000 hours worked. Taking the two most populous counties in South Carolina – Greenville and Richland – we calculated the following gross annual incomes:

***Building Construction – Greenville County, SC***

<b>State</b>	<b>Craft</b>	<b>Hourly Wage</b>	<b>1,500 Hours Worked</b>	<b>2,000 Hours Worked</b>
SC	Carpenter	\$7.96	\$11,940	\$15,920
SC	Electrician	\$8.71	\$13,065	\$17,420
SC	Laborer	\$6.55	\$ 9,825	\$13,100
SC	Plumber	\$8.50	\$12,750	\$17,000

***Highway Construction – Greenville County, SC***

<b>State</b>	<b>Craft</b>	<b>Hourly Wages</b>	<b>1,500 Hours Worked</b>	<b>2,000 Hours Worked</b>
SC	Carpenter	\$7.23	\$10,845	\$14,460
SC	Electrician	\$10.36	\$15,540	\$20,720
SC	Laborer	\$6.55	\$ 9,825	\$13,100
SC	Welder	\$7.63	\$11,445	\$15,260
SC	Pwr. Equipment (Crane Operator)	\$8.42	\$12,630	\$16,840

***Building Construction – Richland County, SC***

<b>State</b>	<b>Craft</b>	<b>Hourly Wage</b>	<b>1,500 Hours Worked</b>	<b>2,000 Hours Worked</b>
SC	Carpenter	\$10.94	\$16,410	\$21,880
SC	Electrician	\$11.81	\$17,715	\$23,620
SC	Laborer	\$ 7.49	\$11,235	\$14,980
SC	Plumber	\$12.59	\$18,885	\$25,180

***Highway Construction – Richland County, SC***

<b>State</b>	<b>Craft</b>	<b>Hourly Wage</b>	<b>1,500 Hours Worked</b>	<b>2,000 Hours Worked</b>
SC	Carpenter	\$7.23	\$10,845	\$14,460
SC	Electrician	\$11.81	\$17,715	\$23,620
SC	Laborer	\$7.49	\$11,235	\$14,980
SC	Welder	\$7.63	\$11,445	\$15,260
SC	Pwr. Equip. Op.	\$6.97	\$10,455	\$13,940

In our view, it would be hard for any reasonable person to conclude that any of the rates detailed here could be considered exorbitant or unwarranted. Especially when you place these income levels in the context of the 2009 federal poverty guidelines:

<b>Size of family unit</b>	<b>100 Percent of Poverty</b>	<b>110 Percent of Poverty</b>	<b>125 Percent of Poverty</b>	<b>150 Percent of Poverty</b>	<b>175 Percent of Poverty</b>	<b>185 Percent of Poverty</b>	<b>200 Percent of Poverty</b>
1	\$10,400	\$11,440	\$13,000	\$15,600	\$18,200	\$19,240	\$20,800
2	\$14,000	\$15,400	\$17,500	\$21,000	\$24,500	\$25,900	\$28,000
3	\$17,600	\$19,360	\$22,000	\$26,400	\$30,800	\$32,560	\$35,200
4	\$21,200	\$23,320	\$26,500	\$31,800	\$37,100	\$39,220	\$42,400
5	\$24,800	\$27,280	\$31,000	\$37,200	\$43,400	\$45,880	\$49,600
6	\$28,400	\$31,240	\$35,500	\$42,600	\$49,700	\$52,540	\$56,800
7	\$32,000	\$35,200	\$40,000	\$48,000	\$56,000	\$59,200	\$64,000
8	\$35,600	\$39,160	\$44,500	\$53,400	\$62,300	\$65,860	\$71,200