



Oppose Efforts to Modify, Suspend or Repeal the Davis-Bacon Act

Background:

The Davis-Bacon Act was enacted to establish local labor rates within construction projects contracted by the federal government. The Act requires public works contractors to pay skilled tradespeople no less than the wages that prevail on similar projects within the same region. Most states have adopted similar prevailing wage rate legislation for bidding on state and local government projects. Congress should not approve any efforts to modify, suspend, or repeal the Davis-Bacon Act or remove existing prevailing wage law provisions from construction contracts utilizing federal funds or assistance, including financing proposals providing federal assistance to local projects.

Key Points:

- The Act does not set specific wage rates. It simply requires that all contractors who bid on a federally financed construction project base their bid on a common labor cost. Competition would instead focus on management, quality, safety, timeliness, and productivity rather than primarily on workers' wages.
- The federal investment in construction activity covered under Davis-Bacon significantly improves the stability of local communities. The Davis-Bacon Act intends to prevent the undercutting of local labor standards when awarding contracts for federal construction work throughout the United States.
- The construction industry is especially vulnerable to wage-cutting competition. With limited opportunities to lower costs on project design or materials, contractors are inclined to underbid competitors by cutting wages. Prevailing wage laws, like the Davis-Bacon Act, ensure workers receive fair compensation.
- Paying workers a prevailing wage is a good investment. Low-wage, low-skilled workers have not been trained as well as higher-paid workers. They often take longer to complete work, are more vulnerable to job site accidents, and require additional government assistance. Conversely, higher wage earners receive a superior level of training, offer greater productivity, construct a better end product, and ultimately contribute more to the economy.

NECA Asks:

Oppose all amendments to all legislation that would suspend or repeal requirements to comply with the Davis-Bacon Act.