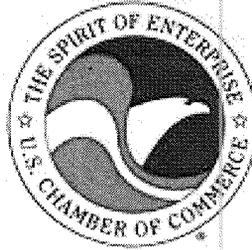
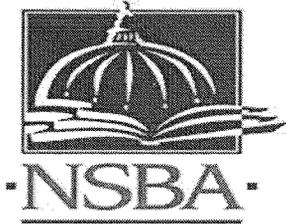


Submitted for the record
by Mr. McKeon



Independent Electrical
Contractors



February 12, 2008

The Honorable George Miller
Chairman, House Committee on Education and Labor
United States House of Representatives
Washington, DC 20510

The Honorable Howard "Buck" McKeon
Ranking Member, House Committee on Education and Labor
United States House of Representatives
Washington, DC 20510

Dear Chairman Miller and Ranking Member McKeon:

As your committee prepares for its hearing on "*Modern Public School Facilities: Investing in the Future*," the undersigned organizations would like to take this opportunity to thank you for addressing this important topic. Like you, we believe the foundation for our future is education, and that foundation begins in the walls of our nation's schools. To keep that foundation strong, however, **we urge you to refrain from imposing costly Davis-Bacon Act requirements on school construction projects until serious flaws with that law's wage determination process are fixed.**

Federal authorities have concluded that Davis-Bacon wage rates are inaccurate. A series of audits by outside agencies, as well as the Department of Labor's (DOL) own Office of Inspector General (OIG), have revealed substantial inaccuracies in Davis-Bacon Act wage determinations and suggested that they are vulnerable to fraud. In addition, DOL's OIG released three reports highly critical of the wage determination program. In fact, one report from 2004 found one or more errors in nearly 100 percent of the wage surveys reviewed. Expanding a wage determination process that has been proven to be flawed is unfair to the American taxpayer and American businesses, as well as parents and students who see scarce resources used inefficiently.

Davis-Bacon's wage determination flaws harm the very employees the law was intended to protect. Research from the Heritage Foundation found that Tampa Bay area electricians are underpaid by 38 percent under Davis-Bacon's system when compared to the more statistically sound wage determination method used by the Bureau of Labor Statistics. Forthcoming academic research will provide further evidence from urban areas across the nation.

Davis-Bacon also has a negative impact on equal access to work opportunities. It prevents many qualified small and minority-owned businesses from even bidding on public projects, because the complexities and inefficiencies in the Act make it nearly impossible for small businesses to compete. As a result, few minority firms win Davis-Bacon contracts, and many others give up trying. That is not a lesson any of us want to teach our children.

Finally, Davis-Bacon's flaws will cost taxpayers more to provide students with less. Davis-Bacon has been shown to increase public construction costs by anywhere from 5 to 38 percent above what the project would have cost in the private sector. According to the Congressional Budget Office, the Davis-Bacon Act already costs taxpayers more than \$9.5 billion over the 2002 to 2011 period relative to the 2001 appropriations and \$10.5 billion relative to 2001 appropriations adjusted for inflation. Any Davis-Bacon costs from legislation your committee considers will be directly passed on to the American taxpayers in these school districts, coming at the direct expense of education dollars for children in classrooms.

We urge Congress to make sure inaccuracies and flaws in the process are corrected before Congress considers extending the Davis-Bacon Act requirements to additional areas of the law.

Sincerely,

Associated Builders and Contractors
Independent Electrical Contractors
National Federation of Independent Business
National School Boards Association
U.S. Chamber of Commerce