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August 19, 2009

Mr. Gene Dodaro
Acting Comptroller General
U.S. Government Accountability Office
441 G Street, NW
Washington, DC 20548

Dear Mr. Dodaro:

In 2004, the Department of Labor's (DOL) Inspector General (IG) issued a report outlining problems with the implementation of the Davis-Bacon Act.^{1,2} The report reexamined issues previously identified by the IG in 1995, and found that these previously highlighted problems had not been resolved. These problems included, among other things, errors in wage data collected pursuant to the Act, bias in the wage data, and timeliness of decisions regarding wage data. The IG report noted that an attempt by DOL to correct the data had failed.

In 1999, the Government Accountability Office (GAO) studied the Davis-Bacon Act and found deficiencies similar to those discussed in the IG report.³ Additionally, other academic studies have reached similar conclusions regarding the implementation of the Davis-Bacon Act. One recent study conducted by the Beacon Hill Institute suggests that four years after the IG report and nine years after the GAO report, wage data irregularities remain in the program.⁴

As Congress continues to broaden prevailing wage requirements Act to programs that are far beyond the original scope of the Davis-Bacon Act, such as the American Reinvestment and

¹ *Concerns Persist with the Integrity of Davis-Bacon Act Prevailing Wage Determinations*, Report Number 04-04-003-04-420. March 30, 2004.

² See 40 U.S.C. § 3141 *et seq.*

³ *Labor Now Verifies Wage Data, but Verification Process Needs Improvement*. HEHS-99-21. January 11, 1999.

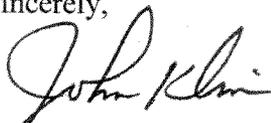
⁴ *The Federal Davis-Bacon Act: The Prevailing Mismeasure of Wages*. Beacon Hill Institute. February 2008.

Recovery Act,⁵ the ongoing problems with faulty wage data are compounded. Further, the administrative burdens of the Act are being required of a whole new segment of the economy.

In view of the persistent nature of these problems, I am requesting that the GAO again undertake a study of the Department of Labor's implementation of the Davis-Bacon Act. Specifically, I am interested in determining if the aforementioned problems with wage data collection (timeliness, bias, error) have been meaningfully addressed; whether the wage data gathering process can be fixed to create a more accurate representation of prevailing wages in designated areas; how the Department of Labor can best implement these changes; and any other technical improvements that can be made to assist users of the data that GAO may identify.

I thank you for your time and attention to this matter, and would be happy to review the request in further detail with you and your staff. In the interim, please contact [REDACTED] of my staff at [REDACTED] if you have any questions about this request.

Sincerely,



John Kline
Senior Republican Member

⁵ P. L. 111-5 (February 17, 2009).