



417 Walnut Street
Harrisburg, PA 17101-1902
717 255-3252 / 800 225-7224
FAX 717 255-3298
<http://www.pachamber.org>

Aug. 16, 2011

The Honorable Ron Miller, Chairman
PA House Labor and Industry Committee
115 Ryan Office Building
Harrisburg, PA 17120-2093

Dear Chairman Miller:

I write on behalf of the Pennsylvania Chamber of Business and Industry to express support for HB 1271, which would amend the PA Prevailing Wage Act by exempting from the law certain road maintenance work. This bill is the subject of a House Labor and Industry Committee public hearing on Aug. 17, 2011.

The PA Chamber has previously expressed to you our support for full repeal of the PA Prevailing Wage Act because of the burden this law imposes on local governments, school districts, taxpayers and employers while providing virtually no benefit to the public. However, the PA Chamber is amenable to exploring alternative options to improve the PA Prevailing Wage Act, including the bills that your Committee reviewed at a hearing on Aug. 10th. We appreciate your efforts to seek common ground among all stakeholders. It is disappointing that the organized labor community continues to demonstrate no willingness to compromise and help develop policies to update an archaic law that has become increasingly nonsensical and detrimental since its enactment a half-century ago.

On Aug. 17th, your Committee will again consider legislation to improve the PA Prevailing Wage Act. HB 1271 would exempt from the prevailing wage mandate certain road maintenance work, which until recently, was already not subject to the law. The PA Prevailing Wage Act stipulates that employees performing maintenance work are not required to be paid the local prevailing wage. This exemption was historically interpreted to include basic roadwork undertaken by municipalities, such as resurfacing, replacing guide rails and painting lines, until a court decision several years ago effectively eliminated the roadwork exemption. This decision has forced municipalities to curtail or completely cancel regular road maintenance work when they cannot afford the inflated wages that result from the prevailing wage mandate.

HB 1271 would further define "maintenance" to include this type of regular road repair work, thereby codifying the previously longstanding and fair interpretation of the law. This legislation would go a long way toward easing the burden on local governments, many of which are already struggling to balance budgets while trying to fulfill their core responsibilities. We urge the committee to consider this bill when the House returns to session. Thank you.

Sincerely,

Alex Halper
Manager, Government Affairs

cc: Chairman Bill Keller

2008

PREVAILING WAGE PROJECT

	25,000 to 50,000	50,001 to 75,000	75,001 to 100,000	100,001 to 200,000	200,001 to 500,000
Building	935	302	312	490	550
Heavy	60	22	21	31	46
Highway	295	140	175	287	348
Bldg/ Heavy	49	17	16	31	48
Bldg/ Highway	0	0	0	0	0
Heavy/ Highway	246	126	131	245	266
Bldg./ Heavy/ Highway	32	10	20	27	40
	1617	617	675	1111	1298

Building

All building projects (include any facet of the building such as roofing, plumbing, etc)

Fencing around the perimeter of a building

Towers (such as radio towers)

Above ground water tanks (or repair work on them)

Water meters

Grandstands

Building / Heavy

Wastewater treatment plants

*** These construction classes are only separated in the eastern 34 counties.**

COST RANGE

500,001 to 1million	1million1 to 2,5 millior	2.5 million1 to 5 million	5 million to 1 billion	TOTAL
242	207	100	225	3363
21	21	3	13	238
201	123	77	34	1680
23	22	15	13	234
0	0	0	0	0
196	169	65	35	1479
42	25	17	22	235
725	567	277	342	7229

Heavy *

- Dams
- Work on mines (either deep mines or strip mines)
- Football and Baseball fields
- Landfill projects
- Dredging of lakes, rivers and streams
- Underground oil or gas tanks

Highway *

- Bridges
- Highways, roads, parking lots, sidewalks, curbing
- Sewer and water lines
- Athletic tracks
- Highway signing