



March 17, 2021

The Honorable Mike Lee
U.S. Senate
361A Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Lee:

On behalf of Associated Builders and Contractors, a national trade association with 69 chapters representing more than 21,000 members, I am writing to express our support for your introduction of the Davis-Bacon Repeal Act. The 90-year-old Davis-Bacon Act, which sets “prevailing wages” paid to construction workers on federal and federally assisted construction projects, is outdated, needlessly raises construction project costs for hardworking taxpayers, stifles contractor productivity and discourages competition while disproportionately affecting small businesses interested in pursuing federal and federally assisted construction projects.

As administered by the U.S. Department of Labor, Davis-Bacon requirements often set wage rates at or above the union labor scale even though only 12.7% of the private construction workforce is unionized nationwide. Inversely, Davis-Bacon wage determinations have also been known to be lower than current market rate, which is equally problematic—and especially detrimental for local contractors and local construction jobs.

For more than three decades, Congress and government oversight agencies have decried the timeliness and accuracy of the prevailing wage rates mandated under the Davis-Bacon Act. Additionally, according to the Government Accountability Office, the unscientific survey process the DOL Wage and Hour Division uses to determine prevailing wage rates is [riddled with errors and inefficiencies](#) and lacks the incentives and transparency needed to ensure participation, resulting in inaccurate data for wage determinations.

While the [Congressional Budget Office estimates](#) that repealing the Davis-Bacon Act would save the federal government \$17.1 billion between 2021 and 2030, [additional research suggests](#) repealing the Act would actually save taxpayers more than \$11.56 billion a year. Eliminating or modernizing the Davis-Bacon Act would create the conditions for all qualified contractors and their skilled workforce to compete to rebuild their communities and give taxpayers additional value for investments in public works projects as Congress works to enact critical infrastructure modernization and America faces a \$2.6 trillion infrastructure gap by 2029.

ABC appreciates your sponsorship of this critical legislation and looks forward to working with your office to promote this cost-saving proposal.

Sincerely,

Kristen Swearingen
Vice President, Legislative & Political Affairs