

DAVIS-BACON COVERAGE FOR THE ABC SYSTEM

During the Eisenhower Administration, Congress wisely included a provision in Section 115, Title 1 of the 1956 Highway Act requiring the Secretary of Labor to determine the prevailing wage rates on similar construction in the locality of proposed interstate projects. This provided highway construction workers with the protection of the Davis-Bacon Act and lent to the industries in general, the stability afforded by predetermined prevailing wages.

Prior to the late 1940's, only construction contracts that were let by the so-called "procurement agencies" (Corps of Engineers, G.S.A., Bureau of Reclamation and the U.S. Air Force) came under the purview of the Davis-Bacon Act. This afforded workers with the necessary protection that large expenditures of their taxes, on Federal construction projects, would not serve to destroy wage rates which were established and prevailing in their areas.

The Administrations of Presidents Truman, Eisenhower, Kennedy and Johnson have all endorsed the principle of federal and local participation in the financing of construction projects that are held to be necessary to the needs of this country. With the innovation of Federal assistance programs whereby the Federal Government, through its various agencies, together with state municipalities or other local governmental authorities, share the cost of construction projects under the "National Housing Act of 1949," the "Federal Airport Act," the "College Housing Act of 1950," the "Area Redevelopment Act," and the "Education Assistance Act of 1963."

If there is any single, common denominator among these programs, it is that the Secretary of Labor sets forth the prevailing wage rates for all construction workers employed on these projects. This is true whether the Federal Government is paying 90% of the project, as in the Interstate Highway Program, or in the cases of some projects of the Federal Housing Administration, where no federal funds are expended but the Federal Government acts as the guarantor of the loan.

We feel that an annual federal disbursement of \$1 billion for this ABC has such an impact on the highway industry that the workers on these projects are entitled to the protection of the Davis-Bacon Act. Certainly it was the intent of Congress with the passage of the Davis-Bacon Act to protect workers on all construction projects in which the Federal Government is involved whether it be by direct contract or those federal assistance programs with a predetermined prevailing wage rate. Therefore, we feel Congress should, at this time, act to place the workers employed on these ABC Highways under the protection of the Davis-Bacon Act.

SAFETY AND THE ABC SYSTEM

As representatives of organized labor, we feel we have a social responsibility, both to our members and to the general citizenry, to insist that any highway program must attempt to halt the alarming fatality rate on our nation's highways. Every single day over 10,000 Americans are injured on our highways and every week more than 1,000 are killed; the monthly economic loss is well over \$800 million.

Congress is again to be commended for their most recent attempts in passing the Federal Highway Safety Act to reduce this shocking waste of human lives. We know that your Committee will continue to consciously search for answers to our nation's most disgraceful malady.

Again, we are appreciative of the opportunity to address your important Committee and trust that you will give our views and suggestions careful consideration.