

## **Testimony of Stephen C. Leer of Leer Electric, Inc.**

Good morning, Chairman Miller, Chairman Keller and the members of the entire Labor and Industry Committee. My name is Stephen Leer and I am the president of Leer Electric, Inc. My company is located in Dillsburg, Pennsylvania where I founded it in 1973. We are a full service electrical construction company who is well equipped to do small residential projects as well as large commercial and industrial projects. In the past 38 years we have successfully completed projects of various sizes throughout the Commonwealth of Pennsylvania as well as several other states. Our projects have been as large as eight million dollars in size. Over the years I have created hundreds of jobs for people here in the Commonwealth.

In the last twenty years a large portion of our business has been public work which has largely been prevailing wage work. I am not here to give you my opinion on the merits of prevailing wage pay. I am here as a business person who regularly employs many people in public sector prevailing wage jobs, to ask you to do something constructive about the rules of the prevailing wage act. My views are also expressed here on behalf of the Central Pennsylvania Chapter of the Independent Electrical Contractors, a national trade association of 3,700 merit shop electrical and systems contractors.

The way that the act is written, it is almost impossible to follow the rules and be within the law. There are no two investigators who view the rules the same. In fact, the rules themselves are a mystery because they are not in writing and there is no objective standard. Over the years I have asked the same questions to different L&I investigators and have gotten different answers almost every time. For example if I ask one investigator if a laborer can do demolition he will say yes and if I ask that same question to a different investigator he will likely say something different such as no or he will try and describe certain situations where the answer is yes and other situations where it is "no." Other times, they just say "follow the custom, usage and tradition in the industry". Frankly, I think the custom and usage expression is useless! I have heard different people at L&I express very different understandings on custom and usage. As the owner of a construction company, I just want a clear, objective source of what the rules are telling me exactly how each task that my workers perform on a construction project is to be classified. Right now, I have to guess and when I ask someone from L&I, I cannot rely on their answers because the answers change and they are not written down anywhere.

I have also reviewed the federal sources that this law would set as the standard, and they provide the objective guidance that we contractors seek. The biggest prevailing

wage Issues I face in my electrical construction business is whether an employee is doing electrical trade work or labor work. If L&I would make it clear which tasks are classified as trade work and which tasks are labor work, then I and all my competitors would know exactly how to bid a job and how to manage a job and what rates to pay their employees.

As an employer I do not care what rates you require me to pay for what tasks, I just want you to specify those tasks and rates in writing. If those tasks are in writing, you will save the taxpayers of this Commonwealth thousands if not millions of tax dollars in investigation and enforcement fees.

As a taxpayer I am getting the best value for my tax dollars if there is a "level playing field" where all the participants know the rules.

As an employer who has dealt with the PWA and its ambiguous rules for many years, I feel an important step to reforming the Act would be to adopt the proposed amendments.

On behalf of my employees and Central Pennsylvania Chapter of the Independent Electrical Contractors, I would like to thank the members of this committee for their time and hard work to this worthwhile cause.

Steve Leer