

**PA HOUSE OF REPRESENTATIVES**

***House Labor and Industry Committee***

**Abraham Amorós – PA Legislative Director  
*Laborers' International Union of North America***

**TESTIMONY**

***House Bills 1367 and 1685***

**August 10, 2011**

**Good afternoon, Mr. Chairman and thank you for allowing the Pennsylvania Laborers to present testimony on House Bills 1367 and 1685. Both of these bills seek to fundamentally change the Prevailing Wage Act and the way workers are paid in Pennsylvania.**

**My name is Abe Amorós and I am the PA Legislative Director of the Laborers' International Union of North America. We have more than 30,000 members throughout the commonwealth.**

**Prevailing Wage laws in Pennsylvania have been successful thus far and benefit workers, their families and the communities in which they live. Good-paying and family-sustaining wages stimulate the economy and allow workers to spend more in their local communities and allow municipalities to function through the use of sales taxes, property taxes and other revenue-generating methods.**

**The bills before this committee do absolutely nothing to help working people in Pennsylvania. It makes Pennsylvanians wonder if such legislation is based upon proven, sound and logical business practices or an ideology that is hostile to labor unions. With the national unemployment figure at 9.1 percent and Pennsylvania's at 7.6 percent, changing**

**the Prevailing Wage does absolutely nothing but suppress wages for working men and women in Pennsylvania.**

**House Bill 1367 – which would allow the Secretary of Labor and Industry to set rates per county - would fundamentally undermine local economies. Why would members of this committee be interested in suppressing wages that make their communities stronger and provide more in the way of tax dollars for greater programs and services?**

**A study in Wisconsin proved that losses to communities from wage cuts far outweighed any cost savings. The annual cost of repealing the law in Wisconsin was \$123 million in lost income with a net tax revenue loss of \$6.8 million. In Missouri, a similar study showed a loss of between \$318 and \$384 million to the state.**

**Stable wage rates promote growth and sound communities. Cutting them creates havoc for workers, their communities and the states they live in. Everyone is harmed when wages are suppressed.**

**It is patently unfair to take from the bottom to enrich the top. That's exactly what HB 1367 does. It doesn't address workers' rights...it doesn't address fairness...and it certainly doesn't address the need to focus on greater job creation...which is what this committee should be focused on instead of suppressing the wages of working people.**

**Attacking workers' wages and trimming their paychecks should be the absolute last thing that this committee should be focusing on to get our economy working again. Clearly, those wages are recycled in their respective communities and benefit more than those who earn those paychecks. Laborers pay taxes...make car payments...make**

**mortgage payments and keep our hard-earned dollars flowing in our respective communities.**

**Create jobs. Create opportunities and focus on what is important to the people of Pennsylvania. The Laborers' Union provides a trained workforce that has a proven track record on safety, getting the job done on time and under budget.**

**According to an analysis by the Construction Labor Research Council, the cost to build a mile of highway in high-wage states...which averaged \$17.65 per hour...compared with low wage rates...roughly \$9.76 an hour...on average saved taxpayers \$123,057 per mile due to higher productivity.**

**The Laborers Union seeks to cooperate with business and provide an excellent work force. As evidence, let me share with you that in Western and Northeastern Pennsylvania, Laborers are laying pipeline in the Marcellus Shale. This gas extraction industry will continue to provide job opportunities for our Pennsylvanians for generations to come and the Laborers are at the forefront. We successfully work with contractors and businesses to create more job opportunities and are beginning to see real progress in the way of family-sustaining jobs with livable wages and decent health care.**

**In reference to HB 1685, this bill does nothing but weaken the existing Prevailing Wage law as handbook classifications are few and more general. Labor jurisdiction issues aren't recognized and the law is watered down. It would be another blow to workers and their wages.**

**In the case of the Laborers, the bill doesn't take into account rigorous training and experience. The bill does not differentiate a skilled laborer from a common laborer, as**

**already defined by the Pennsylvania Department of Labor and Industry. Instead, the bill generalizes work done by Laborers and trivializes their work. A blaster and a concrete saw operator each have a specific set of skills that took a significant amount of safety training, apprenticeship hours and experience. They should be compensated fairly according to their craft. We ask for fair wages for an honest day's pay.**

**So where is the proof that watering down Prevailing Wage hurts real people? Just ask the workers of Kansas. According to a study prepared for the Kansas Senate, once Prevailing Wage was repealed, wages dropped by 11 percent, training programs declined 38 percent, jobsite injuries rose by 19 percent and employer contributions to pensions fell 17 percent. This is no way to treat workers...anywhere.**

**We cannot continue along this downward spiral – or as many would say – a race to the bottom. Members of the state legislature should be more concerned with creating jobs and allowing current laws that support workers to remain in place rather than creating barriers for them which hurt their families.**

**In Pennsylvania, workers in the construction industry are facing unemployment rates upwards of 30 percent. They look to the state legislature and their elected officials for relief in terms of job creation policies rather than implementing laws that only hurt them in the long run.**

**We are opposed to these bills as they do nothing but hurt workers by taking from the bottom and putting more money in the pockets of contractors.**

**We hope that you will set aside political ideology and an anti-worker sentiment in favor of those hard-working Pennsylvanians who are the backbone of our state's economy.**

**Let's support laws and policies that only strengthen a law that has a proven track record of providing good paying and family-sustaining for generations of Pennsylvanians.**

**Thank you.**

**###**