

International Union of Operating Engineers

LOCALS 542, 542-RA, 542-C, 542-D

ROBERT HEENAN

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AMERICAN FEDERATION OF
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April 26, 2019

Dear Representative,

I am writing on behalf of the members of the International Union of Operating Engineers (IUOE) Local 542 to express our Union's strong support for House Bill 1170, the Construction Industry Employee Verification Act.

The members of our Union work on major construction projects all over the Commonwealth and they observe the various unscrupulous ways in which some contractors exploit workers who are not authorized to work in the United States.

The practice of hiring unauthorized workers, and many times paying them "under the table", has been rampant in the construction industry for years. The Underground Economy has been affecting the Commonwealth for years and needs to be addressed.

This practice not only unfairly exploits workers, many of whom are immigrants, but it also limits opportunities for skilled, trained and higher paid workers, who pay more in wage taxes. Many unauthorized workers are not only paid less, but don't pay wage taxes to the state and local municipalities.

This legislation would require employers in the construction industry to use the Federal E-Verify system to ensure that their employees don't include individuals not authorized to work in the United States. This proposal is modeled on a law in Arizona which was upheld in the US Supreme Court in 2011. See this article for details: <https://www.tnt.com/court-upholds-arizonas-e-verify-law-penalties-for-using-unauthorized-workers/>

Contractors who use these unfair business practices hurt workers by driving down wages and subsequently create unfair competition for other employers who follow the law. They also deprive government of revenue that would be used to fund programs such as unemployment compensation.

HB 1170 would compel dishonest employers to use the E-Verify system. Failure to use E-Verify while hiring new employees would put a company's ability to do business in Pennsylvania in jeopardy.

There have been deficiencies in the enforcement of the Arizona law, as documented in this article https://tucson.com/business/local/arizona-s-e-verify-law-widely-ignored-rarely-enforced/article_5e9f950e-6565-5c21-9531-69b8c8d05dfb.html. Therefore, IUOE Local 542 would also ask that you consider strengthening the enforcement provisions of this proposal.

Our Union believes that both a strong law and strong enforcement would be a necessary and justified action to take with companies who seek to put profits ahead of the people they employ and the taxpayers who fund and support their businesses.

For these reasons we ask that you support and vote in favor of HB 1170 and any amendments that would make its enforcement stronger. We look forward to watching the House Labor Industry Committee hearing this Monday. Moving forward, if we can be of any assistance, please do not hesitate to contact us.

Thank you for your consideration.

Sincerely,

Robert T. Heenan
Business Manager &
General Vice President
International Union of
Operating Engineers, Local 542

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April 26, 2019

Dear Representative,

I am writing on behalf of the members of International Union of Operating Engineers (IUOE) Local 542 to express our Union's strong support for House Bill 716.

This bill calls for the creation of a Joint Task Force on Employee Misclassification and such a task force would go a long way in guiding the members of the General Assembly in developing legislative proposals to address the serious problem of enforcing existing laws designed to regulate unscrupulous employers on construction sites in the Commonwealth who too often deliberately misclassify employees as "independent contractors" in order to maximize their profits at the expense of their employees and the taxpayers of the Commonwealth. We see this as a Bipartisan Issue that can be addressed through legislation.

The members of IUOE Local 542 work on major construction projects, funded wholly or in part by taxpayer dollars, all over the Commonwealth and they have seen this illegal and unethical practice used time and again by employers who exploit workers by robbing them of the pay and benefits that they have earned.

This practice gives an unfair advantage to contractors who compete against those who follow the rules and who treat their workers fairly.

Employee misclassification is nothing less than theft from our families, friends, neighbors, and coworkers. It also amounts to theft of taxpayer dollars because it limits the amount of wage taxes paid by exploited workers.

It's time to end this practice and hold unethical employers accountable for their actions.

The task force proposed by HB 716 would investigate the practice and develop and implement a comprehensive plan to strengthen enforcement of existing laws and suggest additional legislation, where needed, to reduce misclassification in Pennsylvania.

Passing HB 716 would help create a more level playing field for law-abiding workers and businesses in Pennsylvania and ensure that taxpayer dollars from local, state and federal taxes are being spent properly on state-funded construction projects. This will also bring additional tax dollars into the state's economy.

With all of the above reasons in mind, IUOE Local 542 urges you to support HB 716.

Thank you for your consideration in this matter.

Sincerely,

Robert T. Heenan
Business Manager &
General Vice President
International Union of
Operating Engineers, Local 542