



PENNSYLVANIA HOUSE OF REPRESENTATIVE'S LABOR & INDUSTRY COMMITTEE TESTIMONY

June 3, 2019

Thank you, Chairman Cox, Chairman Harkins and members of the Pennsylvania House of Representatives' Labor & Industry Committee for the opportunity to speak with you today regarding the Independent Contractor Issue – reforms to Act 72 of 2010. The Pennsylvania Council of General Contractors (PennCGC) believes in the principles of fair, efficient, and competitive construction (bidding, awarding, and building).

The Pennsylvania Council of General Contractors was actively involved in the negotiations and passage of Act 72 of 2010. The Council's concerns then and now is that any legislation should be written to not hinder those companies who follow the laws of our state and nation.

The PennCGC does not support using independent contractors or misclassifying workers to win work, but at the same time we need to protect the contractors who multi-task on their respective worksites. Contractors and employees who choose not to be signatory to a collective bargaining agreement are sometimes penalized because of their multi-tasking abilities to work on construction sites. In collective bargaining work, the work rules between the different trades are clearly defined between the respective work. The workers only work on their regulated tasks. For contractors and employees who are not subjected to these regulated work rules, the interpretation becomes unclear (especially with enforcement). For example, do you pay an electrician rate to move wiring on a construction site, or pay a laborer's rate? When moving roofing shingles, do you pay a roofer's or a laborer's rate. On a private project (not prevailing wage), it does not work attempting to fit union work rules into an organization that does not require restrictive guidelines.

Any reforms to the Act 70 of 2010 needs to respect the rules set forth by each respective entity working in Pennsylvania (those who are signatory and not signatory to a collective bargaining unit).

Since the passage of Act 72 in 2010, the PennCGC members have not brought forth concerns on the independent contractor issue to the Council. As we look at the numerous bills and issues coming before the Pennsylvania Legislature, PennCGC would recommend to look towards House Bill 716 (with amendments) introduced by Representative Galloway. HB 716 is the development of a task force (with amendment) comprised of the Pennsylvania agencies and

contractors involved in the independent contractor issue. This task force, done the correct way, needs to look at this issue in an objective, unbiased, and non-political way to examine the situation in the most comprehensive manner possible and only then can we, as stakeholders, look towards improvements to the Act.

As stated before, the Pennsylvania Council of General Contractors do not support the use of independent contractors to win work on construction projects, but any legislation should be written to not hinder those companies who follow the laws of our state and nation. With that, it is important to have an Act 72 of 2010 task force (clearly focused on the independent contractor issue) to include stakeholders and experts in the construction community to help the task force politicians and appointed officials understand and comprehend the entire construction climate before them.

Moving forward, the Pennsylvania Council of General Contractors would like to work with Chairman Cox, Chairman Harkins, and House of Representatives' Labor and Industry Committee to help move this effort in a comprehensive and strong direction.

Respectfully Submitted,

Hank Butler

Pennsylvania Council of General Contractors

