



# PENNSYLVANIA STATE COUNCIL OF CARPENTERS

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October 3, 2011

Chairman Ron Miller  
State Representative Bill Keller

Dear Chairmen:

Recently your committee took testimony on HB 1367 and HB 1685, two proposals aimed at altering the manner in which Prevailing Wages are established in the Commonwealth of Pennsylvania. On behalf of the 28,000 members of the Pennsylvania State Council of Carpenters, we are writing to express our vociferous opposition to both of these proposals.

To be abundantly clear, HB 1367, which would use Occupational Wage Data to establish an "average" wage as the Prevailing Wage for each county, constitutes a REPEAL of the existing Prevailing Wage Act. For starters, an average wage is not a Prevailing Wage. As Mr. Hank Butler correctly pointed out in his testimony, the dictionary defines the term "prevailing" as "dominant." In no way, shape or form can the term "dominant" be construed as being "average".

Furthermore, exactly what would that average wage relate to? Under the Prevailing Wage Act, the rate established is confined "to workers generally available to work on public works projects." Such language attempts to ensure that at least the rate established represents an "apples to apples" comparison. Occupational Wage Data does not take any such factors into consideration, thus leaving as an end result an average wage drawn from a pool consisting of both skilled and unskilled workers who work within wide varieties of related and unrelated activities.

This information would be so irrelevant to the issue that the United States Department of Labor, which has access to Occupational Wage Data in all 50 states, has never used it to establish federally-mandated Davis-Bacon rates. In fact, the department is currently conducting a 65-county survey of actual construction projects in Pennsylvania to establish future federal rates.

Also, Occupational Wage Data does not consider fringe benefit calculations, which is a basic requirement under the Prevailing Wage Act. If you resorted to using Occupational Wage Data to set rates, exactly how would fringe benefits be determined? We note that HB 1367 refers to maintaining establishment of fringe benefits, but is silent on exactly how those benefits would be determined.

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For those who believe the present method for establishing Prevailing Wages is unfair, the existing law provides a mechanism for both appealing rates and for the continuous submission of new information for consideration by the Secretary of Labor and Industry. Our Organization and our signatory contractors work hard to provide timely information within both the spirit and letter of the law. It may be helpful for you to ask the department to publicly disclose the information it receives (and from whom it is received) and the number of wage rate appeals that have been filed. We will go out on the limb and suggest there have been very few, if any, appeals.

In terms of HB 1685, the purpose of the Occupational Outlook Handbook is not to establish enforceable job classifications. Rather, it represents broad occupational information that serves more of an educational function than as industry directory. Please note that the handbook is a publication of the United States Department of Labor, but even that agency does not use this information to evaluate occupational classifications for Davis-Bacon purposes.

Chairmen Miller and Keller, we respect the work of this committee and invite an objective dialogue on the Prevailing Wage Act so that myth can be separated from fiction and anecdotal stories. We would all benefit if someone – anyone – could actually produce a listing of projects that have been abandoned due to the so-called “increased costs” associated with Prevailing Wage, as has been alleged over and over by opponents. Our organization made a similar request roughly ten years ago when similar assertions were being made. To date that information remains a mystery.

We also note that one of your testifiers asserted that “70% of the construction industry does not belong to a collective bargaining unit or union” and proudly goes on to reference his organization’s “1700 members.” As an aside, we wonder how many of those “members” are actually contractors? Since there are about 3000 contractors signatory to collective bargaining agreements throughout the industry, that would mean, by deduction, that there are a total of about 7000 who aren’t. Acknowledging the 1700 referenced, that would leave us with about 5300 unaccounted for. Exactly who are they?

In conclusion, HB 1367 and HB 1685 are neither new nor novel ideas. They have been raised for consideration multiple times in the past and abandoned once there is a full understanding of these measures and their impacts. We have raised questions in this testimony that we would expect the committee to explore and answer prior to embarking on a path that would so negatively impact so many – job creators and workers alike. Until concrete evidence is produced that demonstrates the need to take such draconian measures, we consider both HB 1367 and HB 1685 to be solutions still in search of problems.

Sincerely,

A handwritten signature in blue ink that reads "Edward Coryell". The signature is fluid and cursive, with a large initial "E" and a long, sweeping tail.

Edward Coryell  
Executive Secretary-Treasurer/  
Business Manger