

Prevailing wage laws benefit West Virginia

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Commentary: Steve White

Just writing something doesn't make it true. . . unless you work for a newspaper and keep printing it.

So I must take issue with Bob Kelly and his recent negative and inaccurate comments about our state bidding and prevailing wage laws.

When our tax dollars fund a construction project, state law requires a number of protections for the public.

First, almost all projects must be publicly advertised and competitively bid. The lowest qualified contractor gets the job -- political connections not required.

This obvious protection guards against insider deals that would inflate construction costs.

Second, the construction wages paid on the project must maintain or improve the normal standards of the area.

We don't want our tax-funded projects to lower the living standards of workers or put local contractors out of business.

These "prevailing wage" laws were put into place years ago because tax-funded projects were hurting rather than helping communities.

How might this happen?

Lowest competitive bidding is an important rule for public projects. But what if out-of-state companies low-ball these contracts and import cheap labor?

Our local contractors could be driven out of business, local construction workers unemployed, and local merchants would be wondering where a good part of their customers went.

Prevailing wage laws help keep our tax dollars in the hands of local businesses and workers, both union and nonunion. It's a good thing.

Requiring wage standards makes high skills and productivity key to a contractor's successful bid.

Of course if you are a company that doesn't invest in training or have a skilled workforce, you might not like prevailing wage laws.

Those who want to eliminate prevailing wage offer unrealistic promises of savings and distorted wage figures to make their argument.

One outrageous claim says that without prevailing wage laws we could build "four schools for the price of three!"

Preposterous.

Since wages are around 25 percent of a school project, this promise comes true only if workers are unpaid.

But wait, there's more.

Studies have compared construction costs before and after prevailing wage laws have been in place.

The promised savings?

Big surprise. They never came.

Look at a 1999 study done about Kentucky's experience.

With the promise of savings, prevailing wage laws were eliminated for school projects for most of the 1980's until they were reestablished in 1996.

What about those savings? Never happened.

Instead the cost per square foot to build schools remained unchanged, and higher than West Virginia.

By the way, training opportunities declined and safety problems increased after Kentucky dropped prevailing wage requirements. Skilled workers left the industry and were replaced by those less skilled. Productivity decreased, and lack of training and experience led to safety problems.

Another study, this one of Midwestern states, showed that the elimination of prevailing wages lowered earnings for all workers, union and nonunion, but no significant savings to taxpayers was realized.

The spiral down, toward low wages and low productivity, is not an answer for West Virginia communities.

There will always be those who peddle cheap labor as our savior. Remember, you get what you pay for.

In the long run, encouraging competition through higher skills and productivity, with decent wages and benefits, is the best way for West Virginia to move forward.

I will be happy to provide plenty of quality studies backing up my points.

At the least, Kelly should ask for the same documentation from his suppliers of the low wage approach before he writes about this topic again.

White is director of the Affiliated Construction Trades Foundation.