

NEWS RELEASE

Associated Builders and Contractors

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ABC DENOUNCES SETTLEMENT EXPANDING THE DAVIS-BACON ACT TO WASTE WATER TREATMENT FACILITIES FUNDED BY CLEAN WATER ACT

(Washington, D.C.)—July 12, 2000—Associated Builders and Contractors today denounced the Environmental Protection Agency’s proposed “settlement” with the building trades requiring Davis-Bacon rates to be paid on waste water treatment facilities funded by the Clean Water Act, a requirement which ended for projects Oct. 1, 1995.

“The settlement represents an unprecedented expansion of the Davis-Bacon Act into an area in which Congress has clearly said it should not apply,” said ABC President W. Thomas Musser. “This expansion would increase the cost of waste water treatment facility construction, a cost that ultimately would come out of the pockets of taxpayers,” he said. ABC estimates that the Davis-Bacon Act inflates the cost of construction by as much as 38 percent over what is paid in the private sector.

The settlement was proposed to resolve a complaint filed the AFL-CIO’s Building and Construction Trades Department that arose after EPA decided that the Clean Water Act did not require the payment of prevailing wages on waste water treatment facilities beyond fiscal 1994. At that time, EPA said Section 602(b)(6) of the Clean Water Act limited the prevailing wage requirement to projects “constructed in whole or in part before fiscal year 1995.”

“The language in the Clean Water Act is clear,” Musser said. “EPA should not succumb to pressure from organized labor to impose a costly and burdensome requirement when it does not have the statutory authority to do.”

ABC will publicly state its opposition to the settlement at a public hearing tomorrow at Washington Plaza Hotel at 2 p.m.

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Associated Builders and Contractors is a national association representing approximately 22,000 merit (open) shop construction and construction-related firms in more than 80 chapters across the United States.