

September 25, 2020

Dear Chair Holvey, Vice Chairs Barreto and Bynum, and Members of the House Business and Labor Committee:

Associated General Contractors – Oregon Columbia Chapter represents a broad cross-section of the commercial construction industry, including rural and urban, union and open (non-union), highway and building contractors. Most of our members are small, family-owned businesses, that in many instances operate only in their local markets. It is our hope that any review of Oregon's long-standing PWR survey and the associated regions will take into account that Oregon's construction industry is homegrown and does not resemble any bordering state, like Idaho, Washington or California.

It is also important to note that on many large projects, union and open shops work side by side. It is AGC's hope that any changes contemplated will maintain Oregon's level playing field by ensuring the greatest possible ability for our members to bid on projects in every region of the state. As the economic impact of the pandemic facing smaller contractors becomes clear, it is critical that these smaller local contractors have the ability to compete for public works in their own communities.

As BOLI's Wage and Hour Administrator Sonia Ramirez testified, one of the intentions of prevailing wage law is "to recognize that local participation in publically financed construction and family wage income benefits are essential to the protection of community standards." In keeping with this intention of prevailing wage laws, AGC's longstanding position has been to support prevailing wage for true public work. Regarding the setting of prevailing wage in different regions of the state, it is critical that the wages set in each region do not inflate or undermine, but rather reflect the local construction wage to ensure equal competitive opportunity for local contractors.

AGC stands ready and prepared to engage in the upcoming workgroups discussed in Wednesday's meeting, along with other contractor groups. We have engaged in related workgroups in the past, including one as recently as 2019. Given the complexity of the issues and the often fast-paced nature of the legislative process, these workgroup conversations are critical for developing policies that take into account Oregon's unique commercial construction industry.

Thank you for the opportunity to provide written testimony and we look forward to engaging on these issues.

Best Regards,

John Rakowitz, Director of Public and Strategic Affairs  
Kirsten Adams, Public Affairs Counsel



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