



Oregon State
Building and Construction Trades Council
AFL-CIO



May 21, 2019

Senate Committee on Workforce
900 Court St. NE
Salem, Oregon 97301

Dear Chair Taylor, Vice Chair Knopp and Committee Members:

I am writing in support of HB 2408. I am with the Oregon State Building and Construction Trades Council, an umbrella organization representing 27 member local unions. I am the Executive Secretary of the organization.

Prior to becoming the Executive Secretary of the OSBCTC last summer, I was an Organizer for the Iron Workers from 2006-2018. In 2001 I was organized and worked in the trade for over nine years before transiting into leadership. During my career I was able to visit several thousand projects throughout Oregon, meet thousands of workers, and organized hundreds of unrepresented workers throughout the region.

I've seen how the E-Zones created a loophole that is often exploited by bad actors to take millions in public subsidies, and turn around and hire out-of-state contractors, who pay their workers poverty-level wages. Just last weekend, I spent Saturday visiting some of these projects and talking to workers and community members throughout Eastern and Central Oregon. Between The Dallas and Hermiston there were about 300 hundred out-of-state workers. In some cases there were several people staying in one motel room or trailer. I encourage you to take a road trip to visit some of these projects and talk with community members where some of these out-of-state workers are staying. These workers aren't being brought into Oregon from other states for having a higher skill level, they are lower skilled and are being brought here to work for lower wages.

Our members and industry allies have supported the Enterprise Zone program for years, and we recognize that it's a tool used to attract businesses and create livable wage jobs for Oregonians, and we would not support legislation that would neuter or slow down economic development.

This legislation isn't about unions trying to make a grab for market share or to give union contractors and advantage; this is about leveling out the playing field for both union and non-union contractors and workers in the building and construction industry. Prevailing wage encourages contractors to compete on experience and skill level, rather than who can pay workers the least.

Reports show that skilled construction workers are more productive and contribute more to the state's economy, compared to low paid, unskilled workers who are injury prone and actually a burden on state resources.

According to research published by the Illinois Economic Policy Institute, labor costs are typically less than one-fourth of the total cost of a project and so a 10% increase in wages actually translates into a 2.5% increase in the overall project cost – not the 19-20% increase mentioned by some of the opponents.

Data also shows that prevailing wages often attract a higher skilled workforce, minimizing the costs by increasing efficiency and decreasing the amount of time needed to complete a project. This legislation could potentially reduce the overall project cost.

Furthermore, mandating wage standards on projects receiving public subsidies will produce millions in annual tax revenue, and would help support other industries outside of the construction industry creating thousands of new jobs.

Under the current system, Oregon contractors and workers lose out in the bidding process to out-of-state contractors that pay poverty-level wages to workers in order to gain a competitive advantage over the in-state contractors. Our tax payer dollars are being driven out of Oregon, as out-of-state contractors and workers send money earned in Oregon to their home states. By not closing up the loophole, we are just improving other states economies at the expense of Oregonians. Leveling the playing field so that in-state contractors could compete will ensure the tax dollars stay in Oregon.

Oregon tax breaks should be used to spur Oregon's economy, not funnel dollars into the pockets of unscrupulous, out-of-state developers and contractors.

I urge you to vote yes for HB 2408

Thank you for the opportunity to share my remarks.

Respectfully,

A handwritten signature in black ink, appearing to read "Robert Camarillo", with a stylized flourish at the end.

Robert Camarillo
Executive Secretary