

# **Statement**

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**Before the House Democratic Steering and Policy Committee**

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Thank you.

Ladies and gentlemen, members of the committee...

My name is Ryan Fagg, and I am a 35 year old, married father of four children. My family and I live in Plainfield, Indiana.

I also happen to be an 8 year member of the International Brotherhood of Electrical Workers Local 481.

I appreciate the opportunity to speak to you today.

My hope is that I can provide you with a real-life, workers' perspective on project labor agreements and prevailing wage laws, which seem to have become another convenient political target for radical right wing conservatives.

What worries me the most, is the fact that those who seek to gain some sort of political advantage by repealing and prohibiting prevailing wages and PLAs, really have no understanding of how the construction industry works.

If they did, they would know that there are essentially two radically different business models that make up the U.S. construction market today.

On one side, is what we call the "race to the bottom" approach that believes that contracts ought to be awarded solely on the basis of the lowest bid.

Under this approach, contractors are almost forced to assemble a low-skill, low-wage, workforce. For the most part, they don't offer health care or retirement benefits, and they oftentimes illegally classify their employees as "independent contractors" to further reduce their labor costs.

The lack of health care benefits is particularly problematic because of the fact that our industry is particularly dangerous.

When these workers get hurt their only recourse is to go to the hospital emergency room. And that uncompensated care gets passed onto us in the course of higher health care costs and higher taxes.

The contractors with whom I work, on the other hand, subscribe to a business model that is explicitly structured to protect long-held community standards, and to develop the skilled workforce of the future.

I would submit to this committee that those are values that are critically important to people in my state of Indiana, as well as our entire nation.

We have a critical need to jumpstart our economy and begin the process of transforming it for sustained prosperity and growth in the 21st century.

On that score, PLAs and prevailing wage laws are proven and invaluable tools.

In the case of PLAs, they are tools that have been utilized by many profit-oriented and cost-conscious companies such as Toyota, WalMart and an increasingly large portion of America's utility industry.

These companies understand the value associated with the efficiencies produced by the safest, most highly skilled and productive workforce in the world.

They also understand that these policies often times create pathways for Americans of all walks of life to pursue a career in the skilled trades.

I can attest to that fact, as I have been through a five-year apprenticeship program that has given me the ability to provide a comfortable middle class life for my family. And that training has made me infinitely more productive than an electrician that has not received such training. That sometimes gets lost in the debate surrounding these issues. Labor costs in construction are wages times hours worked. And it's the hours that can kill you.

I would hope that politicians of all stripes would finally decide to put these kinds of politically motivated attacks aside, and choose to respond to the demands of Americans like me to focus their efforts entirely on creating jobs and turning this economy around.

I cannot stress to you enough that politics do not pay a mortgage or put food on anyone's table.

And ladies and gentlemen, people in my line of work are struggling to put food on the table. And if prevailing wage laws are repealed, and if PLAs are outlawed, I may have to find another line of work. Because I won't be able to scratch a living competing against the "race to the bottom" business model that cheats America and American workers.

I would hope that lawmakers can see through the façade of "free and open" competition argument that drives these efforts. The exploitation of a low-wage, low-skill workforce begs the question as to whether or not that constitutes "free and open" competition.

I certainly understand the need for government to get a handle on its finances. But being fiscally responsible does not mean that it has to come at the expense of standards that protect American workers and strengthen the U.S. construction industry.