

Congress of the United States
House of Representatives
Washington, DC 20515

September 7, 2005

President George Bush
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20502

Dear President Bush:

With the recent devastation of New Orleans and Mississippi caused by Hurricane Katrina, there is no doubt that the United States is in a state of national emergency. The process of cleaning and reconstruction will be difficult and take years of work. The cost of rebuilding homes, ports, and businesses will reach the hundreds of billions of dollars.

As you know, the Davis-Bacon Act of 1931 mandates that a prevailing wage be paid on all federally financed or assisted construction. Additionally, the Act requires that wage information be provided to contractors ten days before bidding on projects begins. The Government Accountability Office has reported that there is often a delay of two weeks between the time when Department of Labor issues rates and local officials receive them. Meanwhile, construction projects cannot begin until the new rates are received. Furthermore, Davis-Bacon regulations effectively discriminate against contractor employment of non-union and lower-skilled workers and can even raise total construction costs by up to 38 percent. It is evident that decisive government action is needed now to protect the public interest during the extended rebuilding period ahead.

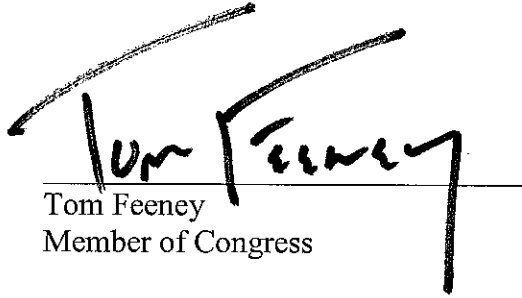
As the *Wall Street Journal* pointed out in its September 1, 2005 editorial,

The Bush Administration would also be well-advised to remove all federal impediments to a speedy reconstruction effort. One such impediment is the Depression-era Davis-Bacon Act, which requires the government to pay prevailing local wages in federal construction projects. The act effectively excluded non-union workers and contractors from reconstruction projects while adding billions in costs.

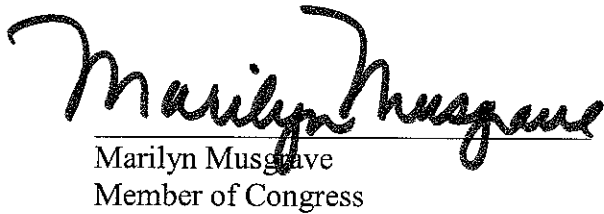
Franklin Roosevelt and Richard Nixon both suspended Davis-Bacon during previous emergencies, as did the current President's father in the wake of Hurricane Andrew. The government could also offer incentives and bonuses to contractors who complete projects on or ahead of schedule, as former California Governor Pete Wilson did following the 1994 Northridge earthquake.

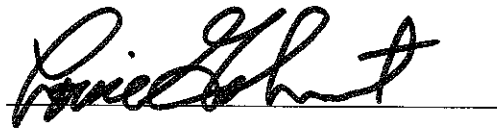
President Nixon, faced with simply inflation-related concerns, exercised the option of suspending Davis-Bacon to curb the wage price spiral in construction. In doing so,

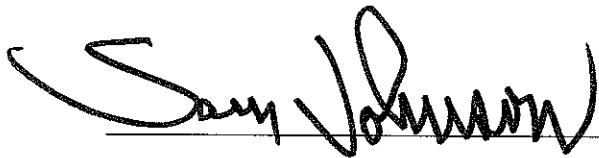
Nixon noted that the nation "is now confronted by a set of conditions involving the construction industry which, taken together, create an emergency condition." Those emergencies pale in comparison to the challenge we now face. A major port of our country, New Orleans, is now an evacuated ghost town, a million citizens have been displaced all over our nation, and our economic health is threatened by the loss of this vital economic region of our country. Faced with the massive rebuilding challenges ahead, we respectfully urge you to make a presidential proclamation to suspend Davis-Bacon until our country is once again whole.

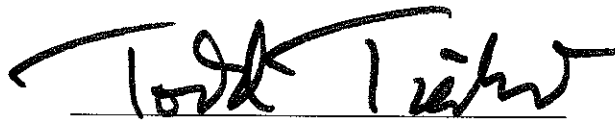

Tom Feeney
Member of Congress

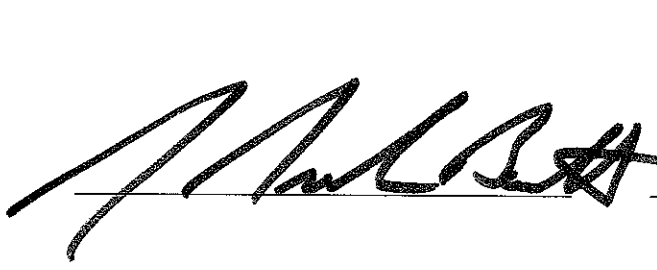

Jeff Flake
Member of Congress

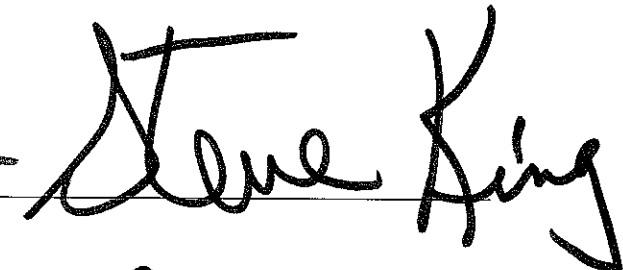

Marilyn Musgrave
Member of Congress


Ron L. Lott

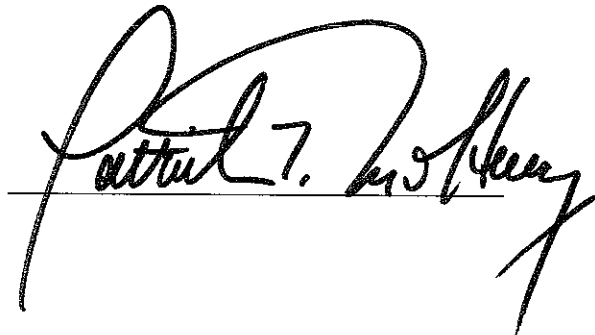

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