



U.S. House of Representatives
Committee on Transportation and Infrastructure
Washington, DC 20515

Don Young
Chairman

James L. Oberstar
Ranking Democratic Member

September 16, 2005

Lloyd A. Jones, Chief of Staff
Elizabeth Megginson, Chief Counsel

David Heymsfeld, Democratic Chief of Staff

The President
The White House
Washington, DC 20500

Dear Mr. President:

The tragedy on the Gulf Coast has touched us all. While we pray for the victims of the storm, we also must roll up our sleeves and rebuild the infrastructure that is so important to the affected communities, the region, and our nation as a whole.

As the Senior Democratic Member of the House Committee on Transportation and Infrastructure, I am fully committed to this cause, and stand ready to work with your Administration and my colleagues in Congress to begin the rebuilding process as soon as it is safe to do so.

I am writing, however, in response to your recent order to suspend Davis-Bacon protections for workers hired under federal contracts in the area affected by Hurricane Katrina.

Your stated reason for this order was to encourage contractors to hire more workers by allowing them to pay wages lower than those required by Davis-Bacon. While I agree with the goal of hiring more workers, especially those who lost homes and jobs to the hurricane, I disagree strongly with this proposition that we can create more jobs by paying workers less than the local prevailing wage—already lower than prevailing wages in other parts of the country.

I believe that this approach to job creation is both unnecessary and unfair. It is unnecessary because I believe that the public will support a policy of hiring all the workers that are needed to clean up and rebuild the devastated areas. I further believe that the public will be willing to support the funding needed to pay these workers, many of whom will have suffered terrible losses from Katrina, a fair wage.

It is particularly unfair to ask workers to work at low wages to rebuild the devastated areas, when contractors are not being asked to make any comparable sacrifices. Indeed, the proposal could result in the opposite; added profits for contractors. We have no assurance that, if contractors are permitted to hire at low wage rates, these savings will be used to hire more workers. Why would a contractor hire any more workers than are needed to do the work under contract? A lower wage

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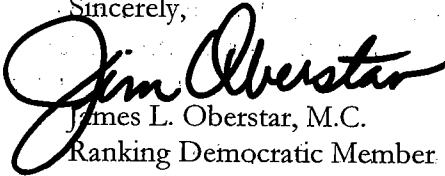
scale may only allow contractors to increase their profits, while exploiting a workforce desperate for a paycheck.

For these reasons, I urge you to rescind your order and leave in place requirements that workers be paid the prevailing wage. If you are not willing to do this, I urge that you expand the requirement for sacrifice, and require contractors to reduce their profits. Any contract which results in hiring workers at less than the prevailing wage should require that contractor profits be reduced by a comparable amount.

We cannot allow this disaster to result in profiteering at the expense of decent wages for working men and women in the Gulf States. To do so would be tantamount to visiting another hardship on a population that has had more than its share.

With warmest regards.

Sincerely,



James L. Oberstar, M.C.
Ranking Democratic Member