



AMERICANS FOR TAX REFORM

LEGISLATIVE ALERT

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STATEMENT BY GROVER G. NORQUIST, PRESIDENT

CONTACT: DAMON B. ANSELL, VICE PRESIDENT FOR POLICY

Dear Senator,

On behalf of more than 2,000 taxpayer groups and activists around America, Americans for Tax Reform strongly opposes any amendment to the Water Investment Act of 2002 (S.1961) that would apply the provisions of the costly Davis-Bacon Act to projects funded through this federal program.

The Water Investment Act would authorize \$35 billion over five years for various safe drinking water projects through revolving state funds. Americans for Tax Reform believes that the bill's current status as not including any expansion of Davis-Bacon requirements as positive, and we urge you to oppose any effort to add such provisions through an amendment.

So-called "prevailing wage" rules, such as those embodied in the Davis-Bacon Act, substantially drive up the cost of public construction projects. Given the limited nature of government funding for these projects, applying Davis-Bacon rules to S. 1961 will mean taxpayers are provided fewer safe drinking water projects, directly contradicting the purpose of the Act.

In addition, Davis-Bacon provisions would deny many local contractors the opportunity to bid on projects funded through the Water Investment Act. For example, projects under federal Davis-Bacon requirements cannot hire local "helpers" to work on infrastructure projects. These are valuable entry-level jobs for low-skilled workers who want job access and experience by working under the direct supervision of higher-skilled journey-level workers.

In sum, adding Davis-Bacon provisions to S. 1961 would reduce the Act's benefit to residents served by new water projects, burden taxpayers further by inflating the cost of water project construction, and deny many workers the opportunity to participate in the construction of these projects. We urge you to oppose any attempt to add Davis-Bacon or other prevailing wage rules to S. 1961. Thank you for your consideration.