

Prevailing wage attacked, praised in Senate panel

By Mannix Porterfield/register-Herald Reporter

CHARLESTON -- Business and labor interests clashed Wednesday before the Senate Labor Committee over West Virginia's controversial prevailing wage law.

No legislation is pending in the Senate, but one bill has been offered in the House that would exempt construction work from the scale in any county or municipal government.

That measure, HB2971, was authored by Delegate John Overington, R-Berkeley, with assistance from Delegates Linda Sumner, R-Raleigh, and Ron Thompson, D-Ra-leigh.

The issue resurfaced this year, partly due to the experience of Mike Mitchell, an Atlanta developer whose renovation work in Beckley was halted by the Division of Labor.

Mitchell termed it "harassment," saying the Division of Labor put his President Hotel project in Beckley on ice for a year with cease and desist orders over the wage.

Adam Edstrom, president of the Associated Builders and Contractors in West Virginia, said his group isn't seeking repeal of the law, but reforms so that wages are reflected accurately.

"This is not a union, non-union issue," he maintained. "This is a taxpayer issue."

"It is outdated and no longer reflects the original intent."

Edstrom said only 260 of 4,086 contractors responded to a survey on wages, and told the panel data used in computing the prevailing wage should be based on data from the Bureau of Employment Programs.

Edstrom and other business leaders suggested a problem with the law is that wages are set at the discretion of the labor commissioner, who is appointed by the governor -- leaving a distinct political flavor in the process.

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Roy Smith, secretary-treasurer of the Affiliated Construction Trades Foundation, said prevailing wage laws were inspired at state levels by the federal Davis-Bacon Act, born out of a New York congressman's dismay that an Alabama firm brought in cheap labor to build a Veterans Administration hospital in his district.

Smith said the law maintains good-paying jobs with benefits that help all society and termed it "one of the greatest economic development tools we ever had."

"We all know it's very easy to bring people, even from other countries, to work very cheaply," said Smith, a former labor commissioner five years under Gov. Gaston Caperton.

Smith scorned media commercials claiming four schools could be erected for the cost of three if the law were scrapped, saying when all costs are factored in, that simply isn't true.

"You'd have to have workers that work for nothing," he said.

"It is a union and non-union issue. It's all about propaganda."

Philip Weser, president of March-Westin Co. Inc., the largest employer in Monongalia County, complained that the Labor Division ignores data supplied by industry.

"The problem isn't that they (surveys) aren't being filled out," he said, citing his own firm's experience. "The problem is, I don't know where it's going. It's not being used."

Weser said his firm hires 120 people, all but one from West Virginia, and that his non-union workers get "superior" health and pension plans compared to those negotiated by his union employees.

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Afterward, Mitchell said union forces called the Division of Labor to complain about wages he paid.

"So the DOL essentially has been acting as an extension of labor," he said.

"I had to kind of find out why a private individual was getting harassed by the state. That's where this all started. That's what got me involved with prevailing wage. I was trying to realize why this was such an issue in this state."