



Senator Feinstein Calls on President Bush to Reinstate Federal Wage Laws for
Workers Rebuilding New Orleans and the Gulf Coast
September 21, 2005

Washington, DC – U.S. Senator Dianne Feinstein (D-Calif.) today urged President Bush to reverse his suspension of the Davis-Bacon Act so that workers who are hired under federal contracts to rebuild New Orleans and the Gulf Coast are paid the prevailing wage.

Federal contractors are allowed to pay their workers lower wages under this suspension of the law, however, they are not obligated to pass on the savings to the government, and ultimately taxpayers, from their lower operating costs. This means that federal contractors would be able to profit from the suspension of laws that are intended to protect workers.

Following is the text of a letter Senator Feinstein sent to President Bush:

“I write to urge you to reverse your decision to suspend the Davis-Bacon Act following the tragedy of Hurricane Katrina. The images of thousands of victims who were left to battle the storm on their own, in the dark, and without sufficient food and water are imprinted on our hearts and minds. More disturbing was the government’s abysmal response to people in need. Now, two weeks after the storm, I am growing more concerned about the nation’s strategy to rebuild these communities. I believe the suspension of the Davis-Bacon Act will cause significant further hardship for those families and communities devastated by Hurricane Katrina.

Since 1931, the Davis-Bacon Act has protected American workers by ensuring that they are paid the prevailing local wages on federal contracts. The decision to suspend the Davis-Bacon Act will directly harm the workers who are struggling to rebuild their lives in these stricken communities. For example, without Davis-Bacon, in the city of New Orleans, a painter could face a 65 percent pay cut from \$14.88 per hour to \$5.15 per hour while electricians’ hourly wages could be reduced from \$22.09 to \$5.15. Similarly, in the city of Biloxi, carpenters’ wages on federal contracts could be cut by \$7.00 per hour, from \$12.16 per hour to \$5.15 per hour. And, in Mobile, Alabama, a roofer’s wages could be cut from \$6.02 per hour to \$5.15 per hour. This is particularly difficult at a time when the cost of fulfilling even the most basic needs, such as food and gas, are skyrocketing in their region. In such dire circumstances, the Davis-Bacon Act does more than provide an adequate wage: it gives hope to those who have lost everything. It is simply unacceptable to lower wages in hurricane-ravaged areas and depress the living standards of these communities even further.

I have reviewed the history of Davis-Bacon and I am convinced that lower wages do not improve the lives of the communities hurt most by these hurricanes. I am deeply

concerned, that in the wake of Hurricane Katrina, there will be more than enough profits for corporations, but inadequate assistance to workers who are left to face higher costs of living. In fact, many major companies, such as ExxonMobil and ConocoPhillips, have already averaged stock price increases of 8 percent in the twelve days since the hurricane. Oil companies Giant and Tesoro are up 40 percent and 25 percent respectively. Meanwhile, the communities who were left in the dark, and now, many left without homes and some without families, are about to suffer a pay cut.

I urge you to protect the wages of the working men and women of the Gulf coast regions whose communities and lives were devastated by Hurricane Katrina.”

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