



NEWS

New Davis-Bacon Final Rule Modernizes and Reflects Realities of Construction Industry

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WASHINGTON, D.C. - The National Electrical Contractors Association (NECA) released the following statement from NECA Chief Executive Officer **David Long** in response to the U.S. Dept. of Labor's final rule on the Davis-Bacon Act on August 8, 2023:

"NECA commends the Administration for modernizing the rules governing the Davis-Bacon and Related Acts, a task long overdue after nearly four decades. Davis-Bacon was enacted to establish local labor rates for federal construction projects, preventing wage undercutting and improper bidding.

The Davis-Bacon Act and prevailing wage laws ensure public works contractors pay skilled tradespeople no less than prevailing wages on similar regional projects. This new rule will help grow the industry by attracting more construction workers and ensuring prevailing wages support apprenticeship and training costs, which in turn will expand the skilled workforce. In addition, NECA contractors will be able to successfully compete on federal construction contracts by having more routinely updated wage surveys and prevailing wages that better reflect local labor rates.

From our perspective, the final rule has considered input from a diverse range of specialty contractor stakeholders, a significant portion of which comprise small businesses. While we welcome the reinstatement of the "30 percent rule" for prevailing wage determination, we are in the process of thoroughly evaluating the comprehensive 812-page regulation, closely scrutinizing various other elements of this new rule."

The Davis-Bacon statute encompasses all federal or federally assisted construction projects valued at more than \$2,000. Several other "related acts" will also be affected by prevailing-wage mandates, such as ensuring federal measures that extend the application of Davis-Bacon requirements to projects that involve federal loans, loan guarantees, insurance or other types of assistance help.