



President reacts to Musgrave petitions, issues Proclamation

Musgrave succeeds in presidential suspension of costly Depression-era construction regulations in Katrina's aftermath

Washington, DC: In response to petitions of Representative Marilyn Musgrave (CO-04), President George W. Bush issued a proclamation today suspending burdensome Davis-Bacon mandates on all federally financed construction in areas devastated by Hurricane Katrina, saving vital time and money in reconstruction efforts.

Yesterday, Musgrave lead a group of 34 Representatives urging President Bush to make a presidential proclamation suspending these Depression-era mandates as Presidents Franklin Roosevelt, Richard Nixon, and George H.W. Bush have in previous national disasters.

"As our nation looks to rebuild the 90,000 wide area of devastation left by Katrina and the federal government spends over \$60 billion, it is imperative that regulations that needlessly hinder construction are rescinded," said Musgrave. "Davis-

Bacon mandates are excessive and add considerable costs and delay to projects critical to the backbone of the region. I commend him for today's proclamation."

In a letter to President Bush, Congresswoman Musgrave illustrated that under Davis-Bacon there is a delay of two weeks from when the Department of Labor issues the required wage information to the time when local officials and contractors receive the information, according to the Government Accountability Office. Consequently, construction projects cannot begin until this information is furnished. This is too long of a delay to help put back together the hurricane ravaged region.

Additionally, because Davis-Bacon mandates that a "prevailing wage" be paid, not "market wages," this law unfairly discriminates against contractors. Additionally, these regulations could raise construction costs as much as 38 percent. High cost mandates on construction will unnecessarily encumber our nation's reconstruction efforts.