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Oregon State House Cmte. on Business and Labor ATTN: Chairman Holvey, Vice-Chairs Elmer and Sosa, et. al. 900 Court St. NE Salem, OR 97301

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Chairman Holvey, Vice-Chair Sosa, and Business and Labor Committee Members:

In support of HB 2057 brought to the floor today, I wish to offer some insight to the council regarding worker pay from the perspective of a union apprentice carpenter.

As an eighth-term apprentice carpenter soon to accept a journey-level certification card, I can attest with greater detail to the virtues of union work, and to the value of on-the-job training in addition to Carpenters International Training Fund (CITF) in-class instruction upon request. This notwithstanding, and as work in the trades—union and not—is deeply affected by wage theft and tax fraud, the issue of how general contractors choose their subcontractors is the chief concern with respect to this bill.

General contractors (or "gens") will always serve as the coordinator of any given construction project that requires work from multiple trades. They will be responsible for delivering the physical realization of any structural work. As such, they are the first consideration of a building owner–current or prospective–after an architectural design has been chosen and engineering design has begun.

When a gen enters the running to win a job for a builder/owner, a bid of overall cost must be made to their possible customer. This package bid to their customer includes dollar amounts derived from the gen's own cost of doing business as well as the cost for them to hire more trade-specific sub-contractors (or "subs") to perform aspects of the job's scope which are not part of the gen's specialty, such as electrical, pile-driving, or concrete construction.

Though arguments have been made that a bill such as HB 2057 will act as a deterrent for newer or inexperienced gens and subs to bid work, industry standards certify that contractors with knowledgeable and ethical estimators will arrive at close quarters to bids made by others in the running for a job, and outliers' bids should be scrutinized as a matter of due diligence. In other words, if a bid is "too good to be true, it likely is."

A clearer understanding of what steps occur in the bidding process by gens and subs casts a light of truth on the nature of arguments in opposition of this bill. While outrageously low bids can be possible with state-of-the-art technology and a highly-skilled workforce, the unfortunate reality of outlying bidders is that some factors of their work are not considered in good faith. Those factors are addressed by the UBC speakers in testimonies today.

Please help us in assuring that workers in our state are made whole by their employers, and that taxpayers will not be stuck paying for public services needed by tradespeople who have been shortchanged.

In solidarity, Isaac Pinedale Carpenter, Local 503