# Oppose Vast Expansion of Prevailing Wage: Oppose HB 2688

HB 2688 would vastly increase the scope of prevailing wage in Oregon, and beyond. Currently, prevailing wage applies to construction work that occurs on the jobsite. This bill would drastically change that by requiring prevailing wage on manufacturing. Manufacturing is not construction, and construction prevailing wage does not make sense to apply to manufacturing. There are significant issues with how to apply construction wages to employees outside the construction industry.

For manufacturers who have never had to comply with Oregon law prevailing wage before, this new requirement would create significant issues. Prevailing wage law is complicated, and will likely have the impact of decreasing the number of manufacturers in Oregon, outside of Oregon and even internationally, who are willing to provide materials and goods for public works in Oregon. This will decrease the availability of these goods for projects or in some cases, completely eliminate the ability to procure the goods needed for projects. For those manufacturers who do choose to continue to manufacture for Oregon public works, they will have to increase their prices to compensate for the increased requirements and administrative the work required to ensure compliance with prevailing wage law.

This bill would require that manufacturers outside Oregon be subject to Oregon's prevailing wage law, including international manufacturers. The cost for BOLI of having to enforce Oregon's prevailing wage law throughout other states and countries would have significant cost and logistic concerns, at a time when BOLI is already underfunded. This likely violates the interstate commerce clause and how it interplays with federal law.

The burden this puts on the manufacturing of goods in the construction material supply chain will have significant ramifications on the ability to deliver products and, as a result, on the final projects for the benefit of Oregonians. We urge opposition to this bill as introduced.