



## Issue Snapshot: Prevailing Wage

**Background:** Two similar bills are pending before the Legislature which would require the payment of prevailing wages for certain utility contractors and subcontractors.

The first bill would require electric and gas utilities to pay prevailing wages to all sub-contracted office cleaners and security personnel. The bill could cost more than \$14 million annually.

Similar legislation was vetoed in 2010 by then-Governor David Paterson who declared that the bill would increase utility costs and impose expensive mandates on small businesses while the state was struggling to recover from a lingering recession.

The second bill would dictate what type of workers utilities can use for street excavations and require utility contractors to pay prevailing wages to such workers. The legislation could cost up to \$6.9 million annually.

**Company Position:** Con Edison opposes these bills because they would increase customer costs and subsidize wages for specific groups of workers.

The bills would also impose costly administrative monitoring and compliance burdens on the company and local governments.

Finally, the measure could harm many small and minority-owned entities. These companies are often able to compete with larger competitors by submitting more cost-effective bids. New wage mandates imposed by these bills could threaten the cost advantage that smaller, community-based contractors might need to remain competitive.