

Advocacy's Recommends that DOL Complete New Small Business Analysis for Davis Bacon Act Regulations

On March 18, 2022, the Department of Labor's Wage and Hour Division published a proposed rule updating the Davis-Bacon Act and Related Acts Regulations, the first comprehensive review of federal construction regulations in over forty years.

- On May 17, the Office of Advocacy (Advocacy) filed a comment letter recommending that the Department of Labor (DOL) reassess the impact of this rule on small entities in a new Initial Regulatory Flexibility Analysis (IRFA).
- DOL's IRFA is deficient and does not properly inform the public about the impact of this rule on small entities. The proposed rule has definitions that expand coverage of the DBRA to small businesses including prefabrication businesses, material suppliers, truck drivers, demolition companies, flaggers, surveyors, and green technology businesses. However, DOL's IRFA does not adequately estimate the numbers of newly added small businesses and their compliance costs.
- DOL has also underestimated the administrative burdens and compliance costs of this complicated regulation, with the very unlikely low average cost of less than \$100 per small business in first year costs. DOL should have also estimated the impact of administrative costs, increased wages, and changes in the enforcement requirements on small businesses.

A complete copy of Advocacy's letter to DOL is available [on the Advocacy website](#). For more information please contact Janis Reyes, Assistant Chief Counsel at (202) 798-5798 or by email at Janis.Reyes@sba.gov.

