

U. S. DEPARTMENT OF LABOR  
WAGE AND HOUR AND PUBLIC CONTRACTS DIVISIONS

WASHINGTON, D.C. 20210

DATE: May 6, 1969  
REPLY TO  
ATTN OF: OCE  
SUBJECT: MEMORANDUM # 81



TO: AGENCIES ADMINISTERING STATUTES REFERRED TO IN  
29 CFR, SUBTITLE A, PART 5

Re: Copeland Act, Title 40 U.S.C., § 276c; 29 CFR Parts 3.3 and 3.4; and  
29 CFR Part 5.5(a)(3)(ii): Submission weekly of Statement of Compliance,  
Form WH-348, and submission weekly of a copy of all payrolls.

Enclosed is a copy of a letter dated March 13, 1969, from the Bureau  
of the Budget. As a result of this letter, the Department of Labor  
is reviewing the present requirements:

1. To submit weekly to the contracting agency a Statement of Compliance (Form WH-348); and
2. to submit weekly to the contracting agency a copy of all payrolls.

It has been decided to request the agencies to review these reporting requirements in the light of their own needs and usages as related to the cost to the Government in handling and to the contractors in preparing. No particular form of response is required but at least the following points should be considered:

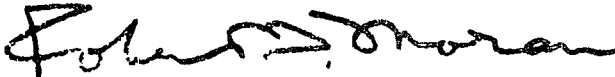
1. In the event it is decided to revise the regulations with respect to the submission of payrolls, would your agency find it necessary to continue such a requirement as a contract stipulation in order to meet your own enforcement needs?
2. If payrolls are not submitted, would the Statement of Compliance (Form WH-348) by itself serve any essential purpose?

The Solicitor of Labor has been asked for his views as to what statutory or regulatory changes would be necessary to effect one or both of the proposals now being considered.

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The purpose of this memorandum is to bring the matter to the attention of the agencies involved and to get their views as a preliminary step in considering what action should be taken and what response should be made to the Bureau of the Budget. Any changes made in regulations will be published for comment in the Federal Register.

A response to this memorandum should be sent to this office by June 27, 1969.



Robert D. Moran, Administrator  
Wage and Hour and Public Contracts Divisions

Enclosure

EXECUTIVE OFFICE OF THE PRESIDENT

BUREAU OF THE BUDGET

WASHINGTON, D.C. 20503

March 13, 1969

Mr. Robert D. Moran  
Administrator, Wage and Hour and  
Public Contracts Divisions  
Department of Labor  
Washington, D. C. 20210

Dear Mr. Moran:

During our review under the Federal Reports Act of the payroll form for construction contractors (WH-347) the question has arisen as to the continued necessity for the Department of Labor requirement that contractors on Federal or Federally-financed construction projects submit each week a copy of their payroll. While this question has been considered before, we think it should be reopened now that primary responsibility for enforcement of labor standards under the Davis-Bacon and related Acts has been transferred from the Solicitor's Office to the Wage and Hour and Public Contracts Divisions of the Department of Labor.

Such a review would be consistent with the policy of the Federal Reports Act and of the Administration to seek opportunities to eliminate unessential paperwork. If the requirement for submission of the weekly payroll could be eliminated without weakening enforcement of labor standards under construction contracts the saving to both contractors and Federal contracting agencies would be substantial. About half a million copies of the WH-347 alone are submitted by contractors, and there must be thousands of contractors who take advantage of the option of filing copies of their own payroll forms provided these include the necessary information. This represents a very considerable volume of paperwork, both for contractors and contracting agencies.

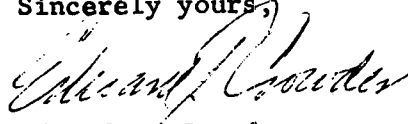
The problems of enforcing labor standards in the construction field and in other parts of the economy appear somewhat similar. We note that in enforcing the Fair Labor Standards Act the Wage and Hour and Public Contracts Divisions do not require employers to submit copies of their payrolls, but rely on investigations by trained inspectors with particular emphasis placed on inspecting establishments where the likelihood of violations is greatest. We note also

that construction contractors, like other employers, are required to keep copies of their payrolls for two to three years. We think that the feasibility of a similar approach to enforcing the Davis-Bacon and related Acts should be investigated. Since an affidavit with respect to the wages paid is required by law, Form WH-348, Statement of Compliance, would presumably have to continue to be submitted by construction contractors and subcontractors.

We realize that a thorough study of the issues we have raised will require some time, and also that changes in Department of Labor regulations would be required to relieve contractors of the requirement that copies of their weekly payroll be submitted. For these reasons we are extending approval of Form WH-347 until September 30, 1969.

We think the study we are suggesting will necessitate conferences with representatives of the large contracting agencies to see what, if any, use is being made of the payrolls submitted to them either for compliance or for other purposes. If the agencies are examining the payrolls to check compliance, further information should be obtained on the nature and extent of the violations discovered and the cost to the agency of the examination. Within the limits of staff available we would be glad to participate in such a study.

Sincerely yours,



Edward T. Crowder  
Assistant Director for Clearance Operations  
Office of Statistical Standards