



AGC MAINE

THE CONSTRUCTION ASSOCIATION

Testimony of Kelly Flagg in Opposition to LD 1818

“An Act Regarding Port Facilities Relating to
Offshore Wind Power Projects”

Joint Standing Committee on Labor and Housing
May 9, 2023

Senator Tipping, Representative Roeder, and Distinguished members of the Joint Standing Committee on Labor and Housing my name is Kelly Flagg, I am a resident of Gorham and here in my capacity as the Executive Director of AGC Maine. I’ve spent most of my career in the construction industry, including working for a signatory contractor managing safety and human resources.

AGC Maine is a statewide construction trade association and it’s important that I share we have contractor’s signatory to unions, open shops that are traditional corporations and ESOPs, suppliers, and service providers.

AGC Maine supports the development of an offshore wind port facility. We’ve been actively engaged in the Offshore Wind Ports Advisory Group and the Offshore Wind Roadmap Committee. For over ten years we’ve been working on policies to advance offshore wind in Maine.

Most recently, we’ve responded to both agencies and developers that want to ensure a strong workforce is created in this emerging market with a general call for an “all hands on deck” to meet the potential demand. Because our market is largely known as an open shop state, meaning the majority of our member contractors are not unionized, we have created programs that will assist companies and workers interested in skilled trades. Our apprenticeship program is the central focus, and it continues to grow.

We are also introducing a program for high school students and out-of-school youth, known as the Maine Construction Academy. We are launching the first year of this summer program this month, and it will be offered at 7 school sites across the state. We have the capacity to serve up to 140 students this first year and have plans to expand for 2024. This program serves as an on-ramp to construction careers by providing students with basic construction-related certificates and exposure through job site visits and hands-on experiences in several different craft career pathways.

When students complete the entry-level program, they have the option of continuing their education or entering an apprenticeship with many of our signatory and open shop contractors. We have submitted the paperwork for these programs to be considered a registered pre-apprenticeship meaning that students will be eligible for advanced placement when they enter an apprenticeship with any contractor providing an apprenticeship option, again regardless of that contractor’s signatory status.

This bill creates a preference that will not enable an “all hands on deck” approach. In Maine, fewer than 10% of contractors are unionized. In fact, it will reduce the available pool of bidders and the employment benefits to Mainers who are both ratepayers and taxpayers, but most importantly well equipped and proven they can deliver the desired outcomes.

In addition to carving out work for a very small sector of the industry, it also adds a component to require the same standards required to support business, or private ports that support Offshore Wind. It’s our belief this will create a financial risk to the port being built and offshore wind advancing, risking our climate goals and a tremendous advantage for Mainers.

During any port construction, the industry will be subject to Maine DOT prequalification standards, project specifications, inspectors, and prevailing wage requirements. Today the commercial construction market continues to grow, and the wages, benefits, and incentives do as well, deservedly so. We also have a growing number of firms that are employee-owned, and certainly not designed to be represented by an outside entity. I would be remiss not to mention the number of family-owned or small businesses that will be critical to building our offshore wind facilities, and they are not typically aligned for union or employee ownership models but do and will add value to the market.

I know you’ve heard many times before that rolling out labor conditions like those contained in this bill will result in trucks rolling in from Massachusetts or Connecticut with their workers. I believe it will be the only way to meet the necessary timelines in an aggressive procurement. It would take decades for a transition, and that’s given the industry as a majority welcomes that prospect, which they clearly don’t.

I am happy to answer any specific questions but close by urging you to consider the thousands of workers who will be sidelined and the revenue that will leave our great state. Those same workers who will be paying for these projects through their utility bills will be the ones sidelined. I also encourage the Committee to consider the price impact a growing number of conditions, added to those that already exist, will have on the consumers.

Thank you for your time today, I am happy to answer any questions.