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Testimony of Maine AFL-CIO Executive Director, Matt Schlobohm, in Support of LD 1818, *An Act Regarding Port Facilities Relating to Offshore Wind Power Projects*
May 9, 2023

Good morning Senator Tipping, Representative Roeder and members of the Labor and Housing committee. My name is Matt Schlobohm. I'm the Executive Director of the Maine AFL-CIO. Over the last couple years, I've also had the pleasure of serving on Maine's Climate Council and Maine's Economic Recovery Committee.

The Maine AFL-CIO is a labor federation representing 200 local unions and 40,000 working people in Maine. We work to improve the lives and working conditions of our members and all working people. We testify in support of LD 1818.

Organizationally, we start from a place of recognizing that we face two urgent, interrelated challenges: accelerating climate change and deepening inequality. We must address these challenges together and we support LD 1818 because it does just that.

Inequality of wealth, income, opportunity and power is growing. These inequalities cut deeply along lines of race, gender and geography. The pandemic only accelerated these inequalities and also laid them painfully bare for us to take full stock of. The top 1% own more wealth than the bottom 90% of Americans.¹ The three wealthiest Americans own more wealth than the bottom 50% of our population – 165 million people.² In Maine, median real wages only grew twenty-three hundred dollars from 2001 to 2018, a rate of 6.6% over 19 years.³ And, as of 2018, 45% of Mainers could not afford an emergency unexpected \$400 expense.⁴ Inequality has far reaching consequences from downward pressure on wages to significantly decreasing life expectancy. The richest Americans live 10 – 15 years longer than the poorest Americans.⁵

¹The richest 1 percent now owns more of the country's wealth than at any time in the past 50 years, Washington Post, December 6, 2017 by Christopher Ingraham.

² The 3 Richest Americans Hold More Wealth Than Bottom 50% of the Country, Study Finds, Forbes, Nov. 9, 2017 by Noah Kirsch.

³ Data from annual median wages from the Quarterly Census of Employment and Wage of the Bureau of Labor Statistics for Maine.

⁴ Could you Cover an Unexpected \$400 Expense? Nearly half of Mainers could not. Maine Center for Economic Policy, June 26, 2018. Accessed at: <https://www.mecep.org/blog/could-you-cover-an-unexpected-400-expense-nearly-half-of-mainers-could-not/>

⁵ The Gross Inequality of Death in America, The New Republic, May 10, 2019 by Roge Karma.
<https://newrepublic.com/article/153870/inequality-death-america-life-expectancy-gap>

We also know that climate change is warming our oceans, raising sea levels, changing our seasons, increasing extreme weather, jeopardizing the integrity of our ecological systems and moving people, animals and pests into motion. Climate instability impacts the future of work – what jobs people do, how they do those jobs and what their working conditions are – whether its firefighters battling ever expanding wildfires, park rangers dealing with increased ticks and lyme disease, fishermen and women facing warming oceans or construction workers facing ever hotter summers. And, of course, we know time is of the essence.

Our response to the climate crisis must be swift and bold. We have to rapidly reduce greenhouse gas emissions and decarbonize our economy. That change is coming and we have two options for how we pursue it in Maine and nationally. Do we build a clean, low-carbon economy built with disproportionately lower-wage, lower-benefit, lower-quality jobs or do we create tens of thousands of good paying, high road, often union jobs? Taking the high road will not just magically happen by itself. It requires that we make deliberate policy choices and that we directly address – and not reproduce or exacerbate – existing economic, racial and gender inequalities.

To date, the quality of jobs in the renewable energy economy in Maine has been very uneven. In 2019, the median wage in Maine for weatherization installers and technicians was \$14.34;⁶ for floor, ceiling and wall insulation workers in Maine in 2020 the median wage was \$16.14 and for solar photovoltaic installers it was \$19.09.⁷ When you factor in typically mediocre benefits – and that median wage rates inherently mean lots of jobs pay significantly less than the median – its clear that we can and should do better.⁸

LD 1818 moves us in the direction of a clean energy economy with high quality jobs. It seeks to address the climate and inequality crises together. LD 1818 grows out of recommendations from Maine Won't Wait – our state's four-year plan for Climate Action, which states:

“The Strengthen Maine’s Clean Energy Economy Plan highlights the importance of encouraging efforts to target the creation of these high-quality jobs through strategies that pair job quality standards with clean-energy investments. Some of these may include prevailing wages, project labor agreements, safety and health protections, community benefit agreements, registered apprenticeship utilization, and local-hire provisions. Domestic content requirements (guarantees of components and contracting with Maine workers and businesses) can also assist in building local supply chain opportunities. These and other related requirements should be considered when developing clean-energy projects and relevant policies.”⁹

⁶U.S. Department of Labor, Employment Training Administration, O*NET Online, 2019; <https://www.onetonline.org/link/localwages/47-4099.03?st=ME&p=annual>

⁷ U.S. Bureau of Labor Statistics, Occupational Employment and Wage Statistics, May 2020 State Occupational Employment and Wage Estimates, Maine; https://www.bls.gov/oes/current/oes_me.htm#00-0000

⁸ These economic trends in Maine around the uneven and mediocre job quality of renewable energy jobs have played out nationally as well. See for example, *Building Solar Farms May Not Build the Middle Class*, New York Times, July 16, 2021 by Noam Scheiber. <https://www.nytimes.com/2021/07/16/business/economy/green-energy-jobs-economy.html>

⁹ Maine Won't Wait: A Four Year Plan for Climate Action, pg. 72. https://www.maine.gov/future/sites/maine.gov.future/files/inline-files/MaineWontWait_December2020.pdf

What LD 1818 Does:

At its heart this bill is about setting the right conditions for Maine to build out the port infrastructure we need to deploy floating offshore wind. Offshore wind is a necessary component of Governor Mills' "Maine Won't Wait" plan to do our part to address climate change. But we have a bigger opportunity before us than simply addressing climate change. With a once-in-a-century investment underway at the federal level, we have a real opportunity to make this new economy work for working class Mainers.

LD 1818 contains labor standards, environmental standards, workforce development plans including incentives to hire locally, and Coastal Conservation measures. We are at the beginning of a new industry, not just for Maine but for the world. Why would we start this with anything less than the best? We should put strong standards in place. We should create the plan that will help not just Maine thrive, but will help Mainers thrive.

The labor standards in this bill will ensure that we create high quality jobs in this industry. Project Labor Agreements (PLAs) are a project management tool that allow developers and workers to come together to ensure a local, highly skilled workforce on a project so that it can be completed on time and under budget. A Project Labor Agreement is a pre-hire, project wide negotiated agreement that establishes ground rules that cover all contractors and all construction workers on a project. Project Labor Agreements have been in the news recently as the federal government is utilizing them on federal construction contracts over \$35 million.¹⁰ In Maine, PLAs have been used most recently in the offshore wind industry as the offshore wind research array will be built under a Project Labor Agreement¹¹ and in the affordable housing industry as energy efficient affordable housing projects will be built under a PLA.

Used since the 1930s, PLAs are an effective tool for ensuring timely, cost effective delivery of projects. The advantages of this business model are several:

- It provides contractors with access to a properly trained, highly skilled workforce
- It facilitates more accurate budgeting and cost forecasting for project owners and contractors by establishing set wage rates for all craft workers and apprentices on the project
- It helps ensure that projects are built correctly the first time, on time and as a result on budget for the end user. Additionally, future building maintenance costs are often lower.

Apprenticeship Utilization and Diversity in Hiring

LD 1818 contains strong workforce development standards including giving preference to the hiring of Mainers, utilizing workers from registered apprenticeship and pre-apprenticeship programs and strong diversity and equity provisions.

Registered apprenticeship is a tried and true model to support people earning while they learn. Workers work under the training of an experienced skilled craftsperson while taking classes for free in the evening or

¹⁰ See <https://www.laborrelationsupdate.com/uncategorized/president-biden-signs-executive-order-requiring-project-labor-agreements-for-large-scale-federal-construction-projects-35-million/> and <https://www.whitehouse.gov/briefing-room/statements-releases/2022/02/03/fact-sheet-president-biden-signs-executive-order-to-boost-quality-of-federal-construction-projects/>

¹¹ See <https://www.pressherald.com/2021/04/07/contractors-developer-promote-offshore-wind-jobs-deal-for-maine/>

weekend. Pre-apprenticeship are shorter training programs that provide the skills and orientation to provide a direct entry into a registered apprenticeship program, typically for populations who have historically not benefited from these opportunities.

The Maine AFL-CIO, in partnership with the Maine Building Trades and New England Laborers' Training Academy, has recently launched a new construction pre-apprenticeship program, Union Construction Academy. The four-week program provides numerous certifications, orientation to a variety of registered apprenticeship program and the soft skills to ensure a warm hand off into a registered apprenticeship program.

For our first four week cohort, we have an amazing group of fifteen pre-apprentices – five women from the Southern Maine Re-Entry Center, three Afghan refugees, six asylees from Angola, the Democratic Republic of Congo, Togo, and another young man recently out of Long Creek. They have really gelled as a group and have been committed and engaged throughout an intensive week of training. They've already completed much of their OSHA-10 training, and they're well on their way to industry-recognized credentials in First-Aid, CPR, and AED, and flagging. All have them have expressed their gratitude at having an opportunity to learn skills that will give them a pathway into stable careers. We have a second cohort coming up in Lewiston this summer. The Electricians union with IBEW 1253 in Newport is running a pre-apprenticeship program with twenty high school students from RSU 19 that will be a recurring program to prepare them for careers in construction and they've recently expanded the program to other surrounding schools.

When coupled with legislation like LD 1818, this program will ensure that people can access amazing careers in good, safe jobs with strong wages, great benefits and help us build the workforce that Maine needs.

Finally, we appreciate the way the authors of this bill and related offshore wind legislation have worked to ensure that we develop this new industry in a way that protects critical fishing grounds for our fisheries and ensures the ongoing vitality of Maine's fishing industry. It is critical that pro-fisheries policy remain central as we responsibly develop ports infrastructure in Maine.

Conclusion:

We support the bill before you because in our response to the climate crisis we have a tremendous opportunity to build a more equitable, high road economy. That will not just happen on its own. Good jobs do not just fall from the sky. They typically result from public policy, workers overall bargaining power and market dynamics. LD 1818 seeks to ensure that as Maine tackles climate changes and builds out a new industry and critical ports infrastructure it benefits our communities and leads to good quality jobs, a highly trained workforce and economic opportunities for a diverse and broader set of workers.

That's good for our economy and it is also essential to the durability and viability of our response to the climate emergency. The climate crisis demands dramatic transformations. We can only achieve those if they are accompanied by shared economic benefit that people can see and touch and feel in their lives.

For all of these reasons, we urge you to vote ought to pass on LD 1818.