



AGC MAINE
THE CONSTRUCTION ASSOCIATION

Testimony of Matthew Marks Against LD 1748

"An Act to Enhance Businesses' Understanding of Labor Standards and Grow Maine's Energy Economy Through a Training Program"

Joint Standing Committee on Labor

April 29, 2025

Senator Tipping, Representative Roeder, and distinguished members of the Joint Standing Committee on Labor, I am Matt Marks, a Principal at Cornerstone Government Affairs, and submitting testimony on behalf of my client, the Associated General Contractors of Maine (AGC Maine).

Chartered in 1951, AGC Maine is a statewide commercial construction trade association headquartered in Augusta with members statewide that include contractors, service providers, suppliers, and developers. AGC Maine provides safety, craft, and apprenticeship education to members and non-members throughout Maine.

AGC Maine believes additional information could be published on the Maine DOL website with clarifications on Maine DOL and USDOL requirements. However, we do not think that an additional regulatory program will be beneficial. Instead, a fact sheet should be posted and available, perhaps distributed directly to active developers and through trade associations.

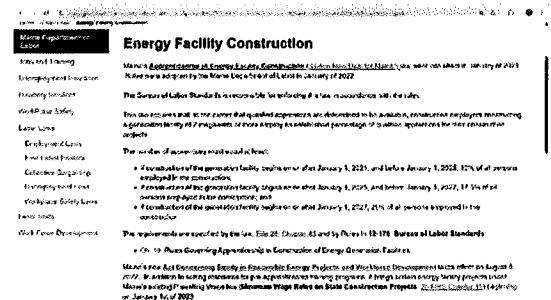
One of the challenges, in our opinion, is the moving target associated with policy modifications by the Federal government, either by agency or executive order. Training twice a year will likely be outdated in the current environment, and a fact sheet would suffice.

The bill also creates another advisory board, which we are not convinced is necessary, and with budget challenges, starting a new program on a very narrow subject. Most questions can be answered through direct conversations with agencies and subsequent enforcement of existing regulations. The establishment of a labor standards training advisory board with undefined authority raises concerns about the long-term scope of this program. The board could expand its reach beyond its original intent, imposing shifting standards on energy developers.

Maine DOL has already discussed the requirements with AGC Maine and published a website that shares the existing statute. This statute requires that, to the extent that qualified apprentices are determined to be available, construction employers constructing a generation facility of 2 megawatts or more employ an established percentage of qualified apprentices for their construction projects.

The number of apprentices must equal at least:

- If construction of the generation facility begins on or after January 1, 2021, and before January 1, 2025, 10% of all persons employed in the construction;
- If construction of the generation facility begins on or after January 1, 2025, and before January 1, 2027, 17.5% of all persons employed in the construction; and



- If construction of the generation facility begins on or after January 1, 2027, 25% of all persons employed in the construction.

The primary challenge contractors discovered last year occurred when developers qualified for the Federal Inflation Reduction Act. Some developers initially tried to obtain the “good faith exemption,” where firms are deemed to have met the apprenticeship requirements if they request apprentices from a registered apprenticeship program and either do not receive a response within five business days or are denied for reasons other than their refusal to comply with the apprenticeship. However, in our view, that has subsided, and it also falls under the jurisdiction of USDOL. Some corrections had to be made to existing contracts to reflect IRA conditions, which prompted additional conversations and requirements passed down to the contractors.

The differences between Maine DOL and USDOL requirements may vary depending on the project size and conditions, and it’s our firm belief that the developer and legal counsel, if necessary, should have the tools to navigate that distinction. We also question whether the fee would support training and enforcement, especially the bill’s requirement that training expire in two years. The bill also lacks a definition of developer, and given the competition for state financial resources, we believe funds would be better spent on additional building code training.

AGC Maine would support ongoing information and education by the Maine DOL, but as outlined in this bill, it is generally unnecessary to create mandatory requirements and penalties. Penalties already exist in Chapter 26, Chapter 15: PREFERENCE TO MAINE WORKS AND CONTRACTORS §1312. Unfortunately, the burden in cases subject to those penalties is with the contractor, not the developer. Since the Federal IRA is a tax credit, meeting the required thresholds for required compliance will follow the project’s completion.

Alternatively, the Committee could offer a letter to Maine DOL suggesting additional education opportunities if available within existing resources. We don’t believe it has to be complex and should be accessible online if possible.

I want to thank the Committee for listening to and considering our comments. We are happy to answer any questions.