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### STATEMENT OPPOSING GOVERNMENT TAKEOVER OF POWER

The International Brotherhood of Electrical Workers (IBEW) opposes LD 1708 – An Act to Create the Pine Tree Power Company, a Nonprofit Utility. Don't be fooled by the title—this is a government takeover of Maine's electric grid and it's a bad idea. We know from our extensive experience across the country how complex grid operations are. Maine's electricity customers as well as utility sector employees, our members, should not be subject to the significant uncertainty and risks that would result if the Legislature were to pass a bill that led to a government takeover of the grid.

The Legislature already passed a bill calling for further study of this issue. Their preliminary study identified significant unanswered questions that need to be addressed before anyone—legislators or voters—can make an informed decision. To date, those additional studies have not been conducted. This is too risky a proposal to rush through. LD 1708 will create far more questions than answers and possible litigation.

A government controlled electric utility would be **bad for workers:**

- Currently utility workers can be effective in bargaining discussions. Our private sector counterparties are abreast of regional and national labor dynamics, market conditions, and numerous other factors. Their real-time and real-world experience allows us to advance our concerns more effectively than we would be able to with a government-controlled entity.
- We currently have the right to use the threat of a work stoppage as a tool during contract negotiations when conditions require and find losing this right unacceptable. Proponents of a government takeover claim we would still be private workers with that right but under both federal and state law the proposed operator of the electric grid in Maine would be a “public employer” – not a private employer – because it would be controlled by the proposed new government entity controlled by a board of elected officials and under Maine law the employees of a public employer are denied the right to strike.
- A government controlled electric utility would be a creature of Maine law and a future Legislature could eliminate any of our rights to reduce rates on the backs of utility sector employees.
- We have had, and will likely continue to have, compensation and benefit-related misalignments with our private sector counterparties. However, we believe our ability to negotiate will allow us to reach acceptable resolutions. Unfortunately, we do not have the same confidence if our counterparty is a government-controlled entity. We know from history that the way state employees have been treated does not demonstrate fair and equitable treatment of the workforce. For example, Maine State Troopers have had to endure furloughs, skipping pay periods, and partial funding for retirement.

- In particular, LD 1708 creates tremendous uncertainty with respect to our retirement benefits, and those of our retirees, by making some unidentified “operator” to be selected by the board of the government-controlled utility responsible for those benefits; in New York a very similar structure resulted in significantly underfunded liabilities for the retirement benefits for the workers of Long Island’s government controlled electric utility, which is unacceptable for our members.
- A government controlled electric utility is also likely to underinvest in the transmission and distribution systems in order to try to keep rates low. This is bad for reliability and customer service and dangerous and counterproductive for our members, working in the field to keep the lights on in Maine.

A government controlled electric utility would be **bad for customers, small businesses, and Maine:**

- Who will pay off the “blank check” that this legislation calls for (customers, workers, voters)? The costs for a takeover are unknown and the legislature’s own feasibility study on the matter admits that we don’t even know the final purchase price. But realistic estimates put the price for seizing the grid at \$13.5 billion, which is more than triple the state budget of \$4 billion. And there is a good chance it could be a lot more than that.
- While any such takeover is negotiated and litigated for years and years, we believe there will be little incentive for companies to invest in Maine’s electricity grid, improve reliability, address climate change, and keep energy costs manageable. This will harm the outlook for Maine’s electricity customers and Gov. Mill’s carbon reduction plan for decades to come.

This bill skips too many important steps. It skips the further studies that the Legislature has called for. And it skips the normal process to put something on the ballot that requires supporters to gather 60,000 signatures. It’s irresponsible to take so many short cuts on an issue that is going to affect thousands of workers and hundreds of thousands of customers for decades to come.

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