

BGA Testimony in Support of Maine LD1895, An Act Regarding the Procurement of Energy from Offshore Wind Resources

Thank you Senator Lawrence and Representative Zeigler, and members of the Committee on Energy, Utilities and Technology for the opportunity to testify in support of LD1895. My name is Steve O'Neill and I am the Northeast Regional Organizer for the BlueGreen Alliance.

The BlueGreen Alliance is a coalition of labor unions and environmental organizations, coming together to solve today's environmental challenges in ways that create and maintain quality jobs and build a clean, thriving, and equitable economy.

It is vital that LD1895 not only pass, but pass this session. As has been widely reported, the Gulf of Maine is warming faster than 97% of the world's ocean surface, imperiling critical wildlife ecosystems and fisheries.¹ Offshore wind presents a once-in-a-generation opportunity to produce clean energy at the scale needed to power homes, vehicles and industries while protecting our environment.

It takes time for such large scale projects to get off the ground, and in order for Maine's offshore wind industry to advance, developers need clarity and certainty regarding procurement and regulation as soon as possible. LD1895 provides a clear framework that is aligned with what other states and the federal government are doing, setting up Maine's offshore wind industry to be robust, equitable, and responsible. It protects fisheries and wildlife habitats, provides relief to low-income ratepayers, and maximizes economic benefits for Maine.

Two key provisions in the legislation are essential for ensuring Maine residents receive the maximum economic benefits for offshore wind projects: Project Labor Agreements (PLAs) for construction and Labor Peace Agreements (LPAs), including union neutrality, for manufacturing, maritime, operations, and maintenance.

Project Labor and Labor Peace Agreements are widely recognized as essential tools for streamlining labor relations and workflow, especially in large scale operations. The federal government currently requires PLAs for any federal construction projects costing \$35 million or more.² Similarly, the first large-scale offshore wind project in the United States, Vineyard Wind, is currently being developed under a Project Labor Agreement.³ All four offshore wind ports that

¹ Gulf of Maine Research Institute, "Gulf of Maine Warming Update: 2022 the Second-Hottest Year on Record," February 15, 2023. Available online: <https://www.gmri.org/stories/warming-22/#:~:text=SST%20conditions%20in%20the%20Gulf.of%20the%20world's%20ocean%20surface.>

² White House, "Executive Order on Use of Project Labor Agreements for All Federal Construction Projects," February 4, 2022. Available online: <https://www.whitehouse.gov/briefing-room/presidential-actions/2022/02/04/executive-order-on-use-of-project-labor-agreements-for-federal-construction-projects/>

³ Jon Chesto, Boston Globe, July 16, 2021. "Vineyard Wind Developers Sign Deal with Unions to Build \$2.8b Project. Available online:

have received federal funding for port redevelopment have used Project Labor Agreements, and General Electric and the IUE-CWA recently announced a Labor Peace Agreement for the first large-scale offshore wind facility manufacturing turbine blades and nacelles in the United States, at the Port of Coeymans.⁴

For the sake of brevity, this testimony will focus on only two of the ways that Project Labor and Labor Peace Agreements serve the public interest: safety and economic outcomes.

SAFETY

Project labor agreements lead to safer working conditions due to a more highly skilled workforce and greater safety protections. A 2021 Canadian study showed that unionization in commercial and industrial construction, maintenance, and repair work was associated with a 25% lower lost-time injury rate; 23% lower incidence of musculoskeletal lost-time injury claims; and 16% lower incidence of critical lost time injury claims.⁵ Similarly, a 2011 University of Michigan study shows that accidents, including death, are more common in states with a preponderance of non-union contractors.⁶

Labor Peace Agreements in manufacturing, maritime, and maintenance industries often include union neutrality provisions. These provisions support workers' rights to join unions freely and collectively bargain, promoting safer workplaces. Union workers are more likely to negotiate health and safety measures and receive paid sick leave, all of which are essential to ensure worker safety while manufacturing, operating, and maintaining components that can weigh 600 tons.

LPAs and PLAs promote safety measures in working conditions through a number of mechanisms. They establish joint labor-management safety committees that collaborate on identifying and addressing workplace hazards. Mandatory safety training programs ensure employees are equipped to handle risks and emergencies. These agreements also establish procedures for reporting and investigating hazards, provide necessary safety equipment and resources, and encourage regular safety audits.

ECONOMIC IMPACT

<https://www.bostonglobe.com/2021/07/16/business/vineyard-wind-developers-sign-deal-with-unions-build-28b-project/>

⁴ Rick Karlin, Times Union, May 15, 2023, "GE, Unions Reach Deal on Proposed Offshore Wind Plant at Port of Coeymans." Available online:

<https://www.timesunion.com/business/article/ge-unions-reach-deal-offshore-wind-plant-port-18096693.php>

⁵ Lynda Robson, Victoria Landsman, Desiree Latour-Villamil, Hyunmi Lee, Cameron Mustard, *Updating a study of the union effect on safety in the ICI construction sector*, Institute for Work & Health, January 2021. Available online:

https://www.iwh.on.ca/sites/iwh/files/iwh/reports/iwh_report_union_safety_effect_construction_update_2021.pdf

⁶ Roland Zullo, *Right-to-work Laws and Fatalities in Construction*, Working USA: The Journal of Labor and Society, June 2011.

Available online: <https://deepblue.lib.umich.edu/bitstream/handle/2027.42/98283/j.1743-4580.2011.00334.x.pdf?sequence=1>

Union workers, on average, earn significantly higher wages compared to non-union workers. This wage advantage has positive ripple effects on the neighborhoods and towns where they reside, leading to thriving local communities. Every dollar a worker spends in the local economy is multiplied, as people shop locally, renovate their houses, fix their cars and get their hair cut locally.

PLAs and registered apprenticeships provide opportunities to historically marginalized populations, including communities of color, women, and veterans, ensuring that the new economy we build is a more equitable one. Indeed, while union participation raises standards for all workers, it is especially beneficial in removing disparities based on race and gender:

- White male union members earn 17% more in wages on average compared to white male non-union workers;
- Female union members earn 28% more in wages on average compared to non-union female workers;
- Black union members earn 28% more in wages on average compared to non-union Black workers; and
- Latine union members earn 40% more in wages on average compared to non-union Latine workers.⁷

At the same time, PLAs not only bring the overall cost of projects down,⁸ but also play a crucial role in preventing labor disruptions. By establishing a framework for labor stability, PLAs promote a consistent and uninterrupted workflow, minimizing the risk of strikes or other labor-related conflicts. Additionally, PLAs contribute to a more skilled and experienced workforce, resulting in improved project efficiency, reduced turnover, and fewer accidents, all of which contribute to lower costs for ratepayers, and greater return on public dollars. We need these kinds of agreements to ensure projects come to fruition.

In short, LD1895 will ensure that the offshore wind industry develops in Maine in a high-road, equitable, and environmentally responsible manner, and we urge your support.

⁷ U.S Department of Labor, Union Members 2022 News Release. Available online: <https://www.bls.gov/newsrelease/pdf/union2.pdf>

⁸ Frank Manzo et al., *Efficiencies of Project Labor Agreements*, 2015. Available online: <https://illinoisepi.org/site/wp-content/themes/hollow/docs/wages-labor-standards/Illinois-PLAs-in-CDB-Projects-FINAL.pdf>