

# REED & REED



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May 4, 2021

Chair Senator Craig Hickman  
Chair Representative Mike Sylvester  
Members of the Labor and Housing Committee

RE: LD 1633

I write to urge you in the strongest possible terms to defeat LD 1633, the worst legislative proposal I have ever seen. This bill is a wolf in sheep's clothing: while purporting to create apprenticeship opportunities for workers

- it creates layers of bureaucratic process,
- reduces competition for publicly funded projects,
- drives up the cost of doing business,
- signals business that Maine is not interested in open and fair competition,
- creates reporting requirements full of tripwires,
- requires on-going burdensome reporting,
- will discourage investment in Maine
- and is quite simply, bad, bad, bad.

Virtually every sentence in the bill is objectionable. Let me address some key points:

First, you should know that over 85% of Maine construction workers are NOT in unions. LD 1633 is a blatant attempt to change that by using the machinery of state government to promote union membership and enrich union coffers.

Second, as a practical matter, the Apprenticeship program requirements are designed to be met through union sponsored plans. The firms who employ 85% of Maine construction workers would be locked out.

Third, Maine's largest publicly funded projects are overseen by Maine DOT and other agencies that ALREADY have rigorous prequalification programs in place, including processes for disqualifying irresponsible contractors.

Fourth, LD 1633's contractor responsibility certification process would create delays of nearly two months in contract awards. BGS would become a super-agency with authority to delay, deny and otherwise interfere with all other state and local agencies that routinely contract for important construction services. And during those extended delays contractors would be exposed to potentially volatile prices for materials and other commodities.

Fifth, hundreds and hundreds of publicly funded contracts would be funneled through a single agency charged with reviewing certifications. This defies logic. Does Maine DOT, for example, really need another state agency reviewing every single contract it awards?

Sixth, the proposed certification requirements are filled with onerous requirements, tripwires, draconian penalties and ill-thought-out provisions. It seems they are designed for finding ways to discourage responsible contractors from participating in public construction.

Seventh, while the BGS review process invites protests from “any person” (perhaps a disgruntled former employee, disappointed subcontractor, someone with personal animus for the firm, or perhaps a labor union), there are no provisions for appeal of the BGS decision. No due process of law.

Eighth, the Project Labor Agreement requirement’s purported purpose is to “...promote economy and efficiency in state procurement.” But in fact, requiring PLAs would do exactly the opposite. Under PLAs, non-union employees of non-union contractors would be required to pay union dues even though they are not members of the union. These dues are a windfall for the unions, creating additional project costs for the people of the State of Maine and do nothing to promote ‘efficiency’. In fact, non-union companies would be forced to choose between maintaining long standing benefit programs for its employees while paying additional union benefits or terminating existing benefits for employees forced to work under a PLA.

In addition, how could PLAs which exclude 85% of Maine construction workers and their employers “promote efficiency”? That is completely incongruous.

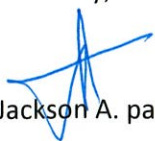
Ninth, many of Maine’s top contractors are Employee Owned and every employee made the free choice to work for and own a company that is non-union. Why should the State of Maine now dictate that those employee-owners must work under a PLA for larger projects? That is not a proper role of government.

In closing, LD 1633 is a solution in search of a problem. It is designed to create new layers of unnecessary bureaucracy at the expense of taxpayers and to the detriment of 85% of Maine construction workers. It seems ironic that the bill title references “Responsible Contracting”, yet the case has never been made that Maine has a problem with irresponsible contractors in public construction.

Maine is indeed fortunate to have hundreds of constructions firms working diligently and responsibly, treating its employees with respect and dignity, paying generous wages and benefits. Our firm has built hundreds and hundreds of public projects over the past 93 years and has earned a strong reputation for the work we do and the way we care for our employees. LD 1633 would bring irreparable harm to our employee-owners, our company and the State of Maine.

I respectfully urge you to defeat this disastrous legislation.

Sincerely,



Jackson A. Parker

Chairman & CEO