



Commercial/Industrial - Design/Build Mechanical Contracting Specialists

State of Maine
Labor and Housing Committee
Public Hearing Testimony - May 10, 2021
Re: LD 1656 "An Act to Promote Energy Efficient Affordable Housing"

May 6, 2021

Dear Committee Members:

I would like to encourage the committee and other persons influencing this LD 1656 to consider eliminating Section 1.1 in its entirety. This State has very few construction workers subject to a labor agreement. And, this industry – it is safe to say, believes it is entirely unnecessary and counter-productive to move in this direction. I'd like to have you consider a couple questions that are worth digging into deep enough to find REAL answers:

1. Who do you anticipate will actually build this \$100 million in affordable housing?
2. How much of this economic boost will benefit the people of the State of Maine?

Mandating a project labor agreement will do several things:

1. It will eliminate Maine businesses and workers from participating on the bulk of these projects. Maine contractors are overwhelmingly Open Shop employers. Mandating a Project Labor agreement will not change that. It will merely encourage out of State contractors to come to Maine, work for a year or two and go back to their home state.
2. It will increase the cost of construction – A LOT. Competitive bidding will be compromised as those that qualify to propose on the work (e.g. Union Contractors) will incorporate much higher labor rates, logistics, travel, accommodations, meal allowances into the planned cost of the construction.
3. It will compromise the likelihood of completing projects in a timely manner with an acceptable level of quality workmanship. You will get proposals to do the work from contractors that work out of a suit case and ship in workers from all over the Northeast (and farther away). You will not get the same performance or quality of construction. Any notion to the contrary is simply misguided. Those of us in the construction industry understand these subtleties painfully well. We have all hired them from time to time.

In summary, forcing Maine contractors to enter into projects that require Project Labor Agreements will not achieve any desired results – if the intention is to "Promote Energy Efficient Affordable Housing". It will actually ensure the opposite. It will obstruct construction and increase costs significantly.

Please delete Section 1.1.

Very Truly Yours,

Albert W. Allen
Vice President and Chief Financial Officer