

BGA Testimony on LD1818: An Act Regarding Port Facilities Relating to Offshore Wind Power Projects

Thank you Senator Tipping and Representative Roeder, and members of the Joint Standing Committee on Labor and Housing for the opportunity to testify in support of LD1818. 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.

LD1818, regarding port facilities related to offshore wind power projects, is a critical element in ensuring that Mainers reap the maximum benefit from the game-changing floating turbine technology that is being developed here in Maine. This legislation would ensure that not only the technology is developed in Maine, but the projects themselves are too.

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.¹ Similarly, the first large-scale offshore wind project in the United States, Vineyard Wind, is currently being developed under a Project Labor Agreement.² All four offshore wind ports that 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.³

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.

¹ 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/>

² Jon Chesto, Boston Globe, July 16, 2021. "Vineyard Wind Developers Sign Deal with Unions to Build \$2.8b Project." Available online: <https://www.bostonglobe.com/2021/07/16/business/vineyard-wind-developers-sign-deal-with-unions-build-28b-project/>

³ 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>

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.⁴ Similarly, a 2011 University of Michigan study shows that accidents, including death, are more common in states with a preponderance of non-union contractors.⁵

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.

LPA and PLA 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

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;

⁴ 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

⁵ 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>

- 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.⁶

At the same time, PLAs not only bring the overall cost of projects down,⁷ 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.

While offshore wind is new to the U.S., nations from Denmark to Vietnam are far ahead of the United States in producing energy from offshore wind and building an industry around it. As a result, it is entirely possible for big multinational developers to ship in components and workers from Europe, build turbines off the coast, and float away again, taking most of the wealth generated with them. This legislation would help ensure that doesn't happen in Maine, instead creating thousands of high-quality, family-sustaining union jobs for Maine residents and advancing equity while preserving biodiversity and our coast.

LD1818 will ensure that the offshore wind industry develops in Maine in a high-road, equitable, and environmentally responsible manner, and we urge your support.

⁶ U.S Department of Labor, Union Members 2022 News Release. Available online: <https://www.bls.gov/newsrelease/pdf/union2.pdf>

⁷ 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>