



Steel Fabricators of New England

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Testimony Submitted by:
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Committee On State and Local Government

LD 1411 - An Act To Establish The Maine Buy American And Build Maine Act

Senator Baldacci and Representative Matlack, thank you for allowing me to submit this testimony in support of LD 1411 - An Act To Establish The Maine Buy American And Build Maine Act.

My name is Catherine Flaherty. I am the Executive Director of the Steel Fabricators of New England (SFNE), a not-for-profit trade association made up of structural steel and miscellaneous metal fabricators and allied companies that serve the building and bridge construction markets in Maine and throughout New England.

SFNE member companies are mostly family-owned businesses that provide good-paying jobs and benefits to thousands of families throughout the Northeast. These members are people and companies who fully support the economy in Maine and other New England states.

For many years, our members in Maine have been adversely impacted by foreign steel fabrication companies that can produce the lowest-price bid with which domestic companies cannot compete.

Foreign steel fabricators do not have to adhere to or incur the cost of local, state, and federal regulations relating to labor, safety, and environmental protection. They enjoy favorable currency exchange rates, subsidies, and programs offered by their governments. No such programs are available to domestic fabricators by the U.S. government, giving foreign fabricators the ability to submit far lower bids than American firms.

As a result, significant amounts of Maine taxpayers' money is lost to foreign economies. This arrangement has serious economic consequences for domestic companies that employ a local workforce, generate local tax revenue, create local jobs, and return money to local and state governments.

SFNE's steel fabricators applaud your efforts to require that contracts for the construction, reconstruction, alteration, repair, improvement or maintenance of a public building or public work require materials that are manufactured in the United States.

Americans are hurting economically. We all need to do our part to support our local economies and American families. Every job counts and every American company counts as they directly support American families.

In general terms, SFNE supports this legislation because we believe the passage of LD 1411 will reduce the level of publicly funded steel fabrication jobs awarded to foreign companies. We believe that giving preference to domestic products is the right thing to do as this will help the local community and the regional economy.

However, as a regional association SFNE respectfully requests that consideration be given to language that would give preference to all states in New England, not just Maine. SFNE is currently working to pass similar legislation in Massachusetts and New Hampshire and in both instances we have specified that the preference should include each of the six New England states.

We also want to point out one concern regarding imports that are subject to the World Trade Organization's Government Procurement Agreement ("GPA").

Maine is one of 37 U.S. states that has agreed to procure under the GPA, so if the GPA covers the procurement, Maine must give equal treatment to products from other GPA signatories. Under this agreement, Maine could not provide preferential treatment to domestic steel products over Canadian steel products. However, we understand that Maine has an exception to its GPA obligations for "construction-grade steel". Therefore, if fabricated steel is considered construction grade steel, then Maine could provide a domestic preference over Canadian-produced fabricated steel. This would allow for the intent of LD 1411 to be accomplished.

Thank you again for the opportunity to present this testimony in support of LD 1411.

Contact SFNE

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