



**Maryland Joint
Legislative Committee**

The Voice of Merit Construction

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TO: ECONOMIC MATTERS COMMITTEE

FROM: ASSOCIATED BUILDERS AND CONTRACTORS

RE: H.B. 793 - PROMOTING OFFSHORE WIND ENERGY RESOURCE ACT

POSITION: OPPOSE

Associated Builders and Contractors (ABC) opposes H.B. 793 which is before you today for consideration. The bill requires an application for any new qualified offshore wind project and a certain proposal for an offshore wind transmission facility to be subject to a certain community benefit agreement.

ABC has consistently and vigorously opposed government-mandated labor agreements on state and local government infrastructure projects. H.B. 793 as written proposes to do the following:

- **PROACTIVELY SEEKS TO ENSURE THAT WORKERS CAN FREELY CHOOSE TO BOTH ORGANIZE AND COLLECTIVELY BARGAIN**
 - Any individual can join a construction labor union in the State of Maryland by signing up at the local union hiring hall. Despite the ease with which one can join a construction labor union, only 12% of Maryland construction workers have chosen to do so.
- **MAXIMIZES THE USE OF SKILLED LOCAL LABOR, PARTICULARLY WITH REGARD TO THE CONSTRUCTION AND MANUFACTURING COMPONENTS OF THE PROJECT, USING METHODS INCLUDING OUTREACH, HIRING, OR REFERRAL METHODS THAT ARE AFFILIATED WITH REGISTERED APPRENTICESHIP PROGRAMS**

Before delving further into H.B. 793, we would like to put a few points on the record:

- Labor agreements (i.e. PLAs) generally increase the cost of construction projects 10-20%
- The increase in project costs also makes it difficult for W/MBE owned firms to compete as a general contractor, relegating those companies to sub-contractor status.
- PLAs severely hinder the ability for MBE firms, who are 98% non-union in Maryland, to submit a bid in the so-called competitive procurement process

because they must forgo their trained workforce and hire union workers from a union hall. Taking on liability for workers they do not know and have not trained is an absurd proposition for those who have developed their own workforce.

- Black and Brown contractors often work and hire in communities with the highest unemployment rate – while majority-owned, unionized firms do not operate or hire in these communities. They instead rely on the union hall to supply workers based on seniority, requiring no Maryland residency requirements.
- PLAs require non-union companies to agree to union dictated terms and pay into pension and healthcare plans that do not benefit our workforce.

The proposed Community Benefit Agreement will needlessly increase costs, chill competition, and steer hundreds of millions of dollars' worth of construction projects funded by taxpayers to well-connected special interests, i.e., construction unions and contractor's signatory to specific construction unions party to a PLA.

On behalf of the over 1,500 ABC members in Maryland, we respectfully request an unfavorable report on H.B. 793.

Marcus Jackson, Director
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