

MARYLAND HOUSE OF DELEGATES
ECONOMIC MATTERS COMMITTEE

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STATEMENT OF BRIAN J. PETRUSKA
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Thank you, Mr. Chairman Wilson and Vice Chair Crosby, and all members of the Committee, for the opportunity to speak to you today.

My name is Brian Petruska. I am the General Counsel for the Mid-Atlantic Region of the Laborers' International Union of North America. I am here to testify on behalf of LIUNA in support of HB 513, provided that certain amendments are made that will give clear statutory authorization for the Maryland Department of Labor to enforce the prevailing wage requirements set forth in Public Utility Article 5-305 of the Maryland Code.

HB 513 is a technical-corrections legislation that will enact the common sense step of making sure that the Maryland Department of Labor has sufficient statutory authority to enforce the prevailing wage requirements previously enacted in Public Utilities Article § 5-305 in the utility sector for underground utility work.

My testimony will focus on explaining why this additional statutory authority will be helpful for ensuring compliance with the law by clarifying the different roles played by the Public Service Commission and the Maryland Department of Labor with respect to prevailing wages in the utility sector.

First, let me explain that LIUNA is the general workers union of record with exclusive jurisdiction over of the craft classification of construction laborer in the United States and Canada. LIUNA's members play a critical role in maintaining the utility service lines that run

beneath the street, providing light, warmth, and water to the residents of Maryland. Our members open the roads, dig the trenches, replace the pipes or run the conduit, and then refill, patch, and re-pave the roads that keep Maryland's utilities connected and running to peoples' homes.

Recognizing the importance of this work, in December 2021, the Maryland General Assembly enacted Public Utilities Article § 5-305, a law that ensured wage stability to Maryland construction workers in the utility sector by establishing prevailing wage requirements on construction contractors employed by investor-owned gas, electric, and combined gas and electric utilities on underground construction work.

Following the General Assembly's override of Governor Hogan's veto, the law went into effect on January 5, 2022. Since that time, however, certain enforcement challenges have been revealed with respect to administering a prevailing wage law that applies to utilities regulated by the Maryland Public Service Commission.

The first problem is that the Division of Labor and Industry of the Maryland Department of Labor does not believe that it is authorized by statute to provide guidance to contractors regarding what prevailing wage rates apply to construction work covered by PUA § 5-305.

The Division of Labor and Industry's view has since been endorsed by the Office of the Maryland Attorney General. On December 6, 2022, the Office of the Maryland Attorney General issued an opinion agreeing that PUA § 5-305 does not authorize the Commissioner of Labor and Industry to enforce the prevailing wage requirements authorized by PUA § 5-305. Instead, the Attorney General expressed the view that the Maryland Public Service Commission is "the State entity required to administer and enforce PUA § 5-305."

The problem, however, is that the Public Service Commission does not have the resources and expertise to provide compliance guidance to construction contractors regarding the application of prevailing wages to their workforces. Nor does the Public Service Commission have the resources or personnel to investigate and prosecute individual wage claims. Instead, these resources and expertise already exist within the Maryland Department of Labor. Rather than attempting to duplicate these resources within the Public Service Commission, it obviously makes more sense to provide the necessary statutory authorization for the Maryland Department of Labor to perform its tradition compliance and enforcement duties with respect to prevailing wages in the utilities sector.

That's precisely what HB 513 is expected to do. LIUNA has been coordinating with both the Maryland Department of Labor and the Public Service Commission to draft amendments to this bill that provide clear authority for the Department of Labor to enforce these prevailing wages obligations in coordination with the Public Service Commission in its role as the regulator of the State's utilities.

Accordingly, I respectfully ask this Committee to vote in favor of HB 513 and its expected amendments to authorize the Maryland Department of Labor to enforce the prevailing wage obligations applicable to the utilities sector under PUA § 5-305. Thank you for your attention and the opportunity to speak with you today about this important matter.