



**Maryland Joint
Legislative Committee**

The Voice of Merit Construction

Mike Henderson

*President
Greater Baltimore Chapter
mhenderson@abcbaltimore.org*

Chris Garvey

*President & CEO
Chesapeake Shores Chapter
cgarvey@abc-chesapeake.org*

Dan Bond CAE

*President & CEO
Metro Washington Chapter
dbond@abcmetrowashington.org*

Amos McCoy

*President & CEO
Cumberland Valley Chapter
amos@abccvc.com*

Gregory Brown

*Chairman
Joint Legislative Committee
greg@waynesboroconstruction.com*

Marcus Jackson

*Director of Government Affairs
Metro Washington Chapter
mjackson@abcmetrowashington.org*

*Additional representation by:
Harris Jones & Malone, LLC*

6901 Muirkirk Meadows Drive
Suite F
Beltsville, MD 20705
(T) (301) 595-9711
(F) (301) 595-9718

March 7, 2023

TO: EDUCATION, ENERGY, AND THE ENVIRONMENT COMMITTEE
FROM: ASSOCIATED BUILDERS AND CONTRACTORS
RE: S.B. 781– PROMOTING OFFSHORE WIND ENERGY RESOURCE ACT
POSITION: OPPOSE

Associated Builders and Contractors (ABC) opposes S.B. 781 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. S.B. 781 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. Under the National Labor Relations Act, an individual can both organize and collective bargain with their employer.

Before delving further into S.B. 781, 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 S.B. 781.

**Marcus Jackson, Director
Government Affairs**