

CHAIRMAN:
Jeff Graf
VICE CHAIRMAN
David Slaughter

MARYLAND ASPHALT ASSOCIATION



TREASURER:
Paul Bramble
SECRETARY:
Curtis Hall
PRESIDENT:
Tim Smith

February 8, 2024

Delegate C.T. Wilson, Chair
House Economic Matters Committee
231 House Office Building
Annapolis, MD 21401

RE: HB 554 – UNFAVORABLE – Public Utilities – Investor-Owned Utilities – Prevailing Wage

Dear Chair Wilson and Members of the Committee:

The Maryland Asphalt Association (MAA) is comprised of 19 producer members representing more than 48 production facilities, 25 contractor members, 25 consulting engineer firms, and 41 other associate members. MAA works proactively with regulatory agencies to represent the interests of the asphalt industry both in the writing and interpretation of state and federal regulations that may affect our members. We also advocate for adequate state and federal funding for Maryland's multimodal transportation system.

House Bill 554 aims to extend prevailing wage requirements to contractors and subcontractors working on projects involving underground gas or electric infrastructure of privately owned utilities. It mandates that such utilities must ensure their contractors are paid at least the prevailing wage rate determined by the Commissioner of Labor and Industry.

MAA respectfully opposes this legislation, as we believe the government should not intervene in the affairs of private developers, especially regarding prevailing wage and collective bargaining agreements. Such regulations represent the State making decisions on behalf of private developers concerning the construction of their projects, which is inappropriate. HB 554 would lead to a significant increase in project costs, reduced competitiveness in the bidding process, and major project delays as contractors navigate the complexities of compliance. MAA advocates for the autonomy of private developers in managing their projects, and HB 554 would cause an undue burden on these companies.

We appreciate you taking the time to consider our request for a **UNFAVORABLE** report on House Bill 554.

Sincerely,

Tim E. Smith, P.E.
President
Maryland Asphalt Association