



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 Transportation Builders and Materials Association (“MTBMA”) has been and continues to serve as the voice for Maryland’s construction transportation industry since 1932. Our association is comprised of 200 members. MTBMA encourages, develops, and protects the prestige of the transportation construction and materials industry in Maryland by establishing and maintaining respected relationships with federal, state, and local public officials. We proactively work with regulatory agencies and governing bodies to represent the interests of the transportation industry and 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.

MTBMA 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 unintended economic consequences, as significant cost increases are unavoidable, thereby discouraging investment in infrastructure projects. These increased costs will result in job losses within the construction industry and will especially impact small businesses as they try to maintain prevailing wage compliance. MTBMA 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.

Thank you,

Michael Sakata
President and CEO
Maryland Transportation Builders and Materials Association