



**LOCAL UNION 410
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS**

March 3rd, 2026

Committee: Government, Labor, and Elections Committee

**Testimony on HB 997 State Finance and Procurement- Prevailing Wage Rate-
Calculation**

Position: Unfavorable

Hearing Date: March 3rd, 2026, at 1:00 PM

Good afternoon, Chairman Wells, Vice-Chair Kerr, and members of the Government, Labor, and Elections Committee

My name is Brian Terwilliger, and I am the Assistant Business Manager for IBEW Local 410, which represents over 1,450 non-managerial employees at Baltimore Gas and Electric (BGE), an investor-owned utility. On behalf of our members, I strongly oppose House Bill 997 and request an unfavorable report.

HB 997 amends the prevailing wage determination process under State Finance and Procurement Article §17-208 by prohibiting the Commissioner of Labor and Industry from surveying or using wage data from employees directly employed by investor-owned gas companies, electric companies, or combination gas-and-electric companies. It further requires the Commissioner to vacate and recalculate any existing prevailing wage rate that included such data upon petition.

This change would exclude the wages and benefits earned by BGE workers, and those of other investor-owned utilities, from the prevailing wage calculation for underground gas and electric infrastructure projects under Public Utilities Article §5-305. BGE employees perform a substantial portion of this work on the system, often accounting for roughly 50% of the skilled workforce engaged in the construction, reconstruction, installation, restoration, and alteration of underground infrastructure. These workers are covered by collective bargaining agreements that reflect negotiated standards for fair wages, comprehensive benefits, apprenticeship-style training, and safety practices.

The fundamental principle of prevailing wage laws is to ensure that wages paid on publicly regulated or utility projects reflect the actual wages prevailing in the locality for the type of work performed. By deliberately excluding the wages of workers at investor-owned utilities, who are directly employed to perform the exact same or highly similar work, the bill violates that core principle. It artificially suppresses the prevailing rate by ignoring a major, stable segment of the workforce (approximately half in many cases) and basing the rate solely on private contractor data, which often suppresses labor costs, not profits, due to competitive bidding pressures.

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The result is the opposite of fair and reasonable wage determination: it drives down compensation across the board, erodes benefits, and creates a race to the bottom. Contractors will compete aggressively on labor costs, leading to reliance on lower-paid, less experienced, or transient workers who lack the depth of training, safety culture, and system-specific knowledge that BGE's union workforce brings to these critical, high-risk projects. This outcome undermines worker protections, increases safety hazards for both employees and the public, and jeopardizes the reliability of Maryland's gas and electric infrastructure, all while providing no meaningful savings to ratepayers.

Labor costs represent only a small fraction (typically around 2% or less) of total utility expenses passed to customers. Rate differences are overwhelmingly driven by fuel prices, energy market dynamics, grid investments, and PJM capacity costs, not by whether prevailing wage calculations include the wages of utility employees.

All workers performing the same or similar work in the locality deserve to have their collectively bargained wages and benefits considered in the prevailing wage process. Removing BGE workers' data removes roughly half the relevant workforce from the equation, distorts the true prevailing rate, and harms the very people the law is intended to protect.

For these reasons, I urge the Committee to issue an unfavorable report on HB 997.

Sincerely,

Brian Terwilliger
IBEW Local 410
Assistant Business Manager