

**The Maine Heritage Policy Center
Testimony in Opposition to LD 1639
“An Act To Require Comprehensive Responsible
Contracting Practices for Public Construction
Projects”**

Senator Bellows, Representative Sylvester and distinguished members of the Committee on Labor and Housing, my name is Adam Crepeau and I am a policy analyst at The Maine Heritage Policy Center. Thank you for the opportunity to testify in opposition to LD 1639.

There are many parts of LD 1639 to which The Maine Heritage Policy Center objects. First and foremost, Part C of this bill would encourage public authorities to use project labor agreements (PLA) on large-scale construction projects (>\$10 million). According to Peter Mills, Executive Director of the Maine Turnpike Authority, public authorities can already enter into PLAs.¹ Thus, Part C of this bill adds little to Maine law and is simply symbolic language to benefit labor unions. In addition, PLAs unnecessarily bind contractors and their employees to terms such as set wages, pensions, benefits and other policies typically adhered to by organized labor. This reduces competitiveness in the bidding process by favoring unionized contractors over those that are non-unionized. Contractors should be reviewed on how well they can do the job and at what cost, not by whether they can meet the terms set forth in a PLA.

In addition, this bill requires that the wage and benefits rates established by collective bargaining agreements in private construction are included when configuring the prevailing wage. This would not be a true representation of wages in the state of Maine; wages decided by a collective bargaining agreement tend to be higher than traditional wages.² The Maine Heritage Policy Center is concerned that this provision, in combination with encouraging project labor agreements, would result in taxpayers being stuck with a bill that includes inflated labor and benefits costs. Individuals that are employed on public works projects should not be paid more than the average construction worker in Maine. To be clear, we hold this view because taxpayers are responsible for wages and benefits paid to employees on public works projects. In contrast, CEOs and Boards are responsible for wages and benefits that are paid in the private sector, where the cost would not be harmful to the public.

¹ <http://www.mainelegislature.org/legis/bills/getTestimonyDoc.asp?id=120390>

² <https://www.bls.gov/news.release/pdf/union2.pdf>

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Part A would require contractors to go through a certification process to be awarded a contract. Instead of introducing new requirements on who can work on public works projects, the state of Maine should be focused on who can best do the job. In essence, this bill would create a larger bureaucracy in the Maine Department of Administrative and Financial Services.

For those reasons, The Maine Heritage Policy Center urges the committee to vote, "Ought Not to Pass" on LD 1639. Thank you.