

## **Testimony of May Va Lor**

before the Maryland House of Delegates Economic Matters Committee  
on HB1048: Public Utilities - Investor-Owned Utilities - Prevailing Wage

*March 9, 2020*

Good afternoon Chairman Davis and members of the Committee, my name is May Va Lor. I am a Senior Research Analyst testifying on behalf of the Baltimore Washington Laborers District Council. In my capacity, I work with Laborers' local affiliates, such as the District Council, on utility-related matters. Nationally, the Laborers represent half a million workers who are primarily employed in the construction industry. About one-third of the construction work our members perform is related to energy.

I am here to testify in favor of HB 1048, and offer some perspective of best practices in other states to address labor standards for workers performing utility construction activities. The shift by utilities to contract out more of their capital and maintenance activities is not unique to Maryland. Other states have developed novel ways to ensure that the outsourcing of these vital utility functions does not compromise construction quality, safety and reliability, or existing labor standards for similar work.

For example, in New Jersey, where BGE and Pepco's sister utility, Atlantic City Electric Company, operates, policymakers enacted legislation that 1) requires construction contractors engaged in utility construction work to only employ workers who have successfully completed OSHA-certified safety training for the work performed, and 2) to pay those contracted-out utility employees the prevailing rate for their craft or trade as determined by the Commissioner of Labor. This policy has been in effect now for 12 years (see: N.J.S.A. 34:13B-2.1).

The City of New York requires the payment of prevailing wages to workers on New York City street excavations (see: N.Y.A.D.C. § 19-142). Because utility infrastructure is buried in public streets, this rule assures that construction standards are maintained regardless of whether the project is publicly-financed through a government agency, or privately-financed through another entity like a public utility.

Furthermore, in states like Pennsylvania where municipalities own and operate their own utilities, like Philadelphia Gas and Electric, workers on construction projects are paid prevailing wages. And in fact in Maryland, significant utility infrastructure is already built by workers who are paid prevailing wages. Since 2014, the Washington Suburban Sanitary Commission (WSSC) has required contractors to pay workers prevailing wages on construction projects.

These efforts were simply legislative fixes to close a loophole and ensure labor standards for public infrastructure are consistently applied regardless of the entity procuring the construction activities.

Other states, like Colorado, have also recognized that a procurement model that prioritizes a price per kilowatt hour or price per therm above all other factors is flawed. “Best Value Employment Metrics” are now used by the Colorado Public Utilities Commission to evaluate new resource acquisitions. When utility proposals are brought to the Colorado Commission for review, the Commission considers the availability of training programs, employment of Colorado workers, competitive wages, and benefits offered to workers on those projects.

HB1048 reflects utility labor best practices, and is required to close the loophole in Maryland. I encourage you to vote in favor of the legislation.

Thank you.