

**Testimony in Support of House Bill 1048
Public Utilities - Investor-Owned Utilities - Prevailing Wage
House Economic Matters Committee | March 9, 2020**

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The Chesapeake Climate Action Network (CCAN) Action Fund supports House Bill 1048, legislation to require investor-owned utilities to use contractors and subcontractors that pay employees at least prevailing wage. We thank Del. Charkoudian for sponsoring this legislation to ensure those who do the underground work that we all rely on for electric and gas services are compensated fairly and better able to support their families.

CCAN Action Fund and our grassroots network throughout Maryland is dedicated to achieving a net zero greenhouse gas emissions economy by 2045, as is recommended by the United Nations Intergovernmental Panel on Climate Change (IPCC). To create this future, we must invest in frontline and historically disadvantaged communities, protect workers, and create good-paying union jobs that result in greater wealth and income equality.

The state of Maryland has made a moral and economic decision to require prevailing wages for workers on public works projects. However, there is a loophole for workers brought in for projects under public service utilities. Electric and gas services are public services even if the state provides those services through investor-owned utilities regulated by the Public Service Commission. The underground projects completed by these workers are just as essential to the public good as the projects that currently fall under prevailing wage requirements. They should be given the same protections for basic and fair compensation, regardless of the state's regulatory framework for overseeing the services they help provide.

It is understandable that the Committee needs to balance the economic benefit of utility contractor and subcontractor employees with that of ratepayers. However, as noted in the Department of Legislative Services fiscal note, "the bill is not anticipated to materially affect utility rates." It is also understandable that the Committee needs to ensure a healthy business climate for available contractors and subcontractors on utility projects. But so do the workers at the table in support of this legislation -- they depend on the fiscal health of the employers they work for and would not ask for policy actions that reduce available jobs.

We urge the Committee to give House Bill 1048 a favorable report.

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