



THE SENATE OF MARYLAND  
ANNAPOLIS, MARYLAND 21401

**Testimony in Support of SB337  
Utility Contractors – Employment and License – Requirements and Application**

Madame Chair and Fellow Members of the Senate Finance Committee:

The electricity grid distributes energy from generation sources to homes, businesses, and other end users. The grid is comprised of lines, poles, transformers, circuits, substations, underground and overhead power lines, and more. The reliability and resilience of our grid not only hinges on strong physical infrastructure, but also well-supported human infrastructure.

Last year, the MGA passed the Climate Solutions Now Act. To meet ambitious climate goals, the law provides a framework for historic investments in our electricity distribution grid. The clean energy transition and projected increases in electrification of buildings and the transportation sector cannot happen without significant investments in the electrical grid over the next several decades.

Electrical lineworkers will be the people implementing these crucial improvements, updates, and maintenance projects. This bill will ensure that as we make the necessary investments in the grid, we are also investing in individuals, families, and communities.

This bill supports family sustaining jobs by requiring all electric distribution grid projects:

- Pay the area prevailing wage.
- Offer healthcare and retirement benefits.
- Participate in apprenticeship programs registered with the state or U.S. Department of Labor.
- Develop a plan to recruit and retain state residents, including returning citizens, minority individuals, women, and veterans.
- Comply with federal, state, and local wage and hour laws for the previous three years.

The prevailing wage rate is defined as the average wage paid to similarly employed workers in the same type of employment. In 2021, the MGA passed HB 174, which

required all investor-owned utilities to pay prevailing wages for underground utility work (gas and electric). This bill will establish parity so that all investor-owned utilities pay prevailing wages.

Beyond the immediate financial benefits to working families, requiring prevailing wages has several secondary benefits:

- Decreasing government spending on social safety-net services.<sup>1</sup>
- Stimulating the local economy and increasing state and local tax revenue.<sup>2</sup>
- Reducing occupational injuries and fatalities; lowering future maintenance and repair costs; and increasing the pool of skilled workers.<sup>3</sup>

This bill strengthens Maryland's ability to meet its climate goals, brings parity to the labor market for investor-owned utilities, while doing right for working families and the state's broader economy.

I respectfully request a favorable report on SB337.

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<sup>1</sup> Waites, G.M. (2017). Prevailing Wage Law White Paper Review of Public Policy Research [White Paper]. O'Donoghue & O'Donoghue, LLP.

[http://mediad.publicbroadcasting.net/p/mpbn/files/201810/pw\\_white\\_paper-2017.pdf](http://mediad.publicbroadcasting.net/p/mpbn/files/201810/pw_white_paper-2017.pdf)

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<sup>2</sup> Belman, D. & Voos, P. (1995). Prevailing Wage Laws in Construction: The Costs of Repeal to Wisconsin. The Institute for Wisconsin's Future.

[https://www.researchgate.net/publication/237540504\\_Prevailing\\_Wage\\_Laws\\_in\\_Construction\\_The\\_Costs\\_of\\_Repeal\\_to\\_Wisconsin](https://www.researchgate.net/publication/237540504_Prevailing_Wage_Laws_in_Construction_The_Costs_of_Repeal_to_Wisconsin)

<sup>3</sup> Mahalia, Nooshin. "Prevailing wages and government contracting costs: A review of the research." 3 July 2008. <https://www.epi.org/publication/bp215>