



Monday, March 18, 2024

Chair Frentz & Members of the Senate Energy, Utilities, Environment, and Climate Committee –

On behalf of the Associated Builders and Contractors of Minnesota, a statewide trade association made up of 340 merit shop construction industry members and their 20,000+ employees, we appreciate the opportunity to provide comment on SF 4742. Our local contractor members, and the men and women that they employ, are part of the 75% of workers in the Minnesota construction industry that choose to be merit shop craft professionals. Our members are located throughout Minnesota and build our schools, multi-family housing, retail and commercial spaces, medical facilities, energy, and other critical infrastructure, and much more.

ABC promotes free enterprise and fair and open competition in the construction industry, in which anyone can succeed based on merit. We oppose violence, coercion, intimidation, and the denial of the rights of both employees and management. We also believe that work opportunities should be made available for all people, and that laws should be applied fairly, regardless of labor affiliation. Our members are committed to safety, and participate in partnerships with MNOSHA, industry-leading safety programs, and provide customized, in-house safety programs, craft training, and more. They take pride in their work and, even more so, their safety record for each and every employee.

ABC has concerns with various aspects of SF 4742 which imposes particular requirements on broadband industry installers and underground telecommunications installers. Among other things, this bill allocates certain percentages of border-to-border broadband grant funds to applicants who commit to implementing certain specified workforce practices. We are concerned that some of these requirements will create an allocation system in which certain segments of the industry are favored at the expense of others.

First, we are concerned with the subjectiveness of the requirement in Section 1 that there be “credible evidence of support for the application and the applicant’s workforce needs on the project...from one or more labor, labor-management, or other workforce organizations.” We are concerned that this requirement could be used to favor certain segments of the industry over others. For example, ABC is a trade association that provides our members and their employees with numerous benefits and resources, including skills and safety

training. Will credible evidence from a trade association like ABC be considered sufficient when considering whether an applicants meet the requirements? Are there specific criteria or benchmarks that will be used to specify whether the recommending organization has a sufficient “track record?” In short, we are concerned that, in practice, this will result in a requirement that an applicant receive approval from a trades union or other labor organization before being approved for a grant. While we hope that this is not the case, the current language can be interpreted to require as much.

Second, it is unclear as to why a contractor can opt to either (1) pay prevailing wage or (2) provide 80 hours of skills training annually, employer-paid family health insurance coverage, and employer-paid retirement benefit payments to satisfy the requirements under Section 1. If this bill is about safety and quality of training, it doesn’t make sense that a contractor could opt to pay prevailing wage rather than provide the requisite 80 hours of annual skills training that the bill imposes. The payment of prevailing wage is not synonymous with quality or safety, nor does it guarantee that an employee receives health insurance or retirement benefits. For the purposes of receiving priority for a grant, it appears as though this provision provides a carveout from safety and training requirements for a certain segment of the construction industry, while imposing an additional mandate on the remainder of the industry.

We appreciate the opportunity to submit comments on SF 4742, and we are hopeful that the Committee will take our comments into consideration.

In closing, we recommend a **NO** vote on SF 4742.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jon Boesche', with a stylized, flowing script.

Jon Boesche  
Director of Government & Public Affairs  
Associated Builders and Contractors MN/ND Chapter