



June 23, 2009

The Honorable Susan Tucker, Senate Chairman
The Honorable Kevin Honan, House Chairman
Joint Committee on Housing
State House, Room 38
Boston, MA 02133

Dear Chairman's Tucker, Honan and Members of the Committee:

On behalf of Associated Builders and Contractors' Massachusetts Chapter, I thank you for the opportunity to submit testimony on two pieces of legislation that will be heard before your committee today. Our chapter represents 400 contractors and construction related companies throughout the Commonwealth who believe in the merit shop philosophy of fair and open competition. Our members steadfastly support laws and regulations that set high standards of quality and accountability in the construction industry while at the same time working to ensure that these standards are fair and equitable to both union and open shop contractors alike.

We wish to testify in opposition to two pieces of legislation before you today:

- ***H1216: An Act promoting fair working standards in the production of housing.***
- ***S647: An Act relative to working protection in housing production.***

Both these pieces of legislation are nearly identical in both language and intent. These bills seek to mandate that contractors involved in the building of housing developments of at least 50 units participate in a state approved apprentice training program. While ABC supports construction training through our affiliation with the Gould Construction Institute, we are opposed to the provisions in this legislation that would require contractors working on housing construction to have state-approved apprentice training programs.

The state- approved apprentice training programs registered with the state Division of Apprentice Training (DAT) are not required under current law, and for good reason. Under this provision, there is only one type of apprentice training that is permitted – a program mirrored on those established by large trade unions which mandates union collective bargaining provisions – such as hiring and work ratios – for all contractors.

The problem with this is that many smaller, non-union firms do not have this type of training program, and it is difficult for them to establish one. The construction industry consists of many small,

independent family businesses. The majority of these businesses are open shop, or non-union, and they operate very different from firms that are signatory to large trade unions. They hire, employ and train their workers directly, and do not use the collective labor pool approach of the unions.

These smaller firms may also have difficulty with the union-based hiring and work ratios that are required under DAT programs. These ratios govern the numbers of apprentices to journeymen, and the DAT-imposed ratios are more restrictive than those of some of the state licensing boards. For example, the state Plumbing Board sets a one-to-one apprentice to journeyman ratio, but DAT imposes a one to five ratio for plumbers in western Massachusetts, requiring five journeymen for each apprentice.

Data collected from www.unionstats.com shows that 80 percent of Massachusetts construction workers are not unionized. Yet, according to information from the MA Division of Apprentice Training, some 80 percent of participants in the state-approved apprentice program required under this legislation are union members. These statistics make it clear that the vast majority of the industry does not participate in the type of training program this amendment mandates. Massachusetts should consider what a restriction like this will do to the pool of bidders.

It is also important to note that these programs cover only one aspect of construction training. A majority of the skilled trades in Massachusetts are licensed, meaning that multi-year training is required in order to obtain a license. As previously noted, this training is regulated by licensing boards and typically does not mandate union contract provisions as hiring and jobsite ratios.

By way of example, a plumbing contractor must be licensed in Massachusetts and must license their apprentices with the plumbing board. The plumbing apprentice must complete five years of schooling and practical experience. But plumbing licensing laws do not require a contractor to set up a separate apprenticeship program with DAT, as this legislation does.

We strongly believe that such broad construction industry participation is essential to achieving the bill's primary goal of creating affordable housing. Realistically, Massachusetts cannot expect to bring down the cost of housing if we are going to legislate new requirements that will serve to restrict bidders and drive up construction costs.

Please do not hesitate to contact me further to discuss our positions on either H1216 or S647. Additionally, if we can ever serve as a resource to you or your committee on any legislation that may come before you in the future, please call us at (781) 273-0123.

Sincerely,

Gregory Beeman
President and CEO