

FOR IMMEDIATE RELEASE: June 26, 2023

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## Mills Veto Puts Offshore Wind Industry, Thousand of Jobs And Environmental Progress At Risk

Opposition to Strong Labor Stands Put Governor at Odds with Voters

**AUGUSTA** – Gov. Janet Mills today vetoed critical legislation that would spark the creation of a new offshore wind industry in Maine, putting her position at odds with Legislative Democrats and a broad coalition of labor and environmental organizations.

"We can't build the jobs of tomorrow with yesterday's wages and labor standards. Maine has an opportunity to be a national leader in the development and construction of offshore wind, to protect our fisheries and an opportunity to launch a new industry in the right way," said state Sen. Chip Curry, (D-Waldo). "The governor's veto threatens this new industry, putting good jobs for Maine people and the environmental benefits that go along with offshore wind at risk.

"Maine voters understand the opportunity that we have, and they overwhelmingly support an offshore wind industry that guarantees workers good pay and benefits, protects our environment and host communities, and reduces our dependence on fossil fuels."

The bill, <u>LD 1847</u>, An Act to Modify the Visual Impact Standards for Offshore Wind Port Development and Establish Labor Standards for Wind Power Projects, is an amended version of Legislation proposed by the governor, and includes requirements that any port facilities in Maine that are built to support offshore wind energy include strong labor, community benefit and environmental standards.

The legislation has three major components: It requires offshore wind developers using state port facilities to create high quality jobs and maximize federal port funding opportunities by adopting strong labor standards; requires developers to invest in local workforce development and prioritize the hiring of Maine workers, especially those from impoverishes rural communities; and prioritizes worker safety and the environment by requiring port facilities to seek federal funding for zero-emission equipment, which reduces noise and pollution for workers and nearby communities.

The bill does not address where port facilities should be located, an issue that's being considered by the Maine Department of Transportation and other important local stakeholders. The legislation also puts Maine in a strong position to attract federal funding for port construction.

The governor has also threatened a veto of a second offshore wind bill necessary for the development of this new clean energy industry.

LD 1895. An Act Regarding the Procurement of Energy from Offshore Wind Resources, which has passed initial votes in the Maine House and Senate, would enact the top recommendations from Maine's Offshore Wind Roadmap and creates the framework for offshore wind to begin powering Maine homes and business while also protecting wildlife and fisheries and creating a system of environmental monitoring and mitigation.

- The Gulf of Maine has some of the strongest, most consistent winds in the world, which gives our state an advantage for offshore wind.
- If we act now, Maine can set high environmental, equity and labor standards for responsible development in this emerging industry.
- Building floating turbines and the ports, onshore infrastructure, and supply chains to support them will create thousands of good-paying union jobs and skilled career pathways.

"After years of planning, studying and coalition building, Maine is now on the cusp of building an industry that puts Maine's working families, Maine's environment, and the original stewards of that environment – the tribes in Maine – first. Our workers, our environment and our communities will not be sold out to the lowest bidder," said Jason J. Shedlock, president of the Maine State Building and Construction Trades Council.

The governor says she objects to the offshore wind legislation because they include requirements for project labor agreements. PLAs are project-management tools that have been used by the construction industry for close to a century, and because they are open to all contractors — union and non-union — public sector PLAs provide a fair and open bidding process.

For these reasons the U.S. Supreme Court has affirmed their legality, fairness and appropriateness.

Recent history in Maine shows that a PLA designation does not hinder widespread participation and interest by developers partnering with both union and non-union firms.

For example, according to the Maine State Housing Authority, "Due to great demand and limited funding, [they] were quickly oversubscribed for funding through the 4% Tax Credit Walk-In Funding Program Using Project Labor Agreements," having received requests for over twice the amount of funds allocated by the legislature via LD 1733.

Some of the largest non-union contractors in Maine, along with their subsidiaries, have worked under PLAs in other states. Lastly, the claim that using PLAs in offshore wind would result in "out-of-state workers being bussed up to coastal Maine to build our offshore wind port while Maine workers are sidelined" ignores the fact that there are over 6,000 members of Maine State Building and Construction Trades unions who live in Maine and are ready and able to.

PLAs do not raise costs that would be borne by Maine ratepayers. Empirical comparisons of hundreds of PLA and non-PLA projects consistently show that PLAs projects attract a similar number of bidders and are completed at a similar or lower cost than comparable non-PLA projects. PLAs achieve overall project cost- and time-savings without doing so at the expense of workers by:

- Standardizing work schedules, shifts/hours, holidays, ratios between apprentices and journeyworkers, payment arrangements, and workers comp policies across up to 20 crafts on any given project;
- Preventing delays by standardizing contract expiration dates, guaranteeing no-strikes/no-lockouts, and using expedited dispute resolution procedures;
- Providing immediate and continual access to a pool of highly trained workers, which
  consistently translates into higher productivity, and safer job-sites with fewer delays
  due to lower injury rates; and
- Increasing utilization of Registered Apprentices.

A PLA requirement to LD 1847 will not make Maine less competitive with other states. With the important caveat that LD 1895 actually does *not* require PLAs, the fact that "no other state ... has put into law the mandatory language included in LD 1847 or 1895" ignores the PLAs required by state agencies for port buildouts in New York, Connecticut, Rhode Island and New Jersey.

In fact, every East Coast offshore wind project built, under construction or in advanced permitting and pre-construction has been or will be done under PLAs means that pursuing LD 1847 would put Maine on equal footing — not make it an outlier — with other states as this industry matures.

The fact that developers such as Orsted have voluntarily negotiated a national PLA with the North American Building Trade Unions only underscores the fact that PLAs are increasingly an industry norm, are hardly a show-stopper, and in fact can convey competitive advantages in securing access to a highly trained labor supply.

"A broad coalition of working people and environmental advocates have come together to support the creation of a new industry in Maine that can help us combat climate change, create good jobs and support coastal communities," said Francis Eanes of the Maine Labor Climate Council.

The last two years of federal legislation and policy have created an unprecedented landscape of opportunity for offshore wind port development. Between the Infrastructure Investment and Jobs Act of 2021, the Inflation Reduction Act of 2022, and most recently the Floating Offshore Wind EarthShot Initiative, significant resources are newly available to catalyze the buildout of a purpose-built offshore wind hub in Maine capable of supporting the commercialization of floating offshore wind.

Strong labor standards run throughout these federal opportunities: following from <a href="Executive Order 14008"><u>Executive Order 14008 on Tackling the Climate Crisis at Home and Abroad</u></a>, it is the policy of the Biden Administration to organize a whole-of-government approach to combat the climate crisis by spurring the creation of "well-paying union jobs and economic growth." Interagency <a href="funding implementation guidance">funding implementation guidance</a> from the Department of Labor, and port funding opportunities released so far, prioritize funding applications that commit to <a href="https://high-road labor standards">high-road labor standards</a>— including Project Labor Agreements (PLAs), Labor Peace Agreements (LPAs), and <a href="Community Benefit Agreements">Community Benefit Agreements</a> (CBAs) — which have a proven record for guaranteeing fair wages, meaningful workforce development opportunities, equitable job access opportunities for workers underrepresented in the construction and manufacturing sectors, and offer workers a free and fair chance to join a union.

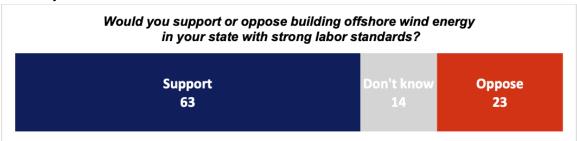
Despite Gov. Mills' support for offshore wind, her election as the co-chair of the bipartisan <u>U.S.</u> <u>Climate Alliance</u>, her speech to the United Nations calling on everyone to do "what it takes to combat climate change," and the inclusion of components – including strong labor and environmental standards – from <u>Maine's Offshore Wind Roadmap</u>, she now opposes legislation supporting these efforts.

Maine voters overwhelmingly support building offshore wind energy in the state with strong labor standards, according to a poll released by Impact Research. The approach has also been endorsed by both the *Bangor Daily News* and the *Portland Press Herald*.

The poll found that Maine voters believe offshore wind energy will improve the economy and support requiring developers to provide living wages and workplace safety protections for the jobs offshore wind will create.

Poll findings include:

By a 40-point margin, nearly two-thirds of Maine voters support building offshore wind energy with strong labor standards (63% support / 23% oppose / 14% don't know). This includes solid net support across all demographic subgroups, including non-college voters (+42) and even across party lines: Democrats (+78), Independents (+28), and Republicans (+11). Overall support in Maine is in line with the 66% of voters who support it across the nine states we surveyed.



Maine voters see workplace safety and living wages as paramount for any jobs created by the offshore wind industry in the state. Maine voters overwhelmingly view workplace safety protections (92%) and living wages and good benefits (84%) as very important requirements for jobs created by the offshore wind industry.

Maine voters believe offshore wind will be good for the economy and jobs— two of their top priorities for lawmakers. By a 16-point margin, they believe building offshore wind energy will be good for the economy (37% good / 21% bad); and by 32 points, they believe it will create jobs (43% create jobs / 11% cost jobs).

Supporting offshore wind with strong labor standards is politically beneficial. By a 27-point margin, voters say they are more likely to vote for candidates who support it (43% more / 16% less), including Independents by a 20-point margin (33% more / 13% less).

About the poll: Impact Research conducted an online and text-to-web survey conducted April 14th to 20th, 2023 among N=3300 registered voters in target offshore wind development states, including N=200 interviews in Maine. The margin of error for the overall results is  $\pm 1.7\%$  and  $\pm 6.9\%$  for results in Maine at the 95% level of confidence.