



Service Worker Prevailing Wage Talking Points

(A.9375 – Camara)

- This legislation seeks to establish a dangerous precedent by requiring utilities to pay a prevailing wage rate to a select group of contractors and subcontractors.
- Expanding the state’s prevailing wage mandates to electric and gas utility contractors and subcontractors will increase customers’ utility costs. Higher energy costs pose challenges not only to low-income ratepayers, but also to local governments and school districts who are some of the largest energy consumers in the state.
- The office maintenance workers who would benefit from this bill are not utility union workers, but contractors that utilities use to keep costs down and rates lower. These workers are not responsible for ensuring the safe and reliable operation of the electric and gas distribution system.
- This legislation also imposes expensive and unnecessary administrative monitoring and compliance burdens on the state’s local governments that must operate under the state’s newly enacted real property tax cap.
- Small and minority-owned businesses will likely suffer the most if this legislation is enacted. These companies are often able to compete with larger competitors by submitting more cost-effective service bids. However, new wage mandates imposed by this bill could threaten the cost advantage that these smaller, community-based contractors might need to remain competitive.
- If this bill were to pass, the proponents will undoubtedly push for the same wage mandates to be imposed on other private industries – which will stifle economic development and hamper the state’s economic recovery.
- Similar legislation was vetoed in 2010 by then-Governor Paterson who argued that it would increase utility costs as the state was struggling to recover from a lingering recession.
- Mayor Bloomberg recently vetoed similar prevailing wage legislation passed by the City Council arguing that such wage mandates would make it “harder and more costly for businesses to start, harder and more costly for businesses to stay, and harder and more costly for businesses to thrive” in New York.