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December 4, 2018

**STATEMENT OF ASSOCIATED INDUSTRIES OF MASSACHUSETTS (AIM)
SUBMITTED TO SENATE CHAIR MICHAEL J. BARRETT, HOUSE CHAIR
THOMAS A. GOLDEN, JR AND MEMBERS OF THE JOINT COMMITTEE ON
TELECOMMUNICATIONS, UTILITIES AND ENERGY IN OPPOSITION TO BILL
NUMBER H.4960 *AN ACT RELATIVE TO THE EMPLOYMENT OF CERTAIN
WORKERS BY NATIONAL GRID***

This testimony is submitted by John R. Regan, Executive Vice President for Government Affairs at Associated Industries of Massachusetts (AIM).

On behalf of our membership which represents every sector of the Massachusetts economy we wish to express our opposition to H. 4960 - *An Act Relative to the Employment of Certain Workers by National Grid*

AIM's mission is to promote the prosperity of the Commonwealth of Massachusetts by improving the economic climate, proactively advocating fair and equitable public policy, and providing relevant, reliable information and excellent services on behalf the thousands of members throughout the state. This legislation would hinder these shared goals, which are to create jobs and create a more positive business climate for Massachusetts.

H. 4960 was filed in response to a work action by the United Steelworkers Locals 12003 and 12012 employed by National Grid.

The bill would, during the period of the work action, prohibit National Grid from:

- receiving public funds for the upgrade, repair, installation or maintenance of its gas distribution system
- applying for funds to assist in paying the costs of gate box maintenance and improvements, or
- receiving from the Massachusetts Department of Public Utilities any increase in its rates for consumer gas or electric distribution.

The bill would also require National Grid to continue to provide health insurance under its expired collective bargaining agreements with Steelworkers Locals 12003 and 12012-04.

AIM opposes this legislation as it represents a troubling – and perhaps unconstitutional – foray by Beacon Hill into a private-sector labor dispute.

National Grid, which provides natural-gas service to 116 Massachusetts communities, has 85 communities impacted by a lockout of 1,250 workers after the Steelworkers rejected a five-year contract offer that will boost the current average employee salary, including overtime, from \$120,000 a year to \$137,000.

The offer also includes a 10 percent increase in the pension plan for current employees, while new employees would be assigned to a completely company-funded defined contribution plan with a 3 to 9 percent company match, in addition to a regular 401 (k) with a company match. The company's health insurance proposal would also introduce modest deductibles and coinsurance, which the unions currently do not pay.

Intervention in a private labor dispute is beyond the scope of the Massachusetts Legislature and sets a dangerous precedent for the ability of government to take sides in negotiations between companies and their workers. If lawmakers interject themselves in this labor action, what would prevent others from seeking Legislative involvement in disputes concerning manufacturing, service or technology companies across the commonwealth?

The bill would tread upon and regulate a sphere of private sector collective bargaining that is intended to be unregulated by the U.S. Congress. As such, the legislation is pre-empted by the National Labor Relations Act. Strikes and lockouts are both federally protected actions.

The federal courts have a long history of pre-empting local and state efforts to shape labor disputes. In 1986, for example, the U.S. Supreme Court pre-empted the Los Angeles City Council's bid to condition renewal of a taxi license on the resolution of a labor dispute.

The proposal could also violate the United States Constitution because, in targeting National Grid and only National Grid, it constitutes a Bill of Attainder proscribed by Article 1 of the Constitution.

No one likes labor disputes and AIM joins others in hoping that interested parties can find common ground soon. That hope should not, however, lead elected officials down the road of political expediency.

We urge you to not act favorably on H. 4960 - *An Act Relative to the Employment of Certain Workers by National Grid*

As always, I am available to answer any questions you may have.