



June 24, 2026

To: Members of the Alaska State Legislature

Re: HB 381 – Ensuring Maximum Benefit to Alaskans in Project Labor Agreement Policy

Dear Members of the Alaska State Legislature:

On behalf of the Associated Builders and Contractors (ABC), thank you for the opportunity to provide input regarding HB 381 and the Senate amendment addressing project labor agreements (PLAs).

About ABC and Our Commitment to Open Competition

Associated Builders and Contractors is an Alaska construction industry trade association representing merit shop contractors, subcontractors, and construction professionals. ABC supports open competition and fair access to work for all qualified contractors and workers—union and non-union alike. We believe major projects should be structured to maximize participation and deliver the best possible outcomes for Alaska. ABC also operates the largest apprenticeship program in the state, with approximately 550 apprentices currently enrolled.

Support for Resource Development and Alaska LNG

ABC strongly supports responsible resource development and recognizes the importance of the Alaska LNG project as a generational opportunity for job creation, economic growth, and long-term energy security. We fully support keeping the work associated with this project in Alaska to the greatest extent possible so that Alaskan workers and businesses are the primary beneficiaries. At the same time, we recognize that the scale and timing of this project may require supplemental workforce from outside Alaska. Any such workforce strategy should still prioritize Alaska hire first and ensure that resident workers have full and fair access to opportunities created by the project.

Constitutional Requirement for Maximum Benefit

The Alaska Constitution provides clear direction to policymakers. Article VIII, Section 1 requires that resources be developed for “maximum use consistent with the public interest,” and Section 2 requires development for the “maximum benefit of its people.” This establishes a binding framework requiring that all Alaskans—union and non-union alike—are able to participate in and benefit from resource development. Policies that limit participation to only a portion of the workforce run counter to this obligation.

Alaska Workforce Reality

Approximately 75 percent of Alaska’s construction workforce is non-union, representing the majority of the state’s labor force and contractor base. Any policy that restricts participation to union-only structures risks excluding most Alaska workers and most Alaska construction firms, undermining the goal of broad economic benefit.

Constructive Engagement with Industry

ABC has had productive conversations with Glenfarne and appreciates their willingness to explore approaches that ensure meaningful participation by Alaska companies and workers. These types of private-sector discussions are the appropriate way to shape project outcomes rather than rigid statutory mandates.

Avoiding State-Mandated PLA Terms

Project labor agreements are, by definition, project-specific labor-management agreements and should remain the product of private negotiation. Government-mandated PLAs can reduce competition by imposing requirements that may not align with the structure of many Alaska contractors, including changes in hiring practices, union recognition requirements, and contributions to benefit systems that may not serve their employees.

If PLAs Are Required – Safeguards Are Essential

If the Legislature chooses to require or dictate PLA provisions, it is critical to include safeguards to ensure maximum Alaska hire and inclusive participation. While some PLAs allow non-union contractors to bid, they often include provisions—such as hiring hall requirements, benefit contributions, or temporary union affiliation—that create practical barriers to participation and effectively limit access for non-union contractors and workers.

Recommended Amendments

To align with constitutional requirements and ensure real-world inclusivity, ABC recommends the following:

- 1. Alaska Resident Priority Dispatch**

Ensure qualified Alaska residents receive first priority in hiring and dispatch regardless of union status or seniority. This guarantees that jobs created by the project go first to Alaskans.

- 2. Fair PLA / Open Participation**

Ensure that all qualified contractors can participate without being required to sign collective bargaining agreements, recognize union representation, or hire exclusively through union hiring systems. Contractors should be able to use their existing Alaska workforce.

Conclusion

The Alaska LNG project must be structured to deliver the maximum benefit to the people of Alaska. This means maximizing Alaska hire, ensuring full participation by Alaska companies, and maintaining open access for the entire construction workforce. Keeping as much work as possible in Alaska—while thoughtfully supplementing workforce needs when necessary—will best achieve these goals.

ABC respectfully urges the Legislature to either allow PLAs to remain privately negotiated or, if mandates are imposed, to adopt the recommended amendments to ensure inclusive participation and true maximum benefit.

ABC stands ready to work with you to achieve a policy outcome that benefits all Alaskans.

Sincerely,



Alicia J. Maltby, MBA

President & CEO

Appendix: Conceptual Amendment Language

1. Alaska Resident Priority Dispatch

- 1 Sec. __. AS __. __ is amended by adding:
- 2
- 3 (d) Notwithstanding any provision of a project labor agreement, any labor organization
operating a hiring hall or dispatch system shall give first priority in referrals to qualified Alaska
residents.
- 4
- 5 (e) This requirement applies regardless of union seniority or membership status.
- 6
- 7 (f) "Alaska resident" has the meaning given in AS 01.10.055.

2. Fair PLA / Open Participation

- 1 Sec. __. AS __. __ is amended by adding:
- 2
- 3 (d) A project labor agreement must permit any qualified contractor to perform work without
being required to:
- 4 (1) become a signatory to a collective bargaining agreement;
- 5 (2) recognize a labor organization as the representative of its employees; or
- 6 (3) hire employees exclusively through a union hiring hall.
- 7

8 (e) Contractors may utilize their existing workforce and retain their employment practices consistent with law.

9

10 (f) A project labor agreement that does not comply with this section may not be required.