



ASSOCIATED GENERAL CONTRACTORS of ALASKA

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To: Co-Chairs Ashley Carrick and Ted Eischeid, and Members of the House
Transportation Committee
Date: April 29, 2025
Re: AGC Opposition to HB 186

On behalf of the Associated General Contractors of Alaska (AGC), I'm writing to oppose HB 186, which would require 15% apprentice utilization on public construction projects greater than \$2.5 Million. While AGC strongly supports apprenticeship programs as a means to develop skilled construction workers, AGC does not believe this mandate will strengthen and/or solidify Alaska's construction workforce.

Alaska contractors and unions have partnered for decades to develop apprenticeship programs and utilize apprentices on construction jobsites to provide a sustainable skilled workforce, ready to meet current market demand. Market supply and demand, in addition to the basic business decision of placing the right resources in the right place at the right time, dictates success in our marketplace.

Contractors are highly incentivized to utilize apprentices whenever possible, as the hourly rate of an apprentice is less than a journeyman, and using apprentices ensures continued development of a trained and available workforce. Contractors are ultimately the most qualified to decide when and where it is appropriate and safe to employ apprentices, and are already using apprentices "when practicable", balancing labor needs, safety, the bottom line and workforce management.

Additionally, since most federal projects and all collective bargaining agreements have apprenticeship utilization requirements, the requirements being mandated in this proposed legislation are duplicative and undermine all current collective bargaining agreements.

HB 186 applies a one-size-fits-all approach to projects and does not account for project type, scope, subcontracting, or location. This blanket approach could increase construction costs, delay project timelines, and create staffing challenges, especially on complex projects or remote jobs where apprentices may not be available. Project safety will be compromised if best management practices are overridden by a mandate to replace experienced crews with apprentices in roles where precision is critical, just to meet a metric. HB 186 does not allow any flexibility for such management decisions.

As an unintended consequence, the contracting state agency may experience higher project costs and scheduling issues, particularly in areas where apprenticeship programs are not accessible.

Given the already complex landscape of labor and construction requirements in Alaska, it's unclear why the State would pursue an aspirational mandate without clear evidence of need. We appreciate the opportunity to provide feedback on this proposed legislation and look forward to continued dialogue on effective ways we can continue to keep building Alaska and our construction workforce.

A handwritten signature in blue ink, appearing to read "Alicia Amberg". The signature is fluid and cursive, with the first name "Alicia" and last name "Amberg" clearly distinguishable.

Alicia Amberg
Executive Director, Associated General Contractors of Alaska