

ASSOCIATED BUILDERS & CONTRACTORS TESTIMONY

Before the House Professional Licensure Committee on House Bill 1357

February 11, 2016

Good morning Chairman Harhart, Chairman Readshaw, and other members of the House Professional Licensure Committee. My name is Will Seilhamer and I am the President and CEO of the Cumberland Valley chapter of the Associated Builders & Contractors (ABC), based out of Hagerstown, Maryland. We have members throughout West Virginia, Maryland, and Pennsylvania. In addition to my current role with ABC, I previously worked as a licensed plumber for more than 40 years, holding a master license in Maryland, West Virginia, and Virginia. I appreciate the opportunity to speak with you today about House Bill 1357.

The Associated Builders & Contractors is a national construction industry trade association representing nearly 21,000 chapter members. Founded on the merit shop philosophy, ABC and its 70 chapters help members develop people, win work and deliver that work safely, ethically, profitably and for the betterment of the communities in which ABC and its members work. ABC's membership represents all specialties within the U.S. construction industry and is comprised primarily of firms that perform work in the industrial and commercial sectors. Within Pennsylvania, ABC currently represents roughly 1,500 member companies across five chapter regions.

The issue of a state plumbing licensure structure is one that is of particular interest to our members, since a large majority of them are either engaged in the plumbing industry themselves, or are general contractors who routinely utilize the services of plumbing professionals. Because of this strong connection to the trade and our association's commitment to excellence across the skilled trades in general, I want to make it very clear that ABC is open to and supportive of a responsible, equitable, statewide licensing structure for the plumbing industry. Not only would statewide licensing improve the protection of consumers by establishing a minimum standard for industry practices, but it would also

expand the growth potential for our skilled trades, who could potentially operate under similar standards throughout the entirety of northeast America.

While ABC is committed to a successful statewide licensing structure for the plumbing industry, we feel that House Bill 1357 does not achieve this goal in an equitable and attainable way. The Uniform Construction Code (UCC), which utilizes template codes derived from the International Code Council (ICC), provides minimum safeguards for people at home, at school, and in the workplace. These codes serve as a set of comprehensive, coordinated building safety and fire prevention standards that benefit overall public safety and support the construction industry's need for standards without regional limitations. In effect, the UCC governs Pennsylvania's construction industry by ensuring a minimum level of safety inherent in an end product. The goal of a statewide licensure bill would ostensibly be similar – to ensure a minimum level of safety inherent in the construction processes themselves. HB 1357, however, only ensures a minimum standard for professionals who choose to label themselves as “licensed plumbing contractors.” Because this bill focuses solely on regulating the usage of a title rather than the overall practice, ABC is concerned about two major loopholes that would weaken the integrity and intent of this bill. First, this bill would do nothing to ensure a minimum standard for the work performed by professionals who opt not to label themselves as “licensed plumbing contractors.” With myriad alternatives to choose from, such as “home improvement contractor” or “general contractor,” plumbing professionals who specialize or perform solely in plumbing work could easily skirt the standards set forth for “licensed plumbing contractors.” Secondly, HB 1357 does not require Pennsylvania's local governments to recognize the term “licensed plumbing contractor” as an acknowledgement of an industry standard. Because of this omission, plumbing professionals in a large majority of municipalities across the Commonwealth could continue to perform work without adhering to the standards set forth for “licensed plumbing contractors” in House Bill 1357. These loopholes would not only weaken the intent of the bill, but would also erode any sense of consumer protection that the bill may otherwise provide.

Additionally, a number of local governments across Pennsylvania already have licensing structures in place, such as the City of Harrisburg, the City of Lancaster, Allegheny County, and the City of Philadelphia. Each licensing structure carries a different set of requirements for the applicant, ranging from a nominal fee all the way to a complex competency testing mechanism. Under HB 1357, individual municipal structures would be mostly eliminated; however local governments would still be permitted to charge businesses and professionals a fee on top of the fees that would already be required from the Commonwealth. This, in effect, would impose increased fees on an aging industry, rather than reducing the economic burden.

While it is systemic of the issues created by the Pennsylvania Construction Code Act, HB 1357 would also allow additional restrictions within the City of Philadelphia and Allegheny County, where plumbing services are tied to customized standards for those municipalities. Not only does this concern erode the nature of a statewide licensing structure, but it also creates a sharp divide for industry professionals who practice within those municipalities. Plumbing professionals within those municipalities face a far greater burden than professionals in neighboring municipalities just a few miles away.

House Bill 1357 creates other economic burdens on the industry statewide by requiring fees of unspecified amounts on virtually any individual who performs plumbing activities. While a licensing fee on established professionals would be dedicated to enforcement efforts, it is particularly troubling that the bill assesses a fee on apprentice plumbers. Apprentices, by their very nature, are beginners in a trade who have no technical knowledge and very little experience in the industry. On a practical level, apprentices are generally younger adults seeking a career in skilled trades after high school, or older adults seeking to “restart” their careers after spinning in a dead-end job. In both cases, charging an additional fee to learn the trade, particularly when plumbing professionals are in exceptionally high demand, would not only

discourage individuals from entering into the industry, but would retard the growth of a skilled trade. Any restriction on the growth of an industry is of concern, but nationally, skilled trades are generally regarded as inching toward a massive workforce gap. Currently, the average age of an employee in the workforce is 42 years old. The average age of a plumbing professional, on the other hand, is 57 years old – a more than 35% increase and only 8 years away from the full retirement age. As groups like ABC work to encourage a new generation to enter into skilled trades like plumbing, assessing a hefty, additional fee would only cripple those efforts.

One of the major benefits for ABC members, particularly in border areas, is the reciprocity provision that would allow Pennsylvania's licensed plumbing contractors to perform services in other states without additional restrictions. While this section is one that would provide an enormous economic benefit to many of Pennsylvania's plumbers, we are concerned that the end result could not match up with the promise of the bill. Neighboring states generally have allowed reciprocity with Pennsylvania in instances where both states have ensured similar standards and where Pennsylvania has also allowed reciprocity. In this case, HB 1357 does not identify the standards a licensing plumbing contractor must meet, so it is impossible to guarantee reciprocity based on a standard that has yet to exist. This means that a plumbing professional who advocates for reciprocity must not only hope that the proposed State Board of Plumbing Contractors establishes a sufficient standard that approximates that of neighboring states, but also that those neighboring states accept the standard. This uncertainty does not solidify reciprocity and is of concern, since it cannot assure plumbing professionals the ability to cross state lines without additional restriction.

Finally, the main focus of this bill is the standardization of plumbing services and the regulation of performing professionals. However, the bill makes no mention of the very definition of plumbing services. This oversight allows for a vast discrepancy in interpretation, making it unclear who would and would not be subject to the term “licensed plumbing contractor.” While propane gas systems have an exemption in Section 507, it is not unreasonable to assume that activities ranging from simple home faucet repair to water heater installation to wastewater treatment plant operation could be subject to regulation under this bill. We feel that it is essential to clarify the scope of activities under House Bill 1357.

Again, I would like to thank you for the opportunity to testify on House Bill 1357 and the concerns of ABC regarding statewide plumbing licensure. We are committed to working with any party to find constructive ways to ensure consumer protection and establishing a responsible, equitable statewide licensing structure. I would be happy to take any questions you might have.