

March 8, 2023

Dear House Labor Committee:

In the last decade, Michigan has been successful in growing new companies, expanding current companies, attracting companies from around the country, and onshoring from around the world. Maintaining Michigan's competitive business climate, including right-to-work and prevailing wage makes it easier for site selectors to keep Michigan at the top of the list. Therefore, the Detroit Regional Chamber strongly encourages members to vote no on HB 4004, 4005, and 4007.

Competitiveness is driven by considerations, such as cost, regulatory environment, access to talent and infrastructure, and consistency. Oftentimes, states that with less competitive policies in place lose out on growth opportunities for development projects. If Michigan repeals right-to-work and reverses course on prevailing wage, it will take more costly incentives to ensure such opportunities, more upfront cash, deeper utility company discounts, and longer tax abatements to get past the first round of site selection. This will continue the state's key competitive *disadvantage*: inconsistency. With every new governor and legislature, there seems to always be a new approach to economic development that sometimes drastically changes what it is like to do business in the state. Michigan needs every advantage it can secure in this race for the future and needs to keep the current advantages businesses already know that we have.

The fact that Michigan is so much better positioned than a decade or two ago is not by accident. A growing economy is critical to a growing population and job growth opportunities in the 21st century global economy. Attracting these new jobs pits Michigan against not just our domestic counterparts, but our international ones as well.

Regardless of how any citizen, elected official, or organization feels about the matter of right-to-work and prevailing wage, it is a notable detriment to attracting new companies and jobs to Michigan. It's a critical qualifier — or disqualifier — for firms looking to expand their manufacturing, research and development, or corporate footprint.

Sincerely,



Sandy K. Baruah
President and Chief Executive Officer