

Testimony of Eric W. Gjede  
Assistant Counsel, CBIA  
Before the Commerce Committee  
Hartford, CT  
March 19, 2013

**Testifying in Opposition to SB-1133**  
**An Act Concerning Preferences For Connecticut Companies In State and Municipal Contracting**

Good Afternoon Senator LeBeau, Representative Perone, and members of the Commerce Committee. My name is Eric Gjede and I am assistant counsel at the Connecticut Business and Industry Association (CBIA) which represents more than 10,000 large and small companies throughout the state of Connecticut.

While CBIA understands the committee's desire to help Connecticut businesses attain more state contracts, the policy of providing a preference to in-state businesses, as contemplated in SB-1133, raises a number of concerns:

1. **Tax Payer Money**: One of the central tenants of state contract bidding is that it is a process designed to achieve the best price for the best work. A preference for in-state contractors, even as minute as the one contemplated in this bill would put a central goal of the bidding process into question.
2. **Retaliation**: A significant concern with establishing an in-state preference is that other states will do the same for contractors in their states. While a few businesses may benefit from an in-state preference, many Connecticut businesses bidding on contracts in our neighboring states would now be at a competitive disadvantage.
3. **Existing Preference Laws**: Currently, Connecticut operates with a number of laws that establish preference for specific groups. To name a few: building construction architects/engineering services, UConn Construction, Project Labor Agreements and set-aside programs for small and minority owned business. Creating further preferential treatment may not be prudent.

CBIA understands the predominant argument to providing in-state contracting preferences is that it likely leads to the employment of Connecticut residents. However, the competing policies outlined above must also be weighed carefully. CBIA would suggest that an easier way to make businesses in the state more competitive would be to reduce their tax burden, ease regulatory restrictions, and avoid adding employee benefits that increase the costs of hiring more employees.

We urge the committee to take no action on SB-1133.