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## **Letter of Opposition to Rules and Regulations A-3666/S-3071**

June 30, 2019

Mr. David Fish  
Executive Director  
Legal and Regulatory Services  
New Jersey Department of Labor and Workforce Development  
P.O. Box 110 – 13<sup>th</sup> Floor  
Trenton, NJ 08625-0110

**RE: OPPOSITION TO PUBLIC WORKS CONTRACTOR REGISTRATION – AMENDMENTS N.J.A.C. 12:62 – 1.2 AND 2.1**

Dear Mr. Fish:

As President of the Automatic Fire Alarm Association of New Jersey (AFAANJ), which represents over 50 Companies that perform Fire Alarm work in NJ and as a Member of the Board of Directors of the parent organization the Automatic Fire Alarm Association (AFAA), which represents over 1,000 Individual members companies, I would like to voice our **strong opposition** to the new Public Works Contractor Registration proposed rules/regulations. These proposed rules/regulations, while stemming from the passage of A-3666/S-3071, go far beyond the newly-enacted law requiring participation in a US DOL-registered apprenticeship program for registration as a Public Works Contractor. Specifically, while the law itself and the new apprenticeship program participation requirements put an onerous burden on small businesses that perform public work in New Jersey, these proposed rules / regulations virtually make it impossible for small businesses to continue to register for a Public Works Contractor Registration Certificate.

Importantly, the new requirement for companies to participate in an “ERISA-covered apprenticeship training program trust fund,” which is not mentioned in the law, is overly cumbersome for small businesses and belies the fact that many small businesses that already engage in public works have various retirement plans in place for employees, including 401(k) plans and the like. Since many small businesses that register to perform public work as a Public Works Contractor do not exclusively perform public work, the burden on parsing which hours and which days were spent performing public work vs. private sector work would be overwhelming. Moreover, as the law requires participation in a US DOL-



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registered apprenticeship program, what is gained by the added requirement for the participation in an “ERISA-covered apprenticeship training program trust fund?” The consequence of this additional requirement will be to eliminate a great many small businesses from the ability to register for a Public Works Contractor Registration Certificate.

The overall effect of this new law, combined with these proposed rules/regulations, would be to disenfranchise thousands of small businesses and their employees throughout the state, by barring them from engaging in public work. This would lead to all public work costing the state and local municipalities even more, which consequently, will cost the taxpayers of New Jersey even more for all public work.

Furthermore, the proposed regulation that “every registered apprenticeship program must have at least one registered apprentice” puts an unfair burden on many small businesses that only have a few employees to begin with. If these small companies already have personnel who have completed apprenticeship training, without the need to hire any more employees, how could they possibly meet this requirement? If a small business sought participation in a US DOL-registered apprenticeship program with a few other similarly-sized small companies, when all of their employees finish such training, without the need for new employees, they could not comply with this requirement. Again, the unintended targets of this burdensome regulation would be small businesses. They would be hurt and discouraged the most by this.

In closing, these proposed rules / regulations will be very harmful to New Jersey’s small businesses and the many thousands of people that they employ. The net effect of these proposed rules/regulations will be to block small businesses from being able to register for a Public Works Contractor Registration Certificate, while hiking the prices for Public Works work. Public money will be sent to large corporations, some of which will undoubtedly be located out of state. In the end, the taxpayers of New Jersey will have to pay for these new rules/regulations, even those taxpayers who will be hurt the most when their small businesses will no longer be able to perform public work in the state.

I sincerely urge you to reconsider adoption of these proposed rules/regulations.

Respectfully yours,

*Jim Loftus*

Jim Loftus

President AFAANJ