



Coletta Contracting Company Inc.

March 5, 2026

The Honorable Arthur J. Corvese
Chairman, House Labor Committee
Rhode Island State House
82 Smith Street
Providence, RI 02903

RE: Opposition to H7440 – AN ACT RELATING TO LABOR AND LABOR RELATIONS – EMPLOYMENT SECURITY – BENEFITS

Dear Chairman Corvese and Honorable Members of the Committee:

My name is Justin J. Coletta, and I am Vice-President of Coletta Contracting Company Inc., a Massachusetts-based company that performs work throughout the region, including in the State of Rhode Island. I am also a Rhode Island resident. I am submitting this testimony in strong opposition to H7440, which would grant unemployment insurance benefits to workers who choose to strike or who are locked out during a labor dispute.

While our company is headquartered in Massachusetts, Rhode Island is an important part of the regional economy in which we operate. Policy changes that increase the cost or complexity of doing business in Rhode Island directly affect companies like ours that work across state lines, employ Rhode Island residents, and contribute to the state's construction and economic development.

Increased Costs and Strain on the UI System

Rhode Island's Unemployment Insurance Trust Fund is inherently cyclical and vulnerable during economic downturns. It is also important to note that Rhode Island's UI Trust Fund remains under-resourced by federal solvency standards and lacks sufficient reserves to withstand a significant recession without triggering higher employer taxes or potential borrowing by the state.

Adding a new category of claimants—individuals who voluntarily withhold their labor by participating in a strike—would fundamentally alter the purpose of the system and accelerate the depletion of resources intended for workers who lose employment through no fault of their own.

If enacted, H7440 would likely lead to higher unemployment insurance tax rates for employers operating in Rhode Island, making it more expensive for regional companies like ours to continue investing and performing work in the state.

Disrupting the Balance of Labor Negotiations



Coletta Contracting Company Inc.

Providing unemployment benefits during a strike would significantly change the dynamics of labor negotiations by reducing the financial consequences associated with work stoppages.

This policy change could incentivize longer and more frequent strikes, resulting in:

- Delays in construction projects
- Disruptions to supply chains and project timelines
- Increased operational and contingency costs
- Reduced productivity across job sites

For companies working on projects in Rhode Island, these disruptions can affect project delivery schedules, budgets, and the overall stability of the construction marketplace.

Competitive Disadvantage for Rhode Island

If adopted, Rhode Island would become only the third state in the nation—and the first on the East Coast—to allow unemployment benefits for striking workers. This would create a significant competitive disadvantage compared to neighboring states and could discourage regional companies from expanding or investing in projects within Rhode Island.

For businesses operating across state lines, policy differences that increase risk and cost inevitably influence where companies choose to focus their resources and future investments.

Conclusion

H7440 represents a significant shift in unemployment insurance policy that would:

- Increase costs for employers operating in Rhode Island
- Further strain an already vulnerable UI Trust Fund
- Incentivize longer and more frequent strikes
- Make Rhode Island less competitive for regional businesses

For these reasons, I respectfully urge the Committee to reject H7440.

Thank you for your time and consideration.

Sincerely,

Justin J. Coletta
Owner/Vice President
Coletta Contracting Company Inc.